PAIN BC SOCIETY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

17th floor, 1030 West Georgia St., Vancouver, BC, Canada V6E 2Y3

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INDEPENDENT AUDITORS' REPORT

To the Members of Pain BC Society

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Pain BC Society (the “Society”), which comprise the statement of financial position as at December 31, 2024, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2024, and its financial performance 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 Auditors' 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 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.

Auditors' 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 auditors’ 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 AUDITORS' REPORT (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 auditors' 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 auditors' 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.

Manning Elliott LLP

Chartered Professional Accountants
Vancouver, British Columbia
May 21, 2025

PAIN BC SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	Note	**2024**	2023
		$	$
Assets			
Current			
Cash		**268,873**	361,519
Accounts receivable		**238,962**	175,121
Prepaid expenses		**13,289**	16,119
Restricted cash and cash equivalents	3	**1,326,947**	585,070
		1,848,071	1,137,829
Equipment	4	**8,459**	12,006
Restricted cash and cash equivalents	3	**1,313,980**	104,712
		3,170,510	1,254,547
Liabilities			
Current			
Accounts payable and accrued liabilities		**198,426**	233,970
Deferred contributions	5	**1,326,947**	585,070
		1,525,373	819,040
Deferred contributions	5	**1,313,980**	104,712
		2,839,353	923,752
Net Assets		**331,157**	330,795
		3,170,510	1,254,547

COMMITMENTS (Note 8)

Approved on behalf of the Board:

Director

Director

See notes to financial statements

PAIN BC SOCIETY
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	**2024**	2023
		$	$
Revenue			
Fundraising			
Corporate, foundations and other	5	**770,907**	524,848
Government	5,6	**1,901,368**	2,574,679
Individuals	5	**60,830**	44,888
Programs and events	5	**321,422**	223,531
		3,054,527	3,367,946
Interest		**26,907**	14,274
Other income		**133,868**	122,203
		3,215,302	3,504,423
Expenses	9		
Communications		**327,618**	287,919
Education		**1,128,204**	1,544,569
Fund development		**98,702**	95,987
Health system coordination		**307,477**	133,969
Operations		**441,571**	503,265
Research		**153,488**	232,700
Support services		**757,880**	706,465
		3,214,940	3,504,874
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR		**362**	(451)
NET ASSETS – BEGINNING OF YEAR		**330,795**	331,246
NET ASSETS – END OF YEAR		**331,157**	330,795

PAIN BC SOCIETY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
	$	$
Operating Activities		
Excess (deficiency) of revenue over expenses for the year	**362**	(451)
Items not involving cash:		
Amortization of equipment	**7,549**	5,803
Revenue recognized from deferred contributions	**(530,283)**	(525,317)
	(522,372)	(519,965)
Changes in non-cash working capital:		
Accounts receivable	**(63,841)**	105,607
Prepaid expenses	**2,830**	(3,355)
Accounts payable and accrued liabilities	**(35,544)**	51,351
Deferred contributions	**2,481,428**	477,117
	1,862,501	110,755
Investing Activity		
Purchase of equipment	**(4,002)**	(13,427)
Net increase in cash and cash equivalents	**1,858,499**	97,328
Cash and cash equivalents, beginning of year	**1,051,301**	953,973
Cash and cash equivalents, end of year	**2,909,800**	1,051,301
Cash and cash equivalents is comprised of:		
Cash	**268,873**	361,519
Current restricted cash and cash equivalents	**1,326,947**	585,070
Long term restricted cash and cash equivalents	**1,313,980**	104,712
	2,909,800	1,051,301

See notes to financial statements

1. PURPOSE OF THE SOCIETY

Pain BC Society (the “Society”) was incorporated provincially under the British Columbia Society Act in 2008 and is a registered charity for the purposes of the Income Tax Act (Canada) and accordingly is exempt from income taxes.

The Society’s mission is to enhance the wellbeing of all people with pain through empowerment, care, education and innovation. The Society raises funds to focus on six primary strategies:

- Prevent persistent pain and intervene early to reduce its impacts;
- Empower people who live with pain to enhance wellbeing;
- Educate health care providers to better assess and manage pain;
- Improve the systems that impact people in pain, communities and society;
- Combat stigma and its negative effects; and
- Foster research on pain and pain-related disability.

In 2022, the Society launched Pain Canada which is a multi-stakeholder, national initiative supported by the Society. Pain Canada’s mission is to increase education and awareness about the importance of managing pain, expand the reach of pain management care options and increase collaboration and community capacity. This initiative is meant to unite a national community of pain organizations to improve systems of care and support people with pain. Pain Canada has several partners, including provincial and national non-profit organizations, clinical peer and research networks.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") under Part III of the CPA Handbook - Accounting.

These financial statements have, in management's opinion, been prepared within reasonable limits of materiality using the significant accounting policies noted below:

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash and term deposits that are short-term, highly liquid, and readily convertible to known amounts of cash and are subject to an insignificant risk of change in value (see Note 3).

(b) 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, if the amount to be received can be reasonably estimated and collection is reasonably assured. 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.

Interest income is recorded as revenue when received or receivable.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) Capital assets

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

Computer equipment	3 years	straight line method

The Society's policy is to record a write-down to a capital asset's fair value or replacement cost when conditions indicate that a capital asset is impaired. Such conditions include when the Society's value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount. Write-downs are recognized as an expense in the statement of income and are not reversed.

(d) Contributed materials and services

Contributed services are not recognized in the financial statements due to the difficulty of determining their fair value. Contributed materials are recognized only when their fair value can be reasonably estimated and when the materials and services are used in the normal course of operations and would otherwise have been purchased. No contributed materials were received or recognized during the year (2023 – none received or recognized).

(e) Allocation of expenditures

The Society engages in public, patient and clinical education, patient support programs, research and systems redesign initiatives, and stigma reduction and awareness raising. The costs of each program include expenditures that are directly related to providing the program. The Society also incurs general office expenditures that are common to the administration of the organization and each of its programs. The services of contractors and employees are used to support the operations and everyday activities of the Society.

The Society allocates a certain portion of its contractor and employee expenditures, and general office expenditures by identifying the appropriate basis of allocating each component expenditure and applying that basis consistently each year, allowing for fluctuations in program activities. Expenditures are allocated on the following basis:

- Contractor and employee expenditures are allocated proportionately based on the estimated time spent by individuals on each program, and.
- General office expenditures are allocated proportionately based on the estimated usage by each program.

(f) Financial instruments

i) Measurement

The Society's financial instruments consist of cash, restricted cash and cash equivalents, accounts receivable and accounts payable.

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(f) Financial instruments *(continued)*

ii) Impairment

Financial assets subsequently measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down that is determined is recognized in the statement of operations. A previously recognized impairment loss may be reversed to the extent of any improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations in the period in which it is determined.

iii) Transaction costs

The Society recognizes transaction costs in the statement of operations in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(g) Use of estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not for profit organizations requires management to make estimates and assumptions about future events that affect the reported amounts of assets, liabilities, revenue and expenses as at the end of or during the reporting period. Management believes that the estimates used are reasonable and prudent; however, actual results could differ from those estimates. Significant areas requiring the use of management estimates are the determination of revenue and deferred contributions to be recognized in the year and the allocation of expenditures to the Society's various programs.

3. RESTRICTED CASH AND CASH EQUIVALENTS

Restricted cash and cash equivalents are made up of the following:

	2024 **$**	2023 $
Cash	**414,883**	236,367
Term deposit #1 (bears interest at 3.0%, matures May 2025) (2023: 2.60%, May 2024)	**426,044**	453,415
Term deposit #2 (bears interest at 3.1%, matures May 2025)	**600,000**	-
Term deposit #3 (bears interest at 4.0%, matures May 2025)	**600,000**	-
Term deposit #4 (bears interest at 3.6%, matures May 2025)	**600,000**	-
	2,640,927	689,782

Term deposit #1 consists of an internally restricted contingency fund setup by the Society in 2020. The funds are intended to be used when the Society encounters cash flow challenges due to timing of grants and/or in the event of the dissolution of the Society.

Term deposits #2, #3 and #4 are monies deferred for the Chronic Pain in Trades project (Note 5).

4. EQUIPMENT

	Cost $	Accumulated Amortization $	**2024 Net book value $**	2023 Net book value $
Computer equipment	23,636	15,177	**8,459**	12,006

For the year ended December 31, 2024, amortization expenses in the amount of $7,549 (2023 - $5,803) has been reported.

5. DEFERRED CONTRIBUTIONS

The Society receives restricted contributions in the form of grants and donations. Restricted contributions are recognized from funding organizations for specific projects or activities proposed by the Society in accordance with its revenue recognition policy in note 2(b).

In 2024, contributions received, recognized as revenue and deferred at year-end are as follows:

For the year ended December 31, 2024:

	December 31 2023 $	Contributions received during the year $	Contributions recognized as revenue during the year $	**December 31 2024 $**
Corporate, Foundations and Other	599,521	657,979	(770,907)	**486,593**
Government	90,261	3,965,441	(1,901,368)	**2,154,334**
Individuals, programs and events	-	382,252	(382,252)	**-**
	689,782	5,005,672	(3,054,527)	**2,640,927**

For the year ended December 31, 2023:

	December 31 2022 $	Contributions received during the year $	Contributions recognized as revenue during the year $	December 31 2023 $
Corporate, Foundations and Other	357,892	766,477	(524,848)	599,521
Government	377,425	2,287,515	(2,574,679)	90,261
Individuals, programs and events	2,665	265,754	(268,419)	-
	737,982	3,319,746	(3,367,946)	689,782

5. DEFERRED CONTRIBUTIONS *(continued)*

Pain Strategy Grant

During the year ended December 31, 2021, the Society received a $1,000,000 contribution from the Ministry of Health. This contribution is externally restricted to support initiatives related to improving pain assessment and management in health organizations and work related to the evolving Provincial Pain Strategy. During the year ended December 31, 2024, $62,002 (2023 - $315,422) was recorded as revenue in the statement of operations with respect to this contribution. As of December 31, 2024, $Nil (2023 - $62,002) was recorded as deferred revenue from the Ministry of Health contribution, as the remainder of this grant was recognized as revenue when the final related expenditures were incurred during 2024.

Chronic Pain in Trades Grant

During the year ended December 31, 2024, the Society received a $1,800,000 contribution from the Provincial Government, administered by the Fraser Health Authority. This contribution is externally restricted to support initiatives related to the Chronic Pain in Trades project. During the year ended December 31, 2024, $13,514 was recorded as revenue in the statement of operations with respect to this contribution. As of December 31, 2024, $1,786,486 was recorded as deferred revenue from the Fraser Health Authority contribution, as this balance will be recorded as revenue when the related expenditures are incurred.

6. ECONOMIC DEPENDENCE

The Society's major sources of revenue are derived from various government ministries, agencies and entities; therefore, its ability to continue viable operations is dependent upon maintaining its government funding.

Ministry of Health, a department of the provincial government, represents 27% (2023 – 34%) of total revenue. Health Canada, a department of the federal government, represents 33% (2023 – 40%) of total revenue. Together, these entities represent 60% (2023 – 74%) of total revenue.

7. GUARANTEES

Indemnity has been provided to all directors and officers of the Society for various items, including but not limited to, all costs to settle suits or actions due to involvement with the Society, subject to certain restrictions. The Society has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The term of indemnification is not explicitly defined, but is limited to the period over which the indemnified party served as director or officer of the Society. The nature of this indemnity prevents the Society from making a reasonable estimate of the maximum exposure to liability. This stems from the unpredictability of future events and the unlimited coverage offered. Historically, the Society has not made any payments for indemnities, and therefore no amount has been accrued in the financial statements.

8. COMMITMENTS

a) The Society currently leases office space under an agreement expiring June 30, 2025. The agreement is a five year lease of office space from July 1, 2020 to June 30, 2025, for which the society has decided not to renew at the end of the term.

b) The Society currently has a sublet agreement for the office space effective January 1, 2021 expiring on June 29, 2025. Rental income from the sublet is $41,937 per annum, offsetting most of the lease payments.

The expected lease payments for the year ended December 31, 2025 are in the amount of $23,638.

c) The Society also leases co-working office space under an agreement expiring December 31, 2026. The agreement is a two years lease of co-working office space from January 1, 2025 to December 31, 2026.

The expected lease payments for the next two years are as follows:

2025	$1,908
2026	$1,908
	$3,816

9. EXPENSES

For the year ended December 31, 2024, the expenses are allocated as below.

	Pain BC $	Pain Canada $	Total $
Expenses			
Communications	82,093	245,525	327,618
Education	553,186	575,018	1,128,204
Fund development	74,390	24,312	98,702
Health system coordination	74,972	232,505	307,477
Operations	244,249	197,322	441,571
Research	-	153,488	153,488
Support services	740,943	16,937	757,880
	1,769,833	1,445,107	3,214,940

For the year ended December 31, 2023, the expenses are allocated as below.

	Pain BC $	Pain Canada $	Total $
Expenses			
Communications	62,635	225,284	287,919
Education	421,856	1,122,713	1,544,569
Fund development	69,107	26,880	95,987
Health system coordination	52,244	81,725	133,969
Operations	323,219	180,046	503,265
Research	-	232,700	232,700
Support services	688,640	17,825	706,465
	1,617,701	1,887,173	3,504,874

10. REMUNERATION OF DIRECTORS, EMPLOYEES AND CONTRACTS

In accordance with the British Columbia Societies Act, the Society is required to disclose the total remuneration paid in the reporting period by the Society to its directors, employees, and persons under a contract for services with the Society, whose remuneration was $75,000 or above.

For the year ended December 31, 2024, salaries and employee benefits include twelve employees who earned over $75,000 (2023 - fourteen employees). During 2024, no person under a contract (2023 – no person under a contract) earned over $75,000. No directors were compensated in 2024 or 2023.

11. FINANCIAL INSTRUMENTS RISKS

The Society's financial instruments are described in Note 2(f). In management's opinion, the Society is not exposed to significant credit, liquidity, market, currency, interest rate or other price risk except as described below. In addition, the Society is not exposed to any material concentration of risk and there have been no significant changes in risk exposure from prior year except as described below.

Credit risk and concentration risk

Credit risk is the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Society is exposed to credit risk with respect to its cash and cash equivalents and accounts receivable.

The Society mitigates the credit risk on its cash and cash equivalents by holding these instruments with Canadian chartered banks. The Society is not exposed to significant credit risk on its cash and cash equivalents.

The Society is exposed to credit risk on its accounts receivable to the extent of amounts outstanding at reporting period-end. The Society mitigates the credit risk associated with its accounts receivable by entering into contracts with credit-worthy counterparties and a regular monitoring process to assess if a doubtful account provision is necessary. As at December 31, 2024, outstanding receivables from two contributors accounted for 71% of the total accounts receivable (2023 – three contributors accounted for 80% of total accounts 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 mainly in respect of its accounts payable. The Society mitigates this risk by maintaining sufficient cash reserves. In the opinion of management, the liquidity risk exposure to the Society is low.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rate. As at December 31, 2024, the Society has four term deposits that are at fixed interest rates from 3% to 4% (Note 3) and does not have other financial assets or liabilities that bear floating interest rates. The Society is not exposed to significant interest rate risk.