The Children's Cottage Society of Calgary, An Alberta Society

Financial Statements

March 31, 2026

Independent Auditor's Report

To: The Members of **The Children's Cottage Society of Calgary, an Alberta Society**

Qualified Opinion

We have audited the financial statements of The Children's Cottage Society of Calgary, an Alberta 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 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 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 years ended March 31, 2026 and 2025, current assets as at March 31, 2026 and 2025, and net assets as at April 1 and March 31 for both the 2026 and 2025 years. 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 in 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 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 qualified opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect 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 judgement 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.

Kenway Mack Slusarchuk Stewart LLP

June 16, 2026
Calgary, Alberta

Chartered Professional Accountants

The Children's Cottage Society of Calgary,

An Alberta Society

Statement of Financial Position

As at March 31,			2026	2025
	Operating fund	Child & Family Centre fund	Total	Total
Assets				
Current assets				
Cash and cash equivalents (note 4)	$ 201,045	$ 241,198	$ 442,243	$ 1,948,552
Marketable investments (note 5)	1,323,151	-	1,323,151	972,704
Accounts receivable	9,903	-	9,903	17,381
GST receivable	13,671	50	13,721	19,268
Contribution receivable	40,000	-	40,000	35,000
Prepaid expenses and deposits	208,468	72,100	280,568	278,730
	1,796,238	313,348	2,109,586	3,271,635
Restricted cash and cash equivalents (note 4)	1,000,000	-	1,000,000	1,000,000
Restricted marketable investments (note 5)	1,064,756	50,000	1,114,756	1,199,034
Accrued rent receivable	-	198,830	198,830	-
Capital assets (note 6)	-	23,804,175	23,804,175	24,347,111
	$ 3,860,994	$ 24,366,353	$ 28,227,347	$ 29,817,780
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	$ 411,010	$ 9,354	$ 420,364	$ 1,030,595
Loan payable (note 7)	-	-	-	5,911,089
	411,010	9,354	420,364	6,941,684
Deferred contributions (note 8)	1,064,756	-	1,064,756	1,199,034
	1,475,766	9,354	1,485,120	8,140,718
Net Assets				
Unrestricted	1,385,228	-	1,385,228	1,119,550
Externally restricted	-	502,824	502,824	1,121,490
Internally restricted (note 9)	1,000,000	50,000	1,050,000	1,000,000
Invested in capital assets	-	23,804,175	23,804,175	18,436,022
	2,385,228	24,356,999	26,742,227	21,677,062
	$ 3,860,994	$ 24,366,353	$ 28,227,347	$ 29,817,780

Approved on behalf of the Board

Ming Ji ______________________ Director

HBaker ______________________ Director

See accompanying notes to the financial statements

The Children's Cottage Society of Calgary,

An Alberta Society

Statement of Operations

For the year ended March 31,	Operating fund	Child & Family Centre fund	2026 Total	2025 Total
Revenue				
Grants				
Alberta Government	$ 2,946,208	$ 288,999	$ 3,235,207	$ 3,999,660
Calgary Homeless Foundation	590,640	-	590,640	750,140
The City of Calgary - Family and Community Support Services	1,095,038	-	1,095,038	578,732
The Brenda Strafford Foundation Ltd. (note 11)	-	-	-	180,000
United Way of Calgary and Area	64,000	-	64,000	72,122
Other grants	304,756	-	304,756	-
	5,000,642	288,999	5,289,641	5,580,654
Donations and other revenue				
Donations and other contributions	2,783,044	5,029,705	7,812,749	4,484,580
Rental revenue	16,929	220,930	237,859	-
Casino	227,936	-	227,936	-
	3,027,909	5,250,635	8,278,544	4,484,580
Total revenue	8,028,551	5,539,634	13,568,185	10,065,234
Expenses				
Program delivery costs				
Salaries and benefits - program staffing	4,549,969	-	4,549,969	5,169,686
Direct program costs	840,469	-	840,469	732,709
Salaries and benefits - administration	236,180	-	236,180	361,991
Facility expenses	199,518	-	199,518	283,504
Administration expenses	50,995	-	50,995	44,034
	5,877,131	-	5,877,131	6,591,924
Administration				
Salaries and benefits - administration	650,164	-	650,164	522,109
Administration expenses	402,485	-	402,485	386,433
Facility expenses	282,610	9,354	291,964	186,671
	1,335,259	9,354	1,344,613	1,095,213
Fund development				
Salaries and benefits - fund development	470,275	-	470,275	287,826
Direct fundraising costs	277,675	-	277,675	206,252
	747,950	-	747,950	494,078
Child and Family Centre capital campaign				
Interest on long term debt	-	64,500	64,500	407,090
Salaries and benefits - capital campaign	-	24,775	24,775	141,132
Administration expenses	-	4,494	4,494	14,761
	-	93,769	93,769	562,983
Total expenses	7,960,340	103,123	8,063,463	8,744,198
Excess of revenues over expenses before other items	68,211	5,436,511	5,504,722	1,321,036
Amortization	-	(692,620)	(692,620)	(356,656)
Investment income	247,467	5,596	253,063	233,863
Excess of revenue over expenses	$ 315,678	$ 4,749,487	$ 5,065,165	$ 1,198,243

See accompanying notes to the financial statements

The Children's Cottage Society of Calgary,
An Alberta Society
Statement of Changes in Net Assets

For the year ended March 31,

					2026
	Unrestricted	Externally restricted	Internally restricted	Invested in capital assets	Total
Balance, beginning of year	$ 1,119,550	$ 1,121,490	$ 1,000,000	$ 18,436,022	$ 21,677,062
Excess of revenues over expenses	315,678	4,749,487	-	-	5,065,165
Amortization of capital assets	-	692,620	-	(692,620)	-
Purchase of capital assets	-	(149,684)	-	149,684	-
Transfer to internally restricted	(50,000)	-	50,000	-	-
Repayment of loan payable	-	(5,911,089)	-	5,911,089	-
Balance, end of year	$ 1,385,228	$ 502,824	$ 1,050,000	$ 23,804,175	$ 26,742,227

					2025
	Unrestricted	Externally restricted	Internally restricted	Invested in capital assets	Total
Balance, beginning of year	$ 748,739	$ 2,341,878	$ 1,000,000	$ 16,388,202	$ 20,478,819
Excess of revenues over expenses	108,191	1,090,052	-	-	1,198,243
Amortization of capital assets	12,620	344,036	-	(356,656)	-
Purchase of capital assets	-	(483,087)	-	483,087	-
Proceeds from restricted term deposit	250,000	(250,000)	-	-	-
Repayment of loan payable	-	(1,921,389)	-	1,921,389	-
Balance, end of year	$ 1,119,550	$ 1,121,490	$ 1,000,000	$ 18,436,022	$ 21,677,062

The Children's Cottage Society of Calgary,

An Alberta Society

Statement of Cash Flows

For the year ended March 31,	2026	2025
Operating activities		
Excess of revenue over expenses	$ 5,065,165	$ 1,198,243
Items not affecting cash:		
Reinvested dividend income	(116,442)	(37,153)
Deferred contributions recognized in revenue (note 8)	(2,012,233)	(680,151)
Unrealized gains on marketable investments	(99,727)	(116,465)
Amortization	692,620	356,656
Accrued rent receivable	(198,830)	-
	3,330,553	721,130
Contributions received (note 8)	1,877,955	662,397
Changes in non-cash working capital items:		
Accounts receivable	7,478	(1,270)
GST receivable	5,547	84,801
Contribution receivable	(5,000)	990,000
Prepaid expenses and deposits	(1,838)	266,387
Accounts payable and accrued liabilities	(610,231)	173,392
	4,604,464	2,896,837
Investing activities		
Purchase of capital assets	(149,684)	(483,087)
Proceeds from restricted term deposit	-	250,000
Purchase of marketable investments	(50,000)	-
	(199,684)	(233,087)
Financing activities		
Repayments of loan payable	(5,911,089)	(1,921,389)
(Decrease) increase in cash and cash equivalents	(1,506,309)	742,361
Cash and cash equivalents, beginning of year	2,948,552	2,206,191
Cash and cash equivalents, end of year	$ 1,442,243	$ 2,948,552
Cash and cash equivalents consists of:		
Cash - unrestricted	$ 201,045	$ 797,102
Cash - restricted	1,241,198	1,528,288
Guaranteed investment certificates - restricted (note 4)	-	623,162
	$ 1,442,243	$ 2,948,552

See accompanying notes to the financial statements

1. Nature of operations

The Children's Cottage Society of Calgary, an Alberta Society (the "Society") was incorporated on October 11,1989 under the Societies Act of the Province of Alberta as a charitable organization. As a registered charitable organization, the Society is exempt from corporate income taxes provided certain disbursement requirements are maintained.

The Society aims to prevent harm and neglect to all children and to build strong families through support services, respite programs and a crisis nursery in and around Calgary. The services offered by the Society are based in the Child & Family Centre and include the Crisis Nursery, the Nurturing Newborns program, the Early Years program, the Calgary West Family Resource Network and Calgary West, Okotoks and Cochrane Home Visitation Programs, the HomeLinks program, the Little Blossoms School Readiness program and the Family Mental Wellness Hub/Heartstrings Program.

Crisis Nursery

Isolated families who require support in caring for their children during times of stress may come to the Society's Crisis Nursery for help. The Crisis Nursery provides 24 hour / 365 day urgent respite care for children, newborn to nine years of age for stays of up to 72 hours at a time. Children are provided with shelter, food, toys, clothing and all aspects of care in a safe and nurturing environment, while parents receive non-judgmental support and referrals to other services and resources as needed.

The Crisis Nursery also provides temporary care for children, age 9 years and younger, who have been apprehended by Alberta Government Children's Services. Temporary admission to the Crisis Nursery occurs when foster or kinship home placements are not available. The length of stay is short term but flexible and based on when suitable foster or kinship placement arrangements can be made.

Nurturing Newborns Program

The Nurturing Newborns Program provides respite care in the family home on a weekly basis and connections to community resources for vulnerable and isolated parents of children, newborn to six months old, who have no other means of assistance.

Little Blossoms Program

The Little Blossoms School Readiness Program offers enhanced developmental and learning support for up to 6 months in preschool sessions, 4 days per week, for children who need assistance to achieve their developmental milestones and adjust to a group learning setting before they begin school. Speech and Occupational Therapists are attached to the program and provide specialized support as needed.

1. Nature of operations (continued)

Early Years Program

The Early Years Family Support Program provides intensive and specialized home visitation support for complex families, including parenting education, child development information, child care skill development, risk reduction, and connecting parents to needed community resources. Families are referred to this program by the Alberta Vulnerable Infant Response Team (AVIRT), where there are infants at high risk of apprehension.

Calgary West Family Resource Network

The Society operates the Calgary West Family Resource Network (FRN) Hub at the Children's Cottage Family Resource Centre. The Hub and five partner (spoke) services attached to the Hub provide services communities in the west quadrant of Calgary. The Cottage also provides one of the spoke services, a Home Visitation programs connected to Calgary West, Okotoks, and Cochrane FRN's. Each FRN consists of a collaboration of organizations that offer prevention and early intervention services and support to families with children from birth to age 17 and expectant parents.

Calgary West, Okotoks, and Cochrane Home Visitation Programs

The Home Visitation programs offer home-based parenting education, child development screening and support, family resilience skill-building, basic needs assistance, and referrals to other community services and resources as needed. Home Visitors work with families who have children under the age of six, located in Calgary West as well as in the rural communities surrounding Cochrane and Okotoks, as part of their regional FRN's.

HomeLinks Program

The HomeLinks Program provides support to families who are in shelter or struggling with housing insecurity to help them find or maintain their own housing and remain housed. Families receive assistance in securing affordable market housing, and in obtaining furnishings and assistance to set up their housing. After being rehoused, or averted from eviction, families are supported to address issues that have contributed to their housing insecurity, are provided access to subsidies and basic needs support, and are referred to community services and resources to help them achieve goals and make changes that will prevent their return to homelessness and maintain their housing stability.

Family Mental Wellness Hub / Heartstrings Program

In May 2025, the Society opened the Family Mental Wellness Hub in connection with their Heartstrings program which provides crisis support to families who are experiencing urgent mental health related issues. Families are able to access 24/7 assistance and rapid support from Family Wellness Connectors who provide system navigation and referral to available mental health supports that exist in the community, and admission to the Crisis Nursery as needed. The Hub provides timely mental health assessments and interim clinical mental health services that bridge the wait times to access longer-term mental health community supports.

2. Basis of presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles, specifically Canadian accounting standards for not-for-profit organizations (“ASNFPO”).

3. Significant accounting policies

a) Fund accounting

The Society accounts for its activities using the following funds:

Operating fund
This operating fund reports assets, liabilities, revenues and expenses related to the Society’s program delivery and operations.

Child & Family Centre fund
This restricted fund reports the assets, liabilities, revenues and expenses related to the Child & Family Centre development.

b) Allocation of expenses

The Society incurs a number of general support expenses that are common to the administration of the organization and each of its programs. Expenditures are recorded on an accrual basis and are charged to the Crisis Nursery, the Nurturing Newborns (formerly In Home Infant Respite) and Volunteer Day Care Respite Programs, the Early Years, Family Support Program, the Calgary West Family Resource Network and Calgary West, Okotoks and Cochrane Home Visitation Programs, Brenda’s House, the Home Links program and Family Mental Wellness Hub Program according to the activity that they benefit.

The Society allocates its general support expenses by identifying the appropriate basis of allocation for each component expense and applying that basis consistently each year. General support expenses include administrative salaries, information technology, insurance, office supplies, repairs and maintenance and utilities which have been allocated proportionately based on the number of full-time staff in each program. This basis of allocation is reviewed periodically and may be revised according to circumstances prevailing from time to time.

c) Measurement of financial instruments

The Society initially measures its financial assets and liabilities at fair value, except for certain non-arm’s length transactions.

The Society subsequently measures all its financial assets and financial liabilities at amortized cost, except for marketable investments and restricted marketable investments, which are measured at fair value. Changes in fair value are recognized in the statements of operations.

3. Significant accounting policies (continued)

c) Measurement of financial instruments (continued)

Financial assets measured at amortized cost include cash and cash equivalents, accounts receivable, contributions receivable and restricted cash and cash equivalents. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and loan payable.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statements of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is 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 the statement of operations.

d) Cash and cash equivalents

The Society considered all investments with maturities of three months or less and cashable guaranteed investments certificates that are utilized periodically for day-to-day operations to be cash equivalents.

e) Capital assets

Capital assets are recorded at cost. Cost includes acquisition costs, other direct costs, property taxes and legal costs. The Society provides for amortization using the estimated useful life as follows:

Assets	Method	Rate
Building	straight-line	50 years
Building improvements	straight-line	10 years
Furniture and fixtures	straight-line	5 years

One-half of a full year's amortization is recorded in the year of acquisition. No amortization is recorded in the year of disposal.

The Society records a write-down when the property no longer contributes to the Society's ability to provide goods and services or when the value of future economic benefits or service potential associated with it is less than its net carrying amount. The excess net carrying amount over its fair value or replacement cost is recognized as an expense in the statement of operations. Previous write-downs are not reversed.

3. Significant accounting policies (continued)

f) Revenue recognition

The Society follows the restricted fund method of accounting for contributions.

Restricted contributions received related to general operations or for which no restricted fund exists are recognized in the Operating fund in the year in which related expenses are incurred. Restricted contributions received related to the Child & Family Centre are recognized as revenue in the Child & Family Centre fund when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Unrestricted contributions are recognized in the Operating fund as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions received for capital assets in the Operating fund are initially deferred and recognized as revenue over the useful life of the asset. Restricted contributions received for assets in the Operating fund that will not be amortized are recognized directly to net assets.

Rental revenue from operating leases is recognized on a straight-line basis over the term of the lease in the Child & Family Centre fund. Recoveries and other income are recognized when the services have been performed, the amounts can be estimated and there is reasonable assurance of collection.

Investment income is recognized in the month it accrues in the appropriate fund.

Endowment contributions are recognized as direct increases in net assets.

g) Contributed materials and services

The Society records the value of donated materials and services when the fair value can be reasonably estimated and when the material and services are used in the normal course of the Society's operations and would otherwise have been purchased.

4. Cash and cash equivalents

Included in cash and cash equivalents in the prior year are guaranteed investment certificates totaling $623,162 that are redeemable on demand at the discretion of the Society with an interest rate of 3.50% to 3.70%.

			2026	2025
	Unrestricted	Restricted	Total	Total
Operating Fund				
Cash	$ 201,045	$ 1,000,000	$ 1,201,045	$ 1,173,940
Guaranteed investment certificates	-	-	-	623,162
	201,045	1,000,000	1,201,045	1,797,102
Child & Family Centre Fund				
Cash	-	241,198	241,198	1,151,450
	-	241,198	241,198	1,115,450
Grand total	$ 201,045	$ 1,241,198	$ 1,442,243	$ 2,948,552

5. Marketable investments

The Society has an investment portfolio, managed in accordance with the Society's investment policy, with a fair market value of $2,437,907 at March 31, 2026 (2025 - $2,171,738).

	2026	2025
Restricted	$ 1,114,756	$ 1,199,034
Unrestricted	1,323,151	972,704
	$ 2,437,907	$ 2,171,738

58% (2025 - 68%) of the investment portfolio is invested in equities which are listed on an actively traded market.

6. Capital assets

2026	Cost	Accumulated Amortization	Net Book Value
Operating Fund			
Building	$ 78,677	$ 78,677	$ -
	78,677	78,677	-
Child & Family Centre Fund			
Building	20,773,952	621,750	20,152,202
Building improvements	76,262	3,813	72,449
Land held for Child & Family Centre	2,620,305	-	2,620,305
Furniture and fixtures	1,370,312	411,093	959,219
	24,840,831	1,036,656	23,804,175
Grand total	$ 24,919,508	$ 1,115,333	$ 23,804,175

2025	Cost	Accumulated Amortization	Net Book Value
Operating Fund			
Building	$ 78,677	$ 78,677	$ -
	78,677	78,677	-
Child & Family Centre Fund			
Building	20,700,530	207,005	20,493,525
Land held for Child & Family Centre	2,620,305	-	2,620,305
Furniture and fixtures	1,370,312	137,031	1,233,281
	24,691,147	344,036	24,347,111
Grand total	$ 24,769,824	$ 422,713	$ 24,347,111

7. Loan payable

		2026		2025
Royal Bank				
Non-revolving term facility with monthly payments of $38,382, including interest at 5.92%, that matured May 2025.	$	-	$	5,911,089
	$	-	$	5,911,089

As security for the loan, a general security agreement covering all assets of the Society has been pledged as security for the loan with the Royal Bank, a collateral mortgage in the amount of $10,000,000 constituting a first fixed charge on the lands and improvements of the CFC building, and assignment of rents constituting a first ranking assignment of all rents received on the buildings.

During the year, the Society received a donation of $5,000,000 and repaid the loan in its entirety.

8. Deferred contributions

Deferred contributions represent unspent donations, grants and fundraising that have been designated by the donor for future program delivery.

		2026		2025
Beginning balance	$	1,199,034	$	1,216,788
Contributions received in the year		1,877,955		662,397
Contributions recognized as revenue in the year		(2,012,233)		(680,151)
Ending balance	$	1,064,756	$	1,199,034

9. Internally restricted funds

The Board of Directors have designated $1,000,000 (2025 - $1,000,000) for an Operating Reserve Fund and $50,000 (2025 - $nil) for a Capital Reserve Replacement Fund. During the year, the Board of Directors approved the transfer of $50,000 (2025 - $nil) of unrestricted funds to internally restricted funds. The total internally restricted net asset balance as at March 31, 2026 is $1,050,000 (2025 - $1,000,000).

10. Endowment funds held by The Calgary Foundation

The Calgary Foundation has received cumulative contributions, planned gifts and grants of $39,452 (2025 - $38,347) designated by the donors to be retained permanently by the Calgary Foundation for the benefit of the Society. The Society receives income from the Calgary Foundation annually, set at 5% of the market value of the fund. The Society received in the year $1,887 (2025 - $1,750) of revenues from this fund.

11. Brenda’s House

As of April 1, 2024, the Society ceased to report to the Brenda Strafford Foundation Ltd. (the “Foundation”), as a fiscal agent, and assumed direct contracting with the funder, Alberta Government Community and Social Services Ministry, Housing and Homelessness Branch, for the delivery of the Brenda’s House program in the 2025 fiscal year. These funds support the operating expenses of Brenda’s House. The amount received from the Alberta Government was $nil (2025 - $1,283,572) and from the Brenda Strafford Foundation Ltd. of $nil (2025 - $180,000).

Under an agreement with the Foundation, who owns the facility, the Society leased the facility at low cost to support homeless families in fiscal 2025.

In June of 2024, the Foundation provided notice to the Society that they needed to reclaim the facility for their own organizational needs and would not be renewing the lease at the end of the fiscal year. The Foundation worked together with the Society, the funder, and a family homelessness agency in the community on a collaborative strategy to transfer the family shelter program and funding to another organization. The Society successfully transferred the program, closed Brenda’s House, and returned the facility to the Foundation on March 31, 2025.

12. Financial Instruments

The Society’s use of financial instruments and its exposure to risks associated with such instruments arises out of its normal course of operations and investing activities. Operations are located in Calgary.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The fair value of a publicly traded financial instrument takes into account the credit rating of its issuer. The Society manages the risk on its cash and cash equivalents and marketable investments by engaging professional investment managers and holding its cash and investments with creditworthy Canadian financial institutions.

Market risk

The Society is exposed to the risk that the fair value of its investments in securities will fluctuate because of public market price changes. In the prior year, the Society was exposed to the risk that the fair value of its guaranteed investment certificates that bear interest at a fixed rates would fluctuate because of changes in the market rate of interest.

Liquidity risk

In the prior year, the Society was exposed to the risk that it will encounter difficulty in meeting obligations associated with financial liabilities. The risk was reduced when the loan was repaid in the year.

12. Financial Instruments (continued)

Financial assets

The carrying amounts of financial assets recognized in the financial statements consist of those:

	2026	2025
Measured at amortized cost	$ 1,492,146	$ 3,000,933
Measured at fair value	2,437,907	2,171,738
	$ 3,930,053	$ 5,172,671