

**LITTLE WARRIORS**  
**Financial Statements**  
**Year Ended September 30, 2025**

**LITTLE WARRIORS**  
**Index to Financial Statements**  
**Year Ended September 30, 2025**

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	Page
INDEPENDENT AUDITOR'S REPORT	3 - 4
FINANCIAL STATEMENTS	
Statement of Financial Position	5
Statement of Operations	6
Statement of Changes in Net Assets	7
Statement of Cash Flows	8
Notes to Financial Statements	9 - 15

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Little Warriors

### **Qualified Opinion**

We have audited the financial statements of Little Warriors (the Society), which comprise the statement of financial position as at September 30, 2025, 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 Society as at September 30, 2025, 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 Qualified Opinion**

In common with many charitable organizations, the Society derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to operations, assets or net assets as at September 30, 2025.

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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

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**Auditor's Responsibilities for the Audit of the Financial Statement**

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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Edmonton, Alberta  
March 19, 2026



CHARTERED PROFESSIONAL ACCOUNTANTS

**LITTLE WARRIORS**  
**Statement of Financial Position**  
**September 30, 2025**

	2025	2024
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash (Note 3)	\$ 4,207,238	\$ 3,208,226
Term deposits (Note 4)	362,182	1,028,557
Accounts receivable	12,855	19,334
Accrued interest	12,336	22,920
Deposit	-	200,000
Prepaid expenses	48,039	27,919
	<b>4,642,650</b>	4,506,956
INTERNALLY RESTRICTED FUNDS (Note 4)	<b>3,548,656</b>	2,752,213
PROPERTY AND EQUIPMENT (Note 5)	<b>3,978,534</b>	4,023,058
	<b>\$ 12,169,840</b>	\$ 11,282,227
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 7)	\$ 168,475	\$ 191,740
Deferred contributions (Note 8)	2,088,928	1,908,734
	<b>2,257,403</b>	2,100,474
DEFERRED CONTRIBUTIONS RELATED TO PROPERTY AND EQUIPMENT (Note 6)	<b>803,841</b>	849,016
	<b>3,061,244</b>	2,949,490
<b>NET ASSETS</b>		
Invested in property and equipment	3,174,693	3,174,042
Internally restricted (Note 9)	3,548,656	2,752,213
Unrestricted	2,385,247	2,406,482
	<b>9,108,596</b>	8,332,737
	<b>\$ 12,169,840</b>	\$ 11,282,227

**APPROVED BY THE BOARD**

*Delwynn McCowan*

Director

Jay Noden

Digitally signed by Jay Noden  
Date: 2026.04.10 13:16:06 -06'00'

Director

**LITTLE WARRIORS**  
**Statement of Operations**  
**Year Ended September 30, 2025**

	<b>2025</b>	<b>2024</b>
<b>REVENUE</b>		
Donations and fundraising	\$ <b>2,704,705</b>	\$ 2,796,619
Funds from other charities and foundations	<b>1,684,926</b>	1,651,223
Government grants	<b>1,661,888</b>	853,888
Other	<b>153,913</b>	221,846
Interest	<b>152,327</b>	177,424
Amortization of deferred contributions related to property and equipment ( <i>Note 6</i> )	<b>45,175</b>	49,310
Fee for service	<b>10,750</b>	84,353
Prevent It! training and workshops	<b>7,194</b>	14,160
	<b>6,420,878</b>	5,848,823
<b>EXPENSES</b>		
Salaries and benefits	<b>3,933,797</b>	3,827,933
Insurance	<b>357,081</b>	371,162
Program expenses	<b>219,565</b>	203,657
Ranch safety and security	<b>204,012</b>	197,197
Contract labour	<b>187,258</b>	142,986
Fundraising events	<b>187,008</b>	242,502
Office and administration ( <i>Note 10</i> )	<b>163,769</b>	144,642
Repairs and maintenance	<b>98,380</b>	96,945
Telephone and utilities	<b>91,608</b>	106,599
Computer consulting	<b>83,464</b>	78,121
Amortization of property and equipment	<b>65,759</b>	65,962
Awareness campaign ( <i>Note 10</i> )	<b>37,799</b>	56,445
Professional fees	<b>15,519</b>	8,437
Consultants ( <i>Note 11</i> )	<b>-</b>	327,133
	<b>5,645,019</b>	5,869,721
<b>REVENUE OVER (UNDER) EXPENSES</b>	<b>\$ 775,859</b>	\$ (20,898)

**LITTLE WARRIORS****Statement of Changes in Net Assets****Year Ended September 30, 2025**

	Invested in Property and Equipment	Internally Restricted	Unrestricted	2025	2024
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 3,174,042	\$ 2,752,213	\$ 2,406,482	\$ <b>8,332,737</b>	\$ 8,353,635
Purchase of property and equipment	21,235	-	(21,235)	-	-
Revenue (under over expenses)	(20,584)	91,048	705,395	<b>775,859</b>	(20,898)
Transfer (Note 9)	-	705,395	(705,395)	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ <b>3,174,693</b>	\$ <b>3,548,656</b>	\$ <b>2,385,247</b>	\$ <b>9,108,596</b>	\$ 8,332,737

**LITTLE WARRIORS**  
**Statement of Cash Flows**  
**Year Ended September 30, 2025**

	<b>2025</b>	<b>2024</b>
<b>OPERATING ACTIVITIES</b>		
Revenue over (under) expenses	\$ 775,859	\$ (20,898)
Items not affecting cash:		
Amortization of deferred contributions related to property and equipment	(45,175)	(49,310)
Amortization of property and equipment	<u>65,759</u>	<u>65,962</u>
	796,443	(4,246)
Changes in non-cash working capital <i>(Note 12)</i>	<u>353,872</u>	<u>(315,452)</u>
	<u>1,150,315</u>	<u>(319,698)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	<u>(21,235)</u>	<u>(153,581)</u>
<b>FINANCING ACTIVITY</b>		
Deferred contributions for the purchase of equipment	<u>-</u>	<u>148,306</u>
<b>INCREASE (DECREASE) IN CASH AND TERM DEPOSITS</b>	<b>1,129,080</b>	<b>(324,973)</b>
Cash and term deposits - beginning of year	<u>6,988,996</u>	<u>7,313,969</u>
<b>CASH AND TERM DEPOSITS - END OF YEAR</b>	<b>\$ 8,118,076</b>	<b>\$ 6,988,996</b>
<b>CASH AND TERM DEPOSITS CONSISTS OF</b>		
Cash	\$ 4,207,238	\$ 3,208,226
Term deposits	362,182	1,028,557
Internally restricted funds	<u>3,548,656</u>	<u>2,752,213</u>
	<u>\$ 8,118,076</u>	<u>\$ 6,988,996</u>

**LITTLE WARRIORS**  
**Notes to Financial Statements**  
**Year Ended September 30, 2025**

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1. NATURE OF OPERATIONS

Little Warriors is a charitable organization incorporated under the Societies Act (Alberta). The Society educates adults about how to prevent, recognize and react responsibly to child sexual abuse. Little Warriors also provides information about the prevalence and frequency of child sexual abuse and information about healing and support resources. The Society operates a large multi-discipline treatment centre (Be Brave Ranch). The Be Brave Ranch is a residential ranch style treatment centre designed for children and youth who are the victims of sexual abuse. The Society is a registered charity under the Income Tax Act and, as such, is exempt from income taxes.

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2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Cash and term deposits

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting date. Term deposits consist of redeemable term deposits with maturity dates of less than twelve months.

Property and equipment

Property and equipment are recorded at cost less accumulated amortization. Property and equipment are amortized over their estimated useful lives using the declining balance method at the following rates:

Buildings	4%
Furniture and fixtures	17.5%
Tools and equipment	20%
Automotive equipment	30%
Computer equipment	30%
Computer software	50%

The Society regularly reviews its property and equipment to eliminate obsolete items.

Leases

Leases are classified as either capital or operating leases. A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease; all other leases are accounted for as operating leases. At the time the Society enters into a capital lease, an asset is recorded with its related long-term obligation to reflect the acquisition and financing. Rental payments under operating leases are expensed as incurred. As at the date of the financial statements the Society has no capital or operating leases.

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**LITTLE WARRIORS**  
**Notes to Financial Statements**  
**Year Ended September 30, 2025**

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2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Contributed services

The Society is largely dependent on donated services of its many volunteers. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Contributed materials and facilities

Donated goods are recorded at their fair market value at the time of donation. Contributed materials and facilities without readily available market values are not recognized in the financial statements.

Revenue recognition

The Society follows the deferral method of accounting for contributions. Contributions, including operating grants, are included in revenue in the year in which they are received or receivable, with the exception that contributions to fund a specific future period's expenses are included in revenue in that later period. Grants received for the acquisition of property and equipment are deferred and amortized to revenue on the same basis as the related property and equipment.

Prevent It! training and workshops and fee for service revenue is recognized as services are performed and collection is reasonably assured.

Other revenue is recognized when goods are delivered and collection is reasonably assured.

Financial instruments

*Measurement of financial instruments*

The Society initially measures its financial assets and liabilities on the cost method less any reduction for impairment.

Financial assets measured at cost include cash, term deposits, accounts receivable, accrued interest and internally restricted funds.

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

*Impairment*

Financial assets, such as accounts receivable, measured at cost are tested for impairment when there are indicators of impairment based on collectibility. The amount of the write-down is in net income. The previously recognized impairment loss may be reversed to the extent of any improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income in the period the reversal occurs.

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**LITTLE WARRIORS**  
**Notes to Financial Statements**  
**Year Ended September 30, 2025**

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2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Significant estimates include useful life of property and equipment, accrued liabilities, deferred contributions and deferred contributions related to property and equipment. By their nature, these estimate are subject to measurement uncertainty and actual results could differ.

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3. RESTRICTED CASH

Cash includes \$181,584 (2024--\$124,716) in casino and raffle proceeds which can only be used for programming and rent in accordance with the licensing agreement with the Alberta Gaming, Liquor and Cannabis Commission.

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4. TERM DEPOSITS

	<u>2025</u>	<u>2024</u>
Redeemable term deposit, maturity date August 13, 2026, interest rate 2.45%.	<b>\$ 1,951,137</b>	\$ 1,885,306
Redeemable term deposit, maturity date August 13, 2026, Interest rate 2.45%.	<b>1,155,137</b>	1,116,163
Redeemable term deposit, maturity date August 13, 2026, interest rate 2.20%.	<b>804,564</b>	779,301
	<b>3,910,838</b>	3,780,770
Less amounts internally restricted	<b>(3,548,656)</b>	(2,752,213)
	<b>\$ 362,182</b>	\$ 1,028,557

The use of the term deposits totalling \$3,548,656 (2024--\$2,752,213) has been internally restricted by the Board of Directors (see Note 9).

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**LITTLE WARRIORS**  
**Notes to Financial Statements**  
**Year Ended September 30, 2025**

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Land	\$ 2,900,000	\$ -	\$ 2,900,000	\$ 2,900,000
Buildings	1,436,497	454,815	981,682	1,014,223
Furniture and fixtures	462,824	406,210	56,614	68,623
Tools and equipment	24,453	17,545	6,908	8,635
Automotive equipment	114,861	108,832	6,029	8,612
Computer equipment	80,552	53,251	27,301	22,965
Computer software	14,371	14,371	-	-
	<b>\$ 5,033,558</b>	<b>\$ 1,055,024</b>	<b>\$ 3,978,534</b>	<b>\$ 4,023,058</b>

6. DEFERRED CONTRIBUTIONS RELATED TO PROPERTY AND EQUIPMENT

Deferred contributions related to property and equipment represent contributions received to fund the cost of property and equipment additions. The change in deferred contributions related to property and equipment for the year are as follows:

	2025	2024
Balance at beginning of year	\$ 849,016	\$ 750,020
Contributions	-	148,306
Less amounts amortized	(45,175)	(49,310)
Balance at end of year	<b>\$ 803,841</b>	<b>\$ 849,016</b>

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are the following:

	2025	2024
Vacation payable	\$ 98,654	\$ 92,076
Accounts payable	69,821	99,664
	<b>\$ 168,475</b>	<b>\$ 191,740</b>

**LITTLE WARRIORS**  
**Notes to Financial Statements**  
**Year Ended September 30, 2025**

**8. DEFERRED CONTRIBUTIONS**

A portion of receipts received are deferred to be recognized as revenue in future years as the related expenses are incurred. The change in deferred contributions are as follows:

	Balance October 1, 2024	Contributions	Recognized as revenue	Balance September 30, 2025
Be Brave Ranch	\$ 362,447	\$ 190,052	\$ (95,155)	\$ 457,344
Lighthouse	800,000	-	-	800,000
Other restricted	650,000	-	-	650,000
Gaming	96,287	224,746	(139,449)	181,584
	<u>\$ 1,908,734</u>	<u>\$ 414,798</u>	<u>\$ (234,604)</u>	<u>\$ 2,088,928</u>

Be Brave Ranch funds are restricted for the operations of the Be Brave Ranch and any projects related to the operations of the Ranch.

Lighthouse funds are restricted for research, investigation, development and piloting of an adult treatment program.

Other restricted fund were received for the purchase of land for a potential future project.

Gaming funds are restricted by the licensing agreement with the Alberta Gaming, Liquor and Cannabis Commission and are held in a separate bank account.

**9. INTERNALLY RESTRICTED NET ASSETS**

	Balance at October 1, 2024	Transfers	Interest	Balance at September 30, 2025
Stability Fund	\$ 1,338,397	\$ 176,349	\$ 42,793	\$ 1,557,539
Capital Reserve Fund	1,413,816	529,046	48,255	1,991,117
	<u>\$ 2,752,213</u>	<u>\$ 705,395</u>	<u>\$ 91,048</u>	<u>\$ 3,548,656</u>

The Board investment policy states that interest earned on the funds is added to the funds and reinvested.

The Stability Fund was established to provide for the future cost of ongoing programs in the event of an unanticipated loss of funding and represents approximately three months of operating expenses. The funds are held in term deposits and can only be used with Board approval. During the year \$176,349 (2024--\$35,785) was transferred to the fund from unrestricted net assets and \$42,793 of interest was earned and reinvested in the fund.

The Capital Reserve Fund was established for ongoing maintenance and repairs of the Be Brave Ranch property and represents the next three years of estimated maintenance and repairs detailed by a third party engineering study. During the year \$529,046 (2024--\$24,985) was transferred from unrestricted net assets. This amount represents the estimated maintenance and repairs for 2024 - 2026 based on the engineering study. Expenditures of \$0 (2024--\$32,185) were transferred to net assets from the Capital Reserve fund for building costs. A net transfer of \$529,046 (2024--\$(7,200)) was made. Interest earned and reinvested in the fund was \$48,255. The funds are held in term deposits and can only be used with Board approval..

## LITTLE WARRIORS

### Notes to Financial Statements

Year Ended September 30, 2025

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#### 10. RELATED PARTY TRANSACTIONS

The Society paid \$295 (2024--\$31,666) to a company controlled by a former Director of the Society. Funds expended were included in office and administration \$295 (2024--\$0) and the awareness campaign \$0 (2024--\$31,079). The Society entered into a contract with a company controlled by a current Board member to provide human resources consulting services. The current year includes \$19,603 (2024--\$5,831) of expenses included in office and administration.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

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#### 11. CONSULTANTS

In the prior year, investigation and planning for the Lighthouse Adult Treatment Program resulted in consulting costs of \$327,133 being expensed.

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#### 12. CHANGES IN NON-CASH WORKING CAPITAL

Changes in non-cash working capital items and their effect of increasing (decreasing) cash are as follows:

	<u>2025</u>	<u>2024</u>
Accounts receivable	\$ 6,479	\$ 8,183
Deposit	200,000	-
Accrued interest	10,584	22,318
Inventory	-	6,896
Prepaid expenses	(20,120)	24,203
Accounts payable and accrued liabilities	(23,265)	(19,845)
Deferred contributions	180,194	(357,207)
	<u>\$ 353,872</u>	<u>\$ (315,452)</u>

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**LITTLE WARRIORS**  
**Notes to Financial Statements**  
**Year Ended September 30, 2025**

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13. FINANCIAL INSTRUMENTS

The Society is exposed to the following risks through its financial instruments:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society's main credit risk relates to accounts receivable. Accounts receivable are generally amounts due from the government. It is management's opinion that there is no significant credit risk as of September 30, 2025.

Liquidity risk

Liquidity risk arises from the possibility that the Society might encounter difficulty in settling its debts or in meeting its obligations related to financial liabilities. It is management's opinion that there is no significant liquidity risk as of September 30, 2025.

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 arising on its interest bearing assets.

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14. CHARITABLE FUNDRAISING ACT (ALBERTA)

The following supplementary information is disclosed in compliance with the Charitable Fundraising Act (Alberta).

	<u>2025</u>	<u>2024</u>
<u>Revenue</u>		
Donations and fundraising	\$ 2,704,705	\$ 2,796,619
Funds from other charities and foundations	<u>1,684,926</u>	<u>1,651,223</u>
	<b>4,389,631</b>	4,447,842
<u>Expenses</u>		
Salaries and benefits principally for fundraising	<b>(294,235)</b>	(309,729)
Fundraising events	<b>(187,008)</b>	(242,502)
Awareness campaign	<b>(37,799)</b>	(56,445)
	<u><b>\$ 3,870,589</b></u>	<u>\$ 3,839,166</u>

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