PLEA COMMUNITY SERVICES SOCIETY OF BRITISH COLUMBIA

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2026

PLEA COMMUNITY SERVICES SOCIETY OF BRITISH COLUMBIA

Consolidated Financial Statements

YEAR ENDED MARCH 31, 2026

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Independent Auditor's Report

To the Board of Directors of PLEA Community Services Society of British Columbia

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements (the "financial statements") of the PLEA Community Services Society of British Columbia (the "Society"), which comprise the Consolidated Statement of Financial Position as at March 31, 2026, and the Consolidated Statements of Operations, Changes in Net Assets, and Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Society as at March 31, 2026, and its results of consolidated operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the* Consolidated *Financial Statements* section of this 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 opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated 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, 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

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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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Society to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

BDO Canada LLP
Chartered Professional Accountants

Vancouver, British Columbia
June 15, 2026

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PLEA COMMUNITY SERVICES SOCIETY OF BRITISH COLUMBIA

Consolidated Statement of Financial Position

31 March, 2026

	2026	2025
Assets		
Current		
Cash (Note 3)	**$ 9,918,983**	$ 9,123,826
Restricted cash (Note 4)	**10,602,062**	10,072,186
Accounts receivable	**2,345,255**	2,739,941
Prepaid expenses	**108,123**	102,634
	22,974,423	22,038,587
Investments (Note 5)	**4,933,515**	3,694,090
Tangible capital assets (Note 6)	**12,878,748**	13,160,000
	$ 40,786,686	$ 38,892,677
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 7)	**$ 5,204,303**	$ 3,507,634
Long-term debt (Note 8)	**3,432,890**	5,936,489
Deferred contributions (Note 9)	**6,822,760**	7,293,258
	15,459,953	16,737,381
Net Assets		
Invested in tangible capital assets (Note 10)	**9,445,858**	7,223,511
Endowments	**624,968**	612,388
Internally restricted	**7,724,915**	5,856,891
Unrestricted	**7,345,435**	8,338,366
	25,141,176	22,031,156
Non-controlling interest	**185,557**	124,140
Total Net Assets	**25,326,733**	22,155,296
Commitments (Note 12)		
	$ 40,786,686	$ 38,892,677

APPROVED BY THE DIRECTORS:

Director Signed by: Shirley Wolff 709EE2F507D2470... Director Signed by: Lisa Marty 920D8BF1F00845B...

The accompanying notes and schedule are an integral part of these consolidated financial statements.

PLEA COMMUNITY SERVICES SOCIETY OF BRITISH COLUMBIA

Consolidated Statement of Operations

For the year Ended 31 March, 2026

	2026	2025
Revenue		
Government contracts	$ **43,222,724**	$ 42,815,480
Fee for services	**1,072,459**	978,008
Grants	**939,129**	884,125
Interest	**580,809**	817,373
Donations	**180,462**	331,022
Gaming	**229,657**	228,329
Miscellaneous	**69,634**	67,715
Rental	**91,171**	60,171
Fundraising	**11,710**	10,162
	46,397,755	46,192,385
Expenses		
Salaries and benefits	**23,393,017**	22,840,217
Family caregiver fees and expenses	**12,795,355**	12,425,031
Programs – Schedule	**4,667,488**	4,765,895
Administrative - Schedule	**1,416,716**	1,510,303
Facilities – Schedule	**831,248**	837,493
Amortization	**375,114**	300,155
Interest on long-term debt	**226,031**	274,519
	43,704,969	42,953,613
Excess of revenues over expenses before other items	**2,692,786**	3,238,772
Other income (expenses)		
Unrealized gain on market value of investments	**394,057**	134,671
PLEA KidStart Summer Camp Trust income (Note 9)	**56,263**	55,332
Investment income	**55,662**	53,014
Gain on disposal of tangible capital assets	**5,000**	24,903
Loss on sale of investments	**(36,695)**	(49,901)
	474,287	218,019
Excess of revenues over expenses	$ **3,167,073**	$ 3,456,791
Attributable to		
Members of the controlling entity	$ **3,097,440**	$ 3,393,338
Non-controlling interest	**69,633**	63,453
	$ **3,167,073**	$ 3,456,791

The accompanying notes and schedule are an integral part of these consolidated financial statements.

PLEA COMMUNITY SERVICES SOCIETY OF BRITISH COLUMBIA

Consolidated Statement of Changes in Net Assets

For the year Ended 31 March, 2026

	Endowments		Internally Restricted							
	Invested in tangible capital assets (Note 10)	PLEA KidStart Summer Camp Trust	KidStart Legacy Fund	Children of the Street Legacy Fund	PLEA Legacy Fund	Building Contingency Fund (Note 4)	Total Internally Restricted	Unrestricted	2026	2025
Balance - beginning of year	$ 7,223,511	$ 612,388	$ 1,438,181	$ 850,347	$ 86,465	$ 3,481,898	$ 5,856,891	$ 8,338,366	$ 22,031,156	$ 18,623,768
Excess (deficiency) of revenues over expenses for the year	(375,114)	-	233,859	156,332	22,833	-	413,024	3,059,530	3,097,440	3,393,338
Transfer to (from) restricted funds	-	-	300,000	150,000	-	1,005,000	1,455,000	(1,455,000)	-	-
Endowment contribution	-	12,580	-	-	-	-	-	-	12,580	14,050
Investment in tangible capital assets	2,597,461	-	-	-	-	-	-	(2,597,461)	-	-
Balance - end of year	$ 9,445,858	$ 624,968	$ 1,972,040	$ 1,156,679	$ 109,298	$ 4,486,898	$ 7,724,915	$ 7,345,435	$ 25,141,176	$ 22,031,156

The accompanying notes and schedule are an integral part of these consolidated financial statements.

PLEA COMMUNITY SERVICES SOCIETY OF BRITISH COLUMBIA

Consolidated Statement of Cash Flows

For the year Ended 31 March, 2026

	2026	2025
Cash provided by (used in):		
Operating Activities		
Excess of revenue over expense	**$ 3,167,073**	$ 3,456,791
Items not involving cash		
Gain on sale of tangible capital assets	**(5,000)**	(24,903)
Amortization	**375,114**	300,155
Unrealized gain in market value of investments	**(755,721)**	(133,182)
Loss on sale of investments	**36,695**	49,901
	2,818,161	3,648,762
Changes in non-cash operating capital		
Accounts receivable	**394,686**	(1,010,911)
Prepaid expenses	**(5,489)**	(356)
Accounts payable and accrued liabilities	**1,696,669**	648,681
Deferred contributions	**(470,498)**	798,554
	4,433,529	4,084,730
Investing activities		
Purchases of tangible capital assets	**(93,862)**	(1,735,011)
Proceeds on sale of tangible capital assets	**5,000**	24,903
Purchase of investments	**(566,328)**	(569,912)
Proceeds on sale of investments	**58,509**	51,504
	(596,681)	(2,228,516)
Financing activities		
Repayment of long-term debt	**(2,503,599)**	(208,464)
Dividends distributed to non-controlling interest	**(8,216)**	-
	(2,511,815)	(208,464)
Increase in cash	**1,325,033**	1,647,750
Cash - beginning of year	**19,196,012**	17,548,262
Cash - end of year	**$ 20,521,045**	$ 19,196,012
Cash consists of:		
Cash	**$ 9,918,983**	$ 9,123,826
Restricted cash	**10,602,062**	10,072,186
	$ 20,521,045	$ 19,196,012

The accompanying notes and schedule are an integral part of these consolidated financial statements.

1. Purpose and Operations

PLEA Community Services Society of British Columbia ("the Society" or "PLEA") was incorporated under the Societies Act of British Columbia on 28 June 1979 as Pacific Legal Education Association. On 2 March 2005, PLEA legally changed its name to PLEA Community Services Society of British Columbia. PLEA is an accredited not-for-profit organization and a registered charity under the Income Tax Act of Canada. The purpose of the Society is to develop and operate youth and adult support programs in the Lower Mainland area of British Columbia. The majority of these programs are funded under contract with the Province of British Columbia's Ministry of Children and Family Development ("MCFD"), the Government of Northwest Territories, Community Living B.C., and the Vancouver Coastal and Fraser Health Authorities. Operation of the Society's programs is largely dependent upon the annual renewal of the Society's contracts with these funders.

2. Summary of Significant Accounting Policies

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

a) Principles of consolidation

These consolidated financial statements include the accounts of the Society and its controlled subsidiary BJP Case Administration Management System Ltd. ("BJP"). The Society has a 61.5% interest in BJP, a for-profit private corporation, incorporated under the laws of British Columbia. All intercompany balances and transactions have been eliminated.

b) Non-controlling interest

The non-controlling interest in BJP is classified as a separate component of net assets. On initial recognition, the non-controlling interest is measured at the fair value of the non-controlling entity's contribution to BJP. Subsequent to the original transaction date, adjustments are made to the carrying amount of the non-controlling interest's share of changes to BJP's equity.

Changes in the Society's ownership interest in BJP that do not result in a loss of control are recorded as equity transactions. The carrying amount of non-controlling interest is adjusted to reflect the change in the non-controlling interest's relative interest in BJP, and the difference between the adjustment to the carrying amount of non-controlling interest and the Society's share of proceeds received and/or consideration paid is recognized directly in net assets and attributed to members of the Society.

c) Revenue recognition

The Society follows the deferral method of accounting for contributions. Under this method, revenue from government contracts, grants and gaming are recognized in the year in which the related program services are delivered and expenses are incurred. Donations and fundraising revenues are recognized when received or receivable unless the donor has specified they are intended for a specific purpose or use in future periods, in which case they are initially deferred and recognized as revenue when the expenses are incurred or the restrictions are met. Endowment contributions are recognized as direct increases in net assets. Externally restricted net investment income earned on endowments is deferred and recognized as revenue when the expenses are incurred or the restrictions are met.

2. Summary of Significant Accounting Policies (continued)

c) Revenue recognition (continued)

Unrestricted contributions, interest income and miscellaneous revenue are recorded as revenue when received or receivable.

Fees for services are recorded once the service has been provided and collection is reasonably assured. Rental revenue is recognized on a straight-line basis over the rental period, as earned.

d) Endowments

A Deed of Trust was established on 27 September 2006 between Alasdair Gordon (the Settlor) and PLEA (the Trustee). The Settlor made a donation to the Trustee to facilitate the establishment of ongoing revenue to allow disadvantaged children and youth to attend summer camp. The Trustee will hold, retain, invest, and keep invested the Trust Property and will pay or distribute all or any of the income of the Trust Property from time to time, in such amounts as the Trustee may determine.

Principal contributions to the PLEA KidStart Summer Camp Trust are recorded as endowments on the consolidated statements of financial position and changes in net assets.

The investment income is restricted by the terms and conditions in the Deed of the Trust. Accordingly, investment income earned on the PLEA KidStart Summer Camp Trust is deferred until spent. Revenue recognized from these deferred amounts is recorded as recognition of PLEA KidStart Summer Camp Trust income on the consolidated statement of operations.

e) Internally restricted funds

The Society maintains the following internally restricted funds:

i. KidStart Legacy Fund

In 2017, the Board of Directors (the “Board”) approved the establishment of a KidStart Legacy Fund to support the long-term sustainability of the KidStart program.

ii. Children of the Street Legacy Fund

In 2021, the Board approved the establishment of a Children of the Street Legacy Fund to support the long-term sustainability of the Children of the Street programs.

iii. PLEA Legacy Fund

In 2014, the Board approved the establishment of a PLEA Legacy Fund to support the Society’s charitable purposes.

iv. Building Contingency Fund

The building contingency fund was established to restrict cash balances for major property expenses or purchases of new property.

2. Summary of Significant Accounting Policies (continued)

f) Financial instruments

i. Measurement

The Society initially measures its financial assets and financial liabilities at fair value and subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in equity instruments and mutual funds that are quoted in an active market, which are measured at fair value. These equity instruments and mutual funds measured at fair value include the funds invested in support of the PLEA KidStart Summer Camp Trust, PLEA Legacy Fund, KidStart Legacy Fund and Children of the Street Legacy Fund. Changes in fair value are recognized in the consolidated statement of operations as unrealized gain on market value of investments until realized and recognized as investment income.

ii. Impairment

Financial assets measured at amortized cost are tested for impairment on an annual basis when there are indicators of impairment. If there is an indicator of impairment, the Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from the selling of the financial asset or the amount the Society expects to realize by exercising its right to any collateral. The amount of the write-down is recognized in the consolidated statement of operations. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is no greater than the initial carrying value. The amount of the reversal is recognized in the consolidated statement of operations.

iii. Transaction costs

The Society recognizes its transaction costs on instruments that are subsequently measured at fair value in the consolidated statement of operations in the period incurred. However, financial instruments that are not subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

g) Tangible capital assets

Tangible capital assets are recorded at cost and amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	50 years
Building improvements	20 years
Furniture and equipment	5 years
Computer equipment	4 years
Automobiles	3 years

2. Summary of Significant Accounting Policies (continued)

g) Tangible capital assets (continued)

The Society tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recovered. When a tangible capital asset no longer contributes to the services provided by the Society, its carrying amount is written down to the amount by which the carrying amount of the asset exceeds its fair value or replacement cost.

h) Donated materials and services

The Society does not recognize the fair value of donated materials and services. Volunteers contribute a significant amount of time every year to assist the Society in carrying out its programs and services. Due to the difficulty of determining their fair market value, contributed services are not recognized in the consolidated financial statements.

i) Use of estimates

The preparation of these consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Items requiring the use of management estimates include the useful lives of tangible capital assets and measurement of accrued liabilities. Management believes that estimates utilized in preparing the consolidated financial statements are prudent and reasonable, however, actual results could differ from those estimates.

3. Cash

The Society's cash balance is comprised of the following:

	2026	2025
Operating Account	**$ 8,890,729**	$ 8,220,778
Sick Bank Account	**483,016**	325,722
Operations Reserve Account	**311,294**	311,294
IT Equipment Replacement Account	**233,944**	266,032
	$ 9,918,983	$ 9,123,826

4. Restricted Cash

Restricted cash is comprised of the following:

	2026	2025
Deferred Contributions	**$ 5,865,545**	$ 6,332,325
Internally Restricted Building Contingency Fund	**4,486,898**	3,481,898
Province of British Columbia's Community Gaming Grants	**249,619**	257,963
	$ 10,602,062	$ 10,072,186

5. Investments

	PLEA KidStart Summer Camp Trust	KidStart Legacy Fund	Children of the Street Legacy Fund	PLEA Legacy Fund	Total
31 March 2026					
Mutual funds	**$ 26,103**	**$ 743,309**	**$ 390,701**	**$ 31,459**	**$ 1,191,572**
Equities	**1,669,395**	**1,228,731**	**765,978**	**77,839**	**3,741,943**
	$ 1,695,498	**$ 1,972,040**	**$ 1,156,679**	**$ 109,298**	**$ 4,933,515**
31 March 2025					
Guaranteed investment certificates	$ -	$ 150,000	$ 75,000	$ -	$ 225,000
Mutual funds	22,842	337,461	196,211	28,472	584,986
Equities	1,296,255	950,720	579,136	57,993	2,884,104
	$ 1,319,097	$ 1,438,181	$ 850,347	$ 86,465	$ 3,694,090

6. Tangible Capital Assets

	Cost	Accumulated Amortization	2026 Net Book Value	2025 Net Book Value
Land	**$ 7,377,022**	**$ -**	**$ 7,377,022**	$ 7,377,022
Buildings	**6,169,555**	**1,242,132**	**4,927,423**	5,112,664
Building improvements	**354,573**	**69,712**	**284,861**	284,396
Automobiles	**532,192**	**447,270**	**84,922**	192,112
Computer equipment	**914,091**	**742,734**	**171,357**	150,902
Furniture and equipment	**157,105**	**123,942**	**33,163**	42,904
	$ 15,504,538	**$ 2,625,790**	**$ 12,878,748**	$ 13,160,000

7. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances of $711,108 (2025 - $681,836).

8. Long-term Debt

The following loans provide long-term financing for the Society's tangible capital assets. Due to the demand terms of the loan agreement, all are classified as current.

	2026	2025
CIBC demand instalment loan, Commercial Street, bearing interest at 5.62% per annum and repayable in monthly instalments of principal and interest of $14,014 month, due for renewal on 1 May, 2027. The mortgage is secured by a first charge against the lands and improvements thereon at 3894 Commercial Street, Vancouver, BC, which has a net book value of $570,679.	**$ 1,849,193**	$ 1,911,486
CIBC demand instalment loan, Kingsway Avenue, bearing interest at 3.44% per annum and repayable in monthly instalments of principal and interest of $9,948 per month, due for renewal on 5 December, 2027. The loan is due on demand and is secured by a first charge against the lands and improvements thereon at units 101 and 102 at 2071 Kingsway Avenue, Port Coquitlam, BC which has a net book value of $3,009,417.	**1,583,697**	$ 1,642,983
CIBC demand instalment loan, Kingsway Avenue, bearing interest at 2.65% per annum and repayable in monthly instalments of principal and interest of $10,333 per month. On 2 March, 2026, PLEA made a payment of $1,922,728 to CIBC to discharge this mortgage.	**-**	1,994,735
VanCity Savings Credit Union mortgage, Sullivan Street, bearing interest at 2.95% per annum and repayable in monthly instalments of principal and interest of $3,730 per month. On 9 April, 2025, PLEA made a payment of $384,519 to VanCity Savings Credit Union to discharge this mortgage.	**-**	387,285
	$ 3,432,890	$ 5,936,489

Future principal repayments, assuming repayments of loans are not demanded, and renewals are under similar terms, are as follows:

2027	$ 131,757
2028	137,863
2029	144,269
2030	150,990
2031	158,043
Thereafter	2,709,968
	$ 3,432,890

9. Deferred Contributions

Deferred contributions represent unspent resources externally restricted for the delivery of specified programs and received in advance of the Society's obligation to perform. Certain unspent contributions are repayable upon the request of funders.

	Government Contributions	Other Contributions	PLEA KidStart Summer Camp Trust	2026	2025
Balance - beginning of year	**$ 5,398,910**	**$ 1,191,636**	**$ 702,712**	**$ 7,293,258**	$ 6,494,704
Funding received	**44,032,589**	**1,292,361**	**-**	**45,324,950**	45,659,378
Investment income	**-**	**-**	**60,666**	**60,666**	66,913
Unrealized gain (loss) on market value of investments	**-**	**-**	**361,664**	**361,664**	(1,489)
Revenue recognized	**(43,496,270)**	**(1,437,719)**	**(56,263)**	**(44,990,252)**	(44,183,311)
Returned to funder	**(1,227,526)**	**-**	**-**	**(1,227,526)**	(742,937)
Balance - end of year	**$ 4,707,703**	**$ 1,046,278**	**$ 1,068,779**	**$ 6,822,760**	$ 7,293,258

10. Net Assets Invested in Tangible Capital Assets

a) Net assets invested in tangible capital assets are comprised of the following:

	2026	2025
Tangible capital assets	**$ 12,878,748**	$ 13,160,000
Amounts financed by long term debt	**(3,432,890)**	(5,936,489)
	$ 9,445,858	$ 7,223,511

b) Change in net assets invested in tangible capital assets is comprised of the following:

	2026	2025
Amortization of tangible capital assets	**$ (375,114)**	$ (300,155)
Purchase of tangible capital assets	**$ 93,862**	$ 1,735,011
Decrease in long-term debt, net	**2,503,599**	208,464
	$ 2,597,461	$ 1,943,475

11. Line of Credit

The Society has an operating line of credit with CIBC to a maximum of $500,000 (2025 - $500,000) which bears interest at prime rate. As at 31 March 2026, no amount (2025 - $Nil) was drawn on the line of credit.

12. Commitments

The Society leases certain business premises and equipment. Under the terms of these leases, the Society is committed to the following annual minimum lease payments including taxes as well as a proportional share of common area maintenance costs.

2027	115,927
2028	19,117
	$ 135,044

13. Endowment Funds

In July 1999, the Society transferred the Bernie Agg Scholarship Fund and the PLEA Volunteer Program for Children Fund in the amount of $25,000 each to the Vancouver Foundation as permanent endowment funds for the Society. As the capital of the fund is not available for use by the Society, the balance is not recorded in the Society's consolidated statement of financial position. During the year, the Society received distributions from these endowment funds of $3,621 (2025 - $2,842) which have been included in grant revenue on the consolidated statement of operations. At 31 March, 2026, the fair value of endowments held for the benefit of the Society by the Vancouver Foundation is $61,942 (2025 - $62,230).

14. Pension Plan

The Society and its employees contribute to the Municipal Pension Plan (a jointly trusteed pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The Municipal Pension Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2024, the plan has about 273,000 active members and approximately 133,000 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 employe 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 full actuarial valuation for the Municipal Pension Plan as at 31 December 2024, indicated a $2,675 million funding surplus for basic pension benefits on a going concern basis.

14. Pension Plan (continued)

The next valuation will be as at December 31, 2027.

The Society paid $1,522,886 (2025 - $1,493,382) for employer contributions to the plan in fiscal 2026.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension 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.

15. Financial Instruments

The Society is exposed to various risks through its financial instruments. The following analysis provides a measure of the Society's risk exposure and concentrations as at 31 March 2026. There has been no change to the risk exposure from the prior year.

a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and long-term debt. The Society reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due. The Society monitors and manages its cash and investment balances to ensure adequate cash flow is available to repay creditors and debt obligations as payments become due. Additional cash requirements can be met with the use of the available operating lines of credit (Note 11).

b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society's main credit risk relates to its cash, restricted cash, investments, and accounts receivable. The Society limits its credit risk by placing its cash, restricted cash and investments with provincially regulated, credit worthy financial institutions in Canada. Accounts receivable are non-interest bearing and are generally due from government funding agencies which do not pose significant credit risk. Management assesses accounts receivable and makes a provision for any amounts that are estimated to be uncollectible on a continuous basis.

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Society is mainly exposed to interest rate risk and other price risk. The Society is exposed to currency risk due to holding investments denominated in USD and other foreign currencies, however this risk is insignificant as these holdings are immaterial.

15. Financial Instruments (continued)

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society is not exposed to any material interest rate risk, as it makes every effort to obtain fixed rates on its long term debt, but is exposed to fair value risk on its fixed rate financial instruments, primarily related to long-term debt. However, this risk is not considered to be relevant as the long-term debt is expected to be held until maturity. The Society does not use derivative instruments to reduce its risk exposure.

ii. Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Society is exposed to other price risk through its investment in equities and mutual funds. The Society manages this risk through its investment policies which ensures investments are predominantly large and mid-capitalization companies, a diversified portfolio, with no more that 30% in any single sector and no more than 20% with any single company.

16. Remuneration of Employees, Contractors and Directors

For the fiscal year ended 31 March 2026, the Society paid total remuneration of $18,846,021 (2025 - $16,714,744) to 167 (2025 – 148) employees and contractors for services, each of whom received total annual remuneration of $75,000 or greater. The remuneration of these amounts are included in salaries and benefits and family caregiver fees and expenses in the consolidated statement of operations. The Board of Directors of the Society did not receive any remuneration during the 2026 fiscal year (2025 - $Nil).

PLEA COMMUNITY SERVICES SOCIETY OF BRITISH COLUMBIA

Schedule of Expenses

For the year Ended 31 March, 2026

	2026	2025
Programs		
Activities	**$ 1,078,566**	$ 1,348,088
Travel and automotive	**914,774**	989,396
Contracted services	**590,715**	430,223
Supplemental support	**451,871**	496,355
Reimbursable expenses	**450,583**	378,471
Materials	**302,682**	368,045
Meetings and conferences	**293,401**	246,293
Training	**161,746**	138,497
Memberships, licenses, subscriptions and dues	**131,428**	108,885
Medical	**99,707**	94,069
Volunteers	**65,873**	50,830
Marketing	**57,244**	49,949
KidStart camps	**56,263**	55,332
Fundraising	**7,344**	6,764
Education	**5,291**	4,698
	$ 4,667,488	$ 4,765,895
Administrative		
Contracted services	**$ 510,226**	$ 446,316
Information technology	**351,089**	401,579
Telephone	**193,110**	190,440
Office	**191,311**	170,555
Insurance	**127,269**	141,341
Income tax	**22,163**	29,227
Board expenses	**15,119**	20,089
Furniture, fixtures and equipment	**6,429**	110,756
	$ 1,416,716	$ 1,510,303
Facilities		
Rent, property taxes and utilities	**$ 457,815**	$ 433,271
Janitorial and building maintenance	**323,947**	346,244
Building insurance	**49,486**	57,978
	$ 831,248	$ 837,493