



Doane
Grant Thornton

Financial Statements

Trail Association for Community Living

March 31, 2026

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Independent Auditor's Report

To the Board of Directors of
Trail Association for Community Living

Qualified opinion

We have audited the financial statements of Trail Association for Community Living, which comprise the statement of financial position as at March 31, 2026, and the statements of operations, 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.

In our opinion, except for the 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, 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 qualified opinion

In common with many not-for-profit organizations, the Society derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues 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 fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2026 and 2025, current assets as at March 31, 2026 and 2025, and net assets as at April 1 and March 31 for both the 2026 and 2025 years. Our audit opinion on the financial statements for the year ended March 31, 2025 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 opinion.

Other matter

The financial statements of the Society for the year ended March 31, 2025 were audited by another auditor who expressed a qualified opinion on those financial statements on August 11, 2025.

Independent Auditor's Report (continued)

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.

Independent Auditor's 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 policies applied in preparing and presenting the financial statements have been applied on a basis consistent with that of the preceding year.

Nelson, Canada
September 15, 2026

Doane Grant Thornton LLP

Chartered Professional Accountants

Trail Association for Community Living

Statement of Financial Position

March 31

2026

2025

Assets

Current

Cash and cash equivalents	\$ 256,240	\$ 623,560
Accounts receivable	174,966	55,992
Goods and services tax receivable	15,630	10,784
Government remittances recoverable	-	11,943
Prepaid expenses	7,482	7,482

454,318 709,761

Tangible capital assets (Note 3)

2,239,085 1,157,781

\$ 2,693,403 \$ 1,867,542

Liabilities

Current

Accounts payable and accrued liabilities (Note 4)	\$ 878,753	\$ 939,236
Deferred contributions (Note 5)	79,635	71,994
Government remittances payable	89,690	-
Current portion of mortgage payable (Note 6)	248,815	-

1,296,893 1,011,230

Mortgage payable (Note 6)

564,078 122,877

Deferred capital contributions (Note 7)

251,887 29,198

815,965 152,075

2,112,858 1,163,305

Fund balances

Unrestricted	(734,201)	(441,908)
Invested in tangible capital assets	1,174,306	1,005,705
Internally Restricted	140,440	140,440

580,545 704,237

\$ 2,693,403 \$ 1,867,542

On behalf of the Board



Member



Member

Trail Association for Community Living

Statement of Operations

Year ended March 31	2026	2025
Revenues		
Grants and Subsidies	\$ 8,889,060	\$ 8,316,437
Rent and support	280,612	267,892
Sales and miscellaneous	184,955	52,700
Donations and fundraising	<u>24,512</u>	<u>32,539</u>
	<u>9,379,139</u>	<u>8,669,568</u>
Expenditures		
Amortization	170,629	151,009
Bank charges and miscellaneous	13,375	4,028
Food expenses	169,140	167,578
Health services	12,862	21,418
Insurance	62,441	45,377
Office expenses and software	81,572	96,620
Professional fees	33,931	21,835
Program supplies	262,899	222,291
Property taxes	27,349	22,534
Rent	74,043	68,201
Repairs and maintenance	151,037	73,373
Telephone	29,850	31,145
Transportation	84,804	97,553
Travel	25,578	39,433
Utilities	107,492	98,325
Wages and benefits	<u>8,195,829</u>	<u>7,671,044</u>
	<u>9,502,831</u>	<u>8,831,764</u>
Deficiency of revenues over expenditures	<u>\$ (123,692)</u>	<u>\$ (162,196)</u>

Trail Association for Community Living

Statement of Changes in Net Assets

Year ended March 31

	Unrestricted	Invested in tangible capital assets	Internally Restricted	Total 2026	Total 2025
Balance, beginning of year	\$ (441,908)	\$ 1,005,705	\$ 140,440	\$ 704,237	\$ 866,433
Deficiency of revenues over expenditures	(123,692)	-	-	(123,692)	(162,196)
Purchase of tangible capital assets	(1,251,934)	1,251,934	-	-	-
Amortization of tangible capital assets	170,629	(170,629)	-	-	-
Repayment of long term debt	(12,145)	12,145	-	-	-
Amortization of deferred capital contributions	(17,632)	17,632	-	-	-
Receipt of mortgages proceeds	702,160	(702,160)	-	-	-
Deferred capital contributions	<u>240,321</u>	<u>(240,321)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ (734,201)</u>	<u>\$ 1,174,306</u>	<u>\$ 140,440</u>	<u>\$ 580,545</u>	<u>\$ 704,237</u>

See accompanying notes to the financial statements.

Trail Association for Community Living

Statement of Cash Flows

Year ended March 31

2026

2025

Increase (decrease) in cash

Operating

Deficiency of revenues over expenditures	\$ (123,692)	\$ (162,196)
Items not affecting cash		
Amortization	170,629	151,009
Amortization of deferred capital contributions	<u>(17,632)</u>	<u>(29,193)</u>
	29,305	(40,380)
Change in non-cash working capital items		
Accounts receivable	(118,974)	129,823
Goods and services tax receivable	(4,846)	-
Government remittances	101,633	(31,926)
Prepaid expenses	-	1,163
Accounts payable and accrued liabilities	(60,480)	(78,008)
Deferred contributions	<u>7,641</u>	<u>61,585</u>
	<u>(45,721)</u>	<u>42,257</u>

Financing

Repayment of mortgage payable	(12,145)	(7,702)
Receipt of mortgage proceeds	702,160	-
Deferred capital contributions	<u>240,320</u>	<u>-</u>
	<u>930,335</u>	<u>(7,702)</u>

Investing

Purchase of tangible capital assets	(1,251,934)	(108,727)
Proceeds on disposal of tangible capital assets	<u>-</u>	<u>5,058</u>
	<u>(1,251,934)</u>	<u>(103,669)</u>

Decrease in cash (367,320) (69,114)

Cash

Beginning of year	<u>623,560</u>	<u>692,674</u>
End of year	<u>\$ 256,240</u>	<u>\$ 623,560</u>

Trail Association for Community Living

Notes to the Financial Statements

March 31, 2026

1. Nature of operations

Trail Association for Community Living ("the Society") is a multi-service umbrella agency providing support and services to individuals in the Greater Trail area. The Society is a not-for-profit organization incorporated under the Society Act of British Columbia and considered to be non taxable under Section 149 (1) of the Income Tax Act.

2. Significant accounting policies

The Society applies the Canadian accounting standards for not-for-profit organizations.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand and bank deposits.

Tangible capital assets

Purchased tangible capital assets are recorded at cost plus any cost of betterment less accumulated amortization. Contributed tangible capital assets are recorded at fair value at the date of contribution if the fair value is reasonably determinable.

Tangible capital assets are recorded at cost. Amortization is calculated on a straight-line basis over the estimated useful lives of the assets which are estimated as follows:

Buildings	25 years
Equipment	5 years
Vehicles	5 years

Impairment of long-lived assets

The Society tests tangible capital assets, or groups of tangible capital assets, for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. An impairment loss is recognized when the carrying amount of the tangible capital asset or group of tangible capital assets exceeds the asset's fair value or replacement cost.

Net assets invested in tangible capital assets

The Society records amounts paid for the acquisition of tangible capital assets, principal repayments on loans incurred to acquire tangible capital assets and amortization of deferred contributions related to tangible capital assets to this account. A reduction is charged against this account for the net book value of tangible capital assets sold in the year, debt issued for the purchase of tangible capital assets, grants received for the purchase of tangible capital assets and amortization of tangible capital assets. The net investment is classified as restricted where there are external restrictions placed upon the use and or possible future dispositions of the tangible capital assets.

Deferred capital contributions

Contributions restricted for capital purposes are recorded as deferred capital contributions when the amount is invested in tangible capital assets and are amortized to revenue on the same basis as the related tangible capital assets are amortized to expense.

Trail Association for Community Living

Notes to the Financial Statements

March 31, 2026

2. Significant accounting policies (continued)

Revenue recognition

Service revenue is recognized as services are delivered provided that collection is reasonably assured. Rental revenue is recognized on a straight-line basis over the term of the lease.

The Society follows the deferral method of accounting for contributions. Deferred contributions related to expenditures of future periods represent unspent externally restricted funding. Externally restricted contributions for expenditures of a future period are deferred and recognized as revenue in the year in which the related expenditure is incurred.

Financial instruments

The Society considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Society accounts for the following as financial instruments:

- cash and cash equivalents
- accounts receivable
- accounts payable and accrued liabilities
- mortgages payable

Financial instruments in arm's length transactions

Initial measurement

The Society initially measures financial assets and financial liabilities originating, acquired, issued or assumed in arm's length transactions at fair value.

Subsequent measurement

The Society subsequently measures all of its financial assets and financial liabilities at amortized cost, except for cash which is measured at fair value. Changes in financial instruments measured at fair value are recognized in excess of revenues over expenses.

Financing fees and transaction costs

At initial recognition, the value of financial assets and financial liabilities in arm's length transactions that are subsequently measured at cost or amortized cost are adjusted for financing fees and transaction costs that are directly attributable to their origination, acquisition, issuance or assumption. The fees and costs are subsequently amortized into excess of revenues over expenses using the effective interest rate method. All other transaction costs are recognized in excess of revenues over expenses in the period incurred.

Derecognition

The Society removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Trail Association for Community Living

Notes to the Financial Statements

March 31, 2026

2. Significant accounting policies (continued)

Financial instruments (continued)

Impairment

Financial assets measured at cost or amortized cost are tested for impairment when indicators of impairment exist at the end of the reporting period. Previously recognized impairment losses are reversed to the extent of the improvement provided the financial asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in excess of revenues over expenses

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to net income as appropriate in the year they become known.

Items subject to significant management estimates include estimated useful lives of tangible capital assets and completeness of deferred program contributions.

3. Tangible capital assets

	<u>2026</u>		<u>2025</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Cost</u>	<u>Accumulated Amortization</u>
Buildings	\$ 2,657,990	\$ 1,308,765	\$ 1,942,671	\$ 1,237,095
Equipment	618,383	461,802	555,658	405,325
Land	520,963	-	247,891	-
Vehicles	<u>726,041</u>	<u>513,725</u>	<u>525,224</u>	<u>471,243</u>
	<u>4,523,377</u>	<u>2,284,292</u>	<u>3,271,444</u>	<u>2,113,663</u>
Net book value	<u>\$ 2,239,085</u>		<u>\$ 1,157,781</u>	

Trail Association for Community Living

Notes to the Financial Statements

March 31, 2026

4. Accounts payable and accrued liabilities

	<u>2026</u>	<u>2025</u>
Trade payables	\$ 3,459	\$ 270,172
Wages payable	757,860	620,540
Union dues payable	6,440	4,203
WCB payable	69,962	1,266
Benefits payable	<u>41,032</u>	<u>43,055</u>
	<u>\$ 878,753</u>	<u>\$ 939,236</u>

5. Deferred contributions

	<u>Balance, beginning of year</u>	<u>Received</u>	<u>Recognized</u>	<u>Balance, end of year</u>
Vans on the go	\$ 10,409	\$ -	\$ (10,409)	\$ -
TCAT	61,585	-	-	61,585
Community Living British Columbia	-	6,728,440	(6,728,440)	-
BC housing	-	1,569,438	(1,569,438)	-
Columbia Basin Trust	-	60,000	(60,000)	-
Kootenay Career Development Society	-	164,500	(164,500)	-
Community Action Initiative Society	-	60,000	(41,950)	18,050
Prince George Nechako Aboriginal Employment and Training Association	-	167,643	(167,643)	-
Others	<u>-</u>	<u>129,047</u>	<u>(129,047)</u>	<u>-</u>
	<u>\$ 71,994</u>	<u>\$ 8,879,068</u>	<u>\$(8,871,427)</u>	<u>\$ 79,635</u>

Trail Association for Community Living

Notes to the Financial Statements

March 31, 2026

6. Mortgage payable

	<u>2026</u>	<u>2025</u>
Loan payable consists of a Bank of Montreal term loan repayable in blended principal and interest payments of \$1,070 per month including interest at 4.20% per annum. The loan is secured by a general security agreement on land and buildings and renews in January 2031.	\$ 114,872	\$ 122,877
Loan payable consists of a Bank of Montreal term loan repayable in blended principal and interest payments of \$1,336 per month including interest at 4.93% per annum. The loan is secured by a general security agreement on land and buildings and renews in June 2026.	226,304	-
Loan payable consists of a Bank of Montreal term loan repayable in blended principal and interest payments of \$1,978 per month including interest at 5.36% per annum. The loan is secured by a general security agreement on land and buildings and renews in January 2031.	<u>471,717</u>	<u>-</u>
	812,893	122,877
Less current portion	<u>248,815</u>	<u>-</u>
Due beyond one year	<u>\$ 564,078</u>	<u>\$ 122,877</u>
Estimated principal repayments are as follows:		
2027	\$ 22,511	
2028	24,441	
2029	25,588	
2030	26,790	
2031	28,049	
Subsequent years	<u>685,514</u>	
	<u>\$ 812,893</u>	

7. Deferred capital contributions

	<u>2026</u>	<u>2025</u>
Balance, beginning of year	\$ 29,198	\$ 58,391
Funds received during the year	240,321	-
Amortization recorded for the year	<u>(17,632)</u>	<u>(29,193)</u>
Balance, end of year	<u>\$ 251,887</u>	<u>\$ 29,198</u>

Trail Association for Community Living

Notes to the Financial Statements

March 31, 2026

8. Credit facilities

The Society has real estate credit facilities, overdraft lending products, and corporate master card with Bank of Montreal. The aggregate of these facilities shall not exceed \$1,027,551 at any time. As at March 31, 2026 the balance of these was \$812,893 (2025 - \$122,877).

9. Economic dependence

The Society receives a significant portion of its funding from the provincial government through Community Living British Columbia (CLBC). Loss of this funding would substantially affect the daily operations of the Society.

10. Pension plan

The Society and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. As of the most recently released report on December 31, 2024, the plan has about 262,700 active members and approximately 133,500 retired members.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the Plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation for the Municipal Pension Plan as at December 31, 2024, indicated a \$2,375 million funding surplus for basic pension benefits on a going concern basis with a funded ratio of 102.8%. Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

Trail Association for Community Living paid \$414,169 (2025 - \$337,963) for employer contributions to the plan in fiscal 2026.

11. British Columbia Societies Act

The British Columbia Societies Act requires disclosure of remuneration paid to directors as well as remuneration greater than \$75,000 paid to employees and contractors. For the year ending March 31, 2026, the Society paid total remuneration of \$791,234 (2025 - \$993,432) to seven (2025 - nine) employees for services, each of whom received annual remuneration of \$75,000 or greater.

Trail Association for Community Living

Notes to the Financial Statements

March 31, 2026

12. Financial instruments

The Society has a risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include credit risk, liquidity risk and market risk. Market risk arises from changes in interest rates, foreign currency exchange rates and market prices. The following analysis provides a measure of the entity's risk exposure and concentrations at the statement of financial position date, March 31, 2026.

(a) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment. The Society is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. The Society does not obtain collateral or other security to support the accounts receivable subject to credit risk but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance. Specific accounts receivable are widely distributed. This risk has increased in the current year.

(b) Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting its obligations associated with financial liabilities. The Society is exposed to liquidity risk arising primarily from its accounts payable. The Society's ability to meet obligations depends on the receipt of funds from its operations and other related sources, whether in the form of revenue or grants. This risk has increased moderately in the current year.

(c) Interest rate risk

Interest rate risk is the risk that the fair market value or future cash flows will fluctuate because of changes in market interest rates. The Society is exposed to interest rate risk on its variable long-term debt. Fixed-rate instruments subject the Society to a fair value risk. There is an increase in fair value risk from the prior year.

13. Comparative figures

Comparative figures have been adjusted to conform to changes in the current year presentation.
