Docusign Envelope ID: 20305E18-0079-8394-814B-DB8A23AD6F93

SASKATOON RESTORATIVE ACTION PROGRAM INC.

Financial Statements

For the Year Ended August 31, 2026

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Lingard +Dreger

INDEPENDENT AUDITOR'S REPORT

To the Members of Saskatoon Restorative Action Program Inc.

Qualified Opinion

We have audited the financial statements of Saskatoon Restorative Action Program Inc. (the "Corporation"), which comprise the statement of financial position as at August 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 August 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.

Basis for Qualified Opinion

In common with many charitable organizations, the Corporation derives revenue from fundraising and donations, the completeness of which is not susceptible of satisfactory audit verification. 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 contributions, excess of revenues over expenses, current assets and net assets. Our audit opinion on the financial statements for the year ended August 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.

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 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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Docusign Envelope ID: 20305E18-0079-8394-814B-DB8A23AD6F93

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.

Lingard + Dreger

Saskatoon, Saskatchewan
November 13, 2026

Chartered Professional Accountants

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SASKATOON RESTORATIVE ACTION PROGRAM INC.

Statement of Financial Position

As at August 31, 2026

	2026	2025
ASSETS		
CURRENT		
Cash	**$ 623,140**	$ 139,991
Short-term investments *(Note 3)*	**482,121**	468,821
Accounts receivable	**38,574**	7,184
Prepaid expenses	**5,168**	9,343
	1,149,003	625,339
LONG-TERM INVESTMENTS *(Note 3)*	**-**	253,671
	$ 1,149,003	$ 879,010
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities *(Note 4)*	**$ 278,480**	$ 8,371
Deferred contributions *(Note 6)*	**290,729**	207,820
	569,209	216,191
NET ASSETS		
UNRESTRICTED	**579,794**	662,819
	$ 1,149,003	$ 879,010

APPROVED ON BEHALF OF THE BOARD

Signed by:
A891B4FDAB454A4...
Director

Signed by:
Paul Gauthier
A6BD7778312845B...
Director

See notes to the financial statements

Docusign Envelope ID: 20305E18-0079-8394-814B-DB8A23AD6F93

SASKATOON RESTORATIVE ACTION PROGRAM INC.

Statement of Operations

For the Year Ended August 31, 2026

	2026	2025
REVENUE		
Provincial funding		
Education/Justice	**$ 267,711**	$ 260,639
Crown Investments Corporation of Saskatchewan	**45,000**	30,000
Saskatoon School Divisions	**512,363**	380,585
Saskatoon Police Services	**108,000**	105,000
Contributions		
Individuals	**-**	242,453
Corporations and Rotary Club	**44,490**	57,576
Other		
Interest	**18,381**	23,730
Fundraising events and campaigns	**277,644**	96,326
North Battleford community partnership	**6,667**	6,667
In-kind contributions *(Note 5)*	**108,000**	108,000
	1,388,256	1,310,976
EXPENSES		
RAP Facilitators - salaries and benefits	**1,024,727**	761,170
Program Coordinator - salaries and benefits	**40,942**	39,152
Management salaries and benefits	**154,816**	166,631
In-kind contributions *(Note 5)*	**108,000**	108,000
Promotion	**20,555**	44,539
Fundraising expenditures	**41,518**	42,667
Professional fees	**23,044**	25,431
Student leadership and training	**19,546**	16,153
Contracted services	**13,804**	10,410
Insurance	**5,199**	8,439
Staff training	**7,076**	4,404
Licenses and fees	**8,539**	3,272
Public and staff relations	**381**	1,582
Community donations	**1,500**	1,500
Office supplies	**1,634**	1,304
Staff supplies and information	**-**	693
	1,471,281	1,235,347
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	**$ (83,025)**	$ 75,629

See notes to the financial statements

Docusign Envelope ID: 20305E18-0079-8394-814B-DB8A23AD6F93

SASKATOON RESTORATIVE ACTION PROGRAM INC.

Statement of Changes in Net Assets

For the Year Ended August 31, 2026

	Unrestricted	**2026**	2025
NET ASSETS - BEGINNING OF YEAR	$ 662,819	**$ 662,819**	$ 587,190
Excess (deficiency) of revenue over expenses	(83,025)	**(83,025)**	75,629
NET ASSETS - END OF YEAR	$ 579,794	**$ 579,794**	$ 662,819

See notes to the financial statements

Docusign Envelope ID: 20305E18-0079-8394-814B-DB8A23AD6F93

SASKATOON RESTORATIVE ACTION PROGRAM INC.

Statement of Cash Flows

For the Year Ended August 31, 2026

		2026		2025
OPERATING ACTIVITIES				
Excess (deficiency) of revenue over expenses for the year	**$**	**(83,025)**	$	75,629
Item not affecting cash:				
Reinvested interest		**(18,379)**		(20,878)
		(101,404)		54,751
Changes in non-cash working capital:				
Accounts receivable		**(31,390)**		(4,402)
Prepaid expenses		**4,175**		(4,981)
Accounts payable and accrued liabilities		**270,109**		3,370
Deferred contributions		**82,909**		5,976
		325,803		(37)
Cash flow from operating activities		**224,399**		54,714
INVESTING ACTIVITIES				
Purchase of investments		**(217,800)**		(1,283,419)
Proceeds on disposal of investments		**476,550**		1,217,419
Cash flow from (used by) investing activities		**258,750**		(66,000)
INCREASE (DECREASE) IN CASH		**483,149**		(11,286)
CASH - BEGINNING OF YEAR		**139,991**		151,277
CASH - END OF YEAR	**$**	**623,140**	$	139,991
CASH CONSISTS OF:				
Cash	**$**	**623,140**	$	139,991

See notes to the financial statements

Docusign Envelope ID: 20305E18-0079-8394-814B-DB8A23AD6F93

1. ORGANIZATION

Saskatoon Restorative Action Program Inc. (the "Corporation") was incorporated under the Saskatchewan *Non-Profit Corporations Act, 1995* on September 21, 2011. The Corporation provides professional support for youth in Saskatoon to navigate conflict, build relationships, and reconnect with their school and community. The Corporation has been registered as a Canadian Registered Charity by the Charities Directorate.

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 in Part III of the *CPA Canada Handbook* and include the following significant accounting policies:

Cash and equivalents

Cash and cash equivalents consist of balances with banks and short-term investments with original maturities of three months or less.

Revenue recognition

The Corporation 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 are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

The Corporation recognizes interest revenue using the accrual basis of accounting on a time proportion basis.

Fundraising event revenue is recognized when the related event is held. All other revenues are recognized in the year they are earned provided the amount to be received can be reasonably estimated and collection is reasonably assured.

Income taxes

The Corporation is a non-profit corporation and is a registered charity under the *Income Tax Act*. As such the Corporation is not subject to income tax.

Financial instruments

The Corporation initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statements of operations in the period incurred.

Financial assets subsequently measured at amortized cost include cash, investments and accounts receivable. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities. The fair value of the cash, investments, accounts receivable, and accounts payable and accrued liabilities approximate their carrying value due to their short-term nature.

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Docusign Envelope ID: 20305E18-0079-8394-814B-DB8A23AD6F93

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

Donated materials and services

The Public and Catholic School Boards pay all of the salaries of the project co-ordinators, and collect from the Corporation the portion which it has agreed to pay. For financial statement purposes, the recognized amounts paid by the school boards are recorded as revenue, and expenses for salaries and benefits at an amount agreed as the value of their contributions.

Materials and services provided by the high schools in relation to the Restorative Action Program (RAP) have been recorded at the values estimated by the high schools. Donations of materials and services by members or others have not been recognized since a fair value cannot be reasonably estimated. There have not been any donations of assets to the Corporation.

3. INVESTMENTS

	Maturity	**2026**	**Yield**	2025
Short-term				
Affinity Credit Union term deposits	**< 1 year**	**$ 482,121**	**2.00% - 3.35%**	$ 468,821
Long-term				
Affinity Credit Union term deposit	**> 1 year**	**-**	**N/A**	253,671

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2026	2025
Greater Saskatoon Catholic Schools payable	**$ 260,355**	$ -
Saskatoon Public Schools payable	**15,238**	-
Trade payables	**2,488**	5,967
Vacation payable	**399**	2,403
	$ 278,480	$ 8,370

5. CONTRIBUTIONS IN-KIND

	2026	2025
Mount Royal, Bedford Road, Walter Murray, Nutana, Centennial, Evan Hardy, Tommy Douglas, Holy Cross, Bethlehem, E.D. Feehan, Bishop James Mahoney/St. Joseph's, Bishop Murray/Oskayak		
Rent	**$ 42,000**	$ 42,000
Computers, office supplies, and telephone	**36,000**	36,000
Administration	**30,000**	30,000
	$ 108,000	$ 108,000

Contributions in-kind are recorded at fair value for goods or services used in the normal course of operations that would otherwise have been purchased.

Docusign Envelope ID: 20305E18-0079-8394-814B-DB8A23AD6F93

6. DEFERRED CONTRIBUTIONS

The deferred contributions balance represents funding received for program costs that will be incurred in subsequent fiscal years.

		2026		2025
Deferred contributions, beginning of the year	**$**	**207,820**	$	201,844
Contributions deferred during the year:				
Ministry of Education		**92,000**		90,000
Ministry of Justice		**72,649**		67,820
Saskatoon Police Services		**44,000**		42,000
Myriad Canada		**-**		8,000
Law Foundation of Saskatchewan		**56,250**		-
Adopt a School contribution		**25,830**		-
Less:				
Amounts recognized as grant revenue		**(199,820)**		(197,844)
Amounts recognized as contributions from corporations		**(8,000)**		(4,000)
Deferred contributions, end of year	**$**	**290,729**	$	207,820

The deferred contributions at year-end relates to the following:

		2026		2025
Ministry of Education	**$**	**92,000**	$	90,000
Ministry of Justice		**72,649**		67,820
Saskatoon Police Services		**44,000**		42,000
Myriad Canada		**-**		8,000
Law Foundation of Saskatchewan		**56,250**		-
Adopt a School contribution		**25,830**		-
	$	**290,729**	$	207,820

7. RELATED PARTY TRANSACTIONS

The Corporation received contributions of $166,193 (2025 - $257,035) from Directors of the Corporation. 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 upon by the related parties.

8. CAPITAL MANAGEMENT

The Corporation defines its capital as the total of the net assets. The Corporation does not have a formal capital management policy. However, management plans for the operations of the Corporation through an annual budgetary process ensuring that adequate capital is maintained. The Corporation has no externally imposed capital requirements.

Docusign Envelope ID: 20305E18-0079-8394-814B-DB8A23AD6F93

9. CLASSES OF MEMBERSHIP

The Corporation has four classes of membership as follows:

Class A - 1 member

The members of which shall be a Rotary Club that have made a multi-year financial commitment to the Corporation. Each Class A member shall appoint a representative to represent and vote on that member's behalf and shall promptly notify the Corporation of the said representative's identity or any replacement thereof. Through their representatives, Class A members shall be entitled to receive notice of and to attend all meetings of the members of the Corporation and shall be entitled to one vote per member. Each representative of a Class A member shall be elected as a director of the Corporation.

Class B - 3 members

The members of which shall be non-Rotary Club entities, including, without limitation, schools, boards of education, government, community groups or corporations that have partnered with the Corporation to use or implement the programs of the Corporation and that have made a multi-year commitment to the Corporation. Each Class B member shall appoint a representative to represent and vote on that member's behalf and shall promptly notify the Corporation of the said representative's identity or any replacement thereof. Through the representatives, Class B members shall be entitled to receive notice of and attend all meetings of the members of the Corporation and shall be entitled to one vote per member. Each representative of Class B members shall be entitled to be elected as directors of the Corporation.

Class C - 11 members

The members of which shall be individual members of Rotary Clubs that are interested in furthering the objectives of the Corporation. Class C members shall be entitled to receive notice of and attend all meetings of the members of the Corporation and shall be entitled to one vote per member. Class C members shall be entitled to be elected as directors of the Corporation and shall be required to pay a membership fee and annual dues as set from time-to-time by the board.

Class D - 14 members

The members of which shall be organizations, corporate bodies or individuals (who are not Rotary Club members) that are interested in furthering the objectives of the Corporation. Each corporate Class D member shall appoint a representative to represent and vote on that member's behalf and shall promptly notify the Corporation of the said representative's identity or any replacement thereof. Individual Class D members and corporate members through their respective representatives shall be entitled to receive notice of and attend all meetings of the members of the Corporation and shall be entitled to one vote per member. Individual Class D members and corporate members through their respective representatives shall be entitled to be elected as directors of the Corporation and shall be required to pay a membership fee and annual dues set from time-to-time by the board.

Docusign Envelope ID: 20305E18-0079-8394-814B-DB8A23AD6F93

10. FINANCIAL INSTRUMENTS

The Corporation is exposed to various risks through its financial instruments, without being exposed to any significant concentrations of risk. The following analysis provides information about the Corporation's risk exposure and concentration as of August 31, 2026.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation manages liquidity risk resulting from accounts payable by holding liquid assets such as cash which can be readily available to repay accounts payable.

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 exposed to interest rate risk on its term deposits.

11. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.