

# Independent Auditor's Report

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To the Members of  
Co-operative Housing Federation of British Columbia

## Opinion

We have audited the financial statements of the Co-operative Housing Federation of British Columbia (the "Federation"), which comprise the statement of financial position as at July 31, 2024, and the statements of operations and changes in fund balances 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 Co-operative Housing Federation of British Columbia as at July 31, 2024, and its results of 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 Federation 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.

## Responsibilities of management and those charged with governance 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.

In preparing the financial statements, management is responsible for assessing the Federation'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 Federation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Federation'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 Federation'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 Federation'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 Federation 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.

*Doane Grant Thornton LLP*

Vancouver, Canada  
October 27, 2024

Chartered Professional Accountants

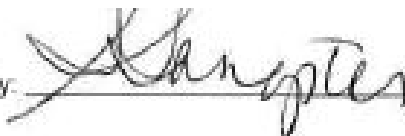
# Co-operative Housing Federation of British Columbia

## Statement of Financial Position

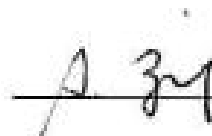
July 31, 2024

|  | Operating<br>Fund   | Research and<br>Development<br>Fund | Capital Asset<br>Fund | Encasa Equity<br>Investment<br>Fund | Total<br>2024       | Total<br>2023       |
|--|---------------------|-------------------------------------|-----------------------|-------------------------------------|---------------------|---------------------|
| <b>Current assets</b>                        |                     |                                     |                       |                                     |                     |                     |
| Cash and cash equivalents                    | \$ 2,969,935        | \$ 127,422                          | \$ -                  | \$ -                                | \$ 3,097,357        | \$ 1,438,373        |
| Investments (Note 3)                         | 372,406             | -                                   | -                     | -                                   | 372,406             | 339,305             |
| Receivables (Note 4)                         | 273,457             | -                                   | -                     | -                                   | 273,457             | 669,231             |
| Prepaid expenses                             | 85,952              | -                                   | -                     | -                                   | 85,952              | 74,466              |
|  | <u>3,701,750</u>    | <u>127,422</u>                      | <u>-</u>              | <u>-</u>                            | <u>3,829,172</u>    | <u>2,521,375</u>    |
| <b>Long-term assets</b>                      |                     |                                     |                       |                                     |                     |                     |
| Investment in Encasa Financial Inc. (Note 5) | -                   | -                                   | -                     | -                                   | -                   | 887,644             |
| Property and equipment (Note 6)              | -                   | -                                   | 74,589                | -                                   | 74,589              | 113,333             |
|  | <u>\$ 3,701,750</u> | <u>\$ 127,422</u>                   | <u>\$ 74,589</u>      | <u>\$ -</u>                         | <u>\$ 3,903,761</u> | <u>\$ 3,522,352</u> |
| <b>Current liabilities</b>                   |                     |                                     |                       |                                     |                     |                     |
| Payables and accruals (Note 7)               | \$ 138,971          | \$ -                                | \$ -                  | \$ -                                | \$ 138,971          | \$ 68,975           |
| Bulk purchasing commitments payable          | -                   | -                                   | -                     | -                                   | -                   | -                   |
| Due to vendors: Commercial Services          | 55,194              | -                                   | -                     | -                                   | 55,194              | 203,882             |
| Deferred dues and grants (Note 8)            | 1,165,605           | -                                   | -                     | -                                   | 1,165,605           | 904,700             |
|  | <u>1,359,770</u>    | <u>-</u>                            | <u>-</u>              | <u>-</u>                            | <u>1,359,770</u>    | <u>1,177,557</u>    |
| <b>Long-term liabilities</b>                 |                     |                                     |                       |                                     |                     |                     |
| Long-term portion of loan (Note 9)           | -                   | -                                   | -                     | -                                   | -                   | 40,000              |
|  | <u>15,550</u>       | <u>-</u>                            | <u>-</u>              | <u>-</u>                            | <u>15,550</u>       | <u>15,500</u>       |
| <b>Fund balances</b>                         |                     |                                     |                       |                                     |                     |                     |
| Unrestricted                                 | 2,326,430           | 127,422                             | -                     | -                                   | 2,453,852           | 2,175,962           |
| Invested in capital assets                   | -                   | -                                   | 74,589                | -                                   | 74,589              | 113,333             |
|  | <u>2,326,430</u>    | <u>127,422</u>                      | <u>74,589</u>         | <u>-</u>                            | <u>2,528,441</u>    | <u>2,289,295</u>    |
|  | <u>\$ 3,701,750</u> | <u>\$ 127,422</u>                   | <u>\$ 74,589</u>      | <u>\$ -</u>                         | <u>\$ 3,903,761</u> | <u>\$ 3,522,352</u> |

Approved by



Director



Director

See accompanying notes and schedules to the financial statements.

# Co-operative Housing Federation of British Columbia

## Statements of Operations and Changes in Fund Balances

Year ended July 31, 2024

|   | Operating<br>Fund<br>(Schedules<br>1 & 2) | Research and<br>Development<br>Fund | CHF BC<br>Capital Asset<br>Fund | Encasa Equity<br>Investment<br>Fund | Total<br>2024       | Total<br>2023       |
|---|---|-------------------------------------|---------------------------------|-------------------------------------|---------------------|---------------------|
| Revenue   |   |                                     |                                 |                                     |                     |                     |
| Administration  | \$ 1,713,199                              | \$ -                                | \$ -                            | \$ -                                | \$ 1,713,199        | \$ 1,336,960        |
| Commercial services (Note 14)                             | 2,389,398                                 | -                                   | -                               | -                                   | 2,389,398           | 2,025,450           |
| Education program   | 155,249                                   | -                                   | -                               | -                                   | 155,249             | 146,959             |
| Income on investment in Encasa<br>Financial Inc. (Note 5) | -   | -                                   | -                               | -                                   | -                   | 52,405              |
|   | <u>4,257,846</u>                          | <u>-</u>                            | <u>-</u>                        | <u>-</u>                            | <u>4,257,846</u>    | <u>3,561,774</u>    |
| Expenses  |   |                                     |                                 |                                     |                     |                     |
| Amortization  | -   | -                                   | 57,103                          | -                                   | 57,103              | 109,792             |
| Administration  | 4,008,838                                 | -                                   | -                               | -                                   | 4,008,838           | 3,408,415           |
| Commercial services                                       | 109,950                                   | -                                   | -                               | -                                   | 109,950             | 95,828              |
| Communications  | 140,029                                   | -                                   | -                               | -                                   | 140,029             | 117,203             |
| Education program   | 251,615                                   | -                                   | -                               | -                                   | 251,615             | 293,938             |
|   | <u>4,510,432</u>                          | <u>-</u>                            | <u>57,103</u>                   | <u>-</u>                            | <u>4,567,535</u>    | <u>4,025,176</u>    |
| Less: cost recoveries (Note 13)                           | <u>(551,479)</u>                          | <u>-</u>                            | <u>-</u>                        | <u>-</u>                            | <u>(551,479)</u>    | <u>(577,749)</u>    |
|   | <u>3,958,953</u>                          | <u>-</u>                            | <u>57,103</u>                   | <u>-</u>                            | <u>4,016,056</u>    | <u>3,447,427</u>    |
| Other Revenue and Expenses                                |   |                                     |                                 |                                     |                     |                     |
| Loss on sale of Encasa Financial share (Note 5)           | -   | -                                   | -                               | 2,644                               | 2,644               | -                   |
| Excess (deficiency) of revenue over expenses              | 298,893                                   | -                                   | (57,103)                        | (2,644)                             | 239,146             | 114,347             |
| Interfund transfers                                       |   |                                     |                                 |                                     |                     |                     |
| Transfer (to) from operating fund (Note 11)               | 866,641                                   | -                                   | 18,359                          | (885,000)                           | -                   | -                   |
|   | <u>1,165,534</u>                          | <u>-</u>                            | <u>(38,744)</u>                 | <u>(887,644)</u>                    | <u>239,146</u>      | <u>114,347</u>      |
| Fund balances, beginning of year                          | <u>1,160,896</u>                          | <u>127,422</u>                      | <u>113,333</u>                  | <u>887,644</u>                      | <u>2,289,295</u>    | <u>2,174,948</u>    |
| Fund balances, end of year                                | <u>\$ 2,326,430</u>                       | <u>\$ 127,422</u>                   | <u>\$ 74,589</u>                | <u>\$ -</u>                         | <u>\$ 2,528,441</u> | <u>\$ 2,289,295</u> |

See accompanying notes and schedules to the financial statements.