Financial Statements of

CALGARY HOMELESS FOUNDATION

And Independent Auditor's Report thereon

Year ended March 31, 2026

KPMG LLP
KPMG Tower
2200 - 240 4th Avenue SW
Calgary, AB T2P 4H4
Canada
Tel 403 691 8000
Fax 403 691 8008

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Calgary Homeless Foundation

Opinion

We have audited the financial statements of Calgary Homeless Foundation (the Entity), which comprise:

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

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2026, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditor's report thereon, included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not and will 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 and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the Management's Discussion and Analysis as at 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 the 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 the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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- 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.

KPMG LLP

Chartered Professional Accountants

Calgary, Canada

June 17, 2026

CALGARY HOMELESS FOUNDATION

Statement of Financial Position

March 31, 2026, with comparative information for 2025

	Operating	System Programs	Strategic Investment	March 31, 2026 Total	March 31, 2025 Total
Assets					
Current assets:					
Cash	$ 3,558,636	$ 6,031,526	$ 633,319	$ 10,223,481	$ 7,713,168
Short-Term Investment (note 4)	–	–	2,000,000	2,000,000	–
Accounts receivable	17,407	2,009,875	1,419	2,028,701	924,175
Prepaid expenses	192,066	1,798,504	9,089	1,999,659	5,347,769
Due to/from other funds (note 3)	3,891,194	(5,475,087)	1,583,893	–	–
	7,659,303	4,364,818	4,227,720	16,251,841	13,985,112
Long-term investments (note 4)	–	–	15,284,723	15,284,723	16,147,692
Property and equipment (note 5)	174,079	–	–	174,079	212,199
Intangible assets (note 6)	168,879	–	–	168,879	172,192
	$ 8,002,261	$ 4,364,818	$ 19,512,443	$ 31,879,522	$ 30,517,195
Liabilities and Fund Balances					
Current liabilities:					
Accounts payable and accrued liabilities	$ 510,239	$ 154,142	$ –	$ 664,381	$ 1,430,362
Deferred contributions	1,724,835	–	–	1,724,835	–
	2,235,074	154,142	–	2,389,216	1,430,362
Fund balances:					
Internally restricted – Capital	342,958	–	–	342,958	384,391
Internally restricted – Wind-Up Reserve	2,100,000	–	–	2,100,000	2,100,000
Internally restricted – Sustainability Reserve	2,719,904	–	–	2,719,904	2,500,000
Internally restricted – Strategic Investment Reserve	–	–	19,512,443	19,512,443	18,549,830
Internally restricted – System Programs	–	1,079,134	–	1,079,134	1,095,806
Externally restricted – System Programs	–	3,131,542	–	3,131,542	4,028,941
Unrestricted Operating	604,325	–	–	604,325	427,865
	5,767,187	4,210,676	19,512,443	29,490,306	29,086,833
Short-term borrowing (note 7)					
Commitments and contingencies (notes 8 and 10)					
	$ 8,002,261	$ 4,364,818	$ 19,512,443	$ 31,879,522	$ 30,517,195

See accompanying notes to the financial statements.

Approved by the Board of Directors

Chairman, Board of Directors

Jamie McLeod

Chair, Audit Committee

CALGARY HOMELESS FOUNDATION

Statement of Operations

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

	Operating	System Programs	Strategic Investment	March 31, 2026 Total	March 31, 2025 Total
Revenue:					
Government grants (note 9)	$ 7,013,267	$ 42,313,811	$ –	$49,327,078	$67,042,922
Other grants	–	–	–	–	30,975
Fundraising and donations (note 14)	51,761	936,766	–	988,527	1,026,898
Investment and other income	186,191	167,809	667,461	1,021,461	1,259,759
	7,251,219	43,418,386	667,461	51,337,066	69,360,554
Expenses:					
Project disbursements	–	44,090,370	575,249	44,665,619	60,510,423
Salaries & benefits (note 14)	4,638,128	242,087	–	4,880,215	5,366,260
Fundraising & special events	60,693	–	–	60,693	38,160
General & administrative (note 11)	1,685,122	–	54,305	1,739,427	1,501,108
Amortization	138,277	–	–	138,277	70,134
	6,522,220	44,332,457	629,554	51,484,231	67,486,085
Excess (deficiency) of revenue over expenses before undermentioned items	$ 728,999	$ (914,071)	$ 37,907	$ (147,165)	$ 1,874,469
Change in unrealized gain on investments	$ –	$ –	$ 550,638	$ 550,638	$ 428,762
Excess (deficiency) of revenue over expenses	$ 728,999	$ (914,071)	$ 588,545	$ 403,473	$ 2,303,231

See accompanying notes to the financial statements.

CALGARY HOMELESS FOUNDATION

Statement of Changes in Fund Balances

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

	Internally Restricted Capital	Restricted Wind-Up Reserve	Internally Restricted Sustainability Reserve	Internally Restricted Strategic Investment Reserve	Internally Restricted System Programs	Externally Restricted System Programs	Unrestricted Operations	Total
Fund balances, March 31, 2024	$ 226,584	$ 2,100,000	$ 2,500,000	$ 17,021,346	$ 1,364,401	$ 3,077,605	$ 493,666	$ 26,783,602
Purchase of property and equipment and intangible assets	227,941	–	–	–	–	–	(227,941)	–
Interfund transfer	–	–	–	1,009,704	–	–	(1,009,704)	–
(Deficiency) excess of revenue over expenses	(70,134)	–	–	518,780	(268,595)	951,336	1,171,844	2,303,231
Fund balances, March 31, 2025	384,391	2,100,000	2,500,000	18,549,830	1,095,806	4,028,941	427,865	29,086,833
Purchase of property and equipment and intangible assets	96,844	–	–	–	–	–	(96,844)	–
Interfund transfer	–	–	400,000	374,068	–	–	(774,068)	–
(Deficiency) excess of revenue over expenses	(138,277)	–	(180,096)	588,545	(16,672)	(897,399)	1,047,372	403,473
Fund balances, March 31, 2026	$ 342,958	$ 2,100,000	$ 2,719,904	$ 19,512,443	$ 1,079,134	$ 3,131,542	$ 604,325	$ 29,490,306

See accompanying notes to the financial statements.

CALGARY HOMELESS FOUNDATION

Statement of Cash Flows

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

	2026	2025
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	$ 403,473	$ 2,303,231
Non-cash items:		
Amortization	138,277	70,134
Income reinvested in investments	(619,228)	(673,119)
Change in unrealized gain on investments	(550,638)	(428,762)
	(628,116)	1,271,484
Changes in non-cash operating working capital		
Accounts receivable	(1,104,526)	(852,872)
Prepaid expenses	3,348,110	(262,793)
Accounts payable and accrued liabilities	(765,981)	1,128,998
Deferred contributions	1,724,835	(88,032)
	3,202,438	(74,699)
	2,574,322	1,196,785
Investing:		
Purchase of property and equipment	(20,041)	(205,801)
Purchase of intangible assets	(76,803)	(22,140)
Redemption of investments	12,642,245	4,513,219
Purchase of investments	(12,609,410)	(4,484,299)
	(64,009)	(199,021)
Financing:		
Proceeds from short-term borrowing	–	6,080,000
Repayment of short-term borrowing	–	(9,580,000)
	–	(3,500,000)
Increase (decrease) in cash	2,510,313	(2,502,236)
Cash, beginning of year	7,713,168	10,215,404
Cash, end of year	$ 10,223,481	$ 7,713,168

See accompanying notes to the financial statements.

1 Nature of operations:

Calgary Homeless Foundation (the "Foundation") was incorporated under the *Alberta Societies Act* on September 4, 1998. The Foundation is a not-for-profit organization and a registered charity and is exempt from income taxes under the *Income Tax Act.* The Foundation's purpose is to guide the fight against homelessness in Calgary. The Foundation’s stated objectives are to serve as a community partner in identifying the causes of and solutions to homelessness; to develop plans, in conjunction with all aspects of the community, that will provide access to housing for the homeless in Calgary; to provide leadership and focus to address homelessness issues in Calgary and to raise such funds as may be necessary to achieve these objectives. The Foundation does this through the disbursement of government and other funding through a granting process to partner agencies and various strategic initiatives in alignment with the Foundation’s purpose and ambition.

2. Significant accounting policies:

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (“ASNPO”) and include the following significant accounting policies:

(a) Fund accounting:

The Foundation maintains the following unrestricted fund:

(i) The Operating Fund is an unrestricted fund that contains the assets, liabilities, revenue, and expenses related to the Foundation’s operating activities to; allocate resources for highest impact and outcomes, build knowledge and understanding, galvanize public and political will and mobilize the community. The Operating Fund includes expenses associated with the Foundation’s management, staff and general office requirements that are directly and indirectly related to the granting, monitoring and administration of program funding and coordination of strategic initiatives in support of the Foundation’s purpose.

The Foundation maintains the following restricted funds:

(i) The System Programs Fund contains the assets, liabilities, revenue and expenses related to the Foundation’s distribution of funding for program expenditures allocated under contract to partner agencies. The fund includes externally restricted system programs funds related to government grants as well as internally restricted system programs funds from general donations and fundraising activities to address basic needs and distribution of supplies as well as urgent and emerging community needs.

2. Significant accounting policies (continued):

(a) Fund accounting (continued):

(ii) The Strategic Investment Fund contains the assets, liabilities, revenue, and expenses related to the Foundation's strategic reserve which was created to invest in gaps in the homeless serving system of care that directly contribute to achieving the Foundation's purpose and strategic ambitions in four key areas: 1. pilot programs and evaluation projects 2. collaborative stakeholder integration projects 3. strategic research projects / partnerships 4. strategic technology project.

(b) Revenue recognition:

The Foundation follows the restricted fund method for accounting for contributions.

Restricted contributions related to a restricted fund are recognized as revenue of the appropriate restricted fund when received or when future receipt of cash is reasonably assured by a funding agreement. Restricted contributions to the Operating Fund are deferred and recognized as revenue when the related expenses are incurred. Unrestricted contributions and contributions in the System Programs Fund and Strategic Investment Fund are recognized in the Operating Fund, System Programs Fund, and Strategic Investment Fund respectively, as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Special events revenue, such as event ticket sales and sponsorships, is recognized when the event has occurred, and the amount can be reasonably assured to be received.

Restricted investment income is recognized as revenue of the System Programs Fund and Strategic Investment Fund when earned.

Unrestricted investment income is recognized as revenue of the Operating Fund when earned.

(c) Cash:

Cash includes cash on hand and amounts held at Canadian financial institutions, which are highly liquid.

(d) Investments:

The Foundation classifies investments as short-term or long-term based on the expected utilization timeline for investment holdings and invests in specific instruments based on the Board approved Investment Policy Statement. Interest income on investments is accrued over the term of investments.

(i) Short-term investments are investments expected to be utilized within the next 12-month period.

2. Significant accounting policies (continued):

(d) Investments (continued):

(ii) Long-term investments are investments that have been classified based on organizational intent and represent the balance of investments after classification of short-term holdings.

(e) Property and equipment:

Purchased property and equipment are recorded at cost and are amortized over the estimated useful life on a straight-line basis as follows:

Computer equipment	2 years
Other equipment	4 years
Leasehold improvements	Remaining term of the lease including the first renewal option

In the year of acquisition, the assets are amortized at one-half of the normal rate.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable and exceeds its fair value or replacement cost. An impairment loss is recognized when the asset's carrying amount is not recoverable and the capital asset no longer contributes to the Foundation's ability to provide services or that the future economic benefits or service potential associated with the assets is less than its net carrying amount.

(f) Intangible assets:

Intangible assets with finite lives are recorded at cost, less accumulated amortization and accumulated impairment losses, if any. Amortization is computed using the straight-line method over the following periods:

Asset	Period
Software costs	3 years

(g) Measurement uncertainty:

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

2. Significant accounting policies (continued):

(g) Measurement uncertainty (continued):

Amounts accrued as receivable pursuant to various funding contracts associated with the Foundation's programs are based on management’s best estimates of the amounts to be received for the periods in question upon the actual finalization of the associated claims and/or contract processes.

By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

(h) Financial instruments:

(i) Measurement:

The Foundation initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions that are measured at the exchange amount.

Equity instruments that are quoted in an active market are subsequently recorded at fair value. The Foundation subsequently measures all other financial assets and financial liabilities at amortized cost unless management has elected to carry the instruments at fair value. The Foundation has elected to carry short-term and long-term investments at fair value.

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

Financial liabilities measured subsequently at amortized cost include accounts payable and accrued liabilities.

(ii) Impairment:

Financial assets measured at cost or amortized cost are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. The amount of the write-down, if any, is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost 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 revenue over expenses.

2. Significant accounting policies (continued):

(h) Financial instruments (continued):

(iii) Transaction costs:

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments, which are subsequently measured at cost or amortized cost, are adjusted by the transaction costs and financing fees that are directly attributable to their origination, issuance or assumption and amortized on a straight-line basis over the terms of the instruments.

(i) Contributed goods and services:

Donations of materials and services are recognized when the fair value can be reasonably estimated, and the materials and services would otherwise be purchased and used in the normal course of operations.

Volunteers have contributed to a variety of services to assist the Foundation in carrying out its objectives. The fair value of such services is not recognized in these financial statements.

(j) Presentation and disclosure of controlled not-for-profit organization:

HomeSpace Society (the “Society”), which is controlled by the Foundation for accounting purposes, is not consolidated in the Foundation’s financial statements. The financial information of the controlled not-for-profit organization is disclosed in note 12.

(k) Due to/from other funds:

Due to/from other funds represents amounts owed between certain funds. These interfund balances are unsecured, non-interest bearing, and have no fixed terms of repayment.

3. Due to/from other funds:

Internal amounts due to and from the Foundation’s Operating, System Programs and Strategic Investment Funds.

4. Investments:

The following is a summary of the Foundation's investments which are recorded at fair value:

Fair Value	2026	2025
Cash, T Bill's & GICs	$ 6,225,313	$ 5,076,045
Fixed income	4,059,516	4,875,107
Marketable Securities/Equities	6,999,894	6,196,540
Total	$ 17,284,723	$ 16,147,692
Classified as short-term	2,000,000	–
	$ 15,284,723	$ 16,147,692

5. Property and equipment:

			2026	2025
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	$ 217,744	$ 182,050	$ 35,694	$ 49,365
Other equipment	42,525	22,548	19,977	30,610
Leasehold improvements	189,298	70,890	118,408	132,224
	$ 449,567	$ 275,488	$ 174,079	$ 212,199

6. Intangible assets:

			2026	2025
	Cost	Accumulated amortization	Net book value	Net book value
Software costs	$334,986	$166,107	$168,879	$ 172,192
	$334,986	$166,107	$168,879	$ 172,192

7. Short-term borrowings:

As at March 31, 2026, the Foundation had no balance outstanding (2025 – $nil) on the revolving demand facility with a total available limit of $5,000,000. Amounts advanced under the facility incur interest payable monthly at the average lender's prime rate. During the year, the Foundation incurred $nil (2025 – $38,438) of interest expense on the facility at an effective rate of 4.45% (2025 – 6.99%). The loan is secured by a general security agreement from the Foundation granting the lender first priority over all personal property. The Foundation is required to provide audited financial statements within 150 days of the fiscal year end.

8. Commitments and contingencies:

The Foundation enters into contracts to disburse system program funds over the next fiscal year. At the close of the fiscal year ended March 31, 2026, the terms of these agreements include a 30-day notification of cancellation of contracts. The Foundation is committed to System Program expenditures of approximately $5 million per month until the termination of the agreements.

The Foundation had concluded a lease for office space on August 31, 2024, and had signed a new lease effective April 3, 2024, which commenced on February 1, 2025, and runs until January 31, 2035. The annual payments for the new lease consist of $149,090 for years 1-2, $178,908 for years 3-4, $208,726 for years 5-6, $238,544 for years 7-8 and $268,362 for years 9-10.

As a result of the Foundation's beneficial ownership of the Calgary Collaborative Capital Campaign for Affordable Housing ("CCCCAH") assets (Note 10):

(a) The Foundation guarantees the Society's mortgages on the CCCCAH assets totaling $2.3 million, with maturity dates ranging from December 2027 to December 2028, a current portion of $177,088, interest rates ranging from 4.18% to 4.28% per annum on the mortgages and secured by assets with a net book value of $14.6 million.

(b) The Foundation guarantees the Society's $5 million revolving operating line of credit facility to finance general operations and pre-construction financing for new build portfolio projects, of which $4.8 million has been drawn as of March 31, 2026.

9. Government grants:

Government grants consist of the following contributions:

	2026	2025
Government of Alberta	$ 24,382,997	$ 41,629,031
Government of Canada	23,844,081	23,038,891
City of Calgary	1,100,000	2,375,000
Total	$ 49,327,078	$ 67,042,922

10. Conveyance of affordable housing net assets:

On September 30, 2016, the Foundation conveyed the property held for affordable housing and the associated cash, receivables, payables, mortgages, loans, deposits, tenant and grant agreements to the Society, a separately registered charity with its own Board of Directors, management and office. Since the conveyance, the Society focuses on housing solutions for ending homelessness, while the Foundation continues its leadership role within Calgary's homeless – serving system of care.

The Foundation is one of the nine participating agencies in the CCCCAH campaign to fundraise capital for affordable housing which concluded on March 31, 2018. On September 30, 2016, the Foundation and the Society entered into agreements assigning the funds raised for the Foundation through the CCCCAH campaign to the Society (the "benefits"). The agreements specify that the Society is the registered owner and trustee of the properties for which CCCCAH fundraised (the "CCCCAH assets"). In return for transferring the benefits and the CCCCAH assets, the Foundation is the beneficial owner of the CCCCAH assets until ownership transfers to the Society when the last pledge is received and the obligations of the Campaign and the associated gift agreements have expired or terminated. The beneficial ownership arrangement ended on March 31, 2025. However, the Foundation remains the mortgage guarantor for certain Campaign assets with a net book value of $15.0 million as of year-end, as the Foundation continues to guarantee the mortgages associated with these assets.

11. General & administrative expenses:

General and administrative expenses in the statement of operations is comprised of the following expenses:

	2026	2025
Consulting & professional fees	$ 622,740	$ 365,305
Occupancy costs & insurance	442,723	400,504
Licenses, subscriptions and other	563,857	621,160
Other general admin	110,107	114,139
Total	$ 1,739,427	$ 1,501,108

12. Related party transactions:

The Foundation controls HomeSpace Society (the “Society”), as the Foundation guarantees certain liabilities of the Society (note 8) and is the beneficial owner of certain assets of the Society (note 10).

The Society is a not-for-profit society incorporated June 19, 2003, under the Societies Act of Alberta. The Society is a designated charitable organization and is exempt from income taxes under the Income Tax Act. The Society receives and holds donations and purchases of land and buildings and funds to acquire land and buildings that will be dedicated in perpetuity for transitional and affordable housing in Calgary.

There are no significant differences in the accounting policies of the Foundation and the Society.

During the year, the Foundation provided $nil (2025 – $471,672) of grant funding, of which $nil (2025– $246,026) was for a supportive housing program, $nil (2025 - $150,000) was to support the capital investment in the Whitehorn Family Housing Project, $nil (2025 – $30,646) was to support the inspection of a stairlift and $nil (2025 – $45,000) was for Tenant Insurance Support.

HomeSpace information

The Foundation reports condensed financial information of this controlled not-for-profit organization as follows:

12. Related party transactions (continued):

	2026	2025
Assets		
Current assets	$ 8,298,765	$ 3,739,244
Property held for affordable housing	191,270,850	170,779,540
Property and equipment	118,194	95,450
	$ 199,687,809	$ 174,614,234
Liabilities	$ 49,778,815	$ 31,570,021
Fund balances:		
Internally restricted – net investment in property and equipment	$ 118,194	$ 95,450
Internally restricted – net investment in property held for affordable housing	143,994,839	141,681,072
Internally restricted – capital reserve fund for building maintenance	1,154,535	778,073
Unrestricted	4,641,426	489,618
	149,908,994	143,044,213
Liabilities and Fund balances	$ 199,687,809	$ 174,614,234

	2026	2025
Revenue	$ 18,990,782	$ 15,990,827
Expenses	(12,126,001)	(11,953,119)
Excess of revenue over expenses	$ 6,864,781	$ 4,037,708
Cash provided from operating activities	$ 10,341,683	$ 7,568,279
Cash inflow from financing activities	17,883,359	64,133
Cash outflow from investing activities	(23,472,816)	(8,549,690)

All related party transactions are recorded at the exchange amount, which is the amount agreed upon by the parties.

13. Financial instruments:

The Foundation is exposed to the following significant financial risks:

(a) 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 Foundation does not have a concentration of credit exposure with any one party. The Foundation does not consider itself exposed to undue credit risk.

The Foundation is exposed to credit risk relating to cash and investments. The risk is mitigated as cash, T-bills and GICs are deposited with major Canadian financial institutions.

The Foundation is exposed to credit risk relating to accounts receivable, which is influenced by the individual characteristics of each debtor. The majority of the accounts receivable are from financial institutions and government agencies. The Foundation limits its exposure to credit risks by dealing with only credit worthy organizations. Management does not expect any debtor to fail to meet their obligations.

(b) Liquidity risk:

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation manages its liquidity risk through cash and debt management.

(c) Interest rate risk:

Interest rate risk arises on cash, investments and short-term borrowings. The Foundation is exposed to interest rate risk due to fluctuations in the bank's interest rates.

(d) Other price risk:

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Foundation is subject to price risk in the value of donated shares on the date of sale compared to the date of donation. The Foundation mitigates this risk by selling all shares upon release to the Foundation in an effort to ensure that price on date of sale does not materially differ from the price on transfer.

There is no significant change in risk exposure from 2025.

14. Statutory disclosures:

As required under Section 7(2) of the Charitable Fundraising Regulation of Alberta, the Foundation discloses the following:

	2026	2025
Amounts paid as remuneration to employees whose principal duties involve fundraising	$ 93,535	$ 59,593

Proceeds from fundraising are disclosed as fundraising and donations on the statement of operations.

15. Internally Restricted Funds:

The Foundation maintains three internally restricted funds established by the Board of Directors to mitigate risk, ensure sustainability, and support investment in strategic projects with no other source of designated or sustainable funding.

The Foundation maintains the following internally restricted funds:

(i) The Wind-Up Reserve was created to ensure coverage of 100% of all legal commitments to wind up the Foundation in the event funding is discontinued. The Wind-Up Reserve is assessed on an annual basis and any adjustments require approval of the Foundation’s Board of Directors.

(ii) The Sustainability Reserve was created to allow for orderly transition in the event a significant portion of annual funding is discontinued. The Sustainability Reserve is assessed on an annual basis with any adjustments approved by the Foundation’s Board of Directors.

(iii) The Strategic Investment Reserve was created to fund gaps and support innovation in the homeless serving system of care that is responsive to community need. Investments in strategic projects require Board approval and must directly contribute to achieving the Foundation’s Purpose and Ambitions in the following four areas:

1. Pilot programs and evaluation projects
2. Collaborative stakeholder integration projects
3. Strategic research project/partnerships
4. Strategic technology projects

(iv) Donate Essentials YYC is a designated fund aimed at addressing basic needs and facilitating the centralized distribution of supplies to support individuals during periods of extreme seasonal weather.

15. Internally Restricted Funds (continued):

(v) The System of Care Response Fund is a philanthropic initiative that utilizes undesignated donor funds to address urgent and emerging community needs allowing the Foundation to be flexible and responsive to emerging needs in the community while also working towards long-term strategic goals. It exemplifies how philanthropy can be leveraged to make a meaningful impact.