

**ACTION FOR HEALTHY COMMUNITIES SOCIETY OF
ALBERTA**

Financial Statements
Year Ended March 31, 2026

ACTION FOR HEALTHY COMMUNITIES SOCIETY OF ALBERTA

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INDEPENDENT AUDITOR'S REPORT

To the Members of Action for Healthy Communities Society of Alberta

Opinion

We have audited the financial statements of Action for Healthy Communities Society of Alberta (the Society), which comprise the statement of financial position as at March 31, 2026, and the statements of revenues and expenses, 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 March 31, 2026, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 relating 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 these financial statements.

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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.

RSM Canada LLP

Edmonton, Alberta
June 12, 2026

Chartered Professional Accountants

ACTION FOR HEALTHY COMMUNITIES SOCIETY OF ALBERTA

Statement of Financial Position

March 31, 2026

	2026	2025
ASSETS		
CURRENT		
Cash (Note 3)	\$ 402,724	\$ 386,047
Term deposits (Note 4)	357,605	351,875
Accounts receivable (Note 5)	362,798	258,540
Goods and services tax recoverable	18,444	24,900
Prepaid expenses	92,201	47,451
	1,233,772	1,068,813
TANGIBLE CAPITAL ASSETS (Note 6)	60,702	74,870
	\$ 1,294,474	\$ 1,143,683
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 148,973	\$ 147,335
Wages payable (Note 7)	218,170	143,700
Deferred contributions related to operations (Note 8)	796,915	503,141
	1,164,058	794,176
DEFERRED CONTRIBUTIONS RELATED TO TANGIBLE CAPITAL ASSETS (Note 9)	60,644	74,694
	1,224,702	868,870
NET ASSETS		
General fund	69,714	274,637
Tangible capital assets fund	58	176
	69,772	274,813
	\$ 1,294,474	\$ 1,143,683

LEASE COMMITMENTS (Note 10)

APPROVED ON BEHALF OF THE BOARD

_____ Chair

_____ Treasurer

See notes to financial statements

ACTION FOR HEALTHY COMMUNITIES SOCIETY OF ALBERTA

Statement of Revenues and Expenses

Year Ended March 31, 2026

	2026	2025
REVENUES		
Federal government grants	\$ 3,674,661	\$ 4,650,527
Municipal government grants	1,017,285	739,052
Other grants	468,868	521,034
Provincial government grants	52,880	20,589
Donations and fundraising	42,922	75,406
Casino	42,849	56,744
Amortization of deferred contributions related to tangible capital assets (<i>Note 9</i>)	37,527	40,144
Interest income	11,392	9,660
	5,348,384	6,113,156
EXPENSES		
Salaries and wages	4,101,412	4,461,923
Rent and utilities	473,338	505,569
Participant program	339,083	268,875
Office supplies and materials	175,922	188,988
Subcontracts	151,080	196,583
Professional fees	113,315	194,994
Travel, transportation and parking	39,856	47,602
Amortization of tangible capital assets	37,645	40,292
GST	18,570	24,903
Community meetings hosting	17,748	22,331
Telephone, fax and internet	17,025	37,677
Staff professional development	17,025	20,349
Advertising and promotion	16,517	18,843
Printing, photocopying and postage	14,135	19,439
Volunteer expenses	12,748	6,931
Memberships	3,126	1,590
Interest and bank charges	2,543	2,706
Rental equipment	1,237	-
Fairs	1,100	930
Insurance	-	99
	5,553,425	6,060,624
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES	\$ (205,041)	\$ 52,532

See notes to financial statements

ACTION FOR HEALTHY COMMUNITIES SOCIETY OF ALBERTA

Statement of Changes in Net Assets

Year Ended March 31, 2026

	General Fund	Tangible Capital Assets Fund	2026	2025
NET ASSETS - BEGINNING OF YEAR	\$ 274,637	\$ 176	\$ 274,813	\$ 222,281
(Deficiency) excess of revenues over expenses	(204,923)	(118)	(205,041)	52,532
Purchase of tangible capital assets	23,477	(23,477)	-	-
Contributions received for purchase of tangible capital assets	(23,477)	23,477	-	-
NET ASSETS - END OF YEAR	\$ 69,714	\$ 58	\$ 69,772	\$ 274,813

See notes to financial statements

ACTION FOR HEALTHY COMMUNITIES SOCIETY OF ALBERTA

Statement of Cash Flows

Year Ended March 31, 2026

	2026	2025
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (205,041)	\$ 52,532
Items not affecting cash:		
Amortization of tangible capital assets	37,645	40,292
Amortization of deferred contributions related to tangible capital assets	(37,527)	(40,144)
	(204,923)	52,680
Changes in non-cash working capital:		
Accounts receivable	(104,258)	(114,848)
Goods and services tax recoverable	6,456	18,129
Prepaid expenses	(44,750)	11,957
Accounts payable and accrued liabilities	1,638	12,161
Wages payable	74,470	(64,360)
Deferred contributions related to operations	293,774	(8,110)
	227,330	(145,071)
	22,407	(92,391)
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(23,477)	(47,695)
Purchase of term deposits	(357,605)	(351,875)
Withdrawal of term deposits	351,875	651,875
	(29,207)	252,305
FINANCING ACTIVITY		
Contributions received for purchase of tangible capital assets	23,477	47,695
INCREASE IN CASH	16,677	207,609
Cash - beginning of year	386,047	178,438
CASH - END OF YEAR	\$ 402,724	\$ 386,047

See notes to financial statements

ACTION FOR HEALTHY COMMUNITIES SOCIETY OF ALBERTA

Notes to Financial Statements

Year Ended March 31, 2026

1. PURPOSE OF THE SOCIETY

Action for Healthy Communities Society of Alberta (the "Society") is a not-for-profit organization incorporated provincially under the Societies Act of Alberta. As a registered charity, the Society is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Society operates to provide settlement services, orientation information, employment counselling and referral, interpretation and translation, leadership and volunteer development and citizen participation to new Canadians.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations. Significant accounting policies observed in the preparation of the financial statements are summarized below.

Cash

Cash is comprised of cash on hand and cash on deposit, net of outstanding cheques at the reporting date.

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Contributed equipment, if any, is recorded at fair value at the date of contribution. Tangible capital assets are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	55%	declining balance method
Furniture and fixtures	20%	declining balance method
Leasehold improvements	3.75 years	straight-line method

One-half of the annual amortization is charged in the year of acquisition.

When conditions indicate tangible capital assets are impaired, the carrying value of the tangible capital assets is written down to the asset's fair value or replacement cost. The write down of the tangible capital assets is recorded as an expense in the statement of operations. A write-down shall not be reversed.

Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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.

Unrestricted investment income is recognized as revenue as earned.

Contributions related to tangible capital assets are deferred and recognized as revenue on the same basis as the amortization of the related tangible capital assets.

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ACTION FOR HEALTHY COMMUNITIES SOCIETY OF ALBERTA

Notes to Financial Statements

Year Ended March 31, 2026

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

Donated services and materials

Certain goods and services are received from the community without cost to assist the Society in carrying out its activities. Additionally, volunteers may have contributed a significant amount of time each year. Because of the difficulty in determining the fair value or costs of these activities, contributed goods and services are not recognized in these financial statements.

Financial instruments

Measurement

Financial instruments are financial assets or financial liabilities of the Society where, in general, the Society has the right to receive cash or another financial asset from another party or the Society has the obligation to pay another party cash or other financial assets.

The Society initially measures its financial assets and liabilities at fair value.

The Society subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, term deposits and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and wages payable.

Impairment

Financial assets measured at cost or amortized cost are tested for impairment, at the end of each year, to determine whether there are indicators that the asset may be impaired. The amount of the write-down, if any, is recognized in 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. The amount of the reversal is recognized in operations.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported 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. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Significant estimates included in the preparation of the financial statements are accrued liabilities, useful lives of tangible capital assets and deferred contributions related to tangible capital assets. Actual results could differ from these estimates.

ACTION FOR HEALTHY COMMUNITIES SOCIETY OF ALBERTA

Notes to Financial Statements

Year Ended March 31, 2026

3. CASH

Included in cash is a casino bank balance of \$29,106 (2025 - \$27,725) which consists of proceeds from casinos that can only be used in accordance with the licensing agreement with Alberta Gaming, Liquor and Cannabis.

The remaining cash of \$373,618 (2025 - \$358,322) is unrestricted.

4. TERM DEPOSITS

	2026	2025
Guaranteed investment certificates	\$ 357,605	\$ 351,875

Term deposits consist of guaranteed investment certificates bearing interest at 2.75 - 3.10% (2025 - 2.50 - 4.45%) per annum maturing in July 2026 - September 2026 (2025 - June 2025 - July 2025). The term deposits include \$91,922 (2025 - \$51,875) of proceeds from casinos that can only be used in accordance with the licensing agreement with Alberta Gaming, Liquor and Cannabis. The remaining \$265,683 (2025 - \$300,000) are term deposits restricted for purposes noted in Note 6.

5. ACCOUNTS RECEIVABLE

Accounts receivable includes grant receivable of \$331,042 (2025 - \$158,837) from Immigration, Refugees and Citizenship Canada.

6. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2026 Net book value	2025 Net book value
Computer equipment	\$ 342,635	\$ 306,798	\$ 35,837	\$ 41,815
Furniture and fixtures	88,199	71,231	16,968	21,211
Leasehold improvements	106,500	98,603	7,897	11,844
	\$ 537,334	\$ 476,632	\$ 60,702	\$ 74,870

7. WAGES PAYABLE

Wages payable includes vacation payable of \$214,025 (2025 - \$134,180) that employees have earned and accumulated to be used in future years.

ACTION FOR HEALTHY COMMUNITIES SOCIETY OF ALBERTA

Notes to Financial Statements

Year Ended March 31, 2026

8. DEFERRED CONTRIBUTIONS RELATED TO OPERATIONS

Deferred contributions at the end of the year represents the unexpended funds from various sources that will be recognized as revenue in future years.

	Balance, beginning of year	Amount received during the year	Amount used during the year	2026
Casino	\$ 79,600	\$ 84,277	\$ 42,849	\$ 121,028
IRCC - Urban	-	2,685,591	2,685,591	-
IRCC - Small Centre	-	684,719	684,719	-
FCSS - CC	136,626	282,943	419,569	-
FCSS - FRAME	9,593	342,011	296,578	55,026
COE -Canada 150 Suraj	-	2,350	2,350	-
Edmonton Community Foundation				
- Youth	-	15,500	15,500	-
Operating Grant	-	894	894	-
City of Spruce	-	10,000	-	10,000
City of Edmonton - Multicultural	35,344	403,915	239,289	199,970
City of Edmonton - Anti-Racism	42,893	-	42,893	-
Canadian Heritage - OCB	-	50,250	50,250	-
Government of Alberta - Sport				
Participation Support Program	5,690	52,600	45,439	12,851
Canada Summer Jobs	-	51,496	51,496	-
RBC	-	25,000	20,538	4,462
Employment and Social				
Development Canada	4,857	209,859	210,991	3,725
Canadian Race Relations				
Foundation	7,000	-	2,814	4,186
SC Donation	-	4,937	3,791	1,146
Peter Gilgan Foundation	-	15,001	1,333	13,668
ECF - Empower Women	-	79,900	29,424	50,476
ECF -CI - BIPOC	-	100,000	8,582	91,418
Aimco Foundation	-	12,000	12,000	-
Reach-OST	-	8,000	8,000	-
COE - EIRC	-	100,000	15,711	84,289
GOA - AR	-	24,650	7,441	17,209
Oilers Oil Edmonton	-	26,100	1,183	24,917
RDN	1,342	8,000	9,342	-
Arcteryx Foundation	5,000	-	4,121	879
Canada Revenue Agency	9,639	13,750	15,091	8,298
Canadian Tire Jumpstart	5,690	37,933	24,105	19,518
ECALA - ESL	62,168	134,145	135,689	60,624
CLAC Foundation	4,552	33,000	28,458	9,094
Telus Foundation	16,735	-	16,238	497
Rogers	24,011	-	24,011	-
United Way	30,767	75,000	105,767	-
Imperial Oil	21,634	-	18,000	3,634
	\$ 503,141	\$ 5,573,821	\$ 5,280,047	\$ 796,915

ACTION FOR HEALTHY COMMUNITIES SOCIETY OF ALBERTA

Notes to Financial Statements

Year Ended March 31, 2026

9. DEFERRED CONTRIBUTIONS RELATED TO TANGIBLE CAPITAL ASSETS

Deferred contributions related to tangible capital assets represent the unamortized portion of restricted contributions that were used to purchase tangible capital assets for the Society.

	Balance, beginning of year	Contributions during the year	Amount recognized as revenue during the year	Balance, end of year
Immigration, Refugees and Citizenship Canada	\$ 33,753	\$ 23,477	\$ 22,549	\$ 34,681
Casino	14,222	-	2,849	11,373
City of Edmonton	943	-	519	424
Family and Community Support Services	68	-	38	30
Edmonton Community Adult Learning Association	2,619	-	1,441	1,178
Canadian Heritage	1,494	-	822	672
Employment and Social Development Canada	1,793	-	985	808
Canadian Red Cross	19,802	-	8,324	11,478
Immigration, Refugees and Citizenship Canada	\$ 74,694	\$ 23,477	\$ 37,527	\$ 60,644

10. LEASE COMMITMENTS

The Society leases office spaces under agreements expiring in 2027 to 2028. Minimum aggregate lease payments to expiry of the lease terms are as follows:

2027	\$ 462,457
2028	474,996
	<u>\$ 937,453</u>

11. ECONOMIC DEPENDENCE

The Society receives 69% (2025 - 76%) of its revenue from federal government agencies and 19% (2025 - 12%) of its revenue from municipal government agencies. The Society's ability to continue viable operations is dependent on this funding.

ACTION FOR HEALTHY COMMUNITIES SOCIETY OF ALBERTA

Notes to Financial Statements

Year Ended March 31, 2026

12. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. There has been no change to the Society's risk exposure from the prior year. The following analysis provides information about the Society's risk exposure and concentration as of March 31, 2026.

(a) Credit risk

Credit risk arises from the potential that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The maximum amount of exposure of the Society is represented by the carrying value of its cash and term deposits. As 88% (2025 - 88%) of its revenue comes from two levels of government, the Society is not exposed to any significant credit risk due to the credit worthiness of the counter-party.

(b) Liquidity risk

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

(c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Society manages exposure through its normal operating and financing activities. The Society is exposed to interest rate risk primarily through its interest bearing assets. The term deposits are held with a major financial institution.