

MANITOBA NON-PROFIT HOUSING ASSOCIATION
INDEPENDENT AUDITOR'S REPORT
FINANCIAL STATEMENTS
MARCH 31, 2024

DRAFT

MANITOBA NON-PROFIT HOUSING ASSOCIATION
MARCH 31, 2024
INDEX

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Operations	5
Statement of Cash Flow	6
Notes to Financial Statements	7 - 14

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Manitoba Non-Profit Housing Association:

Qualified Opinion

We have audited the accompanying financial statements of Manitoba Non-Profit Housing Association (the "Association"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in net assets, and cash flow for the year then ended, and the notes to financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Manitoba Non-Profit Housing Association as at March 31, 2024, 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.

Basis for Qualified Opinion

The Association has not recorded their Rent Relief Fund loans receivable at fair value upon initial recognition but rather recorded them at face value. This constitutes a departure from Canadian accounting standards for not-for-profit organizations which require that when a financial asset is originated or acquired or a financial liability is issued or assumed in an arm's length transaction, an entity shall measure it at its fair value. The impact of this departure from Canadian accounting standards for not-for-profit organizations has not been determined and therefore, we were unable to determine whether any adjustments might be necessary to revenues, expenses, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2024, and loans receivable and net assets as at March 31, 2024. Our audit opinion on the financial statements for the year ended March 31, 2023, was modified accordingly because of the possible effects of this limitation in scope.

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 Centre 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 qualified 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 Association'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 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.

Winnipeg, Manitoba
Date of approval

**CHARTERED PROFESSIONAL
ACCOUNTANTS INC.**

**MANITOBA NON-PROFIT HOUSING ASSOCIATION
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2024**

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 2,777,661	4,111,015
Rent Relief Program loans receivable (Note 3)	759,967	373,629
Accounts receivable	1,242	11,407
GST receivable	18,086	14,165
Prepaid expenses	<u>9,247</u>	<u>13,021</u>
	3,566,203	4,523,237
TANGIBLE CAPITAL ASSETS (Note 4)	8,497	6,226
LONG-TERM PORTION OF RENT RELIEF PROGRAM LOANS RECEIVABLE (Note 3)	<u>377,904</u>	<u>675,102</u>
	<u>\$ 3,952,604</u>	<u>5,204,565</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	\$ 644,466	606,863
Deferred contributions (Note 6)	184,889	211,754
Deferred Housing Supports Initiative fund (Note 7)	250,193	259,077
Deferred Rent Relief Program fund (Note 8)	<u>2,647,707</u>	<u>3,868,314</u>
	3,727,255	4,946,008
CANADA EMERGENCY BUSINESS ACCOUNT (CEBA) LOAN (Note 12)	<u>-</u>	<u>60,000</u>
	<u>3,727,255</u>	<u>5,006,008</u>
NET ASSETS		
Unrestricted net assets	70,349	43,557
Internally restricted net assets (Note 13)	<u>155,000</u>	<u>155,000</u>
	<u>225,349</u>	<u>198,557</u>
	<u>\$ 3,952,604</u>	<u>5,204,565</u>

APPROVED BY THE BOARD:

_____ **DIRECTOR**

**MANITOBA NON-PROFIT HOUSING ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2024**

	<u>Internally Restricted (Note 13)</u>			<u>Total 2024</u>	<u>Total 2023</u>
	<u>Unrestricted</u>	<u>Stabilization Fund</u>	<u>Sector Transformation Fund</u>		
NET ASSETS, BEGINNING OF YEAR	\$ 43,557	130,000	25,000	198,557	217,696
Excess (deficiency) of revenue over expenses	<u>26,792</u>	<u>-</u>	<u>-</u>	<u>26,792</u>	<u>(19,139)</u>
NET ASSETS, END OF YEAR	<u>\$ 70,349</u>	<u>130,000</u>	<u>25,000</u>	<u>225,349</u>	<u>198,557</u>

DRAFT

**MANITOBA NON-PROFIT HOUSING ASSOCIATION
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2024**

	<u>2024</u>	<u>2023</u>
REVENUE		
Community Housing Transformation Centre	26,575	6,141
Conference and sponsorships	35,037	69,075
Forgiveness of CEBA loan (Note 12)	20,000	-
Housing Supports Initiative (Note 9)	1,337,156	1,399,254
Interest	7,068	8,664
Manitoba Housing and Renewal Corporation	75,000	-
Membership dues	54,166	51,373
Other grants	12,861	33,396
Rent Relief Program (Note 10)	1,299,800	1,066,768
Workshops and education	13,233	8,231
	<u>2,880,896</u>	<u>2,642,902</u>
EXPENSES		
Advertising and promotion	1,993	2,345
Amortization of tangible capital assets	4,512	5,383
Building Boards expense	-	491
Grants and partnership expenses	18,210	1,488
Community Housing Transformation	26,575	6,141
Conference	7,850	46,893
Housing Supports Initiative (Note 9)	1,168,735	1,154,504
Indigenous New Housing Professionals Program	850	10,246
Insurance	8,931	10,292
Life Lease Education Program	294	24,300
Meetings	1,309	9,019
Office and administration	55,169	27,851
Professional fees	113,973	212,097
Rent, parking and utilities	12,176	12,546
Rent Relief Program (Note 10)	1,142,702	835,556
Salaries and related benefits	263,188	274,896
Telephone and telecommunications	10,479	7,916
Travel	5,386	2,357
Website	840	8,628
Workshops	10,932	9,092
	<u>2,854,104</u>	<u>2,662,041</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 26,792</u>	<u>(19,139)</u>

**MANITOBA NON-PROFIT HOUSING ASSOCIATION
STATEMENT OF CASH FLOW
YEAR ENDED MARCH 31, 2024**

	<u>2024</u>	<u>2023</u>
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 26,792	(19,139)
Add back non-cash item:		
Amortization of tangible capital assets	4,512	5,383
Forgiveness of CEBA loan	<u>(20,000)</u>	<u>-</u>
	11,304	(13,756)
Changes in non-cash working capital:		
Rent relief receivable	(89,140)	(446,302)
Accounts receivable	10,165	116,100
GST receivable	(3,921)	(8,214)
Prepaid expenses	3,774	(5,473)
Accounts payable and accrued liabilities	37,603	509,340
Deferred contributions	(26,865)	61,442
Deferred Housing Supports Initiative fund	(8,884)	(1,375,847)
Deferred Rent Relief Program fund	<u>(1,220,607)</u>	<u>(986,740)</u>
	<u>(1,286,571)</u>	<u>(2,149,450)</u>
INVESTING ACTIVITIES		
Purchase of tangible capital assets	<u>(6,783)</u>	<u>(533)</u>
FINANCING ACTIVITIES		
Repayment of CEBA loan	<u>(40,000)</u>	<u>-</u>
CHANGE IN CASH	(1,333,354)	(2,149,983)
CASH, BEGINNING OF YEAR	<u>4,111,015</u>	<u>6,260,998</u>
CASH, END OF YEAR	<u>\$ 2,777,661</u>	<u>4,111,015</u>

**MANITOBA NON-PROFIT HOUSING ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024**

1. ACCOUNTING ENTITY

Manitoba Non-Profit Housing Association Inc. ("the "Association") is a not-for-profit organization incorporated, without share capital, under the Corporations Act of Manitoba on June 10, 2011. The Association was established to build, support and strengthen its members, who are diverse non-profit housing providers in Manitoba, through services, educational opportunities and advocacy. As for non-for-profit organization, the Association is not subject to income taxes under the Income Tax Act of Canada.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

An underlying assumption of the preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations is that the entity will continue for the foreseeable future and will be able to realize its assets and discharge liabilities in the normal course of operations.

The financial statements include the following significant accounting policies:

(a) Tangible Capital Assets

Tangible capital assets are recorded at cost. Amortization is provided using the following rates and methods:

Furniture and equipment	20%
Computer equipment	55%

Additions during the year are amortized at one-half the normal annual rate.

(b) Revenue Recognition

The Association follows the deferral method in accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable, and when collectibility is reasonably assured.

Conference and sponsorships and workshops and education are recognized as revenue when the conference or workshop occurs.

Membership dues are recognized as revenue when earned.

Interest is recognized in the period earned.

Housing Supports Initiative are recognized when the grant has been approved.

Rent Relief Program revenues are recognized when the underlying expense has occurred.

CEBA loan forgiveness is recognized when the loan has been repaid.

Community Housing Transformation Centre, Manitoba Housing and Renewal Corporation and other grants are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated, collection is reasonably assured and when conditions for the grants have been met.

**MANITOBA NON-PROFIT HOUSING ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024**

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Contributed Materials and Services

The Association recognizes donated materials as revenue at their fair value when the materials are donated; the Association would have otherwise purchased the materials, and the materials are expected to be used in the normal course of operations and management believes the fair value can be reasonably determined. Contributed services are not recorded in the financial statements due to the difficulty in determining their fair value.

(d) Financial Instruments

Financial instruments held by the Association include cash, rent relief program loans receivable, accounts receivable, accounts payable and accrued liabilities and the CEBA loan. The Association initially measures its financial instruments at fair value when the asset or liability is first recognized. The Association subsequently measures its financial instruments at cost or amortized cost. Amortized cost is the amount at which the financial instrument is measured at initial recognition, less principal repayments, plus or minus the cumulative of any difference between that initial amount and the maturity amount, and minus any reduction for impairment.

(e) Use of Estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Estimates include amounts payable for services not billed yet at the time these financial statements were approved, the useful life of tangible capital assets and allowance for doubtful accounts. Actual results may differ from estimates.

(f) Rent Relief Program Loans Receivable

Loans receivable are recorded at their face value, net of allowance for doubtful accounts. This constitutes a departure from Canadian accounting standards for not-for-profit organizations which require that when a financial asset is originated or acquired or a financial liability is issued or assumed in an arm's length transaction, an enterprise shall measure it at its fair value. Fair value is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

A loan is classified as allowance for doubtful accounts when management has determined that there is a reasonable doubt as to the ultimate collectability of the face value of the loan. The provision for doubtful accounts is established on a loan-by-loan basis for by applying the Association's write-off criteria policy.

Loans receivables that are to be collected after one year from the date of the statement of financial position are classified as long-term.

Loan receivable balances recovered from recipients will be repaid to the Province. Therefore, the repayable portion of loans receivables are disclosed in note 8 to the financial statements.

(g) Allocation of Expenses

Expenses, including salaries and benefits are allocated to program expenses proportionately based on the time each employee spends on the Association's various programs.

**MANITOBA NON-PROFIT HOUSING ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024**

3. RENT RELIEF PROGRAM LOANS RECEIVABLE

	<u>2024</u>	<u>2023</u>
Rent Relief Program loans receivable	\$ 2,013,075	1,568,438
Less: allowance for doubtful accounts	<u>(875,204)</u>	<u>(519,707)</u>
Rent Relief Program loans receivable, net	1,137,871	1,048,731
Less: current portion of Rent Relief Program loans receivable	<u>(759,967)</u>	<u>(373,629)</u>
Long-term portion of Rent Relief Program loans receivable	<u>\$ 377,904</u>	<u>675,102</u>

Loans are issued with a maturity of two years. Starting in the 2025 fiscal year-end, loan terms have expanded to include two and three-year terms and are on a zero-interest basis.

4. TANGIBLE CAPITAL ASSETS

	<u>2024</u>		<u>2023</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Cost</u>	<u>Accumulated Amortization</u>
Furniture and equipment	\$ 3,986	2,208	3,986	1,764
Computer equipment	<u>22,009</u>	<u>15,290</u>	<u>15,226</u>	<u>11,222</u>
	<u>25,995</u>	<u>17,498</u>	<u>19,212</u>	<u>12,986</u>
Net book value	<u>\$ 8,497</u>		<u>6,226</u>	

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2024</u>	<u>2023</u>
Housing Supports Initiative grants payable	\$ 561,498	538,947
Trade payable	36,612	39,450
Payroll payable	17,659	-
Accrued vacation payable	16,259	12,751
Professional fees payable	10,750	10,750
Credit cards payable	<u>1,688</u>	<u>4,965</u>
	<u>\$ 644,466</u>	<u>606,863</u>

**MANITOBA NON-PROFIT HOUSING ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024**

6. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent funding restricted for specific use in future periods. Changes in the deferred contributions are as follows:

	<u>2024</u>	<u>2023</u>
Contributions		
April 2023 conference	\$ -	22,700
Canadian Mortgage and Housing Corporation:		
Indigenous Housing Provider Project	-	12,150
Community Housing Transformation	-	45,000
Life Lease Education Project	-	11,520
Community Housing Transformation	4,832	6,040
Housing Day Registration	852	-
New Housing Professional Program	10,000	-
Memberships	9,992	-
	<u>25,676</u>	<u>97,410</u>
Recognized as revenue		
April 2023 conference	22,700	-
Co-op Housing Development	-	3,157
Community Housing Transformation	26,575	6,040
New Housing Professionals Program	3,266	10,245
Life Lease Education Project	-	11,520
Memberships	-	5,006
	<u>52,541</u>	<u>35,968</u>
Increase (decrease) during the year	(26,865)	61,442
Deferred contributions, beginning of year	<u>211,754</u>	<u>150,312</u>
Deferred contributions, end of year	<u>\$ 184,889</u>	<u>211,754</u>

7. DEFERRED HOUSING SUPPORTS INITIATIVE FUND

The Housing Supports Initiative grant is to be used to increase access to affordable housing and help reduce homelessness in response to the COVID-19 pandemic. The grant will be administered through non-profit partnering organizations that will implement projects throughout Manitoba.

	<u>2024</u>	<u>2023</u>
Deferred contributions, beginning of year	\$ 259,077	1,634,924
Contributions received	1,300,000	-
Recognized as revenue	<u>(1,308,884)</u>	<u>(1,375,847)</u>
Deferred contributions, end of year	<u>\$ 250,193</u>	<u>259,077</u>

**MANITOBA NON-PROFIT HOUSING ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024**

8. DEFERRED RENT RELIEF PROGRAM FUND

The Rent Relief Program grant is to be used to fund loans, program operations and administration costs of the loan program to low-to-moderate income households in Manitoba to support housing stability.

	<u>2024</u>	<u>2023</u>
Deferred contributions, beginning of year	\$ 3,868,314	4,855,054
Revenue recognized	<u>(1,220,607)</u>	<u>(986,740)</u>
Deferred contributions, end of year	<u>\$ 2,647,707</u>	<u>3,868,314</u>
Deferred contributions are comprised of the following:		
Loans receivable due back to the Province	\$ 1,137,871	\$ 1,048,731
Deferred contributions for future program expenses	<u>1,509,836</u>	<u>2,819,583</u>
Deferred contributions, end of year	<u>\$ 2,647,707</u>	<u>3,868,314</u>

9. HOUSING SUPPORTS INITIATIVE

	<u>2024</u>
REVENUE	
Housing Supports Initiative Program funding	\$ 1,308,884
Interest	<u>28,272</u>
Total Revenue	<u>1,337,156</u>
EXPENSES	
<i>Program:</i>	
Grants for projects	<u>1,168,735</u>
<i>Administrative:</i>	
Office and administration	1,892
Professional fees	9,864
Salaries and related benefits	<u>156,665</u>
	<u>168,421</u>
Total Expenses	<u>1,337,156</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ -</u>

**MANITOBA NON-PROFIT HOUSING ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024**

10. RENT RELIEF PROGRAM

	<u>2024</u>
REVENUE	
Rent Relief Program funding	\$ 1,220,607
Interest	<u>79,193</u>
Total Revenue	<u>1,299,800</u>
EXPENSES	
<i>Program:</i>	
Casework contractors and salaries	481,932
Bad debt	355,496
Interest and bank charges	14,767
Support services	<u>290,507</u>
	<u>1,142,702</u>
<i>Administrative:</i>	
Advertising and promotion	893
Amortization of tangible capital assets	1,865
Insurance	5,241
Interest and bank charges	2,256
Meetings	317
Office and administration	8,688
Professional development	9,888
Professional fees	87,470
Rent, parking and utilities	8,995
Salaries and related benefits	21,708
Telephone and telecommunication	7,111
Travel	2,566
Website	<u>100</u>
	<u>157,098</u>
Total Expenses	<u>1,299,800</u>
EXCESS OF REVENUE OVER EXPENSES	<u><u>\$ -</u></u>

**MANITOBA NON-PROFIT HOUSING ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024**

11. PENSION PLAN

The Association has a defined contribution pension plan, whereby it matches employee contributions to a maximum of 5% employee earnings. As a defined contribution pension plan, the Association has no further liability or obligation for future contributions to fund future benefits to plan members. The Association's pension expense for the year is \$8,206 (2023 - \$7,116).

12. CANADA EMERGENCY BUSINESS ACCOUNT LOAN

Canada Emergency Business Account loan with Assiniboine Credit Union Ltd., interest-free, with a limit of \$60,000. Repaying the balance of the loan on or before January 18, 2024, will result in loan forgiveness of 33% (\$20,000). If the loan is not repaid by January 18, 2024, it will be converted into a 3-year term loan at an annual interest rate of 5%.

	<u>2024</u>	<u>2023</u>
\$	-	<u>60,000</u>

During the year, the Association repaid \$40,000 of the CEBA loan, resulting in \$20,000 of loan forgiveness recognized in the statement of operations.

13. INTERNALLY RESTRICTED NET ASSETS

Stabilization Fund

The Board of Directors approved the establishment of a Stabilization Fund. The purpose of this fund is to help cover unforeseen financial obligations in a given year or to assist the Association for up to a one-year period in the event of unforeseen loss of major funding. During the current year, the Board of Directors approved an allocation of \$nil (2023 - \$100,000) to the Fund.

Sector Transformation Fund

The Board of Directors approved the establishment of a Sector Transformation Fund. The purpose of this fund is to support sector transformation activities. There were no allocations to the Fund in the current or prior fiscal years.

14. ECONOMIC DEPENDENCE

The Association Inc. is economically dependent upon its funding provided by Manitoba Housing and Renewal Corporation.

15. LEASE COMMITMENT

The Association entered into a new commitment for the purpose of renting office space. The new agreement expires April 30, 2026. The future total annual lease commitment inclusive of tax is as follows.

2025	\$	34,751
2026		34,751
2027		<u>2,896</u>
		<u>\$ 72,398</u>

**MANITOBA NON-PROFIT HOUSING ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024**

16. FINANCIAL RISK MANAGEMENT

(a) Liquidity Risk

Liquidity risk is the risk that the Association will not be able to meet its financial obligations as they come due. Financial liabilities consist of accounts payable and accrued liabilities. Accounts payable and accrued liabilities are paid in the normal course of business and except under certain exceptions, no later than one month.

The Association's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet liabilities when due. At March 31, 2024, the Association has a cash balance of \$2,777,661 (2023 - \$4,111,015), with financial liabilities of \$644,466 (2023 - \$606,863). It is management's opinion that the Association is not exposed to significant liquidity risk.

(b) Credit Risk

The Association is exposed to credit risk from the Rent Relief Program loans receivable. The Association has established a write-off criteria policy to assess and monitor the collectibility of loans receivable. The Association follows this policy when updating its allowance for doubtful accounts on an annual basis. Additionally, credit risk on the Rent Relief Program loans receivable is mitigated as the Province has agreed to fund any losses that may arise from this Program.

(c) Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. In seeking to minimize the risks from interest rate fluctuations, the Association manages exposure through its normal operating and financing activities. The Association is exposed to interest rate risk primarily through the CEBA loans; however, this loan was repaid during the year.

17. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to reflect the financial statement presentation adopted for the current year.