

***The Vancouver Friends For Life Society***  
**Financial Statements**

For the year ended June 30, 2020  
(Unaudited - see Notice to Reader)



friends  
for life

*The Vancouver Friends For Life Society*

**Financial Statements**

*For the year ended June 30, 2020*  
(Unaudited - see Notice to Reader)

	<b>Page</b>
<b>Notice to Reader</b>	<b>2</b>
<b>Financial Statements</b>	
Statement of Financial Position	<b>3</b>
Statement of Changes in Net Assets	<b>4</b>
Statement of Operations	<b>5</b>
Statement of Cash Flows	<b>6</b>
Notes to Financial Statements	<b>7 - 10</b>



## **Notice to Reader**

On the basis of information provided by management, we have compiled the statement of financial position of The Vancouver Friends For Life Society as at June 30, 2020 and the statements of operations and net assets for the year then ended.

We have not performed an audit or 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.



**The Valley Group**

December 15, 2020  
Langley, British Columbia

**The Vancouver Friends For Life Society**  
**Statement of Financial Position**

(Unaudited - See Notice to Reader)

<b>June 30, 2020</b>	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
Current		
Cash	\$ 229,938	\$ 266,603
Tax rebates recoverable	1,182	324
Prepaid expenses	2,781	2,781
	<b>233,901</b>	<b>269,708</b>
Capital assets (Note 2)	<b>130,612</b>	<b>145,267</b>
	<b>\$ 364,513</b>	<b>\$ 414,975</b>
<b>Liabilities and Net Assets</b>		
Current		
Accounts payable and accrued liabilities	\$ 2,500	\$ 21,091
Employee tax deductions payable	3,070	2,666
Deferred contributions (Note 3)	70,381	119,989
	<b>75,951</b>	<b>143,746</b>
Deferred capital contributions (Note 4)	<b>102,175</b>	<b>113,528</b>
	<b>178,126</b>	<b>257,274</b>
Net assets		
Internally restricted	40,000	40,000
Invested in capital assets	28,437	31,739
Unrestricted	117,950	85,962
	<b>186,387</b>	<b>157,701</b>
	<b>\$ 364,513</b>	<b>\$ 414,975</b>

Approved by the Board of Directors:

---

Treasurer

**The Vancouver Friends For Life Society**  
**Statement of Changes in Net Assets**

(Unaudited - See Notice to Reader)

<i>For the year ended June 30</i>				<i>2020</i>			<i>2019</i>
	Invested in capital assets	Internally restricted	Unrestricted	<b>Total</b>			Total
Balance, beginning of year	\$ 31,739	\$ 40,000	\$ 85,962	<b>\$ 157,701</b>	\$		141,320
(Deficiency) excess of revenue over expenses	(3,302)	-	31,988	<b>28,686</b>			16,381
Balance, end of year	<b>\$ 28,437</b>	<b>\$ 40,000</b>	<b>\$ 117,950</b>	<b>\$ 186,387</b>	\$		<b>157,701</b>

**The Vancouver Friends For Life Society**  
**Statement of Operations**

(Unaudited - See Notice to Reader)

<b><i>For the year ended June 30</i></b>	<b><i>2020</i></b>	<b><i>2019</i></b>
Revenue		
Provincial gaming grant	\$ 113,331	\$ 121,249
Provincial contracts	86,310	63,690
Foundation grants	53,413	33,343
Donations	37,494	29,155
Fundraising	19,244	31,055
Amortization of deferred capital contributions (Note 4)	11,353	12,614
Interest and other	235	1,303
Federal grants	-	838
	<b>321,380</b>	<b>293,247</b>
Expenses		
Amortization	14,655	16,400
Conference and events	17,392	-
Contracted services	89,170	80,261
Insurance	6,390	6,297
Office and miscellaneous	2,877	5,450
Professional fees	31,794	31,299
Program supplies	15,916	20,110
Repairs and maintenance	11,665	6,861
Telephone and utilities	8,431	8,701
Wages and employee benefits	94,404	101,487
	<b>292,694</b>	<b>276,866</b>
Excess of revenue over expenses	<b>\$ 28,686</b>	<b>\$ 16,381</b>

**The Vancouver Friends For Life Society**  
**Statement of Cash Flows**

(Unaudited - See Notice to Reader)

<b><i>For the year ended June 30</i></b>	<b><i>2020</i></b>	<b><i>2019</i></b>
Cash provided by (used in)		
<b>Operating activities</b>		
Excess of revenue over expenses	\$ 28,686	\$ 16,381
Adjustment for non-cash items		
Amortization of capital assets	14,655	16,400
Amortization of deferred capital contributions	<u>(11,353)</u>	<u>(12,614)</u>
	<b>31,988</b>	<b>20,167</b>
Changes in non-cash working capital balances		
Tax rebates recoverable	(858)	(132)
Prepaid expenses	-	(10)
Accounts payable and accrued liabilities	(18,591)	7,546
Employee tax deductions payable	404	204
Deferred contributions	<u>(49,608)</u>	<u>(56,810)</u>
	<b>(68,653)</b>	<b>(49,202)</b>
	<b>(36,665)</b>	<b>(29,035)</b>
Decrease in cash during the year	<b>(36,665)</b>	<b>(29,035)</b>
Cash, beginning of year	<u>266,603</u>	<u>295,638</u>
Cash, end of year	<b>\$ 229,938</b>	<b>\$ 266,603</b>

# **The Vancouver Friends For Life Society**

## **Notes to Financial Statements**

**(Unaudited - See Notice to Reader)**

***June 30, 2020***

---

### **Status of Organization and Activities**

The Vancouver Friends For Life Society (the "Society") is a non-profit organization incorporated under the laws of the Province of British Columbia. The Society is a registered charity under the *Income Tax Act* (Canada).

The Society provides support to people living with a life-threatening illness in and around the Lower Mainland of British Columbia.

---

### **1. Significant Accounting Policies**

#### **(a) Basis of presentation**

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

#### **(b) Capital assets**

Capital assets are stated at cost less accumulated amortization. Contributed assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Society's ability to provide services, its carrying amount is written down to its residual value. Amortization is based on the estimated useful life of the asset commencing in the year the asset is put to use, using the following methods and rates:

Leasehold improvements	- 10% declining balance basis
Furniture and equipment	- 10% declining balance basis
Computer equipment	- 45% declining balance basis

#### **(c) Revenue recognition**

The Society follows the deferral method of accounting for contributions, which includes donations and government grants.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a basis and rate corresponding with the amortization of the related capital assets.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### **(d) Contributed services and materials**

The work of the Society is assisted by the donation of materials and services of many members of the community. Since these items are not normally purchased by the Society, and because of the difficulty determining their fair value, contributed services and materials are not recognized in these financial statements, unless otherwise noted.



# The Vancouver Friends For Life Society

## Notes to Financial Statements

(Unaudited - See Notice to Reader)

June 30, 2020

### 1. Significant Accounting Policies continued

(e) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that could affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Significant areas requiring the use of management estimates relate to the determination of useful lives of capital assets for calculating amortization, useful life for licensing agreement, and the determination of accrued liabilities. Actual results could differ from those estimates.

(f) Financial instruments

The Society initially measures its financial assets and financial liabilities at fair value. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items subsequently measured at fair value at each reporting date and charged to the financial instrument for those subsequently measured at amortized cost.

(g) Impairment of long lived assets

The Society tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

### 2. Capital Assets

	2020		2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Leasehold improvements	\$ 812,452	\$ 695,703	\$ 812,452	\$ 682,731
Furniture and equipment	134,164	120,503	134,164	118,985
Computer equipment	25,924	25,722	25,924	25,557
	<u>\$ 972,540</u>	<u>\$ 841,928</u>	<u>\$ 972,540</u>	<u>\$ 827,273</u>
Net book value		<u>\$ 130,612</u>		<u>\$ 145,267</u>

**The Vancouver Friends For Life Society**  
**Notes to Financial Statements**

(Unaudited - See Notice to Reader)

**June 30, 2020**

**3. Deferred Contributions**

Deferred contributions represent the unexpended amount of grant and contract revenue received for specific purposes held over for use in a future fiscal period. The balance is represented by:

	Opening Balance	Amounts Received	Transferred for Capital	Revenue Recognized	Closing Balance
Provincial gaming grant: Wellness program	\$ 83,712	\$ 100,000	\$ -	\$ (113,331)	\$ 70,381
Provincial contracts: PHSA - Women's program	28,620	57,690	-	(86,310)	-
Foundation grants:					
MAC AIDS Fund	5,000	-	-	(5,000)	-
Diamond Foundation	2,657	-	-	(2,657)	-
Vancouver Foundation	-	20,756	-	(20,756)	-
Greyross Foundation	-	15,000	-	(15,000)	-
Dr. Peter AIDS Foundation	-	10,000	-	(10,000)	-
	<u>\$ 119,989</u>	<u>\$ 203,446</u>	<u>\$ -</u>	<u>\$ (253,054)</u>	<u>\$ 70,381</u>

**4. Deferred Capital Contributions**

Deferred capital contributions represent the unamortized amount of contract and grant revenue used for the purchase of depreciable assets.

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 113,528	\$ 126,142
Amounts amortized to revenue	<u>(11,353)</u>	<u>(12,614)</u>
Balance, end of year	<u>\$ 102,175</u>	<u>\$ 113,528</u>

# ***The Vancouver Friends For Life Society*** **Notes to Financial Statements**

**(Unaudited - See Notice to Reader)**

***June 30, 2020***

---

## **5. Financial Instruments**

### Liquidity risk:

The Society is exposed to this risk mainly in respect of its timely receipt of funds from government agencies and other related sources, and accounts payable. The Society's objective is to have sufficient liquidity to meet its liabilities when due. The Society monitors its cash balances and cash flows generated from operations to meet its requirements, and prepares annual operating and capital expenditure budgets, which are regularly monitored and updated as considered necessary. Except where otherwise noted, management is of the opinion that in the normal course of operations the Society has sufficient cash resources to meet its liabilities when due.

### Currency and credit risk:

The Society has cash deposited with a credit union where deposits are insured by the Province of British Columbia. The Society is not exposed to significant currency or credit risks because it does not transact in foreign currencies and its primary funder is the Province of British Columbia.

### Interest rate risk:

The Society is exposed to cash flow risk through the floating rate on cash deposits.

The above mentioned risks have not changed from the prior year.

---

## **6. Remuneration of Directors, Employees and Contractors**

During the fiscal year ending June 30, 2020, the amounts paid to the Board of Directors of the Society for acting in their noted capacity was \$NIL. One employee or contractor received remuneration of \$75,000.

---

## **7. Subsequent Event**

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the Novel Coronavirus ("COVID-19") as a pandemic, which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration of the COVID-19 measures is unknown at this time and it is not possible to reliably estimate any potential future effect this may have on the Society's operations or net assets.