



## Financial Statements

Kaslo Community Services Society

March 31, 2026

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# Independent Practitioner's Review Engagement Report

To the Members of  
*Kaslo Community Services Society*

We have reviewed the accompanying financial statements of Kaslo Community Services Society that 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 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 private enterprises, 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 Kaslo Community Services 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 private enterprises.

Nelson, Canada  
June 26, 2026

*Doane Grant Thornton LLP*

Chartered Professional Accountants

# Kaslo Community Services Society

## Statement of Financial Position

March 31

2026

2025

**Assets**

## Current

Cash	\$ 639,422	\$ 91,122
Term deposits (Note 3)	764,567	1,010,881
Accounts receivable	83,044	62,980
Prepaid expenses	-	13,000

1,487,033      1,177,983

Tangible capital assets (Note 4)

793,706      265,423

\$ 2,280,739      \$ 1,443,406

**Liabilities**

## Current

Accounts payable and accrued liabilities	\$ 19,975	\$ 14,762
Government remittances payable	24,800	21,987
Wages payable	35,660	15,372
Deferred contributions (Note 5)	504,631	516,872

585,066      568,993

Deferred capital contributions (Note 6)

876,052      128,695

1,461,118      697,688

**Net Assets**

Invested in tangible capital assets	(82,346)	136,748
Internally restricted (Note 7)	462,869	431,230
Externally restricted (Note 8)	247,468	-
Unrestricted	191,630	177,740

819,621      745,718

\$ 2,280,739      \$ 1,443,406

Commitment (Note 9)

On behalf of the Board

Signed by:



David McCormick

DocuSigned by:



Harel Challmie

# Kaslo Community Services Society

## Statement of Changes in Net Assets

Year ended March 31

	Invested in tangible capital assets	Internally restricted net assets (Note 7)	Externally restricted net assets (Note 8)	Unrestricted	Total 2026	Total 2025
Balance, beginning of year	\$ 136,728	\$ 431,230	\$ -	\$ 177,760	\$ 745,718	\$ 648,829
Excess of revenue over expenses	-	-	-	73,903	73,903	96,889
Tangible capital assets ("TCA") additions	572,567	-	(523,182)	(49,385)	-	-
Loss on disposal of TCA	(891)	-	-	891	-	-
Amortization of TCA	(43,393)	-	-	43,393	-	-
Capital contributions received	(770,650)	-	770,650	-	-	-
Amortization of deferred capital contributions	23,293	-	-	(23,293)	-	-
Transfers	-	31,639	-	(31,639)	-	-
Balance, end of year	<u>\$ (82,346)</u>	<u>\$ 462,869</u>	<u>\$ 247,468</u>	<u>\$ 191,630</u>	<u>\$ 819,621</u>	<u>\$ 745,718</u>

See accompanying notes to the financial statements.

# Kaslo Community Services Society

## Statement of Operations

Year ended March 31

2026

2025

	2026	2025
Revenue		
United Way	\$ 310,239	\$ 195,151
Interior Health Authority	223,422	186,730
Ministry of Children & Family Development	190,621	174,725
Ministry of Public Safety and Solicitor General	188,335	191,897
Federal Government	156,916	64,147
Charities and foundations	128,799	141,738
Donations	100,210	76,235
Columbia Basin Trust	112,012	181,927
BC Housing	67,939	65,445
Community Gaming grant	54,069	51,501
Interest and sundry	41,870	38,448
Community Living BC	33,830	35,250
School District No.8 (Kootenay Lake)	29,100	22,670
BC Association of Farmers Markets	27,225	26,113
Amortization of deferred capital contributions	23,293	20,009
Client contributions	23,163	20,628
Municipal Government	1,394	9,549
	<u>1,712,437</u>	<u>1,502,163</u>
Expenses		
Advertising	1,039	881
Amortization of tangible capital assets	43,393	33,792
Bank charges	365	339
Computer expense	8,507	4,244
Information and technology support	13,684	19,077
Insurance and memberships	28,726	24,445
Management fees	-	30
Office supplies	4,763	4,109
Professional fees	19,915	11,667
Program expenses	263,884	197,551
Rent	26,780	29,228
Repairs and maintenance	12,933	13,932
Salaries and employee benefits	1,201,497	1,055,103
Strategic planning	-	5,253
Telephone	3,986	3,796
Utilities	8,171	6,308
	<u>1,637,643</u>	<u>1,409,755</u>
Excess of revenue over expenses before other item	74,794	92,408
Other item		
(Loss) gain on disposal of tangible capital assets	<u>(891)</u>	<u>4,481</u>
Excess of revenue over expenses	<u>\$ 73,903</u>	<u>\$ 96,889</u>

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## Kaslo Community Services Society

### Statement of Cash Flows

Year ended March 31

2026

2025

#### Cash Flows Provided By (Used in) Operating Activities

Cash received from all sources	\$ 1,624,946	\$ 1,320,568
Cash paid to suppliers and employees	(1,552,936)	(1,383,753)
Interest received	<u>31,893</u>	<u>37,528</u>
	<u>103,903</u>	<u>(25,657)</u>

#### Cash Flows Provided By (Used In) Financing Activities

Grants received for the purchase of tangible capital assets	<u>770,650</u>	<u>86,483</u>
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#### Cash Flows Provided By (Used In) Investing Activities

Purchase of tangible capital assets	(572,567)	(110,397)
Proceeds on disposal of tangible capital assets	-	6,400
Redemption of investments	819,794	50,000
Acquisition of investments	<u>(573,480)</u>	<u>(49,412)</u>
	<u>(326,253)</u>	<u>(103,409)</u>

Increase (decrease) in cash	548,300	(42,583)
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#### Cash

Beginning of year	<u>91,122</u>	<u>133,705</u>
End of year	<u>\$ 639,422</u>	<u>\$ 91,122</u>

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# Kaslo Community Services Society

## Notes to the Financial Statements

Year ended March 31, 2026

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### 1. Nature of operations

Kaslo Community Services Society (the "Society") is a non-profit, multi-service organization. The Society's mission is supporting community through inclusive and accessible programs and services. The population served will include seniors, adults, families, adolescents, and children living in North Kootenay Lake communities including Ainsworth, Mirror Lake, Kaslo, Lardeau, Cooper Creek, Meadow Creek, Howser, Argenta, Johnson's Landing and their surrounding rural areas and the Crawford Bay, Riondel and Gray Creek areas. Unique programs may be offered to residents of a wider geographic base encompassing areas where similar services are not available. The operations of the Society are to be chiefly carried on in the area known as Kaslo and District in the Province of British Columbia. Kaslo Community Services Society is incorporated under the Society Act of British Columbia and is a registered charity under the Income Tax Act.

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### 2. Significant accounting policies

#### Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

#### Use of estimates

In preparing the Society's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates. Significant items subject to such estimates and assumptions include the valuation allowances for accounts receivable, the estimated useful lives of tangible capital assets and accrued liabilities included in accounts payable. Actual results could differ from those estimates.

#### 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
- term deposits
- accounts receivable
- accounts payable and accrued liabilities
- government remittances payable
- wages 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.

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# Kaslo Community Services Society

## Notes to the Financial Statements

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Year ended March 31, 2026

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### 2. Significant accounting policies (continued)

#### Financial instruments (continued)

##### *Subsequent measurement*

The Society subsequently measures these financial assets and financial liabilities at amortized cost, except for cash and term deposits which are measured at fair value. Changes in financial instruments measured at fair value are recognized in excess of revenue 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.

##### *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.

#### **Term deposits**

The Society classifies non-redeemable term deposits that mature within 12 months and all redeemable term deposits as current assets.

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# Kaslo Community Services Society

## Notes to the Financial Statements

Year ended March 31, 2026

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### 2. Significant accounting policies (continued)

#### Tangible capital assets

Tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair value at the date of contribution. Amortization is provided, on a straight-line basis, over the following periods:

Building	50 years
Computers	5 years
Counselling library	10 years
Leasehold improvements	5 years
Medic alert units	10 years
Office equipment	10 years
Vehicles	7 years

#### Impairment of long-lived assets

When conditions indicate that a tangible capital asset no longer contributes to the Society's ability to provide goods and services, or that the value of the future economic benefits or service potential associated with the tangible capital asset have been reduced, the net carrying amount of the tangible capital asset is written down to the asset's fair value or replacement cost. The write-down of tangible capital assets is accounted for as an expense in the statement of operations. A write-down shall not be reversed.

#### 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 the purchase of tangible capital assets to this account. A reduction is charged against this account for the net book value of tangible capital assets sold during the year, debt issued for the purchase of tangible capital assets, grants received for the purchase of tangible capital assets and amortization. The net investment is classified as restricted where there are external restrictions placed upon the use and/or possible future dispositions of tangible capital assets.

#### Contributed services and goods

The Society benefits from contributed services, goods and volunteer hours. These benefits are not recognized in the Society's financial statements due to the difficulty in determining the fair value of the related contributions.

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# **Kaslo Community Services Society**

## **Notes to the Financial Statements**

Year ended March 31, 2026

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### **2. Significant accounting policies (continued)**

#### **Revenue recognition**

Revenue from donations, charities and foundations, client contributions and interest and sundry are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

The Kaslo Community Services Society follows the deferral method of accounting for contributions.

#### Externally restricted contributions

Deferred contributions related to expenses of future periods represent unspent externally restricted funding. Externally restricted contributions for expenses of a future period are deferred and recognized into revenue in the year in which the related expense is incurred.

Deferred contributions related to tangible capital assets represent the unamortized amount of contributions received or receivable for the purpose of purchasing tangible capital assets. The amortization of such contributions is recorded as revenue in the statement of operations using the same methods and amortization rates as the related tangible capital assets.

#### Unrestricted contributions

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.

#### **Cost allocation**

Costs are allocated to programs based on management's estimate of the program's proportionate share of the actual expenditure.

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# Kaslo Community Services Society

## Notes to the Financial Statements

Year ended March 31, 2026

### 3. Term deposits

Description	Maturity	Interest	2026	2025
Term deposit - redeemable after 90 days	25-Sep-2026	2.19%	\$ 460,000	\$ -
Term deposit - redeemable after 90 days	20-Feb-2027	2.24%	151,338	42,058
5-Year Rateclimber - redeemable within one week of anniversary without penalty	29-Sep-2027	5.07%	68,229	65,153
5-Year Rateclimber - redeemable within one week of anniversary without penalty	22-Oct-2030	2.98%	65,000	63,877
5-Year Rateclimber - redeemable within one week of anniversary	11-Sep-2030	2.87%	20,000	20,000
Term deposit - redeemed	22-Jan-2026	2.80%	-	103,720
Term deposit - redeemed	22-Jan-2026	2.80%	-	103,720
Term deposit - redeemed	22-Jan-2026	2.80%	-	507,209
Term deposit - redeemed	20-Feb-2026	2.81%	-	105,144
			<b>\$ 764,567</b>	<b>\$ 1,010,881</b>

### 4. Tangible capital assets

	2026		2025	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 250,435	\$ -	\$ 6,375	\$ -
Building	459,857	76,439	162,739	73,184
Computers	65,750	34,689	52,802	30,948
Counselling library	971	971	971	971
Leasehold improvements	43,418	22,511	43,418	16,027
Medic alert units	9,536	8,319	9,536	7,890
Office equipment	171,883	109,421	160,634	94,537
Vehicles	58,032	13,826	58,032	5,527
	<u>1,059,882</u>	<u>266,176</u>	<u>494,507</u>	<u>229,084</u>
Net book value	<b>\$ 793,706</b>		<b>\$ 265,423</b>	

Current year additions include \$297,118 related to a new building that is not currently in use and has not been amortized as of March 31, 2026.

# Kaslo Community Services Society

## Notes to the Financial Statements

Year ended March 31, 2026

### 5. Deferred contributions

	Balance, beginning of year	Additions	Reductions	Balance, end of year
BC Housing	\$ 23,339	\$ 92,394	\$ (67,939)	\$ 47,794
Columbia Basin Trust	23,528	114,124	(112,012)	25,640
Community Gaming Grant	51,538	55,050	(54,069)	52,519
Community Living BC	9,564	31,658	(33,830)	7,392
Donations - Food Cupboard	80,484	27,649	(57,315)	50,818
Family Resource Centre - Bequest	5,498	-	(570)	4,928
Food Banks BC	37,990	19,400	(9,500)	47,890
Food Banks Canada	15,038	8,500	(23,538)	-
Food Hub	17,111	11,146	(14,870)	13,387
Interior Health Authority	75,516	200,061	(223,422)	52,155
Ministry of Children and Family Development	74,213	202,027	(190,621)	85,619
Ministry of Public and Solicitor General	18,101	184,269	(188,335)	14,035
Regional District of Central Kootenay	3,295	9,000	(11,394)	901
School District 8	3,906	29,100	(29,100)	3,906
Other small grants	74,751	260,483	(285,348)	49,886
United Way	3,000	355,000	(310,239)	47,761
	<u>\$ 516,872</u>	<u>\$ 1,599,861</u>	<u>\$ (1,612,102)</u>	<u>\$ 504,631</u>

### 6. Deferred capital contributions

	2026	2025
Balance, beginning of year	\$ 128,695	\$ 62,221
Capital contributions received	770,650	86,483
Less: Amounts amortized to revenue	(23,293)	(20,009)
	<u>\$ 876,052</u>	<u>\$ 128,695</u>

### 7. Internally restricted net assets

During the year, the Board of Directors internally restricted a net amount of \$31,639 (2025 - \$36,647) of unrestricted net assets. The total internal restrictions of net assets at the end of the year are as follows:

# Kaslo Community Services Society

## Notes to the Financial Statements

Year ended March 31, 2026

### 7. Internally restricted net assets (continued)

	<u>2026</u>	<u>2025</u>
Baby-Needs Cupboard	\$ 1,419	\$ 1,419
Building Fund	226,888	199,919
Building Maintenance	10,996	9,796
Co-Leadership Project	55,200	59,200
Legal Contingency Fund	20,209	17,809
Office Equipment Replacement	25,284	19,784
Professional Development	19,431	19,664
Staff Emergency Overnight Fund	1,000	1,000
Unfunded Contingent Severance Liability	94,609	94,609
Youth Fund	7,833	8,030
	<u>\$ 462,869</u>	<u>\$ 431,230</u>

These internally restricted amounts are not available for other purposes without approval of the Board of Directors.

### 8. Externally restricted net assets

Externally restricted net assets represent funding received from external parties that is restricted for acquisition and renovation of the Society's building and related costs. During the year, the Society utilized \$523,182 of these restricted funds for the project.

	<u>Balance, beginning of year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, end of year</u>
Columbia Basin Trust	\$ -	\$ 460,000	\$ (460,000)	\$ -
Community Fund of North Kootenay Lake Society	-	4,000	(4,000)	-
Community Gaming grant	-	250,000	(2,532)	247,468
Food Family Foundation	-	6,000	(6,000)	-
KSCU Foundation	-	2,500	(2,500)	-
Other restricted donations	-	27,150	(27,150)	-
Regional District of Central Kootenay	-	10,000	(10,000)	-
Victorian Hospital of Kaslo	-	1,000	(1,000)	-
Auxillary Society	-	10,000	(10,000)	-
Village of Kaslo	-	-	-	-
	<u>\$ -</u>	<u>\$ 770,650</u>	<u>\$ (523,182)</u>	<u>\$ 247,468</u>

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# Kaslo Community Services Society

## Notes to the Financial Statements

Year ended March 31, 2026

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### 9. Commitment

On January 30, 2026 the Society entered into an agreement with Peter Chomitz dba Pete's Carpentry to renovate the Society's newly-acquired property at 330 B Avenue, Kaslo, BC. The renovation has commenced February 2, 2026 and is expected to be completed on or before December 31, 2026.

Under this contract, the Society has commitments amounting to approximately \$108,500 related to the renovation. These commitments are expected to be settled over the next fiscal year and will be funded through a combination of operating surplus and restricted contributions.

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### 10. Financial instruments

The Society has a comprehensive 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. The following analysis provides a measure of the Society's risk exposure and concentrations at the statement of financial position date of 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. There has been no change in the risk exposure from the prior year.

(b) Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting 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. The risk is mitigated through comprehensive budgeting and that most funds from grants are received in advance of associated expenses being incurred.

(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: interest rate risk, price risk and foreign currency risk. The Society's financial instruments are transacted in Canada and do not include publicly traded investments which results in little exposure to price risk or foreign currency risk. The Society's main market risk exposure is interest rate risk.

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# **Kaslo Community Services Society**

## **Notes to the Financial Statements**

Year ended March 31, 2026

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### **10. Financial instruments (continued)**

(c) Market risk (continued)

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society's term deposits bear interest at fixed rates, thus subjecting the Society to fair value risk.

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### **11. Remuneration of directors, employees, and contractors**

The Societies Act of British Columbia requires the Society to disclose the remuneration paid to directors during the year and the remuneration paid to all employees and contractors whose remuneration during the year was at least \$75,000. For the year ended March 31, 2026, the Society paid total remuneration of \$348,559 to 4 employees (2025: \$185,121 to 2 employees) for services, each of whom received annual remuneration of \$75,000 or greater. No remuneration was paid to directors during the year and in the prior year.

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