Management's Discussion & Analysis

Calgary Homeless FOUNDATION / F2026

Management's Discussion & Analysis

This Management Discussion and Analysis (MD&A) includes information about Calgary Homeless Foundation's (CHF) expectations for the future. When strategy, plans, future operating performance, or other things that have not yet occurred are discussed, CHF makes statements considered forward-looking information. Forward-looking information involves risks, uncertainties and other factors that may cause actual results to differ materially from those stated in this MD&A. Forward-looking information is designed solely to help readers understand management's current views and is not appropriate for other purposes. CHF disclaims any intention or obligation to update or revise any forward-looking information, whether because of new information, future events or otherwise

For reference:

- April 1, 2024, to March 31, 2025, is referred to as Fiscal 2025
- April 1, 2025, to March 31, 2026, is referred to as Fiscal 2026
- April 1, 2026, to March 31, 2027, is referred to as Fiscal 2027

1. Organization and Leadership

As of March 31, 2026, CHF employed forty-five staff. The organization is led by President & CEO Patricia Jones and supported by an executive leadership team. A current list of executive leadership and Board members is available at www.calgaryhomeless.com/about-us/.

2. Strategy

Calgary Homeless Foundation (CHF) guides the fight against homelessness. Fueled by this purpose, we envision the day when homelessness is rare, brief, and non-recurring—an episode in someone's life, but never a condition that defines it.

Working in alignment with governments and collaboratively with service providers and community partners, CHF helps translate complex system needs into coordinated, efficient ground-level action that maximizes the impact of every resource and creates lasting pathways out of homelessness. We are uniquely positioned to observe the many challenges facing Calgary and to strengthen the homeless-serving sector through strategic leadership, forward-thinking capacity development, and hands-on system support.

Fiscal 2026 marked the final year of CHF's strategic plan, Guiding the Fight Against Homelessness: Focus to 2025. Throughout Fiscal 2026, we continued to operate within a strategic framework while undertaking planning for the next phase of strategic plan development.

3. Fiscal 2026 Accomplishments

In Fiscal 2026, we advanced work aligned with our strategic ambitions and system stewardship responsibilities. Within a complex operating environment, we continued to guide coordination across Calgary's Homeless-Serving System of Care, strengthen data-informed decision-making, and support a collective response to system pressures.

System Leadership and Coordination

CHF continued to serve as a system steward, working with funded agencies and partners to allocate resources and respond to pressures across the Homeless-Serving System of Care. Through this coordination role, we maintained a system-level view of capacity and demand, enabling responsive planning and funding decisions.

We collaborated with funded agencies, government partners, and community stakeholders to support a coordinated response to homelessness that balances immediate needs with longer-term system outcomes. This included ongoing program monitoring and evaluation, mid-year reviews with funded agencies.

We also continued our role in guiding city-wide initiatives such as Extreme Weather Response (EWR), which brings together more than twenty partner organizations to provide warming spaces, transportation, essential items, and connections to services during periods of extreme cold. These coordinated efforts provide immediate safety and serve as entry points to deeper engagement and pathways to housing stability.

Built on the success of the EWR program, two year-round day spaces were launched in Fiscal 2026, providing consistent, low-barrier access to rest, services, and connection beyond periods of extreme weather.

Prevention, Diversion, and Flow Through the System

Alongside our investments in the Homeless-Serving System of Care, we maintained a focus on prevention and diversion initiatives designed to help individuals and families remain housed or avoid entering homelessness. These interventions improve outcomes while reducing pressure on emergency services and preserving capacity in supportive housing.

During Fiscal 2026, these investments supported individuals and families through rental assistance, landlord mediation, and system navigation, including connections to income, housing, and health and community services.

We also continued working with agencies to identify what is marking it harder for people to move into housing, including delays, challenges between programs, and barriers to placement. Addressing these issues help make better use of available spaces and supports a more effective system overall.

Data, Evaluation, and Learning

Data and evaluation remained foundational to our system leadership in Fiscal 2026. Through our integrated data platform, we continued to collect and analyze system-wide data to inform funding decisions, program improvements, and policy discussions.

A key activity during the year was the coordination of the Point-in-Time (PiT) Count, a collaborative, city-wide effort involving more than one hundred volunteers and partner organizations. The PiT Count provides a snapshot of homelessness in Calgary and supports long-term trend analysis, helping to contextualize system pressures in a rapidly growing city.

We expanded the use of dashboards and the Homeless Management Information System (HMIS), providing agencies with real-time insight into program performance and participant needs.

We also advanced evaluation practices across the sector, supporting agencies in the development of Theories of Change. Programs are now required to clearly define outcomes, approaches, and measures of success as part of funding agreements, strengthening consistency and evidence-based decision-making.

We also advanced improvements to Coordinated Access and Assessment (CAA), a centralized system that matches people experiencing homelessness to appropriate housing and services based on need. This included the development and completion of the Coordinated Entry Tool (CET), with launch planned for early Fiscal 2027, to improve matching accuracy and participant experience.

Convening and Partner Collaboration

We continued to convene partners across the sector to support collaboration and shared learning. This included ongoing Communities of Practice, training sessions, and sector engagements that support frontline capacity and collaboration. In Fiscal 2026, CHF delivered forty-four training sessions to 701 frontline workers across the system, strengthening skills in areas such as crisis response and participant support.

We also convened the eighth annual Data That Makes a Difference conference in partnership with the University of Calgary's School of Public Policy, bringing together researchers, service providers, and partners to share insights and strengthen data-informed decision-making.

The Art Smith Awards honoured individuals and organizations across the sector, including the introduction of a new Indigenous leadership award in partnership with G4 Stoney Nakoda Tsuut'ina Tribal Council, recognizing culturally grounded approaches to homelessness.

The Longest Night of the Year memorial remained an important community gathering, bringing together partners, leaders, and the public to honour individuals who passed away while experiencing homelessness. This event reinforces the shared responsibility of the sector and community to respond with dignity, care, and accountability.

Reconciliation and Indigenous Partnerships

We continued our commitment to reconciliation-in-practice through sustained relationship-building with Indigenous partners, recognizing that reconciliation is an ongoing and relational process.

This included participation in cultural events and ceremonies, as well as engagement with Indigenous partners to inform program design, evaluation, and system planning

We continued to collaborate with Indigenous organizations and partners, supporting culturally appropriate responses and strengthening relationships critical to addressing the overrepresentation of Indigenous peoples experiencing homelessness.

Through this work, we continued to deepen relationships, incorporate Indigenous perspectives into system design, and advance our commitment to reconciliation as a lived and ongoing practice.

4. Looking Forward to Fiscal 2027

Our Fiscal 2027 Business Plan outlines priorities designed to bridge from the conclusion of Focus to 2025 toward a new strategic plan under development.

Our plan for F2027 focuses on stabilization, positioning, and preparedness. The planned activities emphasize maintaining our system leadership role, sustaining organizational capacity, strengthening relationships across governments and partners, enhancing operational resilience, and upholding public trust— Our seven strategic priorities are:

1. Financial Sustainability and Scenario Readiness

2. System Stewardship through Data Management & Evaluation

3. System Leadership, Credibility, and Partner Coordination

4. Government Alignment and Policy Engagement

5. Organizational Capacity, Leadership Continuity, and Team Stability

6. Operational Resilience, Cybersecurity, and Privacy Protection

7. Indigenous Partnerships and Reconciliation in Practice

These priorities reflect our intent to remain a trusted system leader while preserving flexibility to adapt as external conditions continue to evolve.

5. Risk Management

At CHF, we develop and maintain a Strategic Risk Management Framework (SRM) that supports and advances our strategic plan, our purpose, our ambitions, and our values. Our SRM framework integrates with strategic planning processes and annual business planning activities across CHF, and our approach assumes a constant cycle of identification, analysis, mitigation, monitoring, and reporting.

We actively monitor risk and implement mitigation strategies through governance oversight, internal controls, scenario planning, and ongoing partner engagement.

6. Governance

CHF is governed by a volunteer Board of Directors that provides strategic oversight and ensures accountability to funders, partners, and the community. The Board is responsible for guiding CHF's strategic direction, approving policy and financial frameworks, and overseeing organizational risk.

The Board works closely with management while maintaining appropriate independence from day-to-day operations. A list of Board members is available at www.calgaryhomeless.com/about-us/.

7. Financial Results

STATEMENT OF FINANCIAL POSITION (AS OF MARCH 31, 2026)

CHF reports a total fund balance of $29.5 million, reflecting an increase of $0.4 million compared to the previous year. Total assets increased by $1.4 million, driven by a $2.5 million increase in cash, a $1.1 million increase in accounts receivable, a $3.3 million decrease in prepaid expenses and a net increase of $1.1 million in short and long-term investments. Total liabilities increased by $1.0 million, primarily due to a $1.7 million increase in deferred contributions, which was offset by a $0.7 million decrease in accounts payable.

Investments of $17.3 million have been classified based on their intended use and anticipated timing of utilization, with $2.0 million classified as short-term and $15.3 million as long-term. The Foundation's investments are held within the Strategic Investment Fund, an internally restricted fund to support strategic projects that directly contribute to achieving the Foundation's purpose and long-term ambitions.

STATEMENT OF OPERATIONS (FOR THE YEAR ENDED MARCH 31, 2026)

Revenue: Total revenues of $51.3 million decreased by $18.0 million from the previous year. Government grants of $49.3 million decreased by $17.7 million from the prior year, primarily as a result of sector funding changes announced by the Government of Alberta on December 20th, 2024.

General fundraising and donations decreased by $0.1 million due to increases in unrestricted general giving and restricted fundraising campaigns.

Investment and other income decreased by $0.2 million due to increased interest and market returns on the Foundation's investment holdings and operating cash.

Expenses: Total expenses decreased by $16.0 million, from $67.5 million in Fiscal 2025 to $51.5 million in Fiscal 2026 with the decrease primarily attributed to changes in total project disbursements under the System Programs and Strategic Investment Funds to reflect current year funding levels. In both years, project disbursement expenses include payments to partner agencies delivering front-line services to people at risk of or experiencing homelessness.

Salaries, fundraising and general and administration expenses of $6.7 million in Fiscal 2026 decreased by $0.2 million, from Fiscal 2025, comprised of $4.9 million in salaries and benefits and $1.8 million in general and administrative and fundraising and event expenses. General and administrative expenses include consulting and professional fees, occupancy costs, licenses and subscriptions, and other general admin.

Net Operations: Excess revenue over expenses, of $0.4 million, includes a $0.7 million surplus in the operating fund, a $0.6 million surplus in the strategic investment fund offset by a $0.9 million deficit in the system programs fund. The surplus in the Strategic Investment Fund is primarily attributable to the timing of program initiatives and the carryforward of unrestricted donation dollars to support initiatives in Fiscal 2026. The deficit in the System Programs Fund is primarily attributable to the spend-down of the Fiscal 2025 surplus in Fiscal 2026. In accordance with financial policy, operating fund surpluses are allocated to the Strategic Investment Reserve.

LIQUIDITY AND CAPITAL RESOURCES (AS OF MARCH 31, 2026)

There was a deficit in cash from operating activities of $2.6 million, primarily attributable to expenditures exceeding revenues by $0.6 million (net of non-cash items), offset by an increase in operating working capital of $3.2 million.

Investing and financing activities used $0.1 million for the purchase of property and equipment, with no short-term borrowings

In all, total cash increased by $2.5 million over the previous year.

Calgary Homeless
FOUNDATION

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CHF aims to provide our community with transparency and accountability. Any complaints or concerns with CHF can be anonymously reported through our external whistleblower line at 403-214-1821.

Financial Statements of

CALGARY HOMELESS FOUNDATION

And Independent Auditor’s Report thereon

Year ended March 31, 2026

KPMG LLP
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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.

KPMG

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.

KPMG

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.

KPMG

- 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.

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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.