WISH DROP-IN CENTRE SOCIETY

Financial Statements

March 31, 2026

WISH DROP-IN CENTRE SOCIETY
Index to Financial Statements
Year Ended March 31, 2026

INDEPENDENT AUDITOR'S REPORT

To the Members of WISH Drop-in Centre Society

Report on the Financial Statements

Opinion

We have audited the financial statements of WISH Drop-in Centre Society (the "Society"), which comprise the statement of financial position as at March 31, 2026, 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 March 31, 2026, 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 (ASNPO).

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 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 ASNPO, 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:

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- 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, 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.

Loewen Kruse

Burnaby, British Columbia
August 13, 2026

Chartered Professional Accountants

WISH DROP-IN CENTRE SOCIETY

Statement of Financial Position

March 31, 2026

	2026	2025
ASSETS		
CURRENT		
Cash	**$ 2,624,003**	$ 798,047
Investments	**101,441**	534,935
Grants and contributions receivable	**162,119**	81,627
Recoverable from government authorities - GST	**10,221**	11,428
Prepaid expenses	**24,923**	43,597
	2,922,707	1,469,634
PREPAID EXPENSES	**-**	3,622
CAPITAL ASSETS *(Note 3)*	**432,896**	521,580
	$ 3,355,603	$ 1,994,836
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities *(Note 4)*	**$ 345,039**	$ 282,881
Deferred contributions *(Note 5)*	**1,520,276**	625,543
	1,865,315	908,424
DEFERRED CAPITAL CONTRIBUTIONS *(Note 6)*	**327,334**	411,009
	2,192,649	1,319,433
NET ASSETS	**1,162,954**	675,403
	$ 3,355,603	$ 1,994,836

LEASE COMMITMENTS *(Note 7)*

TRUST FUNDS *(Note 9)*

APPROVED BY THE DIRECTORS

Lauren Casey ____________ *Director*

Alessandra Smith ____________ *Director*

See notes to financial statements

WISH DROP-IN CENTRE SOCIETY
Statement of Changes in Net Assets
Year Ended March 31, 2026

	2026	2025
NET ASSETS - BEGINNING OF YEAR	**$ 675,403**	$ 669,780
Excess of revenue over expenses	**487,551**	5,623
NET ASSETS - END OF YEAR	**$ 1,162,954**	$ 675,403

See notes to financial statements

WISH DROP-IN CENTRE SOCIETY

Statement of Operations

Year Ended March 31, 2026

	2026	2025
REVENUE		
Provincial grants	**$ 3,600,086**	$ 5,154,841
Contributions	**598,412**	577,473
Non-government grants	**555,265**	1,022,875
Municipal grants	**186,785**	186,439
Amortization of deferred capital contributions *(Note 6)*	**133,746**	103,086
Investments interest and other income	**38,554**	35,433
Expense recovery grants, fees and taxes	**31,786**	200,274
Federal grants	**7,296**	10,000
	5,151,930	7,290,421
EXPENSES		
Salaries and wages	**3,614,805**	5,957,637
Professional fees	**245,005**	250,541
Amortization	**165,979**	135,710
Food	**143,650**	297,999
Repairs and maintenance	**132,365**	133,591
Materials and supplies	**84,900**	84,427
Telecommunications and IT	**57,792**	77,384
Incentives	**55,390**	80,846
Utilities	**37,135**	50,108
Interest, bank charges and processing fees	**35,679**	23,497
Office and advertising	**29,085**	65,403
Rentals	**26,129**	78,098
Insurance	**22,995**	23,976
Automobile	**13,470**	25,581
	4,664,379	7,284,798
EXCESS OF REVENUE OVER EXPENSES	**$ 487,551**	$ 5,623

See notes to financial statements

WISH DROP-IN CENTRE SOCIETY

Statement of Cash Flows

Year Ended March 31, 2026

	2026	2025
OPERATING ACTIVITIES		
Excess of revenue over expenses	$ 487,551	$ 5,623
Items not affecting cash:		
Amortization of deferred capital contributions	(133,746)	(103,086)
Amortization of capital assets	165,979	135,710
	519,784	38,247
Changes in non-cash working capital:		
Investments accrued interest	16,447	33,800
Grants and contributions receivable	(80,492)	455,029
Recoverable from government authorities - GST	1,207	3,700
Prepaid expenses	22,296	(16,418)
Accounts payable and accrued liabilities	62,158	(167,089)
Deferred contributions	894,733	(1,038,935)
	916,349	(729,913)
Cash flow from (used by) operating activities	1,436,133	(691,666)
INVESTING ACTIVITIES		
Purchase of capital assets	(77,295)	(143,346)
Net redemption of investments	417,047	1,238,953
Cash flow from investing activities	339,752	1,095,607
FINANCING ACTIVITY		
Contributions restricted for capital assets	50,071	97,982
INCREASE IN CASH FLOW	1,825,956	501,923
Cash - beginning of year	798,047	296,124
CASH - END OF YEAR	$ 2,624,003	$ 798,047

See notes to financial statements

1. PURPOSE OF THE SOCIETY

WISH Drop-in Centre Society (the "Society") is a not-for-profit organization incorporated provincially under the Societies Act of British Columbia. The Society is a registered charity and is exempt from the payment of income taxes under the Income Tax Act.

The Society's purpose is to support the health, safety, and well-being of cis and trans women, Two-Spirit, Non-Binary, and gender diverse street-based sex workers in Vancouver. With acceptance, care, dignity and respect, the Society upholds and defends sex workers' rights. Through harm reduction-based programs, advocacy, and outreach, the Society works to improve living conditions, and expand access to essential services, for participants.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Revenue recognition

The Society follows the deferral method of accounting for contributions.

Externally restricted contributions, including grants designated for specific programs or purposes, are recognized as revenue in the year in which the related expenses are incurred. Externally restricted amounts can only be used for purposes designated by the contributor and are deferred until spent. Contributions of capital assets and amounts externally restricted for the purchase of capital assets are deferred and amortized into revenue on the same basis as the related capital assets’ amortization.

Unrestricted contributions, including undesignated grants, are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Expense recoveries are recognized as revenue when entitlement to the amounts recoverable has been established and verified with the other parties involved.

Investment income is recognized as revenue when earned using the accrual method of accounting.

Cloud computing arrangements

The Society applies the simplification approach to its cloud computing arrangements whereby all costs are expensed in the year in which the supply of services is provided. During the year $47,595 (2025 - $61,069) of these services were expensed and are included in office and advertising as well as telecommunications and IT expenses.

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

Financial instruments

All financial instruments are initially recorded at their fair market value. Publicly traded financial instruments quoted in an active market are subsequently measured at fair value with any unrealized gains or losses and transaction costs recognized in net excess (deficiency) of revenue over expenses. All other financial instruments are adjusted for any transaction costs incurred on acquisition and are subsequently measured at their amortized cost. Financial instrument impairments and impairment reversals are recognized when incurred in net excess (deficiency) of revenue over expenses.

All financial assets and financial liabilities are measured at amortized cost, including:

Financial assets

- cash
- investments - term deposits
- grants and contributions receivable

Financial liabilities

- accounts payable and accrued liabilities

Cash and cash equivalents

Any term deposits or similar contractual instruments that are cashable and have a maturity term of three months or less are classified as cash equivalents.

Investments

Investments consist of a redeemable term deposit with a maturity term of more than three months. The term deposit has a maturity date of October 26, 2027 and earns interest at 3.35% per annum (2025 - 2.70% to 4.75% per annum). Accrued interest of $1,441 (2025 - $17,888) on the term deposit up until March 31 is included in the investments balance. These investments have been classified as current assets as they are either capable of prompt liquidation or come due in the next year and are held for use in operations as needed.

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

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets contributed are recorded at their fair value as of the date of receipt. Amortization is calculated over their estimated useful lives at the following rates and methods:

Leasehold improvements	term of the lease	straight-line method
Furniture and equipment	20%	declining balance method
Vehicles	30%	declining balance method
Computer equipment	30%	declining balance method

Capital assets acquired during the year but not utilized are not amortized until they are placed into use. Leasehold improvements and other capital assets are removed from the Society's books once they are fully amortized and determined to have no further appreciable future benefit.

During the year the Society received $NIL contributed capital assets (2025 - $NIL).

Contributed services and materials

Volunteers assist the Society in carrying out its programs. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Contributed materials or gifts-in-kind for use in general operations and programs are not recognized as revenue when received due to the difficulty in assessing their value.

Multiemployer plan

The Society participates in a defined benefits plan related to future employee pension benefits and is only responsible for payments as specified under the plan agreement. As there is insufficient information available to use defined benefit plan accounting, the Society has accounted for them as defined contribution plans. The contribution amounts are determined based on employee services rendered during the year. Additional details of the plans are disclosed in Note 9.

The Society and its employees contribute to the Municipal Pension Plan ("MPP"), a multi-employer defined benefit pension plan. The plan is governed by joint trusteeship including representatives of both plan members and plan employees who are responsible for the administration of benefits and investment of the plan assets. The plan covers approximately 273,035 active employees, of which approximately 22 are employees of the Society.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent actuarial valuation for the plan at December 31, 2024 indicated a surplus of approximately $2.7 billion. The actuary does not attribute portions of the surplus or deficit to individual employers. During the year, the Society incurred $66,492 (2025 - $71,972) for employer contributions to the plan included in salaries and wages.

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

Measurement uncertainty

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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Material uncertainties involving management estimates include the assessment of allowance for doubtful accounts receivable, allocation of organizational support expenses to restricted programs and determination of useful lives of capital assets, particularly the leasehold improvements, for the purposes of calculating amortization expense as well as the related revenue for amortization of deferred capital contributions.

The allocation of organizational support expenses, specifically administrative and managerial salaries, to restricted programs is based on staff estimates of the time spent on such activities versus general operations. Because these allocations increase expenses in the restricted programs, the amounts directly affect the calculation of deferred contributions for those programs based on any net excess after the recognition of prior year deferred balances. As this approach may not necessarily reflect the actual time and cost generated by the execution of those programs, a significant degree of measurement uncertainty exists for these allocations.

3. CAPITAL ASSETS

	Cost	Accumulated amortization	**2026 Net book value**	2025 Net book value
Leasehold improvements	$ 583,271	$ 315,825	**$ 267,446**	$ 332,634
Furniture and equipment	192,281	97,070	**95,211**	97,392
Vehicles	106,968	61,106	**45,862**	65,518
Computer equipment	91,743	67,366	**24,377**	26,036
	$ 974,263	$ 541,367	**$ 432,896**	$ 521,580

4. AMOUNTS DUE TO GOVERNMENT AUTHORITIES

Included in accounts payable and accrued liabilities are the following balances due to government authorities:

	2026	2025
WorkSafe BC premiums	**$ 39,940**	$ 41,412
Federal source deductions	**21,635**	18,878
BC Employer Health Tax	**-**	4,881
	$ 61,575	$ 65,171

5. DEFERRED CONTRIBUTIONS

		2026		2025
Grant advances not applied to program activities by year-end				
City of Vancouver - Multi-year - DSS, SRF, IH	$	**185,253**	$	188,077
Law Foundation - Organizational Support project		**136,259**		195,000
Other foundations - various programs		**114,233**		29,144
Ministry PSSG - Victim Services 3-year term		**97,135**		97,135
BC Gaming Commission - Community Programming		**74,900**		74,900
BC Housing - air quality grant		**45,720**		-
		653,500		584,256
Unspent portion of other grants for current year activities				
Per Schedule of Program Activities		**862,928**		34,723
Other deferred grants				
Reaching Home grants for dishwasher leases		**3,848**		6,564
	$	**1,520,276**	$	625,543
Deferred contribution activity for the year				
Balance, beginning of year	$	**625,543**	$	1,664,478
Contributions received		**4,948,220**		5,291,902
Revenue recognized		**(4,053,487)**		(6,330,837)
Balance, end of year	$	**1,520,276**	$	625,543

6. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized balance of contributions received for the purchase of capital assets, including unspent grant amounts at year-end which for 2026 totaled $17,028 (2025 - $7,965).

		2026		2025
Balance, beginning of year	$	**411,009**	$	416,113
Capital contributions received - government grants		**18,500**		49,330
Capital contributions received - non-government grants		**31,571**		48,652
Revenue recognized for amortization		**(133,746)**		(103,086)
Balance, end of year	$	**327,334**	$	411,009

7. LEASE COMMITMENTS

The Society has a lease with respect to its office premises expiring December 31, 2026 with an aggregate remaining commitment of $11,700.

The Society also rents additional premises under a long-term lease with the City of Vancouver. The second renewal period of five years began April 2023 and expires March 2028 with an aggregate rent charge of $10 at the commencement of the second renewal. There are no further renewal options in the lease agreement.

8. CREDIT FACILITY

The Society has an unsecured credit facility with Vancouver City Savings Credit Union, which includes three credit cards with a $25,000 limit that bears interest at 19.50% per annum on unpaid balances.

9. TRUST FUNDS - STEWARDSHIP PROGRAMS

The BC Bad Date and Aggressor Reporting ("BC BDAR") project is an ongoing program designed to create a provincially integrated bad date reporting system across BC. It is guided by a Working Group of five organizations: Living in Community Society, PACE Society, Peers Victoria, SWAN Vancouver, and WISH Drop-In Centre Society. Collectively, members of the Working Group support a broad diversity of sex workers engaged in various forms of sex work.

	BC BDAR
Contributions received/receivable	$ 87,500
Expenses paid/payable	(248,437)
Trust cash held at year-end	36,486
Trust receivable at year-end	25,000
Trust liabilities for unspent funds	(61,486)

10. ECONOMIC DEPENDENCE

The Society is dependent on British Columbia Housing Management Commission ("BCHMC"), the Province of BC, the Government of Canada and the City of Vancouver to fund a significant portion of its operations. During the year the Society received grants from the above government agencies equal to 74% (2025 – 73%) of its revenue.

BCHMC performs annual reviews of its funded programs that can sometimes result in adjustments to the net assets. As of the audit report date, the 2025 annual review had not yet been received.

In accordance with the terms of the BCHMC Emergency Shelter Program and Shelter & Support Services agreements, the Society spent its shelter revenue on eligible expenditures directly related to those program activities and as outlined in its annual operating budget.

11. REMUNERATION DISCLOSURE

In accordance with the Societies Act of British Columbia, the Society is required to disclose that there were 13 individuals under a contract for services that each exceeded $75,000 of annual remuneration who were paid a total sum of $1,217,677.

12. REACHING HOME - GRANT PROGRAM

As required by the terms of the Society's grant agreements with Lu'ma Native BCH Housing Society, the Society discloses that the Reaching Home project expenses for the year are as follows:

		2026		2025
<u>Housing, Prevention, and Client Support Services grant</u>				
Direct expenses				
Staff salaries and wages	**$**	**151,214**	$	147,358
Client support services		**10,833**		6,824
Housing services		**6,837**		9,800
Prevention and shelter diversion services		**1,331**		957
Administrative expenses				
Staff salaries and wages		**18,245**		17,090
Office facilities, supplies and overhead		**7,310**		7,229
	$	**195,770**	$	189,258
<u>Capital Investments grant</u>				
Capital purchases	**$**	**31,570**	$	48,652

The expenditures for the above grants were incurred for the purposes of supporting the project activities, subject to the terms and conditions of the respective agreements.

13. CONTINGENT LIABILITY

The Society is exposed to a contingent liability with respect to an employee grievance. As at year end, the amount of any potential loss and likelihood of the outcome is not determinable.

14. FINANCIAL INSTRUMENTS RISK

<u>Credit risk</u>

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk for its grants and contributions receivable. Exposures to and concentrations of credit risk, and significant changes to the risk exposure from the prior year are as follows:

- The majority of grants and contributions receivable consists of grants due from government agencies, foundations and charitable organizations that management has assessed as having high credit worthiness, thereby reducing the risk of bad debts.

15. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year’s presentation. Specifically, some of the non-government grants have been reclassified as contributions revenue.

WISH DROP-IN CENTRE SOCIETY
Schedule of Program Activities **(Schedule 1)**
Year Ended March 31, 2026

	Indigenous Health & Safety Project	Drop in	Learning Centre & Music Therapy	Mobile Access Project	InReach	Organizational Support	Shelter	PEIW	**Total**
Revenue									
BC Housing		2,091,156					1,802,689		**3,893,845**
Ministry PSSG - Victim Services				378,473					**378,473**
City of Vancouver	15,000	102,261	6,300	63,224					**186,785**
Gaming Commission	14,875		19,678			11,234		29,112	**74,899**
Vancouver Coastal Health Authority	38,497								**38,497**
Federal government grant				25,000					**25,000**
Subtotal Grants - Government	68,372	2,193,417	25,978	466,697	-	11,234	1,802,689	29,112	**4,597,499**
Foundation grants	6,917	25,411	29,881	22,779	103,437	257,622	89,368	44,723	**580,138**
Deferred grant contributions - beginning balance	34,723								**34,723**
Subtotal Grants	110,012	2,218,828	55,859	489,476	103,437	268,856	1,892,057	73,835	**5,212,360**
Contributions		900		500		576,812	200	20,000	**598,412**
Amortization of deferred capital contributions		101,282		19,655		2,929	9,880		**133,746**
Investment and other income				643		37,911			**38,554**
Expense Recovery grants and fees	88	880		1,670		22,597	6,265	286	**31,786**
Total revenue	110,100	2,321,890	55,859	511,944	103,437	909,105	1,908,402	94,121	**6,014,858**
Expenses									
Salaries and benefits	22,381	965,727	10,978	407,880	84,117	549,706	1,531,236	42,780	**3,614,805**
Professional fees	18,290	76,304	1,703	26,223	93	50,117	69,467	2,808	**245,005**
Amortization	543	120,818		19,740		10,409	14,469		**165,979**
Food	7,663	40,481	6,397	7,677	458	893	76,032	4,049	**143,650**
Repairs and maintenance	41	98,595		405		15,966	17,358		**132,365**
Materials and supplies	12,914	9,496	12,574	4,045	18,032	640	18,438	8,761	**84,900**
Telecommunications	601	20,574	4,091	5,239		12,479	13,705	1,103	**57,792**
Incentives	27,195		6,700					21,495	**55,390**
Utilities		26,584					10,551		**37,135**
Interest, bank charges and processing fees	2	2,491		1,918	292	23,247	7,545	184	**35,679**
Office and advertising	170	2,454	533	593	445	22,004	2,574	312	**29,085**
Rentals	417	8,532	225	2,519		5,018	9,004	414	**26,129**
Insurance		13,944				3,075	5,976		**22,995**
Automobile				13,470					**13,470**
Total expenses	90,217	1,386,000	43,201	489,709	103,437	693,554	1,776,355	81,906	**4,664,379**
Net excess (deficiency)	19,883	935,890	12,658	22,235	-	215,551	132,047	12,215	**1,350,479**
Deficit reduction grant		(272,000)				272,000			
Deferred grant contributions - ending balance	19,883	663,890	12,658	22,235	-	-	132,047	12,215	**862,928**
Net excess (deficiency) after deferral									**487,551**