

**KIWASSA NEIGHBOURHOOD SERVICES  
ASSOCIATION**

*A Not-For-Profit Organization*

**FINANCIAL STATEMENTS**

March 31, 2026

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INDEX TO FINANCIAL STATEMENTS

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## INDEPENDENT AUDITORS' REPORT

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To the Members of Kiwassa Neighbourhood Services Association:

### *Opinion*

We have audited the accompanying financial statements of Kiwassa Neighbourhood Services Association ("the Association"), which comprise the statement of financial position as at March 31, 2026, and the statements of operations, changes in net assets and cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies (the "financial statements").

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2026 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### *Basis for Opinion*

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

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

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

In preparing the financial statements, management is responsible for assessing the 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 management's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not guaranteed that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

*Report on the Audit of the Financial Statements*

*Report on Other Legal and Regulatory 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.

*Galloway Battelle & Company*

Chartered Professional Accountants  
Vancouver, BC  
August 28, 2026

**KIWASSA NEIGHBOURHOOD SERVICES ASSOCIATION****STATEMENT OF OPERATIONS**

For the year ended March 31, 2026

|                                                                                  | 2026                | %            | 2025             | %            |
|----------------------------------------------------------------------------------|---------------------|--------------|------------------|--------------|
| <b>Revenue</b>                                                                   |                     |              |                  |              |
| Province of BC (Note 2)                                                          | \$ 4,822,479        | 58.9         | 4,416,027        | 57.1         |
| Government of Canada                                                             | 660,104             | 8.1          | 930,074          | 12.0         |
| User fees                                                                        | 610,804             | 7.5          | 557,552          | 7.2          |
| Recognition of prior year deferred revenue                                       | 403,076             | 4.9          | 323,665          | 4.2          |
| United Way                                                                       | 320,806             | 3.9          | 353,567          | 4.6          |
| City of Vancouver                                                                | 275,109             | 3.4          | 294,692          | 3.8          |
| Hastings Entertainment                                                           | 224,727             | 2.7          | 204,660          | 2.6          |
| Vancouver Coastal Health                                                         | 197,583             | 2.4          | 183,048          | 2.4          |
| Gaming revenue                                                                   | 115,000             | 1.4          | -                | -            |
| Donations                                                                        | 102,959             | 1.3          | 82,036           | 1.1          |
| Investment income                                                                | 68,714              | 0.8          | 140,438          | 1.8          |
| Fundraising and grants                                                           | 66,104              | 0.8          | 118,263          | 1.5          |
| Administration fees (Note 16)                                                    | 56,671              | 0.7          | 54,297           | 0.7          |
| BC Housing                                                                       | 50,676              | 0.6          | 35,407           | 0.5          |
| Vancouver Foundation                                                             | 46,252              | 0.6          | 34,483           | 0.4          |
| Rental income                                                                    | 12,199              | 0.1          | 6,228            | 0.1          |
| Kiwassa Endowment Fund                                                           | 5,978               | 0.1          | 4,693            | 0.1          |
|                                                                                  | <u>8,039,241</u>    | <u>98.2</u>  | <u>7,739,130</u> | <u>100.1</u> |
| Less: contributions received for capital purchases                               | (5,113)             | -            | (163,250)        | -            |
| Add: amortization of deferred contributions<br>related to property and equipment | <u>156,778</u>      | <u>1.8</u>   | <u>161,095</u>   | <u>(0.1)</u> |
|                                                                                  | <u>8,190,906</u>    | <u>100.0</u> | <u>7,736,975</u> | <u>100.0</u> |
| <b>Expenses</b>                                                                  |                     |              |                  |              |
| Salaries and benefits (Note 2 and 12)                                            | 5,872,095           | 71.7         | 5,812,106        | 75.1         |
| Program supplies and expenses (Note 2)                                           | 1,362,495           | 16.6         | 1,146,138        | 14.8         |
| Professional fees                                                                | 572,705             | 7.0          | 405,154          | 5.2          |
| Building and equipment                                                           | 202,895             | 2.5          | 186,957          | 2.4          |
| Janitorial                                                                       | 113,799             | 1.4          | 137,015          | 1.8          |
| Bank and other service charges                                                   | 74,660              | 0.9          | 68,922           | 0.9          |
| Insurance                                                                        | 63,458              | 0.8          | 62,802           | 0.8          |
| Utilities and rent                                                               | 55,160              | 0.7          | 58,276           | 0.8          |
| Professional development                                                         | 37,074              | 0.5          | 66,079           | 0.9          |
| Volunteer expenses                                                               | 29,384              | 0.4          | 45,689           | 0.6          |
| Telephone                                                                        | 27,729              | 0.3          | 49,776           | 0.6          |
| Transportation                                                                   | 21,433              | 0.3          | 18,727           | 0.2          |
| Office supplies and printing                                                     | 16,876              | 0.2          | 27,817           | 0.4          |
| Advertising and program development                                              | 8,466               | 0.1          | 24,821           | 0.3          |
|                                                                                  | <u>8,458,229</u>    | <u>103.4</u> | <u>8,110,279</u> | <u>104.8</u> |
| Amortization of property and equipment                                           | 228,456             | 2.8          | 230,251          | 3.0          |
| Write-down of receivables (Note 16)                                              | 120,411             | 1.5          | 17,229           | 0.2          |
|                                                                                  | <u>8,807,096</u>    | <u>107.7</u> | <u>8,357,759</u> | <u>108.0</u> |
| <b>Excess of expenses over revenue</b>                                           | <b>\$ (616,190)</b> | <b>(7.7)</b> | <b>(620,784)</b> | <b>(8.0)</b> |

See accompanying notes and schedules

**KIWASSA NEIGHBOURHOOD SERVICES ASSOCIATION**

## STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2026

|                                                   | Invested in<br>Capital Assets | Internally<br>Restricted | Unrestricted | 2026             | 2025      |
|---------------------------------------------------|-------------------------------|--------------------------|--------------|------------------|-----------|
| Balance, beginning of year - as previously stated | \$ 432,471                    | 2,035,941                | (192,477)    | <b>2,275,935</b> | 2,806,626 |
| Prior period adjustment (Note 2)                  | -                             | -                        | (90,093)     | <b>(90,093)</b>  | -         |
| As restated                                       | 432,471                       | 2,035,941                | (282,570)    | <b>2,185,842</b> | 2,806,626 |
| Investment in capital assets                      | 616,601                       | -                        | (616,601)    | -                | -         |
| Excess of expenses over revenue                   | (71,678)                      | -                        | (544,512)    | <b>(616,190)</b> | (620,784) |
| Transfers to program operations                   | -                             | (567,484)                | 567,484      | -                | -         |
| Balance, end of year                              | \$ 977,394                    | 1,468,457                | (876,199)    | <b>1,569,652</b> | 2,185,842 |

*See accompanying notes and schedules*

**KIWASSA NEIGHBOURHOOD SERVICES ASSOCIATION**

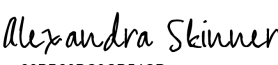
## STATEMENT OF FINANCIAL POSITION

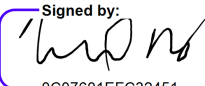
As at March 31, 2026

|                                                   | 2026                | 2025             |
|---------------------------------------------------|---------------------|------------------|
| <b>ASSETS</b>                                     |                     |                  |
| Current                                           |                     |                  |
| Cash (Note 4)                                     | \$ 483,424          | 574,487          |
| Accounts receivable (Note 6)                      | 465,997             | 682,831          |
| Prepaid expenses                                  | 56,432              | 51,464           |
|                                                   | <u>1,005,853</u>    | <u>1,308,782</u> |
| Restricted cash (Note 4)                          | 1,950,321           | 2,781,196        |
| Tangible capital assets (Note 7)                  | 2,542,831           | 2,159,444        |
|                                                   | <u>\$ 5,499,005</u> | <u>6,249,422</u> |
| <b>LIABILITIES</b>                                |                     |                  |
| Current                                           |                     |                  |
| Accounts payable and accrued liabilities (Note 8) | \$ 1,723,118        | 1,432,419        |
| <b>DEFERRED CONTRIBUTIONS</b>                     |                     |                  |
| Operating (Note 9)                                | 530,660             | 794,050          |
| Related to capital assets (Note 10)               | 1,675,575           | 1,837,111        |
|                                                   | <u>2,206,235</u>    | <u>2,631,161</u> |
| <b>NET ASSETS</b>                                 |                     |                  |
| Invested in tangible capital assets               | 977,394             | 432,471          |
| Internally restricted (Note 11)                   | 1,468,457           | 2,035,941        |
| Unrestricted                                      | (876,199)           | (282,570)        |
|                                                   | <u>1,569,652</u>    | <u>2,185,842</u> |
|                                                   | <u>\$ 5,499,005</u> | <u>6,249,422</u> |

See accompanying notes and schedules

Approved on behalf of the board:

Signed by:  
  
 8858208C9CB54CD...  
 President

Signed by:  
  
 0C07604EFC22461...  
 Treasurer

**KIWASSA NEIGHBOURHOOD SERVICES ASSOCIATION****STATEMENT OF CASH FLOWS**

For the year ended March 31, 2026

|                                                          | <b>2026</b>         | <b>2025</b> |
|----------------------------------------------------------|---------------------|-------------|
| <b>CASH USED FOR:</b>                                    |                     |             |
| Operating activities                                     |                     |             |
| Excess (deficiency) of revenue over expenses             | <b>\$ (616,190)</b> | (620,784)   |
| Non-cash items:                                          |                     |             |
| Amortization - net                                       | <b>71,678</b>       | 69,156      |
| Write-down of receivables                                | <b>120,411</b>      | 17,229      |
|                                                          | <b>(424,101)</b>    | (534,399)   |
| Changes in non-cash working capital:                     |                     |             |
| Accounts receivable                                      | <b>96,423</b>       | (263,936)   |
| Prepaid expenses                                         | <b>(4,965)</b>      | (25,845)    |
| Accounts payable and accrued liabilities                 | <b>290,699</b>      | 306,532     |
| Deferred operating contributions                         | <b>(263,390)</b>    | 30,869      |
|                                                          | <b>(305,334)</b>    | (486,779)   |
| Financing activities                                     |                     |             |
| Deferred contributions related to property and equipment | <b>(4,758)</b>      | 163,250     |
| Investing activities                                     |                     |             |
| Acquisition of tangible capital assets                   | <b>(611,846)</b>    | (237,969)   |
| Change in cash                                           | <b>(921,938)</b>    | (561,498)   |
| Cash, beginning of year                                  | <b>3,355,683</b>    | 3,917,181   |
| Cash, end of year                                        | <b>\$ 2,433,745</b> | 3,355,683   |
| Cash consist of:                                         |                     |             |
| Cash                                                     | <b>483,424</b>      | 574,487     |
| Restricted cash                                          | <b>1,950,321</b>    | 2,781,196   |
|                                                          | <b>2,433,745</b>    | 3,355,683   |

See accompanying notes and schedules

**KIWASSA NEIGHBOURHOOD SERVICES ASSOCIATION**

NOTES TO FINANCIAL STATEMENTS  
March 31, 2026

Note 1 Purpose of the organization

Kiwassa Neighbourhood Services Association is incorporated under the Societies Act of British Columbia as a not-for-profit organization and is a registered charity under the *Income Tax Act*.

The Association operates Kiwassa Neighbourhood House in East Vancouver, BC. Its philosophy is based on the belief that its community members should expect and receive community-based program services. Kiwassa Neighbourhood House provides programs and services that educate and empower people so that they may participate productively in their community. Kiwassa Neighbourhood House fosters personal, social and community development.

The Association's mission is to strive to identify areas and issues of greatest need within its targeted community. Kiwassa Neighbourhood House initiates programs and services to meet these needs. It strives to bring its neighbours together, encouraging them to share their experiences and friendship with each other. Kiwassa Neighbourhood House works cooperatively with other agencies to identify, develop and support programs and services offered elsewhere in its community, as well as those offered by the Association.

Note 2 Restatement of prior year figures

During the year, the Association determined that in the fiscal year ended March 31, 2025, the Association recorded and presented certain funding income on a net-basis instead of on a gross-basis. The Association has recorded an adjustment to update these figures as Province of BC revenue and program supplies and expenses were both understated. These changes had no impact on the statements of net assets.

The Association also included an adjustment to record accrued vacation liability which had not previously been recorded for the fiscal year ended March 31, 2025.

The comparative figures have been restated to reflect the above adjustments required. The effect of the adjustments is noted below:

|                                          | As previously stated | As restated | Adjustment |
|------------------------------------------|----------------------|-------------|------------|
| Province of BC                           | \$3,869,176          | \$4,416,027 | \$546,851  |
| Salaries and benefits                    | 5,722,013            | 5,812,106   | 90,093     |
| Program supplies and expenses            | 599,287              | 1,146,138   | 546,851    |
| Accounts payable and accrued liabilities | 1,342,326            | 1,432,419   | 90,093     |
| Unrestricted net assets                  | (192,477)            | (282,570)   | (90,093)   |

**KIWASSA NEIGHBOURHOOD SERVICES ASSOCIATION****NOTES TO FINANCIAL STATEMENTS**

March 31, 2026

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**Note 3      Accounting policies**

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The financial statements of the Association have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and incorporate the following significant accounting policies:

**Revenue recognition**

The Association follows the deferral method of accounting for contributions. 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. Restricted contributions are recognized as revenue in the period in which the related expenses are incurred. Users fees are recognized when the services are rendered.

**Amortization of tangible capital assets**

Tangible capital assets are recorded at cost. Amortization is provided for using the straight line method over the following periods:

|                                   | <u>Amortization<br/>Period (Years)</u> |
|-----------------------------------|----------------------------------------|
| Buildings                         | 60                                     |
| Automotive equipment              | 6                                      |
| Computer equipment                | 4                                      |
| Equipment, furniture and fixtures | 10                                     |

The original cost of the building and subsequent additions and improvements are being amortized on a basis such that they will be fully amortized in 2051. Assets under construction or development are not amortized until complete and available for use.

**Use of estimates**

The preparation of financial statements require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

The Association's financial instruments consist of cash, accounts receivable, and accounts payable and accrued liabilities. The Association initially measures all of its financial instruments at fair value and subsequently at amortized cost using the effective interest rate method, except for investments which are measured at fair value. Changes in fair value are recognized in the statement of operations.

**Contributed services**

Volunteers contribute a significant number of hours annually assisting Kiwassa Neighbourhood Services Association in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

**Allocation of expenses**

The Association incurs administration expenses that are common to its programs, which includes information technology, salary and benefits, human resource, and others. The Association allocates administration expenses to its programs based on activity, cost or revenue drivers such as gross funding received. Total administration expenses allocated to programs are \$701,248 (2025 - \$747,625).

**KIWASSA NEIGHBOURHOOD SERVICES ASSOCIATION**

## NOTES TO FINANCIAL STATEMENTS

March 31, 2026

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**Note 4      Cash**

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Cash related to deferred contributions is restricted externally for specified purposes. Cash internally restricted have been allocated to specific activities identified by management and the Board of Directors. These funds are not available for general operations. Cash is allocated as follows:

|                       | <u><b>2026</b></u>         | <u><b>2025</b></u>      |
|-----------------------|----------------------------|-------------------------|
| Unrestricted          | \$ <b>483,424</b>          | 574,487                 |
| Externally restricted | <b>530,660</b>             | 794,050                 |
| Internally restricted | <u><b>1,419,661</b></u>    | <u>1,987,146</u>        |
|                       | <u><b>\$ 2,433,745</b></u> | <u><b>3,355,683</b></u> |

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**Note 5      Bank indebtedness**

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The Association has a line of credit arranged with the Vancity Credit Union to cover periodic cash shortfalls to a maximum of \$150,000. The line of credit is secured by a promissory note signed by the directors of the Association. Interest is charged on the outstanding balance at the rate of bank prime plus 2.00%.

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**Note 6      Accounts receivable**

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|                                            | <u><b>2026</b></u>       | <u><b>2025</b></u>    |
|--------------------------------------------|--------------------------|-----------------------|
| Accounts receivable - programs             | \$ <b>436,873</b>        | 666,828               |
| Goods and services taxes recoverable       | <b>29,124</b>            | 16,003                |
| Due from Kiwassa Housing Society (Note 15) | <b>326,828</b>           | 206,417               |
| Allowance for doubtful accounts (Note 15)  | <u><b>(326,828)</b></u>  | <u>(206,417)</u>      |
|                                            | <u><b>\$ 465,997</b></u> | <u><b>682,831</b></u> |

**KIWASSA NEIGHBOURHOOD SERVICES ASSOCIATION**

## NOTES TO FINANCIAL STATEMENTS

March 31, 2026

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**Note 7      Tangible capital assets**

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|                                   |                     |                                     | <u>2026</u>               | <u>2025</u>               |
|-----------------------------------|---------------------|-------------------------------------|---------------------------|---------------------------|
|                                   | <u>Cost</u>         | <u>Accumulated<br/>amortization</u> | <u>Net book<br/>value</u> | <u>Net book<br/>value</u> |
| Building                          |                     |                                     |                           |                           |
| Kiwassa Neighbourhood House       | \$ 3,565,092        | 1,472,136                           | <b>2,092,956</b>          | 1,603,206                 |
| Care                              |                     |                                     |                           |                           |
| Equipment, furniture and fixtures | 794,168             | 541,852                             | <b>252,316</b>            | 238,237                   |
| Building - Harbourview Daycare    | 1,117,016           | 1,041,878                           | <b>75,138</b>             | 163,066                   |
| Computer equipment                | 298,639             | 236,697                             | <b>61,942</b>             | 86,893                    |
| Hasting Park playground           | 72,104              | 11,625                              | <b>60,479</b>             | 67,689                    |
| Automotive equipment              | -                   | -                                   | -                         | 353                       |
| Equipment, furniture and fixtures |                     |                                     |                           |                           |
| Harbourview                       | 84,072              | 84,072                              | -                         | -                         |
| Software                          | 61,235              | 61,235                              | -                         | -                         |
|                                   | <u>\$ 5,992,326</u> | <u>3,449,495</u>                    | <u><b>2,542,831</b></u>   | <u><b>2,159,444</b></u>   |

Included in the cost of building Kiwassa Neighbourhood House is \$585,731 (2025 - \$43,372) of costs related to additions that are in progress. No provision for amortization of this amount has been recorded.

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**Note 8      Accounts payable and accrued liabilities**

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|                                          | <u>2026</u>                | <u>2025</u>             |
|------------------------------------------|----------------------------|-------------------------|
| Accounts payable and payroll liabilities | <b>\$ 1,578,093</b>        | 1,288,441               |
| Accrued liabilities                      | <b>114,468</b>             | 114,548                 |
| Due to government agencies               | <u><b>30,557</b></u>       | <u>29,430</u>           |
|                                          | <u><b>\$ 1,723,118</b></u> | <u><b>1,432,419</b></u> |

**KIWASSA NEIGHBOURHOOD SERVICES ASSOCIATION****NOTES TO FINANCIAL STATEMENTS**

March 31, 2026

**Note 9      Deferred operating contributions**

Operating contributions received by the Association which are subject to external restrictions requiring them to be dedicated to subsequent year program expenditures have been deferred. Changes in deferred operating contributions are as follows:

|                                 | Balance<br>beginning of year | Received/<br>deferred | Recognized/<br>Transferred | Balance<br>end of year |
|---------------------------------|------------------------------|-----------------------|----------------------------|------------------------|
| Prepaid program funds           | \$ 464,357                   | 99,818                | (489,988)                  | 74,187                 |
| Variety \$10 a day              | 39,119                       | 67,236                | (39,119)                   | 67,236                 |
| Youth Program                   | -                            | 40,898                | -                          | 40,898                 |
| Harbourview PAC                 | 6,871                        | 34,602                | (6,871)                    | 34,602                 |
| Senior Program                  | 12,950                       | -                     | (12,950)                   | -                      |
| Nobody's Perfect program        | 31,182                       | 5,897                 | (31,182)                   | 5,897                  |
| Longhouse Out of School Program | 10,301                       | -                     | (10,301)                   | -                      |
| Hastings Park Childcare Project | 192,376                      | 203,131               | (192,376)                  | 203,131                |
| Food Program                    | 36,894                       | 104,709               | (36,894)                   | 104,709                |
|                                 | <u>\$ 794,050</u>            | <u>556,291</u>        | <u>(819,681)</u>           | <u>530,660</u>         |

**Note 10      Deferred contributions related to capital assets**

Deferred contributions related to capital assets represent contributions received by the Association dedicated to the acquisition of property and equipment. The contributions are amortized at rates equal to those of the underlying acquired assets.

|                              | <u>2026</u>         | <u>2025</u>      |
|------------------------------|---------------------|------------------|
| Opening balance              | \$ 1,837,111        | 1,834,956        |
| Contributions received       | <u>(4,758)</u>      | <u>163,250</u>   |
|                              | 1,832,353           | 1,998,206        |
| Amounts amortized to revenue | <u>(156,778)</u>    | <u>(161,095)</u> |
|                              | <u>\$ 1,675,575</u> | <u>1,837,111</u> |

**Note 11      Internally restricted net assets**

The Association has restricted net assets to provide for future year program operations, community initiatives, building and equipment repairs and replacement. The internally restricted amounts are funded by appropriations of unrestricted net assets as authorized by the Board of Directors. Total internally restricted amounts are comprised of:

|                                                | <u>2026</u>         | <u>2025</u>      |
|------------------------------------------------|---------------------|------------------|
| Building and equipment repairs and replacement | \$ 654,167          | 654,167          |
| Van operations                                 | 48,795              | 48,795           |
| Program operations                             | 765,495             | 1,232,979        |
| Special projects                               | -                   | 100,000          |
| Balance at end of year                         | <u>\$ 1,468,457</u> | <u>2,035,941</u> |

# KIWASSA NEIGHBOURHOOD SERVICES ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

March 31, 2026

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|         |                                                      |
|---------|------------------------------------------------------|
| Note 12 | Remuneration to directors, employees and contractors |
|---------|------------------------------------------------------|

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The directors of the Association provide their services on a volunteer basis and receive no remuneration.

Employees and contractors of the Association received remuneration equal to or in excess of \$75,000 to 4 employees and contractors (2025 - 6 employees and contractors) in the aggregate amount of \$348,991 during the year ended March 31, 2026 (2025 - \$616,545).

The Association paid a total termination benefit of \$85,452 during the year (2025 - \$77,383).

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|         |                                  |
|---------|----------------------------------|
| Note 13 | Kiwassa Community Endowment Fund |
|---------|----------------------------------|

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In its 2012 fiscal year the Association established an endowment fund with Vancouver Foundation known as the Kiwassa Community Endowment Fund. The capital of the fund is held permanently in trust by the Vancouver Foundation. The endowment is invested, with the income paid at least annually to Kiwassa Neighbourhood Services Association to fund community based programs as long as the Association is a registered charity.

As the Vancouver Foundation controls the endowment, the principal is not included on the statement of financial position. As of March 31, 2026 the endowment had a fair market value of \$102,253 (2025 - \$102,729).

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|         |                     |
|---------|---------------------|
| Note 14 | Economic dependence |
|---------|---------------------|

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The Association is economically dependent on government funding, which represents 78.9% (2025 - 78.4%) of total operating revenue.

# KIWASSA NEIGHBOURHOOD SERVICES ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

March 31, 2026

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### Note 15      Financial instruments

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#### Fair value

The carrying amount of cash, accounts receivable and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these items.

The carrying amount of the long-term account receivable approximates its fair value because it is valued at the estimated net recoverable amount.

#### Liquidity risk

The Association has a liquidity risk in accounts payable and accrued liabilities of \$1,723,118 (2025 - \$1,432,419). Liquidity risk is the risk that the Association cannot repay its obligations when they become due to its creditors. The Association reduces its exposure to this risk by ensuring it documents when authorized payments become due and maintains an adequate line of credit to repay vendors. In the opinion of management the liquidity risk exposure to the Association is low.

#### Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Association's financial assets that are exposed to credit risk are cash and accounts receivable. Credit risk associated with cash is minimized by investing excess funds in guaranteed investment certificates and by holding cash resources in institutions rated R1 by the Dominion Bond Rating Service. Credit risk associated with short-term and long-term accounts receivable is minimized by limiting the granting of credit to related societies and by only performing program services in advance of funding once a firm commitment has been received from the funder. In the opinion of management the credit risk exposure to the Association is low.

**KIWASSA NEIGHBOURHOOD SERVICES ASSOCIATION****NOTES TO FINANCIAL STATEMENTS**

March 31, 2026

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**Note 16      Controlled entity and related party transactions**

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The Association controls the Kiwassa Housing Society through a common Board of Directors. The Kiwassa Housing Society operates social housing projects through contracts with the British Columbia Housing Management Commission. The Kiwassa Housing Society is incorporated under the Societies Act of British Columbia and is a non-profit organization under the Income Tax Act (Canada).

The accounts of the Kiwassa Housing Society have not been consolidated in these financial statements as it is believed that separate note disclosure provides a more meaningful presentation of activities.

A financial summary of the Kiwassa Housing Society as at March 31 follows:

|                       | <u><b>2026</b></u>      | <u><b>2025</b></u> |
|-----------------------|-------------------------|--------------------|
| Financial position    |                         |                    |
| Total assets          | <b>\$ 3,660,399</b>     | 3,870,828          |
| Total liabilities     | <u><b>3,525,463</b></u> | <u>3,603,577</u>   |
| Net assets            | <b>134,936</b>          | 267,251            |
| Results of operations |                         |                    |
| Revenues              | <b>\$ 965,153</b>       | 1,006,827          |
| Expenses              | <b>1,097,468</b>        | 1,068,129          |
| Cash flows            |                         |                    |
| Operating activities  | <b>\$ 553,096</b>       | 440,480            |
| Investing activities  | <b>(10,250)</b>         | (46,200)           |
| Financing activities  | <b>(329,559)</b>        | (321,925)          |

All assets of the Kiwassa Housing Society are required, under the terms of operating contracts with the BC Housing Management Commission, to be used solely for its operations.

Administration fees include \$54,346 that was charged to Kiwassa Housing Society (2025 - \$54,346). The fees are charged in the ordinary course of operations and are recorded at exchange amount of consideration established and agreed by both parties.

Write down of receivables on amounts due from Kiwassa Housing Society is \$120,411 (2025 - \$17,229).

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**Note 17      Comparative figures**

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Certain 2025 comparative figures have been reclassified to conform with the method of presentation adopted for the current year.