Financial Statements of

# TRELLIS SOCIETY FOR COMMUNITY IMPACT

And Independent Auditor's Report thereon

Year ended March 31, 2026

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# INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Trellis Society for Community Impact

## *Opinion*

We have audited the financial statements of Trellis Society for Community Impact (the Society), which comprise:

- the statement of financial position as at March 31, 2026
- the statement of revenues and expenses for the year then ended
- the statement of changes in net assets 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 Society as at March 31, 2026, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## *Basis for 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 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 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 Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 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.
- 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 26, 2026

# TRELLIS SOCIETY FOR COMMUNITY IMPACT

Statement of Financial Position

March 31, 2026, with comparative information for 2025

| | | 2026 | | 2025 |
|---|---|---|---|---|
| **Assets** | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | $ | 809,263 | $ | 435,246 |
| Restricted cash (note 2) | | 257,822 | | 306,137 |
| Investments (note 3) | | 3,014,052 | | 3,454,490 |
| Accounts receivable (note 14) | | 801,481 | | 1,194,964 |
| Government remittances recoverable | | 84,899 | | 69,386 |
| Inventory | | 75,550 | | 42,000 |
| Prepaid expenses and deposits | | 596,735 | | 494,061 |
| Current portion of lease receivable (note 5) | | 76,516 | | 69,263 |
| Loan receivable from the Trellis Foundation (note 14) | | 20,000 | | 20,000 |
| | | 5,736,318 | | 6,085,547 |
| Tangible capital assets (note 4) | | 1,572,849 | | 1,508,426 |
| Lease receivable (note 5) | | 435,602 | | 512,118 |
| Loan receivable from the Trellis Foundation (note 14) | | 3,000,000 | | 2,940,000 |
| | $ | 10,744,769 | $ | 11,046,091 |
| **Liabilities and Net Assets** | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities (note 6) | $ | 1,847,659 | $ | 2,581,933 |
| Deferred contributions – program advances (note 7) | | 3,790,709 | | 3,419,428 |
| Current portion of capital lease obligation (note 9) | | 22,258 | | 22,900 |
| | | 5,660,626 | | 6,024,261 |
| Capital lease obligations (note 9) | | 153,572 | | 137,213 |
| Loan payable (note 13) | | 80,000 | | – |
| Long term accrued liabilities | | 31,975 | | 19,184 |
| Deferred capital contributions (note 8) | | 1,561,291 | | 1,613,035 |
| | | 7,487,464 | | 7,793,693 |
| Net assets: | | | | |
| Unrestricted | | 2,697,305 | | 2,692,398 |
| Internally restricted | | 560,000 | | 560,000 |
| | | 3,257,305 | | 3,252,398 |
| Commitments (note 16) | | | | |
| Contingencies (note 17) | | | | |
| | $ | 10,744,769 | $ | 11,046,091 |

See accompanying notes to the financial statements.

On behalf of the Board:

L. Sorochan ______________________ Director

Rachel Chong ______________________ Director

# TRELLIS SOCIETY FOR COMMUNITY IMPACT

Statement of Revenues and Expenses

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

| | 2026 | 2025 |
|---|---|---|
| Revenues (note 11): | | |
| Core Funding: | | |
| Federal government | $ 2,213,841 | $ 1,837,650 |
| Provincial government | 15,674,726 | 14,604,540 |
| Municipal government | 1,633,095 | 1,931,745 |
| United Way | 3,281,333 | 3,303,825 |
| Calgary Homeless Foundation | 3,922,454 | 5,997,628 |
| Self-Generated Funding | | |
| Donations (notes 10 and 14) | 5,838,196 | 6,379,032 |
| Program revenue | 2,269,550 | 2,483,028 |
| Administrative revenue (note 3) | 1,846,179 | 1,777,724 |
| Trellis Foundation support (note 14) | 712,344 | 611,634 |
| | 37,391,718 | 38,926,806 |
| Expenses (notes 12 and note 14): | | |
| Child & Youth Programming (note 19) | 6,273,019 | 6,423,681 |
| Culture & Community | 2,418,360 | 2,640,306 |
| Parenting Supports | 1,801,600 | 1,821,553 |
| Housing Supports & Shelter (note 19) | 21,369,367 | 21,906,670 |
| Therapy & Wellness | 2,386,513 | 2,106,690 |
| Administration | 3,137,952 | 4,424,141 |
| | 37,386,811 | 39,323,041 |
| Excess (deficiency) of revenues over expenses | $ 4,907 | $ (396,235) |

See accompanying notes to financial statements.

# TRELLIS SOCIETY FOR COMMUNITY IMPACT

Statement of Changes in Net Assets

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

| | Internally restricted | Unrestricted | 2026 | 2025 |
|---|---|---|---|---|
| Net assets, beginning of year | $ 560,000 | $ 2,692,398 | $ 3,252,398 | $ 3,528,570 |
| Excess (deficiency) of revenues over expenses | – | 4,907 | 4,907 | (396,235) |
| Transfer of capital assets to the Foundation (note 4) | – | – | – | 120,063 |
| Net assets, end of year | $ 560,000 | $ 2,697,305 | $ 3,257,305 | $ 3,252,398 |

See accompanying notes to financial statements.

# TRELLIS SOCIETY FOR COMMUNITY IMPACT

Statement of Cash Flows

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

| | 2026 | 2025 |
|---|---|---|
| Cash and cash equivalents provided by (used in) the following activities: | | |
| **Operating:** | | |
| Excess (deficiency) of revenues over expenses | $ 4,907 | $ (396,235) |
| Items not affecting cash: | | |
| Amortization of deferred capital contributions | (226,290) | (179,272) |
| Disposals and write-down of deferred capital contributions | – | (63,593) |
| Amortization of tangible capital assets | 206,969 | 249,483 |
| (Gain) loss on asset disposal (transfer) | – | 9,158 |
| Straight line adjustment on operating lease | 12,791 | 3,276 |
| | (1,623) | (377,183) |
| Changes in non-cash working capital: | | |
| Accounts receivable | 393,483 | (343,674) |
| Government remittances recoverable | (15,513) | 15,015 |
| Inventory | (33,550) | (26,450) |
| Prepaid expenses and deposits | (102,674) | (17,312) |
| Accounts payable and accrued liabilities | (734,274) | (464,435) |
| Deferred contributions – program advances | 371,281 | 205,574 |
| | (122,870) | (1,008,465) |
| **Financing:** | | |
| Repayment of loans | – | (9,259) |
| Advances on loans | 80,000 | – |
| Repayment of capital lease obligations | (22,900) | (14,123) |
| Due to Foundation | – | (225) |
| Deferred capital contributions received | 174,546 | 19,014 |
| | 231,646 | (4,593) |
| **Investing:** | | |
| Proceeds from sale of investments | 8,299,182 | 5,150,758 |
| Purchases of investments | (7,858,744) | (4,344,986) |
| Purchase of tangible capital assets | (232,775) | (330,891) |
| Proceeds from lease receivable (Principal) | 69,263 | 59,738 |
| Advance to Foundation | (80,000) | 200,529 |
| Repayment of loan receivable from the Foundation | 20,000 | 20,000 |
| | 216,926 | 755,148 |
| Net increase in cash and cash equivalents | 325,702 | (257,910) |
| Cash and cash equivalents, beginning of year | 741,383 | 999,293 |
| Cash and cash equivalents, end of year | $ 1,067,085 | $ 741,383 |
| Cash and cash equivalents is comprised of: | | |
| Cash and cash equivalents | $ 809,263 | $ 435,246 |
| Restricted cash | 257,822 | 306,137 |
| | $ 1,067,085 | $ 741,383 |

See accompanying notes to financial statements.

Trellis Society for Community Impact (the “Entity”) is a not-for-profit organization registered under the Societies Act of Alberta. The Entity works with children, youth and families to unearth their potential and support their growth. The Entity achieves its mission through programs that focus on improving access to resources, developing family and community supports and building people’s capacity to deal with life’s challenges. The vision of the Entity is a world where everyone reached their full potential; unlocking growth across generations.

The Entity is registered under the Income Tax Act as a registered charity and therefore is exempt from income taxes.

## 1. Significant accounting policies:

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

(a) Cash and cash equivalents, and restricted cash:

Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid with original maturities of less than three months. Cash subject to restrictions is included in restricted cash.

(b) Investments:

Investments are composed of Guaranteed Investment Certificates ("GICs") with maturities greater than three months at the time of purchase and are recorded at fair value.

(c) Inventory:

Inventory includes gift certificates and communications and promotional items and is measured at the lower of cost and replacement cost. Cost is determined on a first-in, first-out basis, and net realizable value is determined using the current estimated selling price less the selling cost. The estimated selling price takes into account management's best estimate of the most probable set of economic conditions.

**1. Significant accounting policies (continued):**

(d) Tangible capital assets:

Tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at estimated fair value at the date of contribution.

The Entity provides for amortization on a straight-line basis at the following rates, based on the estimated useful lives and residual values of the assets:

| | |
|---|---|
| Buildings and related improvements | 10–30 years |
| Vehicles | 5–10 years |
| Office equipment and furniture | 4–10 years |
| Assets under capital lease | 4 years |
| Computer and software | 3–4 years |
| Playground | 15 years |
| Clubs equipment | 10 years |
| Appliances | 10 years |

Leasehold building improvements are amortized using the straight-line method over the terms of the leases, which vary from five to ten years and are representative of the estimated useful lives of the assets.

Tangible capital assets are tested for impairment whenever events or changes in circumstances indicate that an asset can no longer be used as originally expected and its carrying amount may not be fully recoverable. An impairment loss is recognized when and to the extent that management assesses the future useful life of an asset to be less than originally estimated.

(e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently recorded at fair value. All other financial instruments are recorded at cost or amortized cost, unless management has elected to record at fair value.

Transaction costs related to financial instruments measured at fair value are expensed as incurred. For all other financial instruments, the transaction costs are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the statement of revenues over expenses.

**1. Significant accounting policies (continued):**

(e) Financial instruments (continued):

At year-end, the Entity assesses whether there are any indications that a financial asset measured at cost or amortized cost may be impaired. The Entity recognizes an impairment loss in the statement of revenues and expenses when it identifies a significant adverse change during the period in the expected timing or amount of future cash flows. If an asset that was previously written down becomes less impaired and the recovery in value relates to an event occurring subsequent to the impairment write-down, the asset can be written back up, but only to the extent of the original impairment adjustment. This reversal of the previously recorded impairment loss is recorded in the statement of revenues and expenses in the period the reversal occurs.

(f) Government subsidy:

The Entity periodically applies for financial assistance under available government incentive and subsidy programs. Government subsidies are recognized as revenue in the period that the Entity becomes eligible to receive the subsidy and when related expenses are incurred.

(g) Revenue recognition:

The Entity follows the deferral method of accounting for contributions which include donations and government grants. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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. Endowment contributions are recognized as direct increases in net assets.

Restricted capital contributions that will be amortized are deferred and amortized on a straight-line basis over the estimated useful life of the corresponding asset. Restricted capital contributions for the purchase of tangible capital assets that are not amortized are recognized as direct increases in net assets.

Externally 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.

Contributions of shares of publicly traded companies are recorded at the closing market price of the shares on the day they are effectively received by the Entity. The delivered value of the shares is included in donations and other income.

**1. Significant accounting policies (continued):**

(h) Donated services and materials:

A substantial number of volunteers contribute a significant amount of time each year. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements. Gifts in kind are recognized as revenue when the value can be reasonably determined and the Entity would have to otherwise purchase these items for use in the normal course of operations.

(i) Use of estimates:

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Estimates primarily arise in the determination of the allowance for doubtful accounts, calculation of estimated useful lives and potential impairment of tangible capital assets, determination of accrued liabilities and potential contingencies. Actual results could be different from their estimates. These estimates and assumptions are reviewed periodically and are prospectively adjusted in the periods in which they become known.

(j) Expenses:

Expenses are charged to mission priorities, which include Child & Youth Programming, Culture & Community, Parenting Supports, Housing Supports & Shelter, Therapy & Wellness and Administration, according to the activity that they benefit. Certain expenses benefit more than one category and, accordingly, are attributed to the relevant categories on the basis of actual expenses and employee hours. The basis of allocation for all expenses may be revised according to specific program budgets.

- Child & Youth Programming expenses consist of staff compensation and benefits, facility maintenance and rental of club spaces, food, supplies, and admin costs related to running the clubs.
- Culture & Community based expenses consist of staff compensation and benefits, and community outreach expenses, including travel and meals.
- Parenting Supports expenses consist of staff compensation and benefits, basic needs support and programming supplies.
- Housing Supports & Shelter expenses include staff compensation and benefits, rent/shelter for teens, food distribution and individualized support costs.
- Therapy & Wellness expenses include compensation and benefits of therapists, as well as supplies used for therapy and basic needs support for clients.

**1. Significant accounting policies (continued):**

(j) Expenses (continued):

- Administration expenses are incurred to operate the Entity and its programs in a cost-effective manner while maximizing all opportunities to further the Entity's mission. These include expenses related to human resources, information technology, facilities and finance departments in addition to corporate governance activities, such as strategic planning, reporting, and financial planning. A portion of these costs are allocated to the programs as per each of the funder agreement allowances.

(k) Related party transactions:

Monetary related party transactions and non-monetary related party transactions that have commercial substance are measured at the exchange amount when they are in the normal course of business, except when the transaction is an exchange of a product or property held for sale in the normal course of operations. Where the transaction is not in the normal course of operations, it is measured at the exchange amount when there is a substantive change in the ownership of the item transferred and there is independent evidence of the exchange amount. All other related party transactions are measured at the carrying amount.

**2. Restricted cash:**

Restricted cash consists of the balances in separate bank accounts as required by the Alberta Gaming and Liquor Commission related to casino and raffle proceeds. The use of these funds is restricted to specified uses as defined in the casino and raffle license agreements and must be spent within a specified time frame.

**3. Investments:**

| | 2026 | 2025 |
|---|---:|---:|
| GICs | $ 3,000,000 | $ 3,440,949 |
| Member share dividend | 14,052 | 13,541 |
| | $ 3,014,052 | $ 3,454,490 |

The outstanding GICs as at March 31, 2026 have issue date in March 2026 (2025 – between July 2024 and March 2025). The effective interest rates on the GICs vary between 3.3% and 3.4% (2025 – 4,00% and 5.20%) per annum. GICs have maturity dates between June 2026 and March 2027 (2025 – July 2024 and November 2025).

GICs earned interest income of $154,770 in 2026 (2025 – $222,460), which has been recorded in administrative revenue.

**4. Tangible capital assets:**

| 2026 | Cost | Accumulated amortization | Net book value |
|---|---|---|---|
| Buildings and related improvements: | | | |
| Pineridge Club | $ 851,322 | $ 564,943 | $ 286,379 |
| Penbrooke Club | 784,448 | 579,081 | 205,367 |
| Other | – | – | – |
| Vehicles | 555,007 | 276,674 | 278,333 |
| Office equipment and furniture | 303,759 | 297,758 | 6,001 |
| Assets under capital lease | 442,750 | 309,402 | 133,348 |
| Computer and software | 1,111,016 | 1,111,016 | – |
| Clubs equipment | 126,247 | 126,247 | – |
| Appliances | 30,265 | 30,265 | – |
| Leasehold building improvements | 754,069 | 670,660 | 83,409 |
| Playground | 31,208 | 6,068 | 25,140 |
| Assets under construction | 554,872 | – | 554,872 |
| | $ 5,544,963 | $ 3,972,114 | $ 1,572,849 |

| 2025 | Cost | Accumulated amortization | Net book value |
|---|---|---|---|
| Buildings and related improvements: | | | |
| Pineridge Club | $ 851,322 | $ 536,565 | $ 314,757 |
| Penbrooke Club | 784,448 | 552,933 | 231,515 |
| Other | 750,831 | 750,831 | – |
| Vehicles | 494,231 | 212,523 | 281,708 |
| Office equipment and furniture | 303,759 | 296,227 | 7,532 |
| Assets under capital lease | 442,750 | 265,127 | 177,623 |
| Computer and software | 1,111,016 | 1,111,016 | – |
| Clubs equipment | 126,247 | 126,247 | – |
| Appliances | 30,265 | 29,963 | 302 |
| Leasehold building improvements | 754,069 | 630,556 | 123,513 |
| Playground | 31,208 | 3,988 | 27,220 |
| Assets under construction | 344,256 | – | 344,256 |
| | $ 6,024,402 | $ 4,515,976 | $ 1,508,426 |

Amortization expense for the year was $206,969 (2025 – $249,483).

**4. Tangible capital assets (continued):**

During the year, the Entity leased one vehicle for its Group Care operations valued at $60,776 (2025 – two new vehicles at $111,267) and utilized capital contributions of $19,525 to acquire a moving van to support Housing programs.

During the year ended March 31, 2025, the Entity transferred Rundle Group Home with original cost of $221,781 and net book value of $1,438, and Bearlodge Group Home with original cost of $510,512 and net book value of $411,104 to the Trellis Foundation for Community Impact (the “Foundation").

Total amortization expenses recognized for the year was $206,969 (2025 – $249,483).

**5. Lease receivable:**

In 2021, the Entity leased out building and equipment assets related to Camp Adventure to Connect Charter School Society. Total proceeds were $1,000,000 with $150,000 paid on August 1, 2021 and $850,000 set up as a 10-year lease receivable with 3% annual interest rate in years 1-3, and 10% in years 4-10. The principal lease amount received during the year was $69,263 (2025 – $59,738).

During 2026, the Entity recognised interest income on lease receivables of $57,670 (2025 – $55,530). The following table shows the undiscounted lease payments to be received:

| | |
|---|---|
| 2027 | $ 76,516 |
| 2028 | 84,528 |
| 2029 | 93,379 |
| 2030 | 103,157 |
| 2031 | 113,959 |
| Thereafter | 40,579 |
| | $ 512,118 |
| Less: current portion | 76,516 |
| | $ 435,602 |

**6. Accounts payable and accrued liabilities:**

Government remittances included in accounts payable and accrued liabilities at year end were $nil (2025 – $88,506) for payroll.

**7. Deferred contributions – program advances:**

Deferred contributions – program advances represent resources for operations received in one period that will be utilized in a subsequent period, as well as externally restricted contributions that were not spent in prior fiscal years. Changes in this deferred contribution balance are as follows:

| | 2026 | 2025 |
|---|---|---|
| Balance, beginning of year | $ 3,419,428 | $ 3,213,854 |
| Received during the year | 33,790,299 | 32,787,759 |
| Recognized as revenue during the year | (33,419,018) | (32,582,185) |
| Balance, end of year | $ 3,790,709 | $ 3,419,428 |

**8. Deferred capital contributions:**

| | 2026 | 2025 |
|---|---|---|
| Deferred capital contributions: | | |
| Balance, beginning of year | $ 1,613,035 | $ 1,836,886 |
| Capital contributions received | 174,546 | 19,014 |
| Less: amortization for the year | (226,290) | (179,272) |
| Disposals and write-downs | – | (63,593) |
| Balance, end of year | $ 1,561,291 | $ 1,613,035 |

**9. Capital lease obligations:**

During the year ended March 31, 2026, Entity expanded its vehicle fleet by entering into one capital lease bearing interest at 5.99% (2025 – two capital leases bearing interest at 8.19% and 7.79%). The capital lease obligations are secured by the respective assets.

Principal repayments required are as follows:

| | 2026 | 2025 |
|---|---|---|
| 2026 | $ – | $ 22,900 |
| 2027 | 22,258 | 18,845 |
| 2028 | 19,564 | 15,941 |
| 2029 | 61,173 | 13,701 |
| 2030 | 49,183 | 2,303 |
| 2031 | 23,652 | 86,423 |
| Balance, end of year | $ 175,830 | $ 160,113 |
| Less: current portion | 22,258 | 22,900 |
| | $ 153,572 | $ 137,213 |

**10. Gifts in kind:**

Included in donations are $66,944 (2025 – $47,248) of gifts in kind.

**11. Surplus:**

Some of the Entity's funders retain the right, under contract, to reclaim any unspent funds that result in a surplus. The Entity, in accordance with surplus retention agreements with its funders, may obtain permission from funders to allocate surpluses and apply them to specific purposes. Any surpluses incurred at the years ended March 31, 2026, and March 31, 2025, have been handled in accordance with the agreements and have only been carried over upon funders' consent.

**12. Charitable Fund-raising Act and Regulations compliance:**

Section 8 of the Charitable Fund-raising Act and Sections 6(2) and 7(2) of the Charitable Fund-raising Regulations require the financial information return and audited financial statements to contain certain information related to contributions and related expenses.

Total compensation paid to employees whose principal duties involve fundraising was $731,691 (2025 – $668,008). Total expenses incurred for the purpose of soliciting contributions were $208,136 (2025 – $192,033).

**13. Loan payable**

During the year ended March 31, 2025, the Entity received approval for a loan from the Canada Mortgage and Housing Corporation to finance the Trellis New Home for Families project. During the year ended March 31, 2026 the Entity received a loan advance of $80,000 to finance the project. The loan bears interest at a rate of prime plus 2% calculated semi-annually. The principal and accrued interest are repayable in full upon the earlier of:

a. the maturity date of November 1, 2027;

b. discontinuation of the Trellis New Home for Families project; or

c. the project obtaining financing from an alternative source.

During the year ended March 31, 2025, the Trellis New Home for Families project was transferred to the Foundation (note 14). The corresponding loan remained with the Entity.

**14. Related party transactions:**

Related party transactions are with the Foundation, which is related to the Entity by way of common charitable objectives and common management:

(i) The Entity leases group homes from the Foundation for which rental payments of $693,772 (2025 – $656,647) were paid during the year ended March 31, 2026.

(ii) During the year ended March 31, 2026, $14,570 (2025 – $31,125) in donations were transferred to the Foundation. Majority of these funds are intended for the Bowness building project. Additionally, the Foundation donated $263,572 (2025 – $$750,000) to Entity, of which $63,572 (2025 – $400,000) is included in accounts receivable at year-end. Of the $263,572 donation, $200,000 (2025 – $250,000) donations are considered Trellis Soirée Event fundraising and $63,572 (2025 – $500,000) was a gift to support strategic initiatives of the Entity. These gifts are reflected in the donations' revenue and Trellis Foundation Support revenue, respectively.

(iii) Also during the year, the Entity received $648,772 (2025 – $611,646) rental support payments from the Foundation, of which $162,193 (2025 – nil) is included in accounts receivable. Rental support payments are reflected in Trellis Foundation Support revenue.

(iv) The Entity advanced a loan of $3,000,000 to the Foundation in 2023 to support its Charitable objectives. The amount is non-interest bearing and is payable to the Entity in annual instalments of $20,000, commencing on March 31, 2024, and continuing on the 31 of March each subsequent year, with the balance outstanding to be fully repaid by March 31, 2074.

The balance outstanding as at March 31, 2026 was $2,940,000 (2025 – $2,960,000). During the year ended March 31, 2026, the Foundation repaid $20,000 ($2025 – $20,000).

**14. Related party transactions (continued):**

(v) During the year ended March 31, 2026 the Entity advanced a loan of $80,000 to the Foundation to finance the Trellis New Home for Families project. The loan bears interest at a rate of prime plus 2% calculated semi-annually. The principal and accrued interest are repayable in full to the Entity upon the earlier of:

d. the maturity date of November 1, 2027;

e. discontinuation of the Trellis New Home for Families project; or

f. the project obtaining financing from an alternative source.

These transactions were conducted in the normal course of operations and are measured at the exchange amount, which represents the amount of consideration established and agreed to by the related parties.

**15. Financial instruments:**

(a) Liquidity risk:

Liquidity risk is the risk that the Entity will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Entity manages its liquidity risk by monitoring its operating requirements. The Entity prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

The Entity continues to manage liquidity risk by forecasting and assessing cash flow requirements on an ongoing basis.

(b) Credit risk:

The Entity is exposed to credit risk as it relates to cash and cash equivalents and accounts receivable. Cash is held with reputable Canadian financial institutions, and accounts receivable is due from funders and donors with no history of non-payment.

(c) Interest rate risk:

Interest rate risk reflects the sensitivity of the Entity's financial results and operations to movements in interest rates. The Entity had no operating line or leases with variable borrowings rates as at year end. As a result, there is no exposure to changes in interest rates on facilities.

(d) Market risk:

The Entity manages its investment portfolio to earn investment income. The Entity is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes. Investments have varying maturity dates. Accordingly, if interest rates decline, the Entity may not be able to reinvest the maturing investment at a rate similar to that of the balance maturing.

There is no significant change in risk exposure from prior years.

**16. Commitments:**

The Entity has various operating leases for premises expiring on or before September 30, 2030. These leases commit the Entity to the following estimated minimum annual base plus operating cost rent payments in each fiscal year, as follows:

| | |
|---|---|
| 2027 | $ 1,319,395 |
| 2028 | 468,698 |
| 2029 | 471,638 |
| 2030 | 251,179 |
| 2031 | 9,282 |

**17. Contingencies:**

The Entity is engaged in certain claims and legal actions in the ordinary course of operations. Management believes that the ultimate outcome of these actions will not have a material adverse effect on the results of operations or financial position of the Entity.

**18. Income taxes:**

The Entity is registered as a charitable organization under the Income Tax Act (the "Act") and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Entity must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

**19. Comparative figures:**

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year. Specifically, amounts previously reported within Provincial government funding revenue have been reclassified to Donations revenue and amounts previously reported within Child & Youth Programming expenses have been reclassified to Housing Supports and Shelter expenses.

For the year ended March 31, 2025, this reclassification resulted in a decrease of $167,812 in Provincial government funding and a corresponding increase of $167,812 Donations revenue, and a decrease of $6,217,344 in Child and Youth Programming expenses and a corresponding increase of $6, 217,344 in Housing Supports and Shelter expenses.

This reclassification had no impact on net assets, excess (deficiency) of revenue over expenses as reported in the statement of revenues and expenses, or statement of cash flow, including operating, financing or investing activities.