UNIVERSITY NEIGHBOURHOODS ASSOCIATION

Financial Statements

Year Ended March 31, 2026

JOHNSEN ARCHER LLP
TAXATION · ACCOUNTING · ASSURANCE

UNIVERSITY NEIGHBOURHOODS ASSOCIATION
Index to Financial Statements
Year Ended March 31, 2026

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues and Expenditures	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 13

JOHNSEN ARCHER LLP
TAXATION • ACCOUNTING • ASSURANCE

INDEPENDENT AUDITOR'S REPORT

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, 2026, 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, 2026, 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.

(continues)

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.

Johnsen Archer LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Surrey, B.C.
July 28, 2026

UNIVERSITY NEIGHBOURHOODS ASSOCIATION
Statement of Financial Position
March 31, 2026

	2026	2025
ASSETS		
Current assets		
Cash	**$ 2,445,414**	$ 1,550,708
Term deposits *(Note 4)*	**1,521,500**	1,660,194
Accounts receivable	**131,343**	172,291
Prepaid expenses	**130,162**	152,013
	4,228,419	3,535,206
Capital assets *(Note 5)*	**1,000,268**	772,441
	$ 5,228,687	$ 4,307,647
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities *(Note 6)*	**$ 478,168**	$ 378,084
Deferred revenue *(Note 7)*	**518,543**	523,830
	996,711	901,914
Deferred contributions *(Note 8)*	**225,675**	120,468
Deferred capital contributions *(Note 9)*	**122,222**	144,445
	1,344,608	1,166,827
NET ASSETS		
Invested in capital assets	**878,046**	627,996
Internally restricted *(Note 10)*	**1,634,675**	1,402,063
Unrestricted fund	**1,371,358**	1,110,761
	3,884,079	3,140,820
	$ 5,228,687	$ 4,307,647

Commitments *(Note 12)*

Contingent liability *(Note 14)*

ON BEHALF OF THE BOARD

_______________________________ *Chair*

JOHNSEN ARCHER LLP
TAXATION · ACCOUNTING · ASSURANCE

UNIVERSITY NEIGHBOURHOODS ASSOCIATION
Statement of Revenues and Expenditures
Year Ended March 31, 2026

	2026	2025
Revenue		
Community centres	**$ 1,444,917**	$ 1,378,576
Neighbours' levy *(Note 11)*	**6,240,417**	5,270,971
Other revenue	**1,133,435**	1,260,630
	8,818,769	7,910,177
Community services		
Communication	**129,445**	111,671
Community access	**96,200**	89,700
Community centre		
Direct operating costs	**639,473**	671,536
Programming	**993,234**	874,034
Salaries and benefits	**1,409,075**	1,244,105
Community support	**104,601**	75,451
General and administrative	**601,050**	463,182
General meetings	**8,702**	37,490
Salaries and wages *(Note 13)*	**1,817,814**	1,716,064
Sustainability	**83,458**	52,327
	5,883,052	5,335,560
Municipal services		
Common area maintenance	**1,669,559**	1,724,786
Direct operating costs	**174,784**	128,809
Insurance	**152,838**	212,566
	1,997,181	2,066,161
Excess of revenue over expenditures before other income	**938,536**	508,456
Other expenditures (income)		
Amortization of capital assets	**219,782**	234,303
Amortization of deferred capital contributions	**(22,222)**	(22,222)
Loss (gain) on disposal of capital assets	**(2,283)**	12,901
	195,277	224,982
Excess of revenue over expenditures for the year	**$ 743,259**	$ 283,474

JOHNSEN ARCHER LLP
TAXATION · ACCOUNTING · ASSURANCE

UNIVERSITY NEIGHBOURHOODS ASSOCIATION

Statement of Changes in Net Assets

Year Ended March 31, 2026

	Invested in Capital Assets	Internally Restricted *(Note 10)*	Unrestricted	**2026**	2025
Net assets - beginning of year	$ 627,996	$ 1,402,063	$ 1,110,761	**$ 3,140,820**	$ 2,857,346
Excess (deficit) of revenue over expenditures	(195,276)	-	938,535	**743,259**	283,474
Fund transfer	447,609	-	(447,609)	**-**	-
Reallocation of funds	(2,283)	232,612	(230,329)	**-**	-
Net assets - end of year	$ 878,046	$ 1,634,675	$ 1,371,358	**$ 3,884,079**	$ 3,140,820

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

UNIVERSITY NEIGHBOURHOODS ASSOCIATION
Statement of Cash Flows
Year Ended March 31, 2026

	2026	2025
Operating activities		
Excess of revenue over expenditures for the year	$ **743,259**	$ 283,474
Items not affecting cash:		
Amortization of capital assets	**219,782**	234,303
Amortization of deferred capital contributions	**(22,222)**	(22,222)
Loss (gain) on disposal of capital assets	**(2,283)**	12,901
	938,536	508,456
Changes in non-cash working capital:		
Accounts receivable	**40,948**	39,296
Prepaid expenses	**21,851**	(79,104)
Accounts payable and accrued liabilities	**100,083**	(148,377)
Deferred revenue	**(5,287)**	47,519
	157,595	(140,666)
Cash flow from operating activities	**1,096,131**	367,790
Investing activities		
Purchase of capital assets	**(447,609)**	(206,074)
Proceeds on disposal of capital assets	**2,283**	-
Cash flow used by investing activities	**(445,326)**	(206,074)
Financing activities		
Deferred contributions	**105,207**	(315,191)
Redemption (purchase) of term deposits	**138,694**	(753,949)
Cash flow from (used by) financing activities	**243,901**	(1,069,140)
Increase (decrease) in cash	**894,706**	(907,424)
Cash - beginning of year	**1,550,708**	2,458,132
Cash - end of year	$ **2,445,414**	$ 1,550,708

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.

Captial 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.

(continues)

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.

(continues)

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 (2025 - $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.

4. TERM DEPOSITS

The Association has two term deposits in the form of guaranteed investment certificates ("GIC") of $1,000,000 and $521,500, accruing interest at 2.45% and 4.30% per annum, and with maturity dates of July 23, 2026 and August 25, 2026, respectively.

5. CAPITAL ASSETS

	Cost	Accumulated amortization	**2026 Net book value**	2025 Net book value
Computer hardware and software	$ 284,240	$ 148,413	**$ 135,827**	$ 96,619
Equipment and fixtures	1,469,817	1,097,027	**372,790**	331,018
Leasehold improvements	1,008,148	524,372	**483,776**	331,679
Website	148,250	140,375	**7,875**	13,125
	$ 2,910,455	$ 1,910,187	**$ 1,000,268**	$ 772,441

As at March 31, 2026, 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:

	2026	2025
Employer Health Tax payable	**$ -**	$ 13,030

7. DEFERRED REVENUE

	2026	2025
Balance at beginning of year	**$ 523,830**	$ 476,311
Current year additions	**518,543**	523,830
Less: amounts taken into revenue during the year	**(523,830)**	(476,311)
	$ 518,543	$ 523,830

Deferred revenue represents 2026 recreational fees received during the year for programs which have yet to occur.

JOHNSEN ARCHER LLP
TAXATION · ACCOUNTING · ASSURANCE

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.

	2026	2025
Opening balance	**$ 120,468**	$ 435,659
Contributions received	**87,000**	-
Interest earned	**18,207**	27,519
Less expenses	**-**	(342,710)
	$ 225,675	$ 120,468

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.

	2026	2025
Deferred capital contributions	**$ 586,543**	$ 586,543
Accumulated amortization	**(464,321)**	(442,098)
	$ 122,222	$ 144,445

10. INTERNALLY RESTRICTED NET ASSETS

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

	2026	2025
Capital reserve		
Opening balance	**$ 1,402,063**	$ 1,144,214
Transfer from unrestricted fund	**232,612**	257,849
	$ 1,634,675	$ 1,402,063

UNA Council implemented a policy in October 2022 to ensure that adequate funds are allocated for the replacement of capital assets, including IT equipment, operational equipment and fixtures, leasehold improvements, and the website. Accordingly, the annual amortization expense is transferred to this account for the express purpose of funding future capital asset replacements

11. NEIGHBOURS' LEVY

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

	2026	2025
Neighbours' Levy	**$ 10,547,310**	$ 9,659,244
Net Reserve Transfers	**(457,322)**	(538,644)
Total Neighbours' Levy & Reserves	**10,089,988**	9,120,600
UBC Withdrawals	**(3,745,564)**	(3,761,780)
Net Levy Revenue	**6,344,424**	5,358,820
Unrecoverable Goods and Services Tax	**(104,007)**	(87,849)
Amount Available to the UNA	**$ 6,240,417**	$ 5,270,971

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.

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.

2027	$ 62,040
2028	61,479
2029	19,932
	$ 143,451

13. DIRECTORS' AND EMPLOYEE'S SALARIES

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

	2026	2025
Directors		
Eagle Glassheim (Chair)	**$ 11,021**	$ 7,216
Jake Wiebe	**7,225**	-
Michael Kerns	**7,225**	-
Murray McCutcheon	**183**	7,216
Richard Watson	**274**	10,824
Ronald Bourgeois	**7,225**	-
William Holmes	**183**	7,216
Xiangjun (Sandy) Song	**7,225**	-
Xiao (Evan) Luo	**7,225**	-
Yanbo (Paul) Li	**7,225**	-
Fei Liu	**-**	6,347
Zheng Kang	**-**	811
	$ 55,011	$ 39,630

Additionally, the Association paid $1,086,764 (2025 - $1,227,680) to nine (2025 - eleven) employees, whose total annual remuneration exceeded $75,000.

14. CONTINGENT LIABILITY

The Association maintains liability insurance coverage that management believes is appropriate for the nature of its operations. At year-end, the Association was involved in certain claims arising in the normal course of operations that remained unresolved. The ultimate outcome of these matters cannot presently be determined. Management has recognized an accrual representing the estimated insurance deductible exposure associated with these claims in the current year's financial statements.