The SPEC Association for Children and Families

Financial Statements

March 31, 2026

Management's Responsibility

To the Board of The SPEC Association for Children and Families:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of Directors who are neither management nor employees of the Association. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Association's external auditors.

MNP LLP is appointed by the Board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

August 13, 2026

e-Signed by Amanda Goodnough
2026-08-13 21:46:45:45 MDT
Executive Director

Independent Auditor's Report

To the Board of The SPEC Association for Children and Families:

Opinion

We have audited the financial statements of The SPEC Association for Children and Families (the "Association"), which comprise the statement of financial position as at March 31, 2026, and the statements of operations, 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 and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association 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 Association 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.

Other Matter

The financial statements for the year ended March 31, 2025 were audited by another auditor who expressed an unmodified opinion on those statements on June 18, 2025.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we 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 when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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 Association'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 Association'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 Association 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.

Medicine Hat, Alberta

August 15, 2026

MNP LLP

Chartered Professional Accountants

The SPEC Association for Children and Families
Statement of Financial Position
As at March 31, 2026

	2026	*2025*
Assets		
Current		
Cash *(Note 3)*	**164,092**	85,803
Restricted cash *(Note 4)*	**133,010**	79,987
Accounts receivable *(Note 5)*	**118,869**	272,471
Good and Services Tax receivable	**3,183**	4,990
Marketable securities *(Note 6)*	**261,875**	250,000
Prepaid expenses	**8,543**	8,521
	689,572	701,772
Liabilities		
Current		
Trade payables and accruals *(Note 8)*	**144,638**	109,717
Deferred contributions *(Note 9)*	**133,010**	205,931
	277,648	315,648
Commitments *(Note 13)*		
Net Assets		
Unrestricted	**104,494**	78,694
Internally restricted *(Note 10)*	**307,430**	307,430
	411,924	386,124
	689,572	701,772

Approved on behalf of the Board

e-Signed by Amanda Goodnough
2026-08-13 21:46:37:37 MDT
Director

e-Signed by Catherine Siakalukc
2026-08-13 08:38:59:59 MDT
Director

The accompanying notes are an integral part of these financial statements

The SPEC Association for Children and Families
Statement of Operations
For the year ended March 31, 2026

	2026	*2025*
Revenue		
Immigration, Refugees and Citizenship Canada	**1,192,161**	1,127,183
Family Resource Network	**384,921**	348,997
SEAFAN programs	**179,483**	169,476
FCSS programs	**144,241**	175,042
Fundraising, donations and fees	**73,273**	64,969
Grant revenue	**17,675**	37,935
Casino revenue	**7,793**	2,317
	1,999,547	1,925,919
Expenses		
Wages and benefits	**1,674,508**	1,596,234
Repairs and maintenance	**55,025**	56,349
Materials and supplies - programs	**48,420**	42,445
Professional fees	**39,166**	21,339
Office supplies and postage	**31,718**	19,955
Vehicle lease and operation	**26,704**	23,589
Facility rent	**26,459**	27,207
Staff travel	**18,757**	13,164
Telephone	**16,216**	17,642
Computer expense	**15,128**	14,108
Staff training	**14,776**	19,082
Insurance	**14,707**	14,525
Association dues	**7,891**	6,717
Advertising	**5,313**	14,230
Volunteer and staff appreciation	**1,657**	1,511
	1,996,445	1,888,097
Excess of revenue over expenses before other income (expenses)	**3,102**	37,822
Other income (expense)		
Interest income	**22,698**	33,269
Amortization	**-**	(977)
	22,698	32,292
Excess of revenue over expenses	**25,800**	70,114

The accompanying notes are an integral part of these financial statements

The SPEC Association for Children and Families
Statement of Changes in Net Assets
For the year ended March 31, 2026

	Unrestricted	***Internally restricted***	***2026***	*2025*
Net assets, beginning of year	**78,694**	**307,430**	**386,124**	316,010
Excess of revenue over expenses	**25,800**	**-**	**25,800**	70,114
Net assets, end of year	**104,494**	**307,430**	**411,924**	386,124

The accompanying notes are an integral part of these financial statements

The SPEC Association for Children and Families
Statement of Cash Flows
For the year ended March 31, 2026

	2026	*2025*
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	**25,800**	70,114
Non-cash item		
Amortization	**-**	977
	25,800	71,091
Changes in working capital accounts		
Accounts receivable	**153,602**	(193,725)
Good and Services Tax receivable	**1,807**	(2,432)
Prepaid expenses	**(22)**	268
Trade payables and accruals	**34,921**	(56,350)
Deferred contributions	**(72,921)**	(2,357)
Investing		
Purchase of marketable securities	**(261,875)**	(250,000)
Proceeds on disposal of marketable securities	**250,000**	-
	(11,875)	(250,000)
Increase (decrease) in cash resources	**131,312**	(433,505)
Cash resources, beginning of year	**165,790**	599,295
Cash resources, end of year	**297,102**	165,790
Cash resources are composed of:		
Cash	**164,092**	85,803
Restricted cash	**133,010**	79,987
	297,102	165,790

The accompanying notes are an integral part of these financial statements

1. Nature of the organization

The SPEC Association for Children and Families (the "Association") is incorporated under the Societies Act of Alberta as a not-for-profit organization and is a registered charity under the Canadian Income Tax Act and thus is exempt from income taxes under Section 149 (1) (f) of the Income Tax Act ("the Act"). The Association files a Registered Charity Information Return with the Canada Revenue Agency annually.

The Association was formed to promote individual and community well-being through programs assisting children and their families in Southern Alberta.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada. The significant accounting policies are detailed as follows:

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Marketable securities

Marketable securities are recorded at cost. They consist of guaranteed investment certificates with maturies within one year. Accrued interest on the certificates is recorded immediately in the excess of revenue over expenses.

Tangible capital assets

Purchased tangible capital assets are recorded at cost. Only assets purchased costing more than $5,000 are recorded in the tangible capital asset account. Contributed tangible capital assets are recorded at fair value, if fair value can be reasonably determined, at the date of contribution plus all costs directly attributable to the acquisition. When fair value cannot be reasonably determined, tangible capital assets are recorded at a nominal value

All tangible capital assets are amortized over 5 years using the straight-line method, intended to amortize the cost of assets over their estimated useful lives.

Long-lived assets

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Association writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Association's ability to provide goods and services. The asset is also written-down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the Association determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value.

Restricted net assets

Equity in internally restricted net assets represent equity restricted by the Board for specific purposes.

Financial instruments

The Association recognizes financial instruments when the Association becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Association may irrevocably elect to subsequently measure any arm's length financial instrument at fair value.

2. Significant accounting policies *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

The Association subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Association's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

The Association initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at fair value:

- Investments in equity instruments quoted in an active market
- Debt instruments quoted in an active market
- Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly)
- Derivative contracts.

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

At initial recognition, the Association may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value.

The Association subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Financial instruments that were initially measured at cost and derivatives that are linked to, and must be settled by, delivery of unquoted equity instruments of another entity, are subsequently measured using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess of revenues over expenses.

Financial asset impairment

The Association assesses impairment of all its financial assets measured at cost or amortized cost. The Association groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers whether the issuer is having significant financial difficulty or whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Association determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

2. Significant accounting policies *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Association reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Association reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party equity instruments initially measured at cost, the Association reduces the carrying amount of the asset (or group of assets), to the amount that could be realized by selling the asset(s) at the statement of financial position date.

Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Association reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenues over expenses in the year the reversal occurs.

Contributed materials and services

Contributions of materials are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials are used in the normal course of the Association's operations and would otherwise have been purchased. In 2026, no gift-in-kind donations were recorded (2025 - none).

The Association relies heavily on volunteers in order to carry out its programs. Because of the difficulty of determining fair market value, contributed services is not recognized in the financial statements.

Revenue recognition

The Association 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 and funds from fundraising and donations are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest and investment income is recognized as revenue when earned.

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization of tangible capital assets is based on the estimated useful lives of tangible capital assets. Gifts-in-kind are recorded at their estimated fair market value.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the periods in which they become known.

2. Significant accounting policies *(Continued from previous page)*

Allocation of expenses

The Association incurs expenses that can be directly identified with program activities and therefore can be charged to the appropriate function. However, there are certain support services that relate to more than one program activity and must be allocated out based on management's best determination of where the expenses were incurred. The expenses include administration wages and benefits, facility rent, repairs and maintenance, advertising, office supplies, telephone, professional fees, and insurance. These expenses are allocated out based on time spent on a program and space used by a program.

3. Cash

	2026	*2025*
Cash held in banks	**163,992**	85,703
Petty cash	**100**	100
	164,092	85,803

4. Restricted cash

	2026	*2025*
Casino	**75,392**	79,965
Raffle	**-**	22
Program grants	**57,618**	-
	133,010	79,987

Restricted cash includes funds which are raised through casinos and raffles. Spending of these amounts is restricted to certain expenses as agreed to between the Association and Alberta Gaming, Liquor & Cannabis. Amounts raised must be deposited to separate bank accounts, set aside for specific purposes and amounts spent must be paid directly out of these accounts.

Details on the balance of restricted cash from program grants is provided in Note 9.

5. Accounts receivable

	2026	*2025*
Grants receivable	**111,336**	261,084
Accrued interest receivable	**7,533**	11,387
	118,869	272,471

6. Marketable securities

Marketable securities consist of a guaranteed investment certificate maturing on April 16, 2026 (2025 - maturing on April 16, 2025), accruing interest at 3.00% (2025 - 4.75%)

7. Tangible capital assets

	Cost	*Accumulated amortization*	***2026 Net book value***	*2025 Net book value*
Vehicles	**9,769**	**9,769**	**-**	-
Equipment and computers	**37,565**	**37,565**	**-**	-
	47,334	**47,334**	**-**	-

8. Accounts payable and accruals

	2026	*2025*
Trade payables and accruals	**36,036**	22,466
Wages and benefits payable	**77,682**	87,251
Source deductions payable	**30,920**	-
	144,638	109,717

9. Deferred contributions

Deferred contributions consist of unspent resources that are related to the next fiscal year. Recognition of these amounts as revenue is deferred to periods when the related expenditures are incurred.

	Opening balance	*Amounts Received*	*Revenue Recognized*	***2026***	*2025*
Casino and Calendar Raffle	**79,987**	**3,198**	**(7,793)**	**75,392**	79,987
SEAFAN programs	**66,934**	**160,823**	**(179,483)**	**48,274**	66,934
Family Resource Network (FRN)	**35,421**	**349,500**	**(384,921)**	**-**	35,421
FCSS programs	**16,603**	**134,063**	**(144,241)**	**6,425**	16,603
Municipal/other grants	**6,986**	**4,233**	**(8,300)**	**2,919**	6,986
	205,931	**651,817**	**(724,738)**	**133,010**	205,931

	Opening balance	*Amounts Received*	*Revenue Recognized*	***2025***	*2024*
Casino and Calendar Raffle	**58,293**	**24,011**	**(2,317)**	**79,987**	58,293
SEAFAN programs	**75,587**	**160,823**	**(169,476)**	**66,934**	75,587
Family Resource Network (FRN)	**24,433**	**359,985**	**(348,997)**	**35,421**	24,433
FCSS programs	**22,571**	**163,128**	**(169,096)**	**16,603**	22,571
Municipal/other grants	**18,774**	**5,870**	**(17,658)**	**6,986**	18,774
Community Foundation of South Eastern Alberta	**1,503**	**-**	**(1,503)**	**-**	1,503
Community Initiative program	**4,343**	**-**	**(4,343)**	**-**	4,343
Grant Thornton	**963**	**-**	**(963)**	**-**	963
TransCanada Pipelines	**1,821**	**-**	**(1,821)**	**-**	1,821
	208,288	**713,817**	**(716,174)**	**205,931**	208,288

10. Restrictions on net assets

Internally restricted (reserves)

The Board of Directors has internally restricted the future use of a portion of the Association's net assets as follows:

Emergency contingency - reserve to fund continuing general operations in the event of unexpected reductions in revenue or to pay unexpected expenses.

Board funded programs - reserve for fundraising and donation monies designated for specific SPEC Board funded programs in future years.

Internally restricted net assets are as follows:

	2026	*2025*
Emergency contingency	**232,300**	232,300
Board funded programs	**75,130**	75,130
	307,430	307,430

11. Economic dependence

The Association's primary source of revenue is grants received from contracts with government agencies. The grant funding can be cancelled if the Association does not observe certain established guidelines. The Association's ability to continue viable operations is dependent upon the continued receipt of these contracts in the future. As at the date of these financial statements the Association believes that it is in compliance with the guidelines.

12. Financial instruments

The Association, as part of its operations, carries a number of financial instruments. It is management's opinion that the Association is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit concentration

As at March 31, 2026, one funder (2025 - one) accounted for 60% (2025 - 59%) of revenues from operations and one funder (2025 - one) accounted for 98% (2025 - 100%) of the grants receivable. The Association believes that there is no unusual exposure associated with the collection of these receivables. The Association performs regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable.

Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities. The Association’s exposure to liquidity risk is dependent on funding from contracts with government agencies, raising donations, fundraising and collecting accounts receivables to meet commitments and sustain operations.

13. Commitments

The Association has entered into a lease agreement with the City of Brooks for the rental of office space. The monthly rent is $2,258 including GST and the lease expires in December of 2028

14. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.