
Consolidated financial statements of Association of Neighbourhood Houses of British Columbia

March 31, 2025

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Independent Auditor's Report

To the Board of Directors of
the Association of Neighbourhood Houses of British Columbia

Opinion

We have audited the consolidated financial statements of the Association of Neighbourhood Houses of British Columbia (the "Association"), which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and the notes and schedule of consolidated operating revenue and expenses, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

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

Basis for Opinion

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

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that in our opinion, these consolidated financial statements are prepared on a basis consistent with that of the previous year.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Association's financial reporting process.

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

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

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

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

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

The logo for Deloitte LLP, featuring the word "Deloitte" in a stylized script font followed by "LLP" in a clean, sans-serif font.

Chartered Professional Accountants
June 23, 2025
Vancouver, British Columbia

Association of Neighbourhood Houses of British Columbia
Consolidated statement of operations
Year ended March 31, 2025

| | Notes | 2025 \$ | 2024 \$ |
|---|-----------|-------------------|-------------------|
| Revenue (Schedule 1) | | | |
| Province of British Columbia | | 19,897,643 | 16,056,899 |
| Federal government | | 7,143,008 | 5,725,574 |
| Earned income | | 12,584,776 | 10,810,584 |
| Contributions from foundations | | 1,651,935 | 1,695,335 |
| United Way | | 2,811,737 | 2,093,441 |
| City of Vancouver | | 2,681,363 | 1,801,071 |
| Other contributions and miscellaneous income | | 673,486 | 931,545 |
| Gaming | | 717,000 | 696,144 |
| Investment income | 11 | 1,008,315 | 1,889,288 |
| Donations and fundraising | | 421,911 | 340,821 |
| | | 49,591,174 | 42,040,702 |
| Expenses (Schedule 1) | | | |
| Salaries and benefits | 13 and 17 | 36,730,714 | 29,800,457 |
| Program, food and transportation | | 3,315,254 | 3,025,786 |
| Building occupancy | | 4,200,740 | 3,693,224 |
| Purchased services and subcontracts | | 2,337,512 | 1,980,428 |
| Office expenses | | 600,297 | 536,184 |
| Other expenses | | 666,855 | 540,539 |
| | | 47,851,372 | 39,576,618 |
| Excess of revenue over expenses from operations (Schedule 1 before the undernoted) | | 1,739,802 | 2,464,084 |
| Amortization of deferred property and equipment contributions | 8 | 690,132 | 700,640 |
| Amortization of property and equipment | | (900,079) | (843,810) |
| Unrealized gain (loss) on investments | | 307,663 | (379,322) |
| Excess of revenue over expenses | | 1,837,518 | 1,941,592 |

The accompanying notes and schedule are an integral part of the consolidated financial statements.

Association of Neighbourhood Houses of British Columbia
Consolidated statement of changes in net assets
Year ended March 31, 2025

| | Notes | Invested in property and equipment \$ | Internally restricted \$ | Unrestricted \$ | 2025 Total \$ | 2024 Total \$ |
|---|-------|--|--------------------------------|--------------------|---------------------|---------------------|
| | | | (Note 9) | | | |
| Balance, beginning of year | | 1,254,974 | 10,286,861 | 3,852,191 | 15,394,026 | 13,452,434 |
| Excess of revenue over expenses | | (209,947) * | 1,005,000 | 1,042,465 | 1,837,518 | 1,941,592 |
| Purchase of property and equipment | | 1,882,442 | — | (1,882,442) | — | — |
| Deferred property and equipment contributions | 8 | (1,647,244) | — | 1,647,244 | — | — |
| Vehicle loan repayments | | 2,051 | — | (2,051) | — | — |
| Balance, end of year | | 1,282,276 | 11,291,861 | 4,657,407 | 17,231,544 | 15,394,026 |

* Comprised of amortization expense of \$900,079, less amortization of deferred property and equipment contributions of \$690,132

The accompanying notes and schedule are an integral part of the consolidated financial statements.

Association of Neighbourhood Houses of British Columbia
Consolidated statement of financial position
As at March 31, 2025

| | Notes | 2025 \$ | 2024 \$ |
|---|-------|-------------------|------------|
| Assets | | | |
| Current assets | | | |
| Cash | | 10,681,292 | 8,795,264 |
| Restricted cash | 10 | 749,037 | 749,014 |
| Accounts receivable | | 2,787,389 | 2,614,415 |
| Investments | 3 | 12,242,927 | 10,379,645 |
| Loan receivable | 4 | 206,455 | 204,943 |
| Prepaid expenses and other assets | | 341,650 | 311,237 |
| | | 27,008,750 | 23,054,518 |
| Loan receivable | 4 | 87,459 | 138,662 |
| Replacement reserve - restricted cash | 7 | 361,662 | 341,434 |
| Property and equipment | 5 | 15,594,936 | 14,612,573 |
| | | 43,052,807 | 38,147,187 |
| Liabilities | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | | 3,378,763 | 2,989,413 |
| Government remittances | | 72,183 | 50,828 |
| Current portion of vehicle loan | 14 | — | 2,051 |
| Deferred contributions | 6 | 7,695,992 | 6,013,885 |
| | | 11,146,938 | 9,056,177 |
| Deferred contributions for property and equipment | 8 | 14,312,663 | 13,355,550 |
| Replacement reserve | 7 | 361,662 | 341,434 |
| | | 25,821,263 | 22,753,161 |
| Commitments and contingencies | 15 | | |
| Net assets | | | |
| Invested in property and equipment | | 1,282,276 | 1,254,974 |
| Internally restricted | 9 | 11,291,861 | 10,286,861 |
| Unrestricted | | 4,657,407 | 3,852,191 |
| | | 17,231,544 | 15,394,026 |
| | | 43,052,807 | 38,147,187 |

The accompanying notes and schedule are an integral part of the consolidated financial statements.

Approved by the Board

 _____, Director
 _____, Director

Association of Neighbourhood Houses of British Columbia

Consolidated statement of cash flows

Year ended March 31, 2025

| | Notes | 2025 \$ | 2024 \$ |
|---|-------|--------------------|-------------|
| Operating activities | | | |
| Excess of revenue over expenses | | 1,837,518 | 1,941,592 |
| Items not affecting cash | | | |
| Amortization of deferred property and equipment contributions | | (690,132) | (700,640) |
| Amortization of property and equipment | | 900,079 | 843,810 |
| Unrealized gain on investments | | (307,663) | 379,322 |
| | | 1,739,802 | 2,464,084 |
| Changes in non-cash operating items | | | |
| Accounts receivable | | (172,974) | (157,173) |
| Restricted cash | | (23) | (6,627) |
| Prepaid expenses and other assets | | (30,412) | (56,465) |
| Accounts payable and accrued liabilities | | 389,350 | 90,904 |
| Government remittances | | 21,355 | (90,252) |
| Deferred contributions | 6 | 1,682,107 | 307,364 |
| | | 1,889,403 | 87,751 |
| | | 3,629,205 | 2,551,835 |
| Investing activities | | | |
| Purchase of property and equipment | | (1,882,442) | (1,689,875) |
| Purchases of investments, net | | (1,555,619) | (608,199) |
| Repayment (disbursement) of loan | | 49,691 | (106,437) |
| Replacement reserve - restricted cash | | (20,228) | 5,653 |
| | | (3,408,598) | (2,398,858) |
| Financing activities | | | |
| Replacement reserve | | 20,228 | (5,653) |
| Vehicle loan repayments | | (2,051) | (4,409) |
| Contributions for property and equipment | | 1,647,244 | 1,439,304 |
| | | 1,665,421 | 1,429,242 |
| Increase in cash | | 1,886,028 | 1,582,219 |
| Cash, beginning of year | | 8,795,264 | 7,213,045 |
| Cash, end of year | | 10,681,292 | 8,795,264 |

The accompanying notes and schedule are an integral part of the consolidated financial statements.

Association of Neighbourhood Houses of British Columbia

Notes to the consolidated financial statements

March 31, 2025

1. Description of operations

The Association of Neighbourhood Houses of British Columbia (the "Association") is a not-for-profit organization incorporated under the Societies Act of B.C. As a registered charity under the Income Tax Act of Canada, the Association is not subject to income taxes.

The Association is a community based organization devoted to the enhancement of neighbourhoods, and operates eight neighbourhood houses, the Sasamat Outdoor Centre, and other metropolitan services. The eight neighbourhood houses of the Association are as follows: Kitsilano, Cedar Cottage, Gordon, Alexandra, South Vancouver, Mount Pleasant, Marpole and Frog Hollow (collectively the "Houses").

In September 2024, under a transfer agreement, the Association took over the operations, including hiring all employees, of Hudson Child Care Society ("HCCS"), which included 20 licenced preschool spaces and 87 licenced school age group childcare spaces, operating at Hudson Elementary School in Vancouver. As there was neither inclusion of any HCCS board members on the Association's board as a result of this transfer agreement, nor control over HCCS as a result of the agreement, the transaction was considered neither a merger nor an acquisition in accordance with ASNPO. As at the date of transfer, the Association took over the HCCS net liabilities totalling \$17,335, with HCCS concurrently making a restricted contribution of \$400,000 to the Association. HCCS is expected to dissolve in 2025 and any remaining funds with HCCS at the time of dissolution will be transferred to the Association as a further restricted contribution.

The Association exercises control over:

- (a) ANHBC Neighbourhood Houses Foundation (incorporated in April 2013), a not-for-profit charitable organization which was created specifically to hold the land and building of the redeveloped Kitsilano Neighbourhood House.
- (b) ANHBC Arbutus Centre Housing Society (incorporated in March 2020), a not-for-profit organization which was created to manage 58 housing units at Arbutus development in Vancouver. The Society commenced operations in September 2021.
- (c) Alexandra Housing Society (incorporated in October 1984), a not-for-profit organization which owns and operates two residential buildings in Vancouver with the aim of providing quality affordable housing. In December 2023 Alexandra Housing Society appointed the Association's board as its members and directors.

The financial statements of Alexandra Housing Society (the "Society") are prepared in accordance with a special purpose framework in order to comply with the operating agreement with Canada Mortgage and Housing Corporation (CMHC). The operating agreement with CMHC is administered by the British Columbia Housing management Commission (BCHMC). The basis of accounting used in these financial statements materially differs from Canadian accounting standards for not-for-profit organizations as amortization on buildings purchased from loans guaranteed by CMHC and BCHMC is not recognized over useful life of these assets but rather at a rate equal to annual principal reduction of the related mortgages on the properties as required by CMHC and BCHMC. The land (leasehold) is also amortized at an amount equal to the applicable principal reduction of the related mortgage.

Association of Neighbourhood Houses of British Columbia

Notes to the consolidated financial statements

March 31, 2025

2. Significant accounting policies

These consolidated financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and reflect the following policies:

(a) Basis of presentation

These financial statements are consolidated and include the accounts of the two controlled not-for-profit organizations, ANHBC Neighbourhood Houses Foundation (the "Foundation") and ANHBC Arbutus Centre Housing Society (the "Society"). All inter-organization transactions and balances are eliminated on consolidation. The accounts of the Alexandra Housing Society are not consolidated in the Association's financial statements. The Association has reported the most recent financial information of Alexandra Housing Society in Note 18.

(b) Revenue recognition

The Association follows the deferral method of accounting for contributions. Grants received from governments, donations and fundraising revenues are accounted for as contributions.

Under this method, unrestricted contributions and unrestricted investment income 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 and restricted investment income are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of property and equipment are deferred and amortized into revenue at the amortization rate of the related property and equipment.

Earned income represents user fees for services rendered for childcare, camping and other programs by the Association. These fees are recognized as revenue when the services are provided.

Endowment contributions are recognized as direct increases in net assets when received.

Restricted grants and contributions received which relate to programs and events to be carried out in future fiscal years are reflected as deferred contributions.

Government assistance is recorded in the financial statements when there is reasonable assurance that the Association has complied with, and will continue to comply with, all conditions necessary to obtain the assistance.

(c) Donated materials and services

The Association does not record the value of donated materials and services, other than property and equipment, as the fair value is not readily determinable.

Association of Neighbourhood Houses of British Columbia

Notes to the consolidated financial statements

March 31, 2025

2. Significant accounting policies (continued)

(d) Property and equipment

Purchased and constructed property and equipment are recorded at cost less accumulated amortization. Contributed property and equipment are recorded at fair market value at the date of contribution. Amortization is recorded over the estimated useful service lives of the assets on a straight-line basis as follows:

| | |
|--|----------|
| Buildings | 20 years |
| Building – Kitsilano Neighbourhood House | 40 years |
| Electronic equipment | 4 years |
| Furniture and fixtures | 5 years |
| Leasehold improvements | 20 years |
| Software | 3 years |
| Vehicles | 5 years |

For property under construction, amortization is recorded when the asset is brought into use.

When conditions indicate that a tangible capital asset is impaired, the net carrying amount of the tangible capital asset shall be written down to the asset's fair value or replacement cost. The write-downs of tangible capital assets shall be accounted for as expenses in the statement of operations. A write-down shall not be reversed.

(e) Financial instruments

Financial assets and financial liabilities are initially recognized at fair value when the Association becomes a party to the contractual provisions of the financial instrument.

Subsequently, all financial instruments are measured at amortized cost except for the following instruments:

- (i) Investments in unlisted shares, which are measured at cost less any reduction for impairment; and
- (ii) Investments in mutual funds, which are measured at fair value.

Changes in unrealized gains and losses on investments measured at fair value, and realized gains and losses on sale of investments, are included in the statement of operations in the period incurred.

With respect to financial assets measured at cost or amortized cost, the Association recognizes in the statement of operations an impairment loss, if any, when there are indicators of impairment and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases, and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed in the statement of operations in the period the reversal occurs.

(f) Use of estimates

The preparation of consolidated financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets at the date of the consolidated financial statements. Accounts that require significant estimates in determining the stated amounts include the estimated useful lives of property and equipment. Actual results could differ from the estimates.

Association of Neighbourhood Houses of British Columbia

Notes to the consolidated financial statements

March 31, 2025

2. Significant accounting policies (continued)

(g) Allocation of common expenses

The Association follows a fee for service principle for allocating certain common administration, human resources management and financial services expenses amongst the Houses. Central Services expenses of \$2,212,813 (\$1,837,676 in 2024) are allocated proportionate to the expenses of the Houses. Additional Central Services administration expenses of \$3,000 (\$3,000 in 2024) were charged to Kitsilano Neighbourhood House for the housing project.

(h) Pension plan

The Association maintains a multi-employer defined benefit pension plan for its employees, which provides pension benefits based on length of service and earnings. The pension plan is accounted for using defined contribution plan accounting, as sufficient information to account for this plan as a defined benefit plan is not available.

3. Investments

| | 2025 \$ | 2024 \$ |
|--|-------------------|-------------------|
| Mutual funds (measured at fair value) | 9,221,278 | 8,583,995 |
| Term deposits (measured at amortized cost) | 3,011,599 | 1,785,600 |
| Unlisted shares (measured at cost) | 10,050 | 10,050 |
| | 12,242,927 | 10,379,645 |

Term deposits earn interest at 3.65% to 5.45% per annum and mature within twelve months.

4. Loan receivable and related party transactions

In June 2019, the Association provided an unsecured demand loan of \$100,000 to Alexandra Housing Society. An additional \$100,000 and \$65,000 was disbursed in January 2021 and June 2021. The loan carries interest at 3% per annum, is due on demand, and repayable in equal monthly installments (including interest) of \$5,000, starting in September 2022 and ending in September 2027. Outstanding balance of this loan as at March 31, 2025 was \$143,914, current portion \$56,455 (\$193,605, current portion \$54,943 in 2024). As of January 2024, the Association and the Alexandra Housing Society have the same board of directors, resulting in the Association controlling the Alexandra Housing Society.

In November 2023, the Association advanced \$150,000 to MAC Development and Housing Society, where the Association is one of the three founding members and an Association staff is one of the three directors. The advance is interest free and is expected to be repaid before March 31, 2026. Outstanding balance of this loan as at March 31, 2025 was \$150,000 (\$150,000 in 2024).

Association of Neighbourhood Houses of British Columbia

Notes to the consolidated financial statements

March 31, 2025

5. Property and equipment

| | Cost \$ | Accumulated amortization \$ | 2025 Net book value \$ | 2024 Net book value \$ |
|---|-------------------|-----------------------------------|---------------------------------|---------------------------------|
| Land | 337,472 | — | 337,472 | 337,472 |
| Buildings | 11,191,111 | 6,559,173 | 4,631,938 | 3,368,498 |
| Building – Kitsilano Neighbourhood House | 11,942,349 | 3,022,715 | 8,919,634 | 9,137,283 |
| Electronic equipment | 2,654,792 | 2,274,057 | 380,735 | 402,365 |
| Furniture and fixtures | 1,080,541 | 970,998 | 109,543 | 126,052 |
| Leasehold improvements | 7,248,801 | 6,158,202 | 1,090,599 | 1,132,001 |
| Vehicles | 1,056,961 | 931,946 | 125,015 | 108,902 |
| | 35,512,027 | 19,917,091 | 15,594,936 | 14,612,573 |

6. Deferred contributions

| | 2025 \$ | 2024 \$ |
|--|------------------|------------------|
| Beginning balance | 6,013,885 | 5,706,521 |
| Add: contributions received during the year | 6,916,776 | 5,534,745 |
| Less: amount recognized as revenue during the year | (5,234,669) | (5,227,381) |
| Ending balance | 7,695,992 | 6,013,885 |

Deferred contributions represent restricted contributions designated for expenditure in future periods for programs being administered across the various Neighbourhood Houses.

7. Replacement reserve

In fiscal year 2013, the Association entered into an operator agreement with British Columbia Housing Management Commission ("BCHMC") to manage a seniors' housing complex consisting of 30 units at 8th Avenue and Vine Street and 15 units at 7th Avenue and Vine Street in Vancouver. The operator agreement requires the Association to maintain a replacement reserve designated for capital repairs, replacements and improvements on the building. The changes in the replacement reserve balance are as follows:

| | 2025 \$ | 2024 \$ |
|---------------------------------|----------------|----------------|
| Beginning balance | 341,434 | 347,087 |
| Add: contributions for the year | 49,122 | 50,018 |
| Less: expensed during the year | (28,894) | (55,671) |
| Balance, end of year | 361,662 | 341,434 |

Association of Neighbourhood Houses of British Columbia

Notes to the consolidated financial statements

March 31, 2025

8. Deferred contributions related to property and equipment

Deferred contributions related to property and equipment represent contributions received where the donor has restricted their usage to property and equipment purchased or constructed by the Association. The changes in the deferred contributions balance for the year are as follows:

| | 2025 \$ | 2024 \$ |
|---|------------|------------|
| Beginning balance | 13,355,550 | 12,616,886 |
| Add: contributions received during the year | 1,647,245 | 1,439,304 |
| Less: amounts amortized to operations | (690,132) | (700,640) |
| Ending balance | 14,312,663 | 13,355,550 |

9. Net assets internally restricted

As at March 31, 2025, the Association's Board of Directors has internally restricted net assets of \$11,291,861 (\$10,286,861 in 2024) to be used for a variety of purposes. Of this amount, \$9,070,000 (\$8,525,000 in 2024) has been restricted for property and equipment and \$2,221,861 (\$1,761,861 in 2024) for working capital and contingencies. These internally restricted amounts are not available for other uses or programs without approval of the Board of Directors.

10. Restricted cash

Of the cash balance at March 31, 2025, \$749,037 (\$749,014 in 2024) relates to unspent gaming funds. The use of gaming funds is restricted under the Gaming Control Act of B.C. An equivalent amount is included in the balance of deferred contributions (Note 6). Management expects to spend these funds within the next fiscal year.

11. Vancouver Foundation endowment fund

The Association established a permanent endowment fund with the Vancouver Foundation. The Association contributed \$460,000, which has been partially matched by a contribution by the Vancouver Foundation of \$450,000, for a total endowment fund of \$910,000 (\$910,000 in 2024). The fund is administered by the Vancouver Foundation, which distributes the earnings of the fund quarterly to the Association. Income from the Vancouver Foundation in the amount of \$85,271 (\$82,340 in 2024) has been included in investment income for the year.

12. Operating line of credit

The Association has an unsecured operating line of credit of up to \$150,000 bearing interest at the bank prime rate plus 1 % per annum. As at March 31, 2025 and 2024, this facility was unused.

Association of Neighbourhood Houses of British Columbia

Notes to the consolidated financial statements

March 31, 2025

13. Pension plan

The Association is a member of a non-collectively bargained multi-employer defined benefit pension plan administered by the United Way of British Columbia (UWBC). The employer contribution rate to the plan is 175% of employee contributions.

In September 2023, the UWBC board decided to wind up the pension plan with an effective date of December 31, 2023. Application for plan wind up was approved by BCFSa. The most recent actuarial wind-up valuation as at December 31, 2023 estimates that the assets under administration exceed the accrued liability for pension benefits by \$7.06 million. The employees and the Association stopped contributing to the plan as of December 31, 2023. The members of the plan have exercised their options related to their accrued benefits under this plan. The total pension expense for this plan of \$Nil (April – December, 2023 - \$1,104,401) is included in salaries and benefits in the statement of operations.

The Association joined BC's Municipal Pension Plan (MPP), a jointly trustee pension plan on January 1, 2024. The Board of Trustees, representing the 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 defined benefit pension plan. The Plan has about 420,000 active, inactive and retired members and their employers.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The latest valuation was done at December 31, 2021, which showed the Plan's basic account, which pays lifetime pensions, was 105.3 per cent funded with actuarial assets of \$74.13 billion and actuarial liabilities of \$70.37 billion. The actuary does not attribute portions of the surplus to individual employers and \$3.76 billion of the surplus will be put into a rate stabilization account, which will help offset potential future contribution rate increases.

The current contribution rates under this plan are 9.31% (employer) and 8.61% (employee). The total pension expense of \$2,107,356 (January – March 2024 - \$503,824) is included in salaries and benefits.

14. Vehicle loan

The Association has entered into financing arrangements for the purchase of a passenger van for program use. The details are as follows:

- In September 2016, a loan of \$31,789 for a term of 8 years. The interest rate for the loan is 3.49% per annum and the amount is payable in equal bi-weekly installments of \$175.

The loan is secured against the passenger van. The loan was paid off in September 2024. The total amount outstanding as at March 31, 2025 was nil (\$2,051 in 2024) with a current portion of nil (\$2,051 in 2024).

Association of Neighbourhood Houses of British Columbia

Notes to the consolidated financial statements

March 31, 2025

15. Commitments and contingencies

The Association leases several business premises and equipment under operating lease agreements. Minimum annual payments are as follows:

| | \$ |
|------------|------------------|
| 2026 | 387,242 |
| 2027 | 281,145 |
| 2028 | 226,424 |
| 2029 | 148,996 |
| 2030 | 148,996 |
| Thereafter | 111,747 |
| | <u>1,304,550</u> |

ANHBC Arbutus Housing Society is obligated to pay basic rent on a premise lease of \$10 per year. As the units are leased to third party tenants, ANHBC earns an administrative fee and expense recovery with any additional net rent received paid to the landlord as additional rent payable under the lease agreement. The additional rent is subject to occupancy and rent rates received from third parties. Due to the uncertainty surrounding the additional rent it has not been included in the table above.

As at the date of these financial statements, there are three pending litigations against the Association. With respect to these claims, management believes the Association has valid defenses and appropriate insurance coverage in place. Accordingly, no provision has been made in these financial statements for any liability that may result. In the event that any of these claims are successful, management believes they will not have a material effect on the Association's financial position or results from operations.

16. Financial instruments and risk management

(a) Credit risk

Credit risk is the risk that a counter party will fail to perform its obligations as they come due. The Association is exposed to credit risk on its accounts receivable, loans receivable, cash balances and term deposits held as investments. However, the credit risk rising from accounts receivable is mitigated as the Association has a number of donors and funders, including governments, and does not have significant exposure to any individual counterparty. Additionally, the majority of cash balances and term deposits are held at credit unions and are guaranteed by the Credit Union Deposit Insurance Corporation.

(b) Interest rate risk

The Association is not exposed to cash flow interest rate risk from its investments, loans receivable and vehicle loan payable as these instruments are at fixed interest rates. The Association is exposed to interest rate changes on reinvestment of its investments. The Association does not use derivative instruments to reduce its exposure to interest rate risk.

(c) Liquidity risk

The Association's objective is to have sufficient liquidity to meet its liabilities when due. The Association monitors its cash balances and cash flows generated from operations to meet its requirements. As at March 31, 2025, the most significant financial liabilities are accounts payable and accrued liabilities.

Association of Neighbourhood Houses of British Columbia

Notes to the consolidated financial statements

March 31, 2025

16. Financial instruments and risk management (continued)

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Association is exposed to market risk as the investments in mutual funds are subject to fluctuations due to price changes on the market. The prices can also be affected by changes in interest rates and foreign currency exchange rates.

17. Disclosure of Director, employee and contractor remuneration

For the fiscal years ended March 31, 2025 and March 31, 2024, the Association did not remunerate the directors for attending meetings as these are volunteer positions. The Association paid total remuneration of \$1,580,380 (\$1,490,941 in 2024) to its top ten employees who received total annual remuneration of \$75,000 or greater.

18. Alexandra Housing Society

The summary information below relating to the Society is for the year ended July 31, 2024 and the period ended March 31, 2025:

| | March 31, 2025 | July 31, 2024 |
|-------------------------------------|-----------------------|---------------|
| | \$ | \$ |
| Assets | 1,089,748 | 1,208,828 |
| Liabilities | 318,577 | 414,944 |
| Net Assets | 771,171 | 793,884 |
| Revenue and expenses | | |
| Revenue | 389,498 | 581,499 |
| Expense | 388,748 | 495,568 |
| Excess of revenue over expenses | 750 | 85,931 |
| Cash flows | | |
| Cash generated by operations | 100,795 | 274,591 |
| Cash (used in) investing activities | (30,157) | (57,860) |
| Cash (used in) financing activities | (104,054) | (142,491) |
| Increase (decrease) in cash | (33,416) | 74,240 |

Association of Neighbourhood Houses of British Columbia
Schedule 1 – Schedule of consolidated operating revenue and expenses
Year ended March 31, 2025

| | Central Office | Kitsilano N.H. | Cedar Cottage N.H. | Gordon N.H. | Alexandra N.H. | South Vancouver N.H. | Mt. Pleasant N.H. | Frog Hollow N.H. | Marpole N.H. | Sasamat Outdoor Centre | ANHBC Arbutus Centre Housing Society | Inter-house/ Inter-entity Eliminations | 2025 Total | 2024 Total |
|--|-------------------|-------------------|--------------------------|----------------|-------------------|----------------------------|-------------------------|------------------------|-----------------|------------------------------|--|--|---------------|---------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Revenue | | | | | | | | | | | | | | |
| Province of British Columbia | — | 1,932,710 | 1,996,094 | 561,156 | 5,553,578 | 3,946,300 | 882,208 | 4,216,931 | 1,114,267 | — | | (305,601) | 19,897,643 | 16,056,899 |
| Federal government | — | 107,608 | 126,540 | 66,857 | 15,575 | 2,880,456 | 1,355,030 | 2,460,914 | 32,968 | 97,060 | | | 7,143,008 | 5,725,574 |
| Earned income | 2,300,875 | 2,212,918 | 1,448,290 | 196,432 | 2,590,201 | 640,358 | 615,864 | 1,588,820 | 796,009 | 1,570,562 | 1,012,765 | (2,388,318) | 12,584,776 | 10,810,584 |
| Contributions from Foundations | 449,803 | 100,643 | 81,047 | 193,730 | 254,012 | 401,476 | 94,782 | 59,842 | 10,000 | 6,600 | | | 1,651,935 | 1,695,335 |
| United Way | | 551,610 | 61,178 | 274,966 | 175,969 | 1,035,197 | 404,509 | 228,083 | 80,225 | — | | | 2,811,737 | 2,093,441 |
| City of Vancouver | 73,137 | 284,057 | 496,881 | 179,435 | — | 538,582 | 625,583 | 262,197 | 221,491 | — | | | 2,681,363 | 1,801,071 |
| Other contributions and miscellaneous income | 11,492 | 96,998 | 202 | 147,298 | 15,965 | 196,326 | 103,500 | 61,845 | 4,864 | 34,996 | | | 673,486 | 931,545 |
| Gaming | 72,500 | 37,000 | 40,500 | 99,400 | 97,200 | 100,000 | 93,100 | 82,300 | 33,000 | 62,000 | | | 717,000 | 696,144 |
| Investment income | 302,817 | 50,553 | 231,352 | 50,708 | 3,355 | 131,031 | 52,524 | 63,152 | 17,920 | 104,903 | | | 1,008,315 | 1,889,288 |
| Donations and fund raising | 26,262 | 123,205 | 7,384 | 13,021 | 33,811 | 51,359 | 80,566 | 44,168 | 6,522 | 9,234 | 26,379 | | 421,911 | 340,821 |
| | 3,236,886 | 5,497,302 | 4,489,468 | 1,783,003 | 8,739,666 | 9,921,085 | 4,307,666 | 9,068,252 | 2,317,266 | 1,885,355 | 1,039,144 | (2,693,919) | 49,591,174 | 42,040,702 |
| Expenses | | | | | | | | | | | | | | |
| Salaries and benefits | 1,853,776 | 3,863,971 | 2,976,817 | 1,245,842 | 6,634,205 | 7,231,042 | 3,193,086 | 6,892,297 | 1,806,699 | 1,032,979 | | | 36,730,714 | 29,800,457 |
| Program, food and transportation | 147,798 | 270,372 | 221,661 | 128,768 | 434,189 | 695,696 | 244,517 | 763,758 | 71,403 | 337,092 | | | 3,315,254 | 3,025,786 |
| Building occupancy | 104,396 | 549,757 | 254,091 | 76,209 | 620,397 | 460,945 | 303,331 | 684,071 | 103,823 | 210,464 | 833,256 | | 4,200,740 | 3,693,224 |
| Purchased services and subcontracts | 582,201 | 304,861 | 468,814 | 191,570 | 655,855 | 1,164,108 | 460,551 | 788,501 | 144,428 | 98,037 | 172,505 | (2,693,919) | 2,337,512 | 1,980,428 |
| Office expenses | 80,173 | 57,672 | 25,024 | 22,882 | 145,166 | 106,679 | 41,348 | 77,446 | 17,795 | 25,232 | 880 | | 600,297 | 536,184 |
| Other expenses | 138,536 | 48,584 | 26,755 | 16,634 | 77,717 | 134,294 | 40,283 | 110,988 | 19,282 | 47,658 | 6,124 | | 666,855 | 540,539 |
| | 2,906,880 | 5,095,217 | 3,973,162 | 1,681,905 | 8,567,529 | 9,792,764 | 4,283,116 | 9,317,061 | 2,163,430 | 1,751,462 | 1,012,765 | (2,693,919) | 47,851,372 | 39,576,618 |
| Excess (deficiency) of revenue over expenses (before amortization and unrealized gain (loss) on investments) | 330,006 | 402,085 | 516,306 | 101,098 | 172,137 | 128,321 | 24,550 | (248,809) | 153,836 | 133,893 | 26,379 | — | 1,739,802 | 2,464,084 |
| Prior year (deficiency) excess of revenue over expenses (before amortization and unrealized gain (loss) on investments) | 391,244 | (166,200) | 728,937 | 75,008 | (92,173) | 443,454 | 244,801 | 383,338 | 22,754 | 402,738 | 30,183 | | 2,464,084 | 1,135,420 |