

PACIFIC PUBLIC HEALTH FOUNDATION

FINANCIAL STATEMENTS

31 MARCH 2024

PACIFIC PUBLIC HEALTH FOUNDATION
Financial Statements

For the year ended 31 March 2024

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INDEPENDENT AUDITORS' REPORT

To the Directors,
Pacific Public Health Foundation

Opinion

We have audited the financial statements of Pacific Public Health Foundation (the "Foundation"), which comprise the statement of financial position as at 31 March 2024, 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 Foundation as at 31 March 2024, and its results of 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation 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 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

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

INDEPENDENT AUDITORS' REPORT - Continued

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. 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 Foundation'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 Foundation'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 Foundation 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.

INDEPENDENT AUDITORS' REPORT - Continued

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Rolfe Benson LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
28 June 2024

PACIFIC PUBLIC HEALTH FOUNDATION
Statement of Financial Position
31 March 2024

	2024	2023
Assets		
Current		
Cash	\$ 602,396	\$ 392,588
Term deposits (Note 3)	40,000	25,000
Investments (Note 4)	11,196,358	10,403,443
Accounts receivable	95,000	1,180,000
Prepaid expenses	4,436	8,088
GST receivable	15,557	7,418
	\$ 11,953,747	\$ 12,016,537

Liabilities

Current		
Accounts payable and accrued liabilities	\$ 42,276	\$ 193,673
Current portion of deferred contributions (Notes 5 and 6(a))	4,798,933	1,377,071
	4,841,209	1,570,744
Deferred contributions (Notes 5 and 6(a))	6,739,231	10,197,520
	11,580,440	11,768,264


Commitments (Note 6)

Net Assets

Unrestricted	373,307	248,273
	\$ 11,953,747	\$ 12,016,537

APPROVED BY THE BOARD:


 _____ Director


 _____ Director

The accompanying notes are an integral part of these financial statements

PACIFIC PUBLIC HEALTH FOUNDATION
Statement of Changes in Net Assets
For the year ended 31 March 2024

	2024	2023
Balance - beginning of year	\$ 248,273	\$ 753,480
Excess (deficiency) of revenues over expenses for the year	<u>125,034</u>	<u>(505,207)</u>
Balance - end of year	\$ 373,307	\$ 248,273

The accompanying notes are an integral part of these financial statements

PACIFIC PUBLIC HEALTH FOUNDATION
Statement of Operations
For the year ended 31 March 2024

	2024	2023
Revenues		
Grants, donations and other contributions (Note 8)	\$ 1,230,017	\$ 1,169,342
Investment income (Note 4)	1,015,623	58,226
In-kind contributions (Note 2(d))	10,500	10,500
	2,256,140	1,238,068
Project Expenses		
Project awards	680,105	661,297
Project general expenses	231,508	210,709
Project contractors	142,070	110,573
Project management	-	979
	1,053,683	983,558
Expenses		
Salaries and related benefits (Note 7)	794,624	546,890
Contractors and consultants	79,078	68,897
Investment fees	60,673	59,969
Marketing	39,638	10,661
Legal	25,033	16,421
Audit and accounting fees	21,796	17,107
Office, in-kind (Note 2(d))	10,500	10,500
Professional development	10,135	3,488
Administrative support	9,357	6,513
Software	8,387	5,094
Sponsorship	7,021	3,000
Insurance	5,070	1,189
Fundraising activities	3,058	3,599
Website domains and hosting	1,220	665
Merchant fees	1,147	900
Bank charges and interest	519	926
Board meetings	167	3,898
	1,077,423	759,717
Excess (deficiency) of revenues over expenses for the year	\$ 125,034	\$ (505,207)

The accompanying notes are an integral part of these financial statements

PACIFIC PUBLIC HEALTH FOUNDATION
Statement of Cash Flows
For the year ended 31 March 2024

	2024	2023
Cash provided by (used in):		
Operating activities		
Excess (deficiency) of revenues over expenses for the year	\$ 125,034	\$ (505,207)
Items not involving cash		
Realized loss on sale of investments	7,960	121,914
Unrealized (gain) loss on investments (Note 4)	<u>(523,708)</u>	330,024
	(390,714)	(53,269)
Changes in non-cash working capital balances		
Accounts receivable	1,085,000	(1,055,695)
Prepaid expenses	3,652	(216)
GST receivable	(8,139)	320
Accounts payable and accrued liabilities	(151,397)	71,783
Deferred contributions	<u>(36,427)</u>	535,333
	501,975	(501,744)
Investing activities		
Redemption (purchase) of term deposits	(15,000)	25,000
Purchase of investments	(4,001,806)	(1,377,461)
Proceeds on sale of investments	<u>3,724,639</u>	1,925,239
	(292,167)	572,778
Net increase in cash	209,808	71,034
Cash - beginning of year	<u>392,588</u>	<u>321,554</u>
Cash - end of year	\$ 602,396	\$ 392,588

The accompanying notes are an integral part of these financial statements

PACIFIC PUBLIC HEALTH FOUNDATION
Notes to the Financial Statements
For the year ended 31 March 2024

1. Incorporation and operations

Pacific Public Health Foundation (the "Foundation"), formerly BCCDC Foundation for Population and Public Health, was incorporated under the Societies Act of British Columbia on 13 February 2004 and subsequently transitioned to the Societies Act (British Columbia). The Foundation is registered as a charitable organization under the Income Tax Act of Canada and as such it is exempt from income taxes providing certain requirements are met.

The Foundation funds and delivers evidence-based initiatives and research that contributes to better public health outcomes in BC, by partnering with the BC Centre for Disease Control and other stakeholders.

2. Summary of significant accounting policies

The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

(a) Financial Instruments

(i) Measurement of Financial Instruments

The Foundation initially measures its financial assets and liabilities at fair value and subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in equity instruments and other securities that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash, term deposits and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at fair value include investments.

(ii) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, 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.

PACIFIC PUBLIC HEALTH FOUNDATION
Notes to the Financial Statements
For the year ended 31 March 2024

2. Summary of significant accounting policies - Continued

(a) Financial Instruments - Continued

(iii) Transaction Costs

The Foundation recognizes its 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.

(b) Cash and cash equivalents

The Foundation's policy is to disclose bank balances under cash, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and highly liquid temporary investments usually with a maturity period of three months or less from the date of the acquisition.

(c) Revenue recognition

The Foundation 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.

Investment income includes dividends, interest income, and realized and unrealized investment gains and losses. Investment income is recognized as revenue when earned.

(d) Contributed services

The Foundation recognizes contributed services when the fair value of such services can be reasonably estimated and the services are used in the normal course of the Foundation's operations and would otherwise have been purchased.

In-kind contributions recorded in these financial statements consist of the estimated fair value of office space expenses that were contributed to the Foundation during the year.

PACIFIC PUBLIC HEALTH FOUNDATION
Notes to the Financial Statements
For the year ended 31 March 2024

2. Summary of significant accounting policies - Continued

(e) 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 liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Items requiring the use of management estimates include in-kind contributions, recognition of accrued liabilities, and the current portion of deferred revenue. Management believes that the estimates utilized in preparing its financial statements are reasonable and prudent; however, actual results could differ from these estimates.

3. Term deposits

As of 31 March 2024, the Foundation holds a term deposit maturing on 14 June 2024 with an interest rate of 3.50%.

4. Investments

Investments consist of the following:

	2024		2023	
	Cost	Market	Cost	Market
Fixed Income	\$ 5,600,862	\$ 5,129,966	\$ 5,534,146	\$ 5,001,028
Equity	4,826,774	5,303,157	5,328,609	5,312,041
Cash equivalents	763,235	763,235	90,374	90,374
	\$ 11,190,871	\$ 11,196,358	10,953,129	\$ 10,403,443

Investment income includes \$523,708 of unrealized gains on the investment assets during the year.

PACIFIC PUBLIC HEALTH FOUNDATION
Notes to the Financial Statements
For the year ended 31 March 2024

5. Deferred contributions

The Foundation received restricted contributions for various projects. The unspent balances related to these projects are as follows:

	2024	2023
MoH Public Health Response & Planning (Note 6(b))	\$ 6,115,969	\$ 8,459,323
Knowledge Translation Capacity	2,112,600	-
Gemstone	50,000	-
Kloche Nanitch	37,084	-
YHOC Campaign	98	-
Bacteriology & Mycology	-	950
STI Research/Education	26,461	26,461
MoH WGS Salmonella	-	3,000
MoH Foodborne Illness	75,731	172,400
MoH Food Processing & Safety	125,679	144,416
Combat Collective	6,973	6,966
NH Climate Action	27,500	27,500
FH Climate Action	91,000	91,000
BCCDC Falls Prevention	43,000	23,000
BCCDC Indigenous Drivers Licensing	23,000	23,000
Indigenous Health	25,493	25,493
BC Provincial Ethical Practice Guide	49,750	-
IH Climate Action	-	120,000
Public Health Surveillance Plan	600,000	-
Public Engagement	200,000	-
IH Social Determinants	-	50,000
IH Toxic Drug Crisis	800,000	800,000
IH Youth Mental Health	220,250	210,000
Indigenous Anti-Racism	23,000	69,000
NH Falls Prevention	-	30,476
Youth Mental Health	-	100,000
Biological Inventory Training	-	99,863
Immunization Record Sharing	-	94,512
UBC Safe Cycling	-	22,500
NH Food and Nutrition	-	15,650
Revising Pandemic Preparedness Plan	-	80,000
Emergency Response Fund	53,733	53,733
Wastewater Surveillance	50,950	-
UBC Unintentional Home Injuries	23,625	-
CCD Research Program	-	106,556
Sogiece	614	457
Knowledge Translation	-	1,303
Vaccine Effectiveness	325,061	298,372
Test Link Call	85,043	-
Reducing Harms	2,471	2,387
Together We Act	75,930	149,124
Societal Consequences of COVID-19	267,149	267,149

PACIFIC PUBLIC HEALTH FOUNDATION
Notes to the Financial Statements
For the year ended 31 March 2024

5. Deferred contributions - Continued

	2024	2023
	11,538,164	11,574,591
Less current portion	4,798,933	1,377,071
Long-term portion	\$ 6,739,231	\$ 10,197,520

The changes in deferred contributions during the year are comprised of the following:

	2024	2023
Balance, beginning of year	\$ 11,574,591	\$ 11,039,258
Contributions received	1,180,804	1,605,188
Revenue recognized	(1,053,683)	(900,322)
Administration fees recognized (Note 8)	(164,720)	(169,533)
Transfer from unrestricted fund	1,172	-
Balance, end of year	\$ 11,538,164	\$ 11,574,591

6. Commitments

(a) Award Agreements

The Foundation is committed to estimated annual payments under various award agreements as follows:

2025	\$ 4,798,933
2026	3,706,725
Subsequent years	3,032,506
	\$ 11,538,164

(b) MoH Partnership to Strengthen Public Health for BC

In fiscal 2021, the Foundation entered into a funding agreement with the BC Ministry of Health to receive \$10 million for the purpose of strengthening public health capacities and infrastructure and the provincial public health community of practice to be completed by 31 March 2026. This grant will support activities that will strengthen the practice of public health in tangible and direct ways that support the health of communities across the province.

As at 31 March 2024, unspent funding of \$6,115,969 (2023 - \$8,459,323) is included in deferred contributions (Note 5), including any administration fees to be earned by the Foundation (Note 8). The purpose of these funds is to be determined over the remainder of the agreement.

PACIFIC PUBLIC HEALTH FOUNDATION
Notes to the Financial Statements
For the year ended 31 March 2024

7. Remuneration of employees, contractors and directors

For the fiscal year ended 31 March 2024 the amounts paid to Directors of the Foundation for acting in their noted capacity was \$Nil (2023 - \$Nil). Five employees (2023 - Two employees) received remuneration in excess of \$75,000 and the total remuneration for these employees was \$602,546 (2023 - \$240,510) and is included in salaries and related benefits expense.

8. Administration Fees

To ensure that funds are available for the ongoing administration and project management costs of the Foundation, an average of 15% of certain restricted contributions, or other amounts as agreed upon with the funder, are recognized as revenue either based on the terms of the funding agreement or in the period that funds are received. In 2024 total administration fees recognized in revenue were \$164,720 (2023 - \$169,533) which are recorded in grants, donations and other contributions revenue (Note 5).

9. Financial Instruments

The Foundation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Foundation's risk exposure and concentrations at the statement of financial position date, 31 March 2024.

(a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect of accounts payable and accrued liabilities. The Foundation manages liquidity risk by maintaining adequate cash and highly liquid investments. There has been no change to the risk exposure from the prior year.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation's main credit risks relate to its cash, term deposits, investments, and accounts receivable. The Foundation's cash, term deposits, and investments are maintained with large federally regulated financial institutions in Canada. Accounts receivable are generally from government agencies or related to funding agreements and are not subject to significant credit risk. There has been no change to the risk exposure from the prior year.

PACIFIC PUBLIC HEALTH FOUNDATION
Notes to the Financial Statements
For the year ended 31 March 2024

9. Financial Instruments - Continued

(c) 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. The Foundation is mainly exposed to interest rate risk and other price risk. There has been no change to the risk exposure from the prior year.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is exposed to interest rate risk on its fixed rate financial instruments. Fixed-rate instruments subject the Foundation to a fair value risk. The Foundation does not use financial instruments to reduce its risk exposure. There has been no change to the risk exposure from the prior year.

(e) Other price risk

Other price risk is the risk that the fair market 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 Foundation is exposed to other price risk through its investments, which are held in professionally administered funds. These funds are subject to fluctuating returns based on the market and are exposed to the risk of market volatility. Risk has been assessed by management and an investment policy adopted to mitigate such market risk. There has been no change to the risk exposure from the prior year.