

**Turning Points Collaborative
Society
Non-consolidated Financial
Statements
For the Year Ended March 31, 2026**

Turning Points Collaborative Society
Non-consolidated Financial Statements
For the Year Ended March 31, 2026

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Independent Auditor's Report

To the board of directors of Turning Points Collaborative Society

Report on the Non-consolidated Financial Statements

Opinion

We have audited the non-consolidated financial statements of Turning Points Collaborative Society (the Society), which comprise the non-consolidated statement of financial position as at March 31, 2026, the non-consolidated statements of changes in net assets, operations and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Society as at March 31, 2026, and its non-consolidated financial performance 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 Non-consolidated Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the non-consolidated 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 Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated 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 Non-consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 non-consolidated 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 non-consolidated 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 non-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 non-consolidated financial statements, including the disclosures, and whether the non-consolidated 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.



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 organization have been applied, on a basis consistent with that of the preceding year.

BDO Canada LLP

Chartered Professional Accountants

Vernon, British Columbia
July 23, 2026

Turning Points Collaborative Society

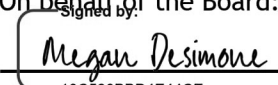
Non-consolidated Statement of Financial Position

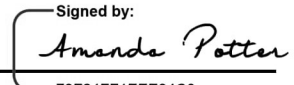
March 31	2026	2025
Assets		
Current		
Cash	\$ 3,456,838	\$ 1,940,320
Investments (Note 2)	1,900,088	-
Accounts receivable	1,827,183	1,698,085
Inventories	62,573	34,399
Prepaid expenses	171,877	95,249
Restricted cash (Note3)	-	976,886
	7,418,559	4,744,939
Investments (Note 2)	413,600	400,000
Capital assets (Note 4)	27,483,231	14,575,866
Controlled entities (Note 5)	10	10
	\$ 35,315,400	\$ 19,720,815

Liabilities and Net Assets

Current		
Accounts payable and accrued liabilities (Note 6)	\$ 3,121,675	\$ 1,997,034
Customer deposits	110,237	96,076
Deferred contributions (Note 7)	1,563,036	1,053,954
Short-term debt (Note 8)	17,210,229	4,518,271
Current portion of long-term debt (Note 9)	736,132	2,040,376
	22,741,309	9,705,711
Long-term debt (Note 9)	3,510,895	2,332,396
Deferred contributions for capital assets (Note 10)	4,183,986	2,970,443
	30,436,190	15,008,550
Net Assets		
Invested in capital assets	2,119,485	2,714,380
Externally restricted (Note 12)	532,843	427,722
Internally restricted (Note 11)	880,681	949,165
Unrestricted	1,346,201	620,998
	4,879,210	4,712,265
	\$ 35,315,400	\$ 19,720,815

On behalf of the Board:

 President
10C590BBD4E44CE...

Signed by:
 Treasurer
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The accompanying notes are an integral part of these non-consolidated financial statements.

Turning Points Collaborative Society Non-consolidated Statement of Changes in Net Assets

For the year ended March 31	Invested in Capital Assets	Externally Restricted	Internally Restricted	Unrestricted	2026 Total	2025 Total
Balance, beginning of the year	\$ 2,714,380	\$ 427,722	\$ 949,165	\$ 620,998	\$ 4,712,265	\$ 4,882,746
Excess (deficit) of revenues over expenses	(126,421)	-	-	556,824	430,403	348,757
Purchase of capital assets	13,369,734	-	-	(13,369,734)	-	-
Proceeds from loans	(12,691,958)	-	-	12,691,958	-	-
Subsidy adjustments (Note 13)	-	-	-	(263,458)	(263,458)	(519,238)
Long-term debt repayments	125,744	-	-	(125,744)	-	-
Contributions received	(1,271,994)	-	-	1,271,994	-	-
Interfund transfer	-	10,926	(115,200)	104,274	-	-
Replacement reserve	-	94,195	46,716	(140,911)	-	-
Balance, end of the year	\$ 2,119,485	\$ 532,843	\$ 880,681	\$ 1,346,201	\$ 4,879,210	\$ 4,712,265

The accompanying notes are an integral part of these non-consolidated financial statements.

Turning Points Collaborative Society

Non-consolidated Statement of Operations

For the year ended March 31	2026	2025
Revenue		
BC Housing	\$ 18,667,541	\$ 16,885,879
Client room and board	2,632,240	2,499,386
Interior health authority	579,916	489,618
City of Vernon	-	117,265
Community futures	413,057	498,167
Community Living of BC	342,339	-
Canadian mental health association	1,066,180	1,221,663
Gaming	40,821	-
Ministry of housing and social development	341,156	305,845
Other	303,509	161,987
Donations	31,103	41,542
Interest	22,735	14,117
Amortization of deferred contributions (Note 10)	58,451	44,216
Gain on disposal of capital assets	-	1,000
	24,499,048	22,280,685
Expenses		
Amortization	184,872	170,556
Client support	1,290,274	899,949
Food	1,660,715	1,302,400
Housing outreach program	805,818	657,063
Insurance	225,792	218,903
Interest on long-term debt	127,145	128,094
Office expenses	453,719	575,001
Professional fees	591,181	290,597
Property taxes	38,170	37,684
Repairs and maintenance	617,979	568,186
Security	596,796	667,028
Supplies	412,081	492,601
Telephone	88,221	67,952
Travel and automotive	256,773	189,485
Utilities	1,017,008	953,190
Wages and benefits	15,702,101	14,713,239
	24,068,645	21,931,928
Excess of revenues over expenses	\$ 430,403	\$ 348,757

The accompanying notes are an integral part of these non-consolidated financial statements.

Turning Points Collaborative Society Non-consolidated Statement of Cash Flows

For the year ended March 31	2026	2025
Cash flows from operating activities		
Cash receipts from customers	\$ 24,548,546	\$ 21,697,727
Cash paid to suppliers and employees	(22,736,787)	(21,495,795)
Interest received	22,735	14,117
Interest paid	(127,145)	(128,094)
	<u>1,707,349</u>	<u>87,955</u>
Cash flows from investing activities		
Purchase of investments	(1,913,688)	(400,000)
Proceeds on maturity of investments	-	300,000
Purchase of capital assets	(400,278)	(637,331)
Capital contributions	1,271,994	897,000
	<u>(1,041,972)</u>	<u>159,669</u>
Cash flows from financing activities		
Repayment of long-term debt	(125,745)	(122,658)
Net increase in cash	539,632	124,966
Cash, beginning of the year	<u>2,917,206</u>	<u>2,792,240</u>
Cash, end of the year	\$ 3,456,838	\$ 2,917,206
Represented by:		
Cash	\$ 3,456,838	\$ 1,940,320
Restricted cash	-	976,886
	<u>\$ 3,456,838</u>	<u>\$ 2,917,206</u>

The accompanying notes are an integral part of these non-consolidated financial statements.

Turning Points Collaborative Society

Notes to Non-consolidated Financial Statements

March 31, 2026

1. Significant Accounting Policies

Nature and Purpose of Organization	The Turning Points Collaborative Society ("Society") is incorporated under the laws of the British Columbia Societies Act and is engaged to provide housing and rehabilitative programs of living skills, employment and counselling for marginalized men and women. The Society is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.
Basis of Accounting	The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.
Use of Estimates	The preparation of 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 at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available.
Financial Instruments	Financial instruments are recorded at fair value at initial recognition. In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost. Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.
Cash	Cash consists of cash on hand and bank balances. It also includes restricted cash, which comprises cash and investments held in guaranteed investment certificates.

Turning Points Collaborative Society
Notes to Non-consolidated Financial Statements

March 31, 2026

1. Significant Accounting Policies (continued)

Revenue Recognition	The Society follows the deferral method of accounting for contributions. 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. Contract revenue from the Interior Health Authority and client room and board is recognized over the term of the related contract or lease. Rental revenue is recognized as revenue when the period in which the rent was earned is received. Interest and other income is recognized on an accrual basis when the amounts can be estimated and collection is reasonably assured.
Contributed Services	Volunteers contribute many hours per year to assist the Society in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.
Contributed Materials	Due to the difficulty in determining the fair value of materials contributed to the Society they are not recognized in the financial statements.

Turning Points Collaborative Society Notes to Non-consolidated Financial Statements

March 31, 2026

1. Significant Accounting Policies (continued)

Capital Assets

Capital assets are stated at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution and are amortized, unless fair value is not determinable in which case contributed capital assets are recorded at nominal value at the date of contribution. Expenditures for repairs and maintenance are expensed as incurred. Betterments that extend the useful life of the tangible capital asset are capitalized.

Amortization based on the estimated useful life of the asset is calculated as follows:

	Method	Rate
Buildings	Declining balance	50 years
Building improvements	Declining balance	20 years
Furniture and fixtures	Declining balance	7 years
Automotive equipment	Declining balance	5 years

When a tangible capital asset no longer contributes to an Society's ability to provide goods and services, or the future economic benefits or service potential of the tangible capital asset is less than its carrying value, the excess of its net carrying amount over its fair value or replacement cost is recognized as an expense in the statement of operations. Any unamortized deferred contribution amount related to the tangible capital asset is recognized in revenue in the statement of operations, provided that all restrictions have been complied with.

When a tangible capital asset is disposed of, the difference between the net proceeds on disposition and the net carrying amount is recognized in the statement of operations. Any unamortized deferred contribution amount related to the tangible capital asset disposed of is recognized in revenue in the statement of operations, provided that all restrictions have been complied with.

Controlled Entities

Controlled not-for-profit organizations are not consolidated in the Society's financial statements. Instead disclosure is provided.

Controlled profit-oriented enterprises are accounted for by the equity method in the Society's financial statements. The Society controls Howard Industries (2010) Ltd., through common control. Howard Industries (2010) Ltd. provides payroll support services to the Society.

Turning Points Collaborative Society Notes to Non-consolidated Financial Statements

March 31, 2026

1. Significant Accounting Policies (continued)

Employee Future Benefits The Society provides pension benefits to its employees through the Municipal Pension Plan of British Columbia. The plan is a multi-employer contributory, defined contribution pension plan. Pension cost is recorded as part of employee salary, wages and employee benefits and is comprised of the amount of employer and employee contributions required for the employees over the year, based on rates that are expected to provide benefits payable under the plan.

Turning Points Collaborative Society Notes to Non-consolidated Financial Statements

March 31, 2026

2. Investments

The carrying amounts of investments are comprised of the following:

	<u>2026</u>	<u>2025</u>
At amortized cost:		
Guaranteed investment certificates, bearing interest at 3.4%, maturing June 2029	\$ 413,600	\$ 400,000
Guaranteed investment certificates, bearing interest at 2.1%, maturing June 2026	500,000	-
Guaranteed investment certificates, bearing interest at 3.0%, maturing June 2026	350,088	-
Guaranteed investment certificates, bearing interest at 2.88%, maturing March 2027	1,050,000	-
	<u>2,313,688</u>	<u>400,000</u>
 Investments are allocated as follows:		
Current	\$ 1,900,088	\$ -
Long-term	413,600	400,000
	<u>\$ 2,313,688</u>	<u>\$ 400,000</u>
 Investments are allocated as follows:		
Restricted (Note 3)	\$ 1,413,524	\$ 400,000
Unrestricted	900,164	-
	<u>\$ 2,313,688</u>	<u>\$ 400,000</u>

Turning Points Collaborative Society Notes to Non-consolidated Financial Statements

March 31, 2026

3. Restricted Cash and Investments

Restricted cash and investments consists of cash and investments in guaranteed investment certificates which are restricted in their use and can only be used for specific purposes.

	<u>2026</u>	<u>2025</u>
Restricted cash	\$ -	\$ 976,887
Investments	<u>1,413,524</u>	<u>400,000</u>
	<u>\$ 1,413,524</u>	<u>\$ 1,376,887</u>

Restricted cash and investments is allocated for the following purposes:

	<u>2026</u>	<u>2025</u>
Externally restricted funds (Note 12)	\$ 532,843	\$ 427,722
Internally restricted funds (Note 11)	<u>880,681</u>	<u>949,165</u>
	<u>\$ 1,413,524</u>	<u>\$ 1,376,887</u>

Turning Points Collaborative Society Notes to Non-consolidated Financial Statements

March 31, 2026

4. Capital Assets

	2026		2025	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 5,593,956	\$ -	\$ 5,407,492	\$ -
Buildings	6,898,820	847,627	6,898,820	724,113
Building improvements	47,612	20,683	47,611	19,266
Furniture and fixtures	271,151	177,331	203,530	167,518
Automotive	520,249	232,791	374,055	182,663
Assets under construction	15,429,875	-	2,737,918	-
	28,761,663	1,278,432	15,669,426	1,093,560
		\$ 27,483,231		\$ 14,575,866

The Summerland Project

As at March 31, 2026, the Society continues to advance the development of a 60-unit affordable housing project located in Summerland, British Columbia. This project represents a landmark initiative in the Okanagan Valley, combining affordable residential units with integrated community services. The development involved the strategic acquisition and amalgamation of two adjacent properties and the formation of a collaborative partnership with the Summerland Food Bank and Resource Centre.

Under this partnership, a stratified ownership model was established, whereby the Food Bank will acquire approximately 4,100 square feet within the development to support its operational needs. The project is currently classified as an asset under construction within Capital Assets, with occupancy targeted for Summer 2027.

The Cross Road Project

As at March 31, 2026, the Society continues to advance the development of a 68-unit affordable housing project located at 1951 Cross Road, Kelowna, British Columbia. The project received Provisional Project Approval from BC Housing during fiscal 2026 and is being developed on land owned by the City of Kelowna, pursuant to a lease arrangement to be entered into by the Society.

BC Housing has provided funding commitments to support the project's development and construction. As at March 31, 2026, development expenditures of approximately \$3.29 million have been incurred. The project is currently classified as an asset under construction within Capital Assets, with occupancy targeted for January 2028.

Turning Points Collaborative Society Notes to Non-consolidated Financial Statements

March 31, 2026

5. Controlled Entities

The Society controls Howard Industries (2010) Ltd., a company under common control, which provides payroll support services on behalf of the Society.

The financial summary of unconsolidated Howard Industries (2010) Ltd. as at March 31, 2026 for the year then ended as provided:

Financial Position

	2026	2025
Total assets	<u>\$ 330,175</u>	<u>\$ 188,260</u>
Total liabilities	240,266	100,498
Total shareholder's equity	<u>89,909</u>	<u>87,762</u>
	<u>\$ 330,175</u>	<u>\$ 188,260</u>

Results of Operations

	2026	2025
Total revenues	\$ 43,030	\$ 66,985
Total expenses	<u>(40,314)</u>	<u>(49,533)</u>
Net income	<u>\$ 2,716</u>	<u>\$ 17,452</u>

During the year the Society paid \$12,443 (2025 - \$15,098) for payroll support services to Howard Industries (2010) Ltd. The above payments were made in the normal course of operations and recorded at the exchange amount, being the amount agreed to by both parties.

As at March 31, 2025, the Society has a balance payable to Howard Industries (2010) Ltd. of \$72,489 (2025 - \$84,972).

The Society owns 100% of the shares of 1098385 BC Ltd, a wholly-owned subsidiary. This company is not active and as a result, the carrying value of the investment in this subsidiary represents the Society's initial investment of \$10.

6. Government Remittances

Included in accounts payable and accrued liabilities are government remittances payable of \$388,684 (2025 - \$333,322).

Turning Points Collaborative Society Notes to Non-consolidated Financial Statements

March 31, 2026

7. Deferred Contributions

Deferred contributions represent unspent resources externally restricted operating funding received in the current period that is related to expenses of a subsequent period. Changes in the deferred contributions balance are as follows:

	Balance, beginning	Contributions received	Amounts recognized to revenue	Balance, ending
BC Housing	\$ 587,794	\$ 2,897,573	\$ (2,949,865)	\$ 535,502
Grants	272,103	1,143,641	(530,348)	885,396
Other	194,057	24,992	(76,911)	142,138
	<u>\$ 1,053,954</u>	<u>\$ 4,066,206</u>	<u>\$ (3,557,124)</u>	<u>\$ 1,563,036</u>

8. Short Term Debt

Short term debt consists of BC Housing Development Funding loans related to the Summerland housing project and the Cross Road project currently under construction (Note 4). The funds are due in the event of default. The loan commitments for the project will be classified as a mortgage and a portion as a forgivable loan once the project is complete.

Turning Points Collaborative Society

Notes to Non-consolidated Financial Statements

March 31, 2026

9. Long-Term Debt

	2026	2025
Vantage One Credit Union mortgage payable at \$12,546 per month including interest 4.88% per annum, due February 2031, secured by land and building with a net book value of \$2,824,544	\$ 1,914,806	\$ 1,983,912
Vantage One Credit Union mortgage payable at \$3,702 per month including interest 3.60% per annum, due August 2026, secured by land and building with a net book value of \$965,525	641,520	662,434
MCAP mortgage payable at \$6,617 per month including interest 2.5790% per annum, due January 2032, secured by land and building with a net book value of \$1,729,864	1,690,701	1,726,426
	4,247,027	4,372,772
Less: Current portion	(736,132)	(2,040,376)
	<u>\$ 3,510,895</u>	<u>\$ 2,332,396</u>

Principal repayments over the next five years and thereafter are as follows:

2027	\$ 736,132
2028	98,713
2029	102,743
2030	106,952
2031	1,703,798
Thereafter	1,498,689
	<u>\$ 4,247,027</u>

Turning Points Collaborative Society Notes to Non-consolidated Financial Statements

March 31, 2026

10. Deferred Contributions Related to Capital Assets

Deferred contributions related to capital assets represent the unamortized portion of contributed capital assets and restricted contributions used to purchase capital assets. The changes in the deferred contributions balance for the period are as follows:

	2026	2025
Balance, beginning	\$ 2,970,443	\$ 2,117,659
Add: restricted contributions related to contributed equipment	1,271,994	897,000
Less: amounts amortized to revenue	(58,451)	(44,216)
Balance, ending	<u>\$ 4,183,986</u>	<u>\$ 2,970,443</u>

11. Internally Restricted

Internally restricted net assets represent amounts that have been designated by the Board of Directors to support the long-term financial sustainability of the organization, provide funding for future capital expenditures, manage unforeseen operating requirements, and support strategic priorities. These restrictions are self-imposed and may be removed or modified by Board resolution as circumstances warrant.

As at March 31, 2026, internally restricted net assets consisted of the following:

Capital asset replacement reserve	\$477,361
Capital funding for Sober Living expansion	\$403,320

12. Externally Restricted

As required by BC Housing, a certain portion of the net assets should be used for programs for the benefit of the clients of the Society and that are consistent with the goals of agreements with BC Housing and/or for payments for capital improvements as approved by BC Housing. The reserves have been maintained as part of the interest bearing guaranteed investment certificates (see Note 2) and accumulated surplus is being spent in accordance with the terms of the operating agreement.

13. Subsidy Adjustment

BC Housing conducts annual reviews of the Society's financial statements and may adjust for any operating surplus or deficit related to over or underfunded subsidies. Prior year adjustments are recognized in equity in the year they are determined.

Turning Points Collaborative Society Notes to Non-consolidated Financial Statements

March 31, 2026

14. Employee Pension Plan

The Society and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trusteesd pension plan. The board of trustees, representing plan members and employers, is responsible for administering the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2024, the Plan had about 273,000 active members and approximately 133,000 retired members. Active members include approximately 47,000 contributors from local government.

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 contribution 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 2029.

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.

The Society paid \$734,517 (2025 - \$680,351) for employer contributions to the Plan in fiscal 2026.

15. Salaries, Honoraria and Benefits

During the year, the Society paid 43 employees (2025 - 38) in excess of \$75,000. Total salaries, wages and benefits paid was \$3,910,689 (2025 - \$3,785,496). The Society does not provide remuneration to its Board of Directors.

16. Economic Dependence

The Society receives 76% (2025 - 76%) of its funding from the Province of British Columbia through BC Housing. The ability of the Society to continue operations is dependent upon continued funding from this source.

Turning Points Collaborative Society Notes to Non-consolidated Financial Statements

March 31, 2026

17. Financial Instruments

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 is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The Society's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts and contributions receivable. The majority of the Society's receivables are from government sources and the Society works to ensure it meets all eligibility criteria in order to qualify to receive the funding.

There have not been any changes in the risk from the prior year.

Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Society will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The Society is exposed to this risk mainly in respect of its accounts payable and current portion of long-term debt.

There have not been any changes in the risk from the prior year.

18. Commitments

The Society has an available letter of credit, to a maximum of \$400,000 (2025 - \$400,000), from Vantage One Credit Union which bears interest at a rate to be determined upon withdrawal, secured by a general security agreement. This letter of credit was not drawn upon during the year.

19. Comparative Figures

The comparative figures have been reclassified where applicable in order to conform to the presentation used in the current year.

Turning Points Collaborative Society Notes to Non-consolidated Financial Statements

March 31, 2026

20. Replacement Reserve Fund Schedule

BC Housing - Externally Restricted

	Blair Apartments	The Village	The Lions	Pivot Properties	Total
Opening balance	\$ 232,909	\$ 88,095	\$ 29,417	\$ 88,226	\$ 438,647
Provision amount	28,080	28,800	28,800	43,800	129,480
Total expenses	-	(44,497)	-	-	(44,497)
Interest earned	4,891	1,850	618	1,853	9,212
BC Housing - Externally Restricted	\$ 265,880	\$ 74,248	\$ 58,835	\$ 133,879	\$ 532,842

Internally Restricted

	Hillside Apartments	Cedar Park Inn	Pioneer Place	Bill's Place	Total
Opening balance	\$ 6,000	\$ 4,800	\$ 355,297	\$ 64,548	\$ 430,645
Provision amount	6,000	4,800	24,400	11,516	46,716
Internally Restricted	\$ 12,000	\$ 9,600	\$ 379,697	\$ 76,064	\$ 477,361

Turning Points Collaborative Society
Schedule 1 - BC Housing Funded Programs
Statement of Operations and Accumulated Fund Balance by Program
For the year ended March 31, 2026

For the year ended March 31	Amalgamated	Bartley	Blair Apartments	CBCHB	HOP
Revenues					
Subsidy	\$ 3,102,621	\$ 1,842,072	\$ 221,718	\$ 744,105	\$ 124,304
Other Revenue	\$ -	\$ 1,800	\$ -	\$ 130	\$ -
Start Up Costs					
Tenant Rent Contribution	\$ -	\$ -	\$ 214,882	\$ -	\$ -
	\$ 3,102,621	\$ 1,843,872	\$ 436,600	\$ 744,235	\$ 124,304
Expenses					
Building rent	\$ -	\$ -	\$ -	\$ 710,238	\$ 14,275
Cablevision	\$ 156	\$ -	\$ 13,084	\$ -	\$ -
Electricity	\$ 16,606	\$ 21,704	\$ 34,333	\$ -	\$ -
Heating Fuel	\$ 5,677	\$ 18,768	\$ 3,363	\$ -	\$ -
Water & Sewer	\$ 14,302	\$ 4,567	\$ 20,256	\$ -	\$ -
Meals	\$ 225,692	\$ 196,448	\$ 298	\$ -	\$ -
Misc hospitality (ESP only)	\$ 12,813	\$ 17,635	\$ 205	\$ -	\$ 1,602
Insurance premiums	\$ 19,727	\$ 9,323	\$ 9,264	\$ -	\$ -
Waste removal	\$ 16,695	\$ 10,810	\$ 3,700	\$ -	\$ -
Administration charge	\$ 200,556	\$ 88,312	\$ 32,107	\$ 69,234	\$ 6,494
Internet	\$ 2,292	\$ 2,628	\$ 1,708	\$ -	\$ -
Telephone	\$ 4,162	\$ 6,436	\$ 3,113	\$ 726	\$ 1,394
General Administration	\$ 5,430	\$ 4,956	\$ 988	\$ -	\$ 120
Legal	\$ 1,183	\$ -	\$ -	\$ -	\$ -
Furniture & equipment	\$ -	\$ -	\$ -	\$ -	\$ -
Laundry	\$ 8,388	\$ 2,083	\$ 2,090	\$ -	\$ -
Amortization					
Audit	\$ 2,905	\$ 2,905	\$ 2,905	\$ -	\$ 792
Exterior building maintenance	\$ 336	\$ 2,379	\$ 78	\$ -	\$ -
General Maintenance	\$ 84,312	\$ 42,156	\$ 16,862	\$ -	\$ -
Grounds maintenance	\$ 1,407	\$ 2,503	\$ 2,646	\$ -	\$ -
Interior building maintenance	\$ 18,133	\$ 23,761	\$ 6,588	\$ -	\$ -
Pest control	\$ 1,482	\$ 1,695	\$ 1,244	\$ -	\$ -
Property Taxes					
Service contracts	\$ 30,811	\$ 21,697	\$ 7,140	\$ -	\$ 1,203
Security Patrols	\$ 246,979	\$ 51	\$ -	\$ -	\$ -
Janitorial / Cleaning supplies	\$ 29,643	\$ 32,277	\$ 65	\$ -	\$ -
Support labour & benefits	\$ 2,142,502	\$ 1,299,199	\$ 225,146	\$ -	\$ 97,434
Education-Operating	\$ 2,179	\$ 1,230	\$ 648	\$ -	\$ 541
Travel - Operating (ESP & TH only)	\$ 7,735	\$ 18,742	\$ 3,532	\$ -	\$ 376
Motel Rooms	\$ -	\$ -	\$ -	\$ -	\$ -
Start Up Costs					
Interest Expense					
Replacement Reserve Provision	\$ -	\$ -	\$ 28,080	\$ -	\$ -
	\$ 3,102,101	\$ 1,832,264	\$ 419,445	\$ 780,198	\$ 124,231
Excess (deficiency) of revenues over expenses	\$ 520	\$ 11,608	\$ 17,155	\$ 35,963	\$ 73
Accumulated Fund Balance, opening	\$ 11,842	\$ 38,008	\$ 100,512	\$ -	\$ 14,134
Accumulated Fund Balance, ending	\$ 12,362	\$ 49,616	\$ 117,667	\$ 35,963	\$ 14,207

Turning Points Collaborative Society
Schedule 1 - BC Housing Funded Programs
Statement of Operations and Accumulated Fund Balance
For the year ended March 31, 2026

For the year ended March 31	Houses	HPP	The Lions	My Place	Our Place
Revenues					
Subsidy	\$ 90,644	\$ 213,219	\$ 80,629	\$ 1,397,816	\$ 1,200,963
Other Revenue	\$ -	\$ 620	\$ 600	\$ 820	\$ -
Start Up Costs					
Tenant Rent Contribution	\$ 292,275	\$ -	\$ 279,881	\$ 297,790	\$ -
	<u>\$ 382,919</u>	<u>\$ 213,839</u>	<u>\$ 361,110</u>	<u>\$ 1,696,426</u>	<u>\$ 1,200,963</u>
Expenses					
Building rent	\$ -	\$ 75,331	\$ -	\$ -	\$ -
Cablevision	\$ 25,669	\$ -	\$ 63	\$ 17,068	\$ 549
Electricity	\$ 6,409	\$ -	\$ 15,642	\$ 41,658	\$ 19,139
Heating Fuel	\$ 17,815	\$ -	\$ 6,362	\$ 10,817	\$ 1,746
Water & Sewer	\$ 26,304	\$ -	\$ 18,482	\$ 46,015	\$ 14,206
Meals	\$ 171	\$ -	\$ 162	\$ 203,382	\$ 95,654
Misc hospitality (ESP only)	\$ -	\$ 981	\$ 626	\$ 8,996	\$ 2,276
Insurance premiums	\$ 18,991	\$ -	\$ 9,098	\$ 12,280	\$ 3,576
Waste removal	\$ 439	\$ -	\$ 6,857	\$ 17,743	\$ 8,898
Administration charge	\$ 10,646	\$ 2,193	\$ -	\$ 88,688	\$ 76,276
Internet	\$ 7,002	\$ -	\$ 3,482	\$ 2,748	\$ 2,004
Telephone	\$ 326	\$ 785	\$ 1,750	\$ 4,454	\$ 2,860
General Administration	\$ 791	\$ 149	\$ 9,978	\$ 4,163	\$ 2,025
Legal	\$ -	\$ -	\$ 117	\$ -	\$ -
Furniture & equipment	\$ -	\$ -	\$ 317	\$ 1,067	\$ -
Laundry	\$ -	\$ -	\$ -	\$ 552	\$ 277
Amortization	\$ 33,168				
Audit	\$ 768	\$ 792	\$ 2,796	\$ 2,905	\$ 2,905
Exterior building maintenance	\$ 1,457	\$ -	\$ 1,486	\$ 239	\$ 789
General Maintenance	\$ 30,183	\$ -	\$ 47,991	\$ 84,312	\$ 84,312
Grounds maintenance	\$ 3,047	\$ -	\$ 1,449	\$ 2,036	\$ 1,459
Interior building maintenance	\$ 12,562	\$ -	\$ 14,394	\$ 17,060	\$ 7,488
Pest control	\$ 2,705	\$ -	\$ 1,420	\$ 1,764	\$ 1,850
Property Taxes			\$ 6,455		
Service contracts	\$ 1,557	\$ 1,203	\$ 15,706	\$ 24,294	\$ 12,637
Security Patrols	\$ -	\$ -	\$ 88	\$ -	\$ -
Janitorial / Cleaning supplies	\$ 1,532	\$ -	\$ 850	\$ 13,944	\$ 13,381
Support labour & benefits	\$ 46,823	\$ 95,412	\$ 56,951	\$ 1,138,078	\$ 880,315
Education-Operating	\$ -	\$ 528	\$ 89	\$ 1,611	\$ 1,770
Travel - Operating (ESP & TH only)	\$ 203	\$ 318	\$ 2,197	\$ 5,310	\$ 5,733
Motel Rooms	\$ -	\$ -	\$ -	\$ -	\$ -
Start Up Costs					
Interest Expense	\$ 59,534				
Replacement Reserve Provision	\$ 43,800	\$ -	\$ 28,800	\$ -	\$ -
	<u>\$ 351,903</u>	<u>\$ 177,691</u>	<u>\$ 253,607</u>	<u>\$ 1,751,185</u>	<u>\$ 1,242,124</u>
Excess (deficiency) of revenues over expenses	\$ 31,015	\$ 36,148	\$ 107,503	-\$ 54,760	-\$ 41,161
Accumulated Fund Balance, opening	\$ 21,155	\$ -	\$ -	\$ -	\$ 66,210
Accumulated Fund Balance, ending	\$ 52,170	\$ 36,148	\$ 107,503	-\$ 54,760	\$ 25,049

Turning Points Collaborative Society
Schedule 1 - BC Housing Funded Programs
Statement of Operations and Accumulated Fund Balance
For the year ended March 31, 2026

For the year ended March 31	Polson Park	Richter	SRSP	SS - Kelowna	SS - Vernon
Revenues					
Subsidy	\$ 1,055,808	\$ 2,097,331	\$ 668,127	\$ 875,944	\$ 359,149
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ 3,000
Start Up Costs					
Tenant Rent Contribution	\$ 95,240	\$ -	\$ -	\$ -	\$ -
	<u>\$ 1,151,047</u>	<u>\$ 2,097,331</u>	<u>\$ 668,127</u>	<u>\$ 875,944</u>	<u>\$ 362,149</u>
Expenses					
Building rent	\$ -	\$ -	\$ 800	\$ -	\$ 1,500
Cablevision	\$ 5,510	\$ 21	\$ -	\$ -	\$ -
Electricity	\$ 10,715	\$ 2,343	\$ -	\$ -	\$ -
Heating Fuel	\$ 5,426	\$ -	\$ -	\$ -	\$ -
Water & Sewer	\$ 13,346	\$ -	\$ -	\$ -	\$ -
Meals	\$ 74,203	\$ 260,941	\$ 368	\$ 200	\$ 80
Misc hospitality (ESP only)	\$ 1,238	\$ 9,251	\$ 180,849	\$ 67,635	\$ 1,152
Insurance premiums	\$ 8,719	\$ 9,035	\$ -	\$ -	\$ -
Waste removal	\$ 15,412	\$ 13,834	\$ -	\$ -	\$ -
Administration charge	\$ 33,210	\$ 100,730	\$ 8,100	\$ 70,959	\$ 35,414
Internet	\$ 3,732	\$ -	\$ -	\$ 874	\$ -
Telephone	\$ 10,118	\$ 4,296	\$ 4,491	\$ 1,639	\$ 1,710
General Administration	\$ 6,923	\$ 249,317	\$ 2,451	\$ 1,444	\$ 333
Legal	\$ -	\$ 2,558	\$ -	\$ -	\$ -
Furniture & equipment	\$ -	\$ -	\$ -	\$ -	\$ -
Laundry	\$ 659	\$ 5,413	\$ 120	\$ -	\$ -
Amortization			\$ 675		
Audit	\$ 2,905	\$ 2,905	\$ -	\$ 302	\$ 302
Exterior building maintenance	\$ 130	\$ 588	\$ -	\$ -	\$ -
General Maintenance	\$ 77,286	\$ 33,725	\$ -	\$ -	\$ -
Grounds maintenance	\$ 42	\$ 491	\$ -	\$ -	\$ -
Interior building maintenance	\$ 4,820	\$ 11,070	\$ -	\$ 307	\$ 106
Pest control	\$ 2,700	\$ 4,462	\$ -	\$ -	\$ -
Property Taxes					
Service contracts	\$ 13,109	\$ 20,569	\$ 4,488	\$ 2,308	\$ 1,203
Security Patrols	\$ -	\$ 4,000	\$ -	\$ -	\$ -
Janitorial / Cleaning supplies	\$ 2,662	\$ 29,239	\$ -	\$ -	\$ 1,000
Support labour & benefits	\$ 739,904	\$ 1,287,394	\$ 333,245	\$ 110,301	\$ 66,166
Education-Operating	\$ 1,030	\$ 1,430	\$ 137	\$ 100	\$ 250
Travel - Operating (ESP & TH only)	\$ 11,234	\$ 2,673	\$ 9,579	\$ 7,118	\$ 4,744
Motel Rooms	\$ -	\$ -	\$ -	\$ 542,562	\$ 252,741
Start Up Costs					
Interest Expense					
Replacement Reserve Provision	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ 1,045,034</u>	<u>\$ 2,056,285</u>	<u>\$ 545,303</u>	<u>\$ 805,749</u>	<u>\$ 364,184</u>
Excess (deficiency) of revenues over expenses	\$ 106,013	\$ 41,046	\$ 122,824	\$ 70,195	\$ 2,035
Accumulated Fund Balance, opening	\$ -	\$ -		\$ 263,876	\$ 93,069
Accumulated Fund Balance, ending	\$ 106,013	\$ 41,046	\$ 122,824	\$ 334,071	\$ 91,034

Turning Points Collaborative Society
Schedule 1 - BC Housing Funded Programs
Statement of Operations and Accumulated Fund Balance
For the year ended March 31, 2026

For the year ended March 31	The Crossings	Trailside	Village	Willows
Revenues				
Subsidy	\$ 1,410,358	\$ 2,392,671	\$ 69,718	\$ 250,449
Other Revenue	\$ 310	\$ 4,631	\$ 720	\$ -
Start Up Costs				\$ 106,359
Tenant Rent Contribution	\$ 305,337	\$ 288,109	\$ 353,940	\$ 31,702
	<u>\$ 1,716,004</u>	<u>\$ 2,685,412</u>	<u>\$ 424,378</u>	<u>\$ 388,509</u>
Expenses				
Building rent	\$ 100	\$ 500	\$ -	\$ -
Cablevision	\$ 14,627	\$ -	\$ 9	\$ 54
Electricity	\$ 56,602	\$ 19,278	\$ 6,121	\$ 10,882
Heating Fuel	\$ 7,968	\$ 23,065	\$ 750	\$ 359
Water & Sewer	\$ 46,015	\$ 8,633	\$ 16,763	\$ 968
Meals	\$ 200,514	\$ 289,869	\$ 37	\$ 37,607
Misc hospitality (ESP only)	\$ 11,119	\$ 11,497	\$ 639	\$ 4,575
Insurance premiums	\$ 12,277	\$ 13,667	\$ 21,919	\$ -
Waste removal	\$ 18,133	\$ 16,301	\$ 13,814	\$ 702
Administration charge	\$ 88,688	\$ 187,872	\$ 32,640	\$ -
Internet	\$ 1,916	\$ 2,234	\$ 1,314	\$ 469
Telephone	\$ 2,440	\$ 4,394	\$ 361	\$ 425
General Administration	\$ 5,816	\$ 5,747	\$ 4,481	\$ 2,767
Legal	\$ 100	\$ -	\$ 1,425	\$ -
Furniture & equipment	\$ 1,103	\$ -	\$ 881	\$ -
Laundry	\$ 1,637	\$ 1,253	\$ -	\$ 127
Amortization		\$ 8,670		
Audit	\$ 2,905	\$ 2,665	\$ 4,660	\$ -
Exterior building maintenance	\$ 80	\$ 207	\$ 873	\$ -
General Maintenance	\$ 84,312	\$ 81,852	\$ 42,166	\$ 14,842
Grounds maintenance	\$ 275	\$ 3,091	\$ 12,377	\$ 410
Interior building maintenance	\$ 24,661	\$ 27,000	\$ 53,188	\$ 599
Pest control	\$ 1,083	\$ 1,906	\$ 382	\$ 487
Property Taxes			\$ 24,019	
Service contracts	\$ 31,076	\$ 31,830	\$ 4,170	\$ 4,580
Security Patrols	\$ -	\$ -	\$ -	\$ -
Janitorial / Cleaning supplies	\$ 17,190	\$ 26,377	\$ 104	\$ 4,422
Support labour & benefits	\$ 1,115,699	\$ 1,867,411	\$ 59,545	\$ 219,332
Education-Operating	\$ 1,400	\$ 3,447	\$ 358	\$ 260
Travel - Operating (ESP & TH only)	\$ 6,272	\$ 7,468	\$ 3,367	\$ 846
Motel Rooms	\$ -	\$ -	\$ -	\$ -
Start Up Costs				\$ 83,796
Interest Expense				
Replacement Reserve Provision	\$ -	\$ -	\$ 117,526	\$ -
	<u>\$ 1,754,007</u>	<u>\$ 2,646,234</u>	<u>\$ 423,888</u>	<u>\$ 388,509</u>
Excess (deficiency) of revenues over expenses	-\$ 38,003	\$ 39,178	\$ 490	\$ -
Accumulated Fund Balance, opening		\$ 93,790	\$ -	
Accumulated Fund Balance, ending	-\$ 38,003	\$ 132,968	\$ 490	\$ -