

Financial Statements of

WOOD'S HOMES FOUNDATION

And Independent Auditor's Report thereon

Year ended December 31, 2025



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Wood's Homes Foundation

Opinion

We have audited the financial statements of Wood's Homes Foundation (the Entity), which comprise:

- the statement of financial position as at December 31, 2025
- the statement of operations and 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 December 31, 2025, 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.



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.

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.
- 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

March 20, 2026

WOOD'S HOMES FOUNDATION

Statement of Financial Position

As at December 31, 2025, with comparative information for 2024

				2025	2024
	Operating Fund	Legacy Fund	Restricted Fund	Total	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 704,817	\$ –	\$ –	\$ 704,817	\$ 384,375
Accounts receivable	15,835	–	–	15,835	9,773
Prepaid expenses	20,142	–	–	20,142	9,008
Current portion of notes receivable (note 4, 10)	11,930	13,339	–	25,269	23,660
	752,724	13,339	–	766,063	426,816
Notes receivable (note 4, 10)	359,735	768,272	–	1,128,007	1,153,396
Due to/from foundation funds	1,064,164	(119,058)	(945,106)	–	–
Investments (note 3)	3,425,238	4,028,339	4,031,643	11,485,220	10,634,603
	\$ 5,601,861	\$ 4,690,892	\$ 3,086,537	\$13,379,290	\$ 12,214,815
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 123,773	\$ –	\$ –	\$ 123,773	\$ 151,148
Due to Wood's Homes Society (note 5, 10)	368,301	–	–	368,301	323,354
Due to Wood's Homes (note 5, 10)	254,185	–	–	254,185	250,102
Deferred contributions (note 6)	517,319	–	–	517,319	458,095
	1,263,578	–	–	1,263,578	1,182,699
Deferred contributions (note 6)	1,367,717	–	–	1,367,717	1,242,982
	2,631,295	–	–	2,631,295	2,425,681
Fund balances:					
Unrestricted	2,970,566	–	–	2,970,566	2,555,640
Internally restricted (note 7)	–	4,690,892	–	4,690,892	4,354,038
Externally restricted (note 8)	–	–	2,963,704	2,963,704	2,756,623
Restricted for endowment (note 9)	–	–	122,833	122,833	122,833
	2,970,566	4,690,892	3,086,537	10,747,995	9,789,134
Commitments (note 8)					
	\$ 5,601,861	\$ 4,690,892	\$ 3,086,537	\$13,379,290	\$ 12,214,815

See accompanying notes to financial statements.

Michael Jantzen Director

Renee Hopfner Director

WOOD'S HOMES FOUNDATION

Statement of Operations and Changes in Fund Balances

For the year ended December 31, 2025, with comparative information for 2024

				2025	2024
	Operating Fund	Legacy Fund	Restricted Fund	Total	Total
Revenue:					
Contributions	\$ 2,301,203	\$ –	\$ 374,037	\$ 2,675,240	\$ 2,488,331
Event revenue	553,498	–	–	553,498	409,540
Other income	282	–	–	282	404
	<u>2,854,983</u>	<u>–</u>	<u>374,037</u>	<u>3,229,020</u>	<u>2,898,275</u>
Expenses:					
Salaries and wages	753,955	–	–	753,955	718,265
Event expenses	434,683	–	–	434,683	361,630
Advertising and promotion	328,089	–	1,068	329,157	241,339
Consultants	40,749	–	255,122	295,871	443,531
General and administrative	193,409	20,260	21,874	235,543	210,431
Facility	13,241	–	–	13,241	26,264
Restricted fund distributions (note 10)	–	–	196,674	196,674	1,235,407
	<u>1,764,126</u>	<u>20,260</u>	<u>474,738</u>	<u>2,259,124</u>	<u>3,236,867</u>
Excess (deficiency) of revenue over expenses from operations	1,090,857	(20,260)	(100,701)	969,896	(338,592)
Investment income (note 10(b))	227,542	284,353	234,181	746,076	750,830
Net change in fair market value of investments	56,789	69,166	69,888	195,843	751,237
Realized gain on sale of investments	5,825	3,595	3,713	13,133	98,890
	<u>290,156</u>	<u>357,114</u>	<u>307,782</u>	<u>955,052</u>	<u>1,600,957</u>
Excess of revenue over expenses before the following	<u>1,381,013</u>	<u>336,854</u>	<u>207,081</u>	<u>1,924,948</u>	<u>1,262,365</u>
Distribution of funds to Wood's Homes Society (note 10)	86,896	–	–	86,896	174,990
Distribution of funds to Wood's Homes (note 10)	879,191	–	–	879,191	1,106,940
	<u>966,087</u>	<u>–</u>	<u>–</u>	<u>966,087</u>	<u>1,281,930</u>
Excess (deficiency) of revenue over expenses	414,926	336,854	207,081	958,861	(19,565)
Fund balances, beginning of year	2,555,640	4,354,038	2,879,456	9,789,134	9,808,699
Fund balances, ending of year	\$ 2,970,566	\$ 4,690,892	\$ 3,086,537	\$ 10,747,995	\$ 9,789,134

See accompanying notes to financial statements.

WOOD'S HOMES FOUNDATION

Statement of Cash Flows

For the year ended December 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	\$ 958,861	\$ (19,565)
Items not affecting cash:		
Net change in deferred contributions	183,959	(365,745)
Net change in fair market value of investments	(195,843)	(751,237)
Realized gain on sale of investments	(13,133)	(98,890)
	<u>933,844</u>	<u>(1,235,437)</u>
Net changes in non-cash working capital affecting operations (note 11)	(44,571)	48,999
	<u>889,273</u>	<u>(1,186,438)</u>
Investing activities:		
Advances of notes receivable (note 4, 10)	–	(800,000)
Repayment of notes receivable (note 4, 10)	23,780	16,596
Proceeds on sale of investments	14,838	803,474
Investment income reinvested	(656,479)	(646,507)
	<u>(617,861)</u>	<u>(626,437)</u>
Financing:		
Change in due to Wood's Homes Society	44,947	148,345
Change in due to Wood's Homes	4,083	64,130
	<u>49,030</u>	<u>212,475</u>
Increase (decrease) in cash and cash equivalents	320,442	(1,600,400)
Cash and cash equivalents, beginning of year	384,375	1,984,775
Cash and cash equivalents, end of year	<u>\$ 704,817</u>	<u>\$ 384,375</u>

See accompanying notes to financial statements.

WOOD'S HOMES FOUNDATION

Notes to the Financial Statements

For the year ended December 31, 2025, with comparative information for 2024

1. Nature of operations:

Wood's Christian Homes Endowment Fund Trust (the "Trust") was established on April 24, 1990 as a public foundation under the Alberta Companies Act with funds contributed by Wood's Homes Society (the "Society"). On November 6, 2000 the Trust was restructured as a not-for-profit corporation under the name The Wood's Homes Foundation (the "Foundation"). The purpose of the Foundation is to advance the mission, goals and objectives of Wood's Homes Society and Wood's Homes ("Wood's"). The Foundation has a separate independent Board of Directors. The Foundation may contribute an annual amount to the Society and/or Wood's on approval by the Foundation's Board of Directors.

The Foundation is a wholly-owned subsidiary of the Society.

The Foundation has been registered as a charity under the Canadian Income Tax Act, and therefore, is exempt from tax.

2. Significant accounting policies:

(a) Basis of accounting:

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") as issued by the Canadian Accounting Standards Board.

(b) Fund accounting:

The Operating Fund reports the administrative and fundraising activities of the Foundation, including unrestricted contributions. This fund uses the deferral method of accounting for contributions.

The Legacy Fund reflects transactions and balances related to amounts set apart from operations for the purpose of growth. This fund uses the restricted fund method of accounting for contributions.

The Restricted Fund reflects transactions and balances related to the Foundation's endowment funds and other externally restricted contributions, as described in Notes 8 and 9. This fund uses the restricted fund method of accounting for contributions.

WOOD'S HOMES FOUNDATION

Notes to the Financial Statements, page 2

For the year ended December 31, 2025, with comparative information for 2024

2. Significant accounting policies (continued):

(c) Revenue recognition:

Restricted contributions, bequests and endowment contributions are recognized as revenue of the appropriate restricted fund when received, or if no appropriate restricted fund exists, they are recognized in the Operating Fund as revenue when the related expenditures are incurred. Unrestricted contributions are recognized as revenue of the Operating Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted investment income is recognized as revenue in the restricted fund in which it is earned. Unrestricted investment income is recognized as revenue in the Operating Fund. Event revenue is recognized in the Operating Fund when received or receivable and the event has occurred.

(d) Use of estimates:

The financial statements of the Foundation have been prepared in accordance with ASNPO which require management to make assumptions and estimates that affect the reported amount of assets, liabilities, revenues and expenses. Actual amounts could differ from those estimates.

(e) Cash and cash equivalents:

Cash and cash equivalents include cash and short-term investments that have maturity dates of less than 90 days when purchased, are readily convertible to known amounts of cash and are subject to insignificant risk of change of value.

(f) Investments:

The Foundation carries its investments at fair market value. Realized and unrealized gains or losses on investments are reflected in the statement of operations.

(g) Donated materials and services:

Donated materials and services, including volunteer services, are not recognized in the financial statements.

(h) Financial instruments:

The Foundation initially measures financial assets and financial liabilities at their fair value. It subsequently measures its financial assets and financial liabilities at amortized cost, other than investments which are reported at fair value. The financial assets subsequently measured at amortized cost include cash and cash equivalents, accounts receivable, and notes receivable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities and amounts due to Wood's Homes and Wood's Homes Society.

WOOD'S HOMES FOUNDATION

Notes to the Financial Statements, page 3

For the year ended December 31, 2025, with comparative information for 2024

3. Investments:

The Foundation's investments are professionally managed by an independent investment manager. Investments are comprised of 100% managed funds. At December 31, 2025, the cost value of the investment portfolio is \$9,769,620 (2024 – \$9,114,846).

4. Notes receivable:

In June 2019, the Foundation loaned the Society \$435,000 to finance the purchase of property to be used in regular programming. The note receivable is unsecured and is amortized over twenty-five years with five-year terms. In July 2024, the receivable was renewed for a second five-year term bearing an interest rate of 5.31% per annum (2024 – 5.31% per annum) and monthly blended payments of \$2,615 (2024 – \$2,615).

In June 2024, the Foundation loaned the Society \$800,000 to finance the purchase of property in Lethbridge to be used in regular programming. The note receivable is unsecured with an initial five-year term bearing an interest rate of 6.79% per annum (2024 – 6.79% per annum) and monthly blended payments of \$5,500 (2024 – \$5,500).

5. Due to Wood's Homes and Wood's Homes Society:

Amounts due to Wood's and the Society are unsecured, non-interest bearing and due on demand.

6. Deferred contributions:

Deferred contributions represent externally restricted amounts received that have not been spent. These amounts are restricted for various programs at Wood's Homes.

	2025	2024
Balance, beginning of year	\$ 1,701,077	\$ 2,066,822
Contributions received	1,089,816	695,892
Recognized as contribution revenue	(905,857)	(1,061,637)
	1,885,036	1,701,077
Less: current portion	(517,319)	(458,095)
Balance, end of year	\$ 1,367,717	\$ 1,242,982

WOOD'S HOMES FOUNDATION

Notes to the Financial Statements, page 4

For the year ended December 31, 2025, with comparative information for 2024

7. Internally restricted fund balances:

The internally restricted fund balance in the Legacy Fund is restricted by the Board of Directors for use in future major projects.

8. Externally restricted fund balances:

	2024	Donations	Investment income	Amortization of funds	2025
Endowment Fund Earnings	\$ 156,714	\$ —	\$ 21,027	\$ (1,000)	\$ 176,741
Taylor Educational Fund	668,140	—	60,943	(7,153)	721,930
Perry Crisis/Opportunity Fund	27,474	—	2,392	(9,000)	20,866
Therapyship Fund	11,645	—	—	—	11,645
Knowledge House Fund	20,438	—	1,835	—	22,273
Bowness Expansion Fund	624,314	374,037	65,850	(284,317)	779,884
Inglewood Building Fund	117,584	—	13,351	—	130,935
Research Chair Fund	1,130,314	—	121,460	(152,344)	1,099,430
	\$ 2,756,623	\$ 374,037	\$ 286,858	\$ (453,814)	\$ 2,963,704

	2023	Donations	Investment income	Amortization of funds	2024
Endowment Fund Earnings	\$ 120,250	\$ —	\$ 36,464	\$ —	\$ 156,714
Taylor Educational Fund	562,323	—	106,817	(1,000)	668,140
Perry Crisis/Opportunity Fund	25,611	—	4,475	(2,612)	27,474
Therapyship fund	11,645	—	—	—	11,645
Knowledge House Fund	17,217	—	3,221	—	20,438
Bowness Expansion Fund	1,500,845	430,690	82,813	(1,390,034)	624,314
Inglewood Building Fund	93,872	—	23,712	—	117,584
Research Chair Fund	1,036,478	—	244,430	(150,594)	1,130,314
	\$ 3,368,241	\$ 430,690	\$ 501,932	\$ (1,544,240)	\$ 2,756,623

Investment income includes realized and unrealized gains (losses) earned by the externally restricted fund balances, net of any applicable general and administrative costs incurred by the fund manager.

Endowment Fund Earnings are comprised of the accumulated investment income on endowment funds that is restricted for distribution (note 9).

WOOD'S HOMES FOUNDATION

Notes to the Financial Statements, page 5

For the year ended December 31, 2025, with comparative information for 2024

8. Externally restricted fund balances (continued):

The Taylor Educational Fund, including related capital growth and investment income earned was transferred from Wood's on March 31, 2004 and is restricted to further the education of past and present residents of Wood's Homes.

The Perry Crisis/Opportunity Fund was transferred from Wood's on March 31, 2004 and is a resource for individuals closely associated with Wood's Homes who find themselves in critical economic circumstances that threaten their career stability or continuation in a treatment program.

The Therapyship Fund was established in 2004 to support the therapy and counselling program of the Eastside Family Centre.

The Knowledge House Fund was established to support research, training and development for ideas and programs focused on the mission of Wood's Homes.

The Bowness Expansion Fund is restricted for the purpose of construction on the Bowness campus.

The Inglewood Building Fund is restricted for the purpose of purchasing and renovating a property located in Inglewood.

The Research Chair Fund is restricted for the purpose of funding a research chair in partnership with the University of Calgary. The Foundation has committed to provide a minimum of \$150,000 per year until 2026 to the University of Calgary to fund the research chair.

9. Restricted for endowment:

Funds restricted for endowment purposes are subject to externally imposed restrictions stipulating that the resources be maintained in perpetuity. Investment income earned is not restricted and is reported in note 8.

	2025	2024
General endowment	\$ 48,554	\$ 48,554
Career/vocational advancement fund	28,406	28,406
Calgary breakfast club educational opportunities fund	23,782	23,782
Arts/music	8,650	8,650
Terry Steward – Lend a hand fund	7,659	7,659
Family office foundation fund	5,782	5,782
	<u>\$ 122,833</u>	<u>\$ 122,833</u>

WOOD'S HOMES FOUNDATION

Notes to the Financial Statements, page 6

For the year ended December 31, 2025, with comparative information for 2024

10. Related party transactions:

The Foundation and Wood's are wholly-owned subsidiaries of the Society.

Transactions between the Foundation, the Society and Wood's are in the normal course of operations and recorded at the exchange amounts described below.

During the year, the Foundation recorded the following transactions with the Society:

(a) Received principal repayments of \$23,780 (2024 – \$16,596) on the notes receivable to the Society (note 4); and

(b) Earned investment income of \$73,598 (2024 – \$47,841) on the interest on the notes receivable to the Society.

During the year, the Foundation contributed \$879,191 (2024 – \$1,106,940) to Wood's to advance the mission, goals and objectives of Wood's.

During the year, the Foundation contributed \$86,896 (2024 – \$174,990) to the Society to advance the mission, goals and objectives of the Society.

During the year, the Foundation distributed \$196,674 (2024 – \$1,235,407) to the Society for the multi-year capital project to expand and modernize residential buildings on two campuses owned by the Society.

During the year, Wood's provided executive support services and office rent for which no amount has been recorded in the statements (2024 – \$nil).

11. Net change in non-cash working capital:

The net change in non-cash working capital balances related to operations consists of the following:

	2025	2024
(Increase) decrease in accounts receivable	\$ (6,062)	\$ 1,871
Increase in prepaid expenses	(11,134)	(5,419)
(Decrease) increase in accounts payable and accrued liabilities	(27,375)	52,547
	<u>\$ (44,571)</u>	<u>\$ 48,999</u>

WOOD'S HOMES FOUNDATION

Notes to the Financial Statements, page 7

For the year ended December 31, 2025, with comparative information for 2024

12. Financial instruments:

Credit and interest rate risk

The Foundation's credit risk exposure relates to cash and cash equivalents, accounts receivable, and notes receivable. Management believes the Foundation's exposure to credit risk and interest rate risk is not significant since the notes receivable bear interest at a fixed rate. Cash and cash equivalents are deposited with reputable Canadian commercial banks.

Price and interest rate risk

The investments of the Foundation are subject to price risk because changing interest rates impact the market value of the fixed rate investments, general economic conditions affect the market value of equity investments and currency exchange rate changes impact the market value of the investments denominated in currencies other than the Canadian dollar.

The risk is mitigated through the use of an investment manager for the long-term portfolio investments and by investing other funds in short-term fixed rate products with high credit ratings.

Liquidity risk

The Foundation uses an investment manager for the investments it plans to hold for a long period of time. These investments are subject to liquidity risk if the Foundation is required to sell at a time that the market for the investments is unfavourable. Liquidity risk is the risk that the Foundation encounters difficulty in meeting its obligations associated with its financial liabilities. Liquidity risk arises from accounts payable and accrued liabilities. The Foundation maintains sufficient cash, investments, and sources of liquidity to discharge and manage its financial liabilities.

There have been no significant changes to the Foundation's risk exposure from 2024.

13. Fundraising expenses:

Section 7(2) of the Charitable Fund-raising Act of Alberta requires the Foundation to disclose the expenses incurred for the purpose of soliciting contributions.

During the year, the Foundation incurred:

- Remuneration to employees whose principal duties involve fund-raising: \$376,978 (2024 – \$359,133); and
- Direct expenses incurred for the purpose of soliciting contributions: \$273,751 (2024 – \$199,996).

WOOD'S HOMES FOUNDATION

Notes to the Financial Statements, page 8

For the year ended December 31, 2025, with comparative information for 2024

14. Comparative information

Certain comparative information has been reclassified to be consistent with the financial statement presentation adopted in the current year. There was no impact on total revenue, total expenses, excess (deficiency) of revenue over expenses, or fund balances.