OKANAGAN-SIMILKAMEEN NEUROLOGICAL SOCIETY

Financial Statements

Year Ended March 31, 2026

OKANAGAN-SIMILKAMEEN NEUROLOGICAL SOCIETY

Index to Financial Statements

Year Ended March 31, 2026

INDEPENDENT AUDITOR'S REPORT

To the Members of Okanagan-Similkameen Neurological Society

Report on the Financial Statements

Qualified Opinion

We have audited the financial statements of Okanagan-Similkameen Neurological Society (the Society), 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 possible 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 cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 year ended March 31, 2026, current assets and net assets as at March 31, 2026. 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 of 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 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 audit 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 ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

(continues)

Omland Heal LLP
Chartered Professional Accountants
185 Padmore Avenue East
Penticton, BC V2A 7H7

Telephone: (250) 492-8444
Fax: (250) 492-8688
info@omlandheal.com
www.omlandheal.com

Limited Liability Partnership of Corporations
Chris Newton Ltd. Ryan Schulz Ltd.
Andrew Nendick Inc. Kris Omland Ltd.

OMLAND HEAL

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.

(continues)

OMLAND HEAL

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, the accounting policies applied in preparing and presenting the 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 year.

Omland Heal LLP

Chartered Professional Accountants

Penticton, BC
June 22, 2026

OKANAGAN-SIMILKAMEEN NEUROLOGICAL SOCIETY

Statement of Financial Position

March 31, 2026

		2026		2025
Assets				
Current				
Cash *(Note 3)*	$	454,561	$	736,358
Investments *(Note 4)*		100,000		-
Accounts receivable *(Note 5)*		62,109		77,728
Prepaid expenses		9,365		4,462
		626,035		818,548
Tangible capital assets *(Note 6)*		621,681		442,396
	$	1,247,716	$	1,260,944
Liabilities and Net assets				
Current				
Accounts payable and accrued liabilities	$	363,386	$	398,247
Deferred contributions *(Note 7)*		79,609		85,408
		442,995		483,655
Deferred capital contributions *(Note 8)*		407,877		250,732
		850,872		734,387
Net assets				
Invested in tangible capital assets *(Note 9)*		213,804		191,664
Unrestricted		183,040		334,893
		396,844		526,557
	$	1,247,716	$	1,260,944

Commitments *(Note 10)*

Approved by the Directors

________________________________ *Director*

________________________________ *Director*

See accompanying notes to financial statements.

OKANAGAN-SIMILKAMEEN NEUROLOGICAL SOCIETY

Statement of Operations

Year Ended March 31, 2026

	2026	2025
Revenue		
Operating grants	$ 1,510,776	$ 1,493,281
$10 a Day ChildCare BC	1,466,801	1,422,874
Autism treatment services	508,068	575,234
Kinderbear daycare fees	100,405	100,562
General donations	88,159	103,688
Special events	86,197	63,540
Telethon donations	76,755	50,540
Kinderplace preschool fees	43,190	47,442
Special programs	14,750	28,918
Interest and investment income	13,797	7,371
Building rental	250	375
	3,909,148	3,893,825
Expenses		
Accounting and legal	20,964	20,528
Administrator expense	8,603	9,284
Amortization	70,029	61,326
Autism treatment services	441,585	437,079
Building maintenance	185,858	185,065
EIT program	764,760	760,844
Fundraising	41,217	37,785
IHA SLP program	15,911	15,019
IHCAN-ASD assessment	42,316	35,408
IT equipment and support	41,542	36,175
Interest and bank charges	17,871	15,155
Kinderbear program	1,057,879	987,185
Kinderplace program	226,969	220,181
Licences, dues and fees	-	1,967
Office and miscellaneous	15,321	24,185
SOAP program	4,905	14,280
Staff development	715	1,380
Take It Home project	-	45
Therapy aide	173,534	157,141
Wages and benefits - administration	908,882	900,765
	4,038,861	3,920,797
Deficiency of revenue over expenses	$ (129,713)	$ (26,972)

See accompanying notes to financial statements.

OKANAGAN-SIMILKAMEEN NEUROLOGICAL SOCIETY

Statement of Changes in Net Assets

Year Ended March 31, 2026

	Invested in tangible capital assets (Note 9)	Unrestricted	2026	2025
Net assets - beginning of year	$ 191,664	$ 334,893	$ 526,557	$ 553,529
Excess (deficiency) of revenues over expenses	(38,015)	(91,698)	(129,713)	(26,972)
Net change in investment in tangible capital assets	60,155	(60,155)	-	-
Net assets - end of year	$ 213,804	$ 183,040	$ 396,844	$ 526,557

See accompanying notes to financial statements.

OKANAGAN-SIMILKAMEEN NEUROLOGICAL SOCIETY

Statement of Cash Flows

Year Ended March 31, 2026

	2026	2025
Operating activities		
Deficiency of revenue over expenses	$ (129,713)	$ (26,972)
Item not affecting cash:		
Amortization of tangible capital assets	70,029	61,326
	(59,684)	34,354
Changes in non-cash working capital:		
Accounts receivable	15,619	(8,024)
Restricted cash	-	2,376
Accounts payable and accrued liabilities	(34,861)	98,887
Deferred contributions	(5,799)	(2,853)
Prepaid expenses	(4,903)	1,665
	(29,944)	92,051
Cash flow from (used by) operating activities	(89,628)	126,405
Investing activities		
Purchase of tangible capital assets	(249,314)	(25,353)
Purchase of term deposit	(100,000)	-
Cash flow used by investing activities	(349,314)	(25,353)
Financing activity		
Deferred capital contributions	157,145	(23,039)
Increase (decrease) in cash flow	(281,797)	78,013
Cash - beginning of year	736,358	658,345
Cash - end of year	$ 454,561	$ 736,358
Cash consists of:		
Cash	$ 354,561	$ 536,358
RBC redeemable short term GIC	100,000	200,000
	$ 454,561	$ 736,358

See accompanying notes to financial statements.

1. Purpose of the Society

Okanagan-Similkameen Neurological Society (the "Society") is a not-for-profit organization incorporated provincially under the Society Act of British Columbia. As a registered charity the Society is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

Okanagan - Similkameen Neurological Society, a provincial BC incorporated non-profit & charity organization providing over 148,000 program service and treatment hours to children, youth and families with supported developmental needs, and or developmental disabilities since 1978 (48 years).

OSNS services are inclusive, innovative, flexible, person centred - unique to the individual through on-site visits and outreach. The society envisions compassionate communities where every child and youth gets what they need to thrive. The Society's mission is to optimize the health and well being of every child, youth and family we serve. OSNS operates under the guiding motto: Together Towards Tomorrow.

Through fundraising, grant writing and government funding OSNS offer's, childcare, early intervention, autism support, family support and on site autism assessments for children 6. The OSNS also offers a supported employment program for youth age 14 and up and employer's seeking to hire and provide meaningful employment to young people with social emotional support needs (Autism) from a neurodivergence lived experience perspective.

The OSNS service delivery success is built by a team of employees, Board of Directors, a Legacy Foundation Board and a supportive community of volunteers.

2. Summary of significant accounting policies

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Revenue recognition

The Society follows the deferral method of accounting for contributions, which include government grants, preschool fees, fundraising, donations and rental.

Operating contributions, including grants are recognized as revenue when received or receivable if the amount to be realized can be reasonably estimated and collection is reasonably assured. Operating contributions received for a future period are reported as deferred contributions and recognized as revenue in the period in which the related expenses are incurred.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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. Endowment contributions are recognized as direct increases in net assets.

Pre-school and daycare fees are recognized as revenue as the service is performed.

(continues)

2. Summary of significant accounting policies *(continued)*

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Donated goods

The Society chooses not to recognize contributions of goods received for fundraising. Donation receipts are issued at the fair market value at the time of the donation, when it is determinable. During the year, $nil in tangible capital assets were donated (2025 - $nil).

Pledges

Pledges which are legally enforceable (less an allowance for amounts considered uncollectible) are recorded as receivable in the year made. Pledges to support current operations are recorded as operating fund receipts. Pledges made for the acquisition of property or to support future operations are recorded as deferred amounts in their respective fund.

Goods and Services Tax

Contributed materials and services are recoverable at 50% as a rebate. The unrecoverable portion is recorded as an expense with the rebate treated as a receivable.

Cash and cash equivalents

Cash and cash equivalents consist of deposits in banks, term deposits and other short term investments that are redeemable or have maturities of three months or less from the date of acquisition.

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Buildings	20 years	straight-line method
Playgrounds	10 years	straight-line method
Computer equipment	30% - 55%	declining balance method
Furniture and equipment	20%	declining balance method

The Society regularly reviews its tangible capital assets to eliminate obsolete items.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Impairment of Long Lived Assets

The Society tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

(continues)

2. Summary of significant accounting policies *(continued)*

Net assets

a) Net assets invested in tangible capital assets represents the organization's net investment in tangible capital assets which is comprised of the unamortized amount of tangible capital assets purchased.

b) Restricted net assets are funds which have been designated for a specific purpose by the Society's Board of Directors.

c) Unrestricted net assets comprise the excess of revenue over expenses accumulated by the organization each year, net of transfers, and are available for general purposes.

(continues)

2. Summary of significant accounting policies *(continued)*

Financial instruments

Initial measurement
The Society initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Society is in the capacity of management, are initially measured at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If it does, the cost is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise, the cost is determined using the consideration transferred or received by the Society in the transaction.

Subsequent measurement
The Society subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in income in the period incurred.

Financial assets measured at amortized cost using the straight-line method include cash, restricted cash and accounts receivable.

Financial liabilities measured at amortized cost using the straight-line method include accounts payable and accrued liabilities.

Transaction costs
Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in income in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in income over the life of the instrument using the straight-line method.

Impairment
For financial assets measured at cost or amortized cost, the Society determines whether there are indications of possible impairment. When there are, and the Society determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may be no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

(continues)

2. Summary of significant accounting policies *(continued)*

Use of estimates

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the Society's best information and judgment. Actual results could differ from these estimates.

Examples of significant estimates include:

- providing for amortization of tangible capital assets;
- the estimated useful lives of assets;
- the allowance for doubtful accounts; and
- the recoverability of tangible capital assets.

3. Cash

Included in cash is a line of credit with the Royal Bank of Canada that is due on demand, bears interest at prime plus 1.25% and has a current limit of $200,000. At March 31, 2026 there is $nil drawn on the line of credit (2025 - $nil).

4. Investments

Investments consist of a redeemable term deposit plus accrued interest issued by RBC. The term deposit bears interest at 2.00% and has a maturity date of October 30, 2026.

5. Accounts receivable

	2026	2025
Trade receivables	$ 54,818	$ 74,446
Goods and services tax rebate	7,291	3,282
	$ 62,109	$ 77,728

6. Tangible capital assets

	Cost	Accumulated amortization	2026 Net book value	2025 Net book value
Building	$ 1,895,889	$ 1,569,513	$ 326,376	$ 357,178
Playgrounds	353,679	96,074	257,605	39,798
Office equipment	250,753	221,973	28,780	35,975
Computer hardware	137,911	128,991	8,920	9,445
	$ 2,638,232	$ 2,016,551	$ 621,681	$ 442,396

7. Deferred contributions

Deferred contributions represents the balance at year end of an accumulation of unspent contributions received to fund programs of the Society. Changes in the deferred contributions balances are as follows:

	Balance - beginning of year	Funds received	Recognized as revenue	Balance - end of year
Community Gaming	$ 67,800	$ 67,800	$ (67,800)	$ 67,800
Telus grant	-	10,000	-	10,000
Parent deposits	738	9,106	(8,035)	1,809
British Columbia Association of Child Development and Intervention Grant	10,000	-	(10,000)	-
Penny Lane grant	6,870	-	(6,870)	-
	$ 85,408	$ 86,906	$ (92,705)	$ 79,609

8. Deferred capital contributions

The Society receives capital grants, donations to purchase tangible capital assets and donated tangible capital assets. These contributions are deferred and amortized on the same basis as the related purchased or donated assets.

	Balance - beginning of year	Funds received	Recognized as revenue	Balance - end of year
Access for Success Grant	$ -	$ 125,000	$ (6,250)	$ 118,750
Ministry of Children and Family Development	107,780	-	(10,351)	97,429
PEACHES assets	86,071	-	(7,173)	78,898
BC Capital Grants	40,741	-	(3,134)	37,607
Service Club	-	26,382	(1,319)	25,063
Program Specific Donations	-	16,725	(836)	15,889
Sharron Romank donation	-	10,000	(500)	9,500
Corporate donations	4,101	5,282	(677)	8,706
Capital gifts in kind	8,424	-	(754)	7,670
Memorial donations	-	3,500	(175)	3,325
Telethon donations	2,516	-	(503)	2,013
Ticket raffle	-	1,640	(82)	1,558
Golf tournament	-	630	(32)	598
Maurer Construction	655	-	(131)	524
David Kampe and Peters Bros Construction, technology equipment	444	-	(97)	347
	$ 250,732	$ 189,159	$ (32,014)	$ 407,877

9. Net assets invested in tangible capital assets

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

	2026	2025
Net assets invested in tangible capital assets is calculated as follows:		
Tangible capital assets	$ 621,681	$ 442,395
Amounts financed by deferred capital contributions	(407,877)	(250,732)
	$ 213,804	$ 191,663
Deficiency of revenue over expenses:		
Amortization of tangible capital assets	$ (70,029)	$ (61,326)
Amortization of deferred capital contributions	32,014	23,039
	$ (38,015)	$ (38,287)
Net change in investment in tangible capital assets:		
Purchase of tangible capital assets	$ 249,314	$ 25,353
Proceeds from deferred capital contributions	(189,159)	-
	$ 60,155	$ 25,353

10. Commitments

The Society leases a Toyota Rav4 automobile from KWP Carriage Inc. (dba Penticton Toyota) with monthly lease payments of $317 plus GST and PST, expiring April 2027.

The Society leases two multifunction copiers from Xerox Canada Ltd. with quarterly lease payments of $1,127 plus GST and PST expiring June 2029.

The Society lease the premises at 103-350 Carmi Avenue Penticton, BC, from Interior Health under a 99 year lease that expires on February 28, 2095. Under the terms of this lease agreement, the Society must use the premises and buildings for the primary purpose of operating a child and youth development centre and related services and uses, including a day-care centre. The Society must pay all costs of any kind whatsoever associated with the use of the premises and buildings. Additionally, if the Society terminates the lease early they may be responsible for the costs and expenses associated with the destruction and removal of the building.

Future minimum fiscal year end lease payments for the Rav4 and copiers are as follows:

2027	$ 9,097
2028	5,282
2029	4,935
2030	1,234
	$ 20,548

11. Government remittances payable other than income tax

Government remittances (other than income taxes) include, for example, federal and provincial sales taxes, payroll taxes, health taxes, and workers' safety insurance premiums. The following government remittances were payable at year end:

	2026	2025
Employer health tax	$ 7,000	$ 11,467
Workers' safety insurance premiums	6,197	5,658
	$ 13,197	$ 17,125

12. Pension plan

The Society and its employees contribute to the Municipal Pension Plan (a jointly trusteed pension plan, "the 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, 2025 the Plan has about 273,000 active members and approximately 133,000 retired members. Active members include approximately 47,000 contributors from local governments.

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 Plan as at December 31, 2024, indicated a $2,675 million funding surplus for basic pension benefits on a going concern basis.

The Society paid $231,360 (2025 - $195,296) for employer contributions to the Plan in fiscal 2026.

The next valuation will be as at December 31, 2027, with results available in 2028.

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. Economic dependence

Operating grants received from the Province of British Columbia's Ministry of Children and Family Development account for 81% (2025 - 84%) of total revenue in the current year.

14. Financial instruments

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of March 31, 2026.

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 receipt of funds from its customers and other related sources, line of credit, contributions to the pension plan and accounts payable.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Society manages exposure through its normal operating and financing activities. The Society is exposed to interest rate risk primarily through its floating interest rate line of credit.

Unless otherwise noted, it is management’s opinion that the Society is not exposed to significant other price risks arising from these financial instruments.

15. Societies Act of British Columbia

As required by the Societies Act of British Columbia, it must be disclosed if any employee's remuneration exceeded $75,000 in the fiscal year ending March 31, 2026. The Society paid a total sum of $948,469 to 9 employees.

16. Comparative figures

Some of the comparative figures have been reclassified to conform to the current year's presentation.