Financial Statements of

FRASER VALLEY CHILD DEVELOPMENT (1982) SOCIETY

And Independent Auditor's Report thereon

Year ended March 31, 2026

KPMG LLP
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INDEPENDENT AUDITOR'S REPORT

To the Members of Fraser Valley Child Development (1982) Society

Opinion

We have audited the financial statements of Fraser Valley Child Development (1982) Society (the Entity), which comprise:

- the statement of financial position as at March 31, 2026
- the statement of operations for the year then ended
- the statement of net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2026 and its results of operations and its 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 Financial Statements"*** section of our auditors' report.

We are independent of the Entity 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 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 auditors' 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 the 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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 policies applied in preparing and presenting financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding period.

KPMG LLP

Chartered Professional Accountants

Abbotsford, Canada

June 23, 2026

FRASER VALLEY CHILD DEVELOPMENT (1982) SOCIETY

Statement of Financial Position

March 31, 2026, with comparative information for 2025

	2026	2025
Assets		
Current assets:		
Cash and cash equivalents	$ 919,334	$ 313,749
Restricted cash	3,557,346	3,292,097
Term deposits (note 2)	1,180,860	1,610,316
Accounts receivable (note 3)	544,247	574,163
Prepaid expenses	124,880	140,635
	6,326,667	5,930,960
Term deposits (note 2)	-	309,400
Lease security deposits	30,946	26,014
Tangible capital assets (note 4)	279,411	220,944
	$ 6,637,024	$ 6,487,318
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities (note 5)	$ 1,188,967	$ 1,135,159
Deferred revenue (note 6)	3,557,346	3,292,097
Current portion of post-employment benefits (note 7)	54,600	92,900
	4,800,913	4,520,156
Deferred capital contributions (note 8)	28,501	36,390
Post-employment benefits (note 7)	951,600	917,500
	5,781,014	5,474,046
Net assets:		
Invested in tangible capital assets (note 9)	250,910	184,554
Unrestricted	605,100	828,718
	856,010	1,013,272
Commitments (note 10)		
	$ 6,637,024	$ 6,487,318

See accompanying notes to financial statements.

On behalf of the Board:

Brian J. Gaudet _______________ Director   _______________ Director

FRASER VALLEY CHILD DEVELOPMENT (1982) SOCIETY

Statement of Operations

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Revenue:		
Provincial government contracts	$ 13,320,825	$ 11,997,688
Assessment clinic revenue	871,853	795,015
School district contracts	478,732	499,986
Other revenue	183,414	264,371
Fundraising	295,841	387,580
Interest revenue	147,313	170,543
Rental revenue	22,224	20,832
	15,320,202	14,136,015
Expenses:		
Wages and benefits (note 11)	10,597,726	9,363,307
Contracts	2,958,258	3,029,582
Facilities	812,790	724,591
Materials and resources	484,732	414,063
Office and general	189,400	236,833
Telephone	109,599	93,484
Travel	108,286	93,672
Professional fees	72,534	47,640
Equipment leases and maintenance	57,034	55,858
Education and training	56,611	48,393
Amortization	45,544	73,995
Insurance	27,994	27,070
Bank charges and interest	7,648	7,680
Board development and meeting expense	2,308	3,288
	15,530,464	14,219,456
Deficiency of revenue over expenses	$ (210,262)	$ (83,441)

See accompanying notes to financial statements.

FRASER VALLEY CHILD DEVELOPMENT (1982) SOCIETY

Statement of Net Assets

Year ended March 31, 2026, with comparative information for 2025

	Invested in tangible capital assets (note 9)	Unrestricted	Total 2026	Total 2025
Balance, beginning of year	$ 184,554	$ 828,718	$ 1,013,272	$ 1,008,613
Remeasurement of post-employment benefits (note 7)	-	53,000	53,000	88,100
Deficiency of revenue over expenses (note 9(b))	(37,655)	(172,607)	(210,262)	(83,441)
Purchase of tangible capital assets	104,011	(104,011)	-	-
Balance, end of year	$ 250,910	$ 605,100	$ 856,010	$ 1,013,272

See accompanying notes to financial statements.

FRASER VALLEY CHILD DEVELOPMENT (1982) SOCIETY

Statement of Cash Flows

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Cash provided by (used in):		
Operations:		
Deficiency of revenue over expenses	$ (210,262)	$ (83,441)
Items not involving cash:		
Amortization	45,544	73,995
Amortization of deferred capital contribution	(7,889)	(11,540)
Sick and severance allowance	120,400	116,800
	(52,207)	95,814
Changes in non-cash operating working capital:		
Accounts receivable	29,916	(158,074)
Inventories	-	24,847
Prepaid expenses	15,755	192,153
Accounts payable and accrued liabilities	53,808	392,059
Deferred revenue	265,249	662,548
Sick leave and severance paid out	(71,600)	(37,400)
	240,921	1,171,947
Investing:		
Decrease (increase) in term deposits	738,856	(544,716)
Lease security deposits	(4,932)	(2,436)
Purchase of tangible capital assets	(104,011)	(53,488)
	629,913	(600,640)
Increase in cash and cash equivalents	870,834	571,307
Cash and cash equivalents, beginning of year	3,605,846	3,034,539
Cash and cash equivalents, end of year	$ 4,476,680	$ 3,605,846
Represented by:		
Cash and cash equivalents	$ 919,334	$ 313,749
Restricted cash	3,557,346	3,292,097
	$ 4,476,680	$ 3,605,846

See accompanying notes to financial statements.

Fraser Valley Child Development (1982) Society (the "Society") is incorporated under the Societies Act (British Columbia). The Society provides support services in Abbotsford, Chilliwack, Mission and Hope, British Columbia for children who have developmental disabilities and/or their families. The Society is a registered charity under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. The Society's significant accounting policies are as follows:

(a) Revenue recognition:

The Society follows the deferral method of accounting for contributions, which includes government grants and donations.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Externally restricted contributions received for capital purposes are recorded as deferred capital contributions and are recognized as revenue on the same basis as the amortization of the related tangible capital assets. Contributions received for tangible capital assets not yet in service are deferred until the asset is available for use.

Deferred capital contributions represent the unamortized amount of a grant received for the purchase of tangible capital assets. The amortization of capital contributions is recorded as revenue under provincial government contracts in the statement of operations.

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.

Revenue from sources such as interest, rent, services and activity fees are recognized when earned and collection is reasonably assured.

(b) Contributed services and materials:

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value of these services, contributed services are not recognized in the financial statements.

Contributed materials and supplies which would otherwise be paid for by the Society are recorded at fair market value when provided.

1. **Significant accounting policies (continued):**

(c) Tangible capital assets:

Purchased tangible capital assets are recorded at historical cost, less accumulated amortization. Contributed assets are recorded at fair value at the date of contribution. Betterments which extend the estimated life of an asset are capitalized.

Tangible capital assets are reviewed for impairment whenever events or changes in circumstances indicate that either the full or partial amount of the asset no longer has long-term service potential to the Society. If such conditions exist, an impairment loss is measured at the amount by which either the full or partial carrying amount of the asset exceeds its residual value.

Amortization is provided using the following methods and annual rates:

Asset	Basis	Rate
Furniture and equipment	Declining balance	20 - 30%
Vehicles	Declining balance	20%

Leasehold improvements are amortized straight line over the lessor of the term of the lease or their estimated useful lives.

(d) Employee future benefits:

The Society is a member of a multi-employer pension plan. Defined contribution plan accounting is applied to the multi-employer defined benefit plan and, accordingly, contributions are expensed.

The Society has a defined benefit plan for its post-employment sick and severance benefits covering certain of its employees. The benefits are based on years of service and average salary.

All remeasurements, defined as actuarial gains or losses arising on remeasuring the accrued benefit obligation, plus the impact of settlements, curtailments and past service costs, are recognized immediately in the fiscal period in which they arise. Remeasurements are recognized directly in net assets in the Statement of Financial Position and not in the Statement of Operations. The recorded liability on the Statement of Financial Position equals the accrued benefit obligation for the benefits.

1. Significant accounting policies (continued):

(d) Employee future benefits (continued):

Ongoing annual expense will include only service cost for the year, with interest applied to the service cost and interest cost equal to interest on the opening accrued benefit obligation.

All measurements are performed at the financial statement date.

(e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Society has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets carried at cost or amortized cost are assessed for impairment on an annual basis at the end of the fiscal year if 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 selling the financial asset or the amount the Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(f) Measurement uncertainty:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Items subject to such estimates and assumptions include obligations related to post-employment benefits. Actual results could differ from those estimates.

2. Term deposits:

The term deposits accrue interest at rates between 2.45% and 4.10% (2025 - 2.95% to 5.80%) and mature between April 2026 and November 2026.

3. Accounts receivable:

	2026	2025
Contract revenue	$ 525,288	$ 553,442
Goods and service tax rebate	18,959	20,721
	$ 544,247	$ 574,163

4. Tangible capital assets:

			2026	2025
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and equipment	$ 1,185,201	$ 1,048,395	$ 136,806	$ 112,412
Leasehold improvements	570,363	459,586	110,777	68,747
Vehicles	136,808	104,980	31,828	39,785
	$ 1,892,372	$ 1,612,961	$ 279,411	$ 220,944

5. Accounts payable and accrued liabilities:

Included in accrued liabilities are government remittances payable of $67,124 (2024 - $32,929) which includes amounts payable for payroll related taxes.

6. Deferred revenue:

Deferred revenue amounts are comprised of the following:

	2026	2025
Provincial government funding	$ 2,948,181	$ 2,867,728
School contracts	266,998	273,638
Provincial government gaming grant	238,330	150,731
Other funding	103,837	-
	$ 3,557,346	$ 3,292,097

Changes in the deferred revenue balance are as follows:

	2026	2025
Balance, beginning of year	$ 3,292,097	$ 2,629,549
Amounts received	1,179,639	1,628,706
Amounts recognized as revenue	(914,390)	(966,158)
Balance, end of year	$ 3,557,346	$ 3,292,097

7. Post-employment benefits:

The actuarial assessment of the benefit plan for accounting purposes was as of March 31, 2024. The next required assessment will be as of March 31, 2027.

The continuity of the Society's post-employment benefit liability is as follows:

	2026	2025
Opening balance, beginning of the year	$ 1,010,400	$ 1,019,100
Sick and severance expense	72,700	67,200
Interest expense	47,700	49,600
Actuarial loss	(53,000)	(88,100)
Actual benefits paid	(71,600)	(37,400)
	$ 1,006,200	$ 1,010,400

The accumulated sick and severance benefit obligation to the employees is as follows:

	2026	2025
Sick bank benefits	$ 486,463	$ 488,494
Severance benefits	519,737	521,906
Post-employment benefit obligation	1,006,200	1,010,400
Less current portion obligation	54,600	92,900
	$ 951,600	$ 917,500

8. Deferred capital contributions:

	2026	2025
Balance, beginning of year	$ 36,390	$ 47,930
Recognized in provincial government contracts revenue	(7,889)	(11,540)
	$ 28,501	$ 36,390

9. Invested in tangible capital assets:

(a) Invested in tangible capital assets is calculated as follows:

	2026	2025
Tangible capital assets	$ 279,411	$ 220,944
Amounts financed by deferred capital contributions	(28,501)	(36,390)
	$ 250,910	$ 184,554

(b) Change in net assets invested in tangible capital assets is calculated as follows:

	2026	2025
Deficiency of revenue over expenses:		
Amortization of deferred capital contributions	$ 7,889	$ 11,540
Amortization of tangible capital assets	(45,544)	(73,995)
	$ (37,655)	$ (62,455)

10. Commitments:

The Society has entered into operating leases for the use of premises and equipment. Under the terms of the operating leases the minimum annual lease payments required for the remaining lease term are as follows:

2027	$ 654,894
2028	648,690
2029	677,876
2030	606,512
Thereafter	502,950
	$ 3,090,922

11. Director, employee and contractor compensation:

For the fiscal year ending 2026, the Society paid total remuneration of $8,847,156 (2025 - $6,820,697) to seventy-four (2024 - fifty nine) employees and contractors for services who received total remuneration of $75,000 or greater. The Society did not remunerate any directors during the year (2025 - nil).

12. Municipal 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 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 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 actuarial valuation for the Municipal Pension Plan as at December 31, 2024, indicated a $2,675 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2027, with results available in 2028.

The Society paid $701,572 (2025 - $623,711) 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.

13. Fraser Valley Child Development Centre Foundation (the "Foundation"):

The Foundation is incorporated under the Societies Act (British Columbia) and is a registered charity under the Income Tax Act. The Foundation is dependent on the Society for management and administration services. Also, according to the Foundation's bylaws all resources of the Foundation must be provided for the benefit of the Society and its clients, and the Foundation has certain Directors in common with the Society. As a result, the Society has significant influence over the operations of the Foundation. The financial position, results of operations and cash flows of the Foundation are not consolidated with those of the Society.

During 2026, the Foundation did not make any donations to the Society (2025 - nil).

A summary of the Foundation's financial position, operations and cash flows are as follows:

Financial position:

	2026	2025
Cash	$ 17,473	$ 17,225
Accounts payable	120	80
Net assets	17,145	16,717

Operations:

Years ended March 31	2026	2025
Revenue	$ 248	$ 428
Expenses	40	-
Excess of revenue over expenses	$ 208	$ 428

Cash flows:

Years ended March 31	2026	2025
Operating activities	$ 208	$ 428

14. Funds held in trust:

The Society holds funds of $15,691 (2025 - $16,669) on behalf of third parties due to agency relationships. The funds are restricted to the specific agency programs. Therefore the assets, liabilities, revenues, and expenses are not included in the Society's financial statements.

15. Financial risks:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Society is exposed to credit risk with respect to the accounts receivable. The Society deals with creditworthy counterparties to mitigate the risk of financial loss from defaults on its accounts receivable.

(b) Liquidity and economic dependence risk:

Liquidity risk is the risk that the Society will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Society manages its liquidity risk by monitoring its operating requirements. The Society prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

The Society's ongoing operations depend on the renewal of annual funding agreements with various government agencies. For the year ended March 31, 2026, 88% (2024 - 85%) of the Society's funding came from the Provincial government.

(c) 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 exposed to fair value risk on term deposits which bear interest at fixed interest rates.

There has been no change to the risk exposures outlined above from the prior year.

16. Comparative information:

Certain comparative figures have been reclassified to conform to the presentation used in the current year. There has been no impact to deficiency of revenue over expenses.