



Financial Statements

(Unaudited - see Notice to Reader)

Tikva Housing Society

August 31, 2019

Contents

	Page
Notice to Reader	1
Statement of Operations and Changes in Net Assets	2
Statement of Financial Position	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 6
Schedule of Expenses	7

Notice to Reader

Grant Thornton LLP

Airport Square
410 - 1200 West 73rd Avenue
Vancouver, BC
V6P 6G5

T +1 604 435 5655
F +1 604 435 1913
www.GrantThornton.ca

On the basis of information provided by the organization, we have compiled the statement of financial position of Tikva Housing Society as at August 31, 2019 and the statements of operations and changes in net assets and cash flows for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Vancouver, Canada
December 3, 2019

Grant Thornton LLP

Chartered Professional Accountants

Tikva Housing Society

Statement of Operations and Changes in Net Assets

(Unaudited - see Notice to Reader)

Year ended August 31 (With comparative figures for 2018)	2019	2018
Revenues		
Rent	\$ 233,664	\$ 214,450
Other items	20,435	59,438
Interest income	1,281	1,207
Membership fee revenue	430	393
Grants (contributed support)	77,600	78,320
Donations	172,719	169,455
Rent subsidy - non repayable	<u>-</u>	<u>44,859</u>
	<u>506,129</u>	<u>568,122</u>
Expenses		
Administration expenses (Schedule 1)	120,632	119,862
Building operating expenses (Schedule 1)	175,203	195,074
Financing expenses (Schedule 1)	13,679	14,139
Fundraising expenses (Schedule 1)	3,026	482
Rent subsidy (Schedule 1)	107,493	168,916
Amortization	<u>39,984</u>	<u>38,978</u>
	<u>460,017</u>	<u>537,451</u>
Excess of revenues over expenses	<u>46,112</u>	<u>30,671</u>
Debt forgiveness (Note 4)	51,000	-
Capital donations	-	425,000
Vacancy Loss	<u>(705)</u>	<u>-</u>
	<u>50,295</u>	<u>425,000</u>
Excess of revenues over expenses	96,407	455,671
Net assets, beginning of year	<u>2,301,273</u>	<u>1,845,602</u>
Net assets, end of year	<u>\$ 2,397,680</u>	<u>\$ 2,301,273</u>

Tikva Housing Society

Statement of Financial Position

(Unaudited - see Notice to Reader)

August 31 (With comparative figures for 2018)

	2019	2018
Assets		
Current		
Cash		
- General	\$ 140,609	\$ 163,315
- Capital projects fund	1	1
- Replacement reserve fund	36,356	25,741
Term deposits (Capital projects fund)	26,502	25,895
Accounts receivable	68,986	345
Interest receivable	354	414
GST/HST refundable	7,988	8,881
Prepaid expenses	7,293	6,067
	<u>288,089</u>	230,659
Long-term		
Property, plant and equipment (Note 2)	<u>3,235,629</u>	<u>3,269,612</u>
	<u>\$ 3,523,718</u>	<u>\$ 3,500,271</u>
Liabilities		
Current		
Accounts payable	\$ 10,111	\$ 9,696
Deposits payable	13,121	10,067
Deferred revenue	14,364	18,964
Current portion of mortgages loan payable (Note 3)	<u>21,595</u>	<u>20,878</u>
	<u>59,191</u>	59,605
Long-term		
MCAP Mortgage (Note 3)	<u>352,847</u>	374,393
BC Housing Loan - deferred income (Note 4)	<u>714,000</u>	<u>765,000</u>
	<u>1,066,847</u>	1,139,393
	1,126,038	1,198,998
Net assets (Note 5)	<u>2,397,680</u>	<u>2,301,273</u>
	<u>\$ 3,523,718</u>	<u>\$ 3,500,271</u>

On behalf of the board

_____ Director

_____ Director

Tikva Housing Society

Statement of Cash Flows

(Unaudited - see Notice to Reader)

Year ended August 31 (With comparative figures for 2018)

	2019	2018
Increase (decrease) in cash		
Operating		
Excess of revenues over expenses	\$ 96,407	\$ 455,671
Item not affecting cash		
Amortization	<u>39,985</u>	<u>38,978</u>
	136,392	494,649
Change in non-cash working capital items		
Accounts receivable	(68,641)	(345)
Interest receivable	60	661
GST/HST refundable	893	(7,962)
Prepaid expenses	(1,226)	1,705
Accounts payable	415	(4,451)
Deposits payable	3,055	6,126
Deferred revenue	<u>(4,600)</u>	<u>8,680</u>
	<u>66,348</u>	<u>499,063</u>
Financing		
Mortgage principal repayments	(20,829)	(20,185)
Debt forgiveness - BC Housing loan	<u>(51,000)</u>	<u>-</u>
	<u>(71,829)</u>	<u>(20,185)</u>
Investing		
Purchase of property, plant and equipment	(6,003)	(1,588,131)
Purchase deposits	-	625,000
Purchase of term deposits	<u>(607)</u>	<u>39,568</u>
	<u>(6,610)</u>	<u>(923,563)</u>
Decrease in cash	(12,091)	(444,685)
Cash		
Beginning of year	<u>189,057</u>	<u>633,742</u>
End of year	<u>\$ 176,966</u>	<u>\$ 189,057</u>
Cash consists of:		
- General	\$ 140,609	\$ 163,315
- Capital projects fund	1	1
- Replacement reserve fund	<u>36,356</u>	<u>25,741</u>
	<u>\$ 176,966</u>	<u>\$ 189,057</u>

Tikva Housing Society

Notes to the Financial Statements

(Unaudited - see Notice to Reader)
August 31, 2019 (With comparative figures for 2018)

1. Nature of operations

Tikva Housing Society is a not-for-profit society which provides access to affordable housing primarily to low and moderate income Jewish households in Metro Vancouver. Working with partner agencies such as Jewish Federation of Greater Vancouver ("JFGV") and Jewish Family Services ("JFS"), other non-profit agencies, and government organizations, Tikva facilitates the provision of outside support services and programs to assist vulnerable tenants.

Tikva Housing Society, established under the Societies Act of British Columbia, is a registered charity per paragraph 149(1)(f) of the Income Tax Act (Registration # 84256 2613 RR0001).

2. Property, plant and equipment

Amortization is calculated as follows (with half rates in year of purchase):

Buildings	4% declining balance method
Equipment	30% declining balance method
Furniture	20% declining balance method
New roof	10 year straight line, to match warranty

			<u>2019</u>	<u>2018</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Buildings - Dany Guincher	\$ 1,199,257	\$ 432,133	\$ 767,124	\$ 795,914
Buildings - Diamond Residences	174,383	10,324	164,059	170,895
Equipment	13,975	13,496	479	685
Furniture	5,727	1,083	4,644	2,550
New Roof - Dany Guincher	17,500	11,620	5,880	6,125
Land - Dany Guincher	882,528	-	882,528	882,528
Land - Diamond Residences	<u>1,410,915</u>	<u>-</u>	<u>1,410,915</u>	<u>1,410,915</u>
	<u>\$ 3,704,285</u>	<u>\$ 468,656</u>	<u>\$ 3,235,629</u>	<u>\$ 3,269,612</u>

3. Mortgage Loan

	<u>2019</u>	<u>2018</u>
MCAP Mortgage, (refinanced in 2013) 10 year term, fixed interest at 3.406%, 20 year amortization, Monthly payments of \$2,827.09	\$ 374,442	\$ 395,271
Less current portion	<u>21,595</u>	<u>20,878</u>
Due beyond one year	<u>\$ 352,847</u>	<u>\$ 374,393</u>

Tikva Housing Society

Notes to the Financial Statements

(Unaudited - see Notice to Reader)

August 31, 2019 (With comparative figures for 2018)

4. British Columbia Housing Management Commission Loan

BC Housing provided a \$740,000 forgivable loan, on the terms and conditions under the Loan Commitment letter from BC Housing to Tikva Housing Society dated September 20, 2007. On July 3, 2008, BC Housing increased the loan to \$765,000 maintaining the terms and conditions of the original loan. The loan is secured by a mortgage with a 25 year amortization. The loan will be forgiven 1/15 each year, commencing in the 11th year. During the year ended August 31, 2019, \$51,000.00 of debt was forgiven. No current payments are required to be made towards this loan.

5. Net assets	<u>2019</u>	<u>2018</u>
Unrestricted net assets	\$ 2,361,324	\$ 2,275,792
Internally restricted net assets	<u>36,356</u>	<u>25,481</u>
	<u>\$ 2,397,680</u>	<u>\$ 2,301,273</u>

6. Future Commitments

Tikva Housing Society ("the Society") is participating in the "The Community Land Trust Foundation" partnership.

As part of a new 358 unit project, the Society will operate 32 townhouses. The Society's units will be subsidised through the overall project operation.

The Society has pledged to loan \$1M in equity to the project once the project is completed.

The project is currently under construction; completion is planned for Spring 2020.

The partners of the Community Land Trust Foundation include:

- Vancouver Community Land Trust Foundation (General Partner);
 - Fraserview Housing Co-operative (Equity Contributor and Non-Profit Operator);
 - Sanford Housing Society (Equity Contributor and Non-Profit Operator);
 - Tikva Housing Society (Equity Contributor and Non-Profit Operator);
 - BC Housing (Lender);
 - New Market Funds (Equity Investor);
 - Vancity (Land Trust Contributor).
-

Tikva Housing Society

Schedule to the Financial Statements

(Unaudited - see Notice to Reader)

Year ended August 31 (With comparative figures for 2018)

Schedule of expenses	Schedule 1	
	2019	2018
Administration Expenses		
Consulting fees	\$ 67,756	\$ 85,927
Insurance	767	1,014
Legal and professional	10,404	21,371
Meeting expense	2,254	3,042
Office	<u>39,451</u>	<u>8,508</u>
	\$ 120,632	\$ 119,862
Building operating expenses		
Advertising, promotion	\$ 2,257	\$ 8,515
Janitorial	9,750	9,663
Management	110,748	110,062
Pest control	1,213	2,260
Property insurance	8,074	7,568
Property taxes	(1,916)	8,925
Repairs and maintenance	35,004	36,492
Utilities, telephone, security and fire alarm	<u>10,073</u>	<u>11,589</u>
	\$ 175,203	\$ 195,074
Financing Expenses		
Bank charges	\$ 583	\$ 399
Mortgage interest	<u>13,096</u>	<u>13,740</u>
	\$ 13,679	\$ 14,139
Fundraising Expenses		
Donation administration fees	\$ 873	\$ 359
Fundraising	<u>2,153</u>	<u>123</u>
	\$ 3,026	\$ 482
Rent Subsidy		
DG rent subsidy	\$ -	\$ 44,859
ED rent subsidy	<u>107,493</u>	<u>124,057</u>
	\$ 107,493	\$ 168,916
