FINANCIAL STATEMENTS

COMMUNITY ACTION INITIATIVE SOCIETY OF BC

March 31, 2026

INDEPENDENT AUDITORS' REPORT

To the Members of
Community Action Initiative Society of BC

Opinion

We have audited the financial statements of Community Action Initiative Society of BC (the Society), which comprise the statement of financial position as at March 31, 2026, and the statements of operations, changes in restricted funds 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 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

Tompkins Wozny LLP

Vancouver, Canada
September 25, 2026

Chartered Professional Accountants

Community Action Initiative Society of BC

STATEMENT OF FINANCIAL POSITION

As at March 31

	2026										2025
	General Fund	Support Recovery Funding	Youth Wellness Grants	Community Action Teams	Community Counselling Funding	Provincial Peer Network	Strategic Initiatives	Lived Experience	Government Directed Grants	Total	Total
	$	$	$	$	$	$	$	$	$	$	$
ASSETS											
Current											
Cash *[note 3]*	**3,633,450**	**4,666,976**	**2,220,170**	**3,923,922**	**(3,593,622)**	**3,837,864**	**1,985,774**	**1,814,645**	**793,360**	**19,282,539**	26,355,028
Accounts receivable	**14,000**	**—**	**—**	**—**	**5,156,550**	**—**	**—**	**—**	**—**	**5,170,550**	—
GST rebate receivable	**21,747**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**21,747**	16,275
Prepaid expenses	**9,393**	**1,040**	**2,740**	**9,500**	**17,798**	**—**	**—**	**—**	**—**	**40,471**	15,379
	3,678,590	**4,668,016**	**2,222,910**	**3,933,422**	**1,580,726**	**3,837,864**	**1,985,774**	**1,814,645**	**793,360**	**24,515,307**	26,386,682
LIABILITIES											
Current											
Accounts payable	**185,721**	**177**	**451**	**270**	**366**	**306**	**4,292**	**—**	**—**	**191,583**	159,843
Approved grants payable *[note 4]*	**—**	**—**	**138,500**	**251,500**	**2,799**	**71,307**	**—**	**—**	**494,110**	**958,216**	7,742,993
	185,721	**177**	**138,951**	**251,770**	**3,165**	**71,613**	**4,292**	**—**	**494,110**	**1,149,799**	7,902,836
FUND BALANCES	**3,492,869**	**4,667,839**	**2,083,959**	**3,681,652**	**1,577,561**	**3,766,251**	**1,981,482**	**1,814,645**	**299,250**	**23,365,508**	18,483,846
	3,678,590	**4,668,016**	**2,222,910**	**3,933,422**	**1,580,726**	**3,837,864**	**1,985,774**	**1,814,645**	**793,360**	**24,515,307**	26,386,682

Lease commitment *[note 8]*

See accompanying notes to the financial statements

Approved by the Board of Directors

Director

Director

STATEMENT OF OPERATIONS AND CHANGES IN RESTRICTED FUNDS

Year ended March 31

	2026											2025
	General Fund $	Support Recovery Funding $	Youth Wellness Grants $	Community Action Teams $	Community Counselling Funding $	Provincial Peer Network $	Local Leadership United Project $	Strategic Initiatives $	Lived Experience $	Government Directed Grants $	Total $	Total $
REVENUE												
Grants *[note 5]*	—	—	—	**3,334,188**	**6,109,000**	**1,700,000**	—	—	**408,188**	**285,000**	**11,836,376**	10,857,376
Investment income	**550,712**	—	—	—	—	—	—	—	—	—	**550,712**	1,027,932
Donations and sponsorships	—	—	—	—	—	—	—	**46,500**	—	—	**46,500**	—
Fees for services	**10,000**	—	—	—	—	—	—	—	—	—	**10,000**	—
Administrative fee	**341,658**	**113,455**	**149,797**	**136,125**	**134,331**	**159,213**	—	—	**26,065**	—	**1,060,644**	1,019,644
	902,370	**113,455**	**149,797**	**3,470,313**	**6,243,331**	**1,859,213**	—	**46,500**	**434,253**	**285,000**	**13,504,232**	12,904,952
EXPENSES												
Operating costs												
Personnel costs *[note 9]*	**514,193**	**108,241**	**147,581**	**135,650**	**131,041**	**158,933**	—	—	**26,065**	—	**1,221,704**	1,112,699
Professional fees *[note 9]*	**361,116**	**94,062**	**5,862**	**56,778**	**46,984**	**18,734**	—	**37,646**	**1,281**	—	**622,463**	687,396
Office and other	**115,703**	**17,290**	**12,526**	**33,752**	**43,549**	**44,823**	—	**21,650**	**450**	—	**289,743**	114,394
Travel	**31,993**	**20,900**	**16,735**	**74,275**	**39,499**	**45,739**	—	**26,134**	—	—	**255,275**	70,512
Evaluation	—	—	—	—	**6,791**	—	—	—	—	—	**6,791**	66,297
Occupancy costs	**53,196**	—	—	—	—	—	—	—	—	—	**53,196**	52,800
Fiscal agent costs *[note 7]*	—	—	—	—	—	—	—	—	—	—	—	25,000
	1,076,201	**240,493**	**182,704**	**300,455**	**267,864**	**268,229**	—	**85,430**	**27,796**	—	**2,449,172**	2,129,098
Grants and program costs												
Community Action Teams grants, net of grants returned	—	—	—	**186,617**	—	—	—	—	—	—	**186,617**	1,516,680
Youth Wellness grants	—	—	**51,500**	—	—	—	—	—	—	—	**51,500**	960,000
Indigenous Support Recovery, net of grants returned	—	**336,000**	—	—	—	—	—	—	—	—	**336,000**	425,000
Community Counselling grants, net of grants returned	—	—	—	—	**5,538,408**	—	—	—	—	—	**5,538,408**	221,150
Provincial Peer Network grants (returned)	—	—	—	—	—	**(224,127)**	—	—	—	—	**(224,127)**	(514,158)
Government Directed grants	—	—	—	—	—	—	—	—	—	**285,000**	**285,000**	—
	—	**336,000**	**51,500**	**186,617**	**5,538,408**	**(224,127)**	—	—	—	**285,000**	**6,173,398**	2,608,672
Total expenses	**1,076,201**	**576,493**	**234,204**	**487,072**	**5,806,272**	**44,102**	—	**85,430**	**27,796**	**285,000**	**8,622,570**	4,737,770
Revenue over (under) expenses for the year	**(173,831)**	**(463,038)**	**(84,407)**	**2,983,241**	**437,059**	**1,815,111**	—	**(38,930)**	**406,457**	—	**4,881,662**	8,167,182
Fund balances, beginning of year	**3,666,700**	**5,130,877**	**2,168,366**	**285,449**	**1,140,502**	**3,958,578**	**112,962**	**2,020,412**	—	—	**18,483,846**	10,316,664
Fund transfers *[note 10]*	—	—	—	**412,962**	—	**(2,007,438)**	**(112,962)**	—	**1,408,188**	**299,250**	—	—
Fund balances, end of year	**3,492,869**	**4,667,839**	**2,083,959**	**3,681,652**	**1,577,561**	**3,766,251**	—	**1,981,482**	**1,814,645**	**299,250**	**23,365,508**	18,483,846

See accompanying notes to the financial statements

Community Action Initiative Society of BC

STATEMENT OF CASH FLOWS

Year ended March 31

	2026 $	2025 $
OPERATING ACTIVITIES		
Revenue over expenses for the year	**4,881,662**	8,167,182
Changes in other non-cash working capital items		
Accounts receivable	**(5,170,550)**	807,814
GST rebate receivable	**(5,472)**	(16,275)
Prepaid expenses	**(25,092)**	(5,181)
Accounts payable	**31,740**	(784)
Due to fiscal agent	**—**	(401,081)
Grants payable	**(6,784,777)**	(6,628,541)
Increase (decrease) in cash for the year	**(7,072,489)**	1,923,134
Cash, beginning of year	**26,355,028**	24,431,894
Cash, end of year	**19,282,539**	26,355,028

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

March 31, 2026

1. NATURE OF OPERATIONS

The Community Action Initiative Society of BC (the "Society") was established, through a grant from the Province of British Columbia, to promote and support community-based, collaborative and culturally safe approaches to mental health and substance use. The Society is directed by a volunteer Board of Directors which is responsible for the allocation and stewardship of the Society's funds. Through a series of funding opportunities, the Society will contribute to sound and innovative projects that are planned, led and implemented through community partnerships.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies:

Use of Estimates

The preparation of financial statements in conformity with Canadian ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses reported during the year. Actual results could differ from these estimates.

Revenue Recognition

The Society follows the restricted fund method of accounting for contributions (grants). Restricted contributions are recognized as revenue in the year in which the contributions are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

An administrative fee is charged on most externally funded grant revenue to recover indirect costs associated with managing and administering the project.

Investment income is recognized as revenue when earned on the accrual basis.

Fund Accounting

The Society follows fund accounting using the restricted fund method of accounting for contributions (grants). The Society manages several program funds that support various initiatives in mental health, substance use recovery, and community-based services across British Columbia. The following summarizes the key programs and the restriction(s) of their funding:

General Fund

This fund supports administrative functions, governance, program oversight, and unfunded program development. These funds are not externally restricted and may be used at the discretion of the Society's management and board for operations or internally designated projects.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fund Accounting (Cont'd)

Support Recovery Funding

This fund supports granting and capacity-building for supportive recovery service providers across BC, particularly those led by First Nations, Métis, Inuit, and Urban Indigenous organizations. This includes Indigenous-led bed-based treatment and recovery providers to enhance programming, staffing, and service quality in alignment with provincial standards. The funds are externally restricted and must be used to enhance Indigenous Aftercare service delivery through granting, capacity building and through the development of curriculum.

Youth Wellness Grant

This fund supports bereavement care for youth and families affected by toxic drug-related deaths and supports culturally appropriate, community-based bereavement care including counselling, land-based activities, and peer support. The funds are externally restricted and must be used to support youth-focused friend and loss initiatives, through granting and capacity building.

Community Action Teams ("CAT")

CATs convene multi-sectoral stakeholders at the local level to promote civic engagement and coordinated responses to the drug poisoning crisis. Priority areas include collective action planning, barrier identification, and community collaboration, especially centering people with lived/living experience. The funds are externally restricted and must be used to support community convening, planning and engagement activities through either granting, capacity building, or other applicable services.

Community Counselling Funds

This fund supports low-barrier access to mental health and substance use counselling services for underserved populations. Priority areas include adult counselling services, supporting training, and supervision. The funds are externally restricted and must be used to support the delivery and improvement of counselling services through granting, capacity building, or other applicable services.

Provincial Peer Network

This fund supports provincial collaboration among drug user-led groups to ensure their voices are central to the overdose response. Grants support regional engagement, network development, and long-term sustainability planning for peer-led harm reduction, treatment, and recovery initiatives. The funds are externally restricted and must be used to support the coordination, representation, and influence of overdose response systems, with a focus on equity across geographic regions and demographic groups either through granting, capacity building, or other applicable services.

NOTES TO FINANCIAL STATEMENTS

March 31, 2026

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fund Accounting (Cont'd)

Strategic Initiatives

This fund supports other strategic initiatives that are not limited to one specific sector. The funds held in the Strategic initiatives program are internally restricted to support community initiatives, through granting, capacity building, or other applicable services. However, the organization holds discretionary power over the sector(s) and initiatives that these funds are utilized for, as long as they ensure continued alignment with the intended outcomes of the original funding.

Lived Experience

The Lived and Living Experience Employment Initiative represents funding to support community-based organizations in creating meaningful employment opportunities for people with lived and living experience of mental illness and/or substance use. The funds are externally restricted and must be used to build organizational capacity through supporting salary and benefit costs for individuals employed through the program funding, strengthen system readiness, and promote the recognition of lived and living experience as a valued form of expertise in the workplace.

Government Directed Grants

Government Directed Grants represent funding received from government agencies for the sole purpose of distributing funds to specific recipients or supporting designated initiatives, as determined by the funding authority. The funds are externally restricted and must be used in accordance with the terms and conditions established by the funder.

Grants Approved

Grants approved are expensed in the year in which the commitment is made. Those grants that are not yet paid are reflected as grants payable.

Contributed Services

The Society relies, in part, on volunteers in carrying out its services. Because of the difficulty of determining the fair value of the services, their value is not recognized in these financial statements.

Measurement of Financial Instruments

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

NOTES TO FINANCIAL STATEMENTS

March 31, 2026

3. CASH

Cash is restricted for the following purposes:

	Restricted to Granting	Restricted to Capacity Building /	Total Restricted Funding
	$	$	$
Program			
Support Recovery Funding	4,285,000	635,296	4,920,296
Youth Wellness Grants	2,175,000	110,028	2,285,028
Community Action Teams	270,771	738,570	1,009,341
Community Counselling Funds	552,409	793,189	1,345,598
Provincial Peer Network	1,335,000	1,845,356	3,180,356
Strategic Initiatives	—	26,458	26,458
Lived Experience	1,337,779	68,678	1,406,457
Government Directed Grants	508,360	—	508,360
No specific program	—	540,830	540,830
Total restricted cash	**10,464,319**	**4,758,405**	**15,222,724**
Uncommitted cash			**4,059,815**
Total cash			**19,282,539**

The carryforward fund balances for each program include amounts that are externally restricted for specific purposes such as granting and/or capacity building. These restrictions are defined through the terms of the original funding agreements and vary by program area in alignment with government funding contracts.

The Society holds a small amount of discretionary funds that are not currently committed to specific programs. These funds originate from historical funding contributions or interest income and may be used at the organization’s discretion to support general operations or emerging needs.

In addition to externally restricted funds, the Society holds approximately $2,000,000 of funds remaining from historical contributions received from the Provincial Health Services Authority. In the current fiscal year, a 'CAI Mandate-Focused Funds' policy was created to direct the use of the funding. These funds are restricted to supporting the Society's mandate of advancing community-based mental health and substance use initiatives in British Columbia and are not available for general operating or administrative purposes.

NOTES TO FINANCIAL STATEMENTS

March 31, 2026

4. APPROVED GRANTS PAYABLE

	2026		
	Total Grant	**Disbursed**	**Remaining**
	$	**$**	**$**
Support Recovery Funding Grants - Approved 2025*	425,000	425,000	—
Support Recovery Funding Grants - Approved 2026*	350,000	350,000	—
Support Recovery Funding Grants	**775,000**	**775,000**	**—**
Youth Wellness Grants - Approved 2025*	960,000	864,000	96,000
Youth Wellness Grants - Approved 2026*	51,500	9,000	42,500
Youth Wellness Grants	**1,011,500**	**873,000**	**138,500**
Community Action Teams Grants - Approved 2024*	7,946,250	7,826,250	120,000
Community Action Teams Grants - Approved 2025*	1,587,908	1,587,908	—
Community Action Teams Grants - Approved 2026*	734,400	602,900	131,500
Community Action Teams	**10,268,558**	**10,017,058**	**251,500**
Community Counselling Grants - Approved 2025*	428,466	425,667	2,799
Community Counselling Grants - Approved 2026*	5,620,965	5,620,965	—
Community Counselling Funds	**6,049,431**	**6,046,632**	**2,799**
Provincial Peer Network Grants - Approved 2024*	5,747,960	5,687,960	60,000
Provincial Peer Network Grants - Approved 2025*	426,797	418,057	8,740
Provincial Peer Network Grants - Approved 2026*	177,135	174,568	2,567
Provincial Peer Network	**6,351,892**	**6,280,585**	**71,307**
Learning Projects to support LOUD	773,000	574,372	198,628
BC Patient Safety Quality Council	209,982	—	209,982
Stronger Together BC Project	285,000	199,500	85,500
Government Directed Grants	**1,267,982**	**773,872**	**494,110**
	25,724,363	**24,766,147**	**958,216**

*Includes total grants approved and paid during the year.

Disbursed grants is a cumulative total of grants disbursed in the current year and prior years.

During the current year, the Society received an amount of $2,926,000 as the third and final expected tranches receivable from the Ministry of Health for the Community Action Teams program. These funds were expensed in the prior year as part of a three year commitment to the grantees.

NOTES TO FINANCIAL STATEMENTS

March 31, 2026

5. SOURCES OF FUNDING

Certain funders continue to provide a substantial amount of the Society's revenues. As a result, the Society is economically dependent on this funding, in particular from MOH, to deliver its services and programs.

	2026 $	2025 $
Ministry of Health ("MOH")	**11,020,000**	10,041,000
Vancouver Foundation	**816,376**	816,376
Total grant revenue for the year	**11,836,376**	10,857,376

6. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments. The following analysis presents the Society's exposures to significant risk as at March 31, 2026.

Credit Risk

The Society is exposed to credit risk with respect to its bank deposits. The Society's bank accounts are invested with a large Canadian credit union.

Interest Rate Risk

The Society is exposed to interest rate risk on its bank accounts in the event of changes in prime interest rates which subject the Society to cash flow risks.

Liquidity Risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. It stems from the possibility of a delay in realizing the fair value of financial instruments.

The Society manages its liquidity risk by monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

There has been no change in the Society's risk exposure in the above noted risks since the previous year.

7. FISCAL AGENT

On July 28, 2024, the Society formally concluded its legal relationship with Canadian Mental Health Association, BC Division ("CMHA-BC"), which had previously provided financial, payroll, labor relations, and other human resource services to the Society. As of this date, the Society assumed the role of successor employer for both union and non-union employees who were engaged on the Society's projects but were previously employed by CMHA-BC. This transition was executed in accordance with the BC Labour Code.

NOTES TO FINANCIAL STATEMENTS

March 31, 2026

7. FISCAL AGENT (CONT'D)

During the year, the Society incurred fiscal agent costs of $Nil [2025 - $25,000] to CMHA-BC. At March 31, 2026, there is no payable to CMHA-BC [2025 - $Nil]. The transactions are recorded at their exchange amount. The appointment of CMHA-BC as the fiscal agent was pursuant to a competitive bidding process and a vote by the Board of Directors that excluded the CMHA-BC representative.

Following the approval of relevant governmental authorities, the legal assignment of contracted roles and responsibilities and a board-approved separation agreement, CMHA-BC transferred to the Society the financial assets associated with the Society's projects. The Society is now responsible for the management and distribution of these assets.

Grantees and the public were notified of this transition through the Society's newsletter, its website, and direct email communications.

This transition represents a significant evolution in the Society's growth as a nonprofit organization dedicated to fulfilling its mandate to support and enhance the capacity of the mental health and substance use sector.

8. LEASE COMMITMENT

The Society's lease for office premises was renewed during the year and expires on December 31, 2026. The annual rental charge under the lease includes base rent, taxes, utilities, maintenance and common area costs. Estimated annual rental charges of $40,788 apply under the remaining term of the lease to December 31, 2026.

9. DISCLOSURE OF REMUNERATION

Pursuant to the British Columbia Societies Act, the Society is required to disclose remuneration paid to employees and contractors who are paid $75,000 or more during the fiscal year. Wages and benefits expense includes $839,874 [2025 - $719,069] paid to eight employees [2025 - seven] during the year. Professional fees expense includes $284,170 [2025 - $332,933] paid to one contractor [2025 - two] during the year.

NOTES TO FINANCIAL STATEMENTS

March 31, 2026

10. OPERATIONAL RESERVE

The Operational Reserve represents funds designated by management and approved by the Board of Directors to provide financial stability and ensure the continuation of operations in the event of unforeseen circumstances, unexpected expenditures, or temporary revenue shortfalls. The reserve is internally restricted and may be used only with approval from the Board. As at March 31, 2026, the balance of the Operational Reserve was $850,956.

During the year, funds were strategically transferred between departmental programs to align grant revenues and related expenditures with their respective funding sources and to enhance fund tracking and transparency in financial reporting. These transfers included the establishment of separate departments for the Lived and Living Experience Employment Initiative and Government Directed Grants.