

CALGARY JOHN HOWARD SOCIETY

Financial Statements

March 31, 2026

CALGARY JOHN HOWARD SOCIETY
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For the Year Ended March 31, 2026

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Calgary John Howard Society:

Opinion

We have audited the financial statements of Calgary John Howard 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 a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Calgary John Howard Society as at March 31, 2026, and the results of its 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 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 ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the 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 intends 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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Independent Auditor's Report to the Directors of Calgary John Howard Society *(continued)*

Auditor's Responsibilities for the Audit of 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.

BDO Canada LLP

Chartered Professional Accountants

Calgary, Alberta

July 27, 2026

CALGARY JOHN HOWARD SOCIETY
Statement of Financial Position
As at March 31,

	2026	2025
Assets		
Current		
Cash	\$ 4,254,979	\$ 2,427,503
Short term investments (Note 3)	271,883	637,846
Accounts receivable	654,756	555,172
Goods and services tax recoverable	60,726	41,109
Prepaid expenses	112,510	155,706
	5,354,854	3,817,336
Property and equipment (Note 4)	10,764,016	11,341,670
Investments	-	254,036
	\$ 16,118,870	\$ 15,413,042
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 506,634	\$ 628,213
Source deductions payable	88,114	93,657
Current before callable debt	594,748	721,870
Callable debt (Note 5)	1,664,029	1,751,655
	2,258,777	2,473,525
Deferred contributions (Note 6)	7,274,765	6,850,969
	9,533,542	9,324,494
Net Assets		
Invested in property and equipment	3,682,450	3,813,631
Unrestricted	2,902,878	2,274,917
	6,585,328	6,088,548
	\$ 16,118,870	\$ 15,413,042

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Approved on behalf of the Board

Alex Laidlaw
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Director

Signed by:

Robert Nichols
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Director

CALGARY JOHN HOWARD SOCIETY**Statement of Operations****For the Year Ended March 31,**

	2026	2025
Revenue		
Government of Canada	\$ 2,470,305	\$ 2,563,450
Government of Alberta	2,379,171	1,037,497
Calgary Homeless Foundation	1,248,132	2,564,692
City of Calgary (Note 7)	629,221	730,139
John Howard Society of Alberta	576,282	-
Other grants and revenue	441,850	988,959
Recognition of deferred contributions related to property and equipment (Note 6)	393,794	664,231
CFAN FASD Service Network Program	373,716	336,931
United Way	344,591	380,327
Calgary Learns	243,532	252,393
Alberta Law Foundation	197,714	220,935
Casino	144,409	39,141
Donations	112,283	83,471
Momentum	89,836	53,870
	9,644,836	9,916,036
Expenses		
Salaries, wages and benefits	6,543,150	6,506,583
Programming	779,641	1,428,954
Amortization	671,391	687,806
Premises	400,145	373,200
Professional fees	243,235	310,456
Travel and meetings	200,602	207,414
Office and administration	177,409	150,973
Insurance	108,220	98,988
Interest	94,174	136,142
Professional development	64,849	61,448
	9,282,816	9,961,964
Excess of revenue over expenses from operations	362,020	(45,928)
Other income		
Gain on disposal of property and equipment	-	(658,204)
Interest income	(96,905)	(123,164)
	(96,905)	(781,368)
Excess of revenue over expenses	\$ 458,925	\$ 735,440

CALGARY JOHN HOWARD SOCIETY
Statement of Changes in Net Assets
For the Year Ended March 31,

	Invested in Property and Equipment	Unrestricted	2026	2025
Net assets - beginning of year	\$ 3,813,631	\$ 2,274,917	\$ 6,088,548	\$ 5,353,109
Excess (deficiency) of revenue over expenses	(276,822)	735,747	458,925	735,439
SoJust Holdings wind-up (note 10)	-	37,855	37,855	-
Net activities of property and equipment	58,015	(58,015)	-	-
Repayment of principal on callable debt	87,626	(87,626)	-	-
Net assets - end of year	\$ 3,682,450	\$ 2,902,878	\$ 6,585,328	\$ 6,088,548

CALGARY JOHN HOWARD SOCIETY
Statement of Cash Flows
Year Ended March 31,

	2026	2025
Operating activities		
Cash receipts from operations	\$ 9,554,863	\$ 9,394,594
Cash paid to suppliers and employees	(8,601,180)	(9,833,026)
Interest received	96,905	123,164
Interest paid	(94,174)	(136,152)
Cash flow from (used by) operating activities	956,414	(451,420)
Investing activities		
Purchase of property and equipment	(93,736)	(481,574)
Proceeds from sale of property and equipment	-	1,400,000
Purchase of investments	-	(750,000)
Proceeds from sale of investments	620,000	755,000
Cash flow from investing activities	526,264	923,426
Financing activities		
Contributions received for purchase of property and equipment	394,569	428,918
Repayment of callable debt	(87,626)	(448,574)
SoJust Holdings wind-up	37,855	-
Cash flow from (used by) financing activities	344,798	(19,656)
Increase in cash flow	1,827,476	452,350
Cash - beginning of year	2,427,503	1,975,153
Cash - end of year	\$ 4,254,979	\$ 2,427,503

CALGARY JOHN HOWARD SOCIETY
Notes to Financial Statements
For the Year Ended March 31, 2026

1. Purpose of the organization

The Calgary John Howard Society (the "Society") is a community based charitable organization dedicated to reducing the incidence of crime and increasing community safety through preventative and restorative justice practices. To accomplish these ends, the Society provides direct services to individuals at risk, advocacy for effective responses to crime and the individuals involved, and education for youth and adults in the community. The Society is incorporated under the Societies Act of the Province of Alberta and is a registered charity. Therefore, under section 149(1) of the Income Tax Act the Society is exempt from the payment of income tax.

2. Summary of significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") in Part III of the CPA Canada Handbook, and in management's opinion, have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

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. Restricted contributions received for property and equipment are deferred and amortized to revenue on the same basis as the related assets. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Cash and cash equivalents

Cash includes cash on hand and balances in banks. Cash equivalents are investments in treasury bills and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days. The Society currently has no cash equivalents.

Investments

Short term investments, which consist primarily of guaranteed investment certificates (GICs) with maturities as of the date of purchase beyond three months and less than twelve months, are carried at amortized cost.

Long term investments, which consist primarily of guaranteed investment certificates (GICs) with maturities as of the date of purchase beyond twelve months, are carried at amortized cost.

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CALGARY JOHN HOWARD SOCIETY
Notes to Financial Statements
For the Year Ended March 31, 2026

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

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization. Property and equipment is amortized over its estimated useful life on a straight-line basis at the following rates:

Buildings	5%
Equipment	30%
Furniture and textiles	20%
Leasehold improvements	Term of lease

Property and equipment acquired during the year but not placed into use are not amortized until they are available for use.

Contributed materials and services

Contributed materials are recognized in the financial statements when their fair value can be reasonably determined and they are used in the normal course of the Society's operations and would otherwise have been purchased. Volunteers contribute many hours per year to assist the Society in carrying out program activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Management estimates

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 amounts of assets and liabilities, disclosure of contingencies at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates. The significant items requiring management estimates include the estimated useful lives of property and equipment, accrued receivables, accrued liabilities and amortization of deferred contributions related to property and equipment.

Financial instruments

The Society initially measures its financial assets and financial liabilities at fair value. It subsequently measures all of its financial assets and financial liabilities at amortized cost. The Society's financial instruments consist of cash and cash equivalents, short term and long term investments, accounts receivable and accounts payable and accrued liabilities and are tested for impairment at each reporting date.

Controlled Entity

Controlled not-for-profit organizations are not consolidated in the Society's financial statements. Instead, disclosure is provided. See note 12.

3. Short term investments

Short term investments are comprised of Guaranteed Investment Certificates ("GICs") with maturity date of April 2026 (2025 - September 2025 to October 2025). The GIC carries an interest rate of 3.55% (2025 - 3.55% to 5.10%).

CALGARY JOHN HOWARD SOCIETY
Notes to Financial Statements
For the Year Ended March 31, 2026

4. Property and equipment

	Cost	Accumulated amortization	2026 Net book value	2025 Net book value
Land	\$ 2,189,066	\$ -	\$ 2,189,066	\$ 2,189,066
Buildings	13,895,814	5,419,796	8,476,018	9,091,311
Equipment	430,990	369,091	61,899	46,256
Furniture and textiles	107,617	70,584	37,033	15,037
Total property and equipment	\$ 16,623,487	\$ 5,859,471	\$ 10,764,016	\$ 11,341,670

5. Callable debt

	2026	2025
Alberta Treasury Branches term loan to assist with the construction of the Builders Road building, at 5.86% (2025 - prime + 1.00%) per annum.	\$ 1,664,029	\$ 1,751,655

The Society held debt with Alberta Treasury Branches ("ATB") that was callable on demand. While ATB has not called the debt as of the year end, it retains the ability to do so. Due to these factors, the balance is included in current liabilities.

The debt balance of \$1,664,029 (2025 - \$1,751,655) remains due on demand. The remaining terms of the debt balances are unchanged. The current scheduled debt repayment has a renewal date of March 30, 2029, with monthly payments of principal and interest of \$15,150 until April 30, 2039.

CALGARY JOHN HOWARD SOCIETY
Notes to Financial Statements
For the Year Ended March 31, 2026

6. Deferred contributions

	<u>2026</u>	<u>2025</u>
Deferred contributions related to property and equipment		
Balance, beginning of year	\$ 5,776,384	\$ 5,992,069
Add: received during the year and prior year unspent	72,983	428,919
Less: recognized as revenue during the year	<u>(313,228)</u>	<u>(644,604)</u>
Balance, end of year	<u>5,536,139</u>	<u>5,776,384</u>
Deferred contributions related to operations		
Balance, beginning of year	1,074,585	1,477,157
Add: received during the year	6,103,073	5,307,847
Less: recognized as revenue during the year	<u>(5,439,032)</u>	<u>(5,710,419)</u>
Balance, end of year	<u>1,738,626</u>	<u>1,074,585</u>
Total deferred contributions	<u>\$ 7,274,765</u>	<u>\$ 6,850,969</u>

CALGARY JOHN HOWARD SOCIETY
Notes to Financial Statements
For the Year Ended March 31, 2026

7. City of Calgary grants

During the year, the Society recognized revenue for grants received from the City of Calgary for various purposes as follows:

	2026	2025
City of Calgary - New Ties	\$ 250,833	\$ 439,325
City of Calgary - Youth Occupational Therapist	103,689	96,100
City of Calgary - Kisisskstaki Ikamotaan	97,521	98,166
City of Calgary - Immigrant Youth Advocacy	98,963	96,548
City of Calgary - Other Grants	78,215	-
	\$ 629,221	\$ 730,139

New Ties

The City of Calgary provided total funding of \$250,833 (2025 - \$430,000) for the New Ties program. At year-end a revenue balance of \$250,833 (2025 - \$439,325) was recognized as the funding was fully utilized against eligible expenses as incurred.

Youth Occupational Therapist

The City of Calgary provided total funding of \$94,961 (2025 - \$102,168) for the Youth Occupational Therapist program. At year-end a revenue balance of \$103,689 (2025 - \$96,100) was recognized as the funding was utilized against eligible expenses as incurred. In the current year \$7,207 was refunded to the City to repay surplus funding. At year-end there was a deferred balance of \$78,753 (2025 - \$87,481).

Kisisskstaki Ikamotaan

The City of Calgary provided total funding of \$97,521 (2025 - \$98,166) for the Kisisskstaki Ikamotaan program. At year-end a revenue balance of \$81,777 (2025 - \$98,166) was recognized as the funding was fully utilized against eligible expenses as incurred leaving a deferred balance of \$15,744 (2025 - \$nil).

Immigrant Youth Advocacy

The City of Calgary provided total funding of \$106,204 (2025 - \$96,549) for the Immigrant Youth Advocacy program. At year-end a revenue balance of 94,337 (2025 - \$96,548) was recognized as the funding was utilized against eligible expenses as incurred leaving a deferred balance \$84,280 (2025 - \$72,413).

Other Grants

The City of Calgary provided funding for the following programs, grouped under Other grants: Non-profit Affordability Support Grant of \$33,997 (2025, Nil), Pathwise Home Program Grant of \$25,000 (2025, \$Nil), and Building Resilience Throughout Organizational Change of \$28,810 (2025, \$Nil), for total funding of \$87,807 (2025, \$Nil).

At year-end, revenue recognized was \$33,997 (2025, \$Nil) for the Non-profit Affordability Support Grant, \$15,408 (2025, \$Nil) for the Pathwise Home Program Grant, and \$28,810 (2025, \$Nil) for Building Resilience Throughout Organizational Change, for total revenue recognized of \$78,215 (2025, \$Nil), as the funding was utilized against eligible expenses as incurred, leaving a deferred balance of \$9,592 (2025, \$Nil), attributable to the Pathwise Home Program Grant.

CALGARY JOHN HOWARD SOCIETY
Notes to Financial Statements
For the Year Ended March 31, 2026

8. Line of credit

The Society has a line of credit available to a maximum of \$200,000 (2025 - \$200,000) bearing interest at prime plus 1.00% (2025- 1.00%) per annum. The line of credit is secured by a general security agreement. At March 31, 2026, the Society has utilized \$Nil of the line of credit (2025 - \$Nil).

9. 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.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society's financial assets that are exposed to credit risk consist primarily of accounts receivable. The Society is not subject to significant concentration of credit risk with respect to its funders, sponsors and customers.

(b) 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 accounts payable and accrued liabilities, deferred contributions, loan payable and commitments.

(c) Interest rate risk

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

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

10. Controlled not-for-profit organization

The Society controls SoJust holdings as the members of SoJust Holdings are part of the Society's Board. The members of SoJust Holdings appoint the SoJust Holdings' Board. SoJust is a registered charity under the Income Tax Act.

During the current year, SoJust Holdings ceased operations and was wound up into the Society effective March 31, 2026. As part of the wind up, a net asset balance of \$37,855 was transferred into the Society's net assets.

11. Comparative figures

Comparative figures have been reclassified in accordance with current year financial statement presentation.
