Consolidated financial statements of

Association of Neighbourhood Houses of British Columbia

March 31, 2024

Deloitte LLP
410 W. Georgia Street
Vancouver BC V6B 0S7
Canada

Tel: 604-669-4466
Fax: 604-685-0395
www.deloitte.ca

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, 2024, and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, 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, 2024, 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Association to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Deloitte LLP

Chartered Professional Accountants
June 18, 2024

Association of Neighbourhood Houses of British Columbia
Consolidated statement of operations
Year ended March 31, 2024

	Notes	2024 $	2023 $
Revenue (Schedule 1)			
Province of British Columbia		**16,056,899**	11,288,231
Federal government		**5,725,574**	4,308,684
Earned income		**10,810,584**	11,197,420
Contributions from foundations		**1,695,335**	1,926,534
United Way		**2,093,441**	1,921,036
City of Vancouver		**1,801,071**	1,382,310
Other contributions and miscellaneous income		**931,545**	678,495
Gaming		**696,144**	801,939
Investment income	11	**1,889,288**	628,998
Donations and fundraising		**340,821**	325,107
		42,040,702	34,458,754
Expenses (Schedule 1)			
Salaries and benefits	13 and 17	**29,800,457**	25,253,903
Program, food and transportation		**3,025,786**	2,501,812
Building occupancy		**3,693,224**	3,037,909
Purchased services and subcontracts		**1,980,428**	1,568,635
Office expenses		**536,184**	501,560
Other expenses		**540,539**	459,515
		39,576,618	33,323,334
Excess of revenue over expenses from operations (Schedule 1 before the undernoted)		**2,464,084**	1,135,420
Amortization of deferred property and equipment contributions	8	**700,640**	642,858
Amortization of property and equipment		**(843,810)**	(782,484)
Unrealized (loss) on investments		**(379,322)**	(312,362)
Excess of revenue over expenses		**1,941,592**	683,432

The accompanying notes 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, 2024

	Notes	Invested in property and equipment $	Internally restricted $ (Note 9)	Unrestricted $	2024 Total $	2023 Total $
Balance, beginning of year		**1,143,164**	**9,400,213**	**2,909,057**	**13,452,434**	12,769,002
Excess of revenue over expenses		**(143,170)**	**886,648**	**1,198,114**	**1,941,592**	683,432
Purchase of property and equipment		**1,689,875**	**—**	**(1,689,875)**	**—**	—
Deferred property and equipment contributions	8	**(1,439,304)**	**—**	**1,439,304**	**—**	—
Vehicle loan repayments		**4,409**	**—**	**(4,409)**	**—**	—
Balance, end of year		**1,254,974**	**10,286,861**	**3,852,191**	**15,394,026**	13,452,434

* Comprised of amortization expense of $843,810, less amortization of deferred property and equipment contributions of $700,640.

The accompanying notes 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, 2024

	Notes	2024 $	2023 $
Assets			
Current assets			
Cash		**8,795,264**	7,213,045
Restricted cash	10	**749,014**	742,387
Accounts receivable		**2,614,415**	2,457,242
Investments	3	**10,379,645**	10,150,768
Loan receivable	4	**204,943**	53,618
Prepaid expenses and other assets		**311,237**	254,772
		23,054,518	20,871,832
Loan receivable	4	**138,662**	183,550
Replacement reserve - restricted cash	7	**341,434**	347,087
Property and equipment	5	**14,612,573**	13,766,508
		38,147,187	35,168,977
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**2,989,413**	2,898,509
Government remittances		**50,828**	141,080
Current portion of vehicle loan	14	**2,051**	4,409
Deferred contributions	6	**6,013,885**	5,706,521
		9,056,177	8,750,519
Deferred contributions for property and equipment	8	**13,355,550**	12,616,886
Replacement reserve	7	**341,434**	347,087
Vehicle loan	14	**—**	2,051
		22,753,161	21,716,543
Commitments and contingencies	15		
Net assets			
Invested in property and equipment		**1,254,974**	1,143,164
Internally restricted	9	**10,286,861**	9,400,213
Unrestricted		**3,852,191**	2,909,057
		15,394,026	13,452,434
		38,147,187	35,168,977

The accompanying notes 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, 2024

	Notes	2024 $	2023 $
Operating activities			
Excess of revenue over expenses		**1,941,592**	683,432
Items not affecting cash			
Amortization of deferred property and equipment contributions		**(700,640)**	(642,858)
Amortization of property and equipment		**843,810**	782,484
Unrealized gain on investments		**379,322**	312,362
		2,464,084	1,135,420
Changes in non-cash operating items			
Accounts receivable		**(157,173)**	(833,752)
Restricted cash		**(6,627)**	86,166
Prepaid expenses and other assets		**(56,465)**	(30,611)
Accounts payable and accrued liabilities		**90,904**	231,116
Government remittances		**(90,252)**	37,041
Deferred contributions	6	**307,364**	(704,106)
		87,751	(1,214,146)
		2,551,835	(78,726)
Investing activities			
Purchase of property and equipment		**(1,689,875)**	(943,771)
Purchases of investments, net		**(608,199)**	(1,030,714)
(Disbursement) repayment of loan		**(106,437)**	27,832
Replacement reserve - restricted cash		**5,653**	(25,812)
		(2,398,858)	(1,972,465)
Financing activities			
Replacement reserve		**(5,653)**	25,812
Vehicle loan repayments		**(4,409)**	(4,258)
Contributions for property and equipment		**1,439,304**	572,959
		1,429,242	594,513
Increase (decrease) in cash		**1,582,219**	(1,456,678)
Cash, beginning of year		**7,213,045**	8,669,723
Cash, end of year		**8,795,264**	7,213,045

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

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").

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.

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.

2. Significant accounting policies (continued)

(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.

(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.

2. Significant accounting policies (continued)

(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.

(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 $1,837,676 ($1,541,043 in 2023) are allocated proportionate to the expenses of the Houses. Additional Central Services administration expenses of $3,000 ($3,000 in 2023) 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

	2024	2023
	$	$
Mutual funds (measured at fair value)	**8,583,995**	7,745,137
Term deposits (measured at amortized cost)	**1,785,600**	2,395,581
Unlisted shares (measured at cost)	**10,050**	10,050
	10,379,645	10,150,768

Term deposits earn interest at 5.6% to 5.75% 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, 2024 was $193,605, current portion $54,943 (2023 - $237,168, current portion $53,618). 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 repayable on or before March 31, 2025. Outstanding balance of this loan as at March 31, 2024 was $150,000 (2023 - nil).

5. Property and equipment

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
	$	$	$	$
Land	**337,472**	**—**	**337,472**	337,472
Buildings	**9,644,703**	**6,276,205**	**3,368,498**	2,826,236
Building – Kitsilano Neighbouhood House	**11,862,440**	**2,725,157**	**9,137,283**	9,362,780
Electronic equipment	**2,497,020**	**2,094,655**	**402,365**	284,941
Furniture and fixtures	**1,056,448**	**930,396**	**126,052**	78,299
Leasehold improvements	**7,221,701**	**6,089,700**	**1,132,001**	853,921
Vehicles	**1,009,802**	**900,900**	**108,902**	22,859
	33,629,586	**19,017,013**	**14,612,573**	13,766,508

6. Deferred contributions

	2024	2023
	$	$
Beginning balance	**5,706,521**	6,410,627
Add: contributions received during the year	**5,534,745**	5,320,334
Less: amount recognized as revenue during the year	**(5,227,381)**	(6,024,440)
Ending balance	**6,013,885**	5,706,521

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:

	2024	2023
	$	$
Beginning balance	**347,087**	321,275
Add: contributions for the year	**50,018**	45,363
Less: expensed during the year	**(55,671)**	(19,551)
Balance, end of year	**341,434**	347,087

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:

	2024	2023
	$	$
Beginning balance	**12,616,886**	12,686,785
Add: contributions received during the year	**1,439,304**	572,959
Less: amounts amortized to operations	**(700,640)**	(642,858)
Ending balance	**13,355,550**	12,616,886

9. Net assets internally restricted

As at March 31, 2024, the Association's Board of Directors has internally restricted net assets of $10,286,861 ($9,400,213 in 2023) to be used for a variety of purposes. Of this amount, $8,525,000 ($7,870,000 in 2023) has been restricted for property and equipment, nil for fund development ($28,352 in 2023) and $1,761,861 ($1,501,861 in 2023) 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, 2024, $749,014 ($742,387 in 2023) 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 2023). 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 $82,340 ($81,807 in 2023) 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, 2024 and 2023, this facility was unused.

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 is pending with BCFSA and the approval is expected in August 2024. 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. Once the wind up is approved, the members of the plan will be provided with the options related to their accrued benefits under this plan. The total pension expense for this plan of $1,104,401 (April 1 – Dec 31, 2023) ($1,314,276 – April 1, 2022 - March 31, 2023) is included in salaries and benefits in the statement of operations.

As of January 1, 2024, the Association joined BC's Municipal Pension Plan (MPP), a jointly trusteed pension plan. 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 $503,824 (Jan 1, 2024 – March 31, 2024) (2023 - nil) for this plan 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 total amount outstanding as at March 31, 2024 was $2,051 ($6,460 in 2023) with a current portion of $2,051 ($4,409 in 2023). The loan will be repaid in full in September 2024.

15. Commitments and contingencies

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

	$
2025	484,635
2026	211,705
2027	212,800
2028	215,408
2029	142,456
Thereafter	142,456
	1,409,460

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 two 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.

16. Financial instruments and risk management (continued)

(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, 2024, the most significant financial liabilities are accounts payable and accrued liabilities.

(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, 2024 and March 31, 2023, the Association did not remunerate the directors for attending meetings as these are volunteer positions. The Association paid total remuneration of $1,490,941 ($1,483,675 in 2023) 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 as at and for the year ended July 31, 2023, which is different than the March 31, 2024 current year end for the Association:

	31-Jul-23	31-Jul-22
	$	$
Assets	**1,220,880**	1,299,948
Liabilities	**516,304**	680,311
Net Assets	**704,576**	619,637
Revenue and expenses		
Revenue	**552,251**	520,476
Expense	**434,032**	422,696
Excess of revenue over expenses	**118,219**	97,780
Cash flows		
Cash generated by operations	**263,279**	220,120
Cash (used in) investing activities	**(65,719)**	(170,756)
Cash (used in) financing activities	**(174,838)**	(98,470)
Increase (decrease) in cash	**22,722**	(49,106)

Association of Neighbourhood Houses of British Columbia

Schedule 1 – Schedule of consolidated operating revenue and expenses

Year ended March 31, 2024

	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 $	2024 Total $	2023 Total $
Revenue														
Province of British Columbia	2,784	1,503,275	1,721,172	456,043	4,294,920	3,711,400	716,764	3,804,025	86,960	10,607	—	(251,051)	16,056,899	11,288,231
Federal government		48,610	84,141	53,326	33,913	1,808,428	1,235,131	2,352,711	26,064	83,250	—	—	5,725,574	4,308,684
Earned income	1,931,629	1,746,255	1,490,829	158,954	1,996,737	732,032	593,896	1,575,002	108,116	1,504,670	973,442	(2,000,978)	10,810,584	11,197,420
Contributions from Foundations	377,658	147,959	73,006	176,161	211,124	553,668	58,472	57,287	40,000	—	—	—	1,695,335	1,926,534
United Way		198,305	38,719	245,488	195,773	811,764	343,853	200,800	58,739	—	—	—	2,093,441	1,921,036
City of Vancouver	72,787	167,148	250,228	162,541	—	265,459	246,358	280,169	356,381	—	—	—	1,801,071	1,382,310
Other contributions and miscellaneous income	5,745	162,329	8,971	131,675	16,679	407,693	135,253	47,335	517	15,348	—	—	931,545	678,495
Gaming	72,500	—	60,000	90,644	97,200	100,000	96,500	82,300	35,000	62,000	—	—	696,144	801,939
Investment income	260,090	87,628	536,977	117,266	(6,426)	275,447	122,737	176,158	30,443	258,785	30,183	—	1,889,288	628,998
Donations and fund raising	26,468	39,259	24,002	25,714	59,007	39,012	73,539	33,102	11,912	8,806	—	—	340,821	325,107
	2,749,661	4,100,768	4,288,045	1,617,812	6,898,927	8,704,903	3,622,503	8,608,889	754,132	1,943,466	1,003,625	(2,252,029)	42,040,702	34,458,754
Expenses														
Salaries and benefits	1,576,808	3,147,458	2,868,610	1,157,676	5,270,102	5,725,338	2,654,535	6,016,873	483,415	899,642	—	—	29,800,457	25,253,903
Program, food and transportation	159,899	154,052	220,630	147,113	417,918	658,144	151,077	697,953	112,998	306,002	—	—	3,025,786	2,501,812
Building occupancy	96,984	603,912	161,866	79,984	446,246	521,546	173,303	559,474	40,999	186,324	822,586	—	3,693,224	3,037,909
Purchased services and subcontracts	364,563	275,764	258,271	108,553	658,878	1,170,613	323,860	765,363	77,028	81,088	148,476	(2,252,029)	1,980,428	1,568,635
Office expenses	48,118	49,168	18,414	22,896	127,305	85,159	47,453	96,506	12,232	26,980	1,953	—	536,184	501,560
Other expenses	112,045	36,614	31,317	26,582	70,651	100,649	27,474	89,382	4,706	40,692	427	—	540,539	459,515
	2,358,417	4,266,968	3,559,108	1,542,804	6,991,100	8,261,449	3,377,702	8,225,551	731,378	1,540,728	973,442	(2,252,029)	39,576,618	33,323,334
Excess (deficiency) 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
Prior year (deficiency) excess of revenue over expenses (before amortization and unrealized gain (loss) on investments)	(24,031)	88,977	360,603	84,050	(39,357)	240,442	154,764	78,099	(45,989)	215,133	22,729	—	1,135,420	1,128,960