

TRUE NORTH SOCIETY

Financial Statements

Year Ended March 31, 2026

TRUE NORTH SOCIETY

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Year Ended March 31, 2026

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of True North Society:

Qualified Opinion

We have audited the financial statements of True North Society (the Society), which comprise the statement of financial position as at March 31, 2026, and the results of its operations, changes in its fund balances and cash flows for the years 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 True North Society as at March 31, 2026, the results of its operations, change in its fund balances 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 non-profit organizations, the Society derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our 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 donations and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2026, current assets, and net assets as at March 31, 2026. Our audit opinion on the financial statements for the year then ended 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.

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 accountings 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 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.

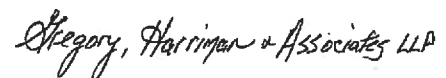
Auditor's Responsibility for the Audit of the Financial Statements

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 omission, 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.

Strathmore, Alberta
June 24, 2026



Gregory, Harriman & Associates LLP
Chartered Professional Accountants

**TRUE NORTH SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2026**

	OPERATING FUND	CAPITAL ASSET FUND	TOTAL	
	2026	2026	2026	2025
CURRENT ASSETS				
Cash (Note 4)	\$ 390,053	\$ 45,947	\$ 436,000	\$ 735,401
Accounts Receivable	-	-	-	6,528
Goods and Services Tax Receivable	11,562	-	11,562	12,422
Prepaid Expenses	3,087	-	3,087	3,816
	<u>404,702</u>	<u>45,947</u>	<u>450,649</u>	<u>758,167</u>
OTHER ASSETS	2,957	-	2,957	3,065
RESTRICTED CASH, (Note 5)	87,178	-	87,178	86,916
CAPITAL ASSETS, Net (Note 6)	-	2,378,914	2,378,914	2,135,695
TOTAL ASSETS	<u>\$ 494,837</u>	<u>\$ 2,424,861</u>	<u>\$ 2,919,698</u>	<u>\$ 2,983,843</u>
CURRENT LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 125,358	\$ -	\$ 125,358	\$ 121,826
Deferred Contributions (Note 7)	76,849	-	76,849	99,757
	<u>202,207</u>	<u>-</u>	<u>202,207</u>	<u>221,583</u>
DEFERRED CONTRIBUTIONS (Note 7)	87,178	-	87,178	86,916
UNAMORTIZED CAPITAL CONTRIBUTIONS (Note 8)	-	174,748	174,748	175,671
	<u>289,385</u>	<u>174,748</u>	<u>464,133</u>	<u>484,170</u>
FUND BALANCES				
Invested in Capital Assets (Note 9)	-	2,204,166	2,204,166	1,960,025
Internally Restricted Funds (Note 10)	312,599	45,947	358,546	501,934
Unrestricted	(107,147)	-	(107,147)	37,714
	<u>205,452</u>	<u>2,250,113</u>	<u>2,455,565</u>	<u>2,499,673</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 494,837</u>	<u>\$ 2,424,861</u>	<u>\$ 2,919,698</u>	<u>\$ 2,983,843</u>

ECONOMIC DEPENDENCE (Note 2)

COMMITMENTS (Note 11)

SUBSEQUENT EVENTS (Note 13)

APPROVED ON BEHALF OF THE BOARD:



Director



Director

**TRUE NORTH SOCIETY
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2026**

	OPERATING FUND	CAPITAL ASSET FUND	TOTAL	
	2026	2026	2026	2025
REVENUE				
Provincial Funding	\$ 1,546,081	\$ -	\$ 1,546,081	\$ 1,535,110
Other Government Subsidies and Grants	277,148	922	278,070	219,763
Donations	144,886	-	144,886	141,955
Fundraising	99,012	-	99,012	78,162
Interest and Other Income	12,694	-	12,694	28,404
	<u>2,079,820</u>	<u>922</u>	<u>2,080,742</u>	<u>2,003,394</u>
EXPENDITURES				
Staffing Costs	1,475,775	-	1,475,775	1,584,017
Administration	423,658	-	423,658	319,190
Facility Costs	141,518	-	141,518	141,655
Direct Client Costs	69,457	-	69,457	84,389
Amortization	-	14,443	14,443	15,942
Loss on Disposal of Capital Assets	-	-	-	388
	<u>2,110,408</u>	<u>14,443</u>	<u>2,124,851</u>	<u>2,145,581</u>
DEFICIENCY OF REVENUE OVER EXPENSES	<u>\$ (30,588)</u>	<u>\$ (13,521)</u>	<u>\$ (44,109)</u>	<u>\$ (142,187)</u>

TRUE NORTH SOCIETY
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED MARCH 31, 2026

	2026	2026	2026	2026	2026	2026	2026	2025
	Total	Capital	Operating	Surplus	Operating		Total	Total
	Invested In	Internally	Internally	Retention	Unrestricted			
	Capital Assets	Restricted	Restricted	Reserve - WCS				
FUND BALANCES, beginning of year	\$ 1,960,025	\$ 45,947	\$ 455,699	\$ 288	\$ 37,714	\$ 2,499,673	\$ 2,641,860	
DEFICIENCY OF REVENUE OVER EXPENSES	(13,521)	-	-	-	(30,588)	(44,109)	(142,187)	
INTERFUND TRANSFERS (Note 12)	257,661	-	(143,388)	-	(114,273)	-	-	
FUND BALANCES, end of year	<u>\$ 2,204,166</u>	<u>\$ 45,947</u>	<u>\$ 312,311</u>	<u>\$ 288</u>	<u>\$ (107,147)</u>	<u>\$ 2,455,565</u>	<u>\$ 2,499,673</u>	

The accompanying notes form an integral part of these financial statements.

**TRUE NORTH SOCIETY
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2026**

	OPERATING ACTIVITIES	FINANCING & INVESTING	TOTAL	
	Operating Fund 2026	Capital Asset Fund 2026	2026	2025
SOURCES OF CASH				
Provincial Funding	\$ 1,546,081	\$ -	\$ 1,546,081	\$ 1,535,110
Other Government Subsidies and Grants	263,435	-	263,435	122,774
Donations	144,685	-	144,685	130,307
Fundraising	90,280	-	90,280	47,378
Interest and Other Income	12,802	-	12,802	21,916
	<u>2,057,283</u>	<u>-</u>	<u>2,057,283</u>	<u>1,857,485</u>
USES OF CASH				
Purchases and Salaries	(2,098,761)	-	(2,098,761)	(2,096,041)
Purchase of Capital Assets	-	(264,101)	(264,101)	(27,488)
Disposal of Investments	-	-	-	166,000
NET CASH INCREASE (DECREASE)	<u>(41,478)</u>	<u>(264,101)</u>	<u>(305,579)</u>	<u>(100,044)</u>
Cash, Opening	776,370	45,947	822,317	922,361
Interfund Adjustments	(257,661)	264,101	-	-
CASH, CLOSING	<u>\$ 477,231</u>	<u>\$ 45,947</u>	<u>\$ 523,178</u>	<u>\$ 822,317</u>
CASH CONSISTS OF:				
Cash (Note 4)	390,053	45,947	436,000	735,401
Restricted Cash (Note 5)	87,178	-	87,178	86,916
	<u>\$ 477,231</u>	<u>\$ 45,947</u>	<u>\$ 523,178</u>	<u>\$ 822,317</u>

The accompanying notes form an integral part of these financial statements.

**TRUE NORTH SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2026**

1) Purpose of the Society

True North Society ("The Society") is a registered not-for-profit Society, which was incorporated under the Societies Act of the Province of Alberta on September 9, 1992. The Society operates a Shelter, which provides basic emergency services for women or men and their children in crisis situations.

2) Economic Dependence

The Society is dependent on contributions from the Province of Alberta in order to continue operations.

3) Significant Accounting Policies and Reporting Practices

Basis of Presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Basis of Accounting

True North Society follows the deferral method of accounting for contributions and utilizes the following funds:

The Operating Fund accounts for revenue and expenses relating to the Society's program delivery and administrative activities.

The Capital Fund reports the assets, liabilities, revenue and expenses related to the Society's capital assets.

Revenue Recognition

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the Capital Fund.

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

Externally restricted non-capital contributions are deferred and recognized as revenue in the year when the related expenses are incurred.

Externally restricted capital contributions are recorded as deferred capital contributions until the amount is invested in capital assets. Amounts invested representing externally funded capital assets are then transferred to unamortized external capital contributions. Unamortized external capital contributions are recognized in the periods in which the related amortization expense of the funded asset is recorded.

Internally Restricted Assets

The Internally Restricted balance is not available for other purposes without the approval of the Board of Directors.

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**TRUE NORTH SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2026**

3) Significant Accounting Policies and Reporting Practices *(continued)*

Cash

Cash consists of balances held with banks.

Other Assets

The investments in cooperatives are recorded at cost plus undistributed patronage allocations.

Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution.

All capital assets are amortized at fixed rates applied to diminishing balances. The rates can be summarized as follows:

Buildings	4%
Computer hardware	55%
Furniture and equipment	20%

Amortization expense is reported within the Capital Fund.

The half year rule is in effect in the year of acquisition. No amortization is taken in the year of disposition.

Income Taxes

As a registered not-for-profit Society, the Society is exempt from paying income taxes under Section 149(1)(f) of the Income Tax Act.

Capitalized 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. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

Contributed Services and Materials

Volunteers contribute a significant number of hours each year to assist the Society in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

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**TRUE NORTH SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2026**

3) Significant Accounting Policies and Reporting Practices *(continued)*

The Society also receives contributed materials. Those of which a fair value can be reasonably estimated, and when the materials and services are used in the normal course of the Society's operations and would otherwise have been purchased, have been recognized in the financial statements. Those of which a fair value cannot be reasonably estimated, or would not have otherwise been purchased, have not been recorded.

Contributed materials that would ordinarily be purchased in the amount of \$6,324 (2025 - \$20,155) are recognized in the financial statements and are measured at their fair value.

Financial Instruments

The Society initially measures its financial assets and financial liabilities at fair value. The Society subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Measurement Uncertainty

The precise value of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of approximations, which have been made using careful judgement by management. Actual results could differ from those approximations.

The useful lives and related amortization of capital assets is an area where management makes significant estimates and assumptions in determining the amounts to be recorded in the financial statements.

4) Cash

	2026	2025
<i>Operating</i>		
CIBC Wood Gundy High Interest Savings	312,311	560,372
Casino Bank	35,450	44,181
CIBC High Interest Savings	26,958	26,341
Elite Savings Account - Operating	8,476	8,463
Bank	6,460	49,537
Petty Cash	398	560
	\$ 390,053	\$ 689,454
<i>Capital</i>		
Capital Investment Account - CIBC Wood Gundy Cash Account	45,947	45,947
	45,947	45,947
	\$ 436,000	\$ 735,401

The Casino funds are restricted for the purposes outlined in the Casino application by the Alberta Gaming and Liquor Commission. The Society holds additional funds that are restricted in use and are to be utilized as funding for specific operations projects. As these projects have not been completed for which the funding has been received and are to be utilized in the next fiscal period, \$76,849 (Note 7) is not available for general use.

**TRUE NORTH SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2026**

5) Restricted Cash

	2026	2025
Thiessen Bursary	\$ 87,178	\$ 86,916

The Society has received donations that are restricted in their use and are to be utilized for the bursary. Total funds available for future use are \$87,178 (2025 - \$86,916). These funds on hand are not available for general use by the Society (Note 7).

6) Capital Assets

	2026		2025	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	1,354,529	-	1,354,529	1,354,529
Buildings	1,296,196	284,397	1,011,799	765,266
Computer Hardware	48,153	47,980	173	386
Furniture and Equipment	120,192	107,779	12,413	15,514
	\$ 2,819,070	\$ 440,156	\$ 2,378,914	\$ 2,135,695

7) Deferred Contributions

Deferred contributions, which are recorded in the Operating Fund, constitute restricted funding to cover the operating expenses relating to program delivery to which funding relates. Current deferred contributions expect to be spent in the next fiscal period.

	2025	Increases	Decreases	2026
Current				
Enhancing Initiatives Grant	45,503	-	45,503	-
Casino	44,181	18,680	27,412	35,449
ASIP Funding for 2025/2026	9,610	-	9,610	-
United Way / Town of Strathmore	463	-	463	-
Community Pathways to Justice	-	75,000	37,500	37,500
Shoppers Foundation for Women's Health	-	20,000	16,100	3,900
	99,757	113,680	136,588	76,849
Long Term				
Thiessen Bursary	86,916	262	-	87,178
	\$ 186,673	\$ 113,942	\$ 136,588	\$ 164,027

**TRUE NORTH SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2026**

8) Unamortized Capital Contributions

	2026	2025
Calgary Herald Fund	80,686	80,686
Women's Shelter Canada Grant	43,936	43,936
Community Housing Transformation Centre Grant	28,000	28,000
COVID-19 Funded - Washroom	22,126	23,049
	\$ 174,748	\$ 175,671

The unamortized external capital contributions will be recognized in revenue as the related amortization expense for the capital addition is incurred. An amount of \$921 has been recognized in the current year.

9) Invested in Capital Assets

This balance represents the Society's net investment in capital assets. It is the original asset cost less accumulated amortization, unamortized capital contributions and debt directly related to the capital assets.

10) Internally Restricted Funds

The organization has internally restricted funds for operations and special projects as well as for capital purchases as listed below. The internally restricted funds are not available for unrestricted purposes without approval of the Board of Directors.

	2025	Increases	Decreases	2026
Operating				
Operating Internally Restricted	455,699	13,165	156,553	312,311
Surplus Retention Reserve - WCS	288	-	-	288
	455,987	13,165	156,553	312,599
Capital				
Capital Internally Restricted	45,947	-	-	45,947
	45,947	-	-	45,947
	\$ 501,934	\$ 13,165	\$ 156,553	\$ 358,546

11) Commitments

The Society leases vehicles and equipment under long term operating leases. Future minimum operating lease payments are as follows:

2027 \$ 1,211

The Society has entered into agreements for design, development and construction of a new building. The future costs outlined in these agreements are \$108,628.

**TRUE NORTH SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2026**

12) Interfund Transfers

Interfund transfers were required to fund the cash outlays for capital asset acquisitions. During the year, \$143,388 was transferred from operating reserves.

13) Subsequent Events

The Society has entered into a loan agreement with Canada Mortgage and Housing Corporation (CMHC). This loan agreement is to facilitate the new affordable and transitional housing project that the Society is undertaking. The loan agreement is for \$25,344,387, of which \$4,507,230 will be repayable and the remaining \$20,837,157 will be forgiven over time. It is expected that these funds will be drawn by the Society in the next fiscal period. As no funds have been drawn as of March 31, 2026, no liability has been recorded in these financial statements.

The Society has been approved for funding from the Affordable Housing Partnership Program (AHPP). This funding will be utilized for the new affordable and transitional housing project and will be received when the CMHC loan agreement draw schedule is in place. As CMHC loan agreement draw schedule has not yet been set up, no receivable is recorded at March 31, 2026. The AHPP funding will be in the amount of \$3,500,000 and is expected to be received in the next fiscal period.

14) Financial Instruments

The Society's financial instruments consist of: cash, accounts receivable, restricted cash, accounts payable and accrued liabilities. The risks attached to these financial instruments are as follows:

Credit Risk

Credit risk arises from the possibility that the entities to which the Society provides services may experience financial difficulty and be unable to fulfill their obligations. The Society is exposed to financial risk that arises from the credit quality of the entities to which it provides services. As the organization provides products and services to a variety of customers, its credit risk is minimized.

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 risk from interest rate fluctuations, the Society manages exposure through its normal operating and financing activities. The Society is exposed to interest rate risk from the return on its investments. The Society manages its portfolio on the basis of its cash requirements and to optimize its interest income.

Fair Value

The fair values of cash, accounts receivable, restricted cash, and accounts payable and accrued liabilities correspond closely to their carrying amount because of their short term maturity dates.

Liquidity Risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. It stems from the possibility of a delay in realizing the fair value of financial instruments.

The Society manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

Trade accounts payable and accrued liabilities are generally repaid within 30 days.

15) Comparative Figures

Some of the comparative figures have been reclassified to conform to the current year's presentation.

16) Approval of Financial Statements

The Board of Directors approved these financial statements.