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**FINANCIAL STATEMENTS**

# COMMUNITY BASED RESEARCH CENTRE SOCIETY

**March 31, 2024**

Limited Liability Partnership

Tompkins Wozny
Chartered Professional Accountants

# INDEPENDENT AUDITOR'S REPORT

To the Members of
**Community Based Research Centre Society**

***Qualified Opinion***

We have audited the financial statements of Community Based Research Centre 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of the report, 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 Qualified Opinion***

In common with many not-for-profit organizations, the Society derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to donations revenue, sponsorships revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2024 and 2023, current assets as at March 31, 2024 and 2023, and net assets as at April 1 and March 31 for both the 2024 and 2023 years.

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 qualified audit 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 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 British Columbia Societies Act, we report that the accounting principles used in these financial statements have been applied on a basis consistent with that of the preceding year.

Tompkins Wozny LLP

Vancouver, Canada
September 17, 2024

Chartered Professional Accountants

# STATEMENT OF FINANCIAL POSITION

As at March 31

| | 2024<br>$ | 2023<br>$ |
|---|---|---|
| **ASSETS** | | |
| **Current** | | |
| Cash and cash equivalents *[note 3]* | **994,525** | 1,810,544 |
| Accounts receivable *[note 4]* | **1,110,892** | 538,714 |
| Prepaid expenses | **93,438** | 65,560 |
| | **2,198,855** | 2,414,818 |
| Capital assets *[note 5]* | **—** | 364 |
| | **2,198,855** | 2,415,182 |
| **LIABILITIES** | | |
| **Current** | | |
| Accounts payable and accruals *[note 6]* | **811,238** | 805,713 |
| Deferred grants *[note 7]* | **1,161,302** | 1,381,496 |
| **Total liabilities** | **1,972,540** | 2,187,209 |
| **NET ASSETS** | | |
| Invested in capital assets | **—** | 364 |
| Unrestricted | **226,315** | 227,609 |
| | **226,315** | 227,973 |
| | **2,198,855** | 2,415,182 |

Commitments *[note 8]*

*See accompanying notes to the financial statements*

On behalf of the Board:

Director

Director

# STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31

| | Invested in Capital Assets $ | Internally Restricted $ | Unrestricted $ | Total $ |
|---|---|---|---|---|
| **2024** | | | | |
| Excess of expenses for the year | **(364)** | — | **(1,294)** | **(1,658)** |
| Investment in capital assets | — | — | — | — |
| Net assets, beginning of year | **364** | — | **227,609** | **227,973** |
| **Net assets, end of year** | — | — | **226,315** | **226,315** |
| **2023** | | | | |
| Excess of expenses for the year | (3,180) | — | (69,551) | (72,731) |
| Investment in capital assets | — | — | — | — |
| Net assets, beginning of year | 3,544 | — | 297,160 | 300,704 |
| **Net assets, end of year** | 364 | — | 227,609 | 227,973 |

*See accompanying notes to the financial statements*

# STATEMENT OF OPERATIONS

Year ended March 31

| | 2024<br>$ | 2023<br>$ |
|---|---|---|
| **REVENUE** | | |
| Grants *[note 7]* | **7,113,527** | 6,845,647 |
| Sponsorships | **197,852** | 141,692 |
| Registrations and other contracts | **57,578** | 31,260 |
| Donations | **10,370** | 10,851 |
| Interest | **1,872** | 909 |
| | **7,381,199** | 7,030,359 |
| **EXPENSES** | | |
| Wages and benefits *[note 9]* | **3,392,150** | 3,388,584 |
| Contractors *[note 9]* | **2,354,067** | 2,127,329 |
| Resource materials | **760,688** | 642,209 |
| Travel, meetings and conferences | **326,398** | 378,183 |
| Honorariums | **200,434** | 191,919 |
| Office and supplies | **145,519** | 118,396 |
| Rent | **116,422** | 107,632 |
| Professional fees | **26,573** | 29,123 |
| Evaluation | **23,974** | 7,304 |
| Equipment | **17,217** | 98,865 |
| Insurance | **14,620** | 10,366 |
| Bad debts | **4,431** | — |
| Amortization of capital assets | **364** | 3,180 |
| | **7,382,857** | 7,103,090 |
| **Excess of expenses for the year** | **(1,658)** | (72,731) |

*See accompanying notes to the financial statements*

# STATEMENT OF CASH FLOWS

Year ended March 31

| | 2024 $ | 2023 $ |
|---|---|---|
| **OPERATING ACTIVITIES** | | |
| Excess of expenses for the year | **(1,658)** | (72,731) |
| Item not affecting cash | | |
| Amortization of capital assets | **364** | 3,180 |
| Changes in other non-cash working capital items | | |
| Accounts receivable | **(572,178)** | 407,073 |
| Prepaid expenses | **(27,878)** | (7,723) |
| Accounts payable and accruals | **5,525** | 526,502 |
| Deferred revenue | **(220,194)** | 569,222 |
| **Cash provided by (used in) operating activities** | **(816,019)** | 1,425,523 |
| **Increase (decrease) in cash in the year** | **(816,019)** | 1,425,523 |
| Cash and cash equivalents, beginning of year | **1,810,544** | 385,021 |
| **Cash and cash equivalents, end of year** | **994,525** | 1,810,544 |

*See accompanying notes to the financial statements*

# NOTES TO FINANCIAL STATEMENTS

March 31, 2024

## 1. NATURE OF OPERATIONS

Community-Based Research Centre Society (the "Society") is a not-for-profit organization that promotes the health of diverse sexualities and genders through research and intervention development.

The Society's core pillars - community-led research, knowledge exchange, network building, and leadership development - position the organization as a thought leader, transforming ideas into actions that make a difference in our communities.

The Society was incorporated in 1999 and is a non-profit charitable organization and is exempt from income taxes. Our main office is located in Vancouver, British Columbia, and we also have satellite offices in Vancouver, Toronto, and Montreal.

## 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

### [a] Use of Estimates

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 statement and the reported amounts of revenues and expenditures during the year. Significant areas requiring the use of management estimates relate to the determination of the deferred portion of grants. Actual results could differ from the estimates.

### [b] Revenue Recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions (grants and donations) are recognized as revenue in the year in which the related expenditures 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.

Grants and contributions for particular programs or services are recognized as revenue as the programs or services are delivered and collection is reasonably assured.

Unrestricted interest income is recognized as revenue when it is earned.

### [c] Contributed Services

A substantial number of volunteers have donated significant amounts of their time in the Society's operations and in its fundraising campaigns. However, since no objective basis exists for recording and assigning values to contributed services, their value has not been reflected in the accompanying financial statements.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### [d] Financial Instruments

The Society initially measures its financial assets and liabilities at fair value. The Society subsequently measures all its financial assets and liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accruals.

### [e] Cash and Cash Equivalents

Cash is defined as cash on hand, cash on deposit, and term deposits, net of cheques issued and outstanding at the year-end and deposits outstanding at year-end.

### [f] Capital Assets

Capital assets are recorded at cost. Capital assets contributed to the Society are recorded at the fair value at the date the contribution is made. Computer equipment is amortized on a straight-line basis over 3 years and the leaseholds over 5 years.

### [g] Deferred Grants

Deferred grants consists of revenue or grants received that are to be restricted to be used to fund expenditures in the next fiscal year-end.

## 3. CASH AND CASH EQUIVALENTS

| | 2024<br>$ | 2023<br>$ |
|---|---|---|
| Cash | **994,525** | 1,810,544 |
| Credit Union shares | **—** | — |
| | **994,525** | 1,810,544 |
| Operating | **990,098** | 1,751,655 |
| Gaming | **4,427** | 58,889 |
| | **994,525** | 1,810,544 |

# NOTES TO FINANCIAL STATEMENTS

March 31, 2024

## 4. ACCOUNTS RECEIVABLE

| | 2024<br>$ | 2023<br>$ |
|---|---|---|
| Operations | **1,074,836** | 503,253 |
| Government - GST | **36,056** | 35,461 |
| Allowance for doubtful accounts | **—** | — |
| | **1,110,892** | 538,714 |

## 5. CAPITAL ASSETS

| | Cost<br>$ | Accumulated Amortization<br>$ | Net Book Value<br>$ |
|---|---|---|---|
| **2024** | | | |
| Computer equipment | **15,390** | **15,390** | **—** |
| Leasehold improvements | **11,345** | **11,345** | **—** |
| | **26,735** | **26,735** | **—** |
| **2023** | | | |
| Computer equipment | 15,390 | 15,026 | 364 |
| Leasehold improvements | 11,345 | 11,345 | — |
| | 26,735 | 26,371 | 364 |

## 6. ACCOUNTS PAYABLE AND ACCRUALS

| | 2024<br>$ | 2023<br>$ |
|---|---|---|
| Operations | **640,320** | 630,697 |
| Vacation time owing | **170,492** | 148,664 |
| Government remittances - WorkSafeBC | **426** | 517 |
| - EHT | **—** | 25,835 |
| | **811,238** | 805,713 |

## 7. DEFERRED GRANTS

| | Deferred, Beginning of Year | Received or Receivable | Earned During the Year | Deferred, End of Year |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **2024** | | | | |
| Public Health Agency of Canada - Community Action Fund (CAF) - Smarter Prevention | **—** | **420,000** | **420,000** | **—** |
| - Community Action Fund (CAF) - Nat'l Alliance | **236,679** | **1,788,579** | **1,887,003** | **138,255** |
| - Mental Health Promotion Innovation Fund | **150,270** | **1,490,132** | **1,640,402** | **—** |
| - Enhanced Surveillance for Chronic Disease Program | **—** | **482,483** | **482,483** | **—** |
| Health Canada - Sexual and Reproductive Health Fund (SRH) | **—** | **1,412,076** | **1,412,076** | **—** |
| Provincial Health Services Authority | **—** | **150,000** | **150,000** | **—** |
| Gaming | **61,117** | **(4,415)** | **52,288** | **4,414** |
| Department of Justice (Conversion Therapy) | **63,288** | **—** | **63,288** | **—** |
| St. Michael's Hospital - PrEP Research | **84,103** | **—** | **13,285** | **70,818** |
| - Testing & Linkage | **—** | **90,742** | **90,742** | **—** |
| University of Victoria - COVID-19 | **69,098** | **(6,728)** | **62,370** | **—** |
| University of Victoria - SRH Catalyst | **—** | **130,102** | **117,479** | **12,623** |
| Vancouver Coastal Health (Contingency Management) | **91,981** | **140,000** | **101,981** | **130,000** |
| Women and Gender Equality Canada - Capacity Building | **—** | **99,945** | **99,945** | **—** |
| - Competency Building | **324,034** | **—** | **200,729** | **123,305** |
| Other | **166,703** | **682,610** | **319,456** | **529,857** |
| | **1,247,273** | **6,875,526** | **7,113,527** | **1,009,272** |
| Sponsorships, donations, other income | **134,223** | **259,428** | **241,621** | **152,030** |
| | **1,381,496** | **7,134,954** | **7,355,148** | **1,161,302** |
| **2023** | | | | |
| Public Health Agency of Canada - Community Action Fund (CAF) - Smarter Prevention | — | 420,000 | 420,000 | — |
| - Community Action Fund (CAF) - Nat'l Alliance | — | 1,378,530 | 1,141,851 | 236,679 |
| - Mental Health Promotion Innovation Fund | — | 1,383,069 | 1,232,799 | 150,270 |
| - Enhanced Surveillance for Chronic Disease Program | — | 174,658 | 174,658 | — |
| Health Canada - Sexual and Reproductive Health Fund (SRH) | — | 1,451,018 | 1,451,018 | — |
| - Substance Use and Addictions Program (SUAP) | — | 427,088 | 427,088 | — |
| Provincial Health Services Authority | 11,249 | 150,000 | 161,249 | — |
| Gaming | — | 114,336 | 53,219 | 61,117 |
| Department of Justice (Conversion Therapy) | 100,000 | — | 36,712 | 63,288 |
| St. Michael's Hospital - PrEP Research | 89,143 | 91,507 | 96,547 | 84,103 |
| - Testing & Linkage | — | 577,283 | 577,283 | — |
| University of Victoria (COVID-19) | 230,177 | — | 161,079 | 69,098 |
| Vancouver Coastal Health (Contingency Management) | 130,000 | — | 38,019 | 91,981 |
| Women and Gender Equality Canada - Capacity Building | 25,498 | 174,999 | 200,497 | — |
| - Competency Building | 10,287 | 589,696 | 275,949 | 324,034 |
| Other | 215,920 | 348,462 | 397,679 | 166,703 |
| | 812,274 | 7,280,646 | 6,845,647 | 1,247,273 |
| Sponsorships, donations, other income | — | 318,026 | 183,803 | 134,223 |
| | 812,274 | 7,598,672 | 7,029,450 | 1,381,496 |

March 31, 2024

## 8. COMMITMENTS

The Society has committed to a three year lease renewal for office premises in Vancouver from August 1, 2022 to July 31, 2025. The annual rental charge under the lease includes base rent, property taxes, and operating costs. The required payments is estimated to be $4,178 per month or $50,140 per annum.

The Society is also committed to a one year lease agreement for office space in Toronto from April 1, 2024 to March 31, 2025. The annual rate for use of the premise is $25,000 per annum.

## 9. WAGES, BENEFITS AND CONTRACTOR FEES

Pursuant to the British Columbia Societies Act, the Society is required to disclose contractor fees and wages & benefits paid to contractors/employees who are paid $75,000 or more during the fiscal year. Wages and benefits includes remuneration paid to twelve [2023 - fourteen] employees in the amount of $1,157,656 [2023 - $1,260,501]. Two contractors were paid $255,398 in fiscal 2024. No contractors were paid $75,000 or more in fiscal 2023.

## 10. ECONOMIC DEPENDENCE

The Society is dependent on grant revenues as outlined in note 7 of which approximately 31% [2023 - 22%] of revenue is received from the Community Action Fund division of the Public Health Agency of Canada ("PHAC"). The Society has a 5-year term with the Community Action Fund division of PHAC for fiscal years 2023 to 2027.

## 11. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments.

<u>Credit Risk</u>

The Society is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. The Society does not obtain collateral or other security to support its accounts receivable to credit risk but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance. The Society is also exposed to credit risk with respect to its cash deposits. The Society reduces its credit risk by placing its term deposits with large financial institutions.

## 11. FINANCIAL INSTRUMENTS (CONT'D)

Liquidity Risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. It stems from the possibility of a delay in realizing the fair value of financial instruments. The Society manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities to ensure that funds are available to meet payments as they fall due.

## 12. COMPARATIVE FIGURES

Certain 2023 comparative figures have been reclassified to conform to the current year presentation.