

SOFIA HOUSE INC.

Financial Statements

Year Ended March 31, 2026

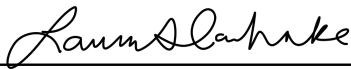
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of SOFIA House Inc. have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of SOFIA House Inc.'s reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Board of Directors approve the financial statements and considers the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by MWC Chartered Professional Accountants LLP, in accordance with Canadian generally accepted auditing standards.



Executive Director



Board Director

Regina, SK
June 20, 2026



Chartered Professional
Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of SOFIA House Inc.

Qualified Opinion

We have audited the financial statements of SOFIA House Inc. (the "Corporation"), 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.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2026, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many charitable organizations, the Corporation is unable to economically implement controls that will offer assurance on the completeness of revenue from donations and fundraising and we are unable to satisfy ourselves on amounts reported using other procedures. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Corporation and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues (expenses), and cash flows from operations for the years ended March 31, 2026 and 2025, current assets and net assets as at March 31, 2026 and 2025. Our audit opinion on the financial statements for the year ended March 31, 2025 was modified accordingly because of the possible effects of this limitation of scope.

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 Corporation in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Emphasis of Matter

We draw your attention to Note 13 in the financial statements, which provides information on a retrospective restatement of the prior years to correct the recognition of revenue, which was previously deferred, for related to expenses of the prior year. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

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An asset to our clients, not an expense

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 Corporation'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 Corporation'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 Corporation 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.

The image shows a handwritten signature in black ink that reads "MWC LLP". The letters are stylized and cursive.

Chartered Professional Accountants

Regina, Saskatchewan
June 20, 2026

SOFIA HOUSE INC.

Statement of Financial Position

March 31, 2026

	2026	2025 (Restated)
ASSETS		
CURRENT		
Cash	\$ 117,761	\$ 105,556
Term deposits (Note 4)	35,538	58,954
Grant receivable	23,427	47,187
Goods and services tax recoverable	1,487	1,178
Prepaid expenses	24,235	23,013
	202,448	235,888
CAPITAL ASSETS (Note 5)	65,834	99,463
INVESTMENTS (Note 6)	248,675	247,195
	\$ 516,957	\$ 582,546
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 22,615	\$ 14,582
Deposits received	18,918	18,838
Wages and benefits payable	25,903	19,084
Employee deductions payable	27,366	10,470
Current portion of deferred revenue (Note 7)	138,351	81,844
	233,153	144,818
DEFERRED REVENUE (Note 7)	85,200	106,896
	318,353	251,714
NET ASSETS	198,604	330,832
	\$ 516,957	\$ 582,546
LEASE COMMITMENTS (Note 8)		
CONTINGENT FUNDING (Note 9)		

ON BEHALF OF THE BOARD

Director

Director

See accompanying notes to financial statements

SOFIA HOUSE INC.

Statement of Operations Year Ended March 31, 2026

	2026	2025 (Restated)
REVENUES		
Grants and sponsorships (Schedule 1)	\$ 485,400	\$ 680,827
Rental revenue	238,784	211,198
Donations and fundraising	180,240	257,321
Investment earnings (Schedule 2)	3,171	19,509
	907,595	1,168,855
EXPENSES (SCHEDULE 3)		
Wages and benefits	597,487	666,008
Rental (Note 11)	249,300	252,633
Amortization	33,629	36,615
Professional fees	32,774	36,926
Transportation and travel	24,497	21,332
Supplies	22,241	58,509
Bad debts (recovery)	17,684	(1,994)
Training	16,965	7,681
Office and general	15,087	11,900
Fundraising	13,218	4,687
Telephone	7,373	6,152
Insurance	5,766	5,409
Security	2,206	6,430
Dues and membership	1,586	1,386
Repairs and maintenance	10	-
Employment program expenses	-	71
Community initiatives expenses	-	725
	1,039,823	1,114,470
EXCESS OF REVENUES (EXPENSES)	\$ (132,228)	\$ 54,385

Statement of Changes in Net Assets Year Ended March 31, 2026

	2026	2025
NET ASSETS - BEGINNING OF YEAR		
As previously reported	\$ 294,736	\$ 276,447
Restrospective restatement (Note 13)	36,096	-
As restated	330,832	276,447
EXCESS OF REVENUES (EXPENSES)	(132,228)	54,385
NET ASSETS - END OF YEAR	\$ 198,604	\$ 330,832

See accompanying notes to financial statements

SOFIA HOUSE INC.

Statement of Cash Flows Year Ended March 31, 2026

	2026	2025 (Restated)
OPERATING ACTIVITIES		
Excess of revenues (expenses)	\$ (132,228)	\$ 54,385
Items not affecting cash:		
Amortization of capital assets	33,629	36,615
Fair market value adjustment	6,159	(7,547)
Reinvested earnings on investment	(9,262)	(9,112)
Deferred capital donations recognized	(29,108)	(24,687)
	<u>(130,810)</u>	<u>49,654</u>
Changes in non-cash working capital:		
Grant receivable	23,760	(11,207)
Accounts payable	8,030	(14,287)
Prepaid expenses	(1,222)	(4,547)
Goods and services tax payable	(309)	281
Wages and benefits payable	6,819	(21,188)
Employee deductions payable	16,896	7,993
Deposits received	80	14,385
Deferred revenue	58,621	7,931
	<u>112,675</u>	<u>(20,639)</u>
Cash flow from (used by) operating activities	<u>(18,135)</u>	<u>29,015</u>
INVESTING ACTIVITY		
Proceeds (purchase) of term deposits	<u>25,040</u>	<u>(10,000)</u>
FINANCING ACTIVITY		
Capital donations received	<u>5,300</u>	<u>5,300</u>
INCREASE IN CASH FLOW	12,205	24,315
CASH - BEGINNING OF YEAR	<u>105,556</u>	<u>81,241</u>
CASH - END OF YEAR	<u>\$ 117,761</u>	<u>\$ 105,556</u>

See accompanying notes to financial statements

SOFIA HOUSE INC.

Notes to Financial Statements

Year Ended March 31, 2026

1. NATURE OF OPERATIONS

SOFIA House Inc. (the Corporation) administers second and third stage housing facilities to provide safe housing and support for families trying to escape violent homes.

The Corporation is a registered charity and is incorporated under the Non-Profit Corporation Act of Saskatchewan and is exempt from income taxes under Section 149.1(f) of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

Revenue recognition

SOFIA House Inc. follows the deferral method of accounting for contributions, which includes grants, sponsorships, and donations and fundraising. 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. Contributions for capital assets are recognized on the same basis that the related asset is amortized.

Rental revenues are recognized in the period services are rendered and investment earnings are recognized in the period earned.

Contributed services and goods

The Corporation operates furnished suites provided by Avana Properties Inc. The Corporation does not have ownership the properties. The use of the Avana Properties Inc. property is recorded in rental revenue and rental expense in the Statement of Operations.

In addition donated goods consumed by the Corporation are recorded at their fair market value if the amount can reasonably be determined. No amount is recorded for items distributed directly to the families residing at the Corporation.

Volunteers contribute a significant amount of their time each year. Because of the difficulty in determining the fair value of this volunteer time, such contributions are not recognized in the financial statements.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates. One half of the stated rate is used in the year of acquisition.

Furniture and play structures	5 and 10 years
Office equipment	5 years
Vehicle	5 years
Computer equipment	3 years

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SOFIA HOUSE INC.

Notes to Financial Statements

Year Ended March 31, 2026

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

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets include cash, term deposits, investments, and receivables. Investments are measured at fair market value while the remainder of financial assets are reported at amortized cost.

Financial liabilities including accounts payable, accrued liabilities, and deposits are measured at amortized cost.

3. ECONOMIC DEPENDENCE

The Corporation receives significant financial support from Avana Properties Inc. and the Avana Foundation Inc. by way of rent subsidization and property utilization. Should this support cease the Corporation would have to significantly change its operations or consider winding up if substantial replacement properties could not be obtained.

4. TERM DEPOSIT

The term deposits bear interest at 2.85% and mature in September 2026 (2025 - between 3.75% and 3.90% and matured September 2025).

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2026 Net book value	2025 Net book value
Furniture and play structures	\$ 185,652	\$ 127,508	\$ 58,144	\$ 83,950
Office equipment	20,693	20,693	-	-
Vehicle	53,593	45,903	7,690	14,275
Computer equipment	30,698	30,698	-	1,238
	<u>\$ 290,636</u>	<u>\$ 224,802</u>	<u>\$ 65,834</u>	<u>\$ 99,463</u>

6. INVESTMENTS

	2026	2025
Canadian Bond Index Premium Fund	\$ 246,979	\$ 245,537
Money Market Fund	1,696	1,658
	<u>\$ 248,675</u>	<u>\$ 247,195</u>

SOFIA HOUSE INC.

Notes to Financial Statements

Year Ended March 31, 2026

7. DEFERRED REVENUE

	Beginning of Year (Restated)	Received in Year	Current Revenue Recognized	End of Year
<u>Program funding</u>				
Indigenous Services Canada - FVPP	\$ 26,904	\$ 158,000	\$ (77,388)	\$ 107,516
Bursary from Sisters of Charity of St. Louis	14,000	-	-	14,000
Prepaid rent	8,021	234,603	(238,784)	3,840
City of Regina - Harm Reduction	17,811	-	(17,811)	-
Current portion	(52,736)	-	-	(111,356)
	<u>14,000</u>	<u>392,603</u>	<u>(333,983)</u>	<u>14,000</u>
<u>Capital funding</u>				
Adopt-A-Suite - acquired assets	92,156	-	(26,511)	65,645
Adopt-A-Suite - available for use	24,654	5,300	-	29,954
Home Instruction for Parents of Preschool Youngsters - acquired assets	5,194	-	(2,597)	2,597
Current portion	(29,107)	-	-	(26,996)
	<u>92,897</u>	<u>5,300</u>	<u>(29,108)</u>	<u>71,200</u>
	<u>\$ 106,897</u>	<u>\$ 397,903</u>	<u>\$ (363,091)</u>	<u>\$ 85,200</u>

The Bursary from Sisters of Charity of St. Louis is restricted and can only be used to provide educational assistance to qualified applicants.

During the year the Corporation received \$5,300 (2025 - \$5,300) in capital donations. The balance shown above represents the unamortized portion which is recognized into current revenue on the same basis as the related capital asset and capital funding available for future asset purchases.

8. LEASE COMMITMENTS

The Corporation has entered into a lease agreement for program premises rental which finished construction by a third party during the fiscal year. The lease commenced in May 2024 and continues for five years at \$15,775 per month. Estimated future minimum lease payments, based on the expected construction completion date, are as follows for the Corporation's fiscal years ending March 31:

2027	\$ 189,300
2028	189,300
2029	94,650

9. CONTINGENT FUNDING

The Corporation receives funding from various granting agencies that require submission of final reports on the utilization of funds provided. The full grant, including holdbacks, are recorded when management is of the opinion they are in full compliance of the grant requirements.

Upon review of the fund reports, any settlement requiring repayment of funds received, or non-payout of holdbacks are recorded in the year it is made known to the corporation by the funding agency.

SOFIA HOUSE INC.

Notes to Financial Statements

Year Ended March 31, 2026

10. FINANCIAL INSTRUMENTS

The Corporation is exposed to various risks through its financial instruments and management is responsible to monitor, evaluate and manage these risks. The following analysis provides information about the Corporation's risk exposure and concentration as of March 31, 2026.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Corporation is exposed to credit risk from contributors. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Corporation's exposure to credit risk relates to rental revenue which is mitigated through management review of resident intake and discharge and vacant units. The corporation does not have other sales on account, and receivables generally occur only from sponsors and funding agencies, of which the corporation has many, which reduces concentration of risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation is exposed to this risk mainly in respect of its receipt of funds from its donors and other related sources, and accounts payable. The Corporation uses budgetary and program controls to monitor their exposure to this risk.

Market risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Corporation is mainly exposed to interest rate risk.

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. The Corporation is exposed to interest rate risk primarily through its investments that are indexed to the market.

11. IN-KIND FUNDING AGREEMENT

The Corporation has a funding agreement from Avana Foundation Inc. to subsidize the cost of the program housing rent. The funding is for \$5,000 per month (2025 - \$5,000 per month), paid by the Foundation direct to the landlord (a related corporation of the Foundation). The amount has been recorded as sponsorship revenue and is included in rent expense of the Corporation.

12. CORRESPONDING FIGURES

Some of the corresponding figures have been reclassified to conform to the current year's presentation. There is no change to previously reported total assets, liabilities, net assets as at March 31, 2025 or to total revenues, expenses, or excess of revenues (expenses) for the year then ended as result of the reclassification.

SOFIA HOUSE INC.

Notes to Financial Statements

Year Ended March 31, 2026

13. RETROSPECTIVE RESTATEMENT

The prior year's figures have been retrospectively restated to recognize an additional \$36,096 of funding from Indigenous Services Canada for related costs that were expended in the Family Violence Protection Program in the year. The effect of the retrospective restatement was a decrease in previously reported deferred revenue as at March 31, 2025 and an increase in grant revenue for the year then ended.

SOFIA HOUSE INC.

Grants and Sponsorships Year Ended March 31, 2026

(Schedule 1)

	2026	2025 (Restated)
Grants		
Ministry of Justice - general	\$ 165,500	\$ 160,680
Indigenous Services Canada - FVPP	77,388	52,096
South Saskatchewan Community Foundation - general	21,886	35,088
The Canadian Red Cross Society	20,500	700
City of Regina Social Development Fund - program	19,082	19,082
City of Regina - Harm Reduction program	17,811	26,764
Grants for general use	12,000	-
Rona Foundation - general	6,076	5,115
United Way Regina Community Support - general	3,652	14,373
Home Instruction for Parents of Preschool Youngsters - program	-	144,998
Minister of Justice - night support pilot	-	40,000
	343,895	498,896
Sponsorships		
Avana Foundation Inc. (Note 11)	60,000	97,756
Leader Post Christmas Cheer Fund - general	52,397	39,488
Conexus Credit Union - programs	-	20,000
	112,397	157,244
Capital funding		
Recognized capital funding	29,108	24,687
	\$ 485,400	\$ 680,827

Investment earnings Year Ended March 31, 2026

(Schedule 2)

	2026	2025
Investment income	\$ 9,330	\$ 11,962
Fair market value adjustment	(6,159)	7,547
	\$ 3,171	\$ 19,509

See accompanying notes to financial statements

SOFIA HOUSE INC.

Expenses

(Schedule 3)

Year Ended March 31, 2026

	2026	2025
General and Administration		
Wages and benefits	\$ 195,610	\$ 157,347
Amortization	33,629	36,615
Professional fees	32,774	36,926
Training	16,965	7,681
Office expenses	14,688	11,357
Insurance	4,226	4,020
Telephone	-	616
Board expenses	1,540	1,389
Memberships	1,586	1,386
Travel	391	-
Sundry	398	543
	<u>301,807</u>	<u>257,880</u>
Family and Womens Programming		
Wages and benefits	274,406	211,007
Program costs	4,509	8,939
Transportation	17,792	21,332
	<u>296,707</u>	<u>241,278</u>
Housing Program		
Rent	249,300	240,633
Program costs	8,910	20,128
Security	2,206	6,430
Wages and benefits	2,739	-
Bad debts	17,684	(1,994)
	<u>280,839</u>	<u>265,197</u>
Family Violence Prevention Program (FVPP)		
Wages and benefits	57,115	49,185
Program costs	13,960	2,911
Transportation	6,313	-
	<u>77,388</u>	<u>52,096</u>
Children's Program		
Wages and benefits	37,666	99,979
Program costs	861	12,464
	<u>38,527</u>	<u>112,443</u>
Harm Reduction Program		
Wages and benefits	28,127	25,316
Program costs	83	1,341
	<u>28,210</u>	<u>26,657</u>
Other Programs		
Development	13,218	4,687
Food insecurity costs	1,291	6,686
Adopt a suite expenses	-	725
	<u>14,509</u>	<u>12,098</u>

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See accompanying notes to financial statements

SOFIA HOUSE INC.

Expenses (continued)

(Schedule 3)

Year Ended March 31, 2026

	2026	2025
Employment Program		
Training and registrations	-	71
Maintenance	<u>1,836</u>	<u>1,753</u>
	<u>1,836</u>	<u>1,824</u>
Home Instruction for Parents of Preschool Youngsters Program		
Wages and benefits	-	121,422
Program costs	-	11,576
Rent	<u>-</u>	<u>12,000</u>
	<u>-</u>	<u>144,998</u>
	<u>\$ 1,039,823</u>	<u>\$ 1,114,471</u>

See accompanying notes to financial statements