

**Semiahmoo House Society**  
**Financial Statements**  
*March 31, 2024*

**Semiahmoo House Society**  
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*For the year ended March 31, 2024*

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## Independent Auditor's Report

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To the Members of Semiahmoo House Society:

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Semiahmoo House Society (the "Society"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, 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 Society as at March 31, 2024, 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.

#### 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 Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Supplementary Information

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. Supplementary information including Schedules 1 to 10, has been presented for purposes of additional analysis. We do not express an opinion on the Schedules because our examination did not extend to the detailed information therein.

#### 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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 Society'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 Society'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 Society 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 (British Columbia), we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Nanaimo, British Columbia

September 20, 2024

*MNP LLP*

Chartered Professional Accountants

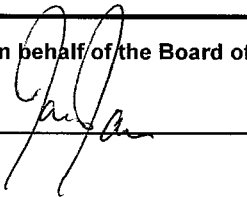
# Semiahmoo House Society Statement of Financial Position

*As at March 31, 2024*

|  | 2024              | 2023       |
|--|-------------------|------------|
| <b>Assets</b>  |                   |            |
| <b>Current</b>   |                   |            |
| Cash   | 132,400           | 24,626     |
| Accounts receivable  | 97,806            | 1,517,461  |
| Prepaid expenses   | 136,764           | 120,860    |
|  | <b>366,970</b>    | 1,662,947  |
| <b>Capital assets (Note 3)</b>   | <b>1,198,645</b>  | 1,224,148  |
| <b>Investments</b>   | <b>5,505</b>      | 5,505      |
| <b>Advances to related parties (Note 4)</b>                            | <b>2,468,783</b>  | 1,699,103  |
| <b>Restricted cash and investments - capital reserves (Note 5)</b>     | <b>2,400,299</b>  | 2,287,381  |
| <b>Restricted cash and investments - contingency reserves (Note 6)</b> | <b>3,850,462</b>  | 3,852,660  |
|  | <b>10,290,664</b> | 10,731,744 |
| <b>Liabilities</b>   |                   |            |
| <b>Current</b>   |                   |            |
| Bank indebtedness  | 584,492           | 808,031    |
| Accounts payable and accruals (Note 7)                                 | 2,348,876         | 2,444,710  |
| Deferred contributions (Note 8)  | 172,375           | 96,931     |
|  | <b>3,105,743</b>  | 3,349,672  |
| <b>Deferred capital contributions (Note 9)</b>                         | <b>18,700</b>     | 20,777     |
|  | <b>3,124,443</b>  | 3,370,449  |
| <b>Commitments (Note 10)</b>   |                   |            |
| <b>Guarantees (Note 11)</b>  |                   |            |
| <b>Net Assets</b>  | <b>7,166,221</b>  | 7,361,295  |
|  | <b>10,290,664</b> | 10,731,744 |

Approved on behalf of the Board of Directors

Director



Director



*The accompanying notes are an integral part of these financial statements*

# Semiahmoo House Society

## Statement of Operations

For the year ended March 31, 2024

|   | 2024               | 2023              |
|---|--------------------|-------------------|
| <b>Revenue</b>  |                    |                   |
| Community Living of B.C.                                    | 16,288,263         | 15,567,278        |
| Program and microboard fees                                 | 1,039,916          | 950,527           |
| Fraser Health Authority                                     | 298,564            | 277,944           |
| Ministry of Social Development & Poverty Reduction          | 278,948            | 357,087           |
| Sales and service   | 208,220            | 234,217           |
| Government of Canada  | 159,207            | 171,210           |
| BC Housing  | 22,500             | 22,500            |
| <b>Total revenues</b>                                       | <b>18,295,618</b>  | <b>17,580,763</b> |
| <b>Expenses</b>   |                    |                   |
| Amortization  | 153,026            | 135,736           |
| Bank charges and interest                                   | 19,589             | 21,009            |
| Community awareness   | 20,954             | 32,301            |
| Computer consulting and equipment                           | 163,331            | 209,704           |
| Contracted services   | 4,039,837          | 3,945,401         |
| Groceries and supplies                                      | 155,743            | 148,593           |
| Health and First Aid  | 40,772             | 33,895            |
| Inclusion BC Membership                                     | 8,000              | 10,800            |
| Insurance   | 92,711             | 84,666            |
| Occupancy costs (Note 15)                                   | 1,056,540          | 1,113,714         |
| Office  | 50,429             | 30,490            |
| Professional fees   | 51,450             | 41,150            |
| Program recreation, education and supplies                  | 113,100            | 108,660           |
| Salaries, wages and benefits                                | 13,359,743         | 12,024,327        |
| Training and education                                      | 128,844            | 95,999            |
| Transportation  | 223,148            | 205,661           |
| <b>Total expenses</b>                                       | <b>19,677,217</b>  | <b>18,242,106</b> |
| <b>Deficiency of revenues over expenses from operations</b> | <b>(1,381,599)</b> | <b>(661,343)</b>  |
| <b>Other income</b>   |                    |                   |
| Donations and miscellaneous contributions (Note 15)         | 477,535            | 297,378           |
| Grant revenue   | 306,079            | 174,054           |
| Unrealized gain (loss) on marketable securities             | 312,572            | (50,668)          |
| Interest  | 100,854            | 117,765           |
| Gaming Commission Access grants                             | 49,000             | 43,000            |
| Gain on disposal of capital assets                          | -                  | 7,811             |
| Bad debts (expense) recovery                                | (59,515)           | 51,500            |
| <b>Total other income</b>                                   | <b>1,186,525</b>   | <b>640,840</b>    |
| <b>Deficiency of revenue over expenses</b>                  | <b>(195,074)</b>   | <b>(20,503)</b>   |

The accompanying notes are an integral part of these financial statements

**Semiahmoo House Society**  
**Statement of Changes in Net Assets**  
*For the year ended March 31, 2024*

|  | Restricted for<br>capital<br>reserves | Restricted for<br>contingency<br>reserves | Capital fund | Operations<br>fund | 2024      | 2023      |
|--|---------------------------------------|---|--------------|--------------------|-----------|-----------|
| Net assets, beginning of year                | 2,287,381                             | 3,852,660                                 | 1,205,711    | 15,543             | 7,361,295 | 7,381,798 |
| Excess (deficiency) of revenue over expenses | 112,917                               | 266,472                                   | (150,950)    | (423,513)          | (195,074) | (20,503)  |
| Transfer to fund purchase of capital assets  | -                                     | -   | 134,193      | (134,193)          | -         | -         |
| Transfers                                    | -                                     | (300,000)                                 | -            | 300,000            | -         | -         |
| Net assets, end of year                      | 2,400,298                             | 3,819,132                                 | 1,188,954    | (242,163)          | 7,166,221 | 7,361,295 |

The accompanying notes are an integral part of these financial statements

# Semiahmoo House Society

## Statement of Cash Flows

For the year ended March 31, 2024

|   | 2024             | 2023        |
|---|------------------|-------------|
| <b>Cash provided by (used for) the following activities</b> |                  |             |
| <b>Operating</b>  |                  |             |
| Deficiency of revenue over expenses                         | (195,074)        | (20,503)    |
| Amortization  | 153,026          | 135,736     |
| Gain (loss) on disposal of capital assets                   | -                | (7,811)     |
| Unrealized (gain) loss on marketable securities             | (312,572)        | 50,668      |
| Deferred capital contribution amortization                  | (2,077)          | (2,309)     |
| Non cash vehicle donation                                   | -                | (6,568)     |
|   | <b>(356,697)</b> | 149,213     |
| Changes in working capital accounts                         |                  |             |
| Accounts receivable   | 1,419,654        | (1,016,489) |
| Prepaid expenses  | (15,904)         | 90,595      |
| Accounts payable and accruals                               | (95,834)         | 387,985     |
| Deferred contributions                                      | 75,444           | (175,153)   |
|   | <b>1,026,663</b> | (563,849)   |
| <b>Investing</b>  |                  |             |
| Repayment of advances to related parties                    | -                | 250,284     |
| Advances to related parties                                 | (769,680)        | -           |
| Purchase of capital assets                                  | (134,193)        | (286,420)   |
| Purchase of capital assets                                  | -                | 7,906       |
| Proceeds on disposal of capital assets                      | -                | 7,906       |
| Net advances from restricted cash and investments           | 208,523          | 83,407      |
| Advances (repayments) of bank indebtedness                  | (223,913)        | 503,984     |
|   | <b>(919,263)</b> | 567,067     |
| <b>Increase in cash resources</b>                           | <b>107,400</b>   | 3,218       |
| <b>Cash resources, beginning of year</b>                    | <b>24,626</b>    | 21,408      |
| <b>Cash resources, end of year</b>                          | <b>132,026</b>   | 24,626      |

The accompanying notes are an integral part of these financial statements



**1. Incorporation and nature of the organization**

Semiahmoo House Society (the "Society") is incorporated under the Societies Act as a not-for-profit organization and is a registered charity exempt from income tax under the Income Tax Act (the "Act"). In order to maintain its status as a registered charity under the Act, the Society must meet certain requirements within the Act. In the opinion of management these requirements have been met.

The objective of the Society is to provide quality services, advocacy and support to people with disabilities and their families within the community. The Society operates five group homes and also supports individuals in other residential settings such as a Family Care Home, five vocational/day services and a variety of individualized programs such as a Family Support program for persons with disabilities.

**2. Significant accounting policies**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

***Fund accounting***

The Society records accounting transactions using the fund accounting method generally in use for not-for-profit organizations. A fund is determined for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Each fund has its own statement of operations which presents the results of operations for the fund. The statement of financial position of the Society includes the assets, liabilities and equity of all funds presented in the financial statements.

The various funds are: the operations fund, which includes all of the programs of the Society; the capital fund, which includes the capital assets of the Society; the reserve funds noted below. The funds have been amalgamated for the purpose of presentation in the financial statements. Details of the operations of each program are set out in the supplementary schedules.

Net assets restricted for capital reserves are internally restricted by the Society's Board of Directors for the purposes of funding capital acquisitions and the repair and replacement of Society owned assets, including buildings, vehicles, furniture, and equipment. These funds may only be used with the approval of the Board of Directors. Interest earned on the reserves is also internally restricted.

Net assets restricted for contingency reserves are internally restricted by the Society's Board of Directors for the purposes of funding unexpected or contingent liabilities resulting from operations of the Society. These funds may only be used with the approval of the Board of Directors.

All inter-program balances have been eliminated on consolidation, but in order to present the results of operations for each specific program, transactions amongst programs have not necessarily been eliminated on the individual schedules.

***Revenue recognition***

The Society follows the deferral method of 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 received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. The Society receives contributions under contract from Community Living B.C, the Government of Canada, the Fraser Health Authority, and BC Housing.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Interest earned on the reserves is also internally restricted. Unrestricted investment income is recognized as revenue when earned.

**2. Significant accounting policies** *(Continued from previous page)*

**Revenue recognition** *(Continued from previous page)*

Rental income is recorded in the year it is earned. At the end of each year management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.

The Gaming Commission Access grants and other gaming revenue is recognized as it becomes receivable under the terms of the applicable funding agreements.

Sales and services revenues are recognized as services are rendered or goods are sold, once amounts can be reasonably measured, and collectibility is reasonably assured, on an accrual basis.

Program and microboard fees, donations and miscellaneous revenue are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

**Contributed materials**

The Society accounts for contributed materials at their fair value if the fair value can be reasonably estimated and they are used in the normal course of operations and would otherwise have been purchased. The value of volunteer labour is not capable of reasonable estimation and is not included in these statements.

**Financial instruments**

The Society recognizes its financial instruments when the Society becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with Section 3840 *Related Party Transactions* (refer to Note 15).

At initial recognition, the Society may irrevocably elect to subsequently measure any financial instrument at fair value. The Society has not made such an election during the year.

The Society subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by quoted market prices. Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment. All other financial assets and liabilities are subsequently measured at amortized cost, with transaction costs and financing fees are added to the carrying amount of the Society's financial instruments.

**Financial asset impairment:**

The Society assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Society determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Society reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenues over expenses.

The Society reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of excess (deficiency) in the year the reversal occurs.

**Semiahmoo House Society**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2024*

**2. Significant accounting policies** *(Continued from previous page)*

**Capital assets**

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the declining balance method at rates below, intended to amortize the cost of assets over their estimated useful lives.

|                        | Rate |
|------------------------|------|
| Buildings              | 5 %  |
| Motor vehicles         | 10 % |
| Computer equipment     | 20 % |
| Computer software      | 20 % |
| Furniture and fixtures | 20 % |
| Leasehold improvements | 30 % |

**Employee future benefits**

The Society is a participating employer in the Municipal Pension Plan of B.C. (the "Plan"). The Plan is a multi-employer plan and as a result, required contributions to the Plan are expensed as incurred.

**Measurement uncertainty**

The preparation of 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable, and amounts due from related entities are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in (deficiency) excess of revenues over expenses in the periods in which they become known. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies.

**3. Capital assets**

|                        | Cost      | Accumulated<br>amortization | 2024<br>Net book<br>value | 2023<br>Net book<br>value |
|------------------------|-----------|-----------------------------|---------------------------|---------------------------|
| Land                   | 461,502   | -                           | 461,502                   | 461,502                   |
| Buildings              | 292,620   | 202,060                     | 90,560                    | 95,327                    |
| Motor vehicles         | 995,018   | 817,656                     | 177,362                   | 253,104                   |
| Computer equipment     | 407,831   | 274,543                     | 133,288                   | 118,455                   |
| Computer software      | 303,130   | 261,672                     | 41,458                    | 51,822                    |
| Furniture and fixtures | 860,380   | 843,235                     | 17,145                    | 21,336                    |
| Leasehold improvements | 515,845   | 238,515                     | 277,330                   | 222,602                   |
|                        | 3,836,326 | 2,637,681                   | 1,198,645                 | 1,224,148                 |

**Semiahmoo House Society**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2024*

**4. Advances to related parties**

The advances to related parties, both related by common board membership, bear no interest, unsecured, and have no fixed terms of repayment.

|                                   | <b>2024</b> | 2023        |
|-----------------------------------|-------------|-------------|
| The Semiahmoo Foundation          | 561,817     | 3,235,702   |
| Peninsula Estates Housing Society | 1,906,966   | (1,536,599) |
|                                   | 2,468,783   | 1,699,103   |

**5. Capital reserves**

|                               | <b>2024</b> | 2023      |
|-------------------------------|-------------|-----------|
| Cash                          | 1,373,562   | 1,359,940 |
| Investment held with Manulife | 1,026,737   | 927,441   |
|                               | 2,400,299   | 2,287,381 |

**6. Contingency reserves**

|   | <b>2024</b> | 2023      |
|---|-------------|-----------|
| Cash                                      | 1,625,550   | 1,893,673 |
| Investment held with Manulife             | 1,078,820   | 974,475   |
| Investment held with Royal Bank of Canada | 1,146,092   | 984,512   |
|   | 3,850,462   | 3,852,660 |

**7. Accounts payable and accruals**

|  | <b>2024</b> | 2023      |
|--|-------------|-----------|
| Accounts payable and accruals                  | 369,240     | 229,853   |
| Wages payable                                  | 1,461,763   | 1,889,328 |
| Source deductions payable                      | 164,705     | 135,685   |
| Employee benefits and other deductions payable | 135,226     | 189,844   |
| CLBC contract accrual                          | 217,942     | -         |
|  | 2,348,876   | 2,444,710 |

**Semiahmoo House Society**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2024*

**8. Deferred contributions**

Deferred contributions consist of unspent contributions received from contributors who have restricted their use to specific purposes. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made.

Changes in the deferred contribution balance are as follows:

|   | <b>2024</b>  | <b>2023</b> |
|---|--------------|-------------|
| Balance, beginning of year                          | 96,931       | 272,084     |
| Amounts received during the year                    | (18,476,369) | 1,624,843   |
| Less: Amounts recognized as revenue during the year | 18,551,813   | (1,799,996) |
| Balance, end of year                                | 172,375      | 96,931      |

**9. Deferred capital contributions**

Deferred capital contributions represent contributions restricted for the purpose of renovating the Treehouse basement.

The changes in the deferred contributions balance for the year are as follows:

|  | <b>2024</b> | <b>2023</b> |
|--|-------------|-------------|
| Balance, beginning of year                         | 20,777      | 23,085      |
| Less: Amount recognized as revenue during the year | (2,077)     | (2,308)     |
| Balance, end of year                               | 18,700      | 20,777      |

**10. Commitments**

The Society has entered into two operating lease for office space subject to minimum monthly rent payments of \$4,950 and \$1,850 until April 2026 and September 2026. Annual payment for 2024 is \$81,600.

**11. Guarantees**

The Society has guaranteed the mortgages of The Semiahmoo Foundation to a maximum balance of \$2,800,000. As at March 31, 2024, the balance in this mortgage was \$1,777,199 (2023 - \$1,857,314).

**12. Pension benefits**

The Society and its employees contribute to the Municipal Pension Plan, a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2023, the plan has about 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

**Semiahmoo House Society**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2024*

**12. Pension benefits** *(Continued from previous page)*

The Society's employer contributions to the Plan of \$834,051 (2023 - \$740,979) were expensed during the year.

The next valuation will be as at December 31, 2024, with results available in 2025.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

**13. Economic dependence**

The Society's primary source of revenue is funding from Community Living of B.C. The funding can be cancelled if the Society does not observe certain established guidelines. The Society's ability to continue viable operations is dependent upon following the criteria within the government guidelines, and receipt of government funding. As at the date of these financial statements, the management of the Society believes that it is in compliance with the guidelines.

**14. Controlled entities**

The Society controls two entities which have not been consolidated in the financial statements. The Semiahmoo Foundation (TSF) and Peninsula Estates Housing Society (PEHS). The Board of Directors of the Society are the members of TSF and PEHS.

|   | <i>TSF</i><br><i>March 31,</i><br><i>2024</i> | <i>PEHS</i><br><i>March</i><br><i>31,2024</i> |
|---|---|---|
| <b>BALANCE SHEET</b>                                |   |   |
| Total assets  | 7,702,554                                     | 18,418,320                                    |
| Total liabilities                                   | (3,662,185)                                   | (16,607,367)                                  |
| <b>Total net assets</b>                             | <b>4,040,369</b>                              | <b>1,810,953</b>                              |
| <b>REVENUE AND EXPENSES</b>                         |   |   |
| Total revenue                                       | 892,264                                       | 2,053,682                                     |
| Total expenses                                      | (1,012,410)                                   | (2,110,141)                                   |
| <b>Excess (deficiency) of revenue over expenses</b> | <b>(120,146)</b>                              | <b>(56,459)</b>                               |
| <b>CASH FLOWS</b>                                   |   |   |
| Cash provided by operations                         | 19,075  | (71,433)                                      |
| Cash used in financing and investing activities     | 9,081   | 80,829  |
| <b>Increase in cash</b>                             | <b>28,156</b>                                 | <b>9,396</b>                                  |

**15. Related party transactions**

Included in revenue for the current year are donations of \$135,000 (2023 - \$185,000) and administration fees of \$90,408 (2023 - \$104,406) received from The Semiahmoo Foundation, and management fees of \$162,300 (2023 - \$104,720) received from Peninsula Estates Housing Society.

Included in occupancy costs expense for the current year is \$508,993 (2023 - \$508,993) paid to The Semiahmoo Foundation and \$43,326 (2023 - \$43,326) paid to Peninsula Estates Housing Society.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**16. Comparative figures**

Certain comparative figures have been reclassified to conform with current year presentation.

**17. Management remuneration**

During the year ended March 31, 2024, the Society paid a total of \$1,370,173 (2023 - \$1,148,455) employees and persons under contract for services paid in excess of \$75,000.

The Directors of the Society receive no compensation.

**18. Financial instruments**

The Society, as part of its operations, carries a number of financial instruments. It is management's opinion that the Society is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

***Interest rate risk***

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities.

As at March 31, 2024, the Society is exposed to significant interest rate risk related to restricted cash and investments.

***Liquidity risk***

Liquidity risk refers to the risk that the entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society enters into transactions to borrow funds from financial institutions for which repayment is required at various maturity dates.