



Governance and Priorities Committee Report For the August 28, 2014 Meeting

To: Governance and Priorities Committee **Date:** August 11, 2014
From: Susanne Thompson, Acting Director of Finance
Subject: 2015-2016 Permissive Tax Exemptions

Executive Summary

In 2013, Council approved amendments to the Permissive Tax Exemption Policy. Please see appendix A for the full policy. Among other things, these amendments set a cap on permissive tax exemptions, established a three year exemption approval cycle and set limits on off-cycle applicants. In 2013, the first cycle of permissive exemptions were approved for the 2014-2016 tax years. This will be Council's first opportunity to approve off-cycle applications.

The City received 2015-2016 permissive tax exemption applications from 11 organizations for 12 properties. Four properties owned by three organizations are recommended for approval. Applications eligible under the City's policy can be found in Table 2 in the body of the report. Ineligible permissive tax exemption applications are detailed in Table 3.

Recommendation:

1. That all applications for property tax exemption detailed in table 2 for the 2015 – 2016 tax years be approved.
2. That a 2015 – 2016 permissive tax exemption bylaw be prepared for Council approval.

Respectfully submitted

A handwritten signature in black ink, appearing to read "Chris Paine".

Christopher Paine
Manager-Revenue

A handwritten signature in black ink, appearing to read "Susanne Thompson".

Susanne Thompson
Acting Director of Finance

Report accepted and recommended by the City Manager:

A handwritten signature in blue ink, appearing to be a stylized "M".

Date:

August 19, 2014

Attachments:

Appendix A – Permissive Tax Exemption Policy

Appendix B – Summary of applications

Purpose

The purpose of this report is to present to Committee, applications from non-profit organizations requesting permissive property tax exemption for 2015 to 2016.

Background

Permissive property tax exemptions are granted pursuant to section 224 of the Community Charter. Exemptions may only be granted for properties used by a variety of non-profit organizations that provide services which Council considers directly related to the purposes of the organization.

In 2013, Council approved amendments to the Permissive Tax Exemption Policy. Among other things, these amendments set a cap on permissive tax exemptions, established a three year exemption approval cycle and set limits on off-cycle applicants. In 2013, the first cycle of permissive exemptions were approved for the 2014-2016 tax years. This will be Council's first opportunity to approve off-cycle applications.

The City received 2015-2016 permissive tax exemption applications from 11 organizations for 12 properties. Eligible exemption applications total \$114,165. Already approved exemptions for the 2014-2016 tax years total \$1,770,769 or 1.52% of the City's 2014 tax levy. For permissive tax exemptions to apply for the 2015 tax year, a bylaw must be passed on or before October 31, 2014.

In general, exemptions are provided only to properties owned by non-profit organizations. The City's policy provides exemptions to 7 broad categories of properties.

Table 1: Permissive Policy Categories

Category	Brief description
1. Special needs and supportive housing	(a) short term, crisis or emergency housing, (b) housing for people with special needs, (c) transitional or halfway houses, (d) group homes with supportive staff
2. Social services	Services provided to community members who are disadvantaged
3. Arts & Culture	Preparation and delivery of artistic and cultural events or exhibits to the public
4. Educational Facilities	Independent schools
5. Athletic or Recreational Facilities	Provide space and equipment for physical and mental enjoyment of participants
6. Places of Worship	Properties occupied or owned by a religious organization
7. Rail/Track	Rail or track property or administrative offices owned by related organizations

Issues & Analysis

A. Eligible New Applications

1. *Arthritis Society of BC & Yukon – 2680 Richmond Rd:* The Arthritis Society of BC & Yukon has been operating at 2680 Richmond Rd. for many years. BC Assessment has erroneously been granting a permissive tax exemption absent of a City of Victoria bylaw. In order for the Society to receive an exemption in 2015 and subsequent years, a bylaw exempting the property is required. The Society meets the requirements of the City's permissive tax exemption policy

under the Social Services category.

2. *Bishop of Victoria – 1002 & 1012 Pandora Ave:* This property is currently subject to a rezoning and development permit application. Council approved a one year exemption for this property for the 2014 tax year. The property owners are requesting a tax exemption for the 2015-2016 tax years. This property meets the requirements of the permissive tax exemption policy under the place of worship category.
3. *Fung Loy Kok Institute of Taoism – 865 Catherine St:* This property has applied under the Place of Worship category and meets requirements of the Permissive Tax Exemption Policy.

Table 2: Summary of Eligible New Exemption Applications

Applicant	Property Address	Category	Amount
1. Arthritis Society of BC & Yukon	2680 Richmond Rd	Social Services	\$ 20,123
2. Bishop of Victoria	1002 Pandora Ave.	Place of Worship	52,838
Bishop of Victoria	1012 Pandora Ave.	Place of Worship	33,665
3. Fung Loy Kok Institute of Taoism	865 Catherine St.	Place of Worship	7,539
Total			\$114,165

B. Ineligible New Applications

1. *Ballet Victoria Society – 924 Douglas St:* In 2014 Ballet Victoria was added to the City's assessment roll as a taxable property. Ballet Victoria does not meet the requirements of the Permissive Tax Exemption Policy because the Society is not the owner of the property.
2. *Bateman Foundation – 470 Belleville St:* This property is owned by the Ministry of Transportation, leased to the Greater Victoria Harbour Authority and occupied by the Bateman Foundation. The property is currently ineligible for a permissive tax exemption as it is not owned by the Bateman Foundation.
3. *Christ Church Cathedral Educational Society – 911 Quadra St:* The property is owned by the Anglican Synod of the Diocese of BC. The property occupied by the Educational Society has historically been exempted because it is owned by the Anglican Synod. The Educational Society, however, is a separate Society and thus may be subject to separate assessment and taxation in 2015. Property owned by an independent school is statutorily exempted by the Community Charter. This property, however, is not owned by the Educational Society and would therefore not be eligible for a statutory exemption.

The property's assessment is currently under appeal. If it is determined that the Educational Society is an agent of the Anglican Synod, then the City's historical permissive exemption on the property will be restored. Otherwise the property will be subject to separate assessment and taxation. For that reason, the Society has applied for a permissive tax exemption. The Educational Society does not meet the requirements of the Permissive Tax Exemption Policy because the Educational Society is not the owner of the property.

4. *Elizabeth Buckley School/Hands on Summer Camp Society – 1190 Kings Rd:* In 2013 it was discovered that the Elizabeth Buckley School and Hands on Summer Camp Society were erroneously receiving a permissive tax exemption. The exemption was erroneously applied

because the City granted an exemption to the owners of the property, the Cridge Centre. BC Assessment was unaware that the School occupied a portion of the property and thus did not assess the school. On October 29, 2013, Council approved a bylaw and permissively exempted the School for 2014 only. The Elizabeth Buckley School has applied for a permissive exemption for the 2015-2016 tax years. The School does not meet the requirements of the Permissive Tax Exemption Policy because the School is not the owner of the property.

5. *Gorge View Society – 11 Cown Pl*: This property is owned by the United Church of Canada and operated by the Gorge View Society. In 2013, BC Assessment became aware of an erroneous statutory exemption that was granted to the property. The exemption is granted to buildings constructed between 1947 and 1974 for elderly citizen housing with the assistance of provincial aid. A portion of the property's buildings was constructed subsequent to 1974. Furthermore, the surrounding land needs to be permissively exempted by bylaw to be tax exempt.

Consequently, the Gorge View Society is requesting a tax exemption for the portion of the building and land that is not statutorily exempt. The Society does not meet the requirements of the Permissive Tax Exemption Policy because the property use is not consistent with any policy category.

6. *Greater Victoria Public Library (GVPL) 700-747 Fort St*: In June of 2014 the library occupied unit 700, 747 Fort St which is owned by a private owner. According to the GVPL's application, this space will be used to house library support services and finance, human resource and information technology personnel. The GVPL has applied under the Social Services category in the permissive policy. This category, however, is reserved for properties that provide support services to community members who are in some way disadvantaged. Furthermore, the property is not owned by the GVPL. Consequently the property is not eligible for a permissive tax exemption.
7. *Learningstorm Education Society (Pacific School of Innovation and Inquiry) – 1201 Fort St*: This property is owned by the Victoria Truth Centre. The property is occupied by the Learningstorm Education Society. This property was not subject to taxes in 2014 but will become taxable in 2015. BC Assessment was unaware of the property lease to the Society and thus the property was not included in the 2014 assessment roll. The property is currently ineligible for a permissive tax exemption as it is not owned by the Education Society.
8. *Roger's Court Society – 1680 Richardson Ave*: In 2013, BC Assessment became aware of an erroneous statutory exemption that was granted to the property. The exemption is granted to buildings constructed between 1947 and 1974 for elderly citizen housing with the assistance of provincial aid. The surrounding land needs to be permissively exempted by bylaw to be tax exempt.

Consequently, the Roger's Court Society is requesting a tax exemption for the portion of the land that is not statutorily exempt. The Society does not meet the requirements of the Permissive Tax Exemption Policy because the property use is not consistent with any policy category.

Table 3: Summary of Ineligible New Applications

Applicant	Community Service	Property Address	Reason for ineligibility	Amount
1. Ballet Victoria Society	Arts & Culture	924 Douglas St.	Leased property	\$ 3,388
2. Bateman Foundation	Arts & Culture	470 Belleville St.	Leased property	28,249
3. Christ Church Cathedral Educational Society	Educational	911 Quadra St.	Leased property	36,131
4. Elizabeth Buckley School/ Hands on Summer Camp Society	Educational	1190 Kings Rd.	Leased property	2,460
5. Gorge View Society	Housing	11 Chown Pl.	No category	39,762
6. Greater Victoria Public Library	Library	700-747 Fort St.	No category & leased property	10,140
7. Learningstorm Education Society	Educational	1201 Fort St.	Leased property	14,068
8. Roger's Court Society	Housing	1680 Richardson St.	No category	5,323
Total				\$139,521

C. Permissive Tax Exemption Cap

The Permissive Tax Exemption Policy caps permissive exemptions at 1.6% of the tax requisition. Already approved exemptions for the 2014-2016 tax years total \$1,770,769 or 1.52% of the City's 2014 tax levy. This leaves approximately \$88,000 in cap room. Approving the eligible exemption applications detailed in table 1 (total of \$114,165) would put exemptions at approximately 1.62% for 2015 and 1.60% for 2016 (due to continued phase out of grandfathered properties).

The City's Permissive Tax Exemption Policy writes, "applications received off cycle will be accepted as long as the exemptions do not exceed the exemption cap." To maintain the exemption cap, off-cycle applications can be limited to 75% for 2015.

D. Property Sales

The sale of a permissively exempted property can result in an otherwise taxable entity being exempt from taxes during the year of conveyance. Thus, the City requires that applicants declare property sale intentions on their application form and the City requires applicants to agree to reimburse the City an amount equal to the property's prorated exemption value if the property is sold. The following applicants have either sold or intend on selling their property:

1. *TCL The Land Conservancy – 507 Foul Bay Rd:* This property is currently listed for sale.
2. *Bishop of Victoria – 1002 & 1012 Pandora Ave:* The applicant has indicated that they intend on selling this property in the 2014-2016 permissive exemption cycle.
3. *Canadian National Institute for the Blind – 2340 Richmond Rd:* This property was sold in 2014 and the City recovered over \$50,000.

Options & Impacts

Option 1: Approve eligible applications in the amount of 75% for the 2015 tax year and 100% for the 2016 tax year.

Impact: Total permissive tax exemption values will remain within the policy's cap of 1.6% of the municipal tax requisition.

Option 2 (recommended): Approve eligible applications in the amount of 100% for the 2015-2016 tax years.

Impact: Total permissive tax exemption values will be approximately 1.62% for 2015 and 1.60% for 2016. This option is recommended for a number of reasons:

- it is administratively simplistic for BC Assessment, the City and the applicants,
- the amount of exemption value that exceeds the cap totals \$26,000 approximately which represents 0.0225% of the 2014 tax levy
- the grandfathered properties being phased out will bring the exemptions within the cap by 2016,
- the Bishop of Victoria and the TLC the Land Conservancy have indicated that they intend on selling properties in the 2014-2016 exemption cycle; this would bring the exemptions value within the cap

Recommendations

1. That all applications for property tax exemption detailed in table 2 for the 2015 – 2016 tax years be approved.
2. That a 2015 – 2016 permissive tax exemption bylaw be prepared for Council approval.

APPENDIX A: PERMISSIVE TAX EXEMPTION POLICY



CORPORATE POLICY GUIDE

Page 1 of 4

CHAPTER:	FINANCE	
SECTION:	REVENUE	
SUBJECT:	PERMISSIVE TAX EXEMPTION	
SPONSOR:	DIRECTOR OF FINANCE	
AUTHORIZED BY:	COUNCIL	
EFFECTIVE DATE:	May 23, 2013	REVISION DATE: May 2013

PURPOSE / OBJECTIVES:

The purpose of this policy is to:

1. provide guidance in the evaluation of applications for exemption from property taxes pursuant to Section 224 of the Community Charter
2. set out the requirements from permissive tax exemption recipients in order to continue to receive support

BACKGROUND

Section 220 of the Community Charter provides for statutory tax exemptions for a range of properties including those held or used by the Province, municipalities, regional districts, libraries, hospitals, schools, cemeteries, and places for public worship. For some properties, such as those used for public worship, the statutory exemption is limited to the building and the land beneath the building – the land surrounding the building and land or ancillary buildings attached to the place of worship, may be given a permissive exemption by Council.

Section 224 provides for permissive tax exemptions for properties used by a variety of non-profit organizations that provide services which Council considers directly related to the purposes of the organization. It also provides for permissive exemptions for some properties which are additional to statutory exemptions under Section 220, such as church halls or land surrounding places for public worship and privately run schools.

The Community Charter permits exemption from municipal taxes. Similar provisions in other taxing authority legislation extend the exemption to those levies.

Exemptions provided for in Section 224 are at the discretion of Council. There is no obligation to give the exemption.

Exemptions cannot be granted if the organization does not qualify under the Community Charter.

APPLICATION AND RESPONSIBILITY

Council is responsible for:

1. approving this policy
2. approving each tax exemption request annually

The Finance Department is responsible for:

1. receiving and processing all permissive tax exemption applications
2. reviewing individual applications for tax exemptions and making recommendations to Council

POLICY RATIONALE

The intent of this policy and associated evaluation categories and guidelines is to identify the services and organizations which are the most complementary extensions of municipal services, and for which the burden resulting from the exemption is a justifiable expense to the taxpayers of Victoria. Support should be directed towards services the City would consider providing given adequate resources.

STATEMENT OF POLICY

1. The following information will be considered when determining whether to grant a permissive tax exemption:
 - the principal use of the property, including the services offered
 - the need for the services
 - the availability of the services
 - other funding sources
 - the use of volunteers to deliver services
2. A permissive tax exemption may not be granted where:
 - the organization is unable to demonstrate a need for its services
 - the organization has made no effort to obtain other funding sources for provision of services
 - the organization does not make use of volunteers to provide services
3. Exemptions are based on the principal use of the property, not on the charitable service of the organization as a whole.
4. Exemptions can only be granted to the portion of a property that meets all the requirements of this policy. The exemption may apply to the whole or part of the taxable assessed value of land, improvements or both.
5. Permissive tax exemptions approved in the current year for the subsequent tax year will not exceed 1.6% of the current year's total budgeted property tax requisition. The permissive exemption values will be calculated by using the current year's assessment multiplied by the current year's tax rates. In the case where the calculated permissive exemption values for the subsequent year exceed 1.6% of the current year's tax requisition, all permissive exemptions will be proportionately reduced.

6. Tax exemptions under section 224 (except rail and track properties) will be considered every three years unless a bylaw specifies a longer term. Exemptions for rail and track properties can be granted for a ten year term. The term cannot exceed ten years under section 224(4)(a) of the Community Charter. Applications received off cycle will be accepted as long as the exemptions do not exceed the exemption cap specified above. Such applications will be harmonized with the tax exemption cycle. All permissive tax exemptions must be renewed by application every three years on an approved form, including a copy of the organization's most recent financial statements. Exemption must not be assumed, even if obtained in a prior cycle.
7. Applications must be received by May 31st in each applicable year for exemptions that begin in the subsequent year. Applications received after the deadline or applications which do not include all required information may not be considered.
8. A tax exemption is similar in effect to a cash grant, and therefore is subject to budget considerations.
9. All recipients of tax exemptions from the City of Victoria are required to publicly acknowledge the exemption.
10. Grandfathered properties that received support above what this policy allows for will be harmonized over a ten year period. The difference between the grandfathered exemption and exemption value allowed under this policy will be reduced equally over a ten year period.
11. The organization must justify the need for the services and may be required to make a presentation to Council.
12. The use of the property must be consistent with and in compliance with all applicable municipal policies, bylaws and legislation.
13. Services and activities should be equally available to all residents of the City.
14. A recreation or community facility must be accessible by the public, and the activities carried out on the property must be enjoyed by a significant proportion of the general public.
15. The organization must be seen to be working towards self-sufficiency by seeking funding from other sources.
16. The organization may be required to show evidence of ongoing, active volunteer involvement.
17. Only that part of the property used for non-profit activities will be considered for exemption. Commercial activities will be excluded. For clarity, society administration is considered part of the non-profit's program delivery.
18. Applicants must show evidence of a clear mandate and competent administration.
19. Applicants must not be in arrears with the City.

20. Exemptions will not be granted for land held for future development or land greater than normally required for off street parking, buffer zones or to make a reasonably shaped parcel.
21. It is required that the organization is on title as owner of the property and responsible for payment of the property taxes except in the case of a place of worship.

EVALUATION CATEGORIES

All applications must meet the description of at least one of the categories below:

1. **Special needs and supportive housing properties:** short term emergency or crisis protection for members of the community, supportive housing for people with special needs, halfway houses , transitional homes and group homes with supportive staff and programs - 100% exemption
2. **Social service properties:** support services and programs to members of the community with special needs, who are in some way disadvantaged and need assistance in maximizing their quality of life - 100% exemption
3. **Arts and Cultural facilities:** preparation and delivery of artistic and cultural events or exhibits to the public – 100% exemption
4. **Educational facilities** – exemption will be equivalent to the percentage of provincial funding allotted based on Certificate of Group Classification issued by the Inspector of Independent Schools
5. **Athletic or recreational facilities:** provide space and equipment for the physical and mental enjoyment of the participants – 50% exemption
6. **Places of Worship**
 - a. facilities for public worship occupied by a religious organization as a tenant – 100% exemption
 - b. land surrounding places for public worship; church halls and land surrounding them or other property attached and deemed necessary – 100% exemption
7. **Rail/Track Property:** rail or track and other related property owned by a non-profit organization – 100%
8. **Affordable Rental Housing:** Specific projects reviewed at Council, Mar 25,2010, will be considered for exemption upon completion. The exemptions will be for a period not to exceed 10 years in length – 100% exemption

REVISION HISTORY

Amended May 2013
Amended February 2011
Amended April 2009
Amended June 2008
Amended September 2006

APPENDIX B: SUMMARY OF APPLICATIONS



APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

1. **IDENTIFICATION OF APPLICANT:**

Organization name: Arthritis Society of BC & Yukon

Are you registered under the *Societies Act*?

Yes

☒

No

☐

Are you a registered charity?

Yes

☒

No

☐

Mailing Address: 895 W 10th Ave, Vancouver BC, V5Z 1L7

Contact Person: Bill Yerdon

Email Address:

[REDACTED]

Telephone Number:

[REDACTED]

Fax Number:

[REDACTED]

Preferred method of application reminder:

Email

☐

Mail

☐

2. **PROPERTY** (complete a separate form for each property)

Folio Number: 08-560-127

Address: 2680 Richmond Rd

Legal Description: Lot A Plan VIP55395, Section 25, Victoria Land District

Registered Owner (if different than above):

3. **ABOUT YOUR ORGANIZATION:** Please provide a brief description of the goals and objectives of the organization.

The Arthritis Society is dedicated to a vision of Living well while creating a future without arthritis. It is Canada's principal health charity providing education, programs and support to 4.6 million Canadians with arthritis and their loved ones. Since its founding in 1948, The Society has been the largest non-government funder of arthritis research in Canada by investing more than \$180 million in projects that have led to breakthroughs in the diagnosis, treatment and care of people with arthritis.



APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

4. **PRINCIPAL USE OF THIS PROPERTY:** Please provide a brief description of the principal use of the property and how this use benefits the community.

The principal use of the facility is to provide care and treatment to those afflicted with arthritis as well providing educational programs and support to arthritis patients and their loved ones.

5. **COMMERCIAL ACTIVITY:** Please provide a brief description of any commercial activities that your organization conducts on this property.

There are no commercial activities located with the facility other offices for 3 private practice practitioners who provide diagnosis and treatment for those suffering with Arthritis.

6. **LEASED SPACE:** Please attach any and all lease agreements for any portion of the identified property that your organization rents or leases to another organization or individual.

7. **CATEGORY:** Please select the applicable permissive tax exemption category for which you are applying (for further explanation of permissive tax exemption categories please read the full text of the Permissive Tax Exemption policy found at www.victoria.ca/permissive):

Social Service

☒

Arts & Cultural Facility

☐

Place of Worship

☐

Athletic/Recreational Facility

☐

Rail/Track Property

☐

Educational Facility: Independent School Classification:

Group 1

☐

2

☐

3

☐

4

☐



APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

Supportive Housing

- Temporary or transitional housing ☐
- Treatment program ☐
- Permanent facility ☐
- Supportive staff ☐
- Group home ☐
- Special needs/disability housing ☐

8. **PUBLIC ACKNOWLEDGEMENT:** All recipients of City of Victoria permissive tax exemptions are required to publicly acknowledge the exemption. How does your organization plan on publicly acknowledging the exemption?

We will acknowledge this tax exemption by messaging on our website and in our news letter.

9. **FINANCIAL STATEMENTS:** Attach your most recent financial statements.

10. **PROPERTY OWNERSHIP:** Do you plan on selling any portion of the property during 2014 – 2016?

Yes ☐

No ☒

11. **DECLARATION:**

I am an authorized signing officer of the organization and I certify that the information given in this application is correct. Should a permissive tax exemption be granted on the above listed property, I agree to the following terms:

- If the property is sold prior to the exemption expiration, the organization will remit to the City an amount equal to the taxes that would have otherwise been payable to the City by a non-exempt owner.
- The property use will be in compliance with all applicable municipal policies and bylaws.
- The organization will publicly acknowledge the permissive tax exemption granted by the City.

Signature

William Jordan

Position

Facilities MANAGER

Name (please print)

W. J. (Bill) Y. Groom

Date

May 28. 2014

The Arthritis Society
Statement of Financial Activities
 BC Buildings -Year to Date March 31, 2014

16REN2 - Rental - Victoria

Revenues

Rental Income

01-4910-70-100 Rental Income-Building -BC & Yuk

Current YTD Actual 31/03/2014	Current YTD Budget 31/03/2014	Variance	Prior YTD Actual 31/03/2013	Variance	Current Full Yr Budget 31/03/2014	Prior Full Year Actual 31/03/2013
\$0.00	\$0.00	\$0.00	\$190,936.95	(\$190,936.95)	\$0.00	\$190,936.95
\$199,556.10	\$300,000.00	(\$100,443.90)	\$0.00	\$199,556.10	\$300,000.00	\$0.00
\$199,556.10	\$300,000.00	(\$100,443.90)	\$190,936.95	\$8,619.15	\$300,000.00	\$190,936.95
\$199,556.10	\$300,000.00	(\$100,443.90)	\$190,936.95	\$8,619.15	\$300,000.00	\$190,936.95

99-4910-70-999 Rental Income-Building -National

Totals for Account Code 4910:

Rental Income

BC Operating Cost Recoveries

01-4920-70-100 Operating Cost Recoveries-Building -BC & Yuk

99-4920-70-999 Operating Cost Recoveries-Building -National

Totals for Account Code 4920:

BC Operating Cost Recoveries

Total Other Income

Total Revenues

Expenses

Building Operation

01-5000-70-100 Staff Salaries Payroll use only-Building -BC & Yuk

99-5000-70-999 Staff Salaries Payroll use only-Building -National

Totals for Account Code 5000:

01-5010-70-100 Staff Benefits Payroll use only-Building -BC & Yuk

99-5010-70-999 Staff Benefits Payroll use only-Building -National

Totals for Account Code 5010:

\$0.00	\$0.00	\$0.00	\$107,897.49	(\$107,897.49)	\$0.00	\$107,897.49
\$97,732.00	\$0.00	\$97,732.00	\$0.00	\$97,732.00	\$0.00	\$0.00
\$97,732.00	\$0.00	\$97,732.00	\$107,897.49	(\$10,165.49)	\$0.00	\$107,897.49
\$97,732.00	\$0.00	\$97,732.00	\$107,897.49	(\$10,165.49)	\$0.00	\$107,897.49
\$297,288.10	\$300,000.00	(\$2,711.90)	\$298,834.44	(\$1,546.34)	\$300,000.00	\$298,834.44
\$297,288.10	\$300,000.00	(\$2,711.90)	\$298,834.44	(\$1,546.34)	\$300,000.00	\$298,834.44
\$0.00	\$0.00	\$0.00	\$4,843.47	(\$4,843.47)	\$0.00	\$4,843.47
\$18,907.22	\$8,354.00	\$10,553.22	\$0.00	\$18,907.22	\$8,354.00	\$0.00
\$18,907.22	\$8,354.00	\$10,553.22	\$4,843.47	\$14,063.75	\$8,354.00	\$4,843.47
\$0.00	\$0.00	\$0.00	\$881.27	(\$881.27)	\$0.00	\$881.27
\$2,366.16	\$1,420.00	\$946.16	\$0.00	\$2,366.16	\$1,420.00	\$0.00
\$2,366.16	\$1,420.00	\$946.16	\$881.27	\$1,484.89	\$1,420.00	\$881.27

The Arthritis Society
Statement of Financial Activities
BC Buildings -Year to Date March 31, 2014

		Current YTD Actual 31/03/2014	Current YTD Budget 31/03/2014	Variance	Prior YTD Actual 31/03/2013	Variance	Current Full Yr Budget 31/03/2014	Prior Full Year Actual 31/03/2013
99-5020-70-999	Salaries Contract/Temp/Agency-Building -National	\$0.00	\$5,000.00	(\$5,000.00)	\$0.00	\$0.00	\$5,000.00	\$0.00
Totals for Account Code 5020:		\$0.00	\$5,000.00	(\$5,000.00)	\$0.00	\$0.00	\$5,000.00	\$0.00
01-5050-70-100	Staff Travel-Building -BC & Yuk	\$0.00	\$0.00	\$0.00	\$501.88	(\$501.88)	\$0.00	\$501.88
99-5050-70-999	Staff Travel-Building -National	\$1,204.05	\$800.00	\$404.05	\$0.00	\$1,204.05	\$800.00	\$0.00
Totals for Account Code 5050:		\$1,204.05	\$800.00	\$404.05	\$501.88	\$702.17	\$800.00	\$501.88
01-5500-70-100	Telecommunications-Building -BC & Yuk	\$0.00	\$0.00	\$0.00	\$969.25	(\$969.25)	\$0.00	\$969.25
99-5500-70-999	Telecommunications-Building -National	\$1,121.96	\$550.00	\$571.96	\$0.00	\$1,121.96	\$550.00	\$0.00
Totals for Account Code 5500:		\$1,121.96	\$550.00	\$571.96	\$969.25	\$152.71	\$550.00	\$969.25
01-5910-70-100	Insurance-Building -BC & Yuk	\$0.00	\$0.00	\$0.00	\$2,981.75	(\$2,981.75)	\$0.00	\$2,981.75
99-5910-70-999	Insurance-Building -National	\$3,044.25	\$3,740.00	(\$695.75)	\$0.00	\$3,044.25	\$3,740.00	\$0.00
Totals for Account Code 5910:		\$3,044.25	\$3,740.00	(\$695.75)	\$2,981.75	\$62.50	\$3,740.00	\$2,981.75
99-5915-70-999	Consulting Fees-Building -National	\$189.00	\$0.00	\$189.00	\$0.00	\$189.00	\$0.00	\$0.00
Totals for Account Code 5915:		\$189.00	\$0.00	\$189.00	\$0.00	\$189.00	\$0.00	\$0.00
01-6035-70-100	Electricity-Building -BC & Yuk	\$0.00	\$0.00	\$0.00	\$19,965.83	(\$19,965.83)	\$0.00	\$19,965.83
99-6035-70-999	Electricity-Building -National	\$24,621.21	\$22,000.00	\$2,621.21	\$0.00	\$24,621.21	\$22,000.00	\$0.00
Totals for Account Code 6035:		\$24,621.21	\$22,000.00	\$2,621.21	\$19,965.83	\$4,655.38	\$22,000.00	\$19,965.83
01-6040-70-100	Water-Building -BC & Yuk	\$0.00	\$0.00	\$0.00	\$2,355.82	(\$2,355.82)	\$0.00	\$2,355.82
99-6040-70-999	Water-Building -National	\$1,449.01	\$2,420.00	(\$970.99)	\$0.00	\$1,449.01	\$2,420.00	\$0.00
Totals for Account Code 6040:		\$1,449.01	\$2,420.00	(\$970.99)	\$2,355.82	(\$906.81)	\$2,420.00	\$2,355.82
01-6045-70-100	Property Taxes-Building -BC & Yuk	\$0.00	\$0.00	\$0.00	\$223.13	(\$223.13)	\$0.00	\$223.13
99-6045-70-999	Property Taxes-Building -National	\$230.30	\$0.00	\$230.30	\$0.00	\$230.30	\$0.00	\$0.00
Totals for Account Code 6045:		\$230.30	\$0.00	\$230.30	\$223.13	\$7.17	\$0.00	\$223.13
01-6055-70-100	Bldg/Equip Maintenance Supplies-Building -BC & Yuk	\$0.00	\$0.00	\$0.00	\$3,510.94	(\$3,510.94)	\$0.00	\$3,510.94
99-6055-70-999	Bldg/Equip Maintenance Supplies-Building -National	\$522.95	\$1,650.00	(\$1,127.05)	\$0.00	\$522.95	\$1,650.00	\$0.00

The Arthritis Society
Statement of Financial Activities
BC Buildings -Year to Date March 31, 2014

		Current YTD Actual 31/03/2014	Current YTD Budget 31/03/2014	Variance	Prior YTD Actual 31/03/2013	Variance	Current Full Yr Budget 31/03/2014	Prior Full Year Actual 31/03/2013
Totals for Account Code 6055:		\$522.95	\$1,650.00	(\$1,127.05)	\$3,510.94	(\$2,987.99)	\$1,650.00	\$3,510.94
01-6060-70-100	Pool Supplies-Building -BC & Yuk	\$0.00	\$0.00	\$0.00	\$1,606.46	(\$1,606.46)	\$0.00	\$1,606.46
99-6060-70-999	Pool Supplies-Building -National	\$3,526.03	\$3,500.00	\$26.03	\$0.00	\$3,526.03	\$3,500.00	\$0.00
Totals for Account Code 6060:		\$3,526.03	\$3,500.00	\$26.03	\$1,606.46	\$1,919.57	\$3,500.00	\$1,606.46
01-6065-70-100	License Fees-Building -BC & Yuk	\$0.00	\$0.00	\$0.00	\$351.00	(\$351.00)	\$0.00	\$351.00
99-6065-70-999	License Fees-Building -National	\$150.00	\$523.00	(\$373.00)	\$0.00	\$150.00	\$523.00	\$0.00
Totals for Account Code 6065:		\$150.00	\$523.00	(\$373.00)	\$351.00	(\$201.00)	\$523.00	\$351.00
99-6070-70-999	Rental/Lease of Equip-Building -National	\$0.00	\$825.00	(\$825.00)	\$0.00	\$0.00	\$825.00	\$0.00
Totals for Account Code 6070:		\$0.00	\$825.00	(\$825.00)	\$0.00	\$0.00	\$825.00	\$0.00
01-6075-70-100	Mtce Contracts-Bldg & Grnds-Building -BC & Yuk	\$0.00	\$0.00	\$0.00	\$53,332.24	(\$53,332.24)	\$0.00	\$53,332.24
99-6075-70-999	Mtce Contracts-Bldg & Grnds-Building -National	\$48,948.72	\$60,500.00	(\$11,551.28)	\$0.00	\$48,948.72	\$60,500.00	\$0.00
Totals for Account Code 6075:		\$48,948.72	\$60,500.00	(\$11,551.28)	\$53,332.24	(\$4,383.52)	\$60,500.00	\$53,332.24
01-6080-70-100	Mtce Non Contracts-Bldg & Grnds-Building -BC & Yuk	\$0.00	\$0.00	\$0.00	\$10,522.71	(\$10,522.71)	\$0.00	\$10,522.71
99-6080-70-999	Mtce Non Contracts-Bldg & Grnds-Building -National	\$728.11	\$10,000.00	(\$9,271.89)	\$0.00	\$728.11	\$10,000.00	\$0.00
Totals for Account Code 6080:		\$728.11	\$10,000.00	(\$9,271.89)	\$10,522.71	(\$9,794.60)	\$10,000.00	\$10,522.71
Building Operation		\$107,008.97	\$121,282.00	(\$14,273.03)	\$102,045.75	\$4,963.22	\$121,282.00	\$102,045.75
Total Expenses		\$107,008.97	\$121,282.00	(\$14,273.03)	\$102,045.75	\$4,963.22	\$121,282.00	\$102,045.75
Operating Excess/(Deficit)		\$190,279.13	\$178,718.00	\$11,561.13	\$196,788.69	(\$6,509.56)	\$178,718.00	\$196,788.69
Net Excess/(Deficit)		\$190,279.13	\$178,718.00	\$11,561.13	\$196,788.69	(\$6,509.56)	\$178,718.00	\$196,788.69



APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

1. **IDENTIFICATION OF APPLICANT:**

Organization name: Ballet Victoria Society

Are you registered under the *Societies Act*? Yes ☒ No ☐

Are you a registered charity? Yes ☒ No ☐

Mailing Address: PO BOX 5023 Victoria, BV V8P 3G1

Contact Person: Paul Destrooper

Email Address: [REDACTED]

Telephone Number: [REDACTED]

Fax Number: [REDACTED]

Preferred method of application reminder: Email ☒ Mail ☐

2. **PROPERTY (complete a separate form for each property)**

Folio Number: 01035007

Address: 924 Douglas Street

Legal Description: Trustees of the Congregation of St Andrew's Presbyterian Church

Registered Owner (if different than above):

3. **ABOUT YOUR ORGANIZATION:** Please provide a brief description of the goals and objectives of the organization.

Ballet Victoria is a professional Ballet Company that provides a full season of four mainstage productions in Victoria at the Royal Theatre and the McPherson Playhouse. Ballet Victoria promotes and develops professional dance artists in Victoria and across British Columbia. Ballet Victoria enriches the local culture and educates the public on the value of dance in the community.

Ballet Victoria also offers two unique programs to benefit the community:

1) Public school performances (K to 12) in the capital region as well as across the Province. It educates youth on the art form including various dance genres as well as music and theatre. The company artists perform and discuss the physical, mental and social benefits of ballet.

2) Ballet Victoria's Tea for Tutu performances, with four productions each season, provide a unique and free opportunity for all seniors from the Capital region to attend a professional ballet performance and socialize with peers over refreshments. This program was developed to fight senior's isolation due to physical and financial barriers. These free performances also afford the opportunity to talk with the artists, and has proven to be highly valued by all attendants. It is now been extended to single parent and children, bringing three generations together. Each season close to 800 Victorians benefit from this program, demonstrating the high socio-cultural value of this artform for the community.

Ballet Victoria is a vibrant professional ballet, the only one on Vancouver Island and one of



APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

4. **PRINCIPAL USE OF THIS PROPERTY:** Please provide a brief description of the principal use of the property and how this use benefits the community.

The leased space use is in line with the class 8 guidelines/definitions

- Training and rehearsals for the professional dancers and apprentices/aspirants to prepare for the 4 seasons productions and performances in Theatres
- community cultural recreational activities

- Tea for Tutu : free performances for seniors and families with young children unable to attend performances in local Theatres because of physical or economic barriers

- Dance arts for seniors: sketching and photography workshops (dancers during class, rehearsals and Tea for Tut performances)

- Recreational dance activities/workshops

All these activities are only possible through public grants and private donations

- office space : for volunteer and staff for production administr. and accounting

5. **COMMERCIAL ACTIVITY:** Please provide a brief description of any commercial activities that your organization conducts on this property.

6. **LEASED SPACE:** Please attach any and all lease agreements for any portion of the identified property that your organization rents or leases to another organization or individual.

7. **CATEGORY:** Please select the applicable permissive tax exemption category for which you are applying (for further explanation of permissive tax exemption categories please read the full text of the Permissive Tax Exemption policy found at www.victoria.ca/permissive):

Social Service	<input type="checkbox"/>	Arts & Cultural Facility	<input checked="" type="checkbox"/>
Place of Worship	<input type="checkbox"/>	Athletic/Recreational Facility	<input type="checkbox"/>
Rail/Track Property	<input type="checkbox"/>		

Educational Facility: Independent School Classification:

Group 1 ☐ 2 ☐ 3 ☐ 4 ☐



APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

Supportive Housing

- Temporary or transitional housing ☐
- Treatment program ☐
- Permanent facility ☐
- Supportive staff ☐
- Group home ☐
- Special needs/disability housing ☐

8. **PUBLIC ACKNOWLEDGEMENT**: All recipients of City of Victoria permissive tax exemptions are required to publicly acknowledge the exemption. How does your organization plan on publicly acknowledging the exemption?

acknowledgement on website and all our programs.

is an important acknowledgement for all matching private grants in the PPP programs.

9. **FINANCIAL STATEMENTS**: Attach your most recent financial statements.

10. **PROPERTY OWNERSHIP**: Do you plan on selling any portion of the property during 2014 – 2016?

Yes ☐ No ☐

11. **DECLARATION**:

I am an authorized signing officer of the organization and I certify that the information given in this application is correct. Should a permissive tax exemption be granted on the above listed property, I agree to the following terms:

- If the property is sold prior to the exemption expiration, the organization will remit to the City an amount equal to the taxes that would have otherwise been payable to the City by a non-exempt owner.
- The property use will be in compliance with all applicable municipal policies and bylaws.
- The organization will publicly acknowledge the permissive tax exemption granted by the City.

Signature

Name (please print)

PAUL DE STROOPER

Position *Artistic/Executive Director*

Date *MAY 31, 2014*



1609 Blanshard Street, Unit 2
Victoria, BC, V8W 2J5
www.proartalliance.ca
info@proartalliance.ca
tel: 250-885-0155

Presentation to Victoria City Council
April 12, 2013

On behalf of the ProArt Alliance of Greater Victoria – a cross-disciplinary association of 20 non-profit arts organizations in Victoria – we strongly urge you to leave the permissive tax abatement in place for non-profit arts organizations that own their buildings.

By withdrawing tax exemption status for non-profit arts organizations the City of Victoria would inflict serious damage to the arts in Victoria, similar in scale to the cuts caused by the loss of provincial Gaming grants. Organizations would have to reduce programming, possibly move from their current locations in the core community, or worse still, close down.

The Belfry, the Arts Gallery of Greater Victoria, Open Space, and the Victoria Conservatory of Music all serve as anchors for the arts in Victoria, and contribute to the vitality of the city. It is important to recognize the economic benefit generated by arts programming, and made possible by the funding that arts groups receive. A reduction in the tax exemption would be a loss of major support for the arts, and tantamount to lost revenue.

It is increasingly difficult for arts organizations to exist downtown. If arts organizations had to move because of tax increases, it's unlikely they would be able to afford to move back later, and Victoria would lose arts infrastructure in the city core. Yet, that is where the arts should be, that is where the public congregates, and the audience is. The arts events in Victoria serve the entire CRD region, and are fulfilling the City's own vision for a vibrant city core. We feel the City should be acting to ensure that the arts in all forms can thrive and survive in Victoria.

Thank you.

Peter Sandmark
on behalf of the ProArt Alliance of Greater Victoria

Working on behalf
of professional
arts organizations

Art Gallery of Greater Victoria
Ballet Victoria
Belfry Theatre
Blue Bridge Repertory Theatre
Cinevic
Dance Victoria
Intrepid Theatre
Kaleidoscope
MediaNet
Open Space
The Other Guys Theatre
Pacific Opera Victoria
Puente Theatre
Story Theatre
Theatre Inconnu
Theatre SKAM
Victoria Conservatory of Music
Victoria Film Festival
Victoria Jazz Society
Victoria Symphony

BALLET VICTORIA SOCIETY
Financial Statements
Year Ended June 30, 2013

Lee & Company

CHARTERED ACCOUNTANT

W. Lee, CGA, CA

An incorporated professional



INDEPENDENT AUDITOR'S REPORT

To the Members of BALLET VICTORIA SOCIETY

I have audited the accompanying financial statements of BALLET VICTORIA SOCIETY, which comprise the statement of financial position as at June 30, 2013 and the statements of revenues and expenditures, changes in net assets 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 management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 auditor's 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

(continues)

Independent Auditor's Report to the Members of BALLET VICTORIA SOCIETY *(continued)*

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of BALLET VICTORIA SOCIETY as at June 30, 2013 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Comparative Information

Without modifying my opinion, I draw attention to Note 2 to the financial statements which describes that BALLET VICTORIA SOCIETY adopted Canadian Accounting Standards for Not-for-Profit Organizations on July 1, 2012 with a transition date of July 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at June 30, 2012 and July 1, 2011 and the statements of revenues and expenditures, changes in net assets and cash flows for the year ended June 30, 2012 and related disclosures. I was not engaged to report on the restated comparative information, and as such, it is unaudited.

Lee & Company



CHARTERED ACCOUNTANT

Victoria, British Columbia
September 24, 2013

BALLET VICTORIA SOCIETY
Statement of Financial Position
June 30, 2013

	June 30 2013	June 30 2012	July 1 2011
ASSETS			
CURRENT			
Cash	\$ 21,761	\$ 44,831	\$ 55,749
Accounts receivable	4,753	12,613	8,936
Goods and services tax recoverable	-	2,760	2,073
Prepaid expenses	5,251	2,760	6,075
	31,765	62,964	72,833
CAPITAL ASSETS (Note 4)	42,270	34,010	26,187
	\$ 74,035	\$ 96,974	\$ 99,020
LIABILITIES AND NET ASSETS			
CURRENT			
Accrued liabilities and accounts payable	\$ 9,055	\$ 14,580	\$ 7,193
Goods and services tax payable	1,208	-	-
Employee deductions payable	1,134	458	1,412
Deposits received	-	1,000	-
	11,397	16,038	8,605
DEFERRED INCOME	7,281	6,000	-
	18,678	22,038	8,605
NET ASSETS			
General fund	4,315	926	24,228
Capital assets fund	41,042	34,010	26,187
Internally restricted fund	10,000	40,000	40,000
	55,357	74,936	90,415
	\$ 74,035	\$ 96,974	\$ 99,020

ON BEHALF OF THE BOARD

 Director **PRESIDENT**
 Director

See notes to financial statements

Lee & Company
CHARTERED ACCOUNTANT

BALLET VICTORIA SOCIETY
Statement of Revenues and Expenditures
Year Ended June 30, 2013

	2013	2012
REVENUE		
OPERATIONS		
Government grants	\$ 41,371	\$ 45,733
Private funds	84,814	54,886
Earned revenue	21,499	24,220
	<u>147,684</u>	<u>124,839</u>
PRODUCTION		
Government Grants	99,955	39,000
Private funds	84,421	117,541
Earned revenue	158,634	220,165
	<u>343,010</u>	<u>376,706</u>
TOTAL REVENUE	<u>490,694</u>	<u>501,545</u>
EXPENDITURES		
PRODUCTION		
Design	45,245	33,075
Project fees and royalties	5,874	16,736
Project materials	2,771	5,273
Sales and marketing	66,252	75,851
Studio materials	10,480	7,611
Tour	24,770	21,991
Venue	63,895	73,051
Wages and benefits	146,317	169,178
	<u>365,604</u>	<u>402,766</u>
GENERAL & ADMINISTRATION		
Advertising and promotion	2,199	50
Amortization	21,613	13,884
Bad debts	672	-
Fundraising expenses	8,623	1,356
Interest and bank charges	2,142	1,781
Office	15,219	12,164
Professional fees	10,500	11,065
Rental	34,585	33,220
Repairs and maintenance	3,096	2,156
Salaries and wages	23,728	36,211
Telephone and utilities	2,687	2,199
Training	-	52
Travel	355	120
	<u>125,419</u>	<u>114,258</u>
TOTAL EXPENDITURES	<u>491,023</u>	<u>517,024</u>
DEFICIENCY OF REVENUE OVER EXPENDITURES	<u>\$ (329)</u>	<u>\$ (15,479)</u>

See notes to financial statements

Lee & Company
CHARTERED ACCOUNTANT

BALLET VICTORIA SOCIETY
Statement of Changes in Net Assets
Year Ended June 30, 2013

	General Fund	Capital Assets Fund	Internally Restricted Fund	2013	2012
NET ASSETS - BEGINNING OF YEAR	\$ 926	\$ 34,010	\$ 40,000	\$ 74,936	\$ 90,415
Deficiency of revenue over expenditures	(329)	-	-	(329)	(15,479)
Additions to capital assets	(29,873)	29,873	-	-	-
Amortization of capital assets	22,841	(22,841)	-	-	-
Transfer	30,000	-	(30,000)	-	-
Endowment funds transferred - Victoria Foundation (Note 6)	(19,250)	-	-	(19,250)	-
NET ASSETS - END OF YEAR	\$ 4,315	\$ 41,042	\$ 10,000	\$ 55,357	\$ 74,936

See notes to financial statements.

Lee & Company
CHARTERED ACCOUNTANT

BALLET VICTORIA SOCIETY**Statement of Cash Flows****Year Ended June 30, 2013**

	2013	2012
OPERATING ACTIVITIES		
Deficiency of revenue over expenditures	\$ (329)	\$ (15,479)
Item not affecting cash:		
Amortization of property, plant and equipment	21,613	13,884
	<u>21,284</u>	<u>(1,595)</u>
Changes in non-cash working capital:		
Accounts receivable	7,860	(3,679)
Accrued liabilities and accounts payable	(5,525)	7,387
Deferred income	1,281	6,000
Prepaid expenses	(2,491)	3,315
Goods and services tax payable (recoverable)	3,969	(687)
Employee deductions payable	675	(952)
Deposits received	(1,000)	1,000
	<u>4,769</u>	<u>12,384</u>
Cash flow from operating activities	<u>26,053</u>	<u>10,789</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(29,873)	(21,707)
Contributions to Victoria Foundation	(19,250)	-
Cash flow used by investing activities	<u>(49,123)</u>	<u>(21,707)</u>
DECREASE IN CASH FLOW	<u>(23,070)</u>	<u>(10,918)</u>
Cash - beginning of year	<u>44,831</u>	<u>55,749</u>
CASH - END OF YEAR	<u>\$ 21,761</u>	<u>\$ 44,831</u>

See notes to financial statements

Lee & Company
CHARTERED ACCOUNTANT

BALLET VICTORIA SOCIETY
Notes to Financial Statements
Year Ended June 30, 2013

1. PURPOSE OF THE ORGANIZATION

BALLET VICTORIA SOCIETY (the "Society") is a registered charitable organization incorporated under the Society Act of British Columbia.

The Society was founded December 27, 2002 to establish and maintain a professional ballet company on Vancouver Island. Its mission is to attract, develop and maintain the highest quality artists in dance, choreography, design and music composition in the region; present high calibre dance including innovative new work, classical repertoire and children's ballets; and, to educate the public and young audiences to understand and appreciate dance through lectures, master classes and outreach activities.

The Society is registered as a charitable organization under the Income Tax Act (Canada) and is, therefore, not subject to income taxes if certain disbursements requirements are met.

2. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

During the year the Society adopted accounting standards for not-for-profit organizations. These financial statements are the first prepared in accordance with these standards. The adoption of ASPE had no impact on net assets as at July 1, 2011 or revenues and expenditures or cash flows for the year ended June 30, 2012 as previously reported in accordance with pre-changeover Canadian generally accepted accounting principles.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund accounting

BALLET VICTORIA SOCIETY follows the deferral method of accounting for contributions.

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

Capital Assets Fund reports the assets, liabilities, revenues, and expenses related to the Society's property and equipment.

Internally Restricted Fund is to act as contingency for any contractual obligations that may arise. Access to the fund is by Board motion.

(continues)

BALLET VICTORIA SOCIETY
Notes to Financial Statements
Year Ended June 30, 2013

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

Revenue Recognition

The Society recognizes revenues when they are earned, specifically when all the following conditions are met:

- a) The Society follows the deferral method of accounting for contributions.
- b) Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.
- c) Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonable assured.
- d) Sales and services are recognized as revenue when the product is shipped to the customer or the service is provided.

Donated services

The Society benefits greatly from donated services in the form of volunteer time for various committees. Because of the difficulty in determining their fair value, donated services are not recognized in the financial statements.

Donated securities and Gifts in-kind

Donated material is only recorded when a fair market value can be reasonably estimated and when the materials are normally purchased by the Society and would be paid for if not donated.

Included in revenue on the statement of revenue and expenditures is \$6,014 in donated shares and other materials.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates and methods.

Audio equipment	3 years	straight-line method
Lighting	3 years	straight-line method
Leasehold improvements	5 years	straight-line method
Office furniture and equipment	5 years	straight-line method
Production equipment	3 years	straight-line method

In the year of acquisition, one-half of the annual rate is used to calculate amortization and no amortization is recorded in the year of disposal.

The Society regularly reviews its capital assets to eliminate obsolete items.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

(*continues*)

BALLET VICTORIA SOCIETY
Notes to Financial Statements
Year Ended June 30, 2013

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

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standard for private enterprises 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 expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2013 Net book value	2012 Net book value
Audio equipment	\$ 4,857	\$ 3,380	\$ 1,477	\$ 1,929
Lighting	24,947	15,141	9,806	8,238
Leasehold improvements	8,188	819	7,369	-
Office furniture and equipment	3,797	2,297	1,500	2,100
Production equipment	47,741	25,623	22,118	21,743
	<u>\$ 89,530</u>	<u>\$ 47,260</u>	<u>\$ 42,270</u>	<u>\$ 34,010</u>

5. DEFERRED INCOME

Deferred income represent funds received during the year which relate to the subsequent period.

	2013	2012
The figure for deferred income is made up of the following amounts:		
Government of Canada	\$ 7,281	\$ 6,000

Changes in the total deferred contributions balance are as follows:

Balance, beginning of the year	\$ 6,000	\$ -
Less: amounts recognized as revenue during the year	(6,000)	-
Add: additional amounts received during the year	7,281	6,000
	<u>\$ 7,281</u>	<u>\$ 6,000</u>

BALLET VICTORIA SOCIETY
Notes to Financial Statements
Year Ended June 30, 2013

6. ASSETS HELD BY THE VICTORIA FOUNDATION

The Society established an endowment fund (Ballet Victoria Legacy Fund) with the Victoria Foundation in 2012. The Victoria Foundation holds funds in trust, in perpetuity, for the benefit of the Society while the Society retains the right to income in perpetuity, from the fund and additions thereto. Since the Society only receives income and has restrictions to access the capital balance of the funds, the endowment is not shown on these statements.

Gifts are made from time to time as determined by the Society or in accordance with the wishes of contributors. The Fund earns investment income in accordance with the Investment Policy of The Victoria Foundation. Distributions from the fund are determined by the Distribution Policy of The Victoria Foundation.

	2013	2012
Ballet Victoria Legacy Fund		
Beginning balance	\$ -	\$ -
Contributions	19,250	-
Grants paid	-	-
Net investment returns	570	-
	<u>\$ 19,820</u>	<u>\$ -</u>

Fund values are reported at market value as at June 30, 2013.

7. 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 June 30, 2013.

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, obligations under capital leases, contributions to the pension plan, and accounts payable.

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 quoted shares.

8. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.



APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

1. **IDENTIFICATION OF APPLICANT:**

Organization name: The Bateman Foundation

Are you registered under the *Societies Act*?

Yes

☒

No

☐

Are you a registered charity?

Yes

☒

No

☐

Mailing Address: 470 Belleville Street, Suite 300, Victoria BC V8V 1W9

Contact Person: Paul Gilbert

Email Address:

[REDACTED]

Telephone Number:

[REDACTED]

Fax Number:

[REDACTED]

Preferred method of application reminder:

Email

☒

Mail

☐

2. **PROPERTY** (complete a separate form for each property)

Folio Number: 01091011

Address: 470 Belleville Street, Victoria, BC

Legal Description: Lease Portion of Lot 1 of Lots 502A-505A, 539A-543A, 890A-893A Plan 32311

Registered Owner (if different than above): Province of British Columbia, Ministry of Transportation

3. **ABOUT YOUR ORGANIZATION:** Please provide a brief description of the goals and objectives of the organization.

The Bateman Foundation offers a two-part mandate based on the life and works of Robert Bateman.

1. Challenge the public and society's leaders to a new dialogue about our relationship with nature through strategic partnerships, research, collaboration and public education

2. To assume custodianship of the intellectual property, collections and archives of Robert Bateman and other artists of nature, in perpetuity; and, to use every means possible to make the artworks and stories available to the public for education and inspiration.

Robert Bateman is already aligned with child-in-nature philosophies and is associated with pro-nature education by his work, writings and public speaking. He is widely regarded by the national and international conservation community as a hero because of his lifelong support and clearly articulated perspective. Finally, Robert Bateman is perceived by many to be one of the voices of reason and hope for healthy, rejuvenated and creative engagement with the natural world. It is this rich and informative philosophy of Robert's which is utilized in the Robert Bateman Centre to help educate and inspire the community at large.



APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

4. **PRINCIPAL USE OF THIS PROPERTY:** Please provide a brief description of the principal use of the property and how this use benefits the community.

The Robert Bateman Centre Gallery displays over 100 works by Robert Bateman and houses the definitive collection of his work spanning seven decades as one of Canada's most influential painters. The gallery has been awarded as the City's "best new cultural attraction", and will draw an anticipated 30,000 visitors in it's second year of operation. The Gallery offers a series of monthly environmental and artistic programming, and in the fall of 2014 it will launch an education program for teachers and their classes. The Centre supports other not-for-profits in reaching their fundraising objectives, through ticket donations, merchandise, and free or discounted use of the gallery for fund-raising events. Net proceeds from gallery admissions go to support the work of the Bateman Foundation.

5. **COMMERCIAL ACTIVITY:** Please provide a brief description of any commercial activities that your organization conducts on this property.

Gift Shop & Gallery: "Thinking Like a Mountain" gift shop offers finely crafted giftware by local artists personally selected by Robert and Birgit Freybe Bateman. The items are chosen to illustrate a clear connection to art and design with particular emphasis on the natural world. The Robert Bateman Gallery focuses on a lifetime of Robert's art and utilizes interactive multi-media formats to express the stories from Robert's life, to educate the visitor about the creatures Robert has so closely observed and reflected, and to see and hear Robert express his philosophy behind educating people, especially today's youths, about the positive relationship we can have with nature. The bird gallery utilizes interactive didactic technology allowing visitors to learn the specific calls of the various birds.

6. **LEASED SPACE:** Please attach any and all lease agreements for any portion of the identified property that your organization rents or leases to another organization or individual.

7. **CATEGORY:** Please select the applicable permissive tax exemption category for which you are applying (for further explanation of permissive tax exemption categories please read the full text of the Permissive Tax Exemption policy found at www.victoria.ca/permissive):

Social Service

☐

Arts & Cultural Facility

☒

Place of Worship

☐

Athletic/Recreational Facility

☐

Rail/Track Property

☐

Educational Facility: Independent School Classification:

Group 1

☐

2

☐

3

☐

4

☐



APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

Supportive Housing

- Temporary or transitional housing ☐
- Treatment program ☐
- Permanent facility ☐
- Supportive staff ☐
- Group home ☐
- Special needs/disability housing ☐

8. **PUBLIC ACKNOWLEDGEMENT:** All recipients of City of Victoria permissive tax exemptions are required to publicly acknowledge the exemption. How does your organization plan on publicly acknowledging the exemption?

1- on our website's: <http://batemancentre.org/> and <http://batemanfoundation.org/>

9. **FINANCIAL STATEMENTS:** Attach your most recent financial statements.

10. **PROPERTY OWNERSHIP:** Do you plan on selling any portion of the property during 2014 – 2016?

Yes ☐ No ☒

11. **DECLARATION:**

I am an authorized signing officer of the organization and I certify that the information given in this application is correct. Should a permissive tax exemption be granted on the above listed property, I agree to the following terms:

- If the property is sold prior to the exemption expiration, the organization will remit to the City an amount equal to the taxes that would have otherwise been payable to the City by a non-exempt owner.
- The property use will be in compliance with all applicable municipal policies and bylaws.
- The organization will publicly acknowledge the permissive tax exemption granted by the City.

Signature

Name (please print)

PAUL GILBERT

EXECUTIVE DIRECTOR

Position

Date

MAY 22, 2014

THE BATEMAN FOUNDATION



The City of Victoria
Finance and Revenue Department
1 Centennial Square
Victoria, BC V8W 1P6

May 29, 2014

Attention: Director of Finance
Re: Permissive Tax Exemption Application

Dear Director of Finance and Associates,

The Robert Bateman Foundation and Centre has successfully completed its first full year of operations in the newly renovated Steamship Terminal building on the inner harbour. It is a beautiful location and we are delighted to be a part of the downtown community.

The Bateman Foundation is a charitable organization registered with the Government of Canada, and as such we have completed the application for the Permissive Tax Exemption offered by the City of Victoria and submit it to your department for consideration. (Enclosed)

In the application, section 9 requests a copy of the organizations most recent financial statements. To that end, please find enclosed financial statements for the fiscal year ended December 31, 2012. There will be more recent financial statements available, for the year 2013, following the Bateman Foundation Annual General Meeting that is scheduled for June of this year.

Please advise us if the committee would like to obtain a copy of the 2013 financial statements and we will be happy to forward one to you.

Sincerely,
On behalf of the Bateman Centre and Foundation,

A handwritten signature in blue ink, appearing to read 'Jeanette Bowman'. The signature is fluid and cursive, with a large loop at the beginning.

Jeanette Bowman
Accounting
The Bateman Foundation

THE BATEMAN FOUNDATION
FINANCIAL STATEMENTS
DECEMBER 31, 2012

THE BATEMAN FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2012

ASSETS	
CURRENT	
Cash	\$ 383,570
Restricted cash related to deferred contributions	523,000
Harmonized sales tax recoverable	11,242
Prepaid expenses	60,668
	978,480
CAPITAL ASSETS (Note 4)	152,612
INTANGIBLE ASSETS	31,231
	\$ 1,162,323
LIABILITIES	
CURRENT	
Accounts payable	\$ 18,125
Deferred contributions related to future programs (Note 5)	50,000
	68,125
LOANS PAYABLE	1,000
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 5)	473,000
	542,125
NET ASSETS	
INVESTED IN CAPITAL ASSETS	152,612
UNRESTRICTED	467,586
	620,198
	\$ 1,162,323

Approved By The Directors

Director

Director

THE BATEMAN FOUNDATION
STATEMENT OF RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2012

RECEIPTS	
Donations	\$ 925,061
EXPENDITURES	
Salaries and wages	104,569
Sub-contracts	81,186
Professional fees	51,856
Business development	18,135
Fundraising	17,566
Office	14,173
Contribution to The Victoria Foundation (Note 6)	7,500
Rental	4,670
Telephone	2,464
Travel	886
Amortization	865
Insurance	332
Website	280
Interest and bank charges	203
Equipment lease	178
	304,863
EXCESS OF RECEIPTS OVER EXPENDITURES	\$ 620,198

THE BATEMAN FOUNDATION
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2012

	Invested in		
	Capital Assets	Unrestricted	2012
NET ASSETS - BEGINNING OF YEAR	\$ -	\$ -	\$ -
Excess of receipts over expenditures	-	620,198	620,198
Purchase of capital assets	153,477	(153,477)	-
Amortization of capital assets	(865)	865	-
NET ASSETS - END OF YEAR	\$ 152,612	\$ 467,586	\$ 620,198

THE BATEMAN FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from donors	\$ 1,448,061
Cash paid to suppliers and employees	(346,541)
Harmonized sales tax	(11,242)
	<hr/> 1,090,278

CASH FLOWS FROM INVESTING ACTIVITIES

Additions to capital assets	(153,477)
Purchase of intangible assets	(31,231)
	<hr/> (184,708)

CASH FLOWS FROM FINANCING ACTIVITY

Proceeds from loan	1,000
--------------------	-------

INCREASE IN CASH FLOW	906,570
------------------------------	----------------

Cash - beginning of year	-
--------------------------	---

CASH - END OF YEAR	\$ 906,570
---------------------------	-------------------

CASH CONSISTS OF:

Cash	\$ 383,570
Restricted cash relating to deferred contributions	523,000
	<hr/> \$ 906,570

THE BATEMAN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

1. DESCRIPTION OF BUSINESS

The Bateman Foundation (the "foundation") is incorporated under the Canada Not-for-Profit Corporations Act. The foundation's principal business activity is to promote the preservation and sustainability of the environment. The foundation is a registered charity under the Income Tax Act and is exempt from tax.

2. BASIS OF PRESENTATION

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	55%	declining balance method
Leasehold improvements	5 years	straight-line method

Additions, net of disposal are amortized at half rates.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Revenue recognition

The Bateman Foundation follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not for profit organizations 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 expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	Net book value
Computer equipment	\$ 3,145	\$ 865	\$ 2,280
Leasehold improvements	150,332	-	150,332
	<u>\$ 153,477</u>	<u>\$ 865</u>	<u>\$ 152,612</u>

THE BATEMAN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

5. DEFERRED CONTRIBUTIONS

Deferred contributions are donations received in the year that have been directed for specific purposes. As of December 31, 2012 no amounts have been spent. It is expected that these donations will be used in the following year.

6. VICTORIA FOUNDATION FUND

Contributions	\$ 7,500
Victoria Foundation matching contribution	7,500
Net return on investments	476
<hr/>	
Subtotal	15,476
Administration fees	(38)
<hr/>	
	\$ 15,438

The foundation established a fund held by the Victoria Foundation. Under the agreement of the fund, the foundation is the beneficiary of the fund and is entitled to the receive grants from the fund. The amount of the grant is at the discretion of the Victoria Foundation and any unpaid amounts carry forward until paid. The current amount available to grant is \$NIL.

7. LEASE COMMITMENTS

The foundation has a long term lease with respect to its premises commencing April 1, 2013. The lease contains renewal options. Future minimum lease payments as at December 31, 2012, are as follows:

2013	\$ 116,831
2014	155,774
2015	155,774
2016	155,774
2017	155,774
Thereafter	38,944
<hr/>	
	\$ 778,871

8. FINANCIAL INSTRUMENTS

Fair value

The foundation's carrying value of cash and cash equivalents, accounts receivable, and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments.



APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

1. IDENTIFICATION OF APPLICANT:

Organization name: St. Andrew's Cathedral Parish (formerly as St. Andrew's Elem. School)

Are you registered under the *Societies Act*?

Yes

☒

No

☐

Are you a registered charity?

Yes

☒

No

☐

Mailing Address: 740 View St.; Victoria, BC V8W 1J8

Contact Person: Fr. John Laszczyk

Email Address:

[REDACTED]

Telephone Number:

[REDACTED]

Fax Number:

[REDACTED]

Preferred method of application reminder:

Email

☒

Mail

☐

2. PROPERTY (complete a separate form for each property)

Folio Number: 01495001

Address: 1002 Pandora Ave., Victoria, BC

Legal Description: Lot 1, Sec. SL 15, Plan 22437, Victoria Dist. / 1012 Pandora Ave.

Registered Owner (if different than above): Bishop of Victoria Corporation Sole

3. ABOUT YOUR ORGANIZATION: Please provide a brief description of the goals and objectives of the organization.

Religious education classes - children and adult
Ministries groups
Outreach / Service activities
Worship / public - Roman Catholic Church



APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

Folio # 01495001

4. **PRINCIPAL USE OF THIS PROPERTY:** Please provide a brief description of the principal use of the property and how this use benefits the community.

Up to June 30/2013: Elementary School - Catholic

After June 30/2013: Property used by St. Andrew's Cathedral Parish for ministry programs, religious education classes, parish groups benefitting children, women, men; meeting space, social and service outreach activities.

5. **COMMERCIAL ACTIVITY:** Please provide a brief description of any commercial activities that your organization conducts on this property.

N/A

6. **LEASED SPACE:** Please attach any and all lease agreements for any portion of the identified property that your organization rents or leases to another organization or individual.

7. **CATEGORY:** Please select the applicable permissive tax exemption category for which you are applying (for further explanation of permissive tax exemption categories please read the full text of the Permissive Tax Exemption policy found at www.victoria.ca/permissive):

Social Service

☒

Arts & Cultural Facility

☐

Place of Worship

☒

Athletic/Recreational Facility

☐

Rail/Track Property

☐

Educational Facility: Independent School Classification:

Group 1

☐

2

☐

3

☐

4

☐



APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

Folio # 01495001

Supportive Housing

- Temporary or transitional housing ☐
- Treatment program ☐
- Permanent facility ☐
- Supportive staff ☐
- Group home ☐
- Special needs/disability housing ☐

N/A

8. **PUBLIC ACKNOWLEDGEMENT:** All recipients of City of Victoria permissive tax exemptions are required to publicly acknowledge the exemption. How does your organization plan on publicly acknowledging the exemption?

- Parish bulletins - weekly
- School newsletters - monthly

9. **FINANCIAL STATEMENTS:** Attach your most recent financial statements. ✓

10. **PROPERTY OWNERSHIP:** Do you plan on selling any portion of the property during 2014 – 2016?

Yes ☒ No ☐

11. **DECLARATION:**

I am an authorized signing officer of the organization and I certify that the information given in this application is correct. Should a permissive tax exemption be granted on the above listed property, I agree to the following terms:

- If the property is sold prior to the exemption expiration, the organization will remit to the City an amount equal to the taxes that would have otherwise been payable to the City by a non-exempt owner.
- The property use will be in compliance with all applicable municipal policies and bylaws.
- The organization will publicly acknowledge the permissive tax exemption granted by the City.

Leah MacKenzie
Signature

Leah MacKenzie
Name (please print)

Chief Financial Officer, Dio. of Victoria
Position

May 25, 2014
Date



Catholic Diocese of Victoria
Administration and Finance

1-4044 Nelthorpe Street, Victoria, BC V8X 2A1 - Tel: 250-479-1331 - Fax: 250-479-5423 - Web: rcdvictoria.org

May 29, 2014

Mr. Christopher Paine
Manager-Revenue
City of Victoria
1 Centennial Square
Victoria, BC V8W 1P6

Dear Mr. Paine,

RE: Application for Permissive Property Tax Exemption - 2015
.1012 Pandora Avenue, Folio No. 01495012
.1002 Pandora Avenue, Folio No. 01495001

In response to your recent email where you clarified the need to apply for the 2015 Permissive Property Tax Exemption re the above-referenced property, I enclose the following documentation:

- Application forms – one for each separate Folio # (completed)
- Most recent annual Financial Statements – 1 copy; applies to both

Thank you.

Sincerely,

Leah MacKenzie
Chief Financial Officer
Diocese of Victoria

/jb

Enclosures



APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

1. **IDENTIFICATION OF APPLICANT:**

Organization name: St. Andrew's Cathedral Parish (formerly as St. Andrew's Elem. School)

Are you registered under the *Societies Act*? Yes ☒ No ☐

Are you a registered charity? Yes ☒ No ☐

Mailing Address: 740 View St.; Victoria, BC V8W 1J8

Contact Person: Fr. John Laszczyk

Email Address: [REDACTED]

Telephone Number: [REDACTED]

Fax Number: [REDACTED]

Preferred method of application reminder: Email ☒ Mail ☐

2. **PROPERTY** (complete a separate form for each property)

Folio Number: 01495012

Address: 1002 Pandora Ave., Victoria, BC

Legal Description: Lot 1, Sec. SL 15, Plan 22437, Victoria Dist. / 1012 Pandora Ave.

Registered Owner (if different than above): Bishop of Victoria Corporation Sole

3. **ABOUT YOUR ORGANIZATION:** Please provide a brief description of the goals and objectives of the organization.

Religious education classes - children and adult
Ministries groups
Outreach / Service activities
Worship / public - Roman Catholic Church



APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

Folio #01495012

4. **PRINCIPAL USE OF THIS PROPERTY:** Please provide a brief description of the principal use of the property and how this use benefits the community.

Up to June 30/2013: Elementary School - Catholic

After June 30/2013: Property used by St. Andrew's Cathedral Parish for ministry programs, religious education classes, parish groups benefitting children, women, men; meeting space, social and service outreach activities.

5. **COMMERCIAL ACTIVITY:** Please provide a brief description of any commercial activities that your organization conducts on this property.

N/A

6. **LEASED SPACE:** Please attach any and all lease agreements for any portion of the identified property that your organization rents or leases to another organization or individual.

7. **CATEGORY:** Please select the applicable permissive tax exemption category for which you are applying (for further explanation of permissive tax exemption categories please read the full text of the Permissive Tax Exemption policy found at www.victoria.ca/permissive):

Social Service

☒

Arts & Cultural Facility

☐

Place of Worship

☒

Athletic/Recreational Facility

☐

Rail/Track Property

☐

Educational Facility: Independent School Classification:

Group 1

☐

2

☐

3

☐

4

☐



19. 2
Folio # 01495012

APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

Supportive Housing

- Temporary or transitional housing ☐
- Treatment program ☐
- Permanent facility ☐
- Supportive staff ☐
- Group home ☐
- Special needs/disability housing ☐

N/A

8. **PUBLIC ACKNOWLEDGEMENT:** All recipients of City of Victoria permissive tax exemptions are required to publicly acknowledge the exemption. How does your organization plan on publicly acknowledging the exemption?

Parish bulletins - weekly
School newsletters - monthly

9. **FINANCIAL STATEMENTS:** Attach your most recent financial statements. ✓

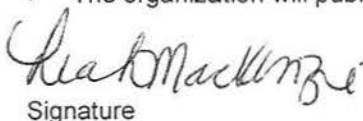
10. **PROPERTY OWNERSHIP:** Do you plan on selling any portion of the property during 2014 – 2016?

Yes ☒ No ☐

11. **DECLARATION:**

I am an authorized signing officer of the organization and I certify that the information given in this application is correct. Should a permissive tax exemption be granted on the above listed property, I agree to the following terms:

- If the property is sold prior to the exemption expiration, the organization will remit to the City an amount equal to the taxes that would have otherwise been payable to the City by a non-exempt owner.
- The property use will be in compliance with all applicable municipal policies and bylaws.
- The organization will publicly acknowledge the permissive tax exemption granted by the City.


Signature

Leah MacKenzie
Name (please print)

Chief Financial Officer, Dio. of Victoria
Position

May 25, 2014
Date

St Andrew's Cathedral
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April 30, 2014

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Parish Financial Statements
Balance Sheet
April 30, 2014

Parish: St. Andrew's Cathedral

Assets	SCH	Apr '14	Dec '13
Current Assets			
Cash on hand	A1	800	7,757
Cash at bank	A1	108,993	180,625
Accounts receivable	A1	30,661	13,498
Prepaid expenses	A1	22,285	33,986
Total Current Assets		162,739	235,866
Investments			
MIC bank account	A1	1,890,477	1,855,380
Total Investments		1,890,477	1,855,380
Capital Assets			
Computer equipment	A2	22,626	22,626
Furniture and equipment	A2	46,552	46,552
Sub-total Capital Assets		69,178	69,178
<i>Less accumulated depreciation</i>	A2	61,723	28,507
Total Net Capital Assets	A2	7,455	10,671
Total Assets		2,060,672	2,101,917

Parish Financial Statements
Income Statement
For the period ended April 30, 2014

Parish: St. Andrew's Cathedral

		Actual Apr '14	Budget Apr '14	Variance Apr '14	Actual YTD	Budget YTD	Variance YTD	Annual Budget
SCH								
Operating Revenue								
Collections	O1	56,785	53,776	3,009	209,665	201,206	8,460	618,217
Rental Income	O1	300	1,342	(1,042)	3,528	5,368	(1,841)	16,105
Miscellaneous income	O1	2,819	653	2,165	11,846	2,614	9,232	7,841
Total operating income		59,904	55,772	4,132	225,039	209,188	15,851	642,163
Less operating expenses	O-Sum	60,620	54,628	(5,992)	221,425	212,428	(8,997)	641,523
Net parish operating income (loss)		(716)	1,144	(1,860)	3,614	(3,240)	6,854	640
Extraordinary revenue:								
Bequests	O2	28,007			28,007			
Donations	O2	199			367			
Fundraising	O2	-			-			
Approved special projects - see below		36,225			95,138			
Investment Interest	O2	2,345			9,258			
Total extraordinary revenue		66,776			132,770			
Extraordinary expenses:								
Approved special projects - see below		129,529			298,332			
Fundraising	O2	-			-			
Depreciation		804			3,216			
Total extraordinary expenses		130,333			301,547			
Net Parish Income (Loss) for Period		(64,272)			(165,164)			

**Parish Financial Statements
Balance Sheet
2012 and 2011**

Parish: St. Andrew's Cathedral

Liabilities and Equity

SCH Apr '14 Dec '13

Current Liabilities			
General Accruals		-	-
A/P - General		122,514	11,088
A/P - Mass stipends		4,207	2,810
A/P - Miscellaneous		7	731
Damage deposit			-
A/P - Papal Blessing		-	-
A/P - Key Deposits		155	155
Accounts payable - diocese		25,665	32,033
Special collections - sanctioned	L1	14,205	1,207
Special collections - other	LI	17,018	10,015
Total Current Liabilities		183,772	58,039
Equity			
Equity balance from prior year		2,046,578	1,692,637
Prior period adjustment		(1,814)	(153)
Net Parish Income For YTD	Inc. Stmt.	(165,164)	354,094
MIC Transfer Account		(1,893,177)	(1,990,769)
Equity Balance at end of Current Period		(13,577)	55,809
MIC Fund Reserves	L1	1,890,477	1,988,069
Total Equity		1,876,900	2,043,878
Total Liabilities and Equity		2,060,672	2,101,917

Parish Financial Statements
Expense Summary
For the period ended April 30, 2014

Parish: St. Andrew's Cathedral

		Actual Apr '14	Budget Apr '14	Variance Apr '14	Actual YTD	Budget YTD	Variance YTD	Annual Budget
SCH								
Operating expenses								
Diocesan assessments	O3	12,560	11,334	(1,226)	46,506	45,336	(1,170)	136,008
Pastoral expenses:								
Rector - salary and benefits		3,172	3,185	13	12,688	12,740	52	38,220
Assistant Pastor - salary and benefits		3,136	3,185	49	12,544	12,740	196	38,220
Assistant Priest		-	-	-	-	-	-	-
Replacement priests' stipends		1,748	417	(1,332)	3,456	1,667	(1,789)	5,000
Priest's expenses	O3	838	283	(555)	1,664	1,133	(531)	3,819
Pastoral Assistant - salary & benefits		428	578	150	2,340	2,311	(29)	6,932
Pastoral Assistant - expenses		-	-	-	-	-	-	-
		9,322	7,648	(1,674)	32,693	30,591	(2,102)	92,192
Liturgy & Ministry expenses:								
Liturgy	O3	869	407	(463)	1,050	1,626	576	4,878
Adult education	O4	(625)	151	776	(1,161)	606	1,767	1,817
Children's education	O4	76	416	340	124	1,663	1,539	4,989
Youth	O4	-	83	83	-	333	333	1,000
Hospital	O5	-	13	13	-	50	50	150
Music	O5	4,643	4,419	(224)	16,872	17,676	804	53,028
Library	O5	-	42	42	15	167	152	500
Fellowship	O5	328	508	181	461	2,033	1,572	6,100
Other Ministry	O5	(35)	(58)	(23)	(819)	(233)	586	1,800
		5,256	5,980	724	16,542	23,921	7,378	74,262
Property expenses								
Parish Facility	O6	20,766	15,826	(4,940)	72,685	57,220	(15,466)	165,818
Rectory	O6	2,304	2,749	444	11,002	10,994	(8)	32,982
		23,070	18,574	(4,496)	83,688	68,214	(15,474)	198,800
General administration	O7	10,412	11,092	679	41,997	44,367	2,370	140,262
Total Operating expenses		60,620	54,628	(5,992)	221,425	212,428	(8,997)	641,523

Parish Financial Statements - supporting schedules
April 30, 2014
Balance Sheet - Assets

St. Andrew's Cathedral

	<i>Apr '14</i>	<i>Dec '13</i>
Cash on hand		
Petty cash - general operations (office)	300	300
Petty cash - Respect Life Ministry	500	500
Veritas Float	-	-
Holding Account (Outstanding Deposits)	-	6,957
Total Cash on hand	800	7,757
Cash at bank		
Operating account - Regular	85,128	24,811
Operating account - Held for Reserves	-	132,689
Total Operating Account	85,128	157,500
US \$ Account	23,865	23,125
Total Cash at bank	108,993	180,625
Accounts Receivable		
Accounts receivable - miscellaneous	8,079	1,500
Accounts receivable - general	73	277
GST rebate	41	41
Federal HST Receivable	13,555	5,569
Provincial HST Receivable	8,914	6,112
Total Accounts Receivable	30,661	13,498
Prepaid Expenses		
Deposit - Rental	700	700
Prepaid Expenses (Elevator and Postage)	3,042	2,855
Prepaid Missalettes	4,340	5,212
Prepaid Insurance	13,045	23,481
Prepaid Photocopier lease	1,159	1,738
Total Prepaid Expenses	22,285	33,986
Bank Accounts Held for Reserves		
CWB MIC Bank Account	1,890,477	1,855,380
MIC Portion of Operating Account	-	132,689
Total Held in Bank Accounts for Reserves	1,890,477	1,988,069
MIC Reserve/Bank Reconciliation		
CWB MIC Bank Account	1,890,477	1,855,380
Reserves Total	1,890,477	1,988,069
(Excess) Deficit in Investment Account over Reserves	-	132,689

Supplementary Schedule

Parish Financial Statements
Comparative Income Statement - no variances
2013 and 2014

St. Andrew's Cathedral

	2014 Apr	2013 Apr	2014 YTD	2013 YTD	2014 Budget - YTD
Operating Income					
Collections	56,785	47,607	209,665	210,270	618,217
Rental Income	300	3,040	3,528	6,232	16,105
Miscellaneous income	2,819	225	11,846	1,936	7,841
	-	-	-	-	-
Total operating income	59,904	50,872	225,039	218,438	642,163
	-	-	-	-	-
Less operating expenses	60,620	50,009	221,425	203,143	641,523
	-	-	-	-	-
Net parish operating income (loss)	(716)	862	3,614	15,295	640
Add extraordinary income:					
Bequests	28,007	2,000	28,007	47,600	
Donations	199	-	367	2,864	
Fundraising	-	-	-	-	
Approved special projects	36,225	30,844	95,138	99,818	
Investment Interest	2,345	2,021	9,258	7,550	
	66,776	34,865	132,770	157,832	
Less extraordinary expenses:					
Approved special projects	129,529	7,929	298,332	40,984	
Fundraising	-	-	-	-	
Depreciation	804	-	3,216	-	
	130,333	7,929	301,547	40,984	
Net Parish Income (Loss) for Period / YTD	(64,272)	27,798	(165,164)	132,144	

Parish Financial Statements - supporting schedules
For the period ended April 30, 2014
Operating expenses

Parish: St. Andrew's Cathedral

	Actual Apr '14	Budget Apr '14	Variance Apr '14	Actual YTD	Budget YTD	Variance YTD	Annual Budget
General Administration							
Bank Charges	70	68	(2)	284	272	(13)	815
Credit Card Charges	218	250	32	953	1,000	47	3,000
Education and conferences	-	83	83	-	333	333	1,000
Advertising	-	25	25	-	100	100	300
Licenses, membership and dues	-	-	-	160	-	(160)	-
Salary & Benefits - Receptionist/Se	3,433	3,427	(5)	13,730	13,709	(21)	41,128
Office Manager Salary & benefits	3,795	3,607	(188)	14,128	14,427	299	43,281
Accounting Fees	750	750	-	3,000	3,000	-	9,000
Casual Help (Summer student)	-	-	-	-	-	-	7000
Bad Debt Expense	-	8	8	-	33	33	100
WCB	-	-	-	160	-	(160)	163
Subtotal General Administration	8,265	8,219	(46)	32,416	32,875	459	105,786
Office Supplies and Expenses							
Computer - Repairs & Maintenance	-	-	-	-	-	-	-
Computer Software	-	83	83	-	333	333	1,000
Office & Computer Equip <\$250	-	42	42	-	167	167	500
Office Supplies	49	245	196	327	980	654	2,941
Photo Copying - Lease	579	579	(0)	2,317	2,317	(0)	6,950
Photo Copying - Expenses (service)	200	749	548	2,037	2,995	958	8,985
Photo Copying - Paper	529	458	(71)	1,677	1,833	156	5,500
Photo/Fax Reimbursement	(75)	(17)	58	(162)	(67)	96	(200)
Postage (incl metre and courier)	21	167	146	750	667	(83)	2,000
Printing	310	83	(227)	310	333	23	1,000
Printed Materials - recovery	(19)	(83)	(64)	(76)	(333)	(257)	(1,000)
Telephone/Fax	399	375	(24)	1,835	1,500	(335)	4,500
Telephone - Custodian	45	42	(3)	135	167	32	500
Shaw Cable	108	108	1	430	433	3	1,300
Miscellaneous	2	42	40	2	167	165	500
Subtotal Office Supplies and Expenses	2,147	2,873	726	9,581	11,492	1,911	34,476
Total General Administration	10,412	11,092	679	41,997	44,367	2,370	140,262

Parish Financial Statements - supporting schedules
For the period ended April 30, 2014
Operating expenses

Parish: St. Andrew's Cathedral

	<i>Actual Apr '14</i>	<i>Budget Apr '14</i>	<i>Variance Apr '14</i>	<i>Actual YTD</i>	<i>Budget YTD</i>	<i>Variance YTD</i>	<i>Annual Budget</i>
Hospital Ministry							
Hospital/Health Ministry - Supplies	-	-	-	-	-	-	-
Shut-in Visitation	-	13	13	-	50	50	150
Parish Nurse	-	-	-	-	-	-	-
Parish nurse exp	-	-	-	-	-	-	-
Total Hospital Ministry	-	13	13	-	50	50	150
Music Ministry							
Piano Tuning & Maintenance	-	100	100	103	400	297	1,200
Organ Maintenance & Tuning	364	167	(198)	364	667	302	2,000
Weekend Musicians Compensation	520	458	(62)	1,950	1,833	(117)	5,500
Extra Musicians	450	100	(350)	450	400	(50)	1,200
Office Supplies	46	21	(25)	64	83	19	250
Copyrights	-	113	113	259	450	191	1,350
Publications (purchase)	-	167	167	612	667	55	2,000
Music Director Compensation	2,025	2,089	64	8,100	8,356	256	25,068
Organist's compensation	1,238	1,180	(58)	4,952	4,720	(232)	14,160
Resource Publications	-	-	-	-	-	-	-
Education - music ministry	-	-	-	-	-	-	-
Miscellaneous Music Expenses	-	25	25	18	100	82	300
Music Ministry Recovery	-	-	-	-	-	-	-
Total Music Ministry	4,643	4,419	(224)	16,872	17,676	804	53,028
Library							
Library - Book Purchases	-	42	42	15	167	152	500
Library - Supplies	-	-	-	-	-	-	-
Total Library	-	42	42	15	167	152	500
Fellowship							
Hospitality - Parish	328	250	(78)	328	1,000	672	3,000
Hospitality - Ordinations	-	-	-	-	-	-	-
Hospitality - Diocesan functions	-	167	167	-	667	667	2,000
Social Committee Expenses	-	-	-	-	-	-	-
Volunteer Appreciation	-	83	83	103	333	230	1,000
Welcoming Committee	-	8	8	30	33	3	100
Total Fellowship	328	508	181	461	2,033	1,572	6,100
Other Ministry							
Collection Envelopes	-	-	-	-	-	-	2,500
Envelope Recovery	(35)	(58)	(23)	(819)	(233)	586	(700)
Total Other Ministry	(35)	(58)	(23)	(819)	(233)	586	1,800

Parish Financial Statements - supporting schedules
For the period ended April 30, 2014
Operating expenses

Parish: St. Andrew's Cathedral

	<i>Actual Apr '14</i>	<i>Budget Apr '14</i>	<i>Variance Apr '14</i>	<i>Actual YTD</i>	<i>Budget YTD</i>	<i>Variance YTD</i>	<i>Annual Budget</i>
Property - Parish Facilities							
Insurance	2,609	2,609	-	10,436	10,436	-	31,308
Property Taxes	-	2,028	2,028	-	2,028	2,028	244
Sound Sysytem	-	250	250	141	1,000	859	3,000
Repairs & Maintenance	2,956	1,667	(1,289)	6,412	6,667	255	20,000
Garden Maintenance	1,771	167	(1,605)	2,050	667	(1,383)	2,000
Security	514	458	(55)	1,371	1,833	462	5,500
Parish Furniture & Equip <\$250	-	-	-	189	-	(189)	-
Utilities Garbage	484	250	(234)	2,346	1,000	(1,346)	3,000
Utilities - Terasen Gas	5,753	2,667	(3,086)	12,275	10,667	(1,608)	32,000
BC Hydro	1,246	1,199	(47)	4,727	4,796	69	14,388
Utilities - Water	-	550	550	2,177	2,200	23	6,600
Janitorial Supplies	384	417	32	1,065	1,667	601	5,000
Salary & Benefits - Custodian	2,195	3,173	978	11,716	12,693	978	38,079
Janitorial Relief	989	292	(697)	2,578	1,167	(1,411)	3,500
Housekeeper	-	100	100	-	400	400	1,200
St Andrew's Elementary School	1,865	-	(1,865)	15,202	-	(15,202)	
Total Property Parish Facilities	20,766	15,826	(4,940)	72,685	57,220	(15,466)	165,818
Property - Rectory							
Rectory - Insurance	-	-	-	-	-	-	-
Rectory - Property Taxes	-	-	-	-	-	-	-
Rectory - Repairs and Maintenance	-	-	-	53	-	(53)	-
Rectory - Security	-	-	-	-	-	-	-
Rectory - Landscaping	84	-	(84)	133	-	(133)	-
Rectory - Telephone, Pager/Cell	53	58	6	209	233	24	700
Rectory - Cable, Internet	307	150	(157)	763	600	(163)	1,800
Rectory - Fuel	-	292	292	1,827	1,167	(661)	3,500
Rectory - Hydro	72	75	3	287	300	13	900
Rectory - Water	-	50	50	282	200	(82)	600
Rectory Furn & Equip <\$250	-	-	-	264	-	(264)	-
Rectory - Housekeeping	-	292	292	32	1,167	1,134	3,500
Rectory - Rent	1,788	1,790	2	7,152	7,161	9	21,482
Rectory - Miscellaneous	-	42	42	-	167	167	500
Total Rectory Expenses	2,304	2,749	444	11,002	10,994	(8)	32,982

Parish Financial Statements - supporting schedules
For the period ended April 30, 2014
Operating expenses

Parish: St. Andrew's Cathedral

	<i>Actual Apr '14</i>	<i>Budget Apr '14</i>	<i>Variance Apr '14</i>	<i>Actual YTD</i>	<i>Budget YTD</i>	<i>Variance YTD</i>	<i>Annual Budget</i>
Adult Education							
Parish Mission	-	-	-	-	-	-	-
RCIA	-	33	33	-	133	133	400
Bible Study	-	42	42	-	167	167	500
Bible Study Recovery	-	(50)	(50)	-	(200)	(200)	(600)
Marriage Preparation	275	283	8	799	1,133	334	3,399
Marriage Preparation Fees	(900)	(324)	577	(1,960)	(1,294)	666	(3,882)
Adult Ed expenses	-	167	167	-	667	667	2,000
Adult Ed recovery	-	-	-	-	-	-	-
Total Adult Education Expenses	(625)	151	776	(1,161)	606	1,767	1,817
Childrens' Education							
Summer Camp	-	-	-	-	-	-	5,000
Summer Camp Recovery	-	-	-	-	-	-	(5,000)
Children's Liturgy of the Word Supplies	12	19	8	60	77	18	232
Children's Rel Ed. Supplies	-	121	121	-	486	486	1,457
Religious Ed Coordinator - compensation	-	325	325	-	1,300	1,300	3,900
Other Rel Ed. Expenses	69	50	(19)	69	200	131	600
Childrens' Ed Recovery	(5)	(100)	(95)	(5)	(400)	(395)	(1,200)
Total Childrens' Education	76	416	340	124	1,663	1,539	4,989
Youth Ministry							
Bursaries	-	42	42	-	167	167	500
Young Adults	-	42	42	-	167	167	500
Total Youth Ministry	-	83	83	-	333	333	1,000

Parish Financial Statements - supporting schedules
For the period ended April 30, 2014
Operating expenses

Schedule O3

Parish: St. Andrew's Cathedral

	Actual Apr '14	Budget Apr '14	Variance Apr '14	Actual YTD	Budget YTD	Variance YTD	Annual Budget
Diocesan Assessments							
Assessment - Diocese	12,560	11,334	(1,226)	46,506	45,336	(1,170)	136,008
Assessment - Marriage Tribunal	-	-	-	-	-	-	-
Assessment - Hospital Chaplaincy	-	-	-	-	-	-	-
Total Diocesan Assessments	12,560	11,334	(1,226)	46,506	45,336	(1,170)	136,008
Priest Expenses							
Priest - Vehicle Expenses	235	208	(27)	911	833	(78)	2,500
Priest - Retreats	-	25	25	-	100	100	300
Priest - Disability Contribution	50	50	-	200	200	-	600
Priest Tenant Insurance	553	-	(553)	553	-	(553)	419
Priest - Other Expenses	-	-	-	-	-	-	-
Total Priest's expenses	838	283	(555)	1,664	1,133	(531)	3,819
Liturgy Expenses							
Altar Bread	-	292	292	1,209	1,167	(43)	3,500
Votive Candles	237	500	263	3,548	2,000	(1,548)	6,000
Votive Candle Recovery	(2,113)	(2,417)	(304)	(9,164)	(9,667)	(503)	(29,000)
Sacramental Wine	-	46	46	-	183	183	550
Baptism Ministry	-	50	50	-	200	200	600
Flowers	889	250	(639)	1,411	1,000	(411)	3,000
Flower Recovery	(598)	(98)	501	(887)	(391)	497	(1,172)
Liturgical Supplies	1,358	333	(1,024)	2,003	1,333	(670)	4,000
Junior Altar Servers	-	29	29	48	117	69	350
Liturgy Books	-	25	25	-	100	100	300
Mass Cards	-	42	42	-	167	167	500
Mass Cards Recovery	(23)	(25)	(2)	(86)	(100)	(14)	(300)
Missals & Hymnals	218	333	115	872	1,333	461	4,000
Missals Recovery	(16)	(83)	(67)	(200)	(333)	(133)	(1,000)
Vestments and Altar Linens	-	167	167	-	667	667	2,000
Vestments - cleaning	-	42	42	88	167	78	500
Miscellaneous Liturgy Expenses	-	67	67	26	267	241	800
Ushers	27	21	(7)	96	83	(13)	250
Discretionary Fund - Pastor	39	333	294	158	1,333	1,175	4,000
Sacristan Compensation	851	500	(351)	1,927	2,000	73	6,000
Total Liturgy Expenses	869	407	(463)	1,050	1,626	576	4,878

Parish Financial Statements - supporting schedules
For the period ended April 30, 2014
Donations

Parish: St. Andrew's Cathedral

	<i>Actual</i> <i>Apr '14</i>	<i>Budget</i> <i>Apr '14</i>	<i>Variance</i> <i>Apr '14</i>	<i>Actual</i> <i>YTD</i>	<i>Budget</i> <i>YTD</i>	<i>Variance</i> <i>YTD</i>	<i>Annual</i> <i>Budget</i>
Bequests							
Bequests - non designated	-			-			
Bequests - designated	28,007			28,007			
Total Bequests	28,007			28,007			
Donations							
Donations - Receipt	55			85			
Donations - no tax receipt	144			282			
Total Donations	199			367			
Fundraising							
Fundraising Income	-			-			
Fundraising Expenses	-			-			
Total Fundraising	-			-			
Approved Special Project							
Diocesan Appeal	-			25,839			
Retreats / Conf in Trust - Receipt	-			-			
Retreats/Conf in Trust - no receipt	-			-			
Rectory Project - tax receipt	-			-			
Rectory Project - no tax receipt	-			-			
Building Project - tax receipt	35,082			55,765			
Building Project- no receipt	-			5			
Organ - tax receipt	-			-			
Organ - no tax receipt	-			-			
Sacristy Restoration	-			-			
Respect for Life -Tax Receipt	1,080			7,440			
Respect for Life - No Receipt	63			1,639			
Confessional Revenue	-			-			
Misc Project Revenue	-			4,450			
Total Approved Special Project	36,225			95,138			
Investment Income							
Interest - MIC Bank Account	2,345			9,258			
Interest - Other Investment	-			-			
Total Investment Income	2,345			9,258			

Parish Financial Statements - supporting schedules
For the period ended April 30, 2014
Operating Income

Parish: St. Andrew's Cathedral

	<i>Actual</i> <i>Apr '14</i>	<i>Budget</i> <i>Apr '14</i>	<i>Variance</i> <i>Apr '14</i>	<i>Actual</i> <i>YTD</i>	<i>Budget</i> <i>YTD</i>	<i>Variance</i> <i>YTD</i>	<i>Annual</i> <i>Budget</i>
Collections - Envelopes							
Collections - Envelopes - Sunday	40,699	36,667	4,032	153,142	146,667	6,476	440,000
Collections Envelopes - New Year	-	3,806	(3,806)	3,888	3,806	82	4,500
Collections Envelopes - Christmas	-	-	-	-	-	-	16,000
Collections - US- Envelopes - Cdn \$	50	124	(74)	60	497	(437)	1,490
Collections -Envelopes - Spe Masses	-	39	(39)	-	154	(154)	462
Restoration General - Envelopes	332	833	(501)	3,804	3,333	471	10,000
	41,081	41,469	(388)	160,894	154,457	6,437	472,452
Collections - Loose							
Loose Collections - Sunday	15,284	10,833	4,450	46,427	43,333	3,093	130,000
Loose Collections - New Year	-	827	(827)	1,309	827	482	1,000
Loose Collections- Christmas	-	-	-	-	-	-	7,000
Loose Collections- US - (Cdn \$)	421	560	(139)	1,036	2,238	(1,202)	6,714
Loose Collections - Special Masses	-	88	(88)	-	351	(351)	1,052
Restoration General - Loose	-	-	-	-	-	-	-
	15,705	12,308	3,397	48,772	46,749	2,023	145,766
Total Collections - assessable	56,785	53,776	3,009	209,665	201,206	8,460	618,217
Miscellaneous income							
Record Searches	25	31	(6)	100	122	(22)	367
Bulletin Advertising	163	540	(377)	3,116	2,158	958	6,474
Other Reimbursements	2,631	83	2,548	8,630	333	8,297	1,000
Total Miscellaneous Income	2,819	653	2,165	11,846	2,614	9,232	7,841
Rental Income							
Church Rental Income	-	292	(292)	-	1,167	(1,167)	3,500
Parish Centre Income	-	-	-	-	-	-	-
Rental -Third Floor	300	300	-	1,200	1,200	-	3,600
Other Facility Rental Income	-	750	(750)	2,328	3,002	(674)	9,005
Total Rental Income	300	1,342	(1,042)	3,528	5,368	(1,841)	16,105

	Schedule L1			
Parish Financial Statements - supporting schedules				
April 30, 2014				
Balance Sheet - Liabilities		Parish:	St. Andrew's Cathedral	
	Opening	Collections	Paid	Closing
	Balance	during year	during year	Balance
Special Collections - Sanctioned				
Pope's Pastoral Works	-	20	-	20
Evangelization of Nations	12	-	12	-
Needs of the Church in the Holy Land	-	9,634	-	9,634
Needs of the Church in Canada	340	-	340	-
Catholic Missions in Canada	87	20	107	-
Vocations fund	50	750	700	100
Development and Peace	92	5,744	1,487	4,349
Miscellaneous Special Collections	626	8,225	8,749	103
Total Sanctioned Collections	1,207	24,393	11,394	14,205
Special Collections - other				
St. Andrews Elementary	459	1,317	-	1,776
Poor Box	7,005	5,781	120	12,666
Seminarian Fund	2,552	25	-	2,577
Total Special Collections - Other	10,015	7,122	120	17,018
Balance Sheet - Reserves				
	Opening	Additions	Withdrawals	Closing
	Balance	during year	during year	Balance
MIC Fund Reserves				
Holding Reserve	4,356	21,213	-	25,569
General Reserve	151,610	70,051	2,163	219,498
Contingency Reserve	143,115	686	100	143,701
Building Reserve	650,528	58,528	271,090	437,966
Restoration Reserve	14,980	31,922	770	46,131
Stained Glass Reserve	15,476	4,529	4,158	15,847
Retreats / Conferences Reserve	8,946	43	-	8,989
Rectory Reserve	878,013	4,213	-	882,226
MIC Organ Restoration Reserve	47,941	230	-	48,171
Sacristy Reserve	18,667	90	-	18,756
Respect for Life Reserve	54,436	9,230	20,044	43,622
Total MIC Fund Reserves	1,988,069	200,734	298,326	1,890,477

Parish Financial Statements - supporting schedules

April 30, 2014

Balance Sheet - Assets

Parish: St. Andrew's Cathedral

	<i>Apr '14</i>	<i>Dec 2013</i>
Capital Assets		
Property Improvements	-	-
Furniture & Equipment - Office	17,540	14,917
Furniture & Equipment - Church	22,130	12,433
Furniture & Equipment - Rectory	-	-
Furniture & Equipment - Parish Cent	6,883	-
Total Furniture & Equipment	46,552	34,233
Computer Equipment	22,626	17,662
Capital Assets	69,178	51,895
Accumulated Depreciation		
Acc. Dep. Computer Equipment	20,626	16,005
Acc. Dep. Furn & Equip - Office	16,959	12,782
Acc. Dep. Furn & Equip - Church	16,995	11,574
Acc Dep. Furn & Equip - Parish Ce	7,143	3,506
Total Acc. Amortization	61,723	43,867
Total - Net Capital Assets	7,455	8,029

Notes:

(1) Rates of depreciation:

Computers	3 years straight line
Furniture and fixtures	10 years straight line
Parish owned vehicles	5 years straight line

(2) Property improvements - discuss with the Diocesan Finance Office



APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

1. **IDENTIFICATION OF APPLICANT:**

Organization name: Christ Church Educational Society

Are you registered under the *Societies Act*?

Yes

☒

No

☐

Are you a registered charity?

Yes

☒

No

☐

Mailing Address: 912 Vancouver Street, Victoria, B.C. V8V 3V7

Contact Person: Stuart Hall

Email Address:

[REDACTED]

Telephone Number:

[REDACTED]

Fax Number:

[REDACTED]

Preferred method of application reminder:

Email

☒

Mail

☐

2. **PROPERTY** (complete a separate form for each property)

Folio Number: 01-03-206-016portion

Address: 911 Quadra Street

Legal Description: Lot 1, Christ Church Trust Estate, Plan VIP65806

Registered Owner (if different than above): Anglican Synod Diocese of B.C.

3. **ABOUT YOUR ORGANIZATION:** Please provide a brief description of the goals and objectives of the organization.

The Society was formed to operate the "Cathedral School" and to hold the provincial Licence as an independent school and employ school staff.

The School is an integral part of the mission of the Cathedral Parish of the Anglican Church and is operated on church owned property. The Society has an occupation agreement with the Parish. There is no lease or licence between the school society and the Diocese as registered owner. This application is made on the basis that Council may agree to provide for a permissive exemption under section 224(2)(a), (c), or (d) if a portion of the property is considered to be held by the Christ Church Cathedral Educational Society.

Please see the attached Supplemental Material forming part of this application.



APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

4. **PRINCIPAL USE OF THIS PROPERTY:** Please provide a brief description of the principal use of the property and how this use benefits the community.

The Memorial Hall and surrounding area are used for church hall purposes, school purposes and religious education, faith development, choir and other activities directly related to the objects and mission of the Cathedral Parish and the Anglican Synod Diocese of B.C.

5. **COMMERCIAL ACTIVITY:** Please provide a brief description of any commercial activities that your organization conducts on this property.

There is no commercial activity in the Memorial Hall or playground area used by the School.

6. **LEASED SPACE:** Please attach any and all lease agreements for any portion of the identified property that your organization rents or leases to another organization or individual.

7. **CATEGORY:** Please select the applicable permissive tax exemption category for which you are applying (for further explanation of permissive tax exemption categories please read the full text of the Permissive Tax Exemption policy found at www.victoria.ca/permissive):

Social Service

☐

Arts & Cultural Facility

☐

Place of Worship

☒

Athletic/Recreational Facility

☐

Rail/Track Property

☐

Educational Facility: Independent School Classification:

Group 1

☒

2

☐

3

☐

4

☐



APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

Supportive Housing

- Temporary or transitional housing ☐
- Treatment program ☐
- Permanent facility ☐
- Supportive staff ☐
- Group home ☐
- Special needs/disability housing ☐

8. **PUBLIC ACKNOWLEDGEMENT:** All recipients of City of Victoria permissive tax exemptions are required to publicly acknowledge the exemption. How does your organization plan on publicly acknowledging the exemption?

School and church participants will be informed annually that the City of Victoria tax exemption assists in providing for affordable school fees.

9. **FINANCIAL STATEMENTS:** Attach your most recent financial statements.

10. **PROPERTY OWNERSHIP:** Do you plan on selling any portion of the property during 2014 – 2016?

Yes ☐ No ☒

11. **DECLARATION:**

I am an authorized signing officer of the organization and I certify that the information given in this application is correct. Should a permissive tax exemption be granted on the above listed property, I agree to the following terms:

- If the property is sold prior to the exemption expiration, the organization will remit to the City an amount equal to the taxes that would have otherwise been payable to the City by a non-exempt owner.
- The property use will be in compliance with all applicable municipal policies and bylaws.
- The organization will publicly acknowledge the permissive tax exemption granted by the City.

Signature

J. Bruce McKinnon

Name (please print)

CCCES President & Cathedral Parishioner

Position

May 30, 2014

Date

PERMISSIVE TAX EXEMPTION APPLICATION FOR 2015
CHRIST CHURCH CATHEDRAL EDUCATIONAL SOCIETY
SUPPLEMENTAL MATERIAL
May 2014

Christ Church Cathedral School was started as a mission of the Cathedral parish in 1990. The Christ Church Cathedral Educational Society (CCCES) was created as an agent of the parish for operating the school. There were statutory reasons why the parish could not operate the school directly and had to do so through a society.

CCCES is controlled by the parish. The Dean and Wardens of the Cathedral parish appoint and can remove 6 of the 9 directors of the Society. The purpose of CCCES is set out in its Constitution: "to provide opportunities for Christian education and schooling." The Constitution continues with:

"All instruction and activity is informed by belief in God as the Creator, Redeemer, and Sustainer of all that exists. We accept Jesus Christ as the Way, the Truth and the Life for all people and expect that students and teachers, recognizing each other as children of God, will strive to grow together into the fullness of Jesus Christ."

These provisions reflect the fact that the Cathedral School is a mission of the church.

The parish has been closely involved in the School since its beginning. The Cathedral dean has always been the president or vice-president of CCCES. Cathedral clergy provide professional development for the school staff. The dean provides regular professional guidance and pastoral care to the Head of School so the Head of School can better carry out his duties to bring the mission of the School to life. Students actively contribute to several of the mission outreach activities supported by the parish including St. Vincent de Paul food and money collections. The School has a staff member responsible for Religious Education/Faith Development, and the whole School attends a weekly chapel service in the Cathedral. The School's junior choir regularly sings during worship services in the Cathedral.

The Cathedral School meets all curriculum requirements of the Ministry of Education for K-8. But in addition the School provides a faith based culture and education for its students.

The school has gradually grown in size to its present enrollment of 183 students. The faith-based nature of the Cathedral School is valued by parents, some of whom are not churchgoers and, in some cases, belong to other faiths. For example, there are students from both Jewish and Muslim families in the school as well as students from families with no particular faith. The school clearly meets a need in the community.

The Cathedral School is a Group 1 school under the *Independent School Act*. This means that its cost of operations per student is at or below the cost per student in the local school district (SD61). As a result, the Ministry of Education pays the School a grant per student which is 50% of what it pays for students in the local school districts. As a result, the tuition fees for the Cathedral School are very considerably lower than the fees for schools in Groups 2 – 4

Occupancy Agreement

CCCES has an occupancy agreement with the Cathedral parish. Under this agreement, CCCES pays a below market rent to the parish. The parish is entitled to use parts of the parish Hall for parish activities.

A portion of the rent paid to the Cathedral parish is used by the parish to pay for certain maintenance matters for the Hall. In addition, the parish congregation has approved expending up to \$600,000 to complete seismic upgrading of the Memorial Hall. This amount exceeds more than 20 years of rent paid by the school. It represents a major financial commitment by the Cathedral parish to the mission of the Cathedral School.

City Policy Criteria

- Principal use of the property

The principal use of the property used by the school is as a mission of the parish. The parish also sometimes uses the Hall for parish activities.

- Need for the services

The growth in the number of students demonstrates that the School provides a service both valued and needed in the community.

- Availability of the services

There are no other faith-based Christian schools available in the City of Victoria.

- Other funding sources

The Ministry of Education provides funding for school operations at a level that is 50% of that received by public schools. The school also receives donations as well as money from fund raising activities. (NB: The school continues to grow a restricted endowment fund that will eventually be self-sustaining and able to provide bursaries to families without the means to pay full fees.)

- Use of volunteers to deliver services

The board of directors consists of volunteers (apart from the Dean or priest in charge of the Cathedral). A majority of the directors are members of the Cathedral parish. In addition, other parish members do volunteer work to assist the School.

Summary

1. The Cathedral School is first and foremost a mission of the church.
2. The School is a Group 1 independent school, which receives 50% of the funding provided to public schools by the provincial Ministry of Education. The school does not spend more on operations than other SD61 schools.
3. The School meets the five criteria set out in the City's policy on permissive tax exemptions.



Christ Church Cathedral Educational Society

912 Vancouver Street
Victoria, British Columbia
V8V 3V7

Telephone (250) 383-5125
Facsimile (250) 383-5128
cathedralschool@cathedralschool.ca

May 30, 2014

Mr. Christopher Paine
Manager – Revenue, Finance Department
City of the Victoria
1 Centennial Square
Victoria, BC
V8W 1P6

Dear Mr. Paine:

Re: Permissive Tax Exemption Application for 2015

I am writing in response to your letter of May 15, 2014, to Mr. Stuart Hall our Head of School and am enclosing the following documents:

- Application Form for Permissive Exemption 2015 -2016,
- Supplemental Material forming part of our application, and
- Our most recent audited financial statements, covering our fiscal year 2012 – 2013.

If there is further information which you would like to see, please contact Stuart Hall.

In your letter, you comment that the City's policies do not provide permissive tax exemptions to occupiers or lessees. However, I note that section 224(2)(a)(i) of the *Community Charter* explicitly allows the City to give a tax exemption with respect to land or improvements owned or held (i.e., leased) by a charitable organization such as the Christ Church Cathedral Educational Society. As explained in the enclosed material, the Society has an occupancy agreement with the Cathedral parish.

In the second paragraph of your letter you mentioned that you are aware that the Educational Society has launched an assessment appeal. The appeal has been launched by the Diocese, the registered owner of the land.

I believe you are aware but I will confirm that the Junior Kindergarten operated by the Society is located on Niagara Street, not on the Cathedral Hill land where the Cathedral School is located.

Yours truly,

J Bruce McKinnon
President

CHRIST CHURCH CATHEDRAL
EDUCATIONAL SOCIETY

FINANCIAL STATEMENTS

JUNE 30, 2013

INDEPENDENT AUDITORS' REPORT

To the Directors of
Christ Church Cathedral Educational Society

Report on the financial statements

We have audited the accompanying financial statements of Christ Church Cathedral Educational Society, which comprise the statement of financial position as at June 30, 2013 and the statements of activities and changes in fund balances, and cash flow 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 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 upon our audit. We conducted our audit in accordance with Canadian 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 auditor's 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.

Basis for qualified opinion

In common with many charitable organizations, the society derives revenue from the general public in the form of donations, 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 donation revenue, excess of revenue over expenses, assets and net assets.

Qualified opinion

In our opinion, except for the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the society as at June 30, 2013 and the results of its activities and changes in fund balances, and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Report on other legal requirements

As required by the Society Act of British Columbia, we report that in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Victoria, BC
September 26, 2013

Allen & Krauel Inc.
Chartered Accountants

CHRIST CHURCH CATHEDRAL EDUCATIONAL SOCIETY

STATEMENT OF FINANCIAL POSITION JUNE 30, 2013

	2013	2012
ASSETS		
Current		
Cash	\$ 262,842	\$ 244,842
Accounts receivable	71,269	62,941
Inventory	2,132	1,849
Prepaid expenses	16,355	16,102
	<u>352,598</u>	<u>325,734</u>
Endowment fund (note 3)		
Restricted cash	17,285	27,712
Restricted accounts receivable	605	14,459
Restricted investments	611,232	542,350
Tangible capital assets (note 4)	684,124	693,725
	<u>\$ 1,665,844</u>	<u>\$ 1,603,980</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 35,153	\$ 46,251
Deferred revenue	100,773	91,578
Current portion of long-term debt (note 5)	20,963	20,248
Current portion of capital lease (note 6)	1,925	4,324
	<u>158,814</u>	<u>162,401</u>
Long-term debt (note 5)	301,436	322,399
Capital lease obligation (note 6)	-	1,925
	<u>460,250</u>	<u>486,725</u>
NET ASSETS		
Operating fund - unrestricted	216,672	187,905
Endowment fund - externally restricted (note 7)	629,122	584,521
Invested in tangible capital assets (note 8)	359,800	344,829
	<u>1,205,594</u>	<u>1,117,255</u>
	<u>\$ 1,665,844</u>	<u>\$ 1,603,980</u>

Approved by the directors

_____ Director

_____ Director

CHRIST CHURCH CATHEDRAL EDUCATIONAL SOCIETY

STATEMENT OF ACTIVITIES AND CHANGES IN FUND BALANCES OPERATING FUND YEAR ENDED JUNE 30, 2013

	2013	2012
Revenue		
Tuition fees	\$ 920,043	\$ 851,105
Less bursaries granted	(51,710)	(45,543)
	868,333	805,562
Independent school grants	904,683	928,338
Preschool fees	274,955	223,335
Out of school programs	181,058	186,308
Donations and memberships	64,032	69,759
Other income	30,753	8,124
	2,323,814	2,221,426
Expenses		
Salaries and benefits	1,263,272	1,126,519
Preschool expenses (note 9)	313,327	313,169
Administration (note 10)	160,349	160,334
Out of school program salaries and benefits	142,101	141,767
Repairs and maintenance	95,430	107,642
Amortization	82,625	82,924
Program	68,191	71,709
Out of school program	47,980	57,666
Rent (note 9)	40,055	35,637
Utilities	23,440	27,425
Insurance	23,360	22,600
Professional fees	16,131	12,963
Interest on long-term debt	12,291	13,678
Sports supplies	2,652	833
	2,291,204	2,174,866
Excess of revenue over expenses before the following	32,610	46,560
Loss on disposal of tangible capital assets	(2,963)	-
Excess of revenue over expenses	29,647	46,560
Fund balance, beginning of year	187,905	147,076
Transfer from endowment fund	14,092	-
Transfer to tangible capital assets	(14,972)	(5,731)
Fund balance, end of year	\$ 216,672	\$ 187,905

CHRIST CHURCH CATHEDRAL EDUCATIONAL SOCIETY

STATEMENT OF ACTIVITIES AND CHANGES IN FUND BALANCES ENDOWMENT FUND YEAR ENDED JUNE 30, 2013

	<u>2013</u>	<u>2012</u>
Revenue		
Contributions	\$ 8,527	\$ 14,459
Investment income	42,498	26,960
Gain on disposal of investments	7,668	1,223
	<u>58,693</u>	<u>42,642</u>
Excess of revenue over expenses	58,693	42,642
Fund balance, beginning of year	584,521	541,879
Transfer to operating fund	<u>(14,092)</u>	<u>-</u>
Fund balance, end of year	<u>\$ 629,122</u>	<u>\$ 584,521</u>

CHRIST CHURCH CATHEDRAL EDUCATIONAL SOCIETY

STATEMENT OF CASH FLOW OPERATING FUND YEAR ENDED JUNE 30, 2013

	2013	2012
Operating activities		
Excess of revenue over expenses	\$ 29,647	\$ 46,560
Add charges to operations not requiring a current cash payment:		
Amortization	82,625	82,924
Loss on disposal of tangible capital assets	2,963	-
	115,235	129,484
Net change in non-cash working capital balances:		
Accounts receivable	(8,328)	1,973
Inventory	(283)	361
Prepaid expenses	(253)	(5,068)
Accounts payable	(11,098)	(102,238)
Deferred revenue	9,195	19,913
Deferred contributions	-	(10,304)
Cash provided by operating activities	104,468	34,121
Investing activities		
Additions to tangible capital assets	(75,988)	(65,468)
Financing activities		
Repayment of long-term debt	(20,248)	(19,558)
Repayment of lease obligation	(4,324)	(3,629)
Cash used in financing activities	(24,572)	(23,187)
Net asset transfers		
Transfer from endowment fund	14,092	-
Net increase (decrease) in cash during the year	18,000	(54,534)
Cash position, beginning of year	244,842	299,376
Cash position, end of year	\$ 262,842	\$ 244,842

Cash position consists of unrestricted cash on deposit.

CHRIST CHURCH CATHEDRAL EDUCATIONAL SOCIETY

STATEMENT OF CASH FLOW ENDOWMENT FUND YEAR ENDED JUNE 30, 2013

	2013	2012
Operating activities		
Excess of revenue over expenses	\$ 58,693	\$ 42,642
Deduct unrealized gain on investments	(22,365)	(5,062)
	36,328	37,580
Net change in non-cash working capital balances:		
Accounts receivable	13,854	66,300
	50,182	103,880
Investing activities		
Purchase of investments - net	(46,517)	(78,936)
Net asset transfers		
Transfer to operating fund	(14,092)	-
Net (decrease) increase in cash during the year	(10,427)	24,944
Cash position, beginning of year	27,712	2,768
Cash position, end of year	\$ 17,285	\$ 27,712

Cash position consists of restricted cash on deposit as disclosed in note 3.

CHRIST CHURCH CATHEDRAL EDUCATIONAL SOCIETY

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

1. Purpose of the organization

Christ Church Cathedral Educational Society is a local organization which provides opportunities for Christian education and schooling for preschool and kindergarten through grade eight students. The society also provides licensed after school care and summer programs. Christ Church Cathedral Educational Society is incorporated under the Society Act of British Columbia as a not-for-profit organization and is a registered charity under the Income Tax Act.

2. Significant accounting policies

The financial statements of the society have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

Fund accounting

The society follows the restricted fund method of accounting for contributions.

The operating fund reports operating grants, revenue and expenses related to the society's educational activities.

The endowment fund reports fundraising revenue and expenses related to the society's bursary and tangible capital asset endowment campaign.

The tangible capital asset fund reports the ownership and equity related to the society's tangible capital assets.

Inventory

Inventory is valued at the lower of cost and net realizable value.

Restricted cash, accounts receivable and investments

Restricted cash, accounts receivable, and investments are recorded at market value.

CHRIST CHURCH CATHEDRAL EDUCATIONAL SOCIETY

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

2. Significant accounting policies (continued)

Tangible capital assets

Tangible capital assets are stated at cost and are amortized at the annual rates set out in note 4 on a declining balance basis, except for leasehold improvements which are amortized on the straight line basis. In the year of acquisition, half the specified rate is applied. Contributed assets are stated at their assessed values and are amortized using the method described above.

Revenue recognition

Revenue from tuition fees, preschool fees, and out of school programs is recognized as service is performed. Revenue from independent school grants, other than special grants, is also recognized as service is performed.

Restricted contributions of the endowment fund and unrestricted contributions of the operating fund are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions of the operating fund are recognized as revenue in the year in which the related expenditures are incurred. Donations made in kind are recognized at their fair market value to the society. Changes in market value of restricted investments are recognized in net income in the period incurred.

Financial Instruments

Measurement of financial instruments

The Society initially measures its financial assets and liabilities at fair value. The entity subsequently measures all its financial assets and liabilities at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable, and restricted cash, accounts receivable, and investments. Financial liabilities measured at amortized cost include, accounts payable and accrued liabilities, long-term debt, and capital lease obligation.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down or subsequent reversal, if any, is recognized in net income.

CHRIST CHURCH CATHEDRAL EDUCATIONAL SOCIETY

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

2. Significant accounting policies (continued)

Transaction costs

The Society recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

3. Restricted cash and investments - Endowment fund

The society records its restricted cash, accounts receivable, and investments at market value. Changes in market value are recognized in net income in the period incurred. The restricted cash, accounts receivable, and investments are summarized as follows:

	2013		2012	
	Cost	Market Value	Cost	Market Value
Cash	\$ 17,285	\$ 17,285	\$ 27,712	\$ 27,712
Accounts receivable	605	605	14,459	14,459
Investments				
GIC's	167,000	167,000	203,616	203,724
Preferred shares	292,043	306,415	233,373	245,506
Common shares	124,762	137,817	100,299	93,120
	583,805	611,232	537,288	542,350
	\$ 601,695	\$ 629,122	\$ 579,459	\$ 584,521

CHRIST CHURCH CATHEDRAL EDUCATIONAL SOCIETY

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2013

4. Tangible capital assets

	Cost	Accumulated Amortization	Net Book Value		Amortization Rate
			2013	2012	
Library books and furnishings	\$ 9,792	\$ 7,478	\$ 2,314	\$ 2,891	20%
Computer hardware	140,094	71,639	68,455	58,817	30%
Computer software	8,805	7,199	1,606		100%
Furniture and equipment (independent school)	77,664	51,698	25,966	24,227	20%
Furniture and equipment (out of school)	34,120	21,594	12,526	15,659	20%
Furniture and equipment (preschool)	11,918	6,009	5,909	6,423	20%
Equipment under capital lease (preschool)	17,826	12,569	5,257	6,571	20%
Music equipment	16,531	7,646	8,885	7,418	20%
Leasehold improvements	791,883	287,462	504,421	517,632	1/5
Sports and outdoor equipment	71,072	38,705	32,367	30,762	20%
School bus	77,916	61,498	16,418	23,325	30%
	<u>\$ 1,257,621</u>	<u>\$ 573,497</u>	<u>\$ 684,124</u>	<u>\$ 693,725</u>	

5. Long-term debt

Loan payable to Christ Church Cathedral, a related party, maturing June 30, 2014, with monthly payments of \$2,653 including interest at 3.5% per annum for which the leasehold improvements are provided as collateral.

Less current portion

	2013	2012
	\$ 322,399	\$ 342,647
	20,963	20,248
	<u>\$ 301,436</u>	<u>\$ 322,399</u>

CHRIST CHURCH CATHEDRAL EDUCATIONAL SOCIETY

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

5. Long-term debt (continued)

The principal repayments based upon existing interest rates are estimated as follows:

2014	\$ 20,963
2015	21,703
2016	22,470
2017	23,263
2018	24,084
Thereafter	<u>209,916</u>
	<u>\$ 322,399</u>

6. Capital lease obligation

Capital lease obligation payable to Bergeron Collins Capital Corp. expiring July 2013, with monthly payments of \$424 including interest at 17.6% per annum for which equipment is provided as collateral.

Less current portion

	<u>2013</u>	<u>2012</u>
	\$ 1,925	\$ 6,249
	<u>1,925</u>	<u>4,324</u>
	<u>\$ -</u>	<u>\$ 1,925</u>

7. Endowment fund

In 2004, the society began a major capital campaign to provide for the long-term sustainability of its bursary program. Amounts contributed for this purpose have been set aside in an externally restricted endowment fund after deducting related costs.

CHRIST CHURCH CATHEDRAL EDUCATIONAL SOCIETY

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2013

8. Invested in tangible capital assets

	2013	2012
Tangible capital assets	\$ 684,124	\$ 693,725
Current portion of long-term debt	(20,963)	(20,248)
Long-term debt	(301,436)	(322,399)
Current portion of capital lease	(1,925)	(4,324)
Capital lease obligation	-	(1,925)
	<u>\$ 359,800</u>	<u>\$ 344,829</u>

9. Related party transactions and lease obligation

The society operates in two buildings rented from the Dean and Wardens of Christ Church Cathedral, a related party. During the year, rental charges of \$51,946 (2012 - \$45,637) for the school facilities, and \$27,522 (2012 - \$26,081) for the preschool facilities were paid by the society. The current agreement for the school includes provision for the rent to increase in an amount corresponding with increases in the cost of living, and the current agreement for the preschool includes provision for the rent to increase in an amount of 2% per year.

The period of the school lease is July 1, 2003 through June 30, 2028. The schedule below is estimated using current rental charges increased at 3% per year.

The period of the preschool lease is November 1, 2007 through October 31, 2029.

Minimum lease payments to expiry are as follows.

2014	\$ 82,636
2015	85,115
2016	87,668
2017	90,298
2018	93,007
Thereafter	<u>971,191</u>
	<u>\$1,409,915</u>

CHRIST CHURCH CATHEDRAL EDUCATIONAL SOCIETY

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2013

10. Lease commitment

Included in administration is an office equipment lease. The current lease is at \$1,143 per quarter plus applicable taxes. The period of the lease is July 1, 2011 through June 30, 2015. Minimum lease payments to expiry are as follows.

2014	\$	4,824
2015		4,824
	\$	<u>9,648</u>

11. Subsequent events

Subsequent to the year end the society entered an agreement for an operating loan available at the option of the society and a fixed term loan with the Toronto-Dominion Bank. The operating loan is to a maximum of \$150,000 and bears interest at prime plus 0.5% per annum. The fixed term loan is for \$29,304, maturing July 16, 2016, with monthly payments of \$546, including interest at 4.456% per annum.

Also subsequent to the year end, the society purchased a school bus for \$71,617.

12. Contingent liability

A complaint has been lodged against the society with a possible threat of civil litigation. Potential liability is indeterminate at this time. Insurance may cover all or part should any liability be determined.

CHRIST CHURCH CATHEDRAL EDUCATIONAL SOCIETY

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

13. Financial instruments and risk management

The society's financial instruments, restricted and unrestricted, consist of cash, accounts receivable, and investments, accounts payable and accrued liabilities, long-term debt, and capital lease obligation. Transactions in financial instruments may result in financial risks being assumed by the society. The risks identified by the society are as follows:

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk that the society will encounter difficulty in meeting obligations associated with financial liabilities.

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.

It is management's opinion that the society is not exposed to significant credit, interest, liquidity or market risk arising from these financial instruments.

14. Comparative figures

Certain of the prior year's comparative figures have been reclassified to conform to the current year's presentation.



APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

1. **IDENTIFICATION OF APPLICANT:**

Property Leasor: The Hands on Summer Camp Society - operating The Elizabeth Buckley School
Organization name: Property Owner: The Crudge Centre for the Family

Are you registered under the Societies Act?

Yes



No



Are you a registered charity?

Yes



No



Mailing Address: 40 The Crudge Centre - 1307 Hillside Avenue (operates 1307 Hillside Avenue)

CBS TERRY LANGRIDGE
Contact Person: Crudge Shelley Morris

CBS
Email Address: Crudge [REDACTED]

Telephone Number: [REDACTED]

Fax Number: [REDACTED]

Preferred method of application reminder:

Email



Mail



2. **PROPERTY** (complete a separate form for each property)

Folio Number: 0858 2002

Address: 1190 Kings Road

Legal Description: As Attached

Registered Owner (if different than above): The Crudge Centre for the Family

3. **ABOUT YOUR ORGANIZATION:** Please provide a brief description of the goals and objectives of the organization.

The Elizabeth Buckley School's purpose is to develop critical thinking and responsible citizenship in their students Kindergarten to Grade 6. It is an integrated school for the deaf, hard of hearing, physically disabled, intellectually disabled and typical children.

The Crudge Centre for the Family's purpose is to render aid and services to children, adults and families to maximize their opportunities. To meet our purpose we offer support, counsel, education, provide housing and care for our clients.



APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

4. **PRINCIPAL USE OF THIS PROPERTY:** Please provide a brief description of the principal use of the property and how this use benefits the community.

The Elizabeth Buckley School - a non-profit independent school leases three rooms from The Cradge Centre for the Family to provide Kindergarten to Grade 6 for children of all abilities. Partnering with The Cradge Centre for the Family, both agencies serve and support many families in common, allowing children with needs to transition seamlessly between before school care, school and after school care.

5. **COMMERCIAL ACTIVITY:** Please provide a brief description of any commercial activities that your organization conducts on this property.

The Elizabeth Buckley School charges tuition fees.

6. **LEASED SPACE:** Please attach any and all lease agreements for any portion of the identified property that your organization rents or leases to another organization or individual.

7. **CATEGORY:** Please select the applicable permissive tax exemption category for which you are applying (for further explanation of permissive tax exemption categories please read the full text of the Permissive Tax Exemption policy found at www.victoria.ca/permissive):

Social Service

☐

Arts & Cultural Facility

☐

Place of Worship

☐

Athletic/Recreational Facility

☐

Rail/Track Property

☐

Educational Facility: Independent School Classification:

Group 1

☒

2

☐

3

☐

4

☐



APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

Supportive Housing

- Temporary or transitional housing ☐
- Treatment program ☐
- Permanent facility ☐
- Supportive staff ☐
- Group home ☐
- Special needs/disability housing ☐

8. **PUBLIC ACKNOWLEDGEMENT:** All recipients of City of Victoria permissive tax exemptions are required to publicly acknowledge the exemption. How does your organization plan on publicly acknowledging the exemption?

The Elizabeth Buckley School will post it permanently on their website.

9. **FINANCIAL STATEMENTS:** Attach your most recent financial statements.

10. **PROPERTY OWNERSHIP:** Do you plan on selling any portion of the property during 2014 - 2016?

Yes ☐

No ☒

11. **DECLARATION:**

I am an authorized signing officer of the organization and I certify that the information given in this application is correct. Should a permissive tax exemption be granted on the above listed property, I agree to the following terms:

- If the property is sold prior to the exemption expiration, the organization will remit to the City an amount equal to the taxes that would have otherwise been payable to the City by a non-exempt owner.
- The property use will be in compliance with all applicable municipal policies and bylaws.
- The organization will publicly acknowledge the permissive tax exemption granted by the City.

Signature

TERRY LANCRIDGE

Position

VICG-CHAIR, GBS

Name (please print)

Shelley Morris
Shelley Morris

Date

CEO, Yle Cridge.
May 7, 2014

2. PROPERTY

Legal Description:

Lot 28, Section 4, Victoria District, Plan 263, except those parts thereof shown coloured red on plans deposited under DD 261771 and DD253321 and except part in Plan 10551 and 41022 (1190 Kings Road)



The Cridge
Centre for
the Family



May 6, 2014

Mayor and Council
City of Victoria
1 Centennial Square
Victoria, BC V8W 1P6

Dear Mr. Mayor and Members of Council:

Re: 1190 Kings Road, Folio #08582002

The property in question, Folio #08582002, is covered in great part under a grant of permissive property tax exemption to The Cridge Centre for the Family. A portion of one building (three rooms equaling 2,000 square feet in The Cridge Centre for the Family Childcare Centre) is leased to the Hands on Summer Camp Society, operating the Elizabeth Buckley School for children of all abilities.

The portion of the building occupied by Elizabeth Buckley School (EBS) is not covered by the permissive tax exemption granted to The Cridge Centre.

We are writing jointly as owner (The Cridge Centre for the Family) and Lessee (EBS) to request an exemption on this 2,000 sq. foot space.

The Cridge Centre for the Family is a 140 year old non-profit charity, partnering with EBS, also a registered charity. We both serve families with children with special needs, and in this partnership often the same families.

Research reveals that in our general vicinity, commercial space rents in the range of \$17 sq. ft + 7.95 NNN (24.95 gross sq/ft) to \$37 sq/ft downtown (gross). Comparatively, The Cridge is leasing space to EBS at a rate of \$1.63 per sq. ft. (gross).

Clearly we are two not-for-profit agencies serving Victoria families and we seek the goodwill of the City in granting this permissive property tax exemption for the school in order that neither agency will be required to pass along costs to vulnerable families.

We have been informed by city staff that under the current policies, they will recommend turning down this application. They have also told us that Council has the ability and authority to permissively exempt the Elizabeth Buckley School.

Given these two very special agencies working together to further the success of families and given the special circumstances we present here, we respectfully request the support and assistance of council in granting this request for exemption from property taxation.

Sincerely,



Shelley R. Morris
CEO

The Cridge Centre for the Family
1307 Hillside Avenue, Victoria BC V8T 0A2
Telephone (250) 384-8058
Fax (250) 384-5267
Website www.cridge.org



Terry Langridge
Vice-Chair

Elizabeth Buckley School
Hands on Summer Camp Society
1307 Hillside Avenue, Victoria BC V8T 0A2
Telephone (250) 995-6425
Fax (250) 995-6428
Website www.elizabethbuckleyschool.com

HANDS ON SUMMER CAMP SOCIETY
Financial Statements
Year Ended June 30, 2013
(Unaudited)

OBARA & COMPANY
CHARTERED ACCOUNTANTS

REVIEW ENGAGEMENT REPORT

To the Directors of Hands On Summer Camp Society

We have reviewed the statement of financial position of Hands On Summer Camp Society as at June 30, 2013 and the statements of revenue and expenditures and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the Society.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

We draw attention to Note 2 to the financial statements which describes that Hands On Summer Camp Society adopted Canadian Accounting Standards for Not-for-Profit Organizations on July 1, 2012 with a transition date of July 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the July 1, 2011 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is neither audited nor reviewed.

Victoria, B.C.
September 27, 2013

Obara & Company
CHARTERED ACCOUNTANTS

HANDS ON SUMMER CAMP SOCIETY
STATEMENT OF FINANCIAL POSITION

(Unaudited)

ASSETS	<u>June 30 2013</u>	<u>June 30 2012</u>	<u>July 1 2011</u>
CURRENT			
Cash	\$ 118,509	\$ 151,622	\$ 96,800
Cash - Camp	42,825	36,092	36,335
Short term investments	75,801	74,902	73,901
Accounts receivable	1,461	500	1,886
Goods and services tax recoverable	4,398	3,276	2,420
Prepaid expenses	4,914	5,073	10,441
	<u>247,908</u>	<u>271,465</u>	<u>221,783</u>
CAPITAL ASSETS (Note 4)	<u>41,752</u>	<u>15,041</u>	<u>28,703</u>
	<u><u>\$ 289,660</u></u>	<u><u>\$ 286,506</u></u>	<u><u>\$ 250,486</u></u>
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	\$ 15,334	\$ 8,142	\$ 9,771
Wages payable	38,842	26,133	-
Deferred revenues	60,698	44,888	62,790
Deferred contributions related to capital assets (Note 5)	9,218	-	12,182
	<u>124,092</u>	<u>79,163</u>	<u>84,743</u>
NET ASSETS (Note 3)			
Operating Fund	50,842	119,328	94,066
Invested in capital assets	41,752	15,041	28,703
Contingency Fund	72,974	72,974	42,974
	<u>165,568</u>	<u>207,343</u>	<u>165,743</u>
	<u><u>\$ 289,660</u></u>	<u><u>\$ 286,506</u></u>	<u><u>\$ 250,486</u></u>

Approved by the Directors:

Director

Director

(See Accompanying Notes)

HANDS ON SUMMER CAMP SOCIETY

STATEMENT OF NET ASSETS

(Unaudited)

	Unrestricted Operating Fund	Invested in Capital Assets	Contingency Fund	Year Ended June 30	
				2013	2012
Balance, beginning	\$ 119,328	15,041	\$ 72,974	\$207,343	\$ 165,743
Excess (deficiency) of revenues over expenditures	(41,775)	-	-	(41,775)	41,600
Amortization	12,211	(12,211)	-	-	-
Transfers	(38,922)	38,922	-	-	-
Balance, ending	<u>\$ 50,842</u>	<u>\$ 41,752</u>	<u>\$ 72,974</u>	<u>\$165,568</u>	<u>\$207,343</u>

(See Accompanying Notes)

HANDS ON SUMMER CAMP SOCIETY
STATEMENT OF REVENUES AND EXPENDITURES

(Unaudited)

				Year Ended June 30	
	School	Camp	Special Needs	2013 Total	2012 Total
REVENUES					
Fund raising	\$ 3,705	\$ -	\$ -	\$ 3,705	\$ 4,327
Interest	999	19	-	1,018	1,179
Gaming	880	20,000	-	20,880	21,400
Donations	1,509	-	-	1,509	5,184
Government grants	145,418	-	201,300	346,718	409,282
Other grants, net (Note 6)	7,378	3,462	-	10,840	(880)
Camp fees	-	20,313	-	20,313	24,525
School tuition and fees	165,337	-	-	165,337	156,993
Uniforms	3,227	-	-	3,227	4,927
Amortization of deferred contributions (Note 5)	1,625	-	-	1,625	-
	<u>330,078</u>	<u>43,794</u>	<u>201,300</u>	<u>575,172</u>	<u>626,937</u>
EXPENDITURES					
Advertising	2,848	377	-	3,225	3,141
After school camps	-	-	-	-	1,665
Automobile	2,888	3,722	-	6,610	6,132
Bank charges and interest	463	93	659	1,215	1,478
Computer repairs and maintenance	-	-	-	-	1,989
Field trips	2,525	-	-	2,525	3,487
Fund raising	1,705	-	-	1,705	1,613
Insurance	3,112	637	-	3,749	3,736
Licenses and dues	272	-	-	272	723
Miscellaneous	4,811	-	-	4,811	260
Office	4,511	624	-	5,135	4,931
Physical education	294	-	-	294	965
Premise rental	36,470	6,148	-	42,618	42,308
Professional fees	9,331	1,962	2,308	13,601	11,022
Repairs and maintenance	9,100	1,918	-	11,018	11,021
Staff development	781	-	-	781	2,956
Supplies	3,599	1,322	137	5,058	2,982
Subcontract	-	-	16,885	16,885	19,885
Uniforms	3,305	-	-	3,305	5,336
Venues - camp activities and expenditures	-	1,832	-	1,832	4,300
Wages and employee benefits	194,822	29,971	255,304	480,097	447,850
	<u>280,837</u>	<u>48,806</u>	<u>275,293</u>	<u>604,736</u>	<u>577,780</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER EXPENDITURE	<u>49,241</u>	<u>(4,812)</u>	<u>(73,993)</u>	<u>(29,564)</u>	<u>49,157</u>
OTHER EXPENDITURE					
Amortization	12,211	-	-	12,211	7,557
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 37,030</u>	<u>\$ (4,812)</u>	<u>\$ (73,993)</u>	<u>\$ (41,775)</u>	<u>\$ 41,600</u>

(See Accompanying Notes)

HANDS ON SUMMER CAMP SOCIETY
STATEMENT OF CASH FLOWS

(Unaudited)

	<u>2013</u>	<u>2012</u>
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	\$ (41,775)	\$ 41,600
Items not affecting cash:		
Amortization	<u>12,211</u>	<u>7,557</u>
	(29,564)	49,157
Changes in non-cash working capital:		
Decrease (increase) in non-cash current assets		
Accounts receivable	(961)	1,386
Goods and services tax recoverable	(1,122)	(856)
Prepaid expenses	159	5,368
Increase (decrease) in current liabilities		
Accounts payable and accrued liabilities	7,192	(1,629)
Wages payable	12,709	26,133
Deferred revenues	15,810	(17,902)
Deferred contributions related to capital assets	<u>9,218</u>	<u>(12,182)</u>
	<u>13,441</u>	<u>49,475</u>
INVESTING ACTIVITIES		
Acquisition of capital assets, net of contributed assets and dispositions	<u>(38,922)</u>	<u>6,105</u>
INCREASE (DECREASE) IN CASH	(25,481)	55,580
CASH, beginning	<u>262,616</u>	<u>207,036</u>
CASH, ending	<u><u>\$ 237,135</u></u>	<u><u>\$ 262,616</u></u>
CASH IS REPRESENTED BY		
Cash	\$ 161,334	\$ 187,714
Temporary Investments	<u>75,801</u>	<u>74,902</u>
	<u><u>\$ 237,135</u></u>	<u><u>\$ 262,616</u></u>
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest received	<u><u>\$ 1,018</u></u>	<u><u>\$ 1,179</u></u>

(See Accompanying Notes)

HANDS ON SUMMER CAMP SOCIETY
Notes to Financial Statements
Year Ended June 30, 2013
(Unaudited)

1. PURPOSE OF THE ORGANIZATION

The Society was incorporated under the Society Act of British Columbia and its purpose is to foster and promote educational and recreational opportunities for all children; to meet their individual communications needs, with an emphasis on Sign Language. The Society is exempt from income taxes and is registered as a charity under the Canadian Income Tax Act.

2. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

During the year the Society adopted Canadian Accounting Standards for Not-for-Profit Organizations (ASNFP). These financial statements are the first prepared in accordance with these standards. The adoption of ASNFP had no impact on net assets as at July 1, 2011 or revenues and expenditures for the year ended June 30, 2012 as previously reported in accordance with pre-changeover Canadian generally accepted accounting principles.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments policy

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.

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. As at June 30, 2013 it is management's opinion that the Society is not exposed to significant credit, liquidity, market, currency or interest rate risks.

Fund accounting

Hands On Summer Camp Society follows the deferral method of accounting for contributions.

The Operating Fund accounts for the society's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Capital Asset Fund reports the assets, liabilities, revenues, and expenses related to Hands On Summer Camp Society's capital assets.

The Contingency Fund reports resources set aside to cover costs in the event of fund shortages.

(continues)

HANDS ON SUMMER CAMP SOCIETY
Notes to Financial Statements
Year Ended June 30, 2013
(Unaudited)

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

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates and methods:

Furniture and equipment	5 years	straight-line method
Computer equipment	3 & 5 years	straight-line method
Vehicles	5 years	straight-line method
Signage	5 years	straight-line method
Computer software	3 years	straight-line method

The Society regularly reviews its capital assets to eliminate obsolete items.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2013 Net book value	2012 Net book value
Furniture and equipment	\$ 23,600	\$ 12,268	\$ 11,332	\$ 6,814
Computer equipment	35,055	7,783	27,272	6,456
Vehicles	17,709	17,709	-	1,771
Signage	2,295	230	2,065	-
Computer software	1,300	217	1,083	-
	<u>\$ 79,959</u>	<u>\$ 38,207</u>	<u>\$ 41,752</u>	<u>\$ 15,041</u>

5. DEFERRED CONTRIBUTIONS RELATING TO CAPITAL ASSETS

Deferred contributions are recognized as revenue as the assets are amortized. The changes in the deferred contributions are as follow:

	2013	2012
Balance, beginning	\$ -	\$ 12,182
Less: asset disposals	-	(12,182)
Plus: contributions for capital assets	10,843	-
Less: amounts amortized to revenue	(1,625)	-
Balance, ending	<u>\$ 9,218</u>	<u>\$ -</u>

HANDS ON SUMMER CAMP SOCIETY
Notes to Financial Statements
Year Ended June 30, 2013
(Unaudited)

6. OTHER GRANTS, NET

The amount consists of the following

	2013	2012
Arts grant	\$ 1,800	\$ 1,800
Telus grant	20,000	-
Raise a reader grant	2,200	2,300
Provincial Employees Community Services grant	3,462	-
Other grants	3,401	216
	<u>30,863</u>	<u>4,316</u>
Less: expenditures Arts Starts	(1,750)	(3,022)
Raise a Reader	(167)	(2,174)
Telus grant	(10,843)	-
Less: deferred Telus grant	(4,533)	-
Other grants	(2,730)	-
	<u>\$ 10,840</u>	<u>\$ (880)</u>

7. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.



APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

1. **IDENTIFICATION OF APPLICANT:**

Organization name: *Fung Loy Kok Inst. of Taoism*

Are you registered under the Societies Act? Yes ☐ No ☐

Are you a registered charity? *118934371 RR0001* Yes ☒ No ☐

Mailing Address: *134 D'Arcy Street Toronto M5T 1K3*

Contact Person: *Chris Farano* Email Address: [REDACTED]

Telephone Number: [REDACTED] Fax Number: [REDACTED]

Preferred method of application reminder: Email ☒ Mail ☐

2. **PROPERTY** (complete a separate form for each property)

Folio Number: *12-824-001* Address: *865 Catherine Street*

Legal Description: *Lot 112, Block O, Plan VIP549, Section 31 Esquimalt Land District; Lot 111 Block O, Plan VIP549, Section 31*

Registered Owner (if different than above): *VIP549, Section 31*

3. **ABOUT YOUR ORGANIZATION:** Please provide a brief description of the goals and objectives of the organization.

Fung Loy Kok is a volunteer religious organization that promotes the unified teachings of the Three religions of Confucianism, Buddhism, and Taoism. Its mission is to deliver all from suffering, both the living and the dead, by pursuing the way of Community Services, Rituals and Ceremonies and the cultivation of mind and body through the practice of all of the Taoist arts including tai chi, meditation and chanting which includes worship services for the Jade Emperor (who presides over the Chinese spirit world), Guanyin (a Buddhist goddess), and Lü Dongbin (the Taoist immortal said to have appeared to the founder of Complete Perfection Taoism).



APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

4. **PRINCIPAL USE OF THIS PROPERTY:** Please provide a brief description of the principal use of the property and how this use benefits the community.

The principle use of the property is to provide an opportunity to all who wish to experience the positive transformation of mind, body and spirit through the practice of the Taoist arts. FLK services to the community include chanting of religious scriptures and ceremonies which includes the "All Souls Festival" for the deceased and the "Lantern Festival" at the Chinese new year, offerings to the gods, and prayers on behalf of the deceased. FLK is open to the public and people in the community can register to become participants in all of the services and activities which it offers. FLK occupies approximately 60% of the space at this building.

5. **COMMERCIAL ACTIVITY:** Please provide a brief description of any commercial activities that your organization conducts on this property.

Fung Loy Kok does not conduct
commercial activities at this property

6. **LEASED SPACE:** Please attach any and all lease agreements for any portion of the identified property that your organization rents or leases to another organization or individual.
7. **CATEGORY:** Please select the applicable permissive tax exemption category for which you are applying (for further explanation of permissive tax exemption categories please read the full text of the Permissive Tax Exemption policy found at www.victoria.ca/permissive):

Social Service

☒

Arts & Cultural Facility

☐

Place of Worship

☒

Athletic/Recreational Facility

☐

Rail/Track Property

☐

Educational Facility: Independent School Classification

Group 1

☐

2

☐

3

☐

4

☐



APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

Supportive Housing

- Temporary or transitional housing
- Treatment program
- Permanent facility
- Supportive staff
- Group home
- Special needs/disability housing

8. **PUBLIC ACKNOWLEDGEMENT:** All recipients of City of Victoria permissive tax exemptions are required to publicly acknowledge the exemption. How does your organization plan on publicly acknowledging the exemption?

Fung Loy Kok will publically acknowledge the exemption on its web site

9. **FINANCIAL STATEMENTS:** Attach your most recent financial statements.

10. **PROPERTY OWNERSHIP:** Do you plan on selling any portion of the property during 2014 – 2016?

Yes

No

11. **DECLARATION:**

I am an authorized signing officer of the organization and I certify that the information given in this application is correct. Should a permissive tax exemption be granted on the above listed property, I agree to the following terms:

- If the property is sold prior to the exemption expiration, the organization will remit to the City an amount equal to the taxes that would have otherwise been payable to the City by a non-exempt owner.
- The property use will be in compliance with all applicable municipal policies and bylaws.
- The organization will publicly acknowledge the permissive tax exemption granted by the City.

Signature

Chris Farano
Chris Farano

Position

Manager

Name (please print)

Date

26/05/14

**FUNG LOY KOK INSTITUTE OF TAOISM
L'INSTITUT DE TAOÏSME FUNG LOY KOK**

**NON-CONSOLIDATED FINANCIAL STATEMENTS
ÉTATS FINANCIERS NON CONSOLIDÉS**

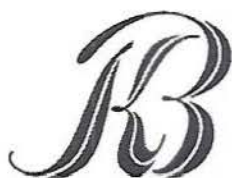
**DECEMBER 31, 2012 AND 2011
31 DÉCEMBRE 2012 ET 2011**

**FUNG LOY KOK INSTITUTE OF TAOISM
L'INSTITUT DE TAOÏSME FUNG LOY KOK**

**DECEMBER 31, 2012 AND 2011
31 DÉCEMBRE 2012 ET 2011**

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INDEPENDENT AUDITOR'S REPORT/RAPPORT DE L'AUDITEUR INDÉPENDANT

To the Board of Directors of / Au Conseil d'administration de
FUNG LOY KOK INSTITUTE OF TAOISM
L'INSTITUT DE TAOÏSME FUNG LOY KOK

Report on the Non-consolidated Financial Statements

We have audited the accompanying non-consolidated financial statements of **FUNG LOY KOK INSTITUTE OF TAOISM**, which comprise the non-consolidated statements of financial position as at December 31, 2012, December 31, 2011 and January 1, 2011 and the non-consolidated statements of revenue and expenditures and changes in net assets and cash flows for the years ended December 31, 2012 and December 31, 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the non-consolidated 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 non-consolidated 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 non-consolidated financial statements.

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

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from donations and other similar sources, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenues, excess (deficiency) of revenue over expenditures, and cash flows from operations for the years ended December 31, 2012 and December 31, 2011, current assets and net assets as at December 31, 2012, December 31, 2011, and January 1, 2011.

The Organization has not recognized membership dues as revenue proportionately over the fiscal year to which they relate but has recognized them when received, which constitutes a departure from Canadian accounting standards for not-for-profit organizations. The effect of this departure on membership dues revenue and excess of revenue over expenditures for the year ended December 31, 2012 and current liabilities and net assets as at December 31, 2012 are not reasonably determinable.

Qualified Opinion

In our opinion, except for the possible effect of the matters described in the Basis for Qualified Opinion paragraphs, the non-consolidated financial statements present fairly, in all material respects, the financial position of **FUNG LOY KOK INSTITUTE OF TAOISM** as at December 31, 2012, December 31, 2011 and January 1, 2011 and its financial performance and its cash flows for the years ended December 31, 2012 and December 31, 2011 in accordance with Canadian accounting standards for not-for-profit organizations.

Kraft Berger LLP

KRAFT BERGER LLP
Chartered Accountants
Licensed Public Accountants

Toronto, Ontario
May 1, 2013

**FUNG LOY KOK INSTITUTE OF TAOISM
L'INSTITUT DE TAOÏSME FUNG LOY KOK**

**NON-CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
ÉTATS NON CONSOLIDÉS DE LA SITUATION FINANCIÈRE**

	ASSETS / ACTIF		
	December 31, 2012	December 31, 2011	January 1, 2011
CURRENT / À COURT TERME			
Cash / Encaisse	\$ 323,572	\$ 661,912	\$ 439,374
Settlement receivable / Règlement à recevoir	-	-	139,000
Prepaid expenses and sundry assets / Frais payés d'avance et autres éléments	414,117	149,566	217,984
Inventory / Stocks	271,445	405,123	31,870
Loans receivable / Tranche à court terme des prêts (Note 5)	<u>29,847</u>	<u>159,285</u>	<u>-</u>
	1,038,981	1,375,886	828,228
LOANS RECEIVABLE / PRÊTS (Note 5)	2,389,385	1,574,550	198,219
DEPOSITS / DÉPÔTS	-	-	255,977
INVESTMENT IN WHOLLY-OWNED SUBSIDIARY / PLACEMENT DANS UNE FILIALE EN PROPRIÉTÉ EXCLUSIVE (Note 6)	1	-	-
CAPITAL ASSETS / IMMOBILISATIONS CORPORELLES (Note 7)	<u>28,922,331</u>	<u>29,064,499</u>	<u>26,885,316</u>
	<u>\$ 32,350,698</u>	<u>\$ 32,014,935</u>	<u>\$ 28,167,740</u>
LIABILITIES AND NET ASSETS / PASSIF ET ACTIFS NETS			
CURRENT / À COURT TERME			
Bank loans / Emprunts bancaires (Note 8)	\$ 10,819,689	\$ 11,975,714	\$ 7,983,442
Interest rate swap / Swap de taux d'intérêt (Note 9)	82,364	-	-
Accounts payable and accrued liabilities / Créditeurs et frais courus	<u>362,382</u>	<u>180,137</u>	<u>166,939</u>
	11,264,435	12,155,851	8,150,381
ADVANCES FROM TAOIST TAI CHI SOCIETY OF CANADA / AVANCES DE LA SOCIÉTÉ DE TAI CHI TAOÏSTE DU CANADA (Note 2)	<u>-</u>	<u>4,247,423</u>	<u>4,069,613</u>
	11,264,435	16,403,274	12,219,994
NET ASSETS / ACTIFS NETS	<u>21,086,263</u>	<u>15,611,661</u>	<u>15,947,746</u>
	<u>\$ 32,350,698</u>	<u>\$ 32,014,935</u>	<u>\$ 28,167,740</u>

See accompanying notes to non-consolidated financial statements / Voir les notes aux états financiers non consolidés.

APPROVED ON BEHALF OF THE BOARD / APPROUVÉ AU NOM DU CONSEIL:

_____ Director / Administrateur

_____ Director / Administrateur

**FUNG LOY KOK INSTITUTE OF TAOISM
L'INSTITUT DE TAOÏSME FUNG LOY KOK**

**NON-CONSOLIDATED STATEMENTS OF REVENUE AND EXPENDITURES
AND CHANGES IN NET ASSETS**

**ÉTATS NON CONSOLIDÉS DES PRODUITS ET CHARGES ET DE L'ÉVOLUTION DES
ACTIFS NETS**

**FOR THE YEARS ENDED DECEMBER 31,
DES EXERCICES TERMINÉS LES 31 DÉCEMBRE**

	<u>2012</u>	<u>%</u>	<u>2011</u>	<u>%</u>
REVENUE / PRODUITS				
Membership dues	\$ 4,065,047	51.0	\$ -	-
Donations	1,710,261	21.4	905,003	36.2
Programs for the advancement of physical, mental and spiritual well-being	1,431,687	18.0	1,041,000	41.7
Merchandise sales	191,209	2.4	126,781	5.1
Rental and sundry income	202,377	2.5	44,661	1.8
Accommodations and meals	<u>372,826</u>	<u>4.7</u>	<u>379,879</u>	<u>15.2</u>
	<u>7,973,407</u>	<u>100.0</u>	<u>2,497,324</u>	<u>100.0</u>
EXPENDITURES / CHARGES				
Amortization	1,344,811	16.9	1,189,828	47.6
Rent	1,331,108	16.7	56,705	2.3
Salaries and benefits	874,409	11.0	140,000	5.6
Professional fees	514,943	6.4	304,209	12.2
Fundraising and programs	397,950	5.0	27,012	1.1
Repairs and maintenance	390,494	4.9	178,931	7.2
Merchandise purchases	373,826	4.7	123,646	5.0
Interest on bank loans	341,148	4.3	287,630	11.5
Realty taxes	290,920	3.6	10,854	0.4
Utilities	284,686	3.6	70,741	2.8
Advertising and promotion	265,601	3.3	5,957	0.2
Food and housekeeping	216,516	2.7	137,258	5.5
Office and general	206,289	2.6	140,592	5.6
Instructor travel and other costs	196,709	2.5	61,056	2.5
Telecommunications	155,231	1.9	7,660	0.3
Insurance	125,031	1.6	15,847	0.6
Bank charges	54,727	0.7	19,107	0.8
Foreign exchange loss	36,403	0.4	56,376	2.3
Donations	<u>5,940</u>	<u>0.1</u>	<u>-</u>	<u>-</u>
	<u>7,406,742</u>	<u>92.9</u>	<u>2,833,409</u>	<u>113.5</u>
OTHER / AUTRES				
Gain on debt forgiveness (Note 2)	(4,247,423)	(53.3)	-	-
Capital assets donated by Taoist Tai Chi Society of Canada (Note 2)	(771,731)	(9.7)	-	-
Shares of Certmark Holdings Co. Ltd. donated by Taoist Tai Chi Society of Canada (Note 2)	(1)	-	-	-
Loss on expropriation of land	28,854	0.4	-	-
Loss on interest rate swap (Note 9)	<u>82,364</u>	<u>1.0</u>	<u>-</u>	<u>-</u>
	<u>(4,907,937)</u>	<u>(61.6)</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FOR THE YEAR / EXCÉDENT (INSUFFISANCE) DES PRODUITS SUR LES CHARGES DE L'EXERCICE	5,474,602	<u>68.7</u>	(336,085)	<u>(13.5)</u>
NET ASSETS, beginning of year / ACTIFS NETS au début	<u>15,611,661</u>		<u>15,947,746</u>	
NET ASSETS, end of year / ACTIFS NETS à la fin	<u>\$ 21,086,263</u>		<u>\$ 15,611,661</u>	

See accompanying notes to non-consolidated financial statements / Voir les notes aux états financiers non consolidés.

**FUNG LOY KOK INSTITUTE OF TAOISM
L'INSTITUT DE TAOÏSME FUNG LOY KOK**

**NON-CONSOLIDATED STATEMENTS OF CASH FLOWS
ÉTATS NON CONSOLIDÉS DES FLUX DE TRÉSORERIE**

**FOR THE YEARS ENDED DECEMBER 31,
DES EXERCICES TERMINÉS LES 31 DÉCEMBRE**

	<u>2012</u>	<u>2011</u>
OPERATING ACTIVITIES / ACTIVITÉS DE FONCTIONNEMENT		
Excess (deficiency) of revenue over expenditures for the year	\$ 5,474,602	\$ (336,085)
Amortization	1,344,811	1,189,828
Gain on debt forgiveness	(4,247,423)	-
Capital assets donated from Taoist Tai Chi Society of Canada	(771,731)	-
Shares of Certmark Holdings Co. Ltd. donated by Taoist Tai Chi Society of Canada	(1)	-
Loss on expropriation of land	28,854	-
Loss on interest rate swap	82,364	-
	<u>1,911,476</u>	<u>853,743</u>
Change in non-cash components of working capital		
Settlement receivable	-	139,000
Prepaid expenses and sundry assets	(264,551)	68,418
Inventory	133,678	(373,253)
Accounts payable and accrued liabilities	182,245	13,198
	<u>51,372</u>	<u>(152,637)</u>
	<u>1,962,848</u>	<u>701,106</u>
INVESTING ACTIVITIES / ACTIVITÉS D'INVESTISSEMENT		
Increase in loans receivable	(685,397)	(1,535,616)
Decrease in deposits	-	255,977
Purchase of capital assets	(477,230)	(3,369,011)
Proceeds from expropriation of capital assets	17,464	-
	<u>(1,145,163)</u>	<u>(4,648,650)</u>
FINANCING ACTIVITIES / ACTIVITÉS DE FINANCEMENT		
Increase (decrease) in bank loans	(1,156,025)	3,992,272
Increase in advances from Taoist Tai Chi Society of Canada	-	177,810
	<u>(1,156,025)</u>	<u>4,170,082</u>
CHANGE IN CASH / VARIATION DE L'ENCAISSE	(338,340)	222,538
CASH / ENCAISSE, beginning of year / au début	<u>661,912</u>	<u>439,374</u>
CASH / ENCAISSE, end of year / à la fin	<u>\$ 323,572</u>	<u>\$ 661,912</u>

See accompanying notes to non-consolidated financial statements / Voir les notes aux états financiers non consolidés.

**FUNG LOY KOK INSTITUTE OF TAOISM
L'INSTITUT DE TAOÏSME FUNG LOY KOK**

**NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
NOTES AUX ÉTATS FINANCIERS NON CONSOLIDÉS**

**DECEMBER 31, 2012 AND 2011
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1. PURPOSE OF THE ORGANIZATION / MISSION DE L'ORGANISME

Fung Loy Kok Institute of Taoism (the "Institute") is a registered charitable organization incorporated under the laws of Ontario, as a corporation without share capital, operating throughout Canada. Its purpose is to promote Taoism and Taoist practices, including **Taoist Tai Chi™** as the third vehicle of the Taoist religion. The Institute observes the unified teachings of the three religions of Taoism, Confucianism, and Buddhism. Its mission is to deliver all from suffering, both the living and the dead, by pursuing the way of community service, rituals and ceremonies and the arts of internal transformation (internal alchemy).

The Institute is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act.

2. CHANGES TO THE INSTITUTE / MODIFICATIONS AFFECTANT L'INSTITUT

Effective January 1, 2012, the Institute controls Taoist Tai Chi Society of Canada (the "Society") for the following reasons:

- (i) The Institute's Board of Directors has the power to control the Society's Board of Directors;
- (ii) The Society has forgiven the advances receivable from the Institute; and
- (iii) The Society's assets, mainly property, are used by the Institute to facilitate the Tai Chi classes and other operations.

As part of the process to transfer the assets of the Society to the Institute, starting in 2011, the Society transferred inventory in the amount of \$308,186 and petty cash in the amount of \$24,596 to the Institute in return for the assumption of bank loans in the amount of \$332,782. During the year, the Society forgave the advances receivable from the Institute in the amount of \$4,247,423, donated capital assets, excluding properties, in the amount of \$771,731 and shares of Certmark Holdings Co. Ltd. ("Certmark") to the Institute. These amounts are recorded at the exchange amount which is the amount agreed to by the related parties. Subsequent to year end, the Society has transferred six properties to the Institute (Note 15).

In addition, based on changes to the composition of the Board of Directors, the Institute has control over Taoist Tai Chi International ("International"). Therefore, as at December 31, 2012, the Institute has control over Certmark, the Society and International and is required to classify the financial statements as non-consolidated (Note 4(b)).

**FUNG LOY KOK INSTITUTE OF TAOISM
L'INSTITUT DE TAOÏSME FUNG LOY KOK**

**NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
NOTES AUX ÉTATS FINANCIERS NON CONSOLIDÉS**

**DECEMBER 31, 2012 AND 2011
31 DÉCEMBRE 2012 ET 2011**

**3. ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS /
APPLICATION INITIALE DES NORMES COMPTABLES POUR LES ORGANISMES SANS
BUT LUCRATIF**

Effective January 1, 2012, the Institute adopted the requirements of the Canadian Institute of Chartered Accountants (CICA) Handbook - Accounting, electing to adopt the new accounting framework: Canadian accounting standards for not-for-profit organizations (ASNPO). These are the Institute's first financial statements prepared in accordance with ASNPO which has been applied retrospectively. The accounting policies set out in the following significant accounting policy notes have been applied in preparing the non-consolidated financial statements for the year ended December 31, 2012, the comparative information presented in these non-consolidated financial statements for the year ended December 31, 2011 and in the preparation of an opening ASNPO statement of financial position as at January 1, 2011 (the Institute's date of transition).

The Institute issued financial statements for the year ended December 31, 2011 using generally accepted accounting principles prescribed by CICA Handbook - Accounting (Part V). The adoption of ASNPO had no impact on the previously reported assets, liabilities and net assets of the Institute, and accordingly, no adjustments have been recorded in the comparative statements of financial position, statement of revenue and expenditures and changes in net assets and statement of changes in financial position. Certain of the Institute's disclosures included in these non-consolidated financial statements reflect the new disclosure requirements of ASNPO.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES / RÉSUMÉ DES PRINCIPALES
MÉTHODES COMPTABLES**

(a) Basis of Accounting

These non-consolidated financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

**FUNG LOY KOK INSTITUTE OF TAOISM
L'INSTITUT DE TAOÏSME FUNG LOY KOK**

**NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
NOTES AUX ÉTATS FINANCIERS NON CONSOLIDÉS**

**DECEMBER 31, 2012 AND 2011
31 DÉCEMBRE 2012 ET 2011**

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES / RÉSUMÉ DES PRINCIPALES MÉTHODES COMPTABLES (Continued / Suite)

(b) Basis of Presentation

The Institute has a wholly-owned subsidiary, Certmark, whose purpose is to hold trademarks and licensing certification marks for use within the Institute at no charge to qualifying organizations.

The Institute shares certain common objectives with the Society. While the governance structure of the Institute provides for greater organizational independence, the Institute members presently occupy a majority of seats on the board of directors of the Society.

The Institute shares certain common objectives with International. While the governance structure of the Institute provides for greater organizational independence, the Institute members presently occupy a majority of seats on the board of directors of International.

The Institute has decided to not consolidate these entities and will instead provide the required disclosures for Certmark and the Society (Notes 6 and 10) in accordance with section 4450 of the CICA Handbook - Accounting (Part III). The Institute has not consolidated nor provided disclosure for International as the organization is immaterial in accordance with section 4450 of the CICA Handbook - Accounting (Part III).

(c) Inventory

Inventory is valued at the lower of cost and net realizable value with cost being determined on a first-in, first-out basis. Cost represents the direct invoice cost paid to the supplier. Net realizable value represents the estimated selling price of inventory.

(d) Capital Assets

Capital assets are recorded at cost. Amortization is provided for on the declining balance basis at the following annual rates:

Buildings	- 5%
Furniture and equipment	- 20%
Leasehold improvements	- 20%
Computer software and hardware	- 30%
Vehicles	- 30%

(e) Impairment of Long-Lived Assets

A long-lived asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

**FUNG LOY KOK INSTITUTE OF TAOISM
L'INSTITUT DE TAOÏSME FUNG LOY KOK**

**NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
NOTES AUX ÉTATS FINANCIERS NON CONSOLIDÉS**

**DECEMBER 31, 2012 AND 2011
31 DÉCEMBRE 2012 ET 2011**

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES / RÉSUMÉ DES PRINCIPALES MÉTHODES COMPTABLES (Continued / Suite)

(f) Revenue Recognition

The Institute follows the deferral method of accounting for contributions. Contributions are recognized when received. Programs for the advancement of physical, mental and spiritual well-being and accommodations and meals revenue are recognized when the services are provided. Membership dues are recognized when received. Merchandise sales are recognized at the time of sale. Rental revenue is recognized on a straight-line basis over the term of the lease.

(g) Estimates and Measurement Uncertainty

The preparation of financial statements in conformity 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the year. Significant items subject to such estimates and assumptions include the determination of provision for inventory obsolescence, collectability of loans receivable, useful lives of capital assets and impairment of long-lived assets. Actual results could differ from these estimates.

(h) Donated Services

Donated services are not recognized in the non-consolidated financial statements because of the difficulty in determining their fair value.

(i) Financial Instruments

i) Measurement of Financial Instruments

The Institute initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The Institute subsequently measures all of its financial assets and financial liabilities at amortized cost, except for interest rate swap which is measured at fair value. Changes in fair value are recognized in the non-consolidated statements of revenue and expenditures.

Financial assets measured at amortized cost include cash and loans receivable.

Financial liabilities measured at amortized cost include bank loan, accounts payable and accrued liabilities and advances from Taoist Tai Chi Society of Canada.

Financial liabilities measured at fair value include interest rate swap.

**FUNG LOY KOK INSTITUTE OF TAOISM
L'INSTITUT DE TAOÏSME FUNG LOY KOK**

**NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
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**DECEMBER 31, 2012 AND 2011
31 DÉCEMBRE 2012 ET 2011**

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES / RÉSUMÉ DES PRINCIPALES MÉTHODES COMPTABLES (Continued / Suite)

(ii) Financial Instruments (Continued)

ii) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in operations.

iii) Derivative Financial Instruments

The Institute uses derivative financial instruments, namely interest rate swap agreements, for its bank loans to manage exposure to variable interest rate fluctuations. These contracts are used for risk management purposes and not for generating trading profits. Derivative financial instruments are not accounted for as hedges. The unrealized gains and losses are recognized in operations and are the result of difference between the swap rate of the contract and the interest rate at the year-end rate.

(j) Foreign Currency Translation

Foreign currency transactions have been translated into Canadian dollars using the temporal method. Under the temporal method, monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date. Non-monetary assets and liabilities are translated at the rates in effect on the transaction date. Revenue and expenditures are translated at the rates in effect on the transaction date, except for amortization, which is translated at the same rates as the related assets. Gains or losses are included in the determination of operations for the year.

**FUNG LOY KOK INSTITUTE OF TAOISM
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**NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
NOTES AUX ÉTATS FINANCIERS NON CONSOLIDÉS**

**DECEMBER 31, 2012 AND 2011
31 DÉCEMBRE 2012 ET 2011**

5. LOANS RECEIVABLE / PRÊTS

The loans receivable are from parties related by virtue of control or significant influence and are recorded at the exchange amount which is the amount agreed to by the related parties. The loans are unsecured, non-interest bearing and due on demand.

	<u>December 31, 2012</u>	<u>December 31, 2011</u>	<u>January 1, 2011</u>
Taoist Tai Chi Society of the United States of America, Inc.	\$ 394,876	\$ 563,542	\$ -
Taoist Tai Chi Society of Spain	362,983	241,445	198,219
Taoist Tai Chi Society of the Netherlands	794,526	928,848	-
Taoist Tai Chi Society of Great Britain	342,754	-	-
Taoist Tai Chi Society of Canada	<u>524,093</u>	<u>-</u>	<u>-</u>
	2,419,232	1,733,835	198,219
Less: Current portion	<u>29,847</u>	<u>159,285</u>	<u>-</u>
	<u>\$ 2,389,385</u>	<u>\$ 1,574,550</u>	<u>\$ 198,219</u>

6. INVESTMENT IN WHOLLY-OWNED SUBSIDIARY / PLACEMENT DANS UNE FILIALE EN PROPRIÉTÉ EXCLUSIVE

The Institute's wholly-owned subsidiary, Certmark, had no transactions during the year (2011 - \$Nil) and has total assets and total equity of \$1 respectively as at December 31, 2012, December 31, 2011 and January 1, 2011.

7. CAPITAL ASSETS / IMMOBILISATIONS CORPORELLES

	<u>December 31, 2012</u>			<u>December 31, 2011</u>	<u>January 1, 2011</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>	<u>Net</u>
i) 134 D'Arcy St., Toronto, ON					
Land	\$ 539,982	\$ -	\$ 539,982	\$ 539,982	\$ 539,982
Building	<u>1,411,040</u>	<u>810,906</u>	<u>600,134</u>	<u>611,748</u>	<u>620,014</u>
	<u>1,951,022</u>	<u>810,906</u>	<u>1,140,116</u>	<u>1,151,730</u>	<u>1,159,996</u>
ii) 15740 Stony Plain Rd., Edmonton, AB (25% undivided interest)					
Land	38,213	-	38,213	38,213	38,213
Building	<u>59,223</u>	<u>31,958</u>	<u>27,265</u>	<u>28,675</u>	<u>27,094</u>
	<u>97,436</u>	<u>31,958</u>	<u>65,478</u>	<u>66,888</u>	<u>65,307</u>

**FUNG LOY KOK INSTITUTE OF TAOISM
L'INSTITUT DE TAOÏSME FUNG LOY KOK**

**NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
NOTES AUX ÉTATS FINANCIERS NON CONSOLIDÉS**

**DECEMBER 31, 2012 AND 2011
31 DÉCEMBRE 2012 ET 2011**

7. CAPITAL ASSETS / IMMOBILISATIONS CORPORELLES (Continued / Suite)

			December 31, 2012	December 31, 2011	January 1, 2011
			Cost	Accumulated Amortization	Net
iii)	2310 Crowchild Ave., Calgary, AB (25% undivided interest)				
	Land		33,375	-	33,375
	Building		<u>91,032</u>	<u>60,513</u>	<u>30,519</u>
			<u>124,407</u>	<u>60,513</u>	<u>63,894</u>
iv)	International Taoist Tai Chi Center, Township of Mono (Orangeville), ON ("Orangeville Centre")				
	Land		295,965	-	295,965
	Building		<u>14,550,788</u>	<u>3,745,534</u>	<u>10,805,254</u>
			<u>14,846,753</u>	<u>3,745,534</u>	<u>11,101,219</u>
v)	58 George Street, Collingwood, ON				
	Land		100,000	-	100,000
	Building		<u>495,514</u>	<u>100,595</u>	<u>394,919</u>
			<u>595,514</u>	<u>100,595</u>	<u>494,919</u>
vi)	378 Steeles Ave. East, Markham, ON				
	Land		400,000	-	400,000
	Building (a)		<u>1,372,466</u>	<u>-</u>	<u>1,372,466</u>
			<u>1,772,466</u>	<u>-</u>	<u>1,772,466</u>
vii)	86 Hestor St., Hamilton, ON				
	Land		135,000	-	135,000
	Building		<u>622,044</u>	<u>101,008</u>	<u>521,036</u>
			<u>757,044</u>	<u>101,008</u>	<u>656,036</u>
viii)	1430, 1432 Kingston Rd., Toronto, ON				
	Land		110,000	-	110,000
	Building		<u>508,325</u>	<u>91,127</u>	<u>417,198</u>
			<u>618,325</u>	<u>91,127</u>	<u>527,198</u>
ix)	124 Dixon Hill Rd., Markham, ON				
	Land		260,000	-	260,000
	Building		<u>806,345</u>	<u>128,606</u>	<u>677,739</u>
			<u>1,066,345</u>	<u>128,606</u>	<u>937,739</u>
x)	355 Davis Dr., Newmarket, ON				
	Land		353,682	-	353,682
	Building		<u>1,320,151</u>	<u>156,627</u>	<u>1,163,524</u>
			<u>1,673,833</u>	<u>156,627</u>	<u>1,517,206</u>

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31 DÉCEMBRE 2012 ET 2011

7. CAPITAL ASSETS / IMMOBILISATIONS CORPORELLES (Continued / Suite)

December 31, 2012			December 31, 2011	January 1, 2011
	Cost	Accumulated Amortization	Net	Net
xii) 2930 Carling Ave., Ottawa, ON				
Land	300,000	-	300,000	300,000
Building	<u>831,633</u>	<u>149,555</u>	<u>682,078</u>	<u>754,774</u>
	<u>1,131,633</u>	<u>149,555</u>	<u>982,078</u>	<u>1,054,774</u>
xiii) 120 Cunningham Rd., Sault Ste. Marie, ON				
Land	80,000	-	80,000	80,000
Building	<u>134,394</u>	<u>26,374</u>	<u>108,020</u>	<u>119,534</u>
	<u>214,394</u>	<u>26,374</u>	<u>188,020</u>	<u>199,534</u>
xiv) 35 Chauncey Ave., Etobicoke, ON				
Land	250,000	-	250,000	250,000
Building	<u>739,783</u>	<u>87,874</u>	<u>651,909</u>	<u>719,413</u>
	<u>989,783</u>	<u>87,874</u>	<u>901,909</u>	<u>969,413</u>
xv) 371 Ohio Rd., Richmond Hill, ON				
Land	1,000,000	-	1,000,000	1,000,000
Building	<u>992,856</u>	<u>158,101</u>	<u>834,755</u>	<u>915,344</u>
	<u>1,992,856</u>	<u>158,101</u>	<u>1,834,755</u>	<u>1,915,344</u>
xvi) 467-469 Dundas St., Woodstock, ON				
Land	125,000	-	125,000	125,000
Building	<u>282,496</u>	<u>42,709</u>	<u>239,787</u>	<u>263,532</u>
	<u>407,496</u>	<u>42,709</u>	<u>364,787</u>	<u>388,532</u>
xvii) 224 Bunting Rd., St. Catharines, ON				
Land	500,000	-	500,000	500,000
Building	<u>523,736</u>	<u>50,449</u>	<u>473,287</u>	<u>420,108</u>
	<u>1,023,736</u>	<u>50,449</u>	<u>973,287</u>	<u>920,108</u>
xviii) 2251 NE Glisan St., Portland, USA				
Land	462,506	-	462,506	462,513
Building	<u>574,492</u>	<u>42,022</u>	<u>532,470</u>	<u>253,757</u>
	<u>1,036,998</u>	<u>42,022</u>	<u>994,976</u>	<u>716,270</u>
xix) 670 Ontario St., Stratford, ON				
Land	400,000	-	400,000	400,000
Building	<u>599,523</u>	<u>43,516</u>	<u>556,007</u>	<u>259,903</u>
	<u>999,523</u>	<u>43,516</u>	<u>956,007</u>	<u>659,903</u>

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31 DÉCEMBRE 2012 ET 2011**

7. CAPITAL ASSETS / IMMOBILISATIONS CORPORELLES (Continued / Suite)

			December 31, 2011	January 1, 2011

(a) These buildings are not in use as at year-end, and as a result, no amortization has been taken.

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8. BANK LOANS / EMPRUNTS BANCAIRES

The Institute has credit facilities as follows:

	<u>December 31, 2012</u>	<u>December 31, 2011</u>	<u>January 1, 2011</u>
(a) Facility (1) - a non-revolving facility, with an aggregate authorized amount of \$9,286,000 (December 31, 2011 - \$9,775,504; January 1, 2011 - \$11,000,000) for the acquisition and renovation of commercial real estate properties within Canada by the Institute. This facility bears interest at the Bankers' Acceptances rate, due on November 1, 2017 and repayable by consecutive monthly blended payments of principal and interest based on a maximum amortization of 15 years and a maximum term of 5 years. The balance is classified as current as it has been replaced with a 30-day Bankers' Acceptance as part of the interest rate swap agreement (Note 9).	\$ 9,286,000	\$ 9,593,957	\$ 7,983,442
(b) Facility (2) - a non-revolving facility with an aggregate authorized amount of \$4,175,356 (December 31, 2011 - \$4,177,000; January 1, 2011 - \$Nil) to finance the acquisition and renovation of commercial real estate properties within Canada by the Institute. This facility bears interest at the Royal Bank prime rate plus 0.5%, at 3.18% per annum or at the Bankers' Acceptances rate, due on November 1, 2017 and repayable by consecutive monthly blended payments of principal and interest based on a maximum amortization of 15 years and a maximum term of 5 years. The balance is classified as current because it has been replaced with a 30-day Bankers' Acceptance as part of the interest rate swap agreement (Note 9).	1,333,689	1,581,757	-

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**DECEMBER 31, 2012 AND 2011
31 DÉCEMBRE 2012 ET 2011**

8. BANK LOANS / EMPRUNTS BANCAIRES (Continued / Suite)

	<u>December 31, 2012</u>	<u>December 31, 2011</u>	<u>January 1, 2011</u>
(c) Facility (3) - a revolving facility with an aggregate authorized amount of \$4,000,000 (December 31, 2011 - \$Nil; January 1, 2011 - \$Nil) to finance the acquisition and renovation of commercial real estate properties within Canada by the Institute. This facility bears interest at the Royal Bank prime rate plus 0.5%, at 3.18% per annum or at the Bankers' Acceptances rate, and repayable by consecutive monthly blended payments of principal and interest based on a maximum amortization of 15 years and a maximum term of 5 years. Specific repayment terms for each borrowing will be agreed upon between the Institute and the counterparty.	-	-	-
(d) Facility (4) - a revolving demand facility with an aggregate authorized amount of \$1,000,000 (December 31, 2011 - \$1,000,000; January 1, 2011 - \$1,000,000) to finance day-to-day operating expenditures and to bridge receivables of and donations to the Institute. This facility bears interest at the Royal Bank prime rate plus 0.45% per annum.	<u>200,000</u>	<u>800,000</u>	<u>-</u>
	<u>\$ 10,819,689</u>	<u>\$ 11,975,714</u>	<u>\$ 7,983,442</u>

The total borrowings under these facilities must not exceed at any time the sum of \$15,910,000.

Security on the above facilities is provided for as follows:

- (i) General security agreement constituting a first-ranking security interest in all personal property of both the Institute and the Society.
- (ii) A collateral charge mortgage in the amount of \$20,000,000 constituting a first fixed charge on ten of the Society's properties.
- (iii) A collateral charge mortgage in the amount of \$20,000,000 constituting a first fixed charge on thirteen of the Institute's properties.
- (iv) Assignment of all fire insurance policies in respect of the secured properties in (ii) and (iii) above.

The above facilities require, among other things, that the Institute and the Society adhere to specified combined covenants. As at December 31, 2012, the covenants were complied with.

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9. INTEREST RATE SWAP /SWAP DE TAUX D'INTÉRÊT

During 2012, the Institute entered into an interest rate swap for bank loan Facility (1) (Note 8), with a notional amount of \$9,286,000, maturing on November 1, 2017. Under the terms of the swap, the Institute pays fixed interest at 2.74% per annum and receives the 30-day Bankers' Acceptance rate. The swap value of \$82,364 was provided by the Institute's counterparty. As at December 31, 2012, the change in fair value was \$82,364.

10. TAOIST TAI CHI SOCIETY OF CANADA / LA SOCIÉTÉ DE TAI CHI TAOÏSTE DU CANADA

The Society is a registered charitable organization incorporated under the laws of Canada as a corporation without share capital. The Society operates throughout Canada and its purpose is the protection and preservation of good health within the community throughout Canada and elsewhere, through the promotion and practice of all levels of **Taoist Tai Chi™** internal arts of health.

A financial summary of the Institute as at December 31, 2012, December 31, 2011 and January 1, 2011 and for the years then ended is as follows:

Financial Position

	<u>December 31, 2012</u>	<u>December 31, 2011</u>	<u>January 1, 2011</u>
Total assets	\$ 9,551,710	\$ 14,476,183	\$ 14,152,242
Total liabilities	<u>544,093</u>	<u>335,545</u>	<u>999,798</u>
Net assets	<u>\$ 9,007,617</u>	<u>\$ 14,140,638</u>	<u>\$ 13,152,444</u>

Results of Operations

	<u>2012</u>	<u>2011</u>
Total revenue	\$ 829,507	\$ 6,489,550
Total expenditures	1,438,410	6,014,440
Other	<u>(4,524,118)</u>	<u>513,054</u>
Excess (deficiency) of revenue over expenditures	<u>\$ (5,133,021)</u>	<u>\$ 988,164</u>

Cash Flows

	<u>2012</u>	<u>2011</u>
Cash from operations	\$ (409,835)	\$ 1,346,755
Cash used in investing activities	(268,568)	(511,578)
Cash provided by financing activities	<u>524,093</u>	<u>(712,542)</u>
Change in cash	<u>\$ (154,310)</u>	<u>\$ 122,635</u>

The Institute and Society have previously executed agreements with respect to certain Society-owned property. The agreements grant the Institute use of this property for its charitable activities for no charge. The Institute retains the right to use this property for its own purposes.

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**NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
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11. RELATED PARTY TRANSACTIONS / OPÉRATIONS ENTRE APPARENTÉS

In addition to the related party transactions described in Note 2, during the year, the Institute had transactions with parties related by virtue of significant influence. The particulars of these transactions are as follows:

	<u>2012</u>	<u>2011</u>
Included in programs for the advancement of physical, mental and spiritual well-being revenue	\$ 696,648	\$ 753,305

These transactions are in the normal course of business and are recorded at the exchange amounts agreed to by the related parties.

12. COMMITMENTS / ENGAGEMENTS CONTRACTUELS

The Institute is committed to the following minimum lease payments for premises under the terms of various operating leases:

2013	\$ 835,124
2014	429,390
2015	182,867
2016	75,564
2017	25,626
Thereafter	<u>12,396</u>
	<u>\$ 1,560,967</u>

13. CONTINGENCIES / ÉVENTUALITÉS

The Institute has an outstanding letter of credit with its bank in the amount of \$208,929 which expires on September 27, 2013.

14. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS / RISQUES ASSOCIÉS AUX INSTRUMENTS FINANCIERS

(a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The bank loan bears interest on a bank prime rate plus basis. Changes in the bank's prime lending rate can cause fluctuations in interest payments and cash flows. The Institute mitigates its exposure to floating interest rates under bank loan Facility (1) (Note 8), through an interest rate swap, exchanging a variable rate interest payment for fixed rate interest payment as described in Note 9. The interest rate swap contract was entered into during the current year.

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14. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS / RISQUES ASSOCIÉS AUX INSTRUMENTS FINANCIERS (Continued / Suite)

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Institute is exposed to credit risk in the event of non-performance by counterparties in connection with its loans receivable. The Institute does not obtain collateral or other security to support the loans receivable subject to credit risk but mitigates this risk by dealing only with what management believes to be financially sound counterparties, and accordingly, does not anticipate significant loss for non-performance.

(c) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Institute enters into transactions and has assets that are denominated in various foreign currencies and thus is exposed to the financial risk of earnings fluctuations arising from changes in foreign exchange rates and the degree of volatility of these rates. The Institute does not use derivative financial instruments to reduce its exposure to foreign currency risk.

The following amounts denominated in foreign currencies are translated at the following rates: U.S. dollars at 0.9949 (2011 - 1.0170), Euros at 1.3118 (2011 - 1.3193) and GBP at 1.6178 (2011 - 1.5799). These amounts are included in the following financial statement items:

		<u>2012</u>		<u>2011</u>
Cash	U.S.\$	25,064	U.S.\$	6,720
Cash	Euro	56,646	Euro	374,253
Cash	GBP	39,723	GBP	29,676
Loans receivable	U.S.\$	396,900	U.S.\$	427,500
Loans receivable	Euro	861,202	Euro	797,510
Loans receivable	GBP	150,000	GBP	-

(d) Liquidity Risk

Liquidity risk is the risk that the Institute will encounter difficulty in meeting obligations associated with financial liabilities. The Institute is exposed to liquidity risk arising primarily from bank loans and accounts payable and accrued liabilities. The Institute's ability to meet obligations depends on the receipt of funds from its operating activities.

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**NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
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15. SUBSEQUENT EVENTS / ÉVÉNEMENTS POSTÉRIEURS À LA DATE DU BILAN

The Institute has operated in parallel with the Society since its incorporation in 1981. The Society is a registered charity operating for the benefit of the health of the community and through the promotion, teaching and practice of **Taoist Tai Chi™**. The Boards of Directors of the Institute and the Society began the process of gradually transferring the assets of the Society to the Institute in 2005 with the sale of the Orangeville Centre by the Society to the Institute. The Society began directing its members to become members of the Institute in late 2011. The final steps in this process are expected to be complete by 2014. The Institute's operating results in 2012 reflect the said transfer of the Society's assets and the direction of the Society's members to the Institute. As part of this process, six properties owned by the Society were transferred to the Institute subsequent to the year end. They are 300-304 Montreal Street, Kingston, Ontario; 346 Charlotte Street, Peterborough, Ontario; 25 Peel Street, Simcoe, Ontario; 1376 Bathurst Street, Toronto, Ontario; 1367-69 Ouellette Avenue, Windsor, Ontario; and 582-594 East 15th Avenue, Vancouver, British Columbia.

16. COMPARATIVE FIGURES / CHIFFRES COMPARATIFS

Certain comparative figures have been reclassified to conform with the current year's presentation.

**FUNG LOY KOK INSTITUTE OF TAOISM
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**STATEMENTS OF REVENUE AND EXPENDITURES
NATIONAL OFFICE
(Unaudited)**

FOR THE YEARS ENDED DECEMBER 31,

	<u>2012</u>	<u>%</u>	<u>2011</u>	<u>%</u>
REVENUE				
Programs for the advancement of physical, mental and spiritual well-being	\$ 738,680	98.3	\$ 950,400	70.1
Donations	11,988	1.6	251,847	18.6
Membership dues	600	0.1	-	-
Merchandise sales and sundry income	-	-	107,777	8.0
Rental and sundry income	-	-	44,661	3.3
	<u>751,268</u>	<u>100.0</u>	<u>1,354,685</u>	<u>100.0</u>
EXPENDITURES				
Professional fees	414,441	55.2	304,209	22.5
Interest on bank loans	341,148	45.4	287,630	21.2
Salaries and benefits	253,406	33.7	-	-
Advertising and promotion	127,735	17.0	5,957	0.4
Amortization	99,644	13.3	-	-
Fundraising and programs	74,478	9.9	27,012	2.0
Instructor travel and other costs	60,986	8.1	-	-
Foreign exchange loss	36,403	4.8	56,376	4.2
Office and general	35,091	4.7	81,388	6.0
Telecommunications	31,537	4.2	-	-
Repairs and maintenance	27,245	3.6	-	-
Bank charges	25,000	3.3	4,370	0.3
Utilities	16,603	2.2	-	-
Merchandise purchases	11,757	1.6	78,816	5.8
Realty taxes	8,955	1.2	-	-
Rent	-	-	56,705	4.2
	<u>1,564,429</u>	<u>208.2</u>	<u>902,463</u>	<u>66.6</u>
OTHER				
Gain on debt forgiveness	(4,247,423)	(565.4)	-	-
Capital assets donated by Taoist Tai Chi Society of Canada	(771,731)	(102.7)	-	-
Shares of Certmark Holdings Co. Ltd. donated by Taoist Tai Chi Society of Canada	(1)	-	-	-
Loss on expropriation of land	28,854	3.9	-	-
Loss on interest rate swap	82,364	11.0	-	-
	<u>(3,343,508)</u>	<u>(445.0)</u>	<u>902,463</u>	<u>66.6</u>
EXCESS OF REVENUE OVER EXPENDITURES BEFORE THE FOLLOWING	<u>4,094,776</u>	<u>545.0</u>	<u>452,222</u>	<u>33.4</u>
Allocation of excess of revenue over expenditures to the Regions (a)	<u>4,094,776</u>	<u>545.0</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR	<u>\$ -</u>	<u>-</u>	<u>\$ 452,222</u>	<u>33.4</u>
	<u>2012</u>		<u>2011</u>	
Central Region	\$ 1,637,911		\$ -	
Région de l'Est	818,955		-	
Western Region	614,216		-	
Pacific Region	614,216		-	
Atlantic Region	409,478		-	
	<u>\$ 4,094,776</u>		<u>\$ -</u>	

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**STATEMENTS OF REVENUE AND EXPENDITURES
CENTRAL REGION
(Unaudited)**

FOR THE YEARS ENDED DECEMBER 31,

	<u>2012</u>	<u>%</u>	<u>2011</u>	<u>%</u>
REVENUE				
Membership dues	\$ 2,104,631	66.6	\$ -	-
Donations	670,205	21.2	-	-
Programs for the advancement of physical, mental and spiritual well-being	179,368	5.7	-	-
Rental and sundry income	119,057	3.8	-	-
Merchandise sales	<u>87,210</u>	<u>2.7</u>	<u>-</u>	<u>-</u>
	<u>3,160,471</u>	<u>100.0</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Rent	640,865	20.3	-	-
Amortization	465,759	14.7	-	-
Salaries and benefits	288,382	9.1	-	-
Realty taxes	154,071	4.9	-	-
Merchandise purchases	126,911	4.0	-	-
Utilities	116,225	3.7	-	-
Repairs and maintenance	74,265	2.3	-	-
Telecommunications	58,250	1.8	-	-
Insurance	50,013	1.6	-	-
Advertising and promotion	46,859	1.5	-	-
Fundraising and programs	43,154	1.4	-	-
Office and general	42,427	1.3	-	-
Instructor travel and other costs	21,150	0.7	-	-
Bank charges	5,101	0.2	-	-
Donations	<u>685</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,134,117</u>	<u>67.5</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUE OVER EXPENDITURES BEFORE THE FOLLOWING	1,026,354	32.5	-	-
Allocation of National excess of revenue over expenditures	<u>1,637,911</u>	<u>51.8</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR	<u>\$ 2,664,265</u>	<u>84.3</u>	<u>\$ -</u>	<u>-</u>

FUNG LOY KOK INSTITUTE OF TAOISM
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ÉTATS DES PRODUITS ET CHARGES
RÉGION DE L'EST
(Non audités)

DES EXERCICES TERMINÉS LES 31 DÉCEMBRE

	<u>2012</u>	<u>%</u>	<u>2011</u>	<u>%</u>
PRODUITS				
Cotisations	\$ 560,012	67.0	\$ -	-
Dons	159,026	19.0	-	-
Programmes pour l'avancement du bien-être physique, mental et spirituel	71,694	8.6	-	-
Location et produits divers	26,796	3.2	-	-
Ventes de marchandises	<u>18,524</u>	<u>2.2</u>	<u>-</u>	<u>-</u>
	<u>836,052</u>	<u>100.0</u>	<u>-</u>	<u>-</u>
CHARGES				
Loyer	177,976	21.3	-	-
Salaires et charges sociales	150,211	18.0	-	-
Honoraires professionnels	90,962	10.9	-	-
Publicité et promotion	43,733	5.2	-	-
Programmes et activités de levée de fonds	42,034	5.0	-	-
Électricité et chauffage	38,470	4.6	-	-
Frais d'administration	28,770	3.4	-	-
Assurances	25,006	3.0	-	-
Entretien et réparations	24,667	2.9	-	-
Taxes foncières	22,474	2.7	-	-
Télécommunications	20,867	2.5	-	-
Déplacement des instructeurs et autres frais	15,090	1.8	-	-
Achats de marchandises	11,018	1.3	-	-
Amortissement	7,208	0.9	-	-
Frais bancaires	<u>800</u>	<u>0.1</u>	<u>-</u>	<u>-</u>
	<u>699,286</u>	<u>83.6</u>	<u>-</u>	<u>-</u>
EXCÉDENT DES PRODUITS SUR LES CHARGES				
AVANT L'ÉLÉMENT SUIVANT	136,766	16.4	-	-
Répartition de l'excédent des produits sur les charges de l'établissement national	<u>818,955</u>	<u>97.9</u>	<u>-</u>	<u>-</u>
EXCÉDENT DES PRODUITS SUR LES CHARGES DE				
L'EXERCICE	<u>\$ 955,721</u>	<u>114.3</u>	<u>\$ -</u>	<u>-</u>

**FUNG LOY KOK INSTITUTE OF TAOISM
L'INSTITUT DE TAOÏSME FUNG LOY KOK**

**STATEMENT OF REVENUE AND EXPENDITURES
WESTERN REGION
(Unaudited)**

FOR THE YEARS ENDED DECEMBER 31,

	<u>2012</u>	<u>%</u>	<u>2011</u>	<u>%</u>
REVENUE				
Membership dues	\$ 435,817	73.3	\$ -	-
Donations	90,756	15.3	-	-
Programs for the advancement of physical, mental and spiritual well-being	50,893	8.5	-	-
Merchandise sales	17,399	2.9	-	-
Rental and sundry income	<u>50</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>594,915</u>	<u>100.0</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Rent	115,981	19.5	-	-
Salaries and benefits	39,171	6.6	-	-
Fundraising and programs	27,831	4.7	-	-
Insurance	18,753	3.1	-	-
Merchandise purchases	18,447	3.1	-	-
Advertising and promotion	15,157	2.5	-	-
Utilities	12,615	2.1	-	-
Amortization	10,428	1.8	-	-
Instructor travel and other costs	10,133	1.7	-	-
Telecommunications	8,547	1.4	-	-
Repairs and maintenance	8,410	1.4	-	-
Realty taxes	7,470	1.3	-	-
Office and general	6,211	1.0	-	-
Bank charges	4,025	0.7	-	-
Donations	<u>1,030</u>	<u>0.2</u>	<u>-</u>	<u>-</u>
	<u>304,209</u>	<u>51.1</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUE OVER EXPENDITURES BEFORE THE FOLLOWING	290,706	48.9	-	-
Allocation of National excess of revenue over expenditures	<u>614,216</u>	<u>103.2</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR	<u>\$ 904,922</u>	<u>152.1</u>	<u>\$ -</u>	<u>-</u>

**FUNG LOY KOK INSTITUTE OF TAOISM
L'INSTITUT DE TAOÏSME FUNG LOY KOK**

**STATEMENTS OF REVENUE AND EXPENDITURES
PACIFIC REGION
(Unaudited)**

FOR THE YEARS ENDED DECEMBER 31,

	<u>2012</u>	<u>%</u>	<u>2011</u>	<u>%</u>
REVENUE				
Membership dues	\$ 694,719	57.7	\$ -	-
Programs for the advancement of physical, mental and spiritual well-being	279,352	23.2	-	-
Donations	144,988	12.1	-	-
Rental and sundry income	56,294	4.7	-	-
Merchandise sales	<u>27,690</u>	<u>2.3</u>	<u>-</u>	<u>-</u>
	<u>1,203,043</u>	<u>100.0</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Rent	291,214	24.2	-	-
Fundraising and programs	198,714	16.5	-	-
Salaries and benefits	119,554	9.9	-	-
Merchandise purchases	60,536	5.0	-	-
Amortization	20,223	1.7	-	-
Utilities	29,711	2.5	-	-
Instructor travel and other costs	28,884	2.4	-	-
Repairs and maintenance	28,678	2.4	-	-
Advertising and promotion	25,988	2.2	-	-
Realty taxes	25,421	2.1	-	-
Telecommunications	21,871	1.8	-	-
Insurance	18,753	1.6	-	-
Office and general	18,045	1.5	-	-
Professional fees	8,760	0.7	-	-
Donations	4,225	0.4	-	-
Bank charges	<u>3,580</u>	<u>0.3</u>	<u>-</u>	<u>-</u>
	<u>904,157</u>	<u>75.2</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUE OVER EXPENDITURES BEFORE THE FOLLOWING	298,886	24.8	-	-
Allocation of National excess of revenue over expenditures	<u>614,216</u>	<u>51.1</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR	<u>\$ 913,102</u>	<u>75.9</u>	<u>\$ -</u>	<u>-</u>

**FUNG LOY KOK INSTITUTE OF TAOISM
L'INSTITUT DE TAOÏSME FUNG LOY KOK**

**STATEMENTS OF REVENUE AND EXPENDITURES
ATLANTIC REGION
(Unaudited)**

FOR THE YEARS ENDED DECEMBER 31,

	<u>2012</u>	<u>%</u>	<u>2011</u>	<u>%</u>
REVENUE				
Membership dues	\$ 269,268	67.1	\$ -	-
Donations	76,928	19.2	-	-
Programs for the advancement of physical, mental and spiritual well-being	36,674	9.1	-	-
Merchandise sales	18,083	4.5	-	-
Rental and sundry income	<u>180</u>	<u>0.1</u>	<u>-</u>	<u>-</u>
	<u>401,133</u>	<u>100.0</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Rent	105,072	26.2	-	-
Salaries and benefits	23,685	5.9	-	-
Merchandise purchases	21,434	5.3	-	-
Insurance	12,506	3.1	-	-
Fundraising and programs	11,739	2.9	-	-
Utilities	9,561	2.4	-	-
Repairs and maintenance	8,272	2.1	-	-
Telecommunications	7,672	1.9	-	-
Amortization	7,410	1.9	-	-
Realty taxes	7,174	1.8	-	-
Instructor travel and other costs	6,989	1.7	-	-
Office and general	6,246	1.6	-	-
Advertising and promotion	5,935	1.5	-	-
Bank charges	<u>963</u>	<u>0.2</u>	<u>-</u>	<u>-</u>
	<u>234,658</u>	<u>58.5</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUE OVER EXPENDITURES BEFORE THE FOLLOWING	166,475	41.5	-	-
Allocation of National excess of revenue over expenditures	<u>409,478</u>	<u>102.1</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR	<u>\$ 575,953</u>	<u>143.6</u>	<u>\$ -</u>	<u>-</u>

**FUNG LOY KOK INSTITUTE OF TAOISM
L'INSTITUT DE TAOÏSME FUNG LOY KOK**

**STATEMENTS OF REVENUE AND EXPENDITURES
ORANGEVILLE
(Unaudited)**

FOR THE YEARS ENDED DECEMBER 31,

	<u>2012</u>	<u>%</u>	<u>2011</u>	<u>%</u>
REVENUE				
Donations	\$ 556,370	54.2	\$ 653,156	57.2
Accommodations and meals	372,826	36.3	379,879	33.2
Programs for the advancement of physical, mental and spiritual well-being	75,026	7.3	90,600	7.9
Merchandise sales	<u>22,303</u>	<u>2.2</u>	<u>19,004</u>	<u>1.7</u>
	<u>1,026,525</u>	<u>100.0</u>	<u>1,142,639</u>	<u>100.0</u>
EXPENDITURES				
Amortization	734,139	71.5	1,189,828	104.1
Repairs and maintenance	218,957	21.3	178,931	15.7
Food and housekeeping	216,516	21.1	137,258	12.0
Merchandise purchases	123,723	12.0	44,830	3.9
Office and general	69,499	6.8	59,204	5.2
Realty taxes	65,355	6.4	10,854	0.9
Utilities	61,501	6.0	70,741	6.2
Instructor travel and other costs	53,477	5.2	61,056	5.3
Bank charges	15,258	1.5	14,737	1.3
Telecommunications	6,487	0.6	7,660	0.7
Professional fees	780	0.1	-	-
Advertising and promotion	194	-	-	-
Insurance	-	-	15,847	1.4
Salaries and benefits	<u>-</u>	<u>-</u>	<u>140,000</u>	<u>12.3</u>
	<u>1,565,886</u>	<u>152.5</u>	<u>1,930,946</u>	<u>169.0</u>
DEFICIENCY OF REVENUE OVER EXPENDITURES FOR THE YEAR	<u>\$ (539,361)</u>	<u>(52.5)</u>	<u>\$ (788,307)</u>	<u>(69.0)</u>



APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

1. **IDENTIFICATION OF APPLICANT:**

Organization name: The Gorge View Society

Are you registered under the *Societies Act*? Yes ☒ No ☐

Are you a registered charity? Yes ☒ No ☐

Mailing Address: 11 Chown Place, Victoria, BC V9A 1H5

Contact Person: Jane Louie

Email Address: [REDACTED]

Telephone Number: [REDACTED]

Fax Number: [REDACTED]

Preferred method of application reminder: Email ☐ Mail ☒

2. **PROPERTY (complete a separate form for each property)**

Folio Number: 11757029

Address: 11 Chown Place

Legal Description: Lot A (DD 2703731), Section 10 & 11, Victoria District, Plan VIP11749

Registered Owner (if different than above): The United Church of Canada

3. **ABOUT YOUR ORGANIZATION:** Please provide a brief description of the goals and objectives of the organization.

The Gorge View Society provides 108 units of accessible, affordable, independent housing for 127 low income tenants. Conceived in the mid 1950's the Society was registered with the Provincial government in 1956; purchased land with the cooperation of the City of Victoria in 1957; and completed its first building for 8 residents in 1959 to house the needy. Over the years we have partnered with CMHC, the province, the municipality, charitable groups, foundations and volunteers. Our last 3 vacancies were filled by individuals who were homeless. As an outreach project of The United Church Presbytery of Victoria it is now open to persons aged 55 plus with incomes less than \$28,500 (single) or \$34,000 (couple). In reality, most tenants have incomes below \$20,000 - many well below. Rent for 74 of the units is \$278.75 per month. This will be increased to \$310 Aug 1st, 2014 as a result of a special request to CMHC who acknowledged our operating costs for these units (without taxes) in 2013 were at that level. The 34 1 bedroom suites rent for between \$405 - \$650, with most renting for under \$510 monthly. Our low operating costs enable us to house individuals who often fall through the cracks, including in addition to the homeless, immigrants and those with disabilities. The Society is directed by a "hands on" volunteer Board as well as an administrator and maintenance person.



APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

4. **PRINCIPAL USE OF THIS PROPERTY:** Please provide a brief description of the principal use of the property and how this use benefits the community.

Both the city and the province acknowledge the importance of, and a commitment to social housing. The Gorge View Society provides this housing, serving those who have faced economic hardships whether through lost pensions, inability to qualify for SAFER grants, divorce, widower status, loss of single parent housing, addiction or accessibility issues (our garden suites suit those with physical and mental disabilities). Residents can remain with us well into their old age (we have one resident who is 100) with access to community health and home supports. This type of housing is part of the continuum of social housing needed in a healthy community. Careful stewardship, along with support from the province and municipality, will help us to continue to expand to meet the need - wait list currently 2 years.

5. **COMMERCIAL ACTIVITY:** Please provide a brief description of any commercial activities that your organization conducts on this property.

Nil

6. **LEASED SPACE:** Please attach any and all lease agreements for any portion of the identified property that your organization rents or leases to another organization or individual.
7. **CATEGORY:** Please select the applicable permissive tax exemption category for which you are applying (for further explanation of permissive tax exemption categories please read the full text of the Permissive Tax Exemption policy found at www.victoria.ca/permissive):

Social Service

☒

Arts & Cultural Facility

☐

Place of Worship

☐

Athletic/Recreational Facility

☐

Rail/Track Property

☐

Educational Facility: Independent School Classification:

Group 1

☐

2

☐

3

☐

4

☐



APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

Supportive Housing

- Temporary or transitional housing ☐
- Treatment program ☐
- Permanent facility ☒
- Supportive staff ☐
- Group home ☐
- Special needs/disability housing ☒

8. **PUBLIC ACKNOWLEDGEMENT:** All recipients of City of Victoria permissive tax exemptions are required to publicly acknowledge the exemption. How does your organization plan on publicly acknowledging the exemption?

Our tenants and their families, as well as many members of the United Church have been aware that we have always been exempt from property taxes. We will continue to keep them updated on the progress of this submission. In terms of a more active communication strategy, (see attached page...)

9. **FINANCIAL STATEMENTS:** Attach your most recent financial statements.

10. **PROPERTY OWNERSHIP:** Do you plan on selling any portion of the property during 2014 – 2016?

Yes

☐

No

☒

11. **DECLARATION:**

I am an authorized signing officer of the organization and I certify that the information given in this application is correct. Should a permissive tax exemption be granted on the above listed property, I agree to the following terms:

- If the property is sold prior to the exemption expiration, the organization will remit to the City an amount equal to the taxes that would have otherwise been payable to the City by a non-exempt owner.
- The property use will be in compliance with all applicable municipal policies and bylaws.
- The organization will publicly acknowledge the permissive tax exemption granted by the City.

Signature

M. Proctor

Position

Co-Chair - The Hodge View Society

Name (please print)

MERRAN PROCTOR

Date

July 11, 2014

6. Leased Space:

While there are no commercial activities associated with our facility, we did enter into an arrangement with the city in March, 2011, to provide space for a community park and playground on the property. This is well used by the children in the neighbourhood and a benefit to the city. Details of the lease are attached.

Continuation of 8. Public Acknowledgement : In terms of a more active communication strategy, we will pursue an approach that will not stigmatize our renters while acknowledging the contribution of the City of Victoria to our projects in our publications and, where appropriate, signage. We will consult with the City on the most appropriate approaches to meet these objectives.

THE GORGE VIEW SOCIETY**Statement of Operations****Year ended December 31, 2013**

	2013	2012
Revenue		
Rentals	\$ 427,236	\$ 399,368
Donations and bequests	15,469	5,582
Coin laundry	8,852	7,992
Investment income	5,460	1,602
	457,017	414,544
Expenses		
Property operations		
Repairs and maintenance	88,359	85,295
Water, sewer and garbage	44,764	34,455
Wages and benefits	44,578	42,616
Electricity and gas	39,566	34,325
Cablevision	37,812	36,263
Insurance	21,482	17,467
Grounds maintenance	16,390	11,527
	292,951	261,948
General and administrative		
Wages and benefits	39,985	38,150
Professional fees	11,234	9,886
General	7,934	8,813
Amortization	86,199	68,347
	145,352	125,196
Total expenses	438,303	387,144
Excess of revenues over expenses for the year	\$ 18,714	\$ 27,400

(see accompanying notes)





APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

1. IDENTIFICATION OF APPLICANT:

Organization name: Greater Victoria Public Library

Are you registered under the *Societies Act*? Yes ☐ No ☒

Are you a registered charity? Yes ☒ No ☐

Mailing Address: 735 Broughton Street, Victoria, BC V8W 3H2

Contact Person: Donna Phillips

Email Address: [REDACTED]

Telephone Number [REDACTED]

Fax Number: [REDACTED]

Preferred method of application reminder: Email ☒ Mail ☐

2. PROPERTY (complete a separate form for each property)

Folio Number: 1024024

Address: Suite 700-747 Fort Street, Victoria, BC

Legal Description: Lot A of Lots 53,64,72,73,74,Victoria City,Plan 30593. PID 001-244-035

Registered Owner (if different than above): Associated Building Credits Ltd.

3. ABOUT YOUR ORGANIZATION: Please provide a brief description of the goals and objectives of the organization.

Greater Victoria Public Library (GVPL) aims to inspire literacy, lifelong learning and community enrichment for all. GVPL provides services and collections in ten library branches and online at gvpl.ca to more than 300,000 residents.

Our mission is to provide universal access to secure and safe library services, to foster the love of reading, and to enhance the quality of life in our community.



APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

4. **PRINCIPAL USE OF THIS PROPERTY:** Please provide a brief description of the principal use of the property and how this use benefits the community.

This property will be used to house library support services and personnel consisting of Finance, Human Resources and Information Technology. It will also provide additional meeting room space for Board and staff committees, thereby freeing up meeting room space available to the public at the Central Branch. The property will house the technology infrastructure for the entire library system, improving the safety and security of the library's catalogue, systems and data, which are vital to the library's core business and operations serving its communities.

5. **COMMERCIAL ACTIVITY:** Please provide a brief description of any commercial activities that your organization conducts on this property.

GVPL is a publicly-funded, registered charity providing public library services to the community. GVPL does not operate for profit, and will not be engaging in commercial activities from this property.

6. **LEASED SPACE:** Please attach any and all lease agreements for any portion of the identified property that your organization rents or leases to another organization or individual. ☒

7. **CATEGORY:** Please select the applicable permissive tax exemption category for which you are applying (for further explanation of permissive tax exemption categories please read the full text of the Permissive Tax Exemption policy found at www.victoria.ca/permissive):

Social Service	<input checked="" type="checkbox"/>	Arts & Cultural Facility	<input type="checkbox"/>
Place of Worship	<input type="checkbox"/>	Athletic/Recreational Facility	<input type="checkbox"/>
Rail/Track Property	<input type="checkbox"/>		

Educational Facility: Independent School Classification:

Group 1 ☐ 2 ☐ 3 ☐ 4 ☐



APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

Supportive Housing

- Temporary or transitional housing ☐
- Treatment program ☐
- Permanent facility ☐
- Supportive staff ☐
- Group home ☐
- Special needs/disability housing ☐

8. **PUBLIC ACKNOWLEDGEMENT:** All recipients of City of Victoria permissive tax exemptions are required to publicly acknowledge the exemption. How does your organization plan on publicly acknowledging the exemption?

GVPL will publicly acknowledge the exemption by placing a note disclosure in its annual audited financial statements, which are posted on the GVPL website. If the City of Victoria prefers, we can also publicly acknowledge the exemption in our Annual Report.

9. **FINANCIAL STATEMENTS:** Attach your most recent financial statements. ☒

10. **PROPERTY OWNERSHIP:** Do you plan on selling any portion of the property during 2014 – 2016?

Yes ☐ No ☒

11. **DECLARATION:**

I am an authorized signing officer of the organization and I certify that the information given in this application is correct. Should a permissive tax exemption be granted on the above listed property, I agree to the following terms:

- If the property is sold prior to the exemption expiration, the organization will remit to the City an amount equal to the taxes that would have otherwise been payable to the City by a non-exempt owner.
- The property use will be in compliance with all applicable municipal policies and bylaws.
- The organization will publicly acknowledge the permissive tax exemption granted by the City.


Signature

Donna Phillips
Name (please print)

Director of Finance/Board Treasurer
Position

May 16, 2014
Date

Financial Statements of

**GREATER VICTORIA PUBLIC
LIBRARY BOARD**

Year ended December 31, 2013

GREATER VICTORIA PUBLIC LIBRARY BOARD

Table of Contents

Year ended December 31, 2013

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MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of the Greater Victoria Public Library Board (the "Board") are the responsibility of the Board's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Board's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Board's Finance Committee meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by KPMG LLP, independent external auditors appointed by the Board. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Board's financial statements.


Chief Executive Officer
Director of Finance/Treasurer



KPMG LLP
Chartered Accountants
St. Andrew's Square II
800-730 View Street
Victoria BC V8W 3Y7
Canada

Telephone (250) 480-3500
Fax (250) 480-3539
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Members of Greater Victoria Public Library Board

We have audited the accompanying financial statements of the Greater Victoria Public Library Board (the "Board"), which comprise the statement of financial position as at December 31, 2013, the statements of operations, change in net financial assets and cash flows for the year then ended, and notes, comprising 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 public sector accounting standards, 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.

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 an 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 our 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, we consider internal control relevant to the Board'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 Board'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 Greater Victoria Public Library Board as at December 31, 2013, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants

May 6, 2014
Victoria, Canada

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

GREATER VICTORIA PUBLIC LIBRARY BOARD

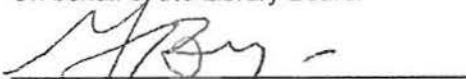
Statement of Financial Position

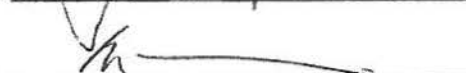
December 31, 2013, with comparative information for 2012

	2013	2012
		(restated - note 2)
Financial assets:		
Cash and cash equivalents (note 4)	\$ 1,390,792	\$ 379,779
Accounts receivable	229,254	263,496
Other receivable	164	1,598
Investments (note 5)	1,899,641	2,359,680
	<u>3,519,851</u>	<u>3,004,553</u>
Financial liabilities:		
Accounts payable and accrued liabilities	1,003,993	678,020
Accrued vacation and sick leave benefits	78,118	55,934
Deferred revenue (note 6)	33,818	185,691
Obligations under capital leases (note 7)	53,922	85,101
Employee future benefit obligation (note 8)	358,311	338,912
	<u>1,528,162</u>	<u>1,343,658</u>
Net financial assets	1,991,689	1,660,895
Non-financial assets:		
Tangible capital assets (note 9)	6,438,260	6,325,564
Prepaid expenses and deposits	265,737	135,559
	<u>6,703,997</u>	<u>6,461,123</u>
Commitments (note 16)		
Accumulated surplus (note 10)	\$ 8,695,686	\$ 8,122,018

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

On behalf of the Library Board:


 Trustee


 Trustee

GREATER VICTORIA PUBLIC LIBRARY BOARD

Statement of Operations

Year ended December 31, 2013, with comparative information for 2012

	Budget (note 14)	2013 (restated - note 2)	2012 (restated - note 2)
Revenue:			
Municipal contributions (note 11)	\$ 14,468,541	\$ 14,730,253	\$ 13,968,758
Fines, fees and printing	738,575	684,314	726,523
Government transfers:			
Provincial	644,066	805,665	644,591
Federal	4,333	7,592	39,549
Investment income	40,000	69,348	68,923
Contracts for service	25,970	25,970	25,440
Donations (note 12)	40,000	216,341	152,396
Gain on insurance settlement (note 13)	-	37,832	-
Total revenue	15,961,485	16,577,315	15,626,180
Expenses:			
Salaries and benefits	11,571,052	11,586,437	11,320,513
Library materials	720,000	656,965	691,553
Supplies and services	859,737	907,874	692,249
Building occupancy	818,073	719,850	729,082
Other	302,653	291,231	281,402
Amortization	1,970,000	1,829,449	2,164,315
Transfer to the Victoria Foundation	3,000	3,447	2,022
Loss on disposal of tangible capital assets	-	2,555	603
Loss on currency exchange	-	5,839	-
Total expenses	16,244,515	16,003,647	15,881,739
Annual surplus (deficiency)	(283,030)	573,668	(255,559)
Accumulated surplus, beginning of year, as previously reported	8,122,018	8,122,018	10,363,348
Effect of change in amortization policy (note 2)	-	-	(1,985,771)
As restated	8,122,018	8,122,018	8,377,577
Accumulated surplus, end of year	\$ 7,838,988	\$ 8,695,686	\$ 8,122,018

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

GREATER VICTORIA PUBLIC LIBRARY BOARD

Statement of Change in Net Financial Assets

Year ended December 31, 2013, with comparative information for 2012

	Budget (note 14)	2013 (restated - note 2)	2012
Annual surplus (deficiency)	\$ (283,030)	\$ 573,668	\$ (255,559)
Acquisition of tangible capital assets in cash and financed by capital lease	(1,677,180)	(1,944,700)	(1,613,829)
Amortization of tangible capital assets	1,970,000	1,829,449	2,164,315
Loss on disposal of tangible capital assets	-	2,555	603
	9,790	460,972	295,530
Acquisition of prepaid expenses	-	(130,178)	(30,646)
Change in net financial assets	9,790	330,794	264,884
Net financial assets, beginning of year	1,660,895	1,660,895	1,396,011
Net financial assets, end of year	\$ 1,670,685	\$ 1,991,689	\$ 1,660,895

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

GREATER VICTORIA PUBLIC LIBRARY BOARD

Statement of Cash Flows

Year ended December 31, 2013, with comparative information for 2012

	2013	2012
		(restated - note 2)
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficiency)	\$ 573,668	\$ (255,559)
Item not involving cash:		
Amortization of tangible capital assets	1,829,449	2,164,315
Loss on disposal of tangible capital assets	2,555	603
Change in non-cash operating assets and liabilities:		
Accounts receivable	34,242	(136,952)
Other receivable	1,434	900
Accounts payable and accrued liabilities	325,973	(347,424)
Accrued vacation and sick leave benefits	22,184	19,748
Employee future benefit obligation	19,399	35,609
Deferred revenue	(151,873)	(134,553)
Prepaid expenses and deposits	(130,178)	(30,646)
	2,526,853	1,316,041
Capital activities:		
Acquisition of tangible capital assets	(1,925,454)	(1,601,390)
Investing activities:		
Increase in investments	460,039	(95,396)
Financing activities:		
Principal payments on obligations under capital leases	(50,425)	(83,488)
Increase (decrease) in cash and cash equivalents	1,011,013	(464,233)
Cash and cash equivalents, beginning of year	379,779	844,012
Cash and cash equivalents, end of year	\$ 1,390,792	\$ 379,779
Supplemental cash flow information:		
Tangible capital asset acquisitions financed by capital lease	\$ 19,246	\$ 12,439

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

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements

Year ended December 31, 2013

Greater Victoria Public Library Board (the "Board") was established under the Library Act of British Columbia. Its principal activity is the operation of the public libraries serving residents of the Cities of Victoria, Colwood and Langford, the Town of View Royal, the Township of Esquimalt and the Districts of Central Saanich, Highlands, Metchosin, Oak Bay and Saanich.

The Board also provides service to residents of the communities of Willis Point, Durrance, Malahat, and of the Esquimalt, Songhees, Tsawout, Tsartlip and Becher Bay Reserves.

The Board is a registered charity and is exempt from income tax.

1. Significant accounting policies:

The financial statements of Greater Victoria Public Library Board (the "Board") are prepared by management in accordance with Canadian public sector accounting standards. Significant accounting policies adopted by the Board are as follows:

(a) Reporting entity:

The financial statements include the combination of all the assets, liabilities, revenues, expenses, and changes in net financial assets of the Board. The Board does not control any external entities and accordingly, no entities have been consolidated with the financial statements. Inter-fund balances and transactions have been eliminated.

(b) Basis of accounting:

The Board follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(c) Revenue recognition:

Fines are recorded when received as a result of the difficulty in determining collectability.

Receipts that are restricted by legislation or by agreement with external parties are deferred and reported as deferred revenue. When qualifying expenses are incurred, deferred revenue are brought into revenue in equal amounts.

(d) Government transfers:

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Government transfers with stipulations are recognized as revenue when authorized and eligibility criteria have been met, except when and to the extent the transfer gives rise to an obligation that meets the definition of a liability.

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2013

1. Significant accounting policies (continued):

(e) Cash equivalents:

Cash equivalents include short-term highly liquid investments with a term to maturity of 90 days or less at acquisition or redeemable without penalty.

(f) Investments:

Investments are recorded at cost plus accrued interest. Investment income is reported as revenue in the period earned. When there has been a loss in value that is other than a temporary decline in value, the respective investment is written down to recognize the loss.

(g) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a declining balance basis, except for library materials collection which is amortized on a straight line basis, over their estimated useful lives as follows:

Asset	Rate
Library materials collection	7 years
Building improvements	10%
Shelving	5%
Computer equipment	20%
Furniture and equipment	10%
Software	100%
Automotive	30%

Amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

When a tangible capital asset no longer contributes to the Board's ability to provide services, its carrying amount is written down to its residual value.

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2013

1. Significant accounting policies (continued):

(g) Non-financial assets (continued):

(ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

(iii) Leased tangible capital assets

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(iv) Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

(h) Employee future benefits:

- (i) The Board pays a retirement gratuity directly to employees upon retirement. The cost of this benefit is actuarially determined based on periods of service and best estimates of retirement ages and expected future salary increases. The obligation under this benefit is accrued based on projected benefits as the employees render services necessary to earn the future benefit. Actuarial gains and losses are recognized immediately in the statement of operations.

- (ii) The Board and its employees make contributions to the Municipal Pension Plan, which provides benefits directly to employees upon retirement. These contributions are expensed as incurred.

(i) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates and assumptions include obligations related to employee future benefits. Actual results could differ from these estimates.

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2013

2. Change in accounting policy:

The Board approved a revised Tangible Capital Asset policy on November 26, 2013. The new policy changes the method for accounting for the tangible capital asset library materials collection, which results in a more appropriate presentation of transactions in the financial statements.

Under the previous policy, library material collections was amortized on a straight line basis, over an estimated useful life of either 5 or 10 years. The new accounting policy approved in 2013 amortizes all library material collections on a straight line basis, over an estimated useful life of 7 years. This change has been applied retroactively and prior periods have been restated.

The change resulted in a decrease to accumulated surplus and increase in accumulated amortization at January 1, 2012 of \$1,985,771 and an increase to annual surplus and operating reserves in 2012 of \$156,625.

3. Adoption of new accounting policy:

On January 1, 2013, the Board adopted Public Sector Accounting Standard PS3410 "Government Transfers". The standard requires public sector entities to recognize receipt of a government transfer with stipulations as revenue in the period the transfer is authorized and all eligibility criteria have been met except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability for the recipient government. In prior years, government transfers had been deferred according to judgment reflecting the substance of the underlying events without the requirement of the transfer meeting liability criteria. The Standard was applied prospectively from the date of adoption and prior periods have not been restated.

4. Cash and cash equivalents:

Cash and cash equivalents consist of cash, a guaranteed income certificate with terms to maturity of 90 days or less and investments with a maturity greater than 90 days but redeemable with no penalty. Investments earn interest at rates varying from 1.15% to 1.35%, and mature at varying dates in 2014.

5. Investments:

Investments include Municipal Finance Authority pooled investment funds which are recorded at cost plus earnings reinvested in the funds, and investments in guaranteed investment certificates. Investments earn interest at rates varying from 1.67% to 2.25%, and mature at varying dates to 2015.

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2013

6. Deferred revenue:

Deferred revenue, reported on the statement of financial position, is made up of the following:

	2013	2012
Government grants	\$ -	\$ 161,017
Restricted donations	33,818	24,674
	\$ 33,818	\$ 185,691

7. Obligations under capital leases:

The amounts due for obligations under capital leases are as follows:

2014	\$ 38,029
2015	7,662
2016	7,662
2017	4,470
Total minimum lease payments	57,823
Less amounts representing interest (at rates ranging from 1.25% to 16%)	3,901
Present value of net minimum capital lease payments	\$ 53,922

Interest of \$6,855 (2012 - \$2,161) relating to capital lease obligations has been included in expenses on the statement of operations.

8. Employee future benefit obligation:

The Board provides one month salary as benefit on retirement to its employees. The estimated amounts due are as follows:

	2013	2012
Obligations for retirement gratuity	\$ 358,311	\$ 338,912

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2013

8. Employee future benefit obligation (continued):

Information about the Board's obligation is as follows:

	2013	2012
Balance, beginning of year	\$ 338,912	\$ 303,303
Current benefit cost and interest	56,930	26,543
Actuarial loss	-	36,360
Benefits paid	(37,531)	(27,294)
	\$ 358,311	\$ 338,912

Included in the statement of operations is \$56,930 (2012 - \$62,903) in expense related to future benefit obligations.

	2013	2012
Discount rate for present value of future benefits	3 %	3 %
Rate of annual salary increases, including inflation	2 %	2 %

Pension plan

The Board and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 179,000 active members and approximately 71,000 retired members. Active members include approximately 35,000 contributors from local government.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and adequacy of Plan funding. The most recent actuarial valuation as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015, with results available in 2016. The actuary does not attribute portions of the surplus or unfunded liability to individual employers.

The Board paid \$765,199 (2012 - \$762,043) for employer contributions while employees contributed \$632,505 (2012 - \$626,513) to the Plan in fiscal 2013.

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2013

9. Tangible capital assets:

2013	Library materials collection	Building improvements	Shelving	Computer equipment	Furniture and equipment	Automotive	Software	Total
Cost:								
Balance, beginning	\$ 15,751,803	\$ 496,247	\$ 1,276,064	\$ 2,162,198	\$ 3,146,358	\$ 136,289	\$ 109,338	\$ 23,078,297
Additions	1,463,842	60,372	-	89,122	314,847	-	16,517	1,944,700
Disposals	(39,572)	-	-	-	(47,973)	-	-	(87,545)
Balance, ending	17,176,073	556,619	1,276,064	2,251,320	3,413,232	136,289	125,855	24,935,452
Accumulated amortization:								
Balance, beginning	11,391,042	151,483	895,081	1,802,796	2,290,640	112,353	109,338	16,752,733
Disposals	(39,572)	-	-	-	(45,418)	-	-	(84,990)
Amortization	1,541,409	40,514	19,049	87,978	116,801	7,181	16,517	1,829,449
Balance, ending	12,892,879	191,997	914,130	1,890,774	2,362,023	119,534	125,855	18,497,192
Net book value, end of year	\$ 4,283,194	\$ 364,622	\$ 361,934	\$ 360,546	\$ 1,051,209	\$ 16,755	\$ -	\$ 6,438,260

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2013

9. Tangible capital assets (continued):

2012	Library materials collection	Building improvements	Shelving	Computer equipment	Furniture and equipment	Automotive	Software	Total
(restated - note 2)								
Cost:								
Balance, beginning	\$ 16,027,294	\$ 441,670	\$ 1,276,064	\$ 2,054,494	\$ 3,036,282	\$ 136,289	\$ 102,168	\$ 23,074,261
Additions	1,333,548	54,577	-	108,458	110,076	-	7,170	1,613,829
Disposals	(1,609,039)	-	-	(754)	-	-	-	(1,609,793)
Balance, ending	15,751,803	496,247	1,276,064	2,162,198	3,146,358	136,289	109,338	23,078,297
Accumulated amortization:								
Balance, beginning	11,098,972	113,176	875,029	1,710,608	2,195,560	102,095	102,168	16,197,608
Disposals	(1,609,039)	-	-	(151)	-	-	-	(1,609,190)
Amortization	1,901,109	38,307	20,052	92,339	95,080	10,258	7,170	2,164,315
Balance, ending	11,391,042	151,483	895,081	1,802,796	2,290,640	112,353	109,338	16,752,733
Net book value, end of year	\$ 4,360,761	\$ 344,764	\$ 380,983	\$ 359,402	\$ 855,718	\$ 23,936	\$ -	\$ 6,325,564

Included in tangible capital assets are leased assets with cost and accumulated amortization of \$1,066,288 and \$677,654 (2012 - \$1,046,072 and \$618,675) respectively. Amortization expense of \$58,979 (2012 - \$57,475) is included in the statement of operations related to leased tangible capital assets.

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2013

9. Tangible capital assets (continued):

a) Contributed tangible capital assets

There were no contributions of tangible capital assets during the years presented.

b) Write-down of tangible capital assets

No write-down of capital assets occurred during the years presented.

Library materials of \$39,572 were written off due to water damage (note 13). The assets were fully amortized when written off.

c) Work of art and historical treasures

The Board manages and controls various works of art and non-operational historical cultural assets including artifacts, paintings and sculptures located at branch sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

d) Ownership of premises

Land and buildings for the ten library branches are owned by the respective municipalities in which the branches are located or in accordance with title registration. The Central Library building, located at 735 Broughton Street, Victoria, is jointly owned by the City of Victoria, Township of Esquimalt and Districts of Saanich and Oak Bay. In January 2008, the Town of View Royal also became an owner of the Central Library. Shared Services BC, a division of the BC Ministry of Technology, Innovation and Citizens' Services has an option to purchase the premises of the Central Library if it ceases to be used for library purposes.

The fair value of the cost to lease the premises has not been recognized in the statement of operations.

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2013

10. Accumulated surplus:

Accumulated surplus consists of:

	2013	2012 (restated - note 2)
Surplus:		
Invested in tangible capital assets	\$ 6,384,338	\$ 6,240,463
Unfunded employee future benefit obligation	(130,312)	(105,932)
Total surplus	6,254,026	6,134,531
Reserves:		
Capital improvement reserve	1,352,561	1,210,183
Operating reserves	908,012	653,013
Contingency reserve	110,000	90,000
Replacement reserve	71,087	34,491
Total reserves	2,441,660	1,987,687
	\$ 8,695,686	\$ 8,122,218

11. Municipal contributions:

The following municipal contributions have been included in revenue:

	2013	2012
City of Victoria	\$ 4,139,943	\$ 3,985,930
District of Saanich	5,200,582	4,782,191
City of Langford	1,396,568	1,326,233
District of Oak Bay	931,826	902,349
Township of Esquimalt	804,994	775,715
District of Central Saanich	775,173	753,023
City of Colwood	705,564	695,601
Town of View Royal	425,758	404,165
District of Metchosin	244,448	238,925
District of Highlands	105,397	104,626
	\$ 14,730,253	\$ 13,968,758

During the year, the Emily Carr branch was relocated to new premises. Municipal contributions from the District of Saanich were approved up to \$300,000 for acquisitions of tangible capital assets and relocation expenses by the Board, of which \$261,712 (2012 - \$nil) has been incurred and recognized as revenue.

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2013

12. Donations:

Included in donation revenue are distributions from the following endowment funds held at the Victoria Foundation. These funds are shown below in their endowed amounts.

	2013	2012
General endowment	\$ 285,853	\$ 245,409
T. Harry Wilson	63,209	55,024
JDB Victoria Library Fund	126,626	110,228
	\$ 475,688	\$ 410,661

Included in donations is \$119,383 (2012 - \$31,211) of unrestricted donations which have not been dedicated to any specific projects or programs and have not been spent. As no external restrictions were placed on the use of the funds, the amounts have been recognized as revenue when received.

13. Gain on insurance settlement:

In March 2014, water damage occurred at the Central Branch resulting in the write-off of fully amortized library materials with an original cost of \$39,572 and remediation costs of \$12,631. Proceeds received from the insurance claim, net of a \$10,000 deductible, was \$40,463, resulting in a net gain of \$37,832.

14. Budget data:

The budget data presented in these financial statements is based upon the operating budget approved by the Board on February 26, 2013. The chart below reconciles the approved financial plan to figures reported in these financial statements.

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2013

14. Budget data (continued):

	Budget amount
Revenues:	
Operating budget	\$ 16,039,485
Less:	
Transfers from other funds	(78,000)
Total revenue	15,961,485
Expenses:	
Operating budget	16,039,485
Amortization expense	1,970,000
Less:	
Transfers to other funds	(95,000)
Capital expenditures	(1,611,043)
Lease principal payments	(58,927)
Total expenses	16,244,515
Annual surplus	\$ (283,030)

15. Economic dependency:

Approximately 89% (2012 - 89%) of the Board's revenues are derived from contributions from municipalities participating under the Library Operating Agreement (the "Agreement"). Should this Agreement be cancelled or not renewed, management is of the opinion that continued viability of operations would not be assured.

GREATER VICTORIA PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2013

16. Commitments:

The Board rents equipment with estimated minimum annual lease payments as follows:

2014	\$	45,354
2015		45,354
2016		45,354
2017		22,677
		<hr/>
		\$ 158,739

17. Trust funds:

Trust funds administered by the Board for the Juan de Fuca Branch Reserve Fund amount to \$80,132 (2012 - \$nil) and have not been included in the statement of financial position nor have their operations been included in the statement of operations and accumulated surplus.

The trust was established to hold and administer reserves to fund major building maintenance and renewals.

18. Comparative figures:

Certain 2012 comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

GREATER VICTORIA PUBLIC LIBRARY BOARD

Statement of Financial Position by Fund

(unaudited)

December 31, 2013, with comparative information for 2012

Schedule 1

	Operating fund	Capital fund	Reserve fund	Endowment fund	Capital improvement fund	2013	2012
							(Restated)
Financial assets:							
Cash and cash equivalents	\$ 533,486	\$ -	\$ -	\$ 15,375	\$ 841,931	\$ 1,390,792	\$ 379,779
Accounts receivable	229,254	-	-	-	-	229,254	263,496
Other receivable	164	-	-	-	-	164	1,598
Investments	967,231	-	421,781	-	510,629	1,899,641	2,359,680
	1,730,135	-	421,781	15,375	1,352,560	3,519,851	3,004,553
Financial liabilities:							
Accounts payable and accrued liabilities	1,003,993	-	-	-	-	1,003,993	678,020
Accrued vacation and sick leave benefits	78,118	-	-	-	-	78,118	55,934
Deferred revenue	33,818	-	-	-	-	33,818	185,691
Obligations under capital leases	53,922	-	-	-	-	53,922	85,101
Employee future benefit obligation	358,311	-	-	-	-	358,311	338,912
	1,528,162	-	-	-	-	1,528,162	1,343,658
Net financial assets	201,973	-	421,781	15,375	1,352,560	1,991,689	1,660,895
Non-financial assets:							
Tangible capital assets	53,922	6,384,338	-	-	-	6,438,260	6,325,564
Prepaid expenses and deposits	265,737	-	-	-	-	265,737	135,559
	319,659	6,384,338	-	-	-	6,703,997	6,461,123
Accumulated surplus	\$ 521,632	\$ 6,384,338	\$ 421,781	\$ 15,375	\$ 1,352,560	\$ 8,695,686	\$ 8,122,018

GREATER VICTORIA PUBLIC LIBRARY BOARD

Statement of Operations and Accumulated Surplus by Fund

(unaudited)

Year ended December 31, 2013, with comparative information for 2012

Schedule 2

	Operating fund	Capital fund	Reserve fund	Endowment fund	Capital improvement fund	2013	2012
Revenue:							
Municipal contributions	\$ 14,730,253	\$ -	\$ -	\$ -	\$ -	\$ 14,730,253	\$ 13,971,017
Fines, fees, photocopying	684,314	-	-	-	-	684,314	724,264
Government transfers:							
Provincial	805,665	-	-	-	-	805,665	644,591
Federal	7,592	-	-	-	-	7,592	39,549
Investment income	44,541	-	-	169	24,638	69,348	68,923
Contracts for service	25,970	-	-	-	-	25,970	25,440
Donations	83,395	-	-	15,206	117,740	216,341	152,396
Gain on insurance settlement	37,832	-	-	-	-	37,832	-
Total revenue	16,419,562	-	-	15,375	142,378	16,577,315	15,626,180
Expenses:							
Salaries and benefits	11,586,437	-	-	-	-	11,586,437	11,320,513
Library materials	636,171	-	-	20,794	-	656,965	691,553
Supplies and services	907,874	-	-	-	-	907,874	692,249
Building occupancy	719,850	-	-	-	-	719,850	729,082
Other	291,231	-	-	-	-	291,231	281,402
Amortization	1,829,449	-	-	-	-	1,829,449	2,164,315
Transfer to the Victoria Foundation	-	-	-	3,447	-	3,447	2,022
Loss on currency exchange	5,839	-	-	-	-	5,839	-
Loss on disposal of tangible capital assets	2,555	-	-	-	-	2,555	603
Total expenses	15,979,406	-	-	24,241	-	16,003,647	15,881,739
Annual surplus (deficiency)	440,156	-	-	(8,866)	142,378	573,668	(255,559)
Transfer to replacement reserve	(75,000)	-	75,000	-	-	-	-
Transfer from replacement reserve	36,404	-	(36,404)	-	-	-	-
Transfer to contingency reserve	(20,000)	-	20,000	-	-	-	-
Transfer from library materials reserve	123,650	-	(123,650)	-	-	-	-
Investment in tangible capital assets	(1,923,369)	1,923,369	-	-	-	-	-
Amortization of tangible capital assets	1,829,449	(1,829,449)	-	-	-	-	-
Capital lease payments	(49,955)	49,955	-	-	-	-	-
Accumulated surplus, beginning of year	160,297	6,240,463	486,835	24,241	1,210,182	8,122,018	8,377,577
Accumulated surplus, end of year	\$ 521,632	\$ 6,384,338	\$ 421,781	\$ 15,375	\$ 1,352,560	\$ 8,695,686	\$ 8,122,018



APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

1. IDENTIFICATION OF APPLICANT:

Organization name: Learningstorm Education Society

Are you registered under the *Societies Act*?

Yes

☒

No

☐

Are you a registered charity?

Yes

☒

No

☐

Mailing Address: 1406 Laurel Rd.

Contact Person: Jeff Hopkins

Email Address



Telephone Number:



Fax Number:

n/a

Preferred method of application reminder:

Email

☒

Mail

☐

2. PROPERTY (complete a separate form for each property)

Folio Number: 01-234-03291044

Address: 1201 Fort St. (Annex)

Legal Description: Part of Lot A, Fairfield Farm Estate and Spring Ridge, Victoria, PLAN 40449

Registered Owner (if different than above): Truth Centre Inc.

3. ABOUT YOUR ORGANIZATION: Please provide a brief description of the goals and objectives of the organization.

Our society's primary goal is to operate a small independent high school program.





APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

4. **PRINCIPAL USE OF THIS PROPERTY:** Please provide a brief description of the principal use of the property and how this use benefits the community.

The principal use of the property we lease is to operate a small independent high school.

5. **COMMERCIAL ACTIVITY:** Please provide a brief description of any commercial activities that your organization conducts on this property.

n/a

6. **LEASED SPACE:** Please attach any and all lease agreements for any portion of the identified property that your organization rents or leases to another organization or individual.

7. **CATEGORY:** Please select the applicable permissive tax exemption category for which you are applying (for further explanation of permissive tax exemption categories please read the full text of the Permissive Tax Exemption policy found at www.victoria.ca/permissive):

Social Service

☐

Arts & Cultural Facility

☐

Place of Worship

☐

Athletic/Recreational Facility

☐

Rail/Track Property

☐

Educational Facility: Independent School Classification:

Group 1

☐

2

☒

3

☐

4

☐



APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

Supportive Housing

- Temporary or transitional housing ☐
- Treatment program ☐
- Permanent facility ☐
- Supportive staff ☐
- Group home ☐
- Special needs/disability housing ☐

8. **PUBLIC ACKNOWLEDGEMENT:** All recipients of City of Victoria permissive tax exemptions are required to publicly acknowledge the exemption. How does your organization plan on publicly acknowledging the exemption?

We will acknowledge the exemption on our website (over 2,000 unique hits per week), in our brochures for the 2015-16 school year, and at the entrance to the school.

9. **FINANCIAL STATEMENTS:** Attach your most recent financial statements.

10. **PROPERTY OWNERSHIP:** Do you plan on selling any portion of the property during 2014 – 2016?

Yes ☐ No ☒

11. **DECLARATION:**

I am an authorized signing officer of the organization and I certify that the information given in this application is correct. Should a permissive tax exemption be granted on the above listed property, I agree to the following terms:

- If the property is sold prior to the exemption expiration, the organization will remit to the City an amount equal to the taxes that would have otherwise been payable to the City by a non-exempt owner.
- The property use will be in compliance with all applicable municipal policies and bylaws.
- The organization will publicly acknowledge the permissive tax exemption granted by the City.


Signature

Jeff Hopkins

Name (please print)

Director

Position

June 30, 2014

Date



**APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016**

(Section 224 of the Community Charter)

1. IDENTIFICATION OF APPLICANT:

Organization name: Rogers Court Society

Are you registered under the *Societies Act*? Yes ☒ No ☐

Are you a registered charity? Yes ☐ No ☒

Mailing Address: 600 Richmond Ave. Victoria, B.C. V8S 3Y7

Contact Person: Stephen Martin

Email Address: [REDACTED]

Telephone Number: [REDACTED]

Fax Number:

Preferred method of application reminder: Email ☐ Mail ☒

2. PROPERTY (complete a separate form for each property)

Folio Number: 05314022

Address: 1680 Richardson St.

Legal Description: Lot 2, section 68, Victoria, Plan 24610

Registered Owner (if different than above):

3. ABOUT YOUR ORGANIZATION: Please provide a brief description of the goals and objectives of the organization.

The Purpose of the Society according to the Constitution is to construct, hold and manage low rental housing projects for senior citizens. Currently is debt free and provides 24 units for seniors and runs on a not for profit model. We encourage a community approach and have tenants volunteer with gardening and other activities.



APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

4. **PRINCIPAL USE OF THIS PROPERTY:** Please provide a brief description of the principal use of the property and how this use benefits the community.

We currently have 24 units available at rents from \$318 to \$736 per month. Most tenants are on social assistance and have limited ability to pay anything more. The BC Assessment Authority has changed their position (we will be appealing this in the future but did not receive notice before the 2014 appeal deadline) regarding the exemption (in place since 1971). Rogers Court would not be able to continue to provide seniors housing without permissive tax exemption.

5. **COMMERCIAL ACTIVITY:** Please provide a brief description of any commercial activities that your organization conducts on this property.

There is no commercial activity on this site

6. **LEASED SPACE:** Please attach any and all lease agreements for any portion of the identified property that your organization rents or leases to another organization or individual.

7. **CATEGORY:** Please select the applicable permissive tax exemption category for which you are applying (for further explanation of permissive tax exemption categories please read the full text of the Permissive Tax Exemption policy found at www.victoria.ca/permissive):

Social Service

☐

Arts & Cultural Facility

☐

Place of Worship

☐

Athletic/Recreational Facility

☐

Rail/Track Property

☐

Educational Facility: Independent School Classification:

Group 1

☐

2

☐

3

☐

4

☐



APPLICATION FORM FOR PERMISSIVE EXEMPTION
FROM PROPERTY TAXATION FOR 2015 - 2016

(Section 224 of the Community Charter)

Supportive Housing

- Temporary or transitional housing ☐
- Treatment program ☐
- Permanent facility ☒
- Supportive staff ☐
- Group home ☐
- Special needs/disability housing ☐

8. **PUBLIC ACKNOWLEDGEMENT:** All recipients of City of Victoria permissive tax exemptions are required to publicly acknowledge the exemption. How does your organization plan on publicly acknowledging the exemption?

Until 2014 Rogers Court Society was tax exempt. Going forward, we would acknowledge at the AGM and provide signage to this effect.

9. **FINANCIAL STATEMENTS:** Attach your most recent financial statements.

10. **PROPERTY OWNERSHIP:** Do you plan on selling any portion of the property during 2014 – 2016?

Yes ☐ No ☐

11. **DECLARATION:**

I am an authorized signing officer of the organization and I certify that the information given in this application is correct. Should a permissive tax exemption be granted on the above listed property, I agree to the following terms:

- If the property is sold prior to the exemption expiration, the organization will remit to the City an amount equal to the taxes that would have otherwise been payable to the City by a non-exempt owner.
- The property use will be in compliance with all applicable municipal policies and bylaws.
- The organization will publicly acknowledge the permissive tax exemption granted by the City.

Signature

Stephen R. Martin

Name (please print)

Treasurer and Director

Position

May 30, 2014

Date

3:02 PM
10/10/13
Cash Basis

Rogers Court

Balance Sheet Prev Year Comparison

As of August 31, 2013

	Aug 31, 13	Aug 31, 12
ASSETS		
Current Assets		
Chequing/Savings		
1030 - TD Bank	106,888.31	100,693.63
Total Chequing/Savings	106,888.31	100,693.63
Other Current Assets		
1020 - Petty Cash	200.00	200.00
Total Other Current Assets	200.00	200.00
Total Current Assets	107,088.31	100,893.63
Fixed Assets		
1500 - Land, Buildings and Equipment		
1505 - Accum Deprec - Land & Building	-10,389.46	0.00
1500 - Land, Buildings and Equipment - Other	49,961.97	43,220.28
Total 1500 - Land, Buildings and Equipment	39,572.51	43,220.28
Total Fixed Assets	39,572.51	43,220.28
TOTAL ASSETS	146,660.82	144,113.91
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities		
2100 - Accrued Liabilities	18,045.20	19,186.75
Total Other Current Liabilities	18,045.20	19,186.75
Total Current Liabilities	18,045.20	19,186.75
Long Term Liabilities		
2700 - Damage Deposits		
2710 - Deposits Received	3,648.50	3,123.50
2720 - Interest Accrued	69.38	61.12
Total 2700 - Damage Deposits	3,717.88	3,184.62
Total Long Term Liabilities	3,717.88	3,184.62
Total Liabilities	21,763.08	22,371.37
Equity		
3000 - Opening Bal Equity	116,795.01	116,795.01
3900 - Retained Earnings	4,947.53	8,954.93
Net Income	3,155.20	-4,007.40
Total Equity	124,897.74	121,742.54
TOTAL LIABILITIES & EQUITY	146,660.82	144,113.91

3:08 PM
10/10/13
Cash Basis

Rogers Court
Profit & Loss Prev Year Comparison
September 2012 through August 2013

	Sep '12 - Aug 13	Sep '11 - Aug 12
Income		
4000 · Receipts		
4100 · Rentals		
4150 · Deposits	0.00	-397.50
4155 · Deposit Interest	0.00	-15.05
4100 · Rentals - Other	132,284.11	119,753.50
Total 4100 · Rentals	132,284.11	119,340.95
Total 4000 · Receipts	132,284.11	119,340.95
Total Income	132,284.11	119,340.95
Expense		
5000 · Disbursements		
5010 · Cablevision	12,316.65	11,976.60
5020 · Caretaking	760.00	3,514.10
5025 · Deposit Interest	56.91	6.68
5027 · Depreciation	10,389.46	0.00
5030 · Electricity	12,344.28	13,806.42
5050 · Administration	858.14	706.44
5060 · Insurance	4,079.00	4,344.00
5070 · Maintenance		
5075 · Equipment Replacement	995.11	147.83
5077 · Equipment Repairs	953.50	2,891.66
5080 · Painting	0.00	401.89
5090 · Grounds	1,725.89	1,331.95
5095 · General	5,270.93	7,643.69
5070 · Maintenance - Other	0.00	348.20
Total 5070 · Maintenance	8,945.43	12,765.22
5100 · Legal	703.70	0.00
5110 · Property Taxes	112.80	109.29
5150 · Utilities	9,424.54	7,879.60
Total 5000 · Disbursements	59,990.91	55,108.35
6600 · Payroll Expenses		
6610 · Payroll - Benefits	14,742.00	15,073.00
6620 · Payroll - Salary Costs	54,396.00	53,167.00
Total 6600 · Payroll Expenses	69,138.00	68,240.00
Total Expense	129,128.91	123,348.35
Net Income	3,155.20	-4,007.40