Financial Statements of

FEAR IS NOT LOVE SOCIETY

And Independent Auditor's Report thereon

Year ended March 31, 2026

KPMG LLP
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Fear Is Not Love Society

Opinion

We have audited the financial statements of Fear Is Not Love Society (the "Entity"), which comprise:

- the statement of financial position as at March 31, 2026
- the statement of operations for the year then ended
- the statement of changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2026, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these 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

June 15, 2026

FEAR IS NOT LOVE SOCIETY
Statement of Financial Position

March 31, 2026, with comparative information for 2025

	Operating Fund	Capital Fund	2026	2025
Assets				
Current assets:				
Cash	$ 2,576,405	$ –	$ 2,576,405	$ 2,322,832
Restricted cash	27,295	–	27,295	19,375
Accounts receivable (note 4)	147,445	116	147,561	170,440
Prepaid expenses	340,191	–	340,191	300,348
Short-term investments (note 5)	1,482,124	–	1,482,124	1,444,597
	4,573,460	116	4,573,576	4,257,592
Tangible capital assets (note 6)	–	1,776,730	1,776,730	2,064,327
	$ 4,573,460	$ 1,776,846	$ 6,350,306	$ 6,321,919
Liabilities and Fund Balances				
Current liabilities:				
Accounts payable and accruals (note 4)	$ 637,242	$ –	$ 637,242	$ 623,347
Deferred revenue (note 7)	1,507,179	–	1,507,179	1,369,755
	2,144,421	–	2,144,421	1,993,102
Deferred rent	192,909	–	192,909	275,810
Deferred capital contributions (note 8)	–	1,063,415	1,063,415	1,217,977
	2,337,330	1,063,415	3,400,745	3,486,889
Fund balances:				
Internally restricted (note 9)	1,482,125	713,431	2,195,556	2,291,063
Unrestricted	754,005	–	754,005	543,967
	2,236,130	713,431	2,949,561	2,835,030
Commitments (note 12)				
	$ 4,573,460	$ 1,776,846	$ 6,350,306	$ 6,321,919

See accompanying notes to the financial statements.

On behalf of the Board:

Jason McGonigal ______________________ Director

______________________ Director

FEAR IS NOT LOVE SOCIETY

Statement of Operations

Year ended March 31, 2026, with comparative information for 2025

	Operating Fund	Capital Fund	2026	2025
Revenue:				
Government grants:				
Province of Alberta	$ 3,686,486	$ –	$ 3,686,486	$ 4,371,529
City of Calgary (FCSS)	1,116,737	–	1,116,737	822,315
Other	69,056	–	69,056	–
	4,872,279	–	4,872,279	5,193,844
Donations and grants (note 3)	4,545,877	–	4,545,877	4,573,117
Fundraising events (note 10)	2,123,470	–	2,123,470	1,821,409
United Way grant	432,500	–	432,500	432,500
Amortization of deferred contributions (note 8)	–	193,568	193,568	210,070
Investment income	66,814	–	66,814	119,885
Other	34,790	–	34,790	10,083
	12,075,730	193,568	12,269,298	12,360,908
Expenses:				
Salaries	6,770,702	–	6,770,702	7,045,708
Employee benefits	1,274,537	–	1,274,537	1,315,613
Building occupancy	837,913	–	837,913	886,437
Client services	834,796	–	834,796	829,274
Professional services	1,008,802	–	1,008,802	749,849
Development and education	244,643	–	244,643	462,686
Fundraising	327,210	–	327,210	394,055
Amortization of tangible capital assets	–	330,203	330,203	355,172
Office	288,061	–	288,061	343,507
Promotion	160,784	–	160,784	173,989
Other	77,116	–	77,116	86,589
	11,824,564	330,203	12,154,767	12,642,879
Excess (deficiency) of revenue over expenses	$ 251,166	$ (136,635)	$ 114,531	$ (281,971)

See accompanying notes to the financial statements.

FEAR IS NOT LOVE SOCIETY

Statement of Changes in Fund Balances

Year ended March 31, 2026, with comparative information for 2025

	Operating Fund Unrestricted	Operating Fund Internally Restricted	Capital Fund Internally Restricted	2026	2025
Fund balance, beginning of year	$ 543,967	$ 1,444,597	$ 846,466	$ 2,835,030	$ 3,117,001
Excess (deficiency) of revenue over expenses	213,638	37,528	(136,635)	114,531	(281,971)
Interfund transfer	(3,600)	–	3,600	–	–
Fund balance, end of year	$ 754,005	$ 1,482,125	$ 713,431	$ 2,949,561	$ 2,835,030

See accompanying notes to the financial statements.

FEAR IS NOT LOVE SOCIETY

Statement of Cash Flows

Year ended March 31, 2026, with comparative information for 2025

		2026		2025
Cash provided by (used in):				
Operations:				
Excess (deficiency) of revenue over expenses	$	114,531	$	(281,971)
Item not affecting cash:				
Amortization of deferred rent		(82,901)		(105,305)
Amortization of tangible capital assets		330,203		355,172
Amortization of deferred capital contributions (note 8)		(193,568)		(210,070)
Interest re-invested in investment		(37,527)		(60,901)
		130,738		(303,075)
Change in non-cash working capital:				
Accounts receivable		22,879		(97,342)
Prepaid expenses		(39,843)		(1,804)
Accounts payable and accruals		13,895		7,786
Deferred revenue		137,424		262,898
		265,093		(131,537)
Investing:				
Purchase of tangible capital assets		(42,606)		(163,771)
Financing:				
Contribution received for purchase of tangible capital assets		39,006		54,475
Change in cash		261,493		(240,833)
Cash, beginning of year		2,342,207		2,583,040
Cash, end of year	$	2,603,700	$	2,342,207
Cash consists of:				
Cash	$	2,576,405	$	2,322,832
Restricted cash		27,295		19,375
	$	2,603,700	$	2,342,207

See accompanying notes to the financial statements.

1. **Nature of the organization:**

   Fear Is Not Love Society (the “Society”) is a not-for-profit organization (“NPO”) whose mission is to deliver comprehensive solutions to end family violence in our community. The Society is registered as a charitable organization under the Income Tax Act and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered NPO, the Society must meet certain requirements within the Income Tax Act. In the opinion of management, these requirements have been met.

2. **Significant accounting policies:**

   (a) Basis of presentation:

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

   (b) Measurement uncertainty:

   The preparation of financial statements in conformity with ASNPO 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 revenue and expenses during the year. Actual results could differ from these estimates.

   Items subject to significant estimates include the useful lives and potential impairment of tangible capital assets.

   (c) Fund accounting:

   Funds have been established within the accounting and reporting systems as follows:

   (i) Operating Fund:

   The Operating Fund reports the assets, liabilities, revenues and expenses related to program delivery and administrative activities of the Society.

   (ii) Capital Fund:

   The Capital Fund reports the assets, liabilities, revenues and expenses related to the Society’s tangible capital assets and capital campaign.

2. Significant accounting policies (continued):

(d) Revenue recognition:

The Society follows the deferral method of accounting for contributions which include donations and grants. Restricted contributions are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of the accounting period are accrued if collection is reasonably assured. Unrestricted contributions are recognized as revenue in the Operating Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions restricted to the acquisition of tangible capital assets are recorded as deferred capital contributions and amortized into revenue over the useful lives of the related assets in the Capital Fund.

Realized gains and losses and investment income are recognized as revenue when earned. Revenue and qualifying related costs generated from specific events are accounted for in the period in which those events take place. Revenue from fundraising activities, including pledges and bequests, are recognized only when the contributions are received, due to the uncertainty surrounding the amounts and timing of receipts of these types of contributions.

(e) Tangible capital assets:

Purchased tangible capital assets are recorded in the Capital Fund at cost less accumulated amortization. Contributed tangible capital assets are recorded in the Capital Fund at fair value at the date of contribution. Amortization is recorded once the assets are ready for use in accordance with the straight-line method at the following annual rates:

Buildings	5%
Computer equipment	20%
Furniture and fixtures	30%
Equipment	20%
Leasehold Improvements [1]	12.5%

[1] Amortized over the lesser of useful life or lease term

Work in progress is not subject to amortization until the asset is ready for use.

2. Significant accounting policies (continued):

(f) Impairment of long-lived assets:

Long-lived assets may be impaired when conditions indicate that the long-lived asset no longer contributes to the Society's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the long-lived asset is less than its net carrying amount. The net carrying amount of the long-lived asset shall be written down to the asset's fair value or replacement cost and the write-downs of long-lived assets shall be accounted for as expenses in the statement of operations.

(g) Donated services and materials:

The Society records donations in kind with respect to material and services donated when the fair value can be reasonably determined and would otherwise be purchased by the Society. Services donated to the Society through volunteer work are not reflected in these financial statements as the fair value is not readily determinable.

(h) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently recorded at fair value. All other financial instruments are recorded at cost or amortized cost, unless management has elected to record at fair value. Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs. These costs are amortized using the straight-line method.

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

Financial assets measured at fair value include short-term investments.

Financial liabilities measured at amortized cost include accounts payable and accruals.

Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the (deficiency) excess of revenue over expenses as interest income or expense.

With respect to financial assets measured at cost or amortized cost, the Society recognizes in the statement of operations an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written down asset decreases and the decrease can be related to an event occurring after the impairment, the previous impairment loss is reversed in the (deficiency) excess of revenue over expenses in the period the reversal occurs.

2. Significant accounting policies (continued):

(i) Cash:

Cash includes the amounts on deposit in current accounts at its banks, and petty cash on hand maintained by the Society.

(j) Presentation of significant economic interest entity:

The Society has a significant economic interest in the Fear Is Not Love Society Endowment Fund Trust (the "Trust"), which operates under an independent Board of Trustees and which has been established to raise funds for the Society in order to provide for the future financial security and independence of the Society. The Trust's financial accounts have not been consolidated with those of the Society. The Society has elected to disclose pertinent financial information in the notes to the financial statements.

(k) Deferred rent:

The Society is committed to an office lease which includes increases in base rent. Base rent cost, including rent free periods and inducements, is amortized on a straight-line basis over the life of the lease. Deferred rent liability represents the difference between the amount paid and the amount expensed.

(l) Related party transactions:

Monetary related party transactions and non-monetary related party transactions that have commercial substance are measured at the exchange amount when they are in the normal course of business, except when the transaction is an exchange of a product or property held for sale in the normal course of operations. Where the transaction is not in the normal course of operations, it is measured at the exchange amount when there is a substantive change in the ownership of the item transferred and there is independent evidence of the exchange amount.

All other related party transactions are measured at the carrying amount.

3. The Fear Is Not Love Society Endowment Fund Trust:

The Trust's financial accounts have not been consolidated in the Society's financial statements in accordance with the Society's accounting policies.

The Trust was formed on December 15, 1993, and includes amendments to the Trust Deed in September 1996, December 1998, June 2005, March 2015 and March 2017, in order to provide for the future financial security and independence of the Society. Income from the Trust is made available to the Society to support its operations and such capital disbursements as may from time to time be deemed appropriate in accordance with the terms of the Trust instrument dated March 17, 2017.

3. The Fear Is Not Love Society Endowment Fund Trust (continued):

The Trust is a registered charity exempt from income tax under the provisions or paragraph 149(1)(f) of the Income Tax Act (Canada). The Trust is also registered under the Charitable Fundraising Act of Alberta.

The Trust uses the deferral method of accounting for contributions. Endowment contributions which are received and are set aside in perpetuity are recognized as direct increases to net assets. Income on endowment contributions is unrestricted and recorded as revenue when earned.

Realized and unrealized gains and losses and other investment income are recognized as revenue when earned.

Financial summaries of the Trust as at March 31, 2026 and 2025 are as follows:

Financial Position

	2026	2025
Total assets	$ 6,824,852	$ 6,522,022
Total liabilities	$ 58,979	$ 41,582
Total net assets	6,765,873	6,480,440
	$ 6,824,852	$ 6,522,022

Net Assets

	2026	2025
Internally restricted	$ 6,190,051	$ 5,904,618
Endowments	575,822	575,822
	$ 6,765,873	$ 6,480,440

Results of Operations

	2026	2025
Total revenue	$ 643,539	$ 485,125
Total expenses	358,106	355,817
Excess of revenue over expenses	$ 285,433	$ 129,308

3. The Fear Is Not Love Society Endowment Fund Trust (continued):

Statement of Cash Flows

	2026	2025 (Adjusted)
Cash flow used in operations	$ (296,072)	$ (257,501)
Cash flow provided by investments	298,240	261,321

The Society recorded revenue of $309,957 (2025 – $300,204) reported as donations and grants related to the amounts received from the Trust. Included in the Society's accounts receivable is an amount of $45,390 (2025 – $29,277) due from Fear Is Not Love Society Endowment Fund Trust in respect of the reimbursement of expenses incurred.

For the year ended March 31, 2025, certain figures have been adjusted to correct an immaterial adjustment in a prior period relating to the cash flow presentation. This change has been recorded retrospectively and, accordingly, the comparative financial statements have been adjusted.

4. Accounts receivable and accounts payable & accruals:

Included in accounts receivable are government remittances receivable of $34,034 (2025 – $37,594), which includes receivables for goods and services related taxes. Accounts payable and accruals include $7,714 (2025 – $16,542) due to government for payroll remittances.

The Society has a limit of the corporate credit card from a Canadian bank for $150,000 (2025 – $150,000). At March 31, 2026, $28,459 (2025 – $3,742) was outstanding on the credit card and is included in accounts payable and accruals.

5. Short-term investments:

	2026	2025
Cash (i)	$ 1,482	$ 1,445
Money market fund (i)	1,480,642	1,443,152
	$ 1,482,124	$ 1,444,597

(i) Short-term investments recorded at fair value are held in a managed fund with a Canadian chartered bank and have a cost base of $1,482,128 (2025 – $1,444,601). The short-term investments have been internally restricted by the Board of Directors for future operations and requires a resolution by the Board of Directors to access the funds.

6. Tangible capital assets:

	Cost	Accumulated amortization	2026 Net book value	2025 Net book value
Land	$ 125,000	$ –	$ 125,000	$ 125,000
Buildings	6,940,704	5,456,489	1,484,215	1,704,717
Computer equipment	710,047	645,297	64,750	80,721
Furniture and fixtures	188,119	188,119	–	128
Equipment	739,223	636,458	102,765	122,034
Leasehold Improvements	139,100	139,100	–	22,596
Work in progress	–	–	–	9,131
	$ 8,841,894	$ 7,065,463	$ 1,776,730	$ 2,064,327

7. Deferred revenue:

The deferred revenue reported in the Operating Fund relates to restricted operating funds received in the current and prior periods that are related to subsequent periods as follows:

	2026	2025
Grants from government agencies	$ 414,837	$ 619,215
Fundraising activities	765,160	438,362
Donations	327,182	312,178
	$ 1,507,179	$ 1,369,755

8. Deferred capital contributions:

Deferred capital contributions reported in the Capital Fund include the unamortized portion of contributed tangible capital assets, restricted contributions which have been or will be utilized to acquire tangible capital assets and unspent restricted funds related to the capital campaign.

8. Deferred capital contributions (continued):

The changes for the year in the deferred contributions balance reported in the Capital Fund are as follows:

	2026	2025
Balance, beginning of year	$ 1,217,977	$ 1,373,572
Amortization of capital contribution recognized during the year	(193,568)	(210,070)
Contributions received during the year	39,006	54,475
	$ 1,063,415	$ 1,217,977

9. Internally restricted fund balances:

Internally restricted fund balances in the Capital Fund are amounts that are restricted and available for use only by resolution of the Board of Directors.

Internally restricted fund balances in the Operating Fund are amounts that are restricted by the Board of Directors for future operations. It is reserved to ensure that programs are able to continue should unforeseen and adverse funding circumstances arise. In 2018, the Board of Directors formalized a policy that includes a target internally restricted fund balance of up to six months of typical operating costs. The policy will be reviewed on an annual basis by the Board to ensure it remains relevant to the scale of operations and risks associated with revenue streams.

10. Fundraising events:

Fundraising events revenue consists of the following items:

	2026	2025
Mail campaign	$ 1,024,283	$ 982,690
Turning Points dinner	776,807	629,377
Casino & gaming	42,459	106,179
Third party and Other Events	279,921	103,163
	$ 2,123,470	$ 1,821,409

11. Fundraising expenses:

As required under Section 7(2) of the Charitable Fundraising Regulation in Alberta, the following amounts are disclosed:

	2026	2025
Amounts paid as remuneration to employees whose principal duties involve fundraising	$ 126,180	$ 128,800
Amounts paid as remuneration to a fundraising business	38,733	40,179
Direct expenses incurred for the purposes of soliciting contributions	362,360	396,375
	$ 527,273	$ 565,354

All contributions received through fundraising activities were used to fund the Society's programs.

12. Commitments:

The Society is committed to an office lease. The Society entered into the lease commencing on September 1, 2016, which was amended during the current year and effective from September 1, 2026, to August 31, 2035.

Future minimum payments for the Society's fiscal years are noted below:

2027	$ 230,448
2028	241,650
2029	249,652
2030	249,652
2031	249,652
Thereafter	910,590

13. Financial instruments:

Discussion of risks associated with financial assets and liabilities are presented as follows:

(a) Liquidity risk:

Liquidity risk is the risk that the Society will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Society does not believe it is subject to any significant concentration of liquidity risk.

The Society manages its liquidity risk by monitoring its operating requirements. The Society prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(b) Credit risk:

Credit risk arises from cash, restricted cash and short-term investments held with financial institutions, as well as credit exposure from accounts receivable. The Society has a concentration of credit risk with respect to its cash and short-term investments. The Society's accounts receivable are primarily due from governments and are subject to normal credit risks. The Society mitigates its exposure to credit loss by placing its cash and short-term investments with reputable financial institutions.

(c) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society is exposed to interest rate risk to the extent that investments are at fixed rates of interest.

There is no significant change in the Society's risk profile compared to the prior year.

14. Related party transactions:

Management engaged an organization that is related to senior management to provide services to the Society.

During the year, the Society incurred the following expenses for services obtained from an organization related to senior management.

All related party transactions were conducted in the normal course of business and are recorded at the exchange amount.

	2026	2025
Professional services	$ 312,500	$ 255,000
Salaries	75,000	132,000
Development and education	22,500	34,965
	$ 410,000	$ 421,965