

PACIFIC AIDS NETWORK SOCIETY

Financial Statements

Year Ended March 31, 2026

PACIFIC AIDS NETWORK SOCIETY

Index to Financial Statements

Year Ended March 31, 2026

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 9

INDEPENDENT AUDITOR'S REPORT

To the Members of Pacific AIDS Network Society

Report on the Financial Statements

Opinion

We have audited the financial statements of Pacific AIDS Network Society (the "Society"), which comprise the statement of financial position as at March 31, 2026, 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, 2026, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 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.

Other Matter

The financial statements for the year ended March 31, 2025 were audited by another auditor who expressed an unmodified opinion on those financial statements on July 2, 2025.

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 of British Columbia, we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

PACIFIC AIDS NETWORK SOCIETY

Statement of Financial Position

March 31, 2026

	2026	2025
ASSETS		
Current		
Cash	\$ 549,305	\$ 505,388
Accounts receivable	10,864	5,000
GST recoverable	1,886	2,677
Prepaid expenses	8,134	19,045
	<u>570,189</u>	532,110
Tangible capital assets (Note 3)	<u>2,886</u>	5,772
	<u>\$ 573,075</u>	\$ 537,882
LIABILITIES		
Current		
Accounts payable and accruals	\$ 46,896	\$ 45,365
Deferred contributions (Note 4)	152,427	253,940
Deferred revenue	56,884	55,576
	<u>256,207</u>	354,881
Deferred capital contributions (Note 5)	<u>1,381</u>	2,846
	<u>257,588</u>	357,727
Net Assets		
Unrestricted	219,090	82,337
Internally restricted (Note 6)	94,892	94,892
Invested in capital assets	1,505	2,926
	<u>315,487</u>	180,155
	<u>\$ 573,075</u>	\$ 537,882

ON BEHALF OF THE BOARD

Rosalind Baltzer Turje Director

Katrina Jensen Director

See notes to financial statements

PACIFIC AIDS NETWORK SOCIETY

Statement of Operations

Year Ended March 31, 2026

	2026	2025
REVENUES		
Contributions (<i>Note 4</i>)	\$ 981,454	\$ 813,908
Individual donations	133,450	96
Fees for service	84,271	77,957
Corporate sponsorships	17,072	15,000
Interest & other	13,239	20,214
Agency contributions	10,000	-
Amortization of deferred capital contributions (<i>Note 5</i>)	1,465	1,381
	<u>1,240,951</u>	<u>928,556</u>
EXPENSES		
Human resources	863,145	730,980
Meetings	86,742	31,673
Positive Leadership Development Institute	36,571	35,360
Administration	31,502	23,828
Rent & utilities	26,888	19,250
Workforce development	25,552	33,474
CBR program	16,979	23,229
Materials	15,354	13,175
Amortization of tangible capital assets	2,886	4,248
	<u>1,105,619</u>	<u>915,217</u>
EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	<u>\$ 135,332</u>	<u>\$ 13,339</u>

See notes to financial statements

PACIFIC AIDS NETWORK SOCIETY

Statement of Changes in Net Assets

Year Ended March 31, 2026

	Unrestricted	Internally restricted	Invested in capital assets	2026	2025
NET ASSETS - BEGINNING OF YEAR	\$ 82,337	\$ 94,892	\$ 2,926	\$ 180,155	\$ 166,816
Excess of revenues over expenses	135,332	-	-	135,332	13,339
Amortization of deferred capital contributions	(1,465)	-	1,465	-	-
Amortization of tangible capital assets	2,886	-	(2,886)	-	-
NET ASSETS - END OF YEAR	\$ 219,090	\$ 94,892	\$ 1,505	\$ 315,487	\$ 180,155

See notes to financial statements

PACIFIC AIDS NETWORK SOCIETY**Statement of Cash Flows****Year Ended March 31, 2026**

	2026	2025
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 135,332	\$ 13,339
Items not affecting cash:		
Amortization of deferred capital contributions	(1,465)	(1,381)
Amortization of tangible capital assets	2,886	4,248
	<u>136,753</u>	<u>16,206</u>
Changes in non-cash working capital:		
Accounts receivable	(5,864)	125,623
GST recoverable	791	(560)
Prepaid expenses	10,911	(14,403)
Accounts payable and accruals	1,531	(5,465)
Deferred contributions	(101,513)	204,078
Deferred revenue	1,308	20,366
	<u>(92,836)</u>	<u>329,639</u>
Cash flow from operating activities	<u>43,917</u>	<u>345,845</u>
INVESTING ACTIVITY		
Purchase of tangible capital assets	-	(4,516)
INCREASE IN CASH FLOW	43,917	341,329
Cash - beginning of year	<u>505,388</u>	<u>164,059</u>
CASH - END OF YEAR	\$ 549,305	\$ 505,388

See notes to financial statements

PACIFIC AIDS NETWORK SOCIETY

Notes to Financial Statements

Year Ended March 31, 2026

1. PURPOSE OF THE SOCIETY

Pacific AIDS Network Society (the "Society") is a not-for-profit organization incorporated under the Societies Act of British Columbia on July 18, 2003 and is a registered charity under the Income Tax Act. As a registered charity the Society is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

The Society's primary purpose is to provide a network for communication, education, mutual support, collective advocacy, and action for HIV related issues throughout British Columbia.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

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.

Individual donations, corporate sponsorships, agency contributions, interest, and other income are recognized as revenue when received.

Fees for service revenue is recognized when earned, if the amount can be reasonably estimated and collection is reasonably assured.

Net assets

Unrestricted net assets comprise the excess of revenues over expenses accumulated by the Society and are available for general purposes.

Internally restricted net assets are funds which have been designated for a specific purpose by the Society's Board of Directors.

Net assets invested in capital assets represents the Society's net investment in capital assets purchased with restricted funds.

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis at the following rates and methods:

Computer equipment	3 years	straight-line method
Furniture and equipment	4 years	straight-line method

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Cloud computing arrangements

The Society uses the simplified approach of accounting for cloud computing expenses. Under this approach, the Society recognizes expenditures for cloud software services as they are incurred. Up-front implementation services are expensed over the course of the contract.

During the year ended March 31, 2026, the Society incurred cloud computing expenses of \$13,419 (2025 - \$13,874).

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PACIFIC AIDS NETWORK SOCIETY

Notes to Financial Statements

Year Ended March 31, 2026

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Measurement uncertainty

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. The primary estimates relate to the useful life of tangible capital assets and the recoverability of accounts receivable. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2026 Net book value	2025 Net book value
Computer equipment	\$ 4,515	\$ 3,010	\$ 1,505	\$ 3,010
Furniture and equipment	5,524	4,143	1,381	2,762
	\$ 10,039	\$ 7,153	\$ 2,886	\$ 5,772

4. DEFERRED CONTRIBUTIONS

Deferred contributions consist of contributions received that are externally restricted for the purpose of specific projects and are recognized as revenue when the project expenses are incurred. The balance is made up of the following:

	Beginning balance	Amounts received	Amounts recognized	Ending balance
Canadian Institutes of Health Research - Thrive	\$ 87,154	\$ 88,281	\$ 87,153	\$ 88,282
University of British Columbia - Cues	25,000	-	1,442	23,558
Vancouver Foundation - Gilead	-	30,864	9,933	20,931
Vancouver Foundation - Stigma	121,074	-	101,418	19,656
Provincial Health Services Authority	14,118	330,000	344,118	-
Provincial Health Agency of Canada - PLDI	3,824	168,767	172,591	-
Provincial Health Agency of Canada - CB	2,770	262,029	264,799	-
	\$ 253,940	\$ 879,941	\$ 981,454	\$ 152,427

5. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions consist of contributions received that are externally restricted for the purpose of the purchase of tangible capital assets. These contributions are recognized in income at the same rate the related tangible capital assets are amortized. A reconciliation of the balance is as follows:

	2026	2025
Opening balance	\$ 2,846	\$ 4,227
Contributions received	-	-
Amount recognized	(1,465)	(1,381)
Ending balance	\$ 1,381	\$ 2,846

PACIFIC AIDS NETWORK SOCIETY

Notes to Financial Statements

Year Ended March 31, 2026

6. INTERNALLY RESTRICTED NET ASSETS

The Board of Directors (the “Board”) has restricted net assets to serve as a contingency fund. The Board passes resolutions to transfer funds from unrestricted net assets when the Board believes there to be a surplus of funds not needed for daily operations. No amounts were transferred during the 2026 fiscal year (2025 - \$nil).

7. ECONOMIC DEPENDENCE

The Society is economically dependent on funding from the Federal and Provincial Government for its ongoing operations. The Society received 70% of its revenues from these contributors during 2026 (2025 - 86%), which is normal for the Society and the industry in which it operates.

8. REMUNERATION PAID TO EMPLOYEES AND DIRECTORS

Under the B.C. Societies Act regulations, all Societies which are not designated as a member funded Society are required to disclose any remuneration paid to employees and/or contractors that earn over \$75,000, and disclose any payments made to Directors of the Society. For the year ended March 31, 2026, the Society had 3 (2025 - 5) employees with remuneration in excess of \$75,000, with total remuneration of \$282,234 (2025 - \$453,348). In both the 2025 and 2026 fiscal years, no contractor received remuneration in excess of \$75,000 and there was no remuneration paid to Directors.

9. FINANCIAL INSTRUMENTS

Financial assets and liabilities are initially measured at fair value. Subsequent measurement of financial assets and liabilities are at cost or amortized cost. Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accruals.

The Society is exposed to various risks through its financial instruments. The following analysis provides information about the Society's risk exposure and concentration as of March 31, 2026.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk in respect of its cash and accounts receivable; however, management does not believe the Society is exposed to significant credit risk as cash is held with a large, reputable, regulated financial institution, and there are no significant amounts receivable.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk in respect of its accounts payable and accruals; however, there are sufficient current assets to settle all obligations.

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant other risks arising from these financial instruments.