

Connections Place Society
Financial Statements
For the year ended March 31, 2024

Connections Place Society Contents

For the year ended March 31, 2024

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Management's Responsibility

To the Members of Connections Place Society:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of Directors who are neither management nor employees of the Society. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Society's external auditors.

Dale Matheson Carr-Hilton Labonte LLP is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically with, both the Board and management to discuss their audit findings.

September 5, 2024



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Connections Place Society:

Opinion

We have audited the financial statements of Connections Place Society (the "Society"), which comprise the statement of financial position as at March 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 (collectively referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2024, 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 Qualified Opinion

In common with many Not-for-Profit organizations, as the Society derives revenue from donation activities and other income, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these excess of revenues of expenses was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to these revenues, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2024, current assets as at March 31, 2024, and net assets as at March 31, 2024. Our audit opinion on the financial statements for the year ended March 31, 2024 was modified accordingly because of the possible effects of this limitation in scope.

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 qualified audit opinion.

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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 in internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, these principles have been applied on a basis consistent with that of the previous year.

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DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

September 5, 2024

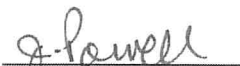
Connections Place Society
Statement of Financial Position

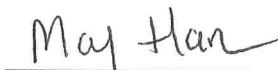
As at March 31,

	2024	2023
Assets		
Current		
Cash and cash equivalents (Note 3)	\$ 361,347	\$ 87,762
Short-term investment (Note 4)	265,361	-
Prepaid expenses and deposits	18,032	5,751
Other receivable	4,784	1,688
	649,524	95,201
Capital assets (Note 5)	10,886	5,683
	\$ 660,410	\$ 100,884
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 7,823	\$ 5,794
Source deductions payable	11,629	7,902
Employee payables	10,723	9,491
Deferred revenue (Note 6)	500,000	-
	530,175	23,187
Net Assets	130,235	77,697
	\$ 660,410	\$ 100,884

Commitment (Note 9)

Approved on behalf of the Board:


Director


Director

The accompanying notes are an integral part of these financial statements

Connections Place Society
Statement of Operations and Changes in Net Assets

For the years ended March 31,

	2024	2023
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Revenue		
Grants	\$775,577	\$473,430
Donations	17,812	79,986
Wage subsidy (Note 7)	-	14,686
Other revenue	36,724	8,776
	<hr/>	<hr/>
	\$830,113	\$576,878
<hr/>		
Expenses		
Advertising	\$ 9,359	\$ 3,570
Amortization	7,322	3,209
Bank charges and interest	32	599
Clubhouse rent (Note 9)	134,199	64,305
Clubhouse utilities	9,177	13,648
Consulting	750	2,732
Insurance	8,474	3,244
Membership fees	3,739	7,060
Office and general supplies	74,177	53,622
Professional development	14,279	20,231
Professional fees	29,128	19,591
Program expenses	-	18,722
Repairs and maintenance	9,573	6,038
Salaries and benefits (Note 11)	472,737	330,277
Travel	4,629	20,608
	<hr/>	<hr/>
	\$777,575	\$567,456
<hr/>		
Excess of revenue over expenses	\$ 52,538	\$ 9,422
Net assets, beginning of year	77,697	68,275
	<hr/>	<hr/>
Net assets, end of year	\$130,235	\$77,697
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The accompanying notes are an integral part of these financial statements

Connections Place Society
Statement of Cash Flows

For the years ended March 31,

	2024	2023
<hr/>		
Cash provided by (used for) the following activities		
Operating activities		
Excess of revenue over expenses	\$ 52,538	\$ 9,422
Items not involving cash:		
Amortization	7,322	3,209
Non-cash working capital items:		
Government subsidy receivable	-	7,902
Other receivable	(3,096)	(367)
Prepaid expenses and deposits	(12,281)	(2,822)
Accounts payable and accrued liabilities	2,029	(8,875)
Source deduction payable	3,727	7
Employee payables	1,232	5,381
Deferred revenue	500,000	(4,298)
	<hr/>	<hr/>
	551,471	9,559
Investing activities		
Purchase of capital assets	(12,525)	-
Purchase of short-term investments	(265,361)	-
	<hr/>	<hr/>
	(277,886)	-
Increase in cash and cash equivalents	273,585	9,559
Cash and cash equivalents, beginning of year	87,762	78,203
	<hr/>	<hr/>
Cash and cash equivalents, end of year	\$ 361,347	\$ 87,762

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

The Connections Place Society (the "Society") was incorporated on September 8, 2016 under the Societies Act (British Columbia) and is a registered charity under the Income Tax Act and is exempt from income taxes as long as certain conditions are met. 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. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada using the following significant accounting policies:

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 measured. Endowment contributions are recognized as direct increases in net assets in the period in which they are received.

Wage subsidy, investment and other income is recognized as revenue when earned and the amount can be reasonably estimated and has been received or collection is reasonably assured.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid.

Short-term investments

Short-term investments 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.

Capital assets

Purchased capital assets are initially recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided at rates intended to amortize the cost of assets over their estimated useful lives.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenue over expenses in the periods in which they become known.

	Method	Rate
Computer equipment	declining balance	55 %
Computer software	declining balance	55 %
Furniture and fixtures	declining balance	30 %

Use of estimates

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets. Contributed materials are based on the fair market value of the asset contributed.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenue over expenses in the periods in which they become known.

2. Significant accounting policies *(Continued from previous page)*

Contributed materials and services

Contributed materials are recognized in the financial statements when their fair value can be reasonably determined and they are used in the normal course of the Society's operations and would otherwise have been purchased. Contributed services are not recognized in the financial statements as fair value cannot be reasonably determined.

Financial instruments

The Society recognizes its financial instruments when the Society becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Society may irrevocably elect to subsequently measure any financial instrument at fair value. The Society has not made such an election during the year. In a prior year, the Society elected to measure its investments at fair value.

The Society subsequently measures investments at fair value. Fair value is determined by published price quotations. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost.

Financial asset impairment

The Society assesses impairment of all its financial assets measured at cost or amortized cost. The Society groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers other criteria such as, whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments; in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Society determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Society reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year's excess revenue over expenses.

The Society reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in current year excess revenue over expenses in the year the reversal occurs.

3. Cash and cash equivalents

	2024	2023
Cash	\$358,662	\$85,077
Canadian money market mutual funds	2,685	2,685
	\$361,347	\$87,762

4. Short-term investment

	2024	2023
Guaranteed investment certificates	\$265,361	\$ -

Short-term investment consists of one guaranteed investment certificate maturing in June 2024 bearing interest at 4.2% per term.

Connections Place Society Notes to the Financial Statements

For the year ended March 31, 2024

5. Capital assets

	2024		2023	
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 13,028	\$ 9,806	\$ 3,222	\$ 696
Computer software	9,342	9,217	125	278
Furniture and fixtures	19,815	12,276	7,539	4,709
	\$42,185	\$31,299	\$10,886	\$5,683

6. Deferred revenue

Deferred contributions consist of unspent contributions externally restricted for the operations over the next year. Recognition of these amounts as revenue is deferred to periods when the specified expenses are made.

	2024	2023
Opening balance	\$ -	\$ 4,298
Amount received during the year	500,000	-
Less: amount recognized as revenue during the year	-	4,298
Closing balance	\$ 500,000	\$ -

7. Wage subsidy

WorkBC Wage Subsidy Program

WorkBC launched the Wage Subsidy program to provide an opportunity for employers to re-hire laid off employees, hire new employees and connect with WorkBC clients looking for work experience and job opportunities. The program provides subsidy to the eligible employers with portion of the wage expenses.

During the year ended March 31, 2024, the Society claimed \$nil (2023: \$14,686) of WorkBC wage subsidy.

Any subsidies received that are subsequently determined to not meet the eligibility criteria are subject to repayment with interest and possibly penalties in certain cases. Management believes the Society has met the eligibility criteria for these subsidies and that they have been calculated correctly. As such, no contingent liability for repayment has been recorded in relation to these subsidies.

8. Contribution to the Victoria Foundation endowment

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 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.

9. Commitment

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:

2025	\$	75,600
2026		79,100
2027		79,800
2028		79,800
Thereafter		13,300
		\$ 327,600

10. Financial instruments

- a) 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 2023.

- b) 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 2023. The Society's liquidity risk is assessed low.

- c) 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. The Society's interest rate risk is assessed low.

11. Director and Employee remuneration

The Society does not compensate its directors. During the year ended March 31, 2024, the Society had no employees whose annual remuneration was over \$75,000 (2023 – one employee, \$88,000).

12. Economic dependence

During the year ended March 31, 2024, the Society received a major portion 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.

13. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.