

ANKORS - AIDS NETWORK OUTREACH AND SUPPORT SOCIETY
FINANCIAL STATEMENTS
March 31, 2025

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CHILDS CHANTON

CHARTERED PROFESSIONAL ACCOUNTANTS*

* Denotes Professional Corporation

Jeremy J. Childs, CPA, CA

Marie C. Chanton, CPA, CA

241 Columbia Avenue, Castlegar, BC V1N 1G3 Phone: (250) 365-7287 Fax: (250) 365-6066

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

ANKORS - AIDS Network Outreach and Support Society

Qualified Opinion

We have audited the accompanying financial statements of ANKORS - AIDS Network Outreach and Support Society (the Society), which comprise the statement of financial position as at March 31, 2025 and the statement of operations, statement of changes in net assets, and statement of cash flow for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinion" section of our report, the financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2025 and the results of its operations, changes in net assets and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Society has derived certain donation revenues for efforts under its fundraising initiatives. These cash transactions are not conducive to satisfactory audit verification. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenues.

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.

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 responsibility 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 Entity's sufficient 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements have been applied on a basis consistent with that of the preceding year.



CHILDS CHANTON
CHARTERED PROFESSIONAL ACCOUNTANTS
Castlegar, BC

June 19, 2025

ANKORS - AIDS NETWORK OUTREACH AND SUPPORT SOCIETY
STATEMENT OF FINANCIAL POSITION
As at March 31, 2025

	2025	2024
Assets		
Current		
Cash	\$ 1,362,964	\$ 1,404,849
Accounts receivable	100,880	82,339
Goods and services tax refundable	6,750	5,549
Prepaid expenses	95,704	8,049
	1,566,298	1,500,786
Capital Assets (Note 4)	1,148,463	1,227,982
	\$ 2,714,761	\$ 2,728,768
Liabilities		
Current		
Accounts payable	\$ 33,801	\$ 65,736
Accrued payroll and benefits	168,828	154,886
Government payroll remittances	46,123	43,475
Deferred revenue (Note 6)	1,046,239	953,443
BC Housing Loan	-	1,012,954
Mortgage payable - current portion (Note 5)	18,157	-
	1,313,148	2,230,494
Mortgage payable (Note 5)	829,358	-
Deferred capital contributions (Note 7)	92,821	131,432
Forgivable loan (note 8)	102,963	-
	2,338,290	2,361,926
Net Assets		
Invested in capital assets	105,164	83,596
Unrestricted	271,307	283,246
	376,471	366,842
	\$ 2,714,761	\$ 2,728,768

APPROVED:



Executive Director



Treasurer

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

ANKORS - AIDS NETWORK OUTREACH AND SUPPORT SOCIETY
STATEMENT OF OPERATIONS
For the Year Ended March 31, 2025

	2025	2024
Revenue		
Interior Health Authority - West Kootenay and Boundary	\$ 1,538,139	\$ 1,093,043
Interior Health Authority - East Kootenay	99,517	253,277
Health Canada	-	407,639
Grants	738,691	666,460
Donations and other income	27,662	24,035
Rental income	27,013	22,944
	2,431,022	2,467,398
General expenses		
Administration (Note 9)	127,468	136,504
Amortization	90,965	70,412
Direct services (Note 9)	290,043	359,051
Interest on long-term debt	24,492	-
Occupancy costs	110,294	113,105
Wages and benefits	1,778,131	1,782,432
	2,421,393	2,461,504
Excess of revenues over expenses	\$ 9,629	\$ 5,894

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

ANKORS - AIDS NETWORK OUTREACH AND SUPPORT SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended March 31, 2025

	2025		
	Invested in Capital Assets	Unrestricted	Total
Net assets, beginning of year	\$ 83,596	\$ 283,246	\$ 366,842
Capital asset purchases	11,444	(11,444)	-
Repayment of debt relating to capital assets	160,171	(160,171)	-
Acquisition of forgivable loan	(105,064)	105,064	-
Amortization of capital assets	(90,965)	90,965	-
Scheduled repayment of debt	5,270	(5,270)	-
Amortization of forgivable loan	2,101	(2,101)	-
Amortization of deferred capital contributions relating to capital assets	38,611	(38,611)	-
Excess of revenues over expenses	-	9,629	9,629
Net assets, end of year	\$ 105,164	\$ 271,307	\$ 376,471

	2024		
	Invested in capital assets	Unrestricted	Total
Net assets, beginning of year	\$ 120,308	\$ 240,640	\$ 360,948
Capital asset purchases	127,105	(127,105)	-
Acquisition of debt for purchase of capital assets	(42,394)	42,394	-
Amortization of capital assets	(70,412)	70,412	-
Acquisition of deferred capital contributions	(87,709)	87,709	-
Amortization of deferred capital contributions relating to capital assets	36,698	(36,698)	-
Excess of revenues over expenses	-	5,894	5,894
Net assets, end of year	\$ 83,596	\$ 283,246	\$ 366,842

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

ANKORS - AIDS NETWORK OUTREACH AND SUPPORT SOCIETY
STATEMENT OF CASH FLOW
For the Year Ended March 31, 2025

	2025	2024
Operating transactions		
Excess of revenue over expenditures	\$ 9,629	\$ 5,894
Non-cash items:		
Amortization of deferred capital contributions	(38,611)	(36,698)
Amortization of capital assets	90,965	70,412
Interest and fees accrued on BC Housing loan	37,893	42,394
	99,876	82,002
Changes in non-cash working capital:		
Accounts receivable	(18,541)	(7,043)
Goods and services tax refundable	(1,200)	1,948
Prepaid expenses	(87,656)	(3,462)
Accounts payable	(31,938)	13,215
Payroll payable	11,609	10,778
Government remittances payable	8,462	(8,749)
Deferred revenue	92,796	15,480
Cash provided by operating transactions	73,408	104,169
Investing transactions		
Purchase of tangible capital assets	(11,444)	(127,105)
Acquisition of deferred capital contributions	-	87,709
Increase in forgivable loan	102,963	-
Cash provided by (applied to) investing transactions	91,519	(39,396)
Financing transactions		
Repayment to BC Housing	(1,050,847)	-
Repayment of CEBA loan	-	(30,000)
Increase in mortgages payable	844,035	-
Cash provided by (applied to) financing transactions	(206,812)	(30,000)
Increase (decrease) in cash and cash equivalents	(41,885)	34,773
Cash and cash equivalents, beginning of year	1,404,849	1,370,076
Cash and cash equivalents, end of year	\$ 1,362,964	\$ 1,404,849
Cash and cash equivalents consist of:		
Cash	\$ 1,362,964	\$ 1,404,849

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

ANKORS - AIDS NETWORK OUTREACH AND SUPPORT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2025

1. PURPOSE OF THE ORGANIZATION

ANKORS - AIDS Network Outreach and Support Society (the Society) is a regional organization operating programs designed to respond to the needs of those living with and at risk for HIV and Hepatitis C and to provide prevention education, harm reduction and outreach to residents of the East Kootenay, West Kootenay and Boundary region of British Columbia. The Society is incorporated under the Society Act of British Columbia as a not-for-profit organization and is a registered charity under the Income Tax Act.

2. BASIS OF PRESENTATION

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (Part III of the CPA Canada Handbook) and reflect the financial position and results of operations of the Society.

3. SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

The Society follows the deferral method of accounting for grant contributions. Grants are recognized when the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted contributions are recognized as revenue when recorded. Externally restricted contributions are deferred and recognized as revenues in the periods in which they are spent on their respective programs and the conditions are met. Capital contributions restricted for the purchase of capital assets and forgivable loans from government sources used to purchase capital assets are deferred and amortized into revenue using a rate and method corresponding with that of the related capital asset.

The Society benefits from donated services in the form of volunteer time for various programs. The value of these services is not recognized in these financial statements.

Cash and cash equivalents

Cash and cash equivalents include credit union balances and membership shares.

Use of estimates

The preparation of financial statements in accordance with accounting standards for not-for-profit organizations requires management to make certain estimates and assumptions that may affect the reported amounts of certain assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Significant items subject to such estimates and assumptions include estimated useful lives of tangible capital assets and completeness of deferred program contributions. Actual results could differ from these estimates.

Financial instruments

The Society considers any contract creating a financial asset, liability, or equity instrument as a financial instrument, except in certain limited circumstances. A financial asset is recognized when the Society become party to the contractual provisions of the instrument.

ANKORS - AIDS NETWORK OUTREACH AND SUPPORT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2025

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Initial measurement

The Society's financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees or transaction costs, if applicable.

Subsequent measurement

At each reporting date, the Society measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets). The Society uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the statement of operations. The financial instruments that are measured at amortized cost are cash, accounts receivable, accounts payable, accrued liabilities, government remittances payable, GST rebates receivable, and loans payable. Due to the short-medium term nature of these financial instruments, their carrying value approximates their amortized cost in all material respects.

For financial assets measured at cost or amortized cost, the Society regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Society determines that there is a significant adverse change in the expected timing or amount of future cash flow arising from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in the statement of operations in the year the reversal occurs.

Capital assets and Interest During Construction

Capital assets are recorded at cost less accumulated amortization. The Society has adopted the policy to capitalize interest during construction of the West Houston Building. Amortization is recorded on a declining balance basis reflecting the estimated useful lives of the capital assets. The amortization rates used are as follows:

Computer Equipment	50% declining balance
Diagnostic equipment	20% declining balance
Office equipment	20% declining balance
Furniture and equipment	20% declining balance
West Houston Building	4% declining balance
Mobile Outreach Van	30% declining balance

Income taxes

The Society is exempt from income taxes under section 149 of the income tax act.

ANKORS - AIDS NETWORK OUTREACH AND SUPPORT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2025

4. CAPITAL ASSETS

			2025	2024
	Cost	Accumulated Amortization	Net Book Value	
Computer Equipment	\$ 66,487	\$ 58,910	\$ 7,577	\$ 6,693
Diagnostic Equipment	59,150	35,709	23,441	29,301
Office Equipment	113,586	77,454	36,132	41,899
Mobile Outreach Van	170,827	86,022	84,805	120,907
Building - 535 West Houston	889,699	67,391	822,308	854,982
Land - 535 West Houston	174,200	-	174,200	174,200
	\$ 1,473,949	\$ 153,442	\$ 1,148,463	\$ 1,227,982

5. MORTGAGE PAYABLE

In August 2024, BC Housing arranged a take-out mortgage with Peoples Trust Company to repay the loan owing from ANKORS to BC Housing net of a forgivable loan portion (see note 8). The mortgage has a term of 25 years, maturing September 1, 2049, with blended monthly payments of \$4,959.83 at an interest rate of 5% compounded semi-annually, and is secured by land and buildings with a net book value of \$996,506. The scheduled principal payments in each of the next five years are as follows:

2026	\$ 18,157
2027	19,077
2028	20,042
2029	21,057
2030	22,123
Thereafter	747,059
Total	\$ 847,515

ANKORS - AIDS NETWORK OUTREACH AND SUPPORT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2025

6. DEFERRED REVENUE

Deferred revenue includes contributions, restricted by terms of funders, to cover expenses in periods when they occur.

	March 31 2024	Funding Received	Recognized as Revenue	March 31 2025
Funding from Interior Health Authority:				
Population Health	\$ 391,563	\$ 542,133	\$ (592,223)	\$ 341,473
Adult Supported Recovery Housing	97,686	533,949	(493,841)	137,794
Supported Recovery Improvements	45,554	-	(45,554)	-
Opioid Agonist Therapy	21,404	44,343	(58,536)	7,211
Transconnect	12,546	97,804	(81,494)	28,856
Vending Machines	40,000	-	(40,000)	-
Nelson Inhalation Services	89,322	-	(82,654)	6,668
Drug Checking EK & WK	24,470	157,110	(146,415)	35,165
Other (less than \$30,000)	20,265	73,666	(58,306)	35,625
	742,810	1,449,005	(1,599,023)	592,792
Funding from BC Housing:				
Extreme Weather Response	-	198,852	(161,799)	37,053
Grants:				
Community Actions Initiative	120,791	432,000	(349,796)	202,995
Community Foundation Kootenay	-	100,000	(13,183)	86,817
City of Trail	-	87,645	-	87,645
Nelson Cares	-	137,095	(137,095)	-
Canadian Women's Foundation	49,924	-	(49,924)	-
Osprey Foundation	22,407	-	(22,407)	-
Provincial Health Authority	-	50,000	(50,000)	-
Other (less than \$30,000)	17,511	105,513	(84,087)	38,937
	210,633	912,253	(706,492)	416,394
Total	\$ 953,443	\$ 2,560,110	\$ (2,467,314)	\$ 1,046,239

7. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions include the unamortized amount of contributions received for the purchase of capital assets. Amortization of deferred capital contributions is recorded as revenue from the Interior Health Authority funding on the Statement of Operations.

	2025	2024
Balance, beginning of year	\$ 131,432	\$ 80,420
Amounts received during the year	-	87,709
Amounts recognized as revenue during the year	(38,611)	(36,697)
Balance, end of year	\$ 92,821	\$ 131,432

ANKORS - AIDS NETWORK OUTREACH AND SUPPORT SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2025

8. FORGIVABLE LOAN RELATED TO 535 HOUSTON STREET RESIDENCE

BC Housing extended to the Society a forgivable loan for the interest incurred up to the take-out mortgage date, which totaled \$105,604. The forgivable loan includes a total term length of 25 years from the commencement date and includes no scheduled principal reduction from years one through ten. Beginning in 2035, principal reductions by way of debt forgiveness will be granted to the Society to reduce the balance to nil on a straight-line basis over the remaining term of the mortgage.

The conditions for the forgivable loan are specified in the BC Housing's Commitment Letter and it is management's opinion that the Society is not at risk of default with respect to these covenants and that BC Housing has the intention to forgive the loan on schedule.

The Society is amortizing this forgivable loan into income at the same rate and method of amortization on the 535 West Houston Street building.

	2025	2024
Forgivable loan - beginning of year	\$ -	\$ -
Forgivable loan extended	105,064	-
Amortization of forgivable loan	(2,101)	-
Forgivable loan - end of year	\$ 102,963	\$ -

9. ADMINISTRATION AND DIRECT SERVICES EXPENSES

Administration and direct services expenses consist of the following categories:

	2025	2024
Direct Services		
Advertising and promotion	\$ 12,569	\$ 3,434
Memberships, licences and dues	5,100	11,941
Harm reduction and support supplies and travel	73,437	31,407
Program supplies	208,647	198,015
Staff training and travel	59,133	87,341
Telecommunications	38,404	42,422
Honorariums	75,031	107,399
Cost recoveries	(182,278)	(122,908)
	\$ 290,043	\$ 359,051

ANKORS - AIDS NETWORK OUTREACH AND SUPPORT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2025

9. ADMINISTRATION AND DIRECT SERVICES EXPENSES (continued)

	2025	2024
Administration		
Accounting and professional fees	\$ 30,811	\$ 41,285
Bank charges and interest	33,000	42,617
Equipment rentals	4,498	4,498
Insurance	11,703	7,034
Office expenses	42,427	31,528
Staff development	5,029	9,542
	\$ 127,468	\$ 136,504

10. FINANCIAL INSTRUMENTS RISKS

The Society is exposed to the following potentially significant financial risks through its transactions in financial instruments:

Credit risk: Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other by failing to discharge an obligation. The Society has exposure to credit risk to the extent of its cash and cash equivalents, goods and services tax receivable, and accounts receivable.

All material cash balances are maintained in an established financial institution and therefore, the risk of non-performance with respect to cash is remote. This risk has not changed since the prior year. Accounts receivable balances have not changed substantially this year and the risk of non-performance with respect to accounts receivable is considered low.

Liquidity risk: Liquidity risk is the risk that the Society will encounter difficulty in meeting its obligations associated with financial liabilities. The Society is exposed to liquidity risk due to its mortgage payable, accounts payable, and accrued liabilities. Liquidity risk is managed by maintaining sufficient cash and cash equivalents to meet requirements for debt repayment or payment of accounts payable and accrued liabilities. Management assesses that this risk is low and has not changed significantly since the prior year.

Interest rate risk: Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Society is exposed to interest rate risk through its mortgage payable which accrues interest at a fixed rate. This risk has changed since the prior year given that the Society entered into a take-out mortgage to repay the loan owing to BC Housing. Management has determined that the associated interest rate risk is low.

11. ECONOMIC DEPENDENCE

The Society receives funding from various entities to operate its programs. The Interior Health Authority (IHA) accounts for 67% of this funding and as such, ongoing operations of the Society depend largely on continued funding from the IHA.

12. BRITISH COLUMBIA SOCIETIES ACT

On November 28, 2016, the new British Columbia Societies Act (the Act) came into effect. Included in the act is a requirement to disclose the remuneration to directors, employees, and contractors who are paid at least \$75,000 annually. The Society had two individuals who fell into this category for the year ended March 31, 2025, and total remuneration was \$175,240 (2024 - no employees or contractors fell into this category).

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IP: 2604:3d08:bc7f:460:e184:cfb7:6520:95c1



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IP: 24.67.177.118



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