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**UNIVERSITY NEIGHBOURHOODS ASSOCIATION**

**Financial Statements**

**Year Ended March 31, 2025**

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**UNIVERSITY NEIGHBOURHOODS ASSOCIATION**  
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**Year Ended March 31, 2025**

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**INDEPENDENT AUDITOR'S REPORT**

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To the Members of University Neighbourhoods Association

*Report on the Financial Statements*

*Opinion*

We have audited the financial statements of University Neighbourhoods Association (the "Association"), which comprise the statement of financial position as at March 31, 2025, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying 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 and cash flows 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 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 ASNPO, 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 those charged with governance either intend 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.

Independent Auditor's Report to the Members of University Neighbourhoods Association (*continued*)

*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 a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 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 Other Legal and Regulatory Requirements*

As required by the Societies Act of British Columbia, we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian Accounting Standards for Not-for-profit Organizations have been applied on a basis consistent with that of the preceding year.

Surrey, B.C.  
June 26, 2025

*Johnsen Archer LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS

**UNIVERSITY NEIGHBOURHOODS ASSOCIATION**  
**Statement of Financial Position**  
**March 31, 2025**

	2025	2024
<b>ASSETS</b>		
Current assets		
Cash	\$ 1,550,708	\$ 2,458,132
Term deposits (Note 4)	1,660,194	906,245
Accounts receivable	172,291	211,587
Prepaid expenses	152,013	72,909
	<b>3,535,206</b>	<b>3,648,873</b>
Capital assets (Note 5)	<b>772,441</b>	<b>813,571</b>
	<b>\$ 4,307,647</b>	<b>\$ 4,462,444</b>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	\$ 378,084	\$ 526,461
Deferred revenue (Note 7)	523,830	476,311
	<b>901,914</b>	<b>1,002,772</b>
Deferred contributions (Note 8)	<b>120,468</b>	<b>435,659</b>
Deferred capital contributions (Note 9)	<b>144,445</b>	<b>166,667</b>
	<b>1,166,827</b>	<b>1,605,098</b>
<b>NET ASSETS</b>		
Invested in capital assets	<b>627,996</b>	<b>646,904</b>
Internally restricted (Note 10)	<b>1,402,063</b>	<b>1,144,214</b>
Unrestricted fund	<b>1,110,761</b>	<b>1,066,228</b>
	<b>3,140,820</b>	<b>2,857,346</b>
	<b>\$ 4,307,647</b>	<b>\$ 4,462,444</b>

Commitments (Note 12)

**UNIVERSITY NEIGHBOURHOODS ASSOCIATION**  
**Statement of Revenues and Expenditures**  
**Year Ended March 31, 2025**

	2025	2024
<b>Revenue</b>		
Community centres	\$ 1,378,576	\$ 1,255,844
Neighbours' levy (Note 11)	5,270,971	5,040,600
Other revenue	1,260,630	1,368,645
	<b>7,910,177</b>	<b>7,665,089</b>
<b>Community services</b>		
Communication	111,671	84,357
Community access	89,700	84,100
Community centre		
Direct operating costs	671,536	616,548
Programming	874,034	810,223
Salaries and benefits	1,244,105	1,100,598
Community support	75,451	38,207
General and administrative	463,182	442,498
General meetings	37,490	6,816
Salaries and wages (Note 13)	1,716,064	1,608,620
Sustainability	52,327	40,493
	<b>5,335,560</b>	<b>4,832,460</b>
<b>Municipal services</b>		
Common area maintenance	1,724,786	1,356,608
Direct operating costs	128,809	120,555
Insurance	212,566	209,632
	<b>2,066,161</b>	<b>1,686,795</b>
Excess of revenue over expenditures before other income (expenses)	<b>508,456</b>	<b>1,145,834</b>
<b>Other expenses (income)</b>		
Amortization of capital assets	234,303	215,727
Amortization of deferred capital contributions	(22,222)	(22,222)
Loss on disposal of capital assets	12,901	475
	<b>224,982</b>	<b>193,980</b>
<b>Excess of revenue over expenditures for the year</b>	<b>\$ 283,474</b>	<b>\$ 951,854</b>

**UNIVERSITY NEIGHBOURHOODS ASSOCIATION**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2025**

	Invested in Capital Assets	Internally Restricted (Note 10)	Unrestricted	2025	2024
<b>Net assets - beginning of year</b>	\$ 646,904	\$ 1,144,214	\$ 1,066,228	<b>\$ 2,857,346</b>	\$ 1,905,492
Excess (deficit) of revenue over expenditures	(224,982)	-	508,456	<b>283,474</b>	951,854
Fund transfer	206,074	-	(206,074)	-	-
Reallocation of funds	-	257,849	(257,849)	-	-
<b>Net assets - end of year</b>	<b>\$ 627,996</b>	<b>\$ 1,402,063</b>	<b>\$ 1,110,761</b>	<b>\$ 3,140,820</b>	<b>\$ 2,857,346</b>

**UNIVERSITY NEIGHBOURHOODS ASSOCIATION**  
**Statement of Cash Flows**  
**Year Ended March 31, 2025**

	2025	2024
<b>Operating activities</b>		
Excess of revenue over expenditures for the year	\$ 283,474	\$ 951,854
Items not affecting cash:		
Amortization of capital assets	234,303	215,727
Amortization of deferred capital contributions	(22,222)	(22,222)
Loss on disposal of capital assets	12,901	10,683
	<b>508,456</b>	<b>1,156,042</b>
Changes in non-cash working capital:		
Accounts receivable	39,296	(155,048)
Prepaid expenses	(79,104)	22,846
Accounts payable and accrued liabilities	(148,377)	60,403
Deferred revenue	47,519	19,695
	<b>(140,666)</b>	<b>(52,104)</b>
Cash flow from operating activities	<b>367,790</b>	<b>1,103,938</b>
<b>Investing activity</b>		
Purchase of capital assets	(206,074)	(248,172)
<b>Financing activities</b>		
Deferred contributions	(315,191)	29,414
Redemption (purchase) of term deposits	(753,949)	700,000
Cash flow from (used by) financing activities	<b>(1,069,140)</b>	<b>729,414</b>
<b>Increase (decrease) in cash</b>	<b>(907,424)</b>	<b>1,585,180</b>
Cash - beginning of year	<b>2,458,132</b>	<b>872,952</b>
<b>Cash - end of year</b>	<b>\$ 1,550,708</b>	<b>\$ 2,458,132</b>



**UNIVERSITY NEIGHBOURHOODS ASSOCIATION**  
**Notes to Financial Statements**  
**Year Ended March 31, 2025**

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**1. NATURE OF OPERATIONS**

University Neighbourhoods Association (the "Association") is a not-for-profit organization incorporated under the Society Act of British Columbia on May 29, 2002. The Association represents the residents of the University of British Columbia ("UBC") neighbourhoods and delivers municipal-like services to them. The Association operates within the guidelines of its constitution and by-laws and the Neighbours' Agreement (the "Agreement") between the Association and UBC.

The Association's operations, as outlined in the Agreement, are funded by levies collected by UBC, community centres, and other revenue.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and incorporate the following significant accounting policies:

Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a straight-line basis:

Computer hardware and software	3 years
Equipment and fixtures	10 years
Leasehold improvements	15 years
Website	5 years

Capital assets are amortized once put into use. No amortization is recorded in the year of disposition. Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

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

Capital assets are written down when they no longer provide any long-term service potential to the Association. Any write-down is recognized as an expense to the extent an asset's carrying value exceeds its residual value.

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**UNIVERSITY NEIGHBOURHOODS ASSOCIATION**  
**Notes to Financial Statements**  
**Year Ended March 31, 2025**

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

Revenue recognition

The Association follows the deferral method of accounting for contributions.

Unrestricted contributions including service levies are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are deferred and recognized as revenue in the year in which the related expenditures are incurred. Contributions externally restricted for the purchase of capital assets are deferred and amortized into revenue at the amortization rate of the related capital assets.

Internally restricted net assets consist of deferred operating contributions internally restricted by the Association to be used for board-approved projects, as well as funds internally restricted for future capital purchases.

Other revenue such as investment income, community centre fees, newspaper and miscellaneous are deferred and recognized as revenue when earned.

Donated materials and services

The Association does not record the value of donated materials and services as their fair value cannot be reliably measured.

Financial instruments

Financial instruments originated through arm's length transactions are initially measured at fair value. Financial instruments originated through related party transactions are initially measured at cost, except for derivative contracts and investments in equity or debt securities that are quoted in an active market. In subsequent periods financial instruments initially measured at cost continue to be measured at cost.

Subsequent measurement of financial instruments initially measured at fair value depends on their nature:

- Derivative contracts and investments in debt and equity securities that are quoted in an active market are subsequently measured at fair value;
- Financial instruments which management elects to measure at fair value are subsequently measured at fair value;
- All other financial assets and liabilities are measured at amortized cost.

Financial instruments carried at cost are tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments that will subsequently be measured at fair value are expensed when incurred. Transaction costs on financial instruments that will subsequently be measured at amortized cost are deferred and amortized over the life of the related instrument.

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**UNIVERSITY NEIGHBOURHOODS ASSOCIATION**  
**Notes to Financial Statements**  
**Year Ended March 31, 2025**

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

Measurement uncertainty

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. These estimates include valuation of accounts receivable, capital assets, accrued liabilities, and deferred revenue. Such estimates are periodically reviewed and any adjustments necessary are reported in the period in which they become known. Actual results could differ from these estimates.

Government assistance

Government assistance is recorded as receivable when the Association qualifies under the terms of a government program and the amount of assistance can be reasonably estimated. Government assistance for current expenses is recorded as other revenue. Government assistance for future expenses is deferred and recognized into revenue in the same period as the related expenses are incurred.

Leases

Leases are classified as either capital or operating leases. At the time the Association enters into a capital lease, an asset is recorded with its related long-term obligation to reflect the acquisition and financing. Rental payments under operating leases are expensed on a straight-line basis over the lease term.

**3. FINANCIAL INSTRUMENTS**

The Association's financial instruments consist of cash, term deposits, accounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest, currency, or commodity risks arising from these financial instruments.

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is exposed to credit risk from customers. In order to reduce its credit risk, the Association reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts of \$nil (2024 - \$nil) is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information.

Fair Values

The Association's carrying values of cash, term deposits, accounts receivable, and accounts payable and accrued liabilities approximate their fair values due to the immediate or short-term maturity of these instruments.

**UNIVERSITY NEIGHBOURHOODS ASSOCIATION**  
**Notes to Financial Statements**  
**Year Ended March 31, 2025**

**4. TERM DEPOSITS**

The Association has two term deposits in the form of guaranteed investment certificates ("GIC") of \$1,160,194 and \$500,000, accruing interest at 4.95% and 4.30% per annum, and with maturity dates of July 23, 2025 and July 23, 2026, respectively.

**5. CAPITAL ASSETS**

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Computer hardware and software	\$ 263,080	\$ 166,461	\$ 96,619	\$ 38,514
Equipment and fixtures	1,394,397	1,063,379	331,018	411,096
Leasehold improvements	812,119	480,440	331,679	348,542
Website	148,250	135,125	13,125	15,419
	<b>\$ 2,617,846</b>	<b>\$ 1,845,405</b>	<b>\$ 772,441</b>	<b>\$ 813,571</b>

As at March 31, 2025, no events or changes in circumstances had occurred which indicated that capital assets require a write-down.

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Included in accounts payable and accrued liabilities are the following government remittances payable:

	2025	2024
Employer Health Tax payable	\$ 13,030	\$ 18,821
Goods and Services Tax payable	-	63,444
	<b>\$ 13,030</b>	<b>\$ 82,265</b>

**7. DEFERRED REVENUE**

	2025	2024
Balance at beginning of year	\$ 476,311	\$ 456,616
Current year additions	523,830	476,311
Less: amounts taken into revenue during the year	(476,311)	(456,616)
	<b>\$ 523,830</b>	<b>\$ 476,311</b>

Deferred revenue represents 2025 recreational fees received during the year for programs which have yet to occur.

**UNIVERSITY NEIGHBOURHOODS ASSOCIATION**  
**Notes to Financial Statements**  
**Year Ended March 31, 2025**

**8. DEFERRED CONTRIBUTIONS**

Deferred contributions are contributions into the Community Field Replacement Reserve to replace field facilities at the end of their useful lives as set out in the University Hill Secondary School Artificial Playfield Joint Use Agreement (the "Joint Use Agreement") between UBC and The Board of Education of School District No. 39 (the "School Board").

The Association was appointed by UBC as manager through the Wesbrook Place Artificial Playfield License Agreement (the "License Agreement") to perform certain functions as described in the Joint Use Agreement.

**9. DEFERRED CAPITAL CONTRIBUTIONS**

Deferred capital contributions represent funding received from The Neighbours' Fund (a fund managed by UBC, consisting of monies raised by way of service levies collected by UBC) to complete leasehold improvements for the Community Centres. This deferred contribution is amortized to operations on the same basis as the related leasehold improvements.

	<b>2025</b>	<b>2024</b>
Deferred capital contributions	\$ 586,543	\$ 586,543
Accumulated amortization	(442,098)	(419,876)
	<b>\$ 144,445</b>	<b>\$ 166,667</b>

**10. INTERNALLY RESTRICTED NET ASSETS**

Internally restricted net assets consist of deferred operating contributions internally restricted by the Association to be used for future capital projects.

	<b>2025</b>	<b>2024</b>
<b>Capital reserve</b>		
Opening	1,144,214	700,000
Transfer from unrestricted fund	257,849	444,214
	<b>1,402,063</b>	<b>1,144,214</b>

**UNIVERSITY NEIGHBOURHOODS ASSOCIATION**  
**Notes to Financial Statements**  
**Year Ended March 31, 2025**

**11. NEIGHBOURS' LEVY**

Neighbours' levy funding is recorded net of reserve transfers and contributions, and withdrawals to UBC.

	2025	2024
Neighbours' Levy	\$ 9,659,244	\$ 8,625,731
Net Reserve Transfers	(538,644)	(421,447)
Total Neighbours' Levy & Reserves	9,120,600	8,204,284
UBC Withdrawals	(3,761,780)	(3,079,712)
Net Levy Revenue	5,358,820	13,328,856
Unrecoverable Goods and Services Tax	(87,849)	(83,972)
Amount Available to the UNA	\$ 5,270,971	\$ 5,040,600

The Neighbours Agreement 2024 stipulates that portions of the Neighbours' Levy revenue are transferred to the Neighbours' Fund's Infrastructure and Capital Reserve, Contingency Reserve, and Stabilization Reserve. Similarly, pursuant to a license agreement with UBC dated October 3, 2012, an amount from the Neighbour's Levy revenue is transferred to the Neighbours' Fund's Community Field Replacement Reserve. Net reserve transfers consists of those contributions.

Pursuant to a letter agreement with UBC dated July 19, 2021, the Association was obligated to pay \$85,390 to UBC as a contribution towards the operating costs of UBC's recreational and cultural facilities. This debt became due on March 31, 2024. The Association authorized UBC to withdraw the funds from the Neighbours' Fund in the current fiscal year.

UBC withdrawals consist of amounts withdrawn by UBC out of the Neighbours' Fund and include the Stormwater and Sewage charges, as well as amounts withdrawn to pay the Fire Services fee.

**12. COMMITMENTS**

The Association has entered into a lease agreement for its premises and has committed to the following minimum annual lease payments. Included in these payments are commitments for facility services, photocopier services, and a vehicle.

2026	\$ 61,472
2027	62,040
2028	61,479
2029	19,932
	<u>\$ 204,923</u>

**UNIVERSITY NEIGHBOURHOODS ASSOCIATION**  
**Notes to Financial Statements**  
**Year Ended March 31, 2025**

**13. DIRECTORS' AND EMPLOYEE'S SALARIES**

The Association paid the following amounts to directors and the Chair:

	2025	2024
Directors		
Ali Mojdehi	\$ -	\$ 5,213
Eagle Glassheim	7,216	6,944
Fei Liu	6,347	6,944
Murray McCutcheon	7,216	6,944
William Holmes	7,216	6,944
Zheng Kang	811	6,944
Richard Watson (Chair)	10,824	10,416
	<b>\$ 39,630</b>	<b>\$ 50,349</b>

Additionally, the Association paid \$1,227,680 (2024 - \$837,615) to eleven (2024 - eight) employees, whose total annual remuneration exceeded \$75,000.