

THE KETTLE FRIENDSHIP SOCIETY

FINANCIAL STATEMENTS
March 31, 2018

THE KETTLE FRIENDSHIP SOCIETY

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INDEPENDENT AUDITORS' REPORT

To: THE MEMBERS OF
THE KETTLE FRIENDSHIP SOCIETY

We have audited the accompanying financial statements of The Kettle Friendship Society, which comprise the statement of financial position as at March 31, 2018, and the statements of operations, changes in fund balances, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Kettle Friendship Society as at March 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



REID HURST NAGY INC.
CHARTERED PROFESSIONAL ACCOUNTANTS

RICHMOND, B.C.
JUNE 14, 2018

THE KETTLE FRIENDSHIP SOCIETY

STATEMENT OF OPERATIONS
For The Year Ended March 31, 2018

Statement 1

	2018	2017
	\$	\$
REVENUE		
Vancouver Coastal Health Authority	4,618,909	4,502,834
BC Housing Management Commission (BCHMC)	3,247,888	3,084,653
Rent	1,511,552	1,505,978
Designated donations	1,298,531	1,173,180
Organization fees	1,077,487	1,028,309
Grants	272,589	308,241
Donations	438,836	214,336
User fees and memberships	207,986	220,506
Tenant contributions	188,149	188,505
Program rent and recoveries	163,613	150,113
BC Gaming Commission	125,041	125,149
City of Vancouver	128,751	120,000
Sponsorship and Event income	68,670	73,488
Other	55,802	63,571
Vancouver Yaffa Housing Society	49,983	49,178
Endowment income (Note 9)	8,737	8,403
	13,462,524	12,816,444
EXPENSES		
Advertising	20,659	52,055
Allowances to clients	105,685	99,734
Bank charges	7,537	6,649
Board of Directors	18,664	13,849
Consulting	23,943	22,523
Food	318,087	299,456
Fundraising	44,775	28,599
Housing rent	1,281,950	1,292,592
Insurance	103,391	97,077
Interest on long-term debt	818,361	825,044
Legal	11,204	7,430
Maintenance and supplies	269,155	216,004
Medical supplies	1,057	2,479
Office administration and miscellaneous	150,632	145,656
Organization management costs	1,110,754	1,028,334
Payroll service costs	30,617	19,268
Pest control	13,349	16,473
Professional fees	43,368	32,630
Program supplies	211,245	240,665
Property taxes	54,318	65,024
Rent	108,290	75,396
Service contracts	149,985	128,486
Staff development	11,809	6,114
Tenant damage	60,921	54,869
Tenant utilities	6,306	5,914
Telephone	103,484	91,653
Travel	51,079	45,426
Utilities	462,735	469,413
Volunteers	25,660	23,968
Wages and benefits	6,979,484	6,643,237
	12,598,504	12,056,017
EXCESS OF REVENUE OVER EXPENSES	864,020	760,427

The accompanying notes are an integral part of these financial statements

THE KETTLE FRIENDSHIP SOCIETY

STATEMENT OF CHANGES IN FUND BALANCES
For The Year Ended March 31, 2018

Statement 2

	2018				2017
	Capital Fund	Replacement Reserves	Operating Fund	Total	Total
	\$	\$	\$	\$	\$
Balance, beginning of the year	2,049,884	454,088	127,776	2,631,748	2,396,755
Excess of revenue over expenses	-	-	864,020	864,020	760,427
Amortization of deferred contributions - BCHMC	143,945	-	-	143,945	146,189
Depreciation	(709,521)	-	-	(709,521)	(685,760)
Interest earned	-	543	-	543	433
Bank charges	-	(40)	-	(40)	(40)
Tangible capital assets acquired	6,411,554	-	(6,411,554)	-	-
Mortgage principal reduction	579,732	-	(579,732)	-	-
Mortgage proceeds	(6,330,000)	-	6,330,000	-	-
Deferred capital contribution	(11,518)	-	11,518	-	-
Reserve fund transfers	-	140,241	(140,241)	-	-
Reserve fund transfer for Garden Villa	-	262,785	-	262,785	-
Replacement expenses	-	(52,085)	-	(52,085)	(23,823)
BC Housing Management Commission recoveries	-	-	-	-	(15,165)
Donor repayments	-	-	-	-	52,732
Balance, end of the year	2,134,076	805,532	201,787	3,141,395	2,631,748

The accompanying notes are an integral part of these financial statements

THE KETTLE FRIENDSHIP SOCIETY

STATEMENT OF FINANCIAL POSITION
As At March 31, 2018

Statement 3

	2018			Total \$	2017 Total \$
	Capital Fund \$	Replacement Reserves \$	Operating Fund \$		
ASSETS					
CURRENT ASSETS					
Cash	-	806,864	2,047,114	2,853,978	2,421,301
Accounts receivable	-	-	122,615	122,615	101,222
GST/HST receivable	-	-	14,208	14,208	14,157
Prepaid expenses	-	-	42,669	42,669	32,073
Interfund advances	235,762	-	-	235,762	235,762
	235,762	806,864	2,226,606	3,269,232	2,804,515
TANGIBLE CAPITAL ASSETS (Note 4)	44,704,955	-	-	44,704,955	39,002,922
	44,940,717	806,864	2,226,606	47,974,187	41,807,437

Approved On Behalf of The Kettle Friendship Society:

_____ Director

_____ Director

The accompanying notes are an integral part of these financial statements

THE KETTLE FRIENDSHIP SOCIETY

STATEMENT OF FINANCIAL POSITION
As At March 31, 2018

Statement 3

	2018			Total \$	2017 Total \$
	Capital Fund \$	Replacement Reserves \$	Operating Fund \$		
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable and accruals	-	-	260,166	260,166	213,618
Wages and benefits payable	-	-	441,079	441,079	487,773
Deferred revenue (Note 5)	-	-	1,089,144	1,089,144	1,049,736
Current portion of long-term debt (Note 6)	2,199,349	-	-	2,199,349	2,129,702
Interfund advances	-	1,332	234,430	235,762	235,762
	2,199,349	1,332	2,024,819	4,225,500	4,116,591
OTHER LIABILITIES					
Long-term debt (Note 6)	32,114,551	-	-	32,114,551	26,433,929
Deferred capital contribution (Note 7)	8,492,741	-	-	8,492,741	8,625,169
	42,806,641	1,332	2,024,819	44,832,792	39,175,689
FUND BALANCES					
Invested in tangible capital assets	2,134,076	-	-	2,134,076	2,049,884
Replacement reserves (Note 8)	-	805,532	-	805,532	454,088
Restricted (Schedule 1)	-	-	112,294	112,294	13,134
Unrestricted (Schedule 1)	-	-	89,493	89,493	114,642
	2,134,076	805,532	201,787	3,141,395	2,631,748
	44,940,717	806,864	2,226,606	47,974,187	41,807,437

The accompanying notes are an integral part of these financial statements

THE KETTLE FRIENDSHIP SOCIETY

STATEMENT OF CASH FLOWS
For the year ended March 31, 2018

Statement 4

	Capital Fund \$	Replacement Reserves \$	Operating Fund \$	Total 2018 \$	Total 2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Excess (deficiency) of revenues over expenses	(565,576)	503	864,020	298,947	221,249
Depreciation	709,521	-	-	709,521	685,760
Amortization of deferred charges	(143,945)	-	-	(143,945)	(146,189)
Interfund transfers	-	140,241	(140,241)	-	-
Reserve fund transfer for Garden Villa BC Housing Management Commission	-	262,785	-	262,785	-
recoveries and repayments	-	-	-	-	(15,165)
Donor repayments	-	-	-	-	52,732
	-	403,529	723,779	1,127,308	798,387
CHANGES IN NON-CASH WORKING CAPITAL ACCOUNTS					
Accounts receivable	-	-	(21,394)	(21,394)	55,140
GST/HST receivable	-	-	(51)	(51)	(1,364)
Prepaid expenses	-	-	(10,595)	(10,595)	95,865
Accounts payable and accruals	-	-	46,548	46,548	(108,246)
Government remittance payable	-	-	-	-	(19,077)
Wages and benefits payable	-	-	(46,694)	(46,694)	67,144
Deferred revenue	-	-	39,408	39,408	122,419
	-	403,529	731,001	1,134,530	1,010,268
CASH FLOWS FROM FINANCING AND INVESTING ACTIVITIES					
Tangible capital assets acquired	-	-	(6,411,554)	(6,411,554)	(107,824)
Replacement expenses	-	(52,085)	-	(52,085)	(23,823)
Mortgage principal reduction	-	-	(579,732)	(579,732)	(547,291)
Mortgage proceeds	-	-	6,330,000	6,330,000	-
Deferred capital contribution	-	-	11,518	11,518	86,382
	-	(52,085)	(649,768)	(701,853)	(592,556)
OTHER					
Interfund advances	-	(171,469)	171,469	-	-
NET INCREASE IN CASH	-	179,975	252,702	432,677	417,712
CASH - BEGINNING OF THE YEAR	-	626,889	1,794,412	2,421,301	2,003,589
CASH - END OF THE YEAR	-	806,864	2,047,114	2,853,978	2,421,301

The accompanying notes are an integral part of these financial statements

THE KETTLE FRIENDSHIP SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2018

NOTE 1: ORGANIZATION AND MISSION

The Kettle Friendship Society ('Society') is incorporated under the Society Act of British Columbia and is a registered charity under the Income Tax Act. Its mission is to enhance the quality of life for individuals living with mental illness.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are:

a) Fund accounting

The Kettle Friendship Society follows the restricted fund method of accounting for contributions.

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

The Capital Fund reports the assets, liabilities, revenues and expenses related to the tangible capital assets.

The Replacement Reserves report the assets, liabilities, revenues and expenses related to the reserves for replacement of housing tangible capital assets in accordance with the agreements with the BC Housing Management Commission.

b) Tangible capital assets

Purchased tangible capital assets are recorded in the Capital Fund at cost or deemed cost. Contributed tangible capital assets are recorded in the Capital Fund at fair value at the date of contribution. Depreciation is charged to the Capital Fund on a straight-line basis over the expected useful life of the assets at the following rates:

Buildings - leased	60 years
Buildings - owned	20 and 40 years
Furniture and computer equipment	5 years
Land - leased	60 years
Vehicles	10 years

c) Use of estimates

Preparation of these financial statements in accordance with account standards for not-for-profit organizations requires management to make certain estimates and assumptions that affect amounts reported and disclosed in the financial statements and related notes. These financial statements contain estimates for: the useful life and depreciation of tangible capital assets, and accrued liabilities and related expenses. Actual amounts could differ from those estimates.

d) Revenue recognition

Restricted contributions are recognized as revenue of the appropriate fund in the year for which the revenue is intended. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

THE KETTLE FRIENDSHIP SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2018

NOTE 3: FINANCIAL INSTRUMENTS

The Society's financial instruments consist of cash, accounts receivable, accounts payable and accruals, wages and benefits payable and long-term debt. Unless otherwise noted, it is management's opinion that the society is not exposed to significant interest, currency, or credit risks arising from these financial instruments.

NOTE 4: TANGIBLE CAPITAL ASSETS

	<u>COST</u> \$	<u>ACCUMULATED DEPRECIATION</u> \$	<u>2018 NET</u> \$	<u>2017 NET</u> \$
Building - owned	2,481,745	242,295	2,239,450	1,040,194
Furniture and computer equipment	186,385	101,662	84,723	25,898
Land - owned	7,230,023	-	7,230,023	2,147,666
Vehicles	55,430	26,362	29,068	34,611
	9,898,153	343,957	9,554,196	3,213,758
Buildings - leased *	37,916,435	3,240,172	34,676,263	35,297,087
Land - leased *	722,302	276,874	445,428	457,466
	38,638,737	3,517,046	35,121,691	35,754,553
	48,592,320	3,887,365	44,704,955	39,002,922

* The land and buildings include capital leases of \$1,024,667 and \$1,793,590 with 60 year terms that are held by the Provincial Rental Housing Corporation, an agent of the BC Housing Management Commission. The lease for Friendship Court expires on May 31, 2055; the lease for Peggy's Place expires on July 27, 2055; and the lease for Kettle on Burrard expires on March 16, 2072.

NOTE 5: DEFERRED REVENUE

Deferred revenue reported in the Operating Fund consists of restricted operating funding received in the current period that is related to the subsequent period.

	2018 \$	2017 \$
BC Gaming - Gaming grants	125,081	125,029
BC Housing Management Commission	315,935	258,999
BC Ministry of Social Development and Social Innovation	108,450	112,407
Mental Health Outreach & Support Sponsorship	71,109	88,886
Other	38,981	36,860
SpencerCreo Foundation	45,000	45,000
Streetohome Foundation	-	879
Vancouver Coastal Health Authority	384,588	381,676
TOTAL	1,089,144	1,049,736

THE KETTLE FRIENDSHIP SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2018

NOTE 6: LONG-TERM DEBT

	2018	2017
	\$	\$
<u>The Society Fund</u>		
Vancouver City Savings Credit Union, repayable at \$8,701 per month including interest at 3.25% per annum, secured by land and building on East Hastings Street and Venables Street, assignment of rents, and any insurance proceeds. The term matures November 9, 2018.	1,563,949	1,619,302
<u>Kettle on Burrard</u>		
MCAP, repayable at \$97,622 per month including interest at 2.95%, secured by capital lease on land and building at 1134 Burrard Street. The term matures January 1, 2025.	24,225,087	24,682,240
British Columbia Housing Management Commission, forgivable interest free loan.	1,000,000	1,000,000
<u>The Peggy's Place Program</u>		
MCAP, repayable at \$2,060 per month including interest at 2.62%, secured by capital lease on land and building for Peggy's Place. The term matures May 1, 2027.	288,319	304,845
<u>The Friendship Court Program</u>		
Peoples Trust Company, repayable at \$6,473 per month including interest at 3.84%, secured by capital lease on land and building at East 8th Avenue. The term matures November 1, 2023.	915,311	957,244
<u>Garden Villa</u>		
Peoples Trust Company, repayable at \$23,900 per month including interest at 2.89%, secured by land and building at 800 McLean Drive. The term matures February 1, 2028.	6,321,234	-
	34,313,900	28,563,631
Less: current portion	2,199,349	2,129,702
Long-term portion	32,114,551	26,433,929

FUTURE PRINCIPAL REPAYMENTS

The estimated principal repayments in future years are as follows:

	\$
2019	2,199,349
2020	654,500
2021	674,200
2022	694,400
2023	715,300
And beyond	29,376,151
	34,313,900

THE KETTLE FRIENDSHIP SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2018

NOTE 7: DEFERRED CAPITAL CONTRIBUTION

Deferred capital contribution represents contributed tangible capital asset funding from the BC Housing Management Commission. The contribution is being amortized to revenue over the 60 year lease of the buildings.

NOTE 8: REPLACEMENT RESERVES

The transfers to the replacement reserves for the housing programs are set annually by the BC Housing Management Commission.

	Kettle On Burrard \$	Peggy's Place \$	Friendship Court \$	Garden Villa \$	Total \$
Balance, beginning of the year	347,024	205	106,859	-	454,088
Transfers from operating	116,049	5,600	14,032	4,560	140,241
Transfer from BC Housing	-	-	-	262,785	262,785
Interest earned	413	-	110	20	543
Bank charges	-	(20)	(20)	-	(40)
Replacement expenses	(14,792)	(3,838)	(18,171)	(15,284)	(52,085)
Balance, end of the year	448,694	1,947	102,810	252,081	805,532

NOTE 9: ENDOWMENT FUND

The Vancouver Foundation holds an endowment fund for the Society (contributed amount is \$101,000, market value is \$240,558). Income generated by the fund is paid to the Society every three months.

NOTE 10: OPERATING LOAN

The Society has a line of credit available to a maximum of \$100,000 requiring monthly interest-only payments at prime plus 1.75% per annum. As at the year end, the balance outstanding on the line of credit is \$NIL (2017 - \$NIL).

NOTE 11: COMMITMENTS

The Society has the following minimum commitments for its operating leases:

	<u>\$</u>
2019	38,405
2020	37,215
2021	37,215
2022	31,730
2023	14,147
	<u>158,712</u>

THE KETTLE FRIENDSHIP SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2018

NOTE 12: ECONOMIC DEPENDENCE

The Kettle Friendship Society receives 65% (2017 - 64%) of its revenue from local, provincial and federal governments.

NOTE 13: WAGES AND BENEFITS

Seven employees have received remuneration in excess of \$75,000 during the fiscal period. The payment to these employees are \$650,192 in aggregate.

THE KETTLE FRIENDSHIP SOCIETY

SUMMARY SCHEDULE OF PROGRAM OPERATIONS AND CHANGES IN FUND BALANCES - OPERATING FUND
For The Year Ended March 31, 2018

Schedule 1

	Sch. #	Vancouver Coastal Health Authority \$	Other Revenue \$	Total Revenue \$	Total Expenses \$	Excess (Deficiency) For the Year \$	Opening Balance (Deficit) \$	Inter-Fund Transfers, Recoveries & Repayments \$	Ending Balance (Deficit) \$
RESTRICTED									
Drop-in Centre	2	889,896	224,594	1,114,490	1,027,398	87,092	(134,893)	(33,262)	(81,063)
Camille House (VCHA)	3	375,780	112,920	488,700	482,107	6,593	(13,073)	(1,196)	(7,676)
Camille House (BCHMC)	4	-	4,560	4,560	797	3,763	(13,399)	-	(9,636)
Rent Supplement 46905 and 46906	5	-	156,038	156,038	165,448	(9,410)	33,982	-	24,572
CLS, SIL, SuperSIL	6	1,772,805	535,088	2,307,893	2,304,435	3,458	1,422	(5,637)	(757)
Peggy's Place	7	737,841	151,689	889,530	820,271	69,259	44,398	(24,836)	88,821
Friendship Court (BCHMC)	8	-	193,587	193,587	147,421	46,166	(189,283)	(58,158)	(201,275)
Friendship Court Enhanced (VCHA)	9	412,087	26,110	438,197	436,653	1,544	(7,598)	-	(6,054)
Mental Health Legal Advocacy	10	-	179,604	179,604	184,386	(4,782)	9,932	(1,206)	3,944
Triumph Apartments (VCHA)	11	394,898	13,555	408,453	407,847	606	(10,680)	(1,196)	(11,270)
Skills, Employment and Esteem Development	12	35,602	192,393	227,995	223,458	4,537	(21,881)	-	(17,344)
Homeless Outreach Program & ID Bank	13	-	131,755	131,755	171,549	(39,794)	78,802	(2,627)	36,381
Yaffa Housing	14	-	49,983	49,983	46,488	3,495	9,264	-	12,759
Kettle on Burrard - Start-up	15	-	-	-	-	-	(49,260)	-	(49,260)
Kettle on Burrard	16	-	3,515,885	3,515,885	2,884,427	631,458	171,273	(579,962)	222,769
Garden Villa	17	-	94,059	94,059	78,026	16,033	5,827	(13,327)	8,533
Taylor Manor - Start-up	18	-	-	-	-	-	-	-	-
Taylor Manor	19	-	1,621,633	1,621,633	1,608,006	13,627	74,456	(4,580)	83,503
Law Foundation Transition	20	-	-	-	-	-	-	-	-
Mental Health Outreach & Support	21	-	199,589	199,589	207,052	(7,463)	23,845	(1,035)	15,347
		4,618,909	7,403,042	12,021,951	11,195,769	826,182	13,134	(727,022)	112,294
UNRESTRICTED									
Society Fund	22	-	1,440,573	1,440,573	1,402,735	37,838	114,642	(62,987)	89,493
		4,618,909	8,843,615	13,462,524	12,598,504	864,020	127,776	(790,009)	201,787

THE KETTLE FRIENDSHIP SOCIETY

**SCHEDULE OF PROGRAM OPERATIONS
DROP-IN CENTRE
For the year ended March 31, 2018**

Schedule 2

	2018 \$	2017 \$
REVENUE		
Vancouver Coastal Health Authority	889,896	875,236
BC Gaming Commission	125,042	125,149
City of Vancouver	86,251	86,250
Donations	4,604	9,807
Client contributions	8,445	8,423
Other	252	837
	1,114,490	1,105,702
EXPENSES		
Allowances to clients	-	12,664
Consulting	1,871	3,113
Food	137,924	128,025
Insurance	3,368	6,242
Interest on long-term debt	21,869	25,065
Maintenance and supplies	34,362	40,297
Office and miscellaneous	18,161	18,670
Organization management costs	125,000	125,000
Pest control	1,112	1,898
Professional fees	5,723	4,294
Program supplies	52,423	61,826
Property taxes	23,282	32,672
Rent	5,086	6,992
Service contracts	945	-
Staff development	223	975
Telephone	9,635	7,804
Travel	1,687	5,870
Utilities	22,101	32,980
Volunteers	1,229	164
Wages and benefits	561,397	538,935
	1,027,398	1,053,486
EXCESS OF REVENUE OVER EXPENSES	87,092	52,216
PRINCIPAL REPAYMENTS	(26,134)	(42,139)
TANGIBLE CAPITAL ASSETS ACQUIRED	(7,128)	-
FUND BALANCE, BEGINNING OF THE YEAR	(134,893)	(144,970)
FUND BALANCE, END OF THE YEAR	(81,063)	(134,893)

*During the year, \$66,302.19 of food costs and \$58,739.30 of the cooks wages and benefits were covered by the BC gaming grant.

THE KETTLE FRIENDSHIP SOCIETY

**SCHEDULE OF PROGRAM OPERATIONS
CAMILLE HOUSE (VCHA)
For the year ended March 31, 2018**

Schedule 3

	2018	2017
	\$	\$
REVENUE		
Vancouver Coastal Health Authority	375,780	368,931
User fees	112,920	121,243
Donations	-	1,687
	488,700	491,861
EXPENSES		
Food	26,948	26,602
Insurance	434	1,736
Maintenance and supplies	3,182	3,365
Medical supplies	217	350
Office and miscellaneous	2,620	4,944
Organization management costs	50,000	50,000
Professional fees	2,618	1,964
Program supplies	7,962	12,412
Staff development	247	105
Telephone	2,564	3,486
Travel	126	144
Utilities	1,280	1,265
Wages and benefits	383,909	377,987
	482,107	484,360
EXCESS OF REVENUE OVER EXPENSES	6,593	7,501
TANGIBLE CAPITAL ASSETS ACQUIRED	(1,196)	-
FUND BALANCE, BEGINNING OF THE YEAR	(13,073)	(20,574)
FUND BALANCE, END OF THE YEAR	(7,676)	(13,073)

THE KETTLE FRIENDSHIP SOCIETY

**SCHEDULE OF PROGRAM OPERATIONS
CAMILLE HOUSE (BCHMC)
For the year ended March 31, 2018**

Schedule 4

	2018	2017
	\$	\$
REVENUE		
BC Housing Management Commission	4,560	4,560
EXPENSES		
Maintenance and supplies	797	1,170
<hr/>		
EXCESS OF REVENUE OVER EXPENSES	3,763	3,390
FUND BALANCE, BEGINNING OF THE YEAR	(13,399)	(16,789)
<hr/>		
FUND BALANCE, END OF THE YEAR	(9,636)	(13,399)

THE KETTLE FRIENDSHIP SOCIETY

SCHEDULE OF PROGRAM OPERATIONS
RENT SUPPLEMENT 46905 AND 46906
For the year ended March 31, 2018

Schedule 5

	2018 \$	2017 \$
REVENUE		
BC Housing Management Commission	112,921	98,433
Rent revenue	43,117	42,138
	156,038	140,571
EXPENSES		
Housing rent	132,181	139,856
Organizational costs	33,267	-
	165,448	139,856
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	(9,410)	715
FUND BALANCE, BEGINNING OF THE YEAR	33,982	33,267
FUND BALANCE, END OF THE YEAR	24,572	33,982

THE KETTLE FRIENDSHIP SOCIETY

**SCHEDULE OF PROGRAM OPERATIONS
CLS, SIL, SUPERSIL
For the year ended March 31, 2018**

Schedule 6

	2018	2017
	\$	\$
REVENUE		
Vancouver Coastal Health Authority	1,772,805	1,743,212
Rent revenue	535,088	564,327
	2,307,893	2,307,539
EXPENSES		
Housing rent	1,128,216	1,131,899
Insurance	5,000	4,000
Maintenance and supplies	22,003	14,642
Office and miscellaneous	8,916	7,513
Organization management costs	250,000	244,000
Pest control	755	713
Professional fees	7,631	5,725
Program supplies	8,532	16,661
Rent	54,000	52,000
Staff development	1,879	1,731
Telephone	22,547	17,476
Tenant damage	1,371	-
Travel	25,891	24,269
Utilities	8,000	7,000
Volunteers	796	1,027
Wages and benefits	758,898	778,803
	2,304,435	2,307,459
EXCESS OF REVENUE OVER EXPENSES	3,458	80
TANGIBLE CAPITAL ASSETS ACQUIRED	(5,637)	-
FUND BALANCE, BEGINNING OF THE YEAR	1,422	1,342
FUND BALANCE, END OF THE YEAR	(757)	1,422

THE KETTLE FRIENDSHIP SOCIETY

**SCHEDULE OF PROGRAM OPERATIONS
PEGGY'S PLACE
For the year ended March 31, 2018**

Schedule 7

	2018	2017
	\$	\$
REVENUE		
Vancouver Coastal Health Authority	737,841	688,913
User fees	95,065	99,263
BC Housing Management Commission	54,212	-
Donations	2,412	1,100
	889,530	789,276
EXPENSES		
Food	31,619	30,416
Insurance	2,516	3,794
Interest on long-term debt	8,236	14,432
Maintenance and supplies	66,974	25,162
Medical supplies	640	1,578
Office and miscellaneous	7,916	9,409
Organization management costs	80,000	80,000
Pest control	1,045	1,045
Professional fees	2,862	2,147
Program supplies	5,054	15,247
Property taxes	8,084	7,704
Service contracts	1,335	844
Staff development	64	202
Telephone	5,485	5,453
Travel	1,962	688
Utilities	8,192	8,328
Wages and benefits	588,287	553,065
	820,271	759,514
EXCESS OF REVENUE OVER EXPENSES	69,259	29,762
PRINCIPAL REPAYMENTS	(16,525)	(13,869)
REPLACEMENT RESERVE	(5,600)	(5,600)
CAPITAL ASSETS ACQUIRED	(2,711)	(5,691)
FUND BALANCE, BEGINNING OF THE YEAR	44,398	39,796
FUND BALANCE, END OF THE YEAR	88,821	44,398

THE KETTLE FRIENDSHIP SOCIETY

**SCHEDULE OF PROGRAM OPERATIONS
FRIENDSHIP COURT (BCHMC)
For the year ended March 31, 2018**

Schedule 8

	2018	2017
	\$	\$
REVENUE		
BC Housing Management Commission	121,520	117,084
Rent revenue	72,067	70,970
	193,587	188,054
EXPENSES		
Insurance	7,324	5,118
Interest on long-term debt	35,740	34,138
Maintenance and supplies	28,182	19,754
Office and miscellaneous	580	714
Organization management costs	14,000	14,000
Pest control	3,981	3,239
Professional fees	2,444	1,446
Property taxes	983	881
Service contracts	6,776	9,582
Tenant damage	464	-
Utilities	22,172	20,518
Wages and benefits	24,775	24,775
	147,421	134,165
EXCESS OF REVENUE OVER EXPENSES	46,166	53,889
PRINCIPAL REPAYMENTS	(41,933)	(40,368)
REPLACEMENT RESERVE	(14,032)	(14,032)
CAPITAL ASSETS ACQUIRED	(2,193)	-
BC HOUSING MANAGEMENT COMMISSION RECOVERIES	-	(3,116)
FUND BALANCE, BEGINNING OF THE YEAR	(189,283)	(185,656)
FUND BALANCE, END OF THE YEAR	(201,275)	(189,283)

THE KETTLE FRIENDSHIP SOCIETY

**SCHEDULE OF PROGRAM OPERATIONS
FRIENDSHIP COURT ENHANCED (VCHA)
For the year ended March 31, 2018**

Schedule 9

	2018	2017
	\$	\$
REVENUE		
Vancouver Coastal Health Authority	412,087	404,829
Tenant contributions	25,510	25,105
Donations	600	520
	438,197	430,454
EXPENSES		
Food	26,407	25,220
Maintenance and supplies	257	177
Office and miscellaneous	2,331	4,089
Organization management costs	45,000	45,000
Professional fees	1,908	1,431
Program supplies	5,335	6,261
Staff development	613	109
Telephone	4,221	5,089
Travel	1,237	1,502
Tenant utilities	6,306	5,914
Wages and benefits	343,038	333,844
	436,653	428,636
EXCESS OF REVENUE OVER EXPENSES	1,544	1,818
FUND BALANCE, BEGINNING OF THE YEAR	(7,598)	(9,416)
FUND BALANCE, END OF THE YEAR	(6,054)	(7,598)

THE KETTLE FRIENDSHIP SOCIETY

**SCHEDULE OF PROGRAM OPERATIONS
MENTAL HEALTH LEGAL ADVOCACY
For the year ended March 31, 2018**

Schedule 10

	2018	2017
	\$	\$
REVENUE		
Grants	160,000	150,000
Society Fundraising	19,604	3,204
Donations	-	2,185
	179,604	155,389
EXPENSES		
Legal supervision	7,430	7,430
Office and miscellaneous	1,086	1,116
Organization management costs	12,000	12,000
Program supplies	1,291	1,319
Rent	19,604	3,204
Staff development	293	-
Telephone	3,882	3,834
Travel	3,248	880
Wages and benefits	135,552	135,909
	184,386	165,692
DEFICIENCY OF REVENUE OVER EXPENSES	(4,782)	(10,303)
TANGIBLE CAPITAL ASSETS ACQUIRED	(1,206)	-
INTER-PROGRAM TRANSFER	-	(2,691)
FUND BALANCE, BEGINNING OF THE YEAR	9,932	22,926
FUND BALANCE, END OF THE YEAR	3,944	9,932

THE KETTLE FRIENDSHIP SOCIETY

**SCHEDULE OF PROGRAM OPERATIONS
TRIUMPH APARTMENTS (VCHA)
For the year ended March 31, 2018**

Schedule 11

	2018	2017
	\$	\$
REVENUE		
Vancouver Coastal Health Authority	394,898	387,689
Tenant food contributions	8,055	8,100
Donations	5,500	5,500
	408,453	401,289
EXPENSES		
Food	18,833	17,705
Maintenance and supplies	862	708
Office and miscellaneous	1,170	2,703
Organization management costs	42,000	42,000
Professional fees	1,431	1,073
Program supplies	4,811	4,106
Staff development	101	351
Telephone	3,979	3,796
Travel	1,676	706
Utilities	5,686	4,681
Wages and benefits	327,298	327,978
	407,847	405,807
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	606	(4,518)
TANGIBLE CAPITAL ASSETS ACQUIRED	(1,196)	-
FUND BALANCE, BEGINNING OF THE YEAR	(10,680)	(6,162)
FUND BALANCE, END OF THE YEAR	(11,270)	(10,680)

THE KETTLE FRIENDSHIP SOCIETY

**SCHEDULE OF PROGRAM OPERATIONS
SKILLS, EMPLOYMENT AND ESTEEM DEVELOPMENT
For the year ended March 31, 2018**

Schedule 12

	2018	2017
	\$	\$
REVENUE		
Street Cleaning income	44,453	42,966
Vancouver Coastal Health Authority - S.M.A.R.T.	35,602	34,024
City of Vancouver	42,500	30,750
Donation - SpenserCreo Foundation	45,000	-
Donation - Diamond Foundation	25,000	28,000
Donation - Sutherland Foundation	25,000	25,000
Fresh Start Grants	3,051	21,949
Other Donations	48	-
Kettle Store	7,341	6,204
	227,995	188,893
EXPENSES		
Allowances to clients	82,072	73,577
Consulting	1,815	1,320
Maintenance and supplies	16	525
Office and miscellaneous	899	126
Organization management costs	24,000	24,000
Professional fees	954	716
Program supplies	15,808	14,664
Rent	6,000	6,000
Staff development	-	45
Telephone	1,226	1,286
Travel	44	-
Volunteers	1,700	406
Wages and benefits	88,924	46,416
	223,458	169,081
EXCESS OF REVENUE OVER EXPENSES	4,537	19,812
FUND BALANCE, BEGINNING OF THE YEAR	(21,881)	(41,693)
FUND BALANCE, END OF THE YEAR	(17,344)	(21,881)

THE KETTLE FRIENDSHIP SOCIETY

**SCHEDULE OF PROGRAM OPERATIONS
HOMELESS OUTREACH PROGRAM & ID BANK
For the year ended March 31, 2018**

Schedule 13

	2018 \$	2017 \$
REVENUE		
BC Housing Management Commission	105,088	75,200
BC Housing Management Commission - rent supplements	26,667	23,400
	131,755	98,600
EXPENSES		
Housing rent	21,553	20,838
Office and miscellaneous	1,903	2,469
Organization management costs	8,100	8,100
Professional fees	286	215
Program supplies	11,645	8,229
Rent	3,600	3,600
Staff development	-	101
Telephone	1,371	849
Travel	6,317	3,681
Wages and benefits	116,774	57,942
	171,549	106,024
DEFICIENCY OF REVENUE OVER EXPENSES	(39,794)	(7,424)
CAPITAL ASSETS ACQUIRED	(2,627)	-
FUND BALANCE, BEGINNING OF THE YEAR	78,802	86,226
FUND BALANCE, END OF THE YEAR	36,381	78,802

THE KETTLE FRIENDSHIP SOCIETY**SCHEDULE OF PROGRAM OPERATIONS
YAFFA HOUSING
For the year ended March 31, 2018**

Schedule 14

	2018	2017
	\$	\$
REVENUE		
Vancouver Yaffa Housing Society	49,983	49,178
<hr/>		
EXPENSES		
Office and miscellaneous	36	48
Organization management costs	6,000	6,000
Professional fees	1,431	1,073
Program supplies	340	420
Staff development	26	42
Telephone	283	144
Travel	1,187	1,934
Wages and benefits	37,185	37,579
<hr/>		
	46,488	47,240
<hr/>		
EXCESS OF REVENUE OVER EXPENSES	3,495	1,938
FUND BALANCE, BEGINNING OF THE YEAR	9,264	7,326
<hr/>		
FUND BALANCE, END OF THE YEAR	12,759	9,264

THE KETTLE FRIENDSHIP SOCIETY

SCHEDULE OF PROGRAM OPERATIONS
KETTLE ON BARRARD - START-UP
For the year ended March 31, 2018

Schedule 15

	2018 \$	2017 \$
REVENUE	-	-
EXPENSES	-	-
<hr/>		
EXCESS OF REVENUE OVER EXPENSES	-	-
FUND BALANCE, BEGINNING OF THE YEAR	(49,260)	(49,260)
<hr/>		
FUND BALANCE, END OF THE YEAR	(49,260)	(49,260)

THE KETTLE FRIENDSHIP SOCIETY

**SCHEDULE OF PROGRAM OPERATIONS
KETTLE ON BURRARD
For the year ended March 31, 2018**

Schedule 16

	2018 \$	2017 \$
REVENUE		
BC Housing Management Commission	2,756,269	2,741,651
Rent revenue	603,754	591,311
Tenant contribution	84,249	86,341
FS/MCFD replacement reserve cost recovery	71,613	71,613
	3,515,885	3,490,916
EXPENSES		
Allowances to clients	7,852	-
Food	9,994	11,956
Insurance	47,518	46,622
Interest on long-term debt	712,932	733,040
Maintenance and supplies	36,794	49,066
Office and miscellaneous	12,606	19,256
Organization management costs	232,072	232,097
Professional fees	8,394	6,298
Program supplies	34,429	35,081
Service contracts	92,736	94,665
Staff development	1,898	1,387
Telephone	12,167	11,624
Tenant damage	42,976	48,723
Travel	200	425
Utilities	263,890	274,528
Wages and benefits	1,367,969	1,365,387
	2,884,427	2,930,155
EXCESS OF REVENUE OVER EXPENSES	631,458	560,761
TANGIBLE CAPITAL ASSETS ACQUIRED	(6,760)	-
PRINCIPAL REPAYMENTS	(457,153)	(437,621)
REPLACEMENT RESERVE - BC HOUSING	(100,080)	(100,080)
REPLACEMENT RESERVE - DIRECTIONS	(15,969)	(15,969)
BC HOUSING MANAGEMENT COMMISSION RECOVERIES	-	(12,049)
FUND BALANCE, BEGINNING OF THE YEAR	171,273	176,231
FUND BALANCE, END OF THE YEAR	222,769	171,273

THE KETTLE FRIENDSHIP SOCIETY

**SCHEDULE OF PROGRAM OPERATIONS
GARDEN VILLA
For the year ended March 31, 2018**

Schedule 17

	2018	2017
	\$	\$
REVENUE		
BC Housing Management Commission	66,651	24,324
Tenant contribution	27,408	-
	94,059	24,324
EXPENSES		
Interest on long-term debt	15,133	-
Insurance	1,976	-
Maintenance and supplies	7,333	-
Office and miscellaneous	94	-
Organizational management costs	2,500	2,500
Professional fees	2,398	-
Program supplies	621	-
Service contracts	11,234	-
Staff development	26	42
Telephone	1,843	1,691
Travel	756	898
Utilities	8,367	-
Wages and benefits	25,745	22,339
	78,026	27,470
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	16,033	(3,146)
TANGIBLE CAPITAL ASSETS ACQUIRED	(6,330,000)	-
PRINCIPAL REPAYMENTS	(8,767)	-
PROCEEDS OF LONG-TERM DEBT	6,330,000	-
REPLACEMENT RESERVE	(4,560)	-
FUND BALANCE, BEGINNING OF THE YEAR	5,827	8,973
FUND BALANCE, END OF THE YEAR	8,533	5,827

THE KETTLE FRIENDSHIP SOCIETY

**SCHEDULE OF PROGRAM OPERATIONS
TAYLOR MANOR - START-UP
For the year ended March 31, 2018**

Schedule 18

	2018	2017
	\$	\$
REVENUE	-	-
EXPENSES	-	-
<hr/>		
EXCESS OF REVENUE OVER EXPENSES	-	-
REPAYMENT OF START-UP COSTS	-	52,732
FUND BALANCE, BEGINNING OF THE YEAR	-	(52,732)
<hr/>		
FUND BALANCE, END OF THE YEAR	-	-

THE KETTLE FRIENDSHIP SOCIETY

**SCHEDULE OF PROGRAM OPERATIONS
TAYLOR MANOR
For the year ended March 31, 2018**

Schedule 19

	2018 \$	2017 \$
REVENUE		
Designated donations	1,298,531	1,173,180
Rent revenue	231,718	237,232
Tenant contribution	62,139	63,290
Donations	27,879	17,728
Miscellaneous	1,366	-
	1,621,633	1,491,430
EXPENSES		
Allowance to clients	8,588	10,059
Food	68,738	60,312
Insurance	27,736	20,786
Maintenance and supplies	218,989	189,677
Office and miscellaneous	14,199	15,441
Professional fees	2,862	2,147
Program supplies	23,689	22,813
Service contracts	30,454	23,396
Staff development	1,807	508
Telephone	12,718	11,636
Tenant damage	16,109	6,146
Travel	1,747	1,673
Utilities	114,993	110,684
Wages and benefits	1,065,377	993,422
	1,608,006	1,468,700
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	13,627	22,730
TANGIBLE CAPITAL ASSETS ACQUIRED	(4,580)	-
FUND BALANCE, BEGINNING OF THE YEAR	74,456	51,726
FUND BALANCE, END OF THE YEAR	83,503	74,456

THE KETTLE FRIENDSHIP SOCIETY

SCHEDULE OF PROGRAM OPERATIONS
LAW FOUNDATION TRANSITION
For the year ended March 31, 2018

Schedule 20

	2018 \$	2017 \$
REVENUE	-	-
EXPENSES	-	-
Utilities	-	429
<hr/>		
EXCESS OF REVENUE OVER EXPENSES	-	-
INTER-PROGRAM TRANSFER	-	2,691
FUND BALANCE, BEGINNING OF THE YEAR	-	(2,691)
<hr/>		
FUND BALANCE, END OF THE YEAR	-	-

THE KETTLE FRIENDSHIP SOCIETY

**SCHEDULE OF PROGRAM OPERATIONS
MENTAL HEALTH OUTREACH & SUPPORT
For the year ended March 31, 2018**

Schedule 21

	2018	2017
	\$	\$
REVENUE		
Grants	112,589	136,292
Donations	67,000	8,000
Society Fundraising	20,000	3,600
	199,589	147,892
EXPENSES		
Office and miscellaneous	509	432
Organizational management costs	26,815	15,302
Professional fees	572	429
Program supplies	2,823	1,443
Rent	20,000	3,600
Staff development	143	351
Telephone	2,948	2,105
Travel	1,043	-
Wages and benefits	152,199	118,659
	207,052	142,321
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	(7,463)	5,571
TANGIBLE CAPITAL ASSETS ACQUIRED	(1,035)	(930)
FUND BALANCE, BEGINNING OF THE YEAR	23,845	19,204
FUND BALANCE, END OF THE YEAR	15,347	23,845

THE KETTLE FRIENDSHIP SOCIETY

**SCHEDULE OF PROGRAM OPERATIONS
SOCIETY FUND**

Schedule 22

For the year ended March 31, 2018

	2018	2017
	\$	\$
REVENUE		
Organization management fees	685,416	667,902
Organization fees - 1134 Burrard Street	232,072	232,072
Organization fees - Taylor Manor	160,000	128,335
Donations	216,444	105,252
Program rent and recoveries	92,000	78,500
Sponsorship and Event income	43,515	73,488
Other	2,389	13,564
City of Vancouver	-	3,000
Endowment income (Note 9)	8,737	8,403
	1,440,573	1,310,516
EXPENSES		
Bank charges and interest	7,537	6,649
Board of Directors	18,664	13,849
Consulting	20,257	18,091
Insurance	7,519	8,779
Interest on long-term debt	24,451	18,368
IT maintenance and service costs	43,142	21,224
Fundraising	44,775	28,599
Legal	859	-
Maintenance and supplies	20,433	12,494
Marketing and communication	20,659	52,052
Office and miscellaneous	34,749	37,501
Payroll service costs	30,617	19,268
Professional fees	4,769	3,672
Program supplies	36,620	40,334
Property taxes	21,969	23,767
Staff development	4,488	164
Telephone	18,617	15,381
Travel	3,959	2,757
Utilities	8,053	9,429
Volunteers	21,935	22,306
Wages and benefits	1,008,663	930,197
	1,402,735	1,284,881
EXCESS OF REVENUE OVER EXPENSES	37,838	25,635
TANGIBLE CAPITAL ASSETS ACQUIRED	(45,285)	(101,203)
PRINCIPAL REPAYMENTS	(29,220)	(13,294)
DEFERRED CAPITAL CONTRIBUTION	11,518	86,382
FUND BALANCE, BEGINNING OF THE YEAR	114,642	117,122
FUND BALANCE, END OF THE YEAR	89,493	114,642