CIVIC INNOVATION LAB

Financial Statements

For the Year Ended December 31, 2025

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Civic Innovation Lab Society

We have reviewed the accompanying financial statements of Civic Innovation Lab Society (the society) that comprise the statement of financial position as at December 31, 2025, and the statements of changes in net assets, revenues and expenditures and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Civic Innovation Lab Society as at December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Other Matter

The financial statements of Civic Innovation Lab Society for the year ended December 31, 2024 were compiled and are presented for comparative purposes only.

PSL

Chartered Professional Accountants

Abbotsford, British Columbia
March 31, 2026

Civic Innovation Lab
Statement of Financial Position (Unaudited)
As of December 31, 2025

	2025	2024
Assets		
Current Assets		
Cash and Cash Equivalent		
Chequing (Note 4)	26,043	48,236
Term Deposit (Note 5)	5,523	5,275
Total for Cash and Cash Equivalent	**$ 31,566**	**$ 53,511**
Interest Receivable	73	105
Total for Current Assets	**$ 31,639**	**$ 53,616**
Total for Assets	**$ 31,639**	**$ 53,616**
Liabilities and Net Assets		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable - owe to CoB	10,470	21,553
Accounts Payable - owe to SFU	11,802	21,512
Total for Accounts Payable	**$ 22,272**	**$ 43,065**
Accrued Liabilities	3,709	171
Total for Current Liabilities	**$ 25,981**	**$ 43,236**
Non-current Liabilities		
Deferred Contributions (Note 6)	0	5,000
Total for Non-current Liabilities	**$ 0**	**$ 5,000**
Total for Liabilities	**$ 25,981**	**$ 48,236**
Net Assets		
Internally Restricted	0	5,000
Unrestricted	5,658	380
Total Net Assets	**$ 5,658**	**$ 5,380**
Total for Liabilities and Net Assets	**$ 31,639**	**$ 53,616**

CIVIC INNOVATION LAB

STATEMENT OF CHANGES IN NET ASSETS *(UNAUDITED)*

For the year ended December 31, 2025

Net assets	Internally Restricted For Bank Collateral	Unrestricted	2025 Total	2024 Total
Balance, Beginning of Year	5,000	380	5,380	5,115
Excess (Deficiency) of Revenues Over Expenditures	0	278	278	265
Transfer to Unrestricted Fund	(5,000)	5,000	0	0
Balance, End of Year	**$ 0**	**$ 5,658**	**$ 5,658**	**$ 5,380**

See accompanying notes to the financial statements

Civic Innovation Lab
Statement of Operations (Unaudited)
January 1 - December 31, 2025

	2025	2024
REVENUES		
External Grant Contributions (Note 6)	5,000	20,000
Grant Revenue - CoB	15,298	6,888
Grant Revenue - CoB In-Kind (Note 3)	187,022	139,742
Grant Revenue - SFU	15,298	6,888
Grant Revenue - SFU In-Kind (Note 3)	136,839	154,715
Total Revenues	**$ 359,458**	**$ 328,234**
EXPENSES		
Accounting & Professional Fees	3,990	5,513
Bank charges	23	4
Communications	441	391
Conference	1,719	549
Consulting & Contracted Services	3,272	0
Freight and Delivery	169	0
Grant Distributions	5,250	21,000
Honorarium	450	0
Legal and professional fees	687	954
Management Fees	323,861	294,457
Meals and entertainment	436	0
Meeting Expenses	3,427	2,114
Memberships & Professional Dues	1,589	1,499
Other general and administrative expenses	0	85
Research & Development	10,600	0
Software	858	627
Stationery and printing	1,928	775
Taxes and Licenses	133	0
Travel	20	0
Website	543	266
Total Expenses	**$ 359,396**	**$ 328,234**
OTHER INCOME		
Interest earned	216	265
Total Other Income	**$ 216**	**$ 265**
EXCESS OF REVENUE OVER EXPENDITURES	**$ 278**	**$ 265**

Civic Innovation Lab
Statement of Cash Flows (Unaudited)
January 1 - December 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Net Income	278	265
Changes in Non-cash Working Capital:		
Accounts Receivable - from CoB	0	76,934
Accounts Receivable - from SFU	0	128,792
Interest Receivable	32	11
Accounts Payable - owe to CoB	(11,083)	(122,687)
Accounts Payable - owe to SFU	(9,710)	(70,871)
Accrued Liabilities	3,538	171
Deferred Contributions	(5,000)	(20,000)
Total for Adjustments to reconcile Net Income to Net Cash provided by operations:	**$ (22,223)**	**$ (7,651)**
Net cash provided by operating activities	**$ (21,945)**	**$ (7,386)**
Net Cash Increase for Period	**$ (21,945)**	**$ (7,386)**
Cash and cash equivalent at beginning of period	53,511	60,897
Cash and cash equivalent at end of period	**$ 31,566**	**$ 53,511**
Cash and cash equivalent consist of:		
Cash	26,043	43,236
Cash - Restricted	0	5,000
Term Deposit	5,523	5,275
	$ 31,566	**$ 53,511**

1. PURPOSE OF ORGANIZATION

Civic Innovation Lab (CIL / the "Society") was incorporated under the B.C. Societies Act on May 16, 2022, and operates as a non-charitable entity under the Accounting Standards for Not-for-Profit Organizations (ASNPO). CIL was established as a non-profit society jointly owned by the City of Burnaby (COB) and Simon Fraser University (SFU). CIL's mandate is to research and develop innovative solutions to civic issues and challenges, in addition to providing educational advancement through collaborative learning and research opportunities. As a non-charity, CIL is not eligible for charitable tax status under Canadian tax legislation. For the fiscal year ended December 31, 2025, CIL's operations were subject to Canadian tax regulations applicable to non-profit organizations. The organization is a not-for-profit and therefore exempt from income taxation under Section 149(1)(l) of the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants of Canada (CPA Canada) Handbook – Accounting. The Society's significant accounting policies are as follows.

Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are deferred and recognized as revenue in the period in which the related expenses are incurred or the restrictions are met. Unrestricted contributions are recognized as revenue in the current period, if the amount to be received can be reasonably estimated and collection is reasonably assured. Interest income on both short-term and long-term investments is recorded on an accrual basis.

Expenses:

Contributed Materials & Services

- The Society recognizes contributed materials and services, when a fair value can be reasonably estimated and when the materials are used in the normal course of the Society's operations and would otherwise have been purchased. In addition, this would include Management Fees, which represent the executive director and any other support staff expenses.
- The estimated value of CoB's accounting and administrative in-kind contribution is $4,000. Office space is provided to CIL at a nominal charge. The value of this in-kind contribution is estimated at $36,200. These in-kind contributions have not been recognized in the financial statements.
- As CIL is a non-profit society, Board of Director roles are volunteer positions that do not receive any remuneration. Their work for the Society is outside of their regular duties in which they perform for their respective organizations.

Use of Estimates

The preparation of the financial statements in conformity with Canadian accounting standards for the not-for-profit organization require staff to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes.

Net Assets

a) Unrestricted Net Assets

The unrestricted net assets represent the excess of contributions that are available to fund the day-to-day operations of the organization. These amounts are not subject to restriction.

b) Internally Restricted Net Assets

The internally restricted net assets represent restricted assets which the board of directors have set aside to be used as collateral to secure credit facilities with the organizations bank.

Goods and Services Tax

All items in the financial statements are stated inclusive of Goods and Services Tax (GST). CIL is not a GST registrant.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expended when incurred.

Accounts receivables are initially recorded at fair value and subsequently measured at amortized cost using the effective interest rate method.

Accounts payable and accrued liabilities are initially recorded at fair value and subsequently measured at amortized cost using the effective interest rate method.

Transaction costs associated with liabilities are netted against the carrying value of the liability and are amortized over the term of the financing using the straight-line method.

3. IN-KIND GRANT REVENUE

During the year, CIL recognized in-kind contributions from COB and SFU to support operations in form of management fees. These contributions are listed below:

City of Burnaby	$187,022
Simon Fraser University	$136,839
Total	**$323,861**

4. CASH

At year-end, total cash of $26,043 was held to fund operations.

5. TERM DEPOSIT

$5,523 is held by the bank in the form of a 2-year fixed term deposit at an interest rate of 3.15% with a maturity date of July 31, 2027. The term deposit is required by the bank for the issuance of a credit card with $5,000 credit limit that is to be used for operational purposes, and the term deposit is reviewed annually.

6. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent funds donated to The Society that are restricted for a specific purpose. In March 2023, Pacific Institute for Climate Solutions (PICS)-SFU committed $30,000 to be used towards a pilot project based on Dr. Sami Khan's ongoing research assessing and developing customized carbon capture toolkits.

	2025 ($)
Balance – Beginning of Year	
Deferred contributions carried forward	5,000
Deferred contributions recognized as revenue	(5,000)
Balance – End of year	0

7. FINANCIAL INSTRUMENTS RISKS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2025.

CIL's financial instruments consist of cash, short-term investments, accounts receivable, accounts payable and deferred contributions.

Financial instruments are recorded at fair value on initial recognition and subsequently at amortized cost.

a) Credit Risk
CIL is exposed to credit risk in the event of not collecting its accounts receivable. CIL does not consider credit risk on its accounts receivable to be significant given the nature of CIL's sources of revenue. There has been no change to the risk exposure since 2023.

b) Liquidity Risk
Liquidity risk is the risk that CIL will not be able to meet a demand for cash or fund its obligations as they become due. CIL manages its liquidity risk by constantly monitoring forecasted and actual cash flows to ensure that funds are available to meet payments as they fall due. There has been no change to risk exposure since 2023.

8. ECONOMIC DEPENDENCE

The Society is economically dependent on CoB and SFU. In addition to monetary contributions, CoB and SFU also provide in-kind support in the following areas:

- Accounting and Reporting
- General administrative functions
- Office space

Halliwell, Juli

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Juli Halliwell, Chair