NYSA
NANAIMO YOUTH SERVICES ASSOCIATION

# NOTICE OF ANNUAL GENERAL MEETING OF THE MEMBERS

**NOTICE** is hereby given that the Annual General Meeting of the Members of **NANAIMO YOUTH SERVICES ASSOCIATION** (the "Association") is called for and will be held at the Association's office (290 Bastion Street, Nanaimo, British Columbia), on the 26th day of October, 2026 at the hour of 5:00 pm (PDT) for the following purposes:

1. To receive the financial statements and Annual Report of the Association for the financial year ended March 31, 2026.
2. To elect Directors of the Association.
3. To appoint the Accountants of the Association for the ensuing year.
4. To transact such other business as may properly be brought before the meeting.

DATED the 9th day of October, 2026.

**BY ORDER OF THE BOARD**

Allan Beaudry
Chair, Board of Directors
Nanaimo Youth Services Association

NYSA
NANAIMO YOUTH SERVICES ASSOCIATION

Annual General Meeting of the Members of

**Nanaimo Youth Services Association**

5:00 pm, October 26, 2026

290 Bastion Street, Nanaimo, British Columbia

---

AGENDA

---

1. Welcome and call to order
2. Minutes of the October 27, 2025 Annual General Meeting
3. Reports from Management
4. Financial statements and appointment of Accountants
5. Election of Directors
6. Other business
7. Adjournment

***Minutes for the meeting and financial statements are attached, and can also be found at: nysa.bc.ca/2026-annual-general-meeting/.***

NANAIMO YOUTH SERVICES ASSOCIATION

**27 October 2025**
**Minutes of 2025 Annual General Meeting - DRAFT**

**Board Members in attendance:**

- Allan Beaudry (President and Chair), Leana Pellegrin, Donald Stedeford (Secretary) Sheila White,
- Staff – Keith Wilson (CAO), **Regrets:** Nil

**Association members in attendance:** Nil

**Guests:** Ms Anna Jones of Doane Grant Thornton (DGT))

Copies of NYSA's 2025 Annual Report, Financial Statements and AGM handout were posted on the association website for review by members prior to the meeting.

**Call to order: 5:03 pm.** A Notice of Meeting had been sent to each registered member with an invitation to attend. A quorum of members was confirmed by the Secretary.

1. **President's welcome** to all attendees. The president, sitting as Chair of the meeting introduced the 2024-2025 Board members and provided instructions on how the voting of motions would take place. The Chair advised that Ms Anna Jones of DGT will invigilate the election for directors of the society. A list of four names has been received for consideration.
    i. Ms Jones put a first call for nominations from the floor.
2. **Adoption of Agenda:** Moved and seconded: Leanna Pellegrin/Sheila White. Motion Carried
3. **Adoption of the 2024 AGM Minutes:** Moved and seconded as to adoption of minutes with the addition of the Management letter attached. Sheila White/Leanna Pellegrin. Motion Carried.
4. **Management Report:** Allan Beaudry.
    i. The President thanks all the staff and the CAO for the extremely hard work and results conducted over the last several years. The Board appreciates all the work and the Agency's success is dependent on that great work.
    *ii.* The management report was provided with the Annual Report and posted to the association website. The leadership statement provided "*To our dedicated community of supporters, Thank you. In a time of economic uncertainty and growing need, your belief in Nanaimo's youth has been our bedrock. Your generosity enabled every success story in these pages. This past year, we faced rising costs and increased demand, yet our community stepped up. By focusing on strong relationships, donations to NYSA grew, a result we're deeply proud of and grateful for. That support allowed us to deepen our impact. We provided safe housing, life skills, and career training to hundreds of young people on their path to independence. We also laid the*

*groundwork for our boldest initiative yet: FirstFuture, a strategy to tackle youth homelessness head-on, right here in our community. This work is demanding, and the pressures well-being remains a top priority, and we continue to advocate for the resources they need to support youth. Looking ahead, our focus is clear. We will continue to deliver excellent programs, strengthen partnerships, and demonstrate the return on your investment through healthy young people contributing to Nanaimo's vibrant future. With sincere gratitude, Allan Beaudry President & Chair Keith Wilson Chief Administrative Officer on our incredible staff are real".*

5. **Financial Report: Acceptance of Financial Statements for 2024/2025 (Allan Beaudry and Anna Jones)**
   a) Anna Jones from DGT asked for any questions on the financial report information, as approved by the Board.

      Ms Jones made a second call for board nominations from the floor.

   b) **Receipt of Report:** Moved by Leana Pellegrin/Sheila White - Motion carried

6. **Motion to Appoint Doane Grant Thornton as Review Accountants for 2025-2026**
   Moved and seconded by Don Stedeford and Leana Pellegrin. Motion carried.

7. **New Business**
   Nil,

8. **Elections: Process conducted by Anna Jones, DGT.**
   i. Ms Jones put a third call for nominations from the floor.

   Motion to close nominations Sheila White/Leanna Pellegrin

   ii. Three calls having been made for nominations to board and none received from the floor, all names standing had provided agreement to serve.
   iii. By acclamation the following are elected to the NYSA board for the 2025/2026 year:
      i. Don Stedeford, Leanna Pellegrin, Sheila White, Allan Beaudry.

   A motion was proposed by Leanna Pellegrin/Sheila White to recognise those members of the new board by acclamation. Motion carried.

9. **Other Business** – Nil.

**Adjournment**: Having completed the agenda a motion of adjournment was moved by Sheila White at 5:12 pm.

Doane Grant Thornton

# Financial Statements

## Nanaimo Youth Services Association

March 31, 2026

# Contents


| | Page |
|---|---|
| Independent Practitioner's Review Engagement Report | 1 - 2 |
| Statement of Revenues and Expenses | 3 |
| Statement of Changes in Net Assets | 4 |
| Statement of Financial Position | 5 - 6 |
| Statement of Cash Flows | 7 |
| Notes to the Financial Statements | 8 - 16 |

**Doane Grant Thornton LLP**
201 - 1825 Bowen Road
Nanaimo, BC
V9S 1H1

T +1 250 754 6396
F +1 250 754 1903
www.doanegrantthornton.ca

# Independent Practitioner's Review Engagement Report

To the Board of Directors of
Nanaimo Youth Services Association

We have reviewed the accompanying financial statements of Nanaimo Youth Services Association (the "Association") that comprise the statement of financial position as at March 31, 2026, and the statements of revenues and expenses, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these 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.

## Practitioner's responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

## Basis for qualified conclusion

In common with many charitable organizations, the Association derives revenue from donations, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of our review. Accordingly, our verification of donations was limited to the amounts recorded in the records of the Association, and we are not able to determine whether any adjustments might be necessary to donation revenues, deficiency of revenues over expenses and cash flows for the period ended March 31, 2026 and current assets and fund balances as at March 31, 2026.


© Doane Grant Thornton LLP. A Canadian Member of Grant Thornton International Ltd

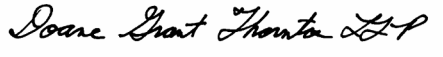
# Independent Practitioner's Review Engagement Report (continued)

### Qualified conclusion

Based on our review, except for the effects of the matter described in the Basis for qualified conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Nanaimo Youth Services Association as at March 31, 2026, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Report on other legal and regulatory requirements

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting principles applied by the Society 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.



Nanaimo, Canada
July 27, 2026

Chartered Professional Accountants


© Doane Grant Thornton LLP. A Canadian Member of Grant Thornton International Ltd

# Nanaimo Youth Services Association
## Statement of Revenues and Expenses

| Year ended March 31 | 2026 | 2025 |
|---|---|---|
| Revenues | | |
| Provincial funding (Note 3) | **$ 1,130,057** | $ 1,203,608 |
| Program revenue | **184,545** | 189,320 |
| Tenant fees | **177,986** | 169,430 |
| Donations | **32,611** | 52,351 |
| Interest income | **11,686** | 20,985 |
| Deferred capital contributions (Note 10) | **10,770** | 30,182 |
| Other income - grants, fundraising & interest | **182** | 12,966 |
| | **1,547,837** | 1,678,842 |
| Expenditures | | |
| Salaries and related benefits | **839,587** | 843,503 |
| Rent | **140,501** | 81,282 |
| Program costs | **105,527** | 144,701 |
| Repairs and maintenance | **93,628** | 109,940 |
| Amortization | **81,593** | 98,340 |
| Professional fees | **78,563** | 38,868 |
| Utilities | **57,546** | 48,969 |
| Office and administration | **52,962** | 52,235 |
| Interest on long-term debt | **32,717** | 34,995 |
| Insurance | **20,735** | 20,495 |
| Advertising | **1,830** | 1,886 |
| | **1,505,189** | 1,475,214 |
| Excess of revenues over expenses | **$ 42,648** | $ 203,628 |

# Nanaimo Youth Services Association
## Statement of Changes in Net Assets
Year ended March 31

| | Investment in Tangible Capital Assets | Externally Restricted | Unrestricted | Total 2026 | Total 2025 |
|---|---|---|---|---|---|
| Balance, beginning of year | $ 447,999 | $ 162,643 | $ 1,134,422 | **$ 1,745,064** | $ 1,541,436 |
| Excess (deficiency) of revenues over expenses | (70,824) | (2,604) | 116,076 | **42,648** | 203,628 |
| Transfer for contribution to housing replacement reserve | - | 18,144 | (18,144) | **-** | - |
| Funder adjustment to replacement reserve | - | (2,782) | 2,782 | **-** | - |
| Purchase of tangible capital assets | 2,503 | - | (2,503) | **-** | - |
| Repayment of debt | 110,357 | - | (110,357) | **-** | - |
| Balance, end of year | **$ 490,035** | **$ 175,401** | **$ 1,122,276** | **$ 1,787,712** | $ 1,745,064 |

See accompanying notes to the financial statements.

# Nanaimo Youth Services Association
## Statement of Financial Position

| March 31 | 2026 | 2025 |
|---|---|---|
| **Assets** | | |
| Current | | |
| Cash and cash equivalents | **$ 1,189,938** | $ 1,370,899 |
| Accounts receivable | **157,710** | 52,929 |
| Prepaid expenses | **30,312** | 16,961 |
| | **1,377,960** | 1,440,789 |
| Long-term | | |
| Restricted cash - replacement reserve | **175,401** | 162,643 |
| Tangible capital assets (Note 4) | **2,011,673** | 2,090,763 |
| | **2,187,074** | 2,253,406 |
| | **$ 3,565,034** | $ 3,694,195 |

See accompanying notes to the financial statements.

# Nanaimo Youth Services Association
# Statement of Financial Position

| March 31 | 2026 | 2025 |
|---|---|---|
| **Liabilities** | | |
| Current | | |
| Accounts payable and accrued liabilities (Note 5) | **$ 89,452** | $ 83,373 |
| Deferred revenue (Note 6) | **166,232** | 222,993 |
| Current portion of long-term debt (Note 8) | **111,880** | 109,113 |
| Current liabilities before callable debt | **367,564** | 415,479 |
| Callable debt (Note 7) | **104,102** | 105,345 |
| **Total current liabilities** | **471,666** | 520,824 |
| Long-term | | |
| Long-term debt (Note 8) | **1,086,278** | 1,198,158 |
| Deferred capital contributions (Note 9) | **219,378** | 230,149 |
| | **1,305,656** | 1,428,307 |
| | **1,777,322** | 1,949,131 |
| **Net Assets** | | |
| Investment in tangible capital assets | **490,035** | 447,999 |
| Externally restricted | **175,401** | 162,643 |
| Unrestricted | **1,122,276** | 1,134,422 |
| | **1,787,712** | 1,745,064 |
| | **$ 3,565,034** | $ 3,694,195 |

Contingent liabilities (Note 10)
Lease commitments (Note 11)

On behalf of the Board

Director

Director

See accompanying notes to the financial statements.

# Nanaimo Youth Services Association
## Statement of Cash Flows

Year ended March 31

| | 2026 | 2025 |
|---|---|---|
| Increase (decrease) in cash | | |
| **Operating** | | |
| Excess of revenues over expenses | **$ 42,648** | $ 203,628 |
| Items not affecting cash | | |
| Amortization of tangible capital assets | **81,593** | 98,340 |
| Amortization of deferred capital contributions | **(10,770)** | (30,182) |
| | **113,471** | 271,786 |
| Change in non-cash working capital items | | |
| Accounts receivable | **(104,781)** | (16,954) |
| Prepaid expenses | **(13,351)** | (729) |
| Accounts payable and accrued liabilities | **6,078** | (688) |
| Deferred revenue | **(56,761)** | (39,126) |
| | **(55,344)** | 214,289 |
| **Financing** | | |
| Repayment of callable debt | **(1,243)** | (1,210) |
| Repayment of long-term debt | **(109,113)** | (96,732) |
| Deferred capital contributions | **-** | 8,518 |
| | **(110,356)** | (89,424) |
| **Investing** | | |
| Increase in externally restricted cash | **(12,758)** | (31,313) |
| Purchase of tangible capital assets | **(2,503)** | (48,511) |
| | **(15,261)** | (79,824) |
| (Decrease) increase in cash | **(180,961)** | 45,041 |
| Cash | | |
| Beginning of year | **1,370,899** | 1,325,858 |
| End of year | **$ 1,189,938** | $ 1,370,899 |

See accompanying notes to the financial statements.

## 1. Nature of operations

Nanaimo Youth Services Association (the "Association") was incorporated under the Societies Act of British Columbia. The Association is a registered charity under the Income Tax Act and as such is a non-taxable entity.

It is the intent of the Association to assist youth (aged 16 to 30) and those with special needs in the Central Vancouver Island area to achieve well-being, and lead independent, productive lives by providing support services and programs, such as counselling, referrals, access to basic needs, life skills training, employment and job search training, community involvement projects, and housing. In housing projects where BC Housing has provided financial assistance, residents shall have low or low-to-moderate income.

## 2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). As a result, these financial statements are in accordance with Canadian generally accepted accounting principles ("GAAP") and include the following significant accounting policies:

### Cash and restricted cash

Cash includes cash on hand and balances with banks, net of bank overdrafts.

### Tangible capital assets

Tangible capital assets are initially measured at cost and subsequently measured at cost less accumulated amortization less impairment, if any. Tangible capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Rates and bases of amortization applied to write off the cost of tangible capital assets over their estimated useful lives are as follows:

| | |
|---|---|
| Building - Haliburton | 4% Declining balance |
| Building - Waddington | 60 years Straight-line |
| Computer software | 100% Declining balance |
| Computer hardware | 3 years Straight-line |
| Vehicles | 30% Declining balance |
| Furniture and equipment | 20% Declining balance |
| Leasehold improvements | 3-5 years Straight-line |

### Impairment of long-lived assets

When conditions indicate that a tangible capital assets no longer contributes to the Association's ability to provide goods and services, or that the value of the future economic benefit or service potential associated with the tangible capital asset have been reduced, the net carrying amount of the tangible capital asset is written down to the asset's fair value or replacement cost. The write-down of tangible capital assets is accounted for as an expense in the statement of operations. A write-down shall not be reversed.

## 2. Significant accounting policies (continued)

### Funding of deficit

BC Housing assesses financial information to determine adjustments for repayments of surplus and funding deficits. The repayment of surplus or funding of deficits is recognized on a cash basis.

### Donated assets

Donated tangible capital assets are recorded in the financial statements at fair value on the date of the donation when their fair value can be reasonably determined, they are used in the normal course of the Association's operations, and would otherwise have been purchased. Donated materials and services are not recorded because the fair market value is not readily determinable. With the exception of volunteer time, such material and services are not significant.

### Use of estimates

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management’s best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to net income as appropriate in the year they become known.

Items subject to significant management estimates include collection of accounts receivable, useful life of tangible capital assets, provision for contingent liabilities, and amounts of accounts payable and accrued liabilities.

### Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenues in the year in which the related expenses are incurred. 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.

Contributions restricted for capital purchases are recorded as deferred capital contributions and are amortized to revenue on the same basis as the related tangible capital assets are amortized to expense.

Unrestricted contributions are recognized as revenue in the period of receipt.

Program revenues are recognized as revenue based on the delivery of services and the timing of the related program.

Tenant fees are recognized on a straight-line basis over the term of the lease, subject to collectibility being reasonably assured.

**2. Significant accounting policies (continued)**

**Financial instruments**

The Association considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Association accounts for the following as financial instruments:

- cash
- accounts receivable
- restricted cash
- accounts payable and accrued liabilities
- current debt
- long term debt

Financial instruments in arm's length transactions

*Initial measurement*

The Association initially measures financial assets and financial liabilities originating, acquired, issued or assumed in arm’s length transactions at fair value.

*Subsequent measurement*

The Association subsequently measures all its financial assets and financial liabilities at cost or amortized cost less any reduction for impairment.

*Derecognition*

The Association removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

*Impairment*

Financial assets measured at cost or amortized cost are tested for impairment when indicators of impairment exist at the end of the reporting period. Previously recognized impairment losses are reversed to the extent of the improvement provided the financial asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

### 3. Provincial funding

The Association's major sources of Provinical funding recognized as revenues during the year include:

| | **2026** | 2025 |
|---|---|---|
| ACCESS BladeRunners | **$ 350,000** | $ 350,000 |
| Ministry of Children and Family Development | **511,529** | 544,529 |
| BC Housing | **268,528** | 309,079 |
| Total Provincial funding | **$ 1,130,057** | $ 1,203,608 |

### 4. Tangible capital assets

| | | | **2026** | 2025 |
|---|---|---|---|---|
| | Cost | Accumulated Amortization | **Net Book Value** | Net Book Value |
| Land | $ 129,857 | $ - | **$ 129,857** | $ 129,857 |
| Buildings | 3,105,410 | 1,260,121 | **1,845,289** | 1,903,236 |
| Computer hardware | 189,416 | 172,737 | **16,679** | 25,083 |
| Vehicles | 29,330 | 15,677 | **13,653** | 19,505 |
| Furniture and equipment | 42,437 | 37,168 | **5,269** | 6,586 |
| Computer software | 37,457 | 36,531 | **926** | 6,496 |
| Leasehold improvements | 26,908 | 26,908 | **-** | - |
| | $ 3,560,815 | $ 1,549,142 | **$ 2,011,673** | $ 2,090,763 |
| Buildings consists of: | | | | |
| Building - Haliburton | $ 733,358 | $ 291,441 | **$ 441,917** | $ 460,330 |
| Building - Waddington | 2,372,052 | 968,680 | **1,403,372** | 1,442,906 |
| | $ 3,105,410 | $ 1,260,121 | **$ 1,845,289** | $ 1,903,236 |

## 5. Government remittances

The Association has the following amounts receivable (owing) for government remittances included in accounts receivable and, accounts payable and accrued liabilities:

| | **2026** | 2025 |
|---|---|---|
| Public Service Body Rebate | **$ 6,288** | $ 7,244 |
| WorkSafe BC | **(2,787)** | (2,889) |
| Payroll source deductions | **(17,859)** | (17,702) |
| | **$ (14,358)** | $ (13,347) |

## 6. Deferred revenue

Deferred revenue consists of funding received that is related to a subsequent period as well as damage deposits paid by tenants, and donations designated for specific programs. Deferred revenue is comprised of:

| | Opening balance | Contributions received | Recognized as revenue | **2026** |
|---|---|---|---|---|
| Prepaid funding | $ 136,166 | $ 55,622 | $ (116,000) | $ 75,788 |
| Gaming | 71,596 | 1,966 | - | 73,562 |
| Damage deposits | 15,130 | 602 | - | 15,732 |
| Prepaid rent | 101 | 1,150 | (101) | 1,150 |
| | $ 222,993 | $ 59,340 | $ (116,101) | $ 166,232 |

## 7. Callable debt

| | 2026 | 2025 |
|---|---|---|
| Province of British Columbia<br>Note payable without interest | **$ 53,738** | $ 53,738 |
| BC Housing<br>Demand loan, payable of $222 monthly including interest at 2.81% (2025 - 2.81%) | **50,364** | 51,607 |
| | **$ 104,102** | $ 105,345 |

The demand loans are secured by general security agreements.

The Province of BC loan has no set terms of repayment other than if the property is sold the funds are required to be paid back.

The Association also has a $50,000 revolving line of credit available with an interest rate of 6.45% (2025: 6.95%). At March 31, 2026 $nil (2025: $nil) was outstanding on this facility.

## 8. Long-term debt

| | 2026 | 2025 |
|---|---|---|
| Computershare Trust Company of Canada c/o MCAP Financial Corporation - mortgage, payable of $9,135 monthly including interest at 2.196% (2025 - 2.196%), due on September 1, 2029, secured by land and building with a combined net book value of $1,462,946 (2025 - $1,502,480) and a general assignment of rents | **$ 1,027,634** | $ 1,113,766 |
| Computershare Trust Company of Canada c/o MCAP Financial Corporation - mortgage, payable of $2,183 monthly including interest at 4.70% (2025 - 4.70%), due on June 1, 2029, secured by land and building with a combined net book value of $510,331 (2025 - $528,666) and a general assignment of rents | **162,518** | 180,693 |
| Rogers phone financing, payable of $401 monthly with no interest, due on November 12, 2027, secured by smartphones with a combined net book value of $7,829 | **8,006** | 12,812 |
| | **1,198,158** | 1,307,271 |
| Less current portion | **111,880** | 109,113 |
| Due beyond one year | **$ 1,086,278** | $ 1,198,158 |

## 8. Long-term debt (continued)

Estimated principal repayments are as follows:

| | |
|---|---|
| 2027 | $ 111,880 |
| 2028 | 113,123 |
| 2029 | 112,858 |
| 2030 | 115,882 |
| 2031 | 118,998 |
| Subsequent years | 625,417 |
| | $ 1,198,158 |

## 9. Deferred capital contributions

| | 2026 | 2025 |
|---|---|---|
| Balance, beginning of the year | **$ 230,148** | $ 251,812 |
| Amortization | **(10,770)** | (30,182) |
| Funding received | **-** | 8,518 |
| Balance, end of the year | **$ 219,378** | $ 230,148 |

## 10. Contingent liabilities

The Association had received funding in the past in the form of a forgivable loan from BC Housing to assist in the construction of low cost housing units. This loan will be forgiven over a period 10 years ending in 2033. At March 31, 2026 $210,000 (2025 - $240,000) of loans remain to be forgiven which include a feature allowing BC Housing to demand repayment if the Association is not compliant with the terms of the agreement.

The Association is onside with all financial conditions of the agreement and no Events of Default have occurred.

### 11. Lease commitments

The Association has entered into leases for the use of office premises and equipment. The lease agreement on its office premises will expire on June 30, 2028.

The lease commitment for both the office premises and equipment over the next five years are as follows:

| | |
|---|---|
| 2027 | $ 59,633 |
| 2028 | 61,681 |
| 2029 | 17,649 |
| 2030 | 934 |
| | $ 139,897 |

### 12. Remuneration of employees and contractors

The British Columbia Societies Act requires disclosure of remuneration paid to all directors, employees, and contractors who are paid at least $75,000 annually.

During the year, two employees (2025 - two employees) earned over $75,000. The total remuneration paid to the individuals by the Association during the period was $177,734 (2025 - $187,499).

## 13. Financial instruments

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Association's risk exposures and concentrations at March 31, 2026. Unless otherwise noted, it is management's opinion that the Association is not exposed to significant credit or interest risk and there have been no significant changes from prior year.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association's main credit risks relate to its accounts receivable. The Association provides credit to its counterparties in the normal course of its operations. The Association does not obtain collateral or other security to support the accounts receivable subject to credit risk but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance. There was no significant change in exposure during the year.

(b) Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting the obligations associated with its financial liabilities. The Association is exposed to this risk mainly in respect of its accounts payable, callable debts and long-term debts. There was no significant change in exposure during the year.

(c) Market risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Association is mainly exposed to interest rate risk. There was no significant change in exposure during the year.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association is exposed to interest rate risk on its mortgages subject to the prime rate.