

**SOS CHILDREN'S VILLAGE  
BRITISH COLUMBIA (CANADA) SOCIETY  
Financial Statements  
Year Ended December 31, 2020**

**SOS CHILDREN'S VILLAGE BRITISH COLUMBIA (CANADA) SOCIETY**  
**Index to Financial Statements**  
**Year Ended December 31, 2020**

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HWG, Chartered Professional Accountants

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of SOS Children's Village British Columbia (Canada) Society

### *Qualified Opinion*

We have audited the financial statements of SOS Children's Village British Columbia (Canada) Society (the Society), which comprise the statement of financial position as at December 31, 2020, and the statements of changes in net assets, revenues and expenditures and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2020, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### *Basis for Qualified Opinion*

In common with many charitable organizations, the Society derives revenue from fundraising activities the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### *Report on Other Legal and Regulatory Requirements*

As required by the Societies Act of British Columbia, we report that, in our opinion, the accounting principles in Canadian auditing standards have been applied on a basis consistent with that of the preceding year.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to

*(continues)*

A Partnership of Incorporated Professionals

Suite 101-17565 58th Ave., Surrey, BC, V3S 4E3  
Web Site: [www.hwgca.com](http://www.hwgca.com)



Phone: 604-576-9121 Fax: 604-576-2890  
E-mail: [hwgca@hwgca.com](mailto:hwgca@hwgca.com)

Independent Auditor's Report to the Members of SOS Children's Village British Columbia (Canada)  
Society *(continued)*

continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Surrey, BC  
June 3, 2021

CHARTERED PROFESSIONAL ACCOUNTANTS

**SOS CHILDREN'S VILLAGE BRITISH COLUMBIA (CANADA) SOCIETY**  
**Statement of Financial Position**  
**December 31, 2020**

	2020	2019
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and short term investments	\$ 260,335	\$ 429,153
Term deposits	503,679	489,770
Accounts receivable	182,838	1,354,252
Goods and services tax recoverable	5,472	5,595
Prepaid expenses	27,980	17,155
Due from related party (Note 8)	32,750	13,314
Restricted cash (Note 5)	34,677	-
	1,047,731	2,309,239
<b>INVESTMENTS (Note 3)</b>	<b>5,390,658</b>	<b>3,337,423</b>
<b>LONG TERM INVESTMENT - ENDOWMENT (Note 4)</b>	<b>135,715</b>	<b>122,211</b>
<b>RESTRICTED CASH (Note 5)</b>	<b>1,443,521</b>	<b>2,055,625</b>
<b>PROPERTY, BUILDINGS AND EQUIPMENT (Note 6)</b>	<b>781,984</b>	<b>793,603</b>
	<b>\$ 8,799,609</b>	<b>\$ 8,618,101</b>

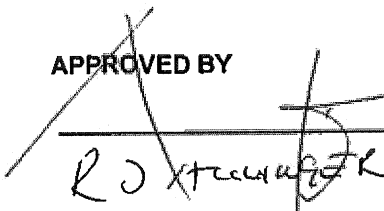
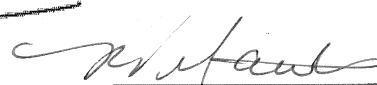
**SOS CHILDREN'S VILLAGE BRITISH COLUMBIA (CANADA) SOCIETY**  
**Statement of Financial Position**  
**December 31, 2020**

	2020	2019
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 102,082	\$ 78,592
Employee deductions payable	19,504	15,364
Wages and employee benefits payable	17,967	21,567
Deferred income / contributions (Note 7)	165,548	220,528
Current portion due to a related party (Note 8)	-	17,232
Deferred contributions for capital improvements (Note 9)	1,047	1,047
	306,148	354,330
<b>DUE TO / FROM RELATED PARTY (Note 8)</b>	-	325,920
<b>DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 9)</b>	350,570	365,868
	656,718	1,046,118
<b>NET ASSETS</b>		
General Fund	6,097,558	5,022,036
Capital Fund	431,420	2,427,736
Endowment Fund	135,715	122,211
Internally restricted - Reserve Fund	1,023,283	-
Internally restricted - Village Maintenance Fund	454,915	-
	8,142,891	7,571,983
	\$ 8,799,609	\$ 8,618,101

LEASE COMMITMENTS (Note 10)

IMPACT OF COVID-19 (Note 16)

APPROVED BY

 <hr style="border: 0; border-top: 1px solid black; width: 100%;"/> Director	 <hr style="border: 0; border-top: 1px solid black; width: 100%;"/> Director ROBERT P. MATTHEWS
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See notes to financial statements

**SOS CHILDREN'S VILLAGE BRITISH COLUMBIA (CANADA) SOCIETY**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2020**

	General Fund	Capital Fund	Endowment Fund	Internally restricted	<b>2020</b>	2019
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 5,022,036	\$ 2,427,736	\$ 122,211	\$ -	<b>\$ 7,571,983</b>	\$ 3,250,147
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	537,321	15,298	18,289	-	<b>570,908</b>	4,321,836
Purchase of property, buildings and equipment	(33,569)	33,569	-	-	-	-
Amortization	45,183	(45,183)	-	-	-	-
Interfund transfer	304,802	(300,017)	(4,785)	-	-	-
Restricted to Reserve Fund	-	(1,023,283)	-	1,023,283	-	-
Restricted to Village Maintenance Fund	(113,199)	(341,716)	-	454,915	-	-
Repayment of long term debt	334,984	(334,984)	-	-	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 6,097,558</b>	<b>\$ 431,420</b>	<b>\$ 135,715</b>	<b>\$ 1,478,198</b>	<b>\$ 8,142,891</b>	<b>\$ 7,571,983</b>

See notes to financial statements

**SOS CHILDREN'S VILLAGE BRITISH COLUMBIA (CANADA) SOCIETY**  
**Statement of Revenues and Expenditures**  
**Year Ended December 31, 2020**

	2020	2019
<b>REVENUES</b>		
Grants	\$ 332,031	\$ 322,481
Rent recovery	166,200	199,300
Individual donations	136,493	131,348
Dividend and interest income - General fund	136,269	137,181
BC Gaming grants	95,486	103,204
Vancouver Aboriginal Child and Family Services Society	77,815	76,662
Realized gain on sale of investments	30,733	89,403
SOS Children's Villages Canada	27,511	8,090
Corporate and organization donations	25,804	61,966
Wage subsidies (Note 11)	23,406	7,562
Fundraising events	1,574	15,885
Other income	225	9,997
Therapy services program	-	114,052
Gifts from SOS Children's Village Thrift Store Foundation	-	151,582
	<b>1,053,547</b>	<b>1,428,713</b>
<b>EXPENDITURES</b>		
Administration	344,570	230,639
Amortization of CRM software/promotional DVD	386	2,187
Development	313,871	272,189
Fundraising events	-	12,467
Program	<b>1,043,587</b>	<b>1,231,375</b>
	<b>1,702,414</b>	<b>1,748,857</b>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES FROM OPERATIONS</b>	<b>(648,867)</b>	<b>(320,144)</b>
<b>OTHER ITEMS</b>		
Bequests	413,044	4,581,320
Amortization of deferred contributions related to capital assets (Note 9)	15,298	15,739
Loss on disposal of equipment	-	(700)
Increase in fair market value of investments	791,433	45,621
	<b>1,219,775</b>	<b>4,641,980</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ 570,908</b>	<b>\$ 4,321,836</b>



**SOS CHILDREN'S VILLAGE BRITISH COLUMBIA (CANADA) SOCIETY**

**Statement of Cash Flows**

**Year Ended December 31, 2020**

	2020	2019
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures	\$ 570,908	\$ 4,321,836
Items not affecting cash:		
Amortization of property, buildings and equipment	44,803	54,472
Amortization of CRM software/Promotional DVD	386	2,187
Amortization of deferred contributions related to capital assets	(15,298)	(15,739)
Loss on disposal of equipment	-	700
Gain on sale of investments	(30,733)	(89,403)
Unrealized gain on investments	(791,433)	(45,621)
	<u>(221,367)</u>	<u>4,228,432</u>
Changes in non-cash working capital:		
Accounts receivable	1,171,414	(1,262,826)
Goods and services tax recoverable	123	1,186
Prepaid expenses	(10,825)	7,757
Accounts payable and accrued liabilities	23,489	24,883
Employee deductions payable	4,140	(2,878)
Wages and employee benefits payable	(3,600)	19,540
Deferred income / contributions	(54,980)	(87,458)
	<u>1,129,761</u>	<u>(1,299,796)</u>
Cash flow from operating activities	<u>908,394</u>	<u>2,928,636</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, buildings and equipment	(33,569)	(47,794)
Equipment acquired by way of a donation in kind	-	(400)
Long term investment - endowment fund	(13,054)	4,433
Purchase of investments	(3,701,341)	(6,247,245)
Proceeds on sale of investments	2,469,822	3,044,846
Restricted cash	577,427	(55,132)
Cash flow used by investing activities	<u>(700,715)</u>	<u>(3,301,292)</u>
<b>FINANCING ACTIVITIES</b>		
Advances from (to) related party	(19,436)	11,859
Repayment of loan payable to related party	(343,152)	(16,548)
Cash flow used by financing activities	<u>(362,588)</u>	<u>(4,689)</u>
<b>DECREASE IN CASH FLOW</b>	<b>(154,909)</b>	<b>(377,345)</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>918,923</b>	<b>1,296,268</b>
<b>CASH - END OF YEAR</b>	<b>\$ 764,014</b>	<b>\$ 918,923</b>

**SOS CHILDREN'S VILLAGE BRITISH COLUMBIA (CANADA) SOCIETY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

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**PURPOSE OF THE SOCIETY**

SOS Children's Village British Columbia (Canada) Society (the "Society") was incorporated under the Societies Act on July 10, 1986, in the Province of British Columbia. The Society provides a variety of programs and support services for foster parents, foster children and vulnerable youth. Programs offered include: village housing, therapy services, homework club, music program, camps and youth groups.

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of presentation**

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

**Fund accounting**

The Society follows the deferral method of accounting for contributions.

Revenues and expenses related to program delivery and administrative activities are reported in the General Fund.

The Capital Fund reports the assets, liabilities, revenues and expenses related to the Society's capital assets and building improvements campaign.

Endowment contributions are reported in the Endowment Fund. Investment income earned on resources of the Endowment Fund is reported in the Endowment Fund.

The Reserve Fund represents funds internally restricted to be maintained as a fiscally prudent operating reserve to provide funds for continuity of operation and operational contingencies covering six months of budgeted operating expenses based on the subsequent fiscal year budget.

The Village Maintenance Reserve Fund represents funds internally restricted for future costs related to repairs and maintenance of the Village over the next five years based on the results of the depreciation report dated December 3, 2020.

**Cash and cash equivalents**

Cash and cash equivalents consist of cash and term deposits with an original maturity date at purchase of three months or less. Because of the short term maturity of these investments, their carrying amount approximates fair value.

Term deposits with an original maturity date at purchase between three months and one year are disclosed separately and their carrying value approximates fair value.

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**SOS CHILDREN'S VILLAGE BRITISH COLUMBIA (CANADA) SOCIETY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Financial instruments**

The financial instruments of the Society consist of cash and short term investments, term deposits, accounts receivable, portfolio investments, accounts payable and accrued liabilities. Financial instruments are recorded at fair value when acquired or issued. 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 when incurred.

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

**Property, buildings and equipment**

Property, buildings and equipment are stated at cost less accumulated amortization. Property, buildings and equipment are amortized over their estimated useful lives at the following rates and methods:

Site development	4%	declining balance method
Buildings	2%	declining balance method
Motor vehicles	30%	declining balance method
Computer equipment	3 years	straight-line method
CRM software	10 years	straight-line method
Furniture and fixtures	10 years	straight-line method
Leasehold improvements	8 years	straight-line method
Promotional DVD	3 years	straight-line method
Village improvements	5 years	straight-line method

The Society regularly reviews its property, buildings and equipment to eliminate obsolete items. Government grants are treated as a reduction of property, building and equipment cost.

**Income taxes**

The Society is a registered charity under the provisions of the Income Tax Act (Canada), and is exempt from income taxes.

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**SOS CHILDREN'S VILLAGE BRITISH COLUMBIA (CANADA) SOCIETY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Revenue recognition**

In order to ensure observance of the limitations and restrictions placed on the use of resources available to the Society, the accounts of the Society are maintained in accordance with the principles of fund accounting following the deferral method of accounting. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the funders, donors or in accordance with directives issued by the Board of Directors (the "Board").

Transfers between the funds are made when it is considered appropriate and authorized by the Board. To meet these objectives of financial reporting and stewardship over assets, certain interfund transfers are necessary to ensure the appropriate allocation of assets and liabilities to the respective fund. These interfund transfers are reported in the statement of changes in Net Assets.

Contribution of materials for which tax receipts are issued are recorded at fair market value on the date of contribution.

Investment income earned on the investments and endowment fund includes dividend and interest income and realized and unrealized investment gains and losses including the foreign exchange component.

Unrestricted contributions are recorded as revenue when received.

**Investments**

Investments consist of fixed income and equity funds, and are initially recognized and subsequently measured at fair value, determined using market information. Transaction costs and net gains and losses arising from changes in fair value are immediately recognized in operations.

**Government assistance**

The Society has received assistance for wages from the Canada Emergency Wage Subsidy (CEWS) program and is shown as wage subsidy revenue.

**Leases**

Leases are classified as either capital or operating leases. At the time the Society enters into a capital lease, an asset is recorded with its related long-term obligation to reflect the acquisition and financing. Rental payments under operating leases are expensed as incurred.

**Volunteer services**

The operations of the organization depend on the contribution of time by volunteers. The fair value of volunteer services cannot be reasonably determined and are therefore not reflected in these financial statements.

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**SOS CHILDREN'S VILLAGE BRITISH COLUMBIA (CANADA) SOCIETY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)***

**Use of estimates**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations which requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Such estimates include providing for amortization of property, buildings and equipment, and allowance for doubtful accounts. Actual results could differ from these estimates.

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**2. FINANCIAL INSTRUMENTS**

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of December 31, 2020.

***(a) Credit risk***

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk from tenants, donors and customers. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Society's primary sources of funding are from grants, investment income and rent recovery, which minimizes the concentration of credit risk. There is allowance for doubtful accounts at December 31, 2020 of \$14,036 (2019 - \$18,466).

***(b) Liquidity risk***

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long-term debt, and accounts payable.

***(c) Market and/or other price risk***

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Society is exposed to other price risk through its investment in marketable securities. Due to the increased volatility brought about by the COVID-19 crisis the market risk has increased as compared to the previous year. As such, larger losses and/or gains due to the fluctuations of the fair market values of these marketable securities is possible.

***(d) Currency risk***

Currency risk is the risk to the Society's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Society is exposed to foreign currency exchange risk on cash and investments held in U.S. dollars. The Society does not use derivative instruments to reduce its exposure to foreign currency risk.

***(e) Interest rate risk***

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**SOS CHILDREN'S VILLAGE BRITISH COLUMBIA (CANADA) SOCIETY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

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**2. FINANCIAL INSTRUMENTS (continued)**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Society manages exposure through its normal operating and financing activities. The Society is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

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**3. INVESTMENTS**

Investments in marketable securities include individual equities and mutual funds invested in Canadian, U.S. and international securities.

The Society received investment portfolios as a bequest from donors in April 2019 and June 2020. The Society is relying on the expertise of Cyprus Capital Management to invest in appropriate financial instruments to achieve the best possible rate of return at an appropriate level of risk. The annual income generated will be disbursed as needed to the Society for operations of the Village. The investment is recorded at the current market value.

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**4. LONG TERM INVESTMENT - ENDOWMENT**

The Society established a registered fund with the First West Foundation (the "Foundation"). The Society is relying on the expertise of the Foundation to invest in appropriate financial instruments to achieve the best possible rate of return at an appropriate level of risk. The annual income generated will be disbursed as needed to the Society for operations of the Village. During the year the Society realized an investment gain of \$NIL (2019 - \$NIL). The investment is recorded at market value.

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**5. INTERNALLY RESTRICTED FUNDS**

The Society received a bequest of \$2,000,000 from a donor in 2017. The board of directors received permission from the Canada Revenue Agency to internally restrict these funds for the purpose of the future expansion and development of land and buildings. During the year, the board of directors approved a motion to release these funds from the Capital Fund where these funds will remain restricted to reflect a new Reserve Fund and Village Maintenance Fund. As at December 31, 2020 restricted cash of \$1,478,198 is reflected in the Reserve Fund and Village Maintenance Fund as \$1,023,283 and \$454,915, respectively. Note that \$34,677 of restricted cash is allocated for Village Maintenance in fiscal year 2021.

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**SOS CHILDREN'S VILLAGE BRITISH COLUMBIA (CANADA) SOCIETY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

**6. PROPERTY, BUILDINGS AND EQUIPMENT**

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Land	\$ 123,224	\$ -	\$ 123,224	\$ 123,224
Site development	4,808	2,404	2,404	2,500
Buildings	668,313	120,700	547,613	558,797
Motor vehicles	17,577	17,417	160	280
Computer equipment	140,492	140,104	388	8,956
CRM software	7,724	386	7,338	-
Furniture and fixtures	235,729	173,987	61,742	47,013
Leasehold improvements	33,991	21,244	12,747	16,995
Promotional DVD	23,360	23,360	-	-
Village improvements	95,256	68,888	26,368	35,838
	<u>\$ 1,350,474</u>	<u>\$ 568,490</u>	<u>\$ 781,984</u>	<u>\$ 793,603</u>

**7. DEFERRED INCOME / CONTRIBUTIONS**

Deferred contributions represent certain grants and donations received that are restricted for specific programs or purposes to be carried out in the subsequent year. Some of these funds are internally restricted while others are externally restricted. There is no prepaid therapy sessions at December 31, 2020.

	2020	2019
Youth programs	\$ 30,702	\$ 65,475
Music and learning club programs	-	6,000
Administration costs	5,000	-
Therapy programs	7,729	53,567
Other village programs	22,117	-
Subtotal	65,548	125,042
B.C. Gaming funds	100,000	95,486
	<u>\$ 165,548</u>	<u>\$ 220,528</u>

The B.C. Gaming funds are externally restricted to be used for Therapy programs, Learning clubs and Youth programs.

**SOS CHILDREN'S VILLAGE BRITISH COLUMBIA (CANADA) SOCIETY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

**8. DUE TO / FROM RELATED PARTY**

	2020	2019
Loan payable to SOS II Children's Village British Columbia (Canada) Society, secured by a first charge to the mortgage and assignments of rents with a fixed interest rate of 4.1% per annum. The loan is repayable in blended monthly payments of \$2,572. The loan was repaid in 2020.	\$ -	\$ 343,152
Amounts payable within one year	-	(17,232)
	\$ -	\$ 325,920

The loan payable was repaid during the year.

An amount due from SOS Children's Village Thrift Store Foundation for their share of expenses is shown as due from a related party. The balance outstanding at December 31, 2020 is \$32,750 (2019 - \$13,314).

**9. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS**

Deferred contributions related to capital assets reported as a long term liability include the unamortized portions of restricted contributions expended on the acquisition of capital assets. The changes for the period in the deferred contributions balance are as follows:

	2020	2019
Balance, beginning of the year	\$ 365,868	\$ 381,607
Amounts amortized to revenue	(15,298)	(15,739)
Balance, end of the year	\$ 350,570	\$ 365,868

As at December 31, 2020, the Society has a balance of \$1,047 (2019 - \$1,047) of contributions received but not yet expended that have been externally designated for future capital improvements.

**10. LEASE COMMITMENTS**

The Society leases its premises under a long term lease that expires March 31, 2024. Under the lease, the Society is required to pay a base rent and its proportionate share of utilities, property taxes, maintenance and other related costs for the leased premises.

Future minimum lease payments as at year end are as follows:

2021	\$ 30,576
2022	32,988
2023	33,792
2024	8,448
	\$ 105,804



**SOS CHILDREN'S VILLAGE BRITISH COLUMBIA (CANADA) SOCIETY**  
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**11. GOVERNMENT ASSISTANCE**

The Society has received assistance for wages from the Canada Emergency Wage Subsidy (CEWS) program totalling \$19,452.

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**12. RELATED PARTY TRANSACTIONS**

The following is a summary of the Society's related party transactions:

	2020	2019
SOS Children's Villages Canada <i>(Affiliated Society)</i>		
Contributions received	\$ 22,143	\$ -
Contributions receivable	5,368	8,090
Computer software costs	600	600
Membership fees	1,726	1,500
	<b>\$ 29,837</b>	<b>\$ 10,190</b>
SOS Children's Villages International <i>(Affiliation)</i>		
Membership fees	\$ 14,257	\$ 14,673
SOS II Children's Village British Columbia (Canada) Society <i>(Common directors)</i>		
Interest paid on long term loan payable	\$ 9,836	\$ 14,316
Stewart, Aulinger & Company <i>(Company in which a director is a partner)</i>		
Legal fees paid	\$ -	\$ 10,223
KD Technical Services Inc. <i>(Company owned by a board member)</i>		
Other computer services/purchases	\$ -	\$ 1,438
SOS Children's Thrift Store Foundation <i>(Common directors)</i>		
Contributions received	\$ -	\$ 151,582
Matthews Campbell <i>(Board member)</i>		
Fundraising event contribution	\$ -	\$ 3,000
Singh, Dev <i>(Contractor related to Executive Director)</i>		
Contractor - construction	\$ -	\$ 10,856

**13. AFFILIATION**

SOS Children's Village British Columbia (Canada) Society is affiliated with SOS Children's Villages Canada.

**SOS CHILDREN'S VILLAGE BRITISH COLUMBIA (CANADA) SOCIETY**  
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**14. EMPLOYEE REMUNERATION**

The Societies Act (British Columbia) requires the disclosure of remuneration paid by the Society to employees and contractors whose remuneration was at least \$75,000, and any amounts of remuneration paid by the Society to directors.

For the fiscal year ended December 31, 2020, the Society paid total remuneration of \$271,755 (2019 - \$90,545) to 3 employees and contractors for services, each of whom received total annual remuneration of \$75,000 or greater. Included in remuneration is the cost of salaries and premiums for employment insurance, Canada pension plan, workers compensation, and benefits.

No remuneration was paid to any members of the Board.

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**15. TRUSTEED FUNDS AND RESIDENTIAL PROPERTY LEASE**

The Society has an agreement with SOS II Children's Village British Columbia (Canada) Society, an independent non-profit Society, with regards to certain real estate properties located in Surrey, B.C.

The terms of the lease state that SOS Children's Village British Columbia (Canada) Society will have full use of the property. The Society is not required to pay rent, but is required to pay all of the expenses related to the leased premises. The lease expires May 16, 2103.

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**16. IMPACT OF COVID-19**

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The COVID-19 pandemic in British Columbia has caused business disruptions to the Society's operations throughout the year which are continuing into the subsequent periods.

The overall effect of these events on the Society and its operations is too uncertain to be estimated at this time. The impacts will be accounted for when they are known and may be assessed.

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