

SLOCAN VALLEY HOUSING SOCIETY

FINANCIAL STATEMENTS

March 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Slocan Valley Housing Society

Opinion

We have audited the accompanying financial statements of the Slocan Valley Housing Society (the Society), which comprise the statement of financial position as at March 31, 2025 and the statement of operations, statement of changes in net assets, and statement of cash flow for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Slocan Valley Housing Society as at March 31, 2025 and the results of its operations, changes in net assets and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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 the 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 opinion.

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 Canadian accounting standards for not-for-profit organizations 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 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 responsibility 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements have been applied on a basis consistent with that of the preceding year.

August 25, 2025



Jeremy Childs, CPA CA
CHILDS CHANTON
CHARTERED PROFESSIONAL ACCOUNTANTS
Castlegar, BC

SLOCAN VALLEY HOUSING SOCIETY**STATEMENT OF FINANCIAL POSITION****As at March 31, 2025**

	General Society	Rental Properties	2025 Total	2024 Total
ASSETS				
Current assets				
Cash	\$ 22,036	\$ 246,652	\$ 268,688	\$ 205,600
Accounts receivable	-	67,211	67,211	16,614
Prepaid expenses	-	5,793	5,793	5,936
Interfund balances (Note 11)	(17,955)	17,955	-	-
Short-term investments	39,589	111,641	151,230	135,207
	43,670	449,252	492,922	363,357
Capital assets (Note 3)	-	3,288,254	3,288,254	3,021,963
	\$ 43,670	\$ 3,737,506	\$ 3,781,176	\$ 3,385,320

LIABILITIES AND NET ASSETS

Current liabilities				
Accounts payable and accrued liabilities	-	\$ 133,554	\$ 133,554	\$ 103,766
Current portion of long-term debt (Note 5)	-	47,933	47,933	48,000
	-	181,487	181,487	151,766
Security Deposits	-	15,067	15,067	13,136
Forgivable loan and mortgage (Note 4)	-	1,160,852	1,160,852	1,209,137
Long-term debt (Note 5)	-	917,003	917,003	963,697
Construction mortgage (Note 14)	-	500,826	500,826	126,677
	-	2,775,235	2,775,235	2,464,413

NET ASSETS

Invested in capital assets	-	661,637	661,637	673,551
Replacement reserve (Note 13)	-	103,102	103,102	96,632
Fund net assets	43,670	197,532	241,202	150,724
	43,670	962,271	1,005,941	920,907
	\$ 43,670	\$ 3,737,506	\$ 3,781,176	\$ 3,385,320

Contingent Liability (Note 8)

Approved on behalf of the board:

*Ruth E Hackett*

The accompanying notes are an integral part of these financial statements.

SLOCAN VALLEY HOUSING SOCIETY**STATEMENT OF OPERATIONS****For the Year Ended March 31, 2025**

	General Society	Rental Properties	2025 Total	2024 Total
REVENUE				
BC Housing - rent subsidies	\$ -	\$ 102,475	\$ 102,475	\$ 103,873
Rent contributions	-	301,769	301,769	192,454
Grants:				
BC Housing	-	11,082	11,082	5,054
SHRSP	-	42,068	42,068	65,358
CBT/RDCK - Outreach	4,500	-	4,500	3,800
Donations	-	942	942	2,752
Interest and other income	3,300	4,320	7,620	6,291
Membership fees	-	165	165	85
	7,800	462,821	470,621	379,667
EXPENDITURES				
Admin wages and benefits	-	39,488	39,488	26,264
Advertising and promotion	160	75	235	703
Audit and legal	-	20,707	20,707	18,270
Building wages and benefits	-	20,841	20,841	3,882
General administration	-	-	-	201
General maintenance:				
- building and grounds	175	46,465	46,640	40,949
- snow removal	-	9,234	9,234	9,664
General utilities:				
-electricity	-	17,946	17,946	23,229
-heating fuel	-	2,206	2,206	1,990
-water and sewer system	-	9,807	9,807	7,282
Insurance	-	23,690	23,690	25,206
Mortgage interest	-	41,254	41,254	32,794
Office expense	1,357	15,678	17,035	14,947
Outreach programs	6,234	-	6,234	4,442
Property tax	-	9,398	9,398	2,118
Special projects	-	-	-	654
Telephone and internet	-	3,882	3,882	3,261
Waste removal	-	8,135	8,135	8,507
Replacement reserve expenses	-	21,295	21,295	10,107
	7,926	290,101	298,027	234,470
Excess of revenues over expenditures before amortization	(126)	172,720	172,594	145,197
Add: Forgivable loan amortization revenue (Note 4)	-	48,285	48,285	51,297
Less: Amortization expense	-	(135,845)	(135,845)	(132,656)
Excess (deficiency) of revenues over expenditures	\$ (126)	\$ 85,160	\$ 85,034	\$ 63,838

The accompanying notes are an integral part of these financial statements.

SLOCAN VALLEY HOUSING SOCIETY**STATEMENT OF CHANGES IN NET ASSETS****For the Year Ended March 31, 2025**

	General Society	Rental Properties	2025 Total	2024 Total
NET ASSETS - OPENING	\$ 43,796	\$ 877,111	\$ 920,907	\$ 857,069
Add:				
Deduct:				
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(126)	85,160	85,034	63,838
NET ASSETS, END OF YEAR	\$ 43,670	\$ 962,271	\$ 1,005,941	\$ 920,907

The accompanying notes are an integral part of these financial statements.

SLOCAN VALLEY HOUSING SOCIETY**STATEMENT OF CASH FLOW****For the Year Ended March 31, 2025**

	General Society	Rental Properties	2025 Total	2024 Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from:				
BC Housing - subsidies	\$ -	\$ 68,514	\$ 68,514	\$ 103,873
Rent and deposits	-	255,591	255,591	192,453
Grants	7,800	49,849	57,649	75,579
Donations and sundry	-	862	862	7,179
Memberships	-	165	165	85
Cash used for:				
Wages and contractors	-	(60,329)	(60,329)	(34,317)
Materials and services	(7,926)	(78,837)	(86,763)	(89,497)
Net transfers between fund accounts	(3,935)	3,935	-	-
Interest paid on long-term-debt	-	(41,253)	(41,253)	(32,581)
Net cash flows received from (used by) operating activities	(4,061)	198,497	194,436	222,774
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash used for:				
Advances from BC housing loan	-	374,149	374,149	126,677
Repayments of long-term debt	-	(95,045)	(95,045)	(48,167)
Net cash flows from (used for) financing activities	-	279,104	279,104	78,510
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash received from:				
Interest on deposits	-	7,700	7,700	4,897
Draws of term deposits	-	-	-	29,166
Cash used for:				
Capital expenditures	-	(402,133)	(402,133)	(234,051)
Increase in term deposits	-	(16,018)	(16,018)	(52,209)
Net cash flows received from (used for) investing activities	-	(410,451)	(410,451)	(252,197)
INCREASE (DECREASE) IN CASH	(4,061)	67,150	63,089	49,087
CASH, BEGINNING OF YEAR	26,097	179,502	205,599	156,513
CASH, END OF YEAR	\$ 22,036	\$ 246,652	\$ 268,688	\$ 205,600

The accompanying notes are an integral part of these financial statements.

SLOCAN VALLEY HOUSING SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2025

1. PURPOSE OF THE ORGANIZATION

The Slocan Valley Housing Society (the Society) was incorporated in 1997 under the Society Act of the Province of British Columbia to provide low cost housing units to tenants living in the Slocan Valley. The Society is registered with the Canada Revenue Agency as a charitable organization. As such, it is tax exempt and may issue tax-deductible charitable donation receipts.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The following is a summary of the significant accounting policies of the Society.

Fund Accounting and Revenue Recognition

The Society follows the restricted fund method of accounting for contributions. The funds are segregated into restricted and unrestricted funds depending on externally imposed spending requirements.

The restricted fund is comprised of the Rental Properties Fund. The Rental Properties Fund accounts for the externally restricted assets, liabilities, revenues and operating costs that pertain to the Rental Properties and is further segregated into the housing fund, capital fund and the replacements reserve fund in the supplementary schedules. The Rental Properties Fund receives funding from the British Columbia Housing Management Commission (BCH) and may only be used for the operations of rental properties. See supplemental schedules for further information on a property by property basis.

Unrestricted revenue from government contributions, donations and grants are recognized when received or receivable if the amounts to be received can be reasonably estimated and collection is reasonably assured. Restricted revenue from these sources is recognized in the corresponding restricted fund, or if there is no corresponding restricted fund, it is deferred and recognized in the year in which the related expenses are incurred or when the related services are provided in accordance with the terms of the applicable agreement.

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

Interest from investments is recognized as revenue in the applicable fund in the period the investment income is earned. Rental revenue is recorded in the period of occupancy. Donations in kind are recognized in the appropriate fund only when the fair market value of the services or materials donated is significant and can be reasonably estimated.

SLOCAN VALLEY HOUSING SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets - Slocan City Suites and Passmore Lodge

Capital assets - Slocan City Suites are recorded at cost less accumulated amortization. The Society's capital assets related to the Slocan City Suites include a twelve unit housing complex and furniture and equipment, situated on land leased from the Village of Slocan. These capital assets are recorded at cost including the nominal consideration paid to the Village of Slocan for a 99 year lease of the land.

Capital assets - Passmore Lodge are recorded at cost less accumulated amortization. The Society's capital assets related to Passmore Lodge include land, the 10 unit seniors' housing complex, fencing, furniture and equipment, and landscaping. The building is situated on land that was donated to the Society. The fair value of the donated value of the land at the time of the donation has been recorded in the financial statements.

Amortization is provided as follows:

Building and improvements	- 4% declining balance
Computer hardware	- 45% declining balance
Fence	- 10% declining balance
Furniture and equipment	- 20% declining balance
Landscaping	- 8% straight line

Impairment of Long-Lived Assets

The Society assesses long-lived assets for impairment when events or changes in circumstances indicate that their carrying value may not be recoverable. An impairment loss is recognized on a long-lived asset when its carrying value exceeds the total undiscounted cash flows expected from its use and eventual disposal. The amount of the impairment loss is equal to the excess of the asset's carrying value over its fair value. No impairment loss was recognized by the Society in the current year.

Financial instruments

The Society considers any contract creating an asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. A financial asset or liability is recognized when the Society becomes party to a contractual provision of the instrument.

Financial assets or liabilities obtained in arm's-length transactions are initially measured at their fair value.

Financial assets or liabilities obtained in related party transactions are measured at their carrying amount, except for those transactions that are with a person or Society whose sole relationship with the Society is in the capacity of management, which are accounted for in accordance with the policy described in the previous paragraph.

The Society subsequently measures all its financial assets and its financial liabilities at amortized cost. The Society's financial instruments include cash, accounts receivable, short-term investments accounts payable, security deposits and long-term debt.

SLOCAN VALLEY HOUSING SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Society's financial assets are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write downs or reversals are recognized in the statement of operations.

Measurement Uncertainty

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and those reported amounts of revenues and expenses during the reporting period. Actual results could differ from those reported. Significant items requiring the use of estimates include the useful lives of capital assets and impairment of long-lived assets.

3. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	2025 Net Book Value	2024
Land	\$ 40,000	\$ -	\$ 40,000	\$ 40,000
Buildings	2,799,214	(525,905)	2,273,309	2,115,446
Building and improvements	1,520,882	(670,260)	850,622	737,677
Furniture and equipment	182,872	(84,080)	98,792	97,727
Appliances and equipment	64,867	(47,862)	17,005	21,257
Landscaping	35,140	(35,654)	(514)	-
Paving	10,500	(2,146)	8,354	9,080
Computer hardware	4,602	(4,583)	19	35
Fence	2,763	(2,096)	667	741
Total	\$ 4,660,840	\$ (1,372,586)	\$ 3,288,254	\$ 3,021,963

SLOCAN VALLEY HOUSING SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2025

4. FORGIVABLE MORTGAGE AND LOAN

The Society has entered into an agreement with BC Housing for financing of the Slocan City Suites housing project. A maximum total of \$1,529,270 in way of a forgivable loan has been made available secured by a second mortgage charging the leasehold interest in the land and premises. Payments on account of principal and interest will be forgiven, provided the property is continuously used for the intended purpose. The term is 35 years and will be forgiven beginning in the 11th year at the rate of 1/25 each year. Notwithstanding this forgiveness schedule, the loan is amortized into income based on the amortization rate of the underlying asset purchased with the loan.

	2025	2024
Forgivable mortgage and loan - end of year	\$ 1,209,137	\$ 1,260,434
Amortization of forgivable mortgage and loan	(48,285)	(51,297)
	\$ 1,160,852	\$ 1,209,137

5. LONG-TERM DEBT

	2025	2024
Peoples Trust Company mortgage repayable in monthly installments of \$4,099 including interest of 3.29% per annum, renewing June 1, 2024, secured by land and building of Passmore Lodge.	\$ 393,718	\$ 427,967
Coast Capital Credit Union mortgage repayable in monthly installments of \$2,410 including interest of 2.855% per annum, renewing March 1, 2029, secured by the buildings and leasehold interest in the land of the Slocan City Suites.	571,219	583,730
	964,937	1,011,697
Less: Current portion	(47,933)	(48,000)
	\$ 917,004	\$ 963,697

Estimated principal payments required over the next five years are as follows:

2026	\$ 47,953
2027	\$ 49,924
2028	\$ 51,867
2029	\$ 54,024
2030	\$ 56,241

SLOCAN VALLEY HOUSING SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2025

6. FINANCIAL RISKS

The Society is exposed to the following potentially significant financial risks through its transactions in financial instruments:

Credit risk: Credit risk is the risk that the Society will be unable to collect on its accounts receivable. The Society has exposure to credit risk to the extent of its goods and services tax receivable from the Canada Revenue Agency and other funding receivable. Accounts receivable are nearly entirely due from one funding source, the BC housing Commission. Management monitors this risk on an ongoing basis and considers this balance likely to be received. This risk has not changed since the prior.

Liquidity risk: Liquidity risk is the risk that the Society will encounter difficulty in meeting its obligations associated with financial liabilities. The Society is exposed to liquidity risk due to scheduled payments on non-forgivable mortgages and accounts payable. Management does not anticipate any difficulties related to debt repayment or accounts payable. This risk has not changed since the prior year.

Interest rate risk: Interest rate risk is the risk that a change in interest rates may have an adverse effect on the value of financial instruments. The Society is exposed to interest rate risk due to its non-forgivable and construction mortgages subject to refinance. This risk has not changed since the prior period.

7. ECONOMIC DEPENDENCE

The Society receives significant operating revenues from BC Housing and is economically dependent on this funding.

8. CONTINGENT LIABILITY

The cumulative non-rent geared to income (non-RGI) assistance is contingently repayable to BC Housing in the event that the total non-RGI tenant rent contribution in any year exceeds the economic rent of the suites occupied by non-RGI tenants. The Society is required to commence repayment of the cumulative non-RGI assistance on the first day of the subsequent fiscal year. The balance then bears interest at bank prime and the required monthly payments are set annually, based on the amount by which non-RGI tenant rent contribution exceeds economic rent for these suites in the prior year. The most recent financial review completed by BC Housing indicated a repayable assistance balance of \$577,995.

9. SOCIETIES ACT OF BRITISH COLUMBIA

The Societies Act of British Columbia includes a requirement to disclose the remuneration paid to all directors, and the ten highest paid employees and all contractors who were paid at least \$75,000 annually. No amounts were paid to any directors and no employees or contractors fall into this disclosure requirement.

10. COMPARATIVE FIGURES

Without affecting total deficiency of revenues over expenditures or total opening net assets, certain comparative figures have been reclassified to conform to the current year's presentation.

11. INTERFUND BALANCES RECEIVABLE (PAYABLE)

Balances owing from one fund to another are presented at their carrying amount and have no fixed

SLOCAN VALLEY HOUSING SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2025

terms of repayment.

12. REPLACEMENT RESERVES

The society maintains a replacement reserve for the purpose of funding ongoing capital repairs for each of Passmore Lodge, Slocan City Suites and the The Osprey residence.

The Society incurred the following transactions in its replacement reserves:

	2025	2024
Replacement reserve - opening	\$ 96,632	\$ 83,259
Replacement reserve interest	1,375	1,364
Replacement reserve provision	26,390	21,069
Replacement reserve expenses	(21,295)	(9,060)
Replacement reserve - ending	\$ 103,102	\$ 96,632

14. CONSTRUCTION MORTGAGE

For the Hume residence project, the Society has borrowed by way of construction mortgages registered in favour of the British Columbia Housing Management Commission and the Canada Mortgage and Housing Corporation. These construction mortgages will be converted to a mix of forgivable and conventional mortgages in due course subsequent to the project completion. These mortgages are subject to refinance at terms and rates yet to be determined. The total balance payable for the Hume Residence is \$ 500,826 . These mortgages are secured by a building with a book value of \$ 379,224 . Lease assignment provisions, purchase options, and other operating covenants are yet to be determined.

SLOCAN VALLEY HOUSING SOCIETY

SCHEDULE 1 - SCHEDULE OF PASSMORE LODGE OPERATIONS AND PROPERTY BALANCES

March 31, 2025

	Housing Fund	Capital Replacement Fund	Reserve	2025 Total	2024 Total
REVENUE					
BC Housing - rent subsidies	\$ 100,244	\$ -	\$ -	\$ 100,244	\$ 103,873
Rent contributions	83,455	-	-	83,455	72,859
Grants	46,068	-	-	46,068	65,358
Donations, interest and other	219	-	287	506	1,008
	229,986	-	287	230,273	243,098
EXPENDITURES					
Administration salaries	23,041	-	-	23,041	10,845
Audit and legal	9,725	-	-	9,725	8,821
Building staff wages	2,117	-	-	2,117	3,882
General maintenance:					
- exterior building	20,887	-	-	20,887	18,711
- snow removal	1,112	-	-	1,112	1,480
General utilities and water	18,395	-	-	18,395	22,124
Insurance	11,426	-	-	11,426	13,545
Mortgage interest	17,148	-	-	17,148	15,778
Office expense	7,437	-	-	7,437	6,110
Property tax	367	-	-	367	86
Replacement reserve expenditures	9,320	-	-	9,320	8,270
Service contracts and special projects	-	-	-	-	385
Telephone and internet	3,119	-	-	3,119	3,114
Waste removal	4,400	-	-	4,400	4,907
	128,494	-	-	128,494	118,058
Excess (deficiency) of revenues over expenditures before amortization	101,492	-	287	101,779	125,040
Add forgivable loan amortization	1,000	-	-	1,000	1,000
Less Amortization	-	(52,683)	-	(52,683)	(45,134)
Excess (deficiency) of revenues over expenditures	102,492	(52,683)	287	50,096	80,906
Fund balance as previously stated	172,556	319,011	36,743	528,310	447,404
Replacement reserve expense	9,355	-	(9,355)	-	-
Transfer to reserve	(8,640)	-	8,640	-	-
Interest	(1,361)	1,361	-	-	-
Paydown of mortgage	(34,893)	34,893	-	-	-
PROPERTY BALANCE, ENDING	\$ 239,509	\$ 302,582	\$ 36,315	\$ 578,406	\$ 528,310

SLOCAN VALLEY HOUSING SOCIETY

SCHEDULE 2 - SCHEDULE OF SLOCAN SUITES OPERATIONS AND PROPERTY BALANCES

March 31, 2025

	Housing Fund	Capital Replacement Fund	Reserve	2025 Total	2024 Total
REVENUE					
Rent contributions	112,949	-	-	112,949	-
Other grants	7,082	-	-	7,082	-
Donations, interest and other	4,979	-	-	4,979	-
	125,010	-	-	125,010	-
EXPENDITURES					
Administration salaries	10,904	-	-	10,904	-
Audit and legal	7,906	-	-	7,906	-
General maintenance:					
- exterior building	14,035	-	-	14,035	-
- snow removal	4,713	-	-	4,713	-
General utilities and water	3,552	-	-	3,552	-
Insurance	11,601	-	-	11,601	-
Mortgage interest	16,413	-	-	16,413	-
Office expense	3,065	-	-	3,065	-
Property tax	2,340	-	-	2,340	-
Replacement reserve expenditures	11,975	-	-	11,975	-
Waste removal	1,765	-	-	1,765	-
	88,269	-	-	88,269	-
Excess (deficiency) of revenues over expenditures before amortization					
	36,741	-	-	36,741	-
Add forgivable loan amortization	48,285	-	-	47,285	-
Less Amortization	(83,170)	-	-	(83,170)	-
Excess (deficiency) of revenues over expenditures					
	1,856	-	-	856	-
Fund balance as previously stated	112,816	176,096	59,889	348,801	-
Replacement reserve expense	11,975	-	(11,975)	-	-
Transfer to reserve	(12,408)	-	12,408	-	-
Interest	(15)	15	-	-	-
Paydown of mortgage	(11,867)	11,867	-	-	-
PROPERTY BALANCE, ENDING					
	\$ 102,357	\$ 187,978	\$ 60,322	\$ 349,657	\$ -

SLOCAN VALLEY HOUSING SOCIETY

SCHEDULE 3 - SCHEDULE OF THE OSPREY RESIDENCE OPERATIONS AND PROPERTY BALANCES

March 31, 2025

	Housing Fund	Capital Replacement Fund	Reserve	2025 Total	2024 Total
REVENUE					
Rent contributions	28,816	-	-	28,816	-
Donations, interest and other	7	-	-	7	-
	28,823	-	-	28,823	-
EXPENDITURES					
Administration salaries	1,722	-	-	1,722	-
Audit and legal	250	-	-	250	-
Building staff wages	4,590	-	-	4,590	-
General maintenance:					
- exterior building	5,573	-	-	5,573	-
- snow removal	613	-	-	613	-
General utilities and water	5,639	-	-	5,639	-
Mortgage interest	3,325	-	-	3,325	-
Office expense	164	-	-	164	-
Replacement reserve expenditures	1,800	-	-	1,800	-
Telephone and internet	213	-	-	213	-
Waste removal	1,970	-	-	1,970	-
	25,859	-	-	25,859	-
Excess (deficiency) of revenues over expenditures before amortization					
	2,964	-	-	2,964	-
Add forgivable loan amortization	-	-	-	-	-
Less Amortization	-	-	-	-	-
Excess (deficiency) of revenues over expenditures					
	2,964	-	-	2,964	-
Fund balance as previously stated	-	-	-	-	-
Adjustment to opening accumulated operating fund	-	-	-	-	-
Transfer to reserve	-	9,000	(9,000)	-	-
Interest	-	-	-	-	-
Paydown of mortgage	-	-	-	-	-
PROPERTY BALANCE, ENDING					
	\$ 2,964	\$ 9,000	\$ (9,000)	\$ 2,964	\$ -

CHILDS CHANTON

CHARTERED PROFESSIONAL ACCOUNTANTS*

* Denotes Professional Corporation

Jeremy J. Childs, CPA, CA
Marie C. Chanton, CPA, CA

241 Columbia Avenue, Castlegar, BC V1N 1G3 Phone: (250) 365-7287 Fax: (250) 365-6066

August 25, 2025

Board of Directors
Slocan Valley Housing Society
3650 Passmore Old Road
Winlaw BC
V0G2J0

Dear Slocan Valley Housing Society:

We have been engaged to audit the financial statements of Slocan Valley Housing Society for the year ending March 31, 2025.

Canadian generally accepted auditing standards require that we communicate at least annually with you regarding all relationships between Slocan Valley Housing Society and ourselves that, in our professional judgment, may reasonably be thought to bear on our independence.

In determining which relationships to report, these standards require that we consider relevant rules and related interpretations prescribed by the Chartered Professional Accountants of British Columbia and applicable legislation, covering such matters as:

- a) holding a financial interest, either directly or indirectly, in a client;
- b) holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- c) personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- d) economic dependence on a client; and
- e) provision of services in addition to the audit engagement.

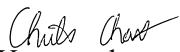
We have prepared the following comments to facilitate our discussion with you regarding independence matters arising since our last letter.

We are not aware of any relationships between Slocan Valley Housing Society and ourselves that, in our professional judgment, may reasonably be thought to bear on our independence.

We hereby confirm that we are independent with respect to Slocan Valley Housing Society within the meaning of the Rules of Professional conduct of the Chartered Professional Accountants of British Columbia from the time of our last letter through August 25, 2025.

This report is intended solely for the use of the board of directors, management and others within Slocan Valley Housing Society and should not be used for any other purpose.

We look forward to discussing with you the matters addressed in this letter.


Yours truly,
Childs Chanton

CHILDS CHANTON

CHARTERED PROFESSIONAL ACCOUNTANTS*

* Denotes Professional Corporation

Jeremy J. Childs, CPA, CA
Marie C. Chanton, CPA, CA

241 Columbia Avenue, Castlegar, BC V1N 1G3 Phone: (250) 365-7287 Fax: (250) 365-6066

Chartered Professional Accountants

SLOCAN VALLEY HOUSING SOCIETY

September 06, 2025

Childs Chanton
Chartered Professional Accountants
241 Columbia Avenue
Castlegar, BC V1N 1G3

Dear Childs Chanton CPA's:

We are providing this letter in connection with your audit of the financial statements of Slocan Valley Housing Society for the year ended March 31, 2025, and for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, results of operations, changes in net financial assest and its cash flow of Slocan Valley Housing Society in accordance with Canadian Public Sector Accounting Standards.

We acknowledge that your examination was planned and conducted in accordance with Canadian generally accepted auditing standards so as to enable you to express and opinion on the financial statements. We understand that while your work includes an examination of the accounting system, internal control, and related data to the extent you considered necessary in the circumstances, it is not designed to identify, nor can it necessarily be expected to disclose fraud, shortages, errors and other irregularities, should any exist

Certain representations in this letter are described as being limited to matters that are material. An item is considered material, regardless of its monetary value, if it is probable that its omission from or misstatement in the financial statements would influence the decision of a reasonable person relying on the financial statements.

We confirm, to the best of our knowledge and belief, as of the date noted above, the following representations made to you during your audit.

A. Financial statement disclosure and presentation

1. We acknowledge that we are responsible for the preparation of the financial statements in accordance with Canadian generally accepted accounting principles applied on a basis consistent with that of the preceding year.
2. The financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2025 and the results of its operations, changes in net financial assets and its cash flow for the year then ended, in accordance with Canadian Public Sector Accounting Standards. All disclosures required by Canadian Public Sector Accounting Standards have been made.
3. The significant accounting policies adopted in the preparation of the financial statements are fully and fairly described in the financial statements.

B. Ownership / Rights and Obligations

1. The Society has good title to, or lease interest in, all assets reported in the financial statements and these assets are free from all liens and encumbrances, except as disclosed in the financial statements.
2. All liabilities reported in the financial statements represent legal debts of the Society at the date of the financial statements.

SLOCAN VALLEY HOUSING SOCIETY

C. Valuation / Measurement

1. The carrying value and classification of the Society's assets and liabilities appropriately reflect management's intent and ability to carry out its plans.
2. Any fair value measurements or disclosures in the financial statements are based on assumptions that appropriately reflect management's intent and ability to carry out its plans.
3. Adequate provisions have been recorded in the accounts for all anticipated material losses.
4. The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.

D. Completeness

1. All material assets owned by the Society are reported in the financial statements.
2. Inventory does not include:
 - items not paid for and for which no liability has been reported in the financial statements;
 - goods on consignment from others
3. All items of property, plant, and equipment sold or dismantled and all capital lease terminations during the fiscal period have been properly reported in the financial statements.
4. There are no liabilities or contingent liabilities arising from environmental matters that have not been disclosed to you. We have considered the effect of environmental matters, and confirm that the relevant assets, liabilities, and commitments are appropriately recognized, measured, and disclosed in the financial statements.
5. All material liabilities of the Society at the date of the financial statements are reported in the financial statements, including provisions for such items as salaries, wages and commissions, royalties, employee benefits, warranties, professional services, taxes, long-term debts, and obligations under capital leases.
6. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements.
7. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the financial statements or as the basis of recording a contingent loss.
8. At the date of the financial statements, there were no material contingent liabilities other than any disclosed in the financial statements, and all claims and possible claims have been disclosed to you, whether or not such claims have been discussed with our lawyers.
9. At the date of the financial statements, the Society had no unusual commitments or contractual obligations of any sort which were not in the ordinary course of business or which might have an adverse effect on the Society other than any disclosed in the financial statements.
10. There were no material transactions during the fiscal period that have not been properly reflected in the accounts underlying the financial statements.
11. We have disclosed to you, and the Society has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

E. Existence / Occurrence

1. No assets or liabilities that do not exist have been reported in the financial statements.
2. All revenue and expense transactions reported in the financial statements occurred during the fiscal period.

SLOCAN VALLEY HOUSING SOCIETY

F. Fraud and Error

1. We are responsible for the design and implementation of internal controls that are designed to prevent and detect fraud and error. We believe that the Society has a system of internal control adequate to permit the preparation of accurate financial statements in accordance with Canadian generally accepted accounting principles.
2. We believe that the effects of the uncorrected financial statement misstatements aggregated by you during the audit, and attached to this letter, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.
3. No allegations of fraud or suspected fraud affecting the financial statements have been communicated to us by employees, former employees, analysts, regulators, or others.
4. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. Based on that assessment, we believe that such risk is acceptably low.
5. We are not aware of any fraud or suspected fraud affecting the entity involving:
 - management,
 - employees who have significant roles in internal control, or
 - others, where the fraud could have a non-trivial effect on the financial statements.

G. General

1. We have made available to you all financial records and related data.
2. The minute books made available to you contain complete and authentic minutes of the trustees' meetings held during and after the fiscal period up to the current date.
3. All related party transactions have been measured and disclosed in the financial statements in accordance with Canadian generally accepted accounting principles. We have disclosed to you:
 - the existence and relationship of all such parties;
 - all transactions and agreements with such parties including guarantees, non-monetary transactions, and transactions for no consideration;
 - all balances due to or from such parties at the date of the financial statements; and
 - details of any indebtedness to the district at any time during the year of the trustees, or persons related to them.
4. No irregularities have occurred and nothing has come to our attention that might reflect upon the honesty or integrity of any employee, agent, or officer of the Society.
5. We have reviewed and approved all journal entries you prepared or changed, account codes you determined or changed, transactions you classified, and accounting records you prepared or changed.
6. We have obtained all consents that are required under applicable privacy legislation for the collection, use, and disclosure to you of personal information.

H. Events subsequent to the year-end

1. There have been no events subsequent to the balance sheet date up to the date hereof that would require recognition or disclosure in the financial statements. Further, there have been no events subsequent to the date of the financial statements that would require adjustment of those financial statements and the related notes.

Sincerely,

SLOCAN VALLEY HOUSING SOCIETY

Ruth E Hackett

Director



Director

Slocan Valley Housing Society

Year End: March 31, 2025

Adjusting journal entries

Date: 2024-04-01 To 2025-03-31

Prepared by	Reviewed by	Reviewed by
JC 2025-08-20	REAH	

7.2

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
1	2025-03-31	Replacement Reserve Provision	5030				30,048.00		
1	2025-03-31	Replacement Reserve-Passmore Lodge	3015P			8,640.00			
1	2025-03-31	Replace Reserve-Slocan City Suites	3016S			12,408.00			
1	2025-03-31	Replacement Reserve - Osprey	3017O			9,000.00			
		To reconcile net assets			<u>TT. 2</u>				Factual
2	2025-03-31	AHREP Expenses	5621				22,900.00		
2	2025-03-31	Equipment	1820P			22,900.00			
		To capitalize solar panel inspection Services - 20% of 114,500.00							
3	2025-03-31	Build in project - Hume	1811H	U. 2		379,233.80			
3	2025-03-31	Architect Contract	52355	U. 2			169,351.50		
3	2025-03-31	Structural	52360	U. 2			15,857.50		
3	2025-03-31	Electrical	52365	U. 2			10,750.00		
3	2025-03-31	Mechanical	52370	U. 2			34,184.95		
3	2025-03-31	Landscape	52375	U. 2			2,080.00		
3	2025-03-31	Building Envelope	52380	U. 2			1,350.00		
3	2025-03-31	Civil Consultant	52390	U. 2			25,783.75		
3	2025-03-31	LEED Consultant	52420	U. 2			7,500.00		
3	2025-03-31	Development Consultant	52455	U. 2			90,302.00		
3	2025-03-31	Geotechnical	52460	U. 2			19,390.00		
3	2025-03-31	Surveyor	52465	U. 2			2,684.10		
		To record Hume building expenses as capital expenses							
4	2025-03-31	Amortization Expense - PL	5660	U. 2		52,673.79			
4	2025-03-31	Amortization - SCS	5875	U. 2		83,170.91			
4	2025-03-31	Acc. Amort. - Equip.	1825P	U. 2			21,835.44		
4	2025-03-31	Acc. Amort. - Energy Project Addition	1831P	U. 2			4,811.38		
4	2025-03-31	Acc. Amort. - Landscaping	1835P	U. 2			514.64		
4	2025-03-31	Acc. Amort. - Building - PL	1841P	U. 2			24,695.70		
4	2025-03-31	Acc. Amort. - Computer Equipment	1845P	U. 2			16.05		
4	2025-03-31	Acc. Amort. - Fence	1865P	U. 2			74.15		
4	2025-03-31	Acc. Amort. - Paving	1895P	U. 2			726.43		
4	2025-03-31	Acc Amort - SCS Building	1905S	U. 2			78,919.80		
4	2025-03-31	Acc Amort SCS Appliances/Equip.	1915S	U. 2			4,251.11		
		To record annual amortization of tangible capital assets.							
5	2025-03-31	BCH Loan forgiveness - SCS	4023	KK. 2			48,285.48		
5	2025-03-31	BCH Slocan Project Forgivable Mtg	2625S	KK. 2		48,285.48			
		To record amortization of forgivable mortgage							
6	2025-03-31	Mortgage Payments	5010				35,663.66		
6	2025-03-31	BCHMC Mortgage-Passmore Lodge	2620P			35,663.66			
		To record principal and current portion of peoples trust mortgage							
7	2025-03-31	Mortgage Payments	5010	KK. 4			12,511.27		
7	2025-03-31	Coast Capital Mortgage-SCS	2610S	KK. 4		12,511.27			
		To adjust principal payments on coast capital morgage							
8	2025-03-31	Retained Earnings - Previous Year	3560				99.18		
8	2025-03-31	Interest Revenue	4440			99.18			
		To adjust opening balance for 2025 fiscal year.							
9	2025-03-31	Prepaid Expenses - PL	1401P	L. 2		4,901.18			
9	2025-03-31	Prepaid Expenses - SCS	1402S	L. 2		904.93			

Slocan Valley Housing Society

Year End: March 31, 2025

Adjusting journal entries

Date: 2024-04-01 To 2025-03-31

Prepared by	Reviewed by	Reviewed by
JC 2025-08-20	REH	

7.2-1

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
9	2025-03-31	Insurance premiums - PL	5310P	L. 2			4,901.18		
9	2025-03-31	Insurance premiums - SCS	5310S	L. 2			904.93		
To record prepaid insurance.									
10	2025-03-31	HH Advances - forgivable BCH/CMHC	2622H	KK. 3			269,369.96		
10	2025-03-31	Hume Harold Grants	4063H	KK. 3		269,369.96			Factual
To reclassify Hume Harold grant to BCH promisory notes									
11	2025-03-31	CMLS mortgage	2630	KK. 2			392,302.91		
11	2025-03-31	BCHMC Mortgage-Passmore Lodge	2620P	KK. 2		392,302.91			
To reclassify BCHMC mortgage to CMLS mortgage									
12	2025-03-31	CMLS mortgage	2630				1,414.70		
12	2025-03-31	Mortgage Payments	5010			1,414.70			
To record principal and current portion of CLMS mortgage									
13	2025-03-31	Accrued Interest - Coast Capital	2112				38.00		
13	2025-03-31	Mortgage Payments	5010			38.00			
To accrue interest payable on mortgages as of March 31, 2025									
14	2025-03-31	BCH - Hume Harold Receivable	1306H			71,308.13			
14	2025-03-31	HH Advances - forgivable BCH/CMHC	2622H				71,308.13		
To record BC housing fundign									
15	2025-03-31	Tenant Rent Revenue/Contribution	4010				5,298.85		
15	2025-03-31	Damage Deposits - Passmore Lodge	2130P			2,542.45			
15	2025-03-31	Damage Deposits - Osprey	2230O			67.29			
15	2025-03-31	Damage Deposits - Slocan City Suite	2470S			2,689.11			
To adjust damage deposit listing									
16	2025-03-31	Other Receivable	1305			33,471.38			
16	2025-03-31	HH Advances - forgivable BCH/CMHC	2622H				33,471.38		
To record accounts receivable from BC housing - new build									
17	2025-03-31	Insurance Premiums	5310				251.91		
17	2025-03-31	Maintenance, Labour and Benefits	5510			251.91			
To record entry suggested by Joyce									
18	2025-03-31	Suspense	2467			1,833.76			
18	2025-03-31	Tenant Rent Revenue/Contribution	4010				1,833.76		
To clear suspense account									
						1,445,681.80	1,445,681.80		
Net Income (Loss)			85,033.93						

Title	SV Housing Society Audited FS signouts
File name	SVHS_Financials.pdf, Independence.pdf and 2 others
Document ID	936a7f450f603b8baa1d071caa565ede872423e8
Audit trail date format	MM / DD / YYYY
Status	● Signed

Document History



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08 / 25 / 2025

18:50:57 UTC

Sent for signature to Ruth Hackett (treasurer@svhousing.ca) and Chair (chair@svhousing.ca) from jeremy@childschanton.com
IP: 24.67.72.151



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08 / 25 / 2025

18:59:38 UTC

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08 / 25 / 2025

19:01:33 UTC

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08 / 25 / 2025

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SIGNED

08 / 25 / 2025

20:31:19 UTC

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