**Connections Place Society**

**Financial Statements**

**Year Ended March 31, 2026**

Draft for discussion purposes only

Dusanj + Wirk CHARTERED PROFESSIONAL ACCOUNTANTS

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# Independent Auditor's Report

**To the Members of Connections Place Society**

**Report on the Financial Statements**

**Opinion**

We have audited the financial statements of Connections Place Society (the "Society"), which comprise the statement of financial position as at March 31, 2026, and the statements of operations and 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 and other explanatory information.

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.

**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 ASNPO, 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.

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Independent Auditor's Report to the Members of Connections Place Society *(continued)*

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.

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Victoria, British Columbia
October 28, 2026

Chartered Professional Accountants

**Connections Place Society**
**Statement of Financial Position**
**March 31, 2026**

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| **Assets** | | |
| Current | | |
| Cash and cash equivalents *(Note 3)* | 44,670 | 73,787 |
| Term deposit *(Note 4)* | 61,883 | - |
| Accounts receivable *(Note 5)* | - | 22,489 |
| Prepaid expenses | 26,052 | 24,023 |
| | 132,605 | 120,299 |
| Tangible capital assets *(Note 6)* | 45,483 | 49,986 |
| **Total assets** | 178,088 | 170,285 |
| **Liabilities** | | |
| Current | | |
| Accounts payable and accrued liabilities | 29,935 | 19,770 |
| Government remittances payable | 6,544 | 8,450 |
| | 36,479 | 28,220 |
| Deferred capital contributions *(Note 7)* | 15,000 | 20,000 |
| **Total liabilities** | 51,479 | 48,220 |
| **Net Assets** | | |
| Unrestricted | 126,609 | 122,065 |
| **Total liabilities and net assets** | 178,088 | 170,285 |

Commitments *(Note 8)*

**On behalf of the Board**

*Director*

*Director*

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The accompanying notes are an integral part of these financial statements

**Connections Place Society**
**Statement of Operations and Changes in Net Assets**
**Year Ended March 31, 2026**

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| Revenue | | |
| Government operating grants | 500,000 | 500,000 |
| Contracts for service | 297,391 | 270,536 |
| Philanthropic grants | 70,709 | 47,889 |
| Donations | 38,241 | 19,185 |
| Sales and fundraising | 21,662 | 23,216 |
| Amortization of deferred capital contributions *(Note 7)* | 5,000 | 5,000 |
| Interest income | 2,702 | 7,701 |
| | 935,705 | 873,527 |
| Expenses | | |
| Advertising and promotion | 19,453 | 12,757 |
| Amortization | 16,110 | 13,840 |
| Clubhouse rent *(Note 8)* | 159,722 | 159,342 |
| Clubhouse utilities | 8,564 | 8,702 |
| Insurance | 6,654 | 7,001 |
| Interest and bank charges | 2,000 | 1,087 |
| Membership fees | 14,573 | 9,224 |
| Office | 80,842 | 75,676 |
| Professional development | 3,205 | 4,067 |
| Professional fees | 19,713 | 20,893 |
| Repairs and maintenance | 2,793 | 854 |
| Salaries and wages *(Note 10)* | 580,701 | 557,790 |
| Travel | 16,831 | 10,464 |
| | 931,161 | 881,697 |
| **Excess (deficiency) of revenue over expenses** | 4,544 | (8,170) |
| Net assets - beginning of year | 122,065 | 130,235 |
| **Net assets - end of year** | 126,609 | 122,065 |

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**Connections Place Society**
**Statement of Cash Flows**
**Year Ended March 31, 2026**

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| Operating activities | | |
| Excess (deficiency) of revenue over expenses | 4,544 | (8,170) |
| Items not affecting cash: | | |
| Amortization of tangible capital assets | 16,110 | 13,840 |
| Amortization of deferred capital contributions | (5,000) | (5,000) |
| | 15,654 | 670 |
| Changes in non-cash working capital: | | |
| Accounts receivable | 22,490 | (21,330) |
| Prepaid expenses | (2,029) | (5,991) |
| Accounts payable and accrued liabilities | 10,164 | 1,226 |
| Government remittances payable | (1,906) | 445 |
| Deferred revenue | - | (500,000) |
| | 28,719 | (525,650) |
| Cash flow from (used by) operating activities | 44,373 | (524,980) |
| Investing activities | | |
| Purchase of tangible capital assets | (11,607) | (52,941) |
| Deferred capital contributions received *(Note 7)* | - | 25,000 |
| Cash flow used by investing activities | (11,607) | (27,941) |
| **Increase (decrease) in cash flow** | 32,766 | (552,921) |
| Cash - beginning of year | 73,787 | 626,708 |
| **Cash - end of year** | 106,553 | 73,787 |
| Cash consists of: | | |
| Cash and cash equivalents *(Note 3)* | 44,670 | 73,787 |
| Term deposit *(Note 4)* | 61,883 | - |
| | 106,553 | 73,787 |

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The accompanying notes are an integral part of these financial statements

## 1. Purpose of the Society

Connections Place Society (the "Society") is a not-for-profit organization of British Columbia.As a registered charity the Society is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act. The purpose of the Society is to provide people with mental illness a place to gain confidence, respect, hope, and opportunity. The Society opens the door to friendship, education and employment for people living with mental illness.

## 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

Connections Place 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. Restricted contributions for the purchase of capital assets are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital asset. 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. Endowment contributions are recognized as direct increases in net assets.

Unrestricted investment income is recognized as revenue when earned.

Sales and fundraising revenue is recognized as revenue when received if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contracts for service are recognized as revenue when the related services are provided and if the amount to be received can be reasonably estimated and collection is reasonably assured.

Government assistance

Government assistance for acquiring fixed assets and related to expenses is recorded as deferred government assistance and is amortized on the same basis and according to the same rates as the related fixed assets or to income as eligible expenditures are incurred.

Cash and cash equivalents

Cash and cash equivalents include bank accounts of the Society as well as deposits which are realizable within three months from the balance sheet date.

Term deposits

Term deposits are comprised of guaranteed investment certificates. These items are carried at amortized cost at the date of the statements of financial position and have a maturity period of less than one year.

Tangible capital assets

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

| | | |
|---|---|---|
| Computer equipment | 55% | declining balance method |
| Computer software | 55% | declining balance method |
| Furniture and fixtures | 30% | declining balance method |
| Leasehold improvements | 5 years | straight-line method |

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## 2. Summary of significant accounting policies *(continued)*

The Society regularly reviews its tangible capital assets to eliminate obsolete items.

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

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred for financial instruments subsequently measured at fair value. Transaction costs are added to the carrying amount for those financial instruments subsequently measured at amortized cost.

Financial assets measured at amortized cost include accounts receivable and the term deposit. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

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 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. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Significant estimates include useful lives of capital assets and accrued liabilities. Actual results could differ from these estimates.

## 3. Cash and cash equivalents

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| Cash | 44,670 | 68,635 |
| Canadian money market funds | - | 5,152 |
| | 44,670 | 73,787 |

## 4. Term deposit

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| Guaranteed investment certificate | 61,883 | - |

The term deposit is a cashable guaranteed investment certificate earning interest at 1.80% per term and matures May 6, 2026. Subsequent to year end, the Society cashed the guaranteed investment certificate on April 6, 2026 and April 23, 2026 to provide funds for operational expenses. The balances received were $30,078 and $31,986 respectively, which included accrued interest earned during the term.

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## 5. Accounts receivable

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| Vancouver Island Health Authority | - | 22,489 |

## 6. Tangible capital assets

| | 2026 | | 2025 | |
|---|---|---|---|---|
| | Cost<br>$ | Accumulated amortization<br>$ | Cost<br>$ | Accumulated amortization<br>$ |
| Computer equipment | 15,514 | 12,906 | 13,816 | 11,795 |
| Computer software | 9,342 | 9,784 | 9,342 | 9,286 |
| Furniture and fixtures | 47,913 | 24,974 | 38,004 | 17,266 |
| Leasehold improvements | 33,964 | 13,586 | 33,964 | 6,793 |
| | 106,733 | 61,250 | 95,126 | 45,140 |
| Net book value | | 45,483 | | 49,986 |

## 7. Deferred capital contributions

Deferred capital contributions represent restricted contributions received for purchasing capital assets. Recognition of these amounts is on the same basis as the capital asset acquired.

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| Opening balance | 20,000 | - |
| Amounts received during the year | - | 25,000 |
| Amounts recognized during the year | (5,000) | (5,000) |
| Closing balance | 15,000 | 20,000 |

## 8. Commitments

The Society entered into a five-year lease agreement for its premises which expires on May 31, 2028. Basic rental payments excluding goods and services tax, operating expenses and property taxes are as follows:

| | $ |
|---|---|
| 2027 | 79,800 |
| 2028 | 79,800 |
| 2029 | 13,300 |
| | 172,900 |

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## 9. Financial risks and concentrations of risks

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of March 31, 2026.

Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Society's exposure to credit risk is indicated by the carrying amount of its cash and cash equivalents and short-term investments. The Society deposits its cash and cash equivalents and investments with high credit qualifying financial institutions. There has been no change to the risk exposure from 2025.

Liquidity risk

Liquidity is the risk that the Society will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Society manages its liquidity risk by monitoring its operating requirements. The Society prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2025. The Society's liquidity risk is assessed as low.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of fixed income investments held by the Society. The Society manages this risk by investing in guaranteed investment certificates with carrying maturity dates. There has been no change to the risk exposure from 2025. The Society's interest rate risk is assessed as low.

## 10. Employee remuneration

Under the Societies Act, societies must disclose remuneration paid to directors, employees and contractors whose remuneration was at least $75,000 for the fiscal year. For the fiscal year ending March 31, 2026, no amounts were paid to directors (2025: $nil) and there was one employee (2025: one) who met this criterion. The total remuneration paid to this person was $82,250 (2025: $76,674)

## 11. Economic dependence

During the year ended March 31, 2026, the Society received approximately 85% (2025: 88%) of its revenues from the B.C. government. The Society's ability to continue its programs is dependent on its ability to obtain sources of private and/or government funding. As at the date of these financial statements, the Society believes that it is in compliance with the agreement and funding will continue.

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## 12. Endowment fund

On July 26, 2019, the Society entered into an agreement with the Victoria Foundation to create an endowment known as the Connections Place Fund, which will be used to participate in the Victoria Foundation's Smart & Caring Community Fund matching program. The endowment was established with a $7,500 contribution from the Society and a matching $7,500 contribution from the Victoria Foundation, for a total of $15,000. The Society made a $2,500 contribution during the 2026 fiscal year (2025: $nil), and the Victoria Foundation made a matching $2,500 contribution (2025: $nil).

The Victoria Foundation hosts the endowment. The principal is to be retained in perpetuity, and the income is distributed to the Society from time to time according to the terms of the agreement. The Society is entitled to the annual earnings from the endowment held by the Victoria Foundation. The capital of the funds is not available to the Society, and is held in perpetuity. The Victoria Foundation is a not-for-profit organization that receives and invests funds, and from these funds provide investment income to other not-for-profit organizations under the terms of agreement with them.

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| Opening balance | 17,552 | 16,396 |
| Contributions | 5,000 | - |
| Net investment return | 1,272 | 1,954 |
| Grants paid | (859) | (798) |
| Closing balance | 22,965 | 17,552 |

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