FORT SASKATCHEWAN FAMILIES FIRST SOCIETY

Financial Statements

Year Ended March 31, 2026

INDEPENDENT AUDITOR'S REPORT

To the Members of Fort Saskatchewan Families First Society

Qualified Opinion

We have audited the financial statements of Fort Saskatchewan Families First Society (the "Society"), which comprise the statements of financial position as at March 31, 2026 and 2025, and the statements of operations, changes in net assets and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (the "financial statements").

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 2025, and the results of its operations and cash flows for the years 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 years ended March 31, 2026 and 2025, current assets and net assets as at March 31, 2026 and 2025. 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.

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

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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.

Givens LLP.

Fort Saskatchewan, Alberta
June 15, 2026

Givens LLP
Chartered Professional Accountants

FORT SASKATCHEWAN FAMILIES FIRST SOCIETY

Statement of Operations

Year Ended March 31, 2026

	2026	2025
REVENUES		
Grants	**$ 931,488**	$ 1,053,043
Donations	**99,540**	117,938
Fundraising	**1,629**	379
	1,032,657	1,171,360
EXPENSES		
Human resources *(Note 6)*	**901,468**	1,010,897
Program delivery	**99,785**	131,470
Administration	**86,612**	78,581
Amortization	**31,971**	42,078
Occupancy costs	**27,936**	29,377
Interest on long term debt	**15,349**	20,775
Development and fundraising	**734**	194
	1,163,855	1,313,372
DEFICIENCY OF REVENUES OVER EXPENSES FROM OPERATIONS	**(131,198)**	(142,012)
OTHER INCOME		
Interest income	**8,234**	8,124
Gain on disposal of capital assets	**-**	11,139
	8,234	19,263
DEFICIENCY OF REVENUES OVER EXPENSES	**$ (122,964)**	$ (122,749)

FORT SASKATCHEWAN FAMILIES FIRST SOCIETY
Statement of Financial Position
March 31, 2026

	2026	2025
ASSETS		
CURRENT		
Cash and cash equivalents *(Note 2)*	**$ 673,634**	$ 811,818
Accounts receivable	**5,473**	5,000
Prepaid expenses	**6,991**	8,558
	686,098	825,376
RESTRICTED CASH *(Note 2)*	**140,826**	143,703
DEPOSITS	**2,500**	2,000
CAPITAL ASSETS *(Note 3)*	**452,515**	484,485
	$ 1,281,939	$ 1,455,564
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued charges *(Note 4)*	**$ 109,368**	$ 112,194
Government remittances payable	**11,947**	15,439
Deferred revenue *(Note 5)*	**567,149**	593,945
Current portion of long term debt *(Note 7)*	**7,945**	12,351
	696,409	733,929
LONG TERM DEBT *(Note 7)*	**287,945**	291,769
DEFERRED CAPITAL CONTRIBUTIONS *(Note 8)*	**168,613**	177,930
	1,152,967	1,203,628
COMMITMENTS *(Note 9)*		
NET ASSETS		
Operating fund	**(62,285)**	43,378
Invested in capital assets	**128,837**	146,138
Internally restricted funds	**62,420**	62,420
	128,972	251,936
	$ 1,281,939	$ 1,455,564

ON BEHALF OF THE BOARD

_____________________________ *Director*

 The accompanying notes form an integral part of the financial statements

FORT SASKATCHEWAN FAMILIES FIRST SOCIETY

Statement of Changes in Net Assets

Year Ended March 31, 2026

	2025 Balance	Excess (deficiency) of revenues over expenses	Inter-fund transfers	**2026 Balance**
Operating fund	$ 43,378	$ (100,310)	$ (5,353)	**$ (62,285)**
Invested in capital assets	146,138	(22,654)	5,353	**128,837**
Internally restricted funds	62,420	-	-	**62,420**
	$ 251,936	$ (122,964)	$ -	**$ 128,972**

	2024 Balance	Excess (deficiency) of revenues over expenses	Inter-fund transfers	2025 Balance
Operating fund	$ 146,144	$ (99,880)	$ (2,886)	$ 43,378
Invested in capital assets	166,121	(22,869)	2,886	146,138
Internally restricted funds	62,420	-	-	62,420
	$ 374,685	$ (122,749)	$ -	$ 251,936

FORT SASKATCHEWAN FAMILIES FIRST SOCIETY

Statement of Cash Flows

Year Ended March 31, 2026

	2026	2025
OPERATING ACTIVITIES		
Cash receipts from grants, fundraising and donors	**$ 1,000,950**	$ 1,151,363
Cash paid to suppliers and employees	**(1,123,789)**	(1,261,320)
Interest received	**8,234**	8,124
Interest paid	**(15,349)**	(20,775)
Cash flow used by operating activities	**(129,954)**	(122,608)
INVESTING ACTIVITY		
Proceeds on disposal of capital assets	**-**	12,500
FINANCING ACTIVITY		
Repayment of long term debt	**(8,230)**	(5,142)
DECREASE IN CASH FLOW	**(138,184)**	(115,250)
Cash - beginning of year	**811,818**	927,068
CASH - END OF YEAR	**$ 673,634**	$ 811,818

PURPOSE OF THE SOCIETY

Fort Saskatchewan Families First Society (the "Society") is a not-for-profit organization of Alberta. As a registered charity the Society is exempt from the payment of income tax under Subsection 149(1) of the *Income Tax Ac*t.

In order to maintain its registered charity status, the Society must meet certain spending requirements ("minimum spending requirements") according to the *Income Tax Act* (Canada). The minimum spending requirement is a minimum amount that the registered charity must spend on charitable programs or as gifts to qualified donees. Failure to comply with this requirement could lead to a revocation of the Society's registered charity status. As at March 31, 2026 the Society is in compliance with this requirement.

The Society operates to serve families through early childhood development, parenting programs, and family support.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements of the Society were prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants of Canada Handbook. The financial statements have, in management's opinion been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period.

1. *Useful lives of assets for amortization:* The Society is required to estimate the useful lives of its capital assets in order to determine the amortization method and rates. Amortization reflects the cost of these assets over their useful lives. The useful life of an asset can change from year to year. The Board reviews these policies annually.
2. *Impairment of long lived assets:* The Society reviews the carrying value of each asset annually to determine if there is any indication of impairment using internal sources. If assets' carrying values are less than their cash-generating potential, the asset is reduced to its recoverable amount.

Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments

The Society initially measures its financial assets and liabilities at fair value when acquired or issued, except for certain non-arm's length transactions.

The Society subsequently measures all its financial assets and financial liabilities at amortized costs and are tested for impairment at each reporting date. Investments in equity instruments that are quoted in an active market are measured at fair value. Changes in fair value are recognized in excess of revenues over expenses.

Financial assets measured at amortized cost include cash, restricted cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable, accrued charges and long-term debt.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Transaction costs

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in excess of revenues over expenses in the period incurred. Transaction costs related to financial instruments subsequently measured at cost or amortized cost are included in the original cost of the financial asset or liability and recognized in excess of revenues over expenditures 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 is an indication of impairment, and the Society determines that a significant adverse change has occurred during the period in the expected timing or amount of the future cash flows, a write-down is recognized in net excess of revenues over expenses. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss shall be reversed to the extent of the improvement. The carrying amount of the financial asset may not be 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 excess of revenues over expenditures.

Cash and cash equivalents

The Society's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with a maturity of three months or less from the date of acquisition. Term deposits that the Society cannot use for current transactions because they are pledged against a security are also excluded from cash and cash equivalents.

Capital assets

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	4%	declining balance method
Equipment	20%	declining balance method
Furniture and fixtures	20%	declining balance method
Leasehold improvements	10 years	straight-line method
Solar panels	25 years	straight-line method

The Society regularly reviews its capital assets to eliminate obsolete items. Grants and donations are deferred over the useful life of the asset.

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

Full amortization is taken in the year of acquisition and none in the year of disposal.

All contributed capital assets are recorded at fair value.

Capital contributions

Restricted contributions for the purchase of capital assets subject to amortization will be deferred and recognized as revenue on the same basis as the amortization expense related to the acquired asset.

Restricted contributions for the purchase of capital assets not subject to amortization will be recognized as a direct increase in net assets invested in capital assets.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Government grants

Government grants are recorded when there is a reasonable assurance that the Society had complied with, and will continue to comply with, all the necessary conditions to obtain the grants.

Donation of services

The work of the Society is dependent on the voluntary service of many individuals. Voluntary services which are not normally purchased by the Society and whose value is not easily determined are not recognized in these financial statements. Donated services from third parties where the fair value of the transaction can be reasonably determined have been recognized in the financial statements at their exchange amount. No amounts were recognized during the period.

Donated goods

The Society receives donations of goods and supplies from many individuals and organizations. Contributed materials, whose value can be measured, are recorded at fair market value at the time of the donation. Contributed materials which are not normally purchased by the Society whose value is not easily arrived at are not recognized in these financial statements.

Leases

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair market value. Assets under capital leases are amortized on a straight-line basis, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

Allocated expenditures

The Society does not make allocations of fundraising and general support expenditures to other functions.

Expenditures which benefit more than one program of the Society are allocated among those programs based on time spent by the employees.

No monies were paid to employees whose principal duties involve fundraising. The Society does not employ individuals for the purpose of fundraising. The Society's operations depends on volunteers in the community.

Net assets

a) Net assets invested in capital assets represents the Society's net investment in capital assets which consists of the net book value of capital assets acquired, net of related debt and deferred capital contributions.
b) Internally restricted net assets are funds which have been designated for a specific purpose by the Society's Board of Directors. The amount is held as a guaranteed income certificate that is held by the Society for emergency funding. Interest is paid annually on the certificate which is allocated to the net asset balance.
c) Unrestricted net assets comprise the excess of revenue over expenses accumulated by the Society each year, not of transfers, and are available for general purposes.

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1. SUMMARY OF 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.

1. *Grants:*
   Unrestricted grants are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted grants are recorded as deferred income and recognized as revenue in the year the related expenses are incurred;
2. *Donations:*
   Unrestricted donations are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted donations are recorded as deferred income and recognized as revenue in the year the related expenses are incurred;
3. *Events and fundraising activities:*
   Revenue from events and fundraising activities are included in the unrestricted fund when the projects are substantially completed; and
4. *Interest income:*
   Interest income is unrestricted and recognized as revenue in the year it is earned.

2. RESTRICTED CASH BALANCE

The restricted cash balance includes $140,826 (2025 – $143,703) received from external funders who have stipulated that these amounts be maintained separately from the Society's operating funds. These externally restricted contributions comprise sponsorships, donations and grant funding and are designated for specific purposes, including expenditures related to the ongoing operation and requirements of the building. As such, these funds are not available for general operating use until the specified conditions and purposes have been met.

The cash balance also includes $11,422 (2025 – $19,354) derived from casino fundraising activities. These funds are subject to externally imposed restrictions, including regulatory requirements governing their use and disbursement, and must be utilized in accordance with applicable guidelines established by the relevant licensing authority.

All restricted amounts are held in segregated bank accounts in order to ensure compliance with the related external restrictions and to clearly distinguish these funds from unrestricted operating cash.

3. CAPITAL ASSETS

	Cost	Accumulated amortization	**2026 Net book value**	2025 Net book value
Buildings	$ 374,552	$ 49,800	**$ 324,752**	$ 338,283
Equipment	15,818	8,529	**7,289**	9,111
Furniture and fixtures	56,879	47,782	**9,097**	11,371
Leasehold improvements	169,809	167,031	**2,778**	11,823
Solar panels	132,438	23,839	**108,599**	113,897
	$ 749,496	$ 296,981	**$ 452,515**	$ 484,485

4. ACCOUNTS PAYABLE AND ACCRUED CHARGES

	2026	2025
Accounts payable and accrued charges	**$ 43,998**	$ 33,300
Wages and benefits payable	**65,370**	78,894
	$ 109,368	$ 112,194

5. DEFERRED REVENUE

	2026	2025
Donations		
Balance, beginning of year	**$ 392,591**	$ 351,254
Plus: Contributions received	**62,967**	102,598
Less: Amounts expended	**(68,188)**	(61,261)
Balance, end of year	**387,370**	392,591
Grants		
Balance, beginning of year	**201,354**	241,591
Plus: Contributions received	**1,019,957**	1,075,760
Less: Amounts expended	**(1,041,532)**	(1,115,997)
Balance, end of year	**179,779**	201,354
	$ 567,149	$ 593,945

6. HUMAN RESOURCES

	2026	2025
Program delivery salaries	**$ 614,651**	$ 728,157
Administrative salaries	**286,817**	282,740
	$ 901,468	$ 1,010,897

7. LONG TERM DEBT

	2026	2025
MORTGAGES PAYABLE bearing interest at 4.76 percent per annum, repayable in monthly blended payments of $1,821. The mortgages are secured by a general security agreement; assignment of all rents arising from the lands; and collateral mortgages over capital assets which have a carrying value of $324,752 as at March 31, 2026 (2025 - $338,283).	**$ 295,890**	$ 304,120
Amounts payable within one year	**(7,945)**	(12,351)
	$ 287,945	$ 291,769

Principal repayment terms are approximately:

2027	$ 7,945
2028	8,331
2029	8,737
2030	9,162
2031	9,607
Thereafter	252,108
	$ 295,890

8. DEFERRED CAPITAL CONTRIBUTIONS

Donated funds for the purchase of capital assets of the building are recorded as deferred capital and amortized on the same basis as the related assets.

	2026	2025
Balance, beginning of year	**$ 177,930**	$ 198,655
Plus: Contributions received	**-**	-
Less: Amortization	**(9,317)**	(20,725)
	$ 168,613	$ 177,930

9. COMMITMENTS

The Society leases premises under a long term lease that expires December 2027. Under the lease, the Society is required to pay a lease rate of $1 per year for this term. The Society is responsible for all custodial duties related to the space as well as operating costs.

10. 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.

Credit risk

Unless otherwise stated, the Society's exposure to credit risk from the financial instruments is insignificant.

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 local and provincial grant agencies and other sources that enable the Society to pay its liabilities as they become due.

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. The Society is exposed to interest rate risk on its investments, cash, cash equivalents and long term debt. Management reviews the interest rate risks to mitigate risk.

There are no significant changes in the risk profile of the financial instruments of the Society from that of the prior year.