
PAIN BC SOCIETY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

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, 2025, and the statements of changes in net assets, operations 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, 2025, 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.

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.

INDEPENDENT AUDITORS' REPORT

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 that we identify during our audit, including any:

- Significant deficiencies in internal control;
- Identified fraud or suspected fraud; and
- Other matters related to fraud that are, in our judgment, relevant to the responsibilities of those charged with governance.

INDEPENDENT AUDITORS' REPORT

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 11, 2026

PAIN BC SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	2025	2024
ASSETS		
CURRENT		
Cash	\$ 756,118	\$ 683,756
Accounts receivable	193,265	238,962
Prepaid expenses	19,165	13,289
Restricted short-term investments (Note 3)	468,729	426,044
Short-term investments (Note 4)	1,559,486	1,800,000
	2,996,763	3,162,051
CAPITAL ASSETS (Note 5)	10,815	8,459
	\$ 3,007,578	\$ 3,170,510
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 180,077	\$ 198,426
Government remittances payable	13,117	-
Deferred contributions (Note 6)	2,463,035	1,326,947
	2,656,229	1,525,373
DEFERRED CONTRIBUTIONS (Note 6)	22,500	1,313,980
	2,678,729	2,839,353
NET ASSETS		
UNRESTRICTED	(150,695)	(103,346)
INVESTED IN CAPITAL ASSETS	10,815	8,459
CONTINGENCY RESERVE FUND (Note 3)	468,729	426,044
	328,849	331,157
	\$ 3,007,578	\$ 3,170,510


ECONOMIC DEPENDENCE (Note 7)


GUARANTEES (Note 8)

COMMITMENT (Note 9)

SUBSEQUENT EVENTS (Note 4)

APPROVED ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

PAIN BC SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Unrestricted	Invested in Capital Assets	Contingency Reserve Fund	2025 Balance
NET (DEFICIENCY) ASSETS, BEGINNING OF YEAR	\$ (103,346)	\$ 8,459	\$ 426,044	\$ 331,157
Deficiency of revenue over expense for the year	(2,308)	-	-	(2,308)
Amortization of capital assets	7,741	(7,741)	-	-
Purchase of capital assets	(10,097)	10,097	-	-
Interfund transfers (<i>Note 13</i>)	(42,685)	-	42,685	-
NET (DEFICIENCY) ASSETS, END OF YEAR	\$ (150,695)	\$ 10,815	\$ 468,729	\$ 328,849

	Unrestricted	Invested in Capital Assets	Contingency Reserve Fund	2024 Balance
NET (DEFICIENCY) ASSETS, BEGINNING OF YEAR	\$ (134,626)	\$ 12,006	\$ 453,415	\$ 330,795
Excess of revenue over expenses for the year	362	-	-	362
Amortization of capital assets	7,549	(7,549)	-	-
Purchase of capital assets	(4,002)	4,002	-	-
Interfund transfers (<i>Note 13</i>)	27,371	-	(27,371)	-
NET (DEFICIENCY) ASSETS, END OF YEAR	\$ (103,346)	\$ 8,459	\$ 426,044	\$ 331,157

PAIN BC SOCIETY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
REVENUE		
Government grants (Note 6)	\$ 2,511,915	\$ 1,901,368
Programs and events (Note 6)	99,079	321,422
Fundraising		
Corporate, foundations and others (Note 6)	418,142	770,907
Individuals (Note 6)	24,868	60,830
	3,054,004	3,054,527
Other income (Note 2)	98,255	58,198
Interest	70,677	26,907
Sublease income (Note 2)	37,522	75,670
	206,454	160,775
	3,260,458	3,215,302
EXPENSES (Notes 10, 11)		
Communications	378,795	327,618
Education	840,182	1,128,204
Fund development	57,121	98,702
Health system coordination	314,753	307,477
Operations	403,782	441,571
Research	137,091	153,488
Support services	1,131,042	757,880
	3,262,766	3,214,940
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	\$ (2,308)	\$ 362

PAIN BC SOCIETY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
OPERATING ACTIVITIES		
(Deficiency) excess of revenue over expenses for the year	\$ (2,308)	\$ 362
Items not affecting cash:		
Amortization of capital assets	7,741	7,549
Revenue recognized from deferred contributions	(2,895,656)	(2,672,275)
	(2,890,223)	(2,664,364)
Changes in non-cash working capital balances		
Accounts receivable	45,697	(63,841)
Prepaid expenses	(5,876)	2,830
Accounts payable and accrued liabilities	(18,349)	(35,544)
Government remittances payable	13,117	-
	34,589	(96,555)
	(2,855,634)	(2,760,919)
INVESTING ACTIVITIES		
Purchase of capital assets	(10,097)	(4,002)
Redemption of short-term investments	1,800,000	-
Redemption of restricted short-term investments	426,044	453,415
Purchase of short-term investments	(1,559,486)	(1,800,000)
Purchase of restricted short-term investments	(468,729)	(426,044)
	187,732	(1,776,631)
FINANCING ACTIVITY		
Deferred contributions received	2,740,264	4,623,420
INCREASE IN CASH FLOW DURING THE YEAR	72,362	85,870
CASH, BEGINNING OF YEAR	683,756	597,886
CASH, END OF YEAR	\$ 756,118	\$ 683,756

PAIN BC SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

1. BASIS OF PRESENTATION

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;
- 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. SUMMARY OF 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

Cash is comprised of deposits held with banks.

(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. 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.

Revenue from programs and events is recognized when the service is provided or the event takes place, the amount of revenue can be properly measured, and collection is reasonably assured. Amounts received in advance of the event date are recorded as deferred revenue.

Sublease income is recognized when the service has been rendered and the amount is determinable.

Other income consists of reimbursements from the B.C. General Employees' Union (BCGEU) for salaries and related benefits. Reimbursements are recognized as revenue in the period in which the related payroll expenses are incurred by the Society, provided the amount is determinable and collection is reasonably assured.

Deferred contributions represent operating funding received in the current period that is related to a subsequent period.

PAIN BC SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

2. SUMMARY OF 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
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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 operations 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 (2024 – none received or recognized).

(e) Allocation of expenses

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 expenses that are directly related to providing the program. The Society also incurs general office expenses that are common to the administration of the organization and each of its programs. Where shared, these expenses are allocated to programs based on the functional categories (Note 10). 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 expenses, and general office expenses by identifying the appropriate basis of allocating each component expense and applying that basis consistently each year, allowing for fluctuations in program activities. Expenses are allocated on the following basis:

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

(f) Financial instruments

i) Measurement

The Society's financial instruments consist of cash, short-term investments, restricted short-term investments, accounts receivable and accounts payable.

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

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.

PAIN BC SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

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

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 include the valuation of accounts receivable, the estimated useful lives of capital assets for amortization purposes, the measurement of accrued liabilities, and the determination of revenue and deferred contributions to be recognized in the year based on the stage of completion of related program expenses and the judgment in the allocation of expenses to the Society's various programs.

3. RESTRICTED SHORT-TERM INVESTMENTS

Restricted short-term investments are made up of the following:

	2025	2024
Term deposit #1 (bears interest at 1.90%, matures May 2026) (2024: 3.0%, May 2025)	\$ 468,729	\$ 426,044

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.

4. SHORT-TERM INVESTMENTS

	2025	2024
Term deposit #2 (bears interest at 2.55%, matures October 2026) (2024: 3.1%, May 2025)	\$ 313,886	\$ 600,000
Term deposit #3 (bears interest at 3.15%, matures October 2026) (2024: 4.0%, May 2025)	624,000	600,000
Term deposit #4 (bears interest at 3.60%, matures April 2026) (2024: 3.6%, May 2025)	621,600	600,000
	\$ 1,559,486	\$ 1,800,000

Subsequent to year-end, term deposit #4 was reinvested on April 10, 2026, bearing interest at an annual rate of 2.95% and maturing on October 10, 2027.

PAIN BC SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Computer equipment	\$ 33,733	\$ 22,918	\$ 10,815	\$ 8,459

As at December 31, 2025, amortization expense in the amount of \$7,741 (2024 - \$7,549) has been recognized and included in support services in the statement of operations.

6. 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 2025, contributions received, recognized as revenue and deferred at year-end are as follows:

For the year ended December 31, 2025:

	Opening balance on December 31, 2024	Contributions received during the year	Contributions recognized as revenue during the year	Closing on December 31, 2025
Corporate, Foundations and Others	\$ 434,768	\$ 590,284	\$ 383,741	\$ 641,311
Government	2,154,334	2,094,320	2,511,915	1,736,739
Individuals	51,825	55,660	-	107,485
	\$ 2,640,927	\$ 2,740,264	\$ 2,895,656	\$ 2,485,535

The Society has classified a portion the deferred revenue as long-term to align with the expected recognition of the related funds. Specifically, \$22,500 of the funds associated with the MITACS project under the Chronic Pain Network is expected to be recognized in 2027 and is therefore presented as non-current.

For the year ended December 31, 2024:

	Opening balance on December 31, 2023	Contributions received during the year	Contributions recognized as revenue during the year	Closing on December 31, 2024
Corporate, Foundations and Others	\$ 562,691	\$ 604,769	\$ (732,692)	\$ 434,768
Government	90,261	3,965,441	(1,901,368)	2,154,334
Individuals	36,830	53,210	(38,215)	51,825
	\$ 689,782	\$ 4,623,420	\$ (2,672,275)	\$ 2,640,927

PAIN BC SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

6. DEFERRED CONTRIBUTIONS (*continued*)

Chronic Pain Network (CPN)

During the year ended December 31, 2025, the Society received a contribution of \$153,345 from the Canadian Institutes of Health Research (CIHR) through McMaster University. These funds are externally restricted to support the Chronic Pain Network (CPN) in advancing national knowledge mobilization and implementation science. During the year ended December 31, 2025, \$124,841 (2024 - \$105,201) was recorded as revenue in the statement of operations with respect to this contribution. As of December 31, 2025, \$125,479 (2024 - \$96,978) was recorded as deferred revenue from the CIHR.

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, 2025, \$276,452 (2024 - \$13,514) was recorded as revenue in the statement of operations with respect to this contribution. As at December 31, 2025, \$1,510,034 (2024 - \$1,786,486) of this funding remains deferred for program delivery scheduled for 2026 and 2027. Based on the projected timing of program delivery for 2026 and 2027, \$Nil (2024 - \$1,313,980) of this balance has been classified as a non-current liability on the statement of financial position.

7. 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.

The Ministry of Health, a department of the provincial government, represents 28% (2024 - 27%) of total revenue. Health Canada, a department of the federal government, represents 38% (2024 - 33%) of total revenue. Together, these entities represent 66% (2024 - 60%) of total revenue.

8. 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. To support this commitment, 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.

9. COMMITMENT

The Society leases co-working office space under an agreement expiring December 31, 2026. The expected lease payments for the next year is \$1,908.

PAIN BC SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

10. EXPENSES

For the year ended December 31, 2025, the expenses are allocated as follows:

	Pain BC	Pain Canada	Total
Expenses			
Communications	\$ 90,541	\$ 288,254	\$ 378,795
Education	296,183	543,999	840,182
Fund development	49,432	7,689	57,121
Health system coordination	64,797	249,956	314,753
Operations	194,575	209,207	403,782
Research	-	137,091	137,091
Support services	1,105,518	25,524	1,131,042
	\$ 1,801,046	\$ 1,461,720	\$ 3,262,766

For the year ended December 31, 2024, the expenses are allocated as follows:

	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

11. REMUNERATION OF DIRECTORS, EMPLOYEES AND CONTRACTORS

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

For the year ended December 31, 2025, salaries and employee benefits include sixteen employees (2024 - twelve employees) who earned over \$75,000 for a total of \$1,644,198 (2024 - \$1,294,123). During 2025, no person under a contract (2024 – no person under a contract) earned over \$75,000. No directors were compensated in 2025 or 2024.

PAIN BC SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

12. 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 accounts receivable.

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

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, 2025 and 2024 an allowance for doubtful accounts was not deemed necessary. As at December 31, 2025, outstanding receivables from three contributors accounted for 86% of the total accounts receivable (2024 – two contributors accounted for 71% 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.

Currency risk

Currency risk is the risk that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Society is not exposed to currency risk as all operations and financial instruments are conducted and denominated in Canadian dollars.

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, 2025, the Society has four term deposits that are at fixed interest rates from 1.9% to 3.6% (Note 3 and 4) and does not have other financial assets or liabilities that bear floating interest rates. The Society is not exposed to significant interest rate risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Society is not exposed to other price risk.

PAIN BC SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

13. INTERFUND TRANSFERS AND ADVANCES

During the year, interfund transfers of \$42,685 (2024 - \$27,371) were made between the Unrestricted Fund, which is used for general operating purposes, and the Contingency Reserve Fund to designate amounts for specified purposes. Transfers between funds are made when it is considered appropriate and approved by the Board.

14. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation. Such reclassification does not have an effect on the total assets, total liabilities, net assets or excess of revenue over expenses for the year previously reported.