

CALGARY YOUTH JUSTICE SOCIETY
Financial Statements
Year Ended December 31, 2025

CALGARY YOUTH JUSTICE SOCIETY
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Year Ended December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Members of Calgary Youth Justice Society

Opinion

We have audited the financial statements of Calgary Youth Justice Society (the "Society"), which comprise the statement of financial position as at December 31, 2025, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Opinion

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

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Calgary, Alberta
February 24, 2026

Lockhart LLP
LOCKHART LLP
Chartered Professional Accountants

CALGARY YOUTH JUSTICE SOCIETY
Statement of Financial Position
December 31, 2025

	2025	2024
ASSETS		
CURRENT		
Cash	\$ 746,616	\$ 689,645
Restricted cash (Note 2)	736,031	630,245
Accounts receivable	16,519	2,012
Goods and services tax recoverable	13,509	10,876
Interest receivable	13,645	21,896
Prepaid expenses	11,060	14,570
	1,537,380	1,369,244
CAPITAL ASSETS (Net of accumulated amortization) (Note 3)	668	2,466
	\$ 1,538,048	\$ 1,371,710
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 93,354	\$ 62,587
Payroll liabilities	53,847	44,490
Deferred contributions (Note 4)	736,031	630,245
	883,232	737,322
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 5)	668	2,466
	883,900	739,788
NET ASSETS		
Unrestricted	369,148	346,922
Internally restricted (Note 6)	285,000	285,000
	654,148	631,922
	\$ 1,538,048	\$ 1,371,710

ON BEHALF OF THE BOARD

Kathryn Lowry
 _____ Director

Carrie Zimmerman
 _____ Director

See notes to financial statements

CALGARY YOUTH JUSTICE SOCIETY
Statement of Revenues and Expenditures
Year Ended December 31, 2025

	2025	2024
REVENUES		
Program grants and contributions (Note 7)	\$ 2,067,628	\$ 1,525,441
Donations	103,323	126,540
Gifts-in-kind donations	48,000	48,000
Casino and raffle	31,196	52,859
Amortization of deferred capital contributions	1,798	490
Scholarship and awards	500	1,000
	<u>2,252,445</u>	<u>1,754,330</u>
EXPENSES		
Salaries and wages	1,721,036	1,344,732
Consulting and evaluation	261,569	110,909
Program	103,881	107,334
Rental	48,000	48,000
General and administrative	45,211	29,026
Information technology	31,269	20,776
Telephone	18,970	14,818
Insurance	12,114	11,860
Accounting and legal	11,618	10,866
Professional development and training	11,951	9,464
Volunteer appreciation and training	5,939	5,154
Amortization	1,798	3,166
Scholarship and awards	500	1,000
	<u>2,273,856</u>	<u>1,717,105</u>
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>(21,411)</u>	<u>37,225</u>
OTHER ITEMS		
Interest from investments	38,859	57,946
Government subsidies (Note 8)	4,778	-
	<u>43,637</u>	<u>57,946</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 22,226</u>	<u>\$ 95,171</u>

See notes to financial statements

CALGARY YOUTH JUSTICE SOCIETY
Statement of Changes in Net Assets
Year Ended December 31, 2025

	Unrestricted	Invested in Capital Assets	Internally Restricted	2025	2024
NET ASSETS - BEGINNING OF YEAR	\$ 346,922	\$ -	\$ 285,000	\$ 631,922	\$ 536,751
Excess of revenues over expenses	22,226	-	-	22,226	95,171
NET ASSETS - END OF YEAR	\$ 369,148	\$ -	\$ 285,000	\$ 654,148	\$ 631,922

See notes to financial statements

CALGARY YOUTH JUSTICE SOCIETY
Statement of Cash Flows
Year Ended December 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 22,226	\$ 95,171
Items not affecting cash:		
Amortization	1,798	3,166
Amortization of deferred capital contributions	(1,798)	(490)
	<u>22,226</u>	<u>97,847</u>
Changes in non-cash working capital:		
Accounts receivable	(14,507)	(1,416)
Goods and services tax recoverable	(2,633)	3,707
Interest receivable	8,251	3,429
Prepaid expenses	3,510	(3,987)
Accounts payable and accrued liabilities	30,767	37,887
Payroll liabilities	9,357	17,427
Deferred contributions	105,786	(423,924)
	<u>140,531</u>	<u>(366,877)</u>
INCREASE (DECREASE) IN CASH FLOW	162,757	(269,030)
Cash - beginning of year	<u>1,319,890</u>	<u>1,588,920</u>
CASH - END OF YEAR	\$ 1,482,647	\$ 1,319,890
CASH CONSISTS OF:		
Cash	\$ 746,616	\$ 689,645
Restricted cash	<u>736,031</u>	<u>630,245</u>
	\$ 1,482,647	\$ 1,319,890

See notes to financial statements

CALGARY YOUTH JUSTICE SOCIETY

Notes to Financial Statements

Year Ended December 31, 2025

PURPOSE OF THE SOCIETY

Calgary Youth Justice Society (the "Society") is a not-for-profit organization, incorporated under the Societies Act of Alberta on February 9, 1998. The Society is exempt from federal income taxes in Canada as a registered charity pursuant to paragraph 149(1)(f) of the Income Tax Act (Canada) and is designated as a charitable organization for tax purposes.

The Society's programs support youth who are vulnerable to risk taking and criminal activities by engaging communities with young people to foster choices and opportunities that build upon their strengths, diverting them from crime.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

Cash and cash equivalents

Cash and cash equivalents include deposits with financial institutions and cash on hand.

Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis at the following rates:

Computer equipment	5 years
Furniture and fixtures	5 years
Website	3 years

Deferred contributions related to capital assets

Deferred contributions related to capital assets represent the unamortized portion of restricted contributions that were used to purchase the Society's capital assets. Recognition of these amounts as revenue is deferred to years when the related capital assets are amortized.

Impairment of long lived assets

The Society tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Revenue recognition

The Society follows the deferral method of accounting for contributions.

Externally 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.

Internally restricted contributions are reflected as appropriations of unrestricted net assets.

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CALGARY YOUTH JUSTICE SOCIETY

Notes to Financial Statements

Year Ended December 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Fund accounting

Revenues and expenses related to program delivery and administrative activities are reported in the unrestricted fund.

The invested in capital assets fund reports the assets, liabilities, revenues, and expenses related to Calgary Youth Justice Society's capital assets.

The internally restricted fund has been established to have funds to cover any unforeseen expenditures (note 6).

Contributed services

The operations of the Society depend on both the contribution of time by volunteers and donated materials from various sources. Donated materials are recorded at fair value when it can be reasonably determined. Due to the difficulty in determining the fair value of contributed services, they are not recognized in these financial statements

Financial instruments

The fair values of the Society's cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate their carrying value because of their short term nature. In certain circumstances, accounts receivable and accounts payable and accrued liabilities may be adjusted subsequent to their initial measurement at fair value based on management's expectations of collectibility, as well as estimates involving realization.

Investments are recorded at fair market value, determined by reference to investment certificates, with any unrealized gains and losses reported in income.

All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition or sale of financial instruments are expensed when incurred.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are periodically reviewed and any adjustments necessary are reported in the statement of operations in the period in which they become known.

Cloud computing arrangements

Effective January 1, 2024, the Society adopted the requirements of AcG-20, *Customer's accounting for cloud computing arrangements*. The Society has applied the requirements retrospectively and has chosen to apply the simplification approach. The total amount expensed in respect of cloud computing arrangements was \$11,789 (2024 - \$9,295). \$9,081 (2024 - \$7,745) was included in Information technology expense line and \$2,709 (2024 - \$1,550) was included in program expense line.

2. RESTRICTED CASH

Restricted cash is comprised of cash subject to restrictions imposed by funding agreements outstanding at December 31, 2025.

CALGARY YOUTH JUSTICE SOCIETY
Notes to Financial Statements
Year Ended December 31, 2025

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Computer equipment	\$ 38,158	\$ 38,158	\$ -	\$ 1,128
Furniture and fixtures	28,990	28,322	668	1,338
Website	6,150	6,150	-	-
	\$ 73,298	\$ 72,630	\$ 668	\$ 2,466

4. DEFERRED CONTRIBUTIONS

	2025	2024
Youth Justice Committee Program	\$ 334,344	\$ 32,185
In the Lead Program	278,802	564,193
Alberta Gaming and Liquor Commission	94,947	32,867
Alberta Law Foundation grant	22,438	-
Scholarship and Awards Program	5,500	1,000
	\$ 736,031	\$ 630,245

5. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred capital contributions consist of the unamortized amount of contributions received for the purchase of capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred capital contributions are as follows:

	2025	2024
Balance, beginning of year	\$ 2,466	\$ 2,956
Contributions restricted to acquisition of capital assets	-	-
Amounts recognized as revenue during the year	(1,798)	(490)
	\$ 668	\$ 2,466

6. INTERNALLY RESTRICTED NET ASSETS

The Society has restricted \$285,000 (2024 - \$285,000) as a reserve fund to cover unforeseen expenditures related to operations and non-recurring capacity building. Use of these funds is subject to approval of the Board of Directors.

CALGARY YOUTH JUSTICE SOCIETY
Notes to Financial Statements
Year Ended December 31, 2025

7. PROGRAM GRANTS AND CONTRIBUTIONS

Program grants and contributions include the following amounts from the City of Calgary.

	2025	2024
Family and Community Support Services (FCSS) - (Schedule 1)	\$ 299,216	\$ 299,216
Crime Prevention Investment Plan (CPIP) - (Schedule 2)	87,720	87,720
	\$ 386,936	\$ 386,936

8. GOVERNMENT SUBSIDIES

The Society received \$4,778 (2024 - \$nil) in government subsidies, including the Canada Summer Jobs wage subsidy. This is a subsidy only with no applicable repayment terms.

9. FINANCIAL INFORMATION FOR PURPOSES OF THE CHARITABLE FUNDRAISING ACT

Gross contributions received were \$103,323 (2024 - \$126,540).

The Society incurred a total cost of \$15,920 (2024 - \$nil) for soliciting these contributions. Included in these total costs is \$15,920 (2024 - \$nil) of remuneration paid to employees engaged in these fundraising activities.

10. FINANCIAL INSTRUMENTS

The Society, as part of its operations, carries numerous financial instruments. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2025.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk from customers and the financial institutions it banks with. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Society also only banks with financial institutions with strong credit ratings.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, accounts payable and accrued liabilities.

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

CALGARY YOUTH JUSTICE SOCIETY
Family and Community Support Services
(Schedule 1)
Year Ended December 31, 2025

	Budget	2025
REVENUES		
Family and Community Support Services	\$ 299,216	\$ 299,216
EXPENSES		
Personnel salary and wages	204,342	204,342
Employment benefits	38,742	38,742
Program resources	19,000	19,000
Program support salaries	15,700	15,700
Information technology	5,250	5,250
Evaluation	4,500	4,500
Insurance/Accounting/Legal	3,652	3,652
Professional development	3,000	3,000
Parking and mileage	2,750	2,750
Office supplies	1,780	1,780
Advertising	500	500
	<u>299,216</u>	<u>299,216</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>

CALGARY YOUTH JUSTICE SOCIETY

Crime Prevention Investment Plan

(Schedule 2)

Year Ended December 31, 2025

	Budget	2025
REVENUE		
Crime Prevention Investment Plan	\$ 87,720	\$ 87,720
EXPENSES		
Personnel salary and wages	59,998	59,998
Employment benefits	13,522	13,522
Program resources	4,000	4,000
Evaluation	4,000	4,000
Insurance/Accounting/Legal	2,200	2,200
Parking and mileage	2,000	2,000
Information technology	1,500	1,500
Office supplies	500	500
	<u>87,720</u>	<u>87,720</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>