



YE 20
26

**CONSOLIDATED FINANCIAL
STATEMENTS**

SHOCK TRAUMA AIR RESCUE SERVICE

March 31, 2026



Fiscal 2026 YEAR IN REVIEW



STARS is a charitable, non-profit organization funded by our allies: visionary individuals, organizations, businesses, event partners and governments.

Since 1985, our success has been grounded in community partnerships and donations. We are committed to continuing those alliances and providing life-saving services well into the future, for your children, your grandchildren, and beyond.

Below you'll find a breakdown of our annual revenue.

//////////////////// **HOW WE ARE FUNDED**

Fiscal 2026 revenues of \$100,528 (amounts in 000's)¹

**GOVERNMENT
CONTRIBUTIONS**

\$36,023

**DONATIONS &
FUNDRAISING**

\$41,063

AB & SK LOTTERIES ²

\$12,642

**INDUSTRY SERVICES
REVENUE**

\$7,005

**INVESTMENT & OTHER
INCOME**

\$3,218

CALENDAR ²

\$577

¹ Excludes prior year receipts of \$5,051 related to the fleet renewal

² Shown on a net basis

MANAGEMENT'S REPORT

The accompanying consolidated financial statements of STARS as at March 31, 2026 and all other financial and operating information contained in this Annual Financial Report are the responsibility of Management. The consolidated financial statements have been prepared in accordance with accounting policies detailed in the notes to the consolidated financial statements and in accordance with generally accepted accounting principles in Canada.

The organization's systems of internal controls have been designed and maintained to provide reasonable assurance that assets are properly safeguarded and that the financial records are sufficiently well maintained to provide relevant, timely and reliable information to Management. Management believes the systems of internal controls were operating effectively in fiscal 2026.

Public Accountants, appointed by the Board of Directors, have independently examined the consolidated financial statements. The Audit and Finance Committee has reviewed these consolidated financial statements with Management and the Public Accountants.

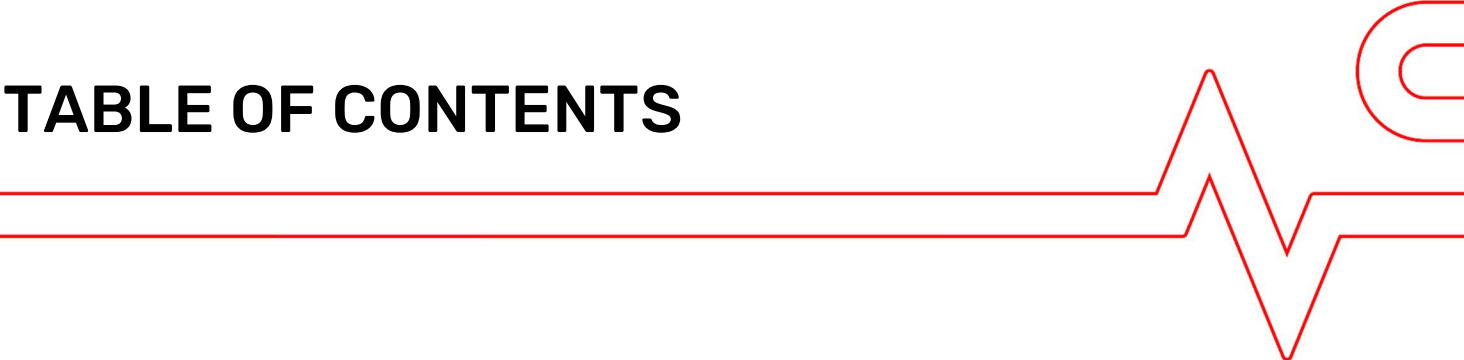
The Board of Directors has approved these consolidated financial statements on the recommendation of the Audit and Finance Committee.

[Originally signed by
Dr. John Froh, MD, MBA, CCFP(EM), FCFP]
President and Chief Executive Officer
STARS

[Originally signed by
Linda Dalgetty, FCPA, FCA]
Chief Financial Officer
STARS

June 25, 2026

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Independent auditor's report

To the Board of Directors of Shock Trauma Air Rescue Service

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Shock Trauma Air Rescue Service and its subsidiary (together, the Organization) as at March 31, 2026 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

What we have audited

The Organization's consolidated financial statements comprise:

- the consolidated statement of financial position as at March 31, 2026;
- the consolidated statement of fundraising, operations and change in net assets for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

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 consolidated financial statements* section of our report.

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

PricewaterhouseCoopers LLP
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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Independence

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

Other information

Management is responsible for the other information. The other information comprises the information, other than the consolidated financial statements and our auditor's report thereon, included in Annual Financial Disclosure.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Organization'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 Organization'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 consolidated 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 Organization to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Organization as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Calgary, Alberta

June 25, 2026

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Year ended March 31, <i>(Canadian dollars in thousands)</i>	2026 \$	2025 \$
Assets		
Current		
Cash	65,505	60,667
Accounts receivable <i>[note 3]</i>	2,347	2,621
Deferred expenses <i>[note 13]</i>	1,220	1,270
Prepaid expenses	985	1,069
Deposits	–	39
Inventory <i>[note 4]</i>	1,614	2,565
Total current assets	71,671	68,231
Investments <i>[note 5]</i>	21,132	19,225
Maintenance contracts <i>[note 6]</i>	13,956	10,844
Property and equipment <i>[note 7]</i>	113,767	121,159
Internally generated intangible assets <i>[note 8]</i>	366	412
	220,892	219,871
Liabilities		
Current		
Accounts payable and accrued liabilities <i>[note 9]</i>	7,230	9,423
Deferred revenue <i>[note 13]</i>	3,191	2,830
Total current liabilities	10,421	12,253
Deferred contributions <i>[note 11]</i>	76,280	82,158
Total liabilities	86,701	94,411
Commitments and contingencies <i>[notes 16 and 20]</i>		
Net assets		
Capital preservation fund	133,934	125,203
Endowment fund - externally restricted <i>[note 12]</i>	257	257
Total net assets	134,191	125,460
	220,892	219,871

See accompanying notes to the consolidated financial statements

On behalf of the Board:

[Originally signed by Curtis Stange]
Director – Board Chair

[Originally signed by Theresa Jang]
Director – Audit & Finance Chair

CONSOLIDATED STATEMENT OF FUNDRAISING, OPERATIONS & CHANGE IN NET ASSETS

Year ended March 31, <i>(Canadian dollars in thousands)</i>	2026 \$	2025 \$
Fundraising activities		
Donations and fundraising		
Gross revenue <i>[notes 11 and 21]</i>	41,063	35,962
Direct fundraising expenditures	(6,676)	(5,957)
	34,387	30,005
Lottery <i>[note 13]</i>		
Gross revenue	32,877	33,429
Direct expenditures, including prizes	(20,235)	(19,769)
	12,642	13,660
Calendar		
Gross revenue	1,184	1,382
Direct expenditures	(607)	(658)
	577	724
Total net fundraising revenue before other expenditures	47,606	44,389
General fundraising and administrative expenditures	(2,861)	(2,553)
Excess of revenue over expenditures from fundraising	44,745	41,836
Operating activities		
Operating revenue		
Government contributions	36,023	36,810
Government funded property and equipment - Federal and Provincial <i>[note 11]</i>	5,051	4,677
Site registration and monitoring recoveries	3,580	3,530
Fee for services <i>[notes 14 and 21]</i>	3,425	3,593
	48,079	48,610
Operating expenditures		
Aviation operations <i>[note 4]</i>	31,896	32,944
Clinical operations	26,339	25,884
STARS Emergency Link Centre	4,855	5,421
Base operations and administration <i>[notes 21 and 22]</i>	13,645	13,007
Amortization of property and equipment <i>[note 7]</i>	9,947	10,087
Amortization of internally generated intangible assets <i>[note 8]</i>	308	217
	86,990	87,560
Deficiency of revenue over expenditures from operations	(38,911)	(38,950)
Consolidated excess of revenue over expenditures before other items	5,834	2,886
Investment and other income <i>[note 5]</i>	3,218	3,640
Foreign exchange (loss) gain	(186)	275
(Loss) gain on risk management contracts <i>[note 18]</i>	(135)	191
Consolidated excess of revenue over expenditures	8,731	6,992
Net assets, beginning of year	125,460	118,468
Net assets, end of year	134,191	125,460

See accompanying notes to the consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended March 31, <i>(Canadian dollars in thousands)</i>	2026 \$	2025 \$
Operating activities		
Consolidated excess of revenue over expenditures	8,731	6,992
Add (deduct) items not affecting cash:		
Amortization of property and equipment <i>[note 7]</i>	9,947	10,087
Amortization of internally generated intangible assets <i>[note 8]</i>	308	217
Amortization of deferred contributions <i>[note 11]</i>	(7,396)	(7,855)
Unrealized gain on investments <i>[note 5]</i>	(1,108)	(805)
Realized loss (gain) on risk management contracts <i>[note 18]</i>	135	(191)
	10,617	8,445
Net change in non-cash working capital items <i>[note 15]</i>	(3,546)	(2,200)
Cash provided by operating activities	7,071	6,245
Financing activities		
(Payments) proceeds on settlement of risk management contracts <i>[note 18]</i>	(135)	191
Deferred contributions received <i>[note 11]</i>	1,518	3,028
Cash provided by financing activities	1,383	3,219
Investing activities		
Purchase of investments	(2,643)	(1,141)
Proceeds from sale of investments	1,844	406
Purchase of property and equipment <i>[note 7]</i>	(2,555)	(10,976)
Additions to internally generated intangible assets <i>[note 8]</i>	(262)	(217)
Cash used in investing activities	(3,616)	(11,928)
Net increase (decrease) in cash	4,838	(2,464)
Cash, beginning of year	60,667	63,131
Cash, end of year	65,505	60,667

See accompanying notes to the consolidated financial statements

March 31, 2026
(Canadian dollars in thousands)

1. Nature of operations

These consolidated financial statements represent the consolidated financial position and operations of Shock Trauma Air Rescue Service ("Service") and Shock Trauma Air Rescue Service Foundation ("Foundation"). Collectively, these entities are referred to as "STARS" or the "Organization".

Service and Foundation are registered federally under the Canada Not-for-Profit Corporations Act. Through its right and ability as the sole member of Foundation to appoint the majority of Foundation's Board of Directors, Service controls Foundation. Service and Foundation are non-profit and non-taxable registered charities pursuant to Section 149 of the *Income Tax Act (Canada)*.

STARS works collaboratively with emergency services, the community, individuals, businesses, corporations, government, and regional health authorities to provide critical care, anywhere through partnership, innovation, and leadership. The current service area for STARS is the provinces of Alberta, Saskatchewan, Manitoba, and the eastern part of British Columbia, where it is a trusted critical care provider. STARS supports critically ill and injured patients by providing emergency medical communications and emergency medical transport by air, by ground or virtually, when needed. Education and research, fundraising and community partnerships are also significant pillars of the STARS program.

2. Significant accounting policies

Basis of presentation and consolidation

These consolidated financial statements have been prepared in accordance with Part III of the Chartered Professional Accountants of Canada ("CPA Canada") Accounting Handbook - Accounting Standards for Not-for-Profit Organizations. They include the financial results as at and for the year ended March 31, 2026, of Service and Foundation. Transactions and balances between the entities have been eliminated in arriving at the consolidated financial statements.

Foreign currency translation

Foreign currency balances are translated into Canadian dollars as follows: monetary assets and liabilities at the rates of exchange prevailing at the consolidated statement of financial position date, non-monetary assets and liabilities at historical exchange rates and revenue and expenses at the approximate rate of exchange prevailing at the time of the transactions. Both realized and unrealized gains and losses resulting from the settlement or restatement of foreign currency transactions are included in the consolidated statement of fundraising, operations and change in net assets, other than those related to designated hedges.

March 31, 2026
(Canadian dollars in thousands)

2. Significant accounting policies (continued)

Inventory

Inventory is valued at the lower of cost or net realizable value, with cost determined on a specific item basis. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Investments

Investments are recorded at fair value with realized and unrealized gains and losses and any impairment recognized in the consolidated statement of fundraising, operations and change in net assets.

Property and equipment

Property and equipment are recorded at cost less accumulated amortization and any provision for impairment. The cost of contributed property and equipment is fair value at the date of contribution. The cost of property and equipment made up of significant separable component parts is allocated to the component parts when practicable and when estimates can be made of the estimated useful lives of the separate components. Helicopters and related equipment are componentized into helicopter airframe and aviation equipment and engines. Assets under capital lease are accounted for at cost, which corresponds to the present value of the minimum lease payments on recognition, less accumulated amortization. The cost of assets under construction includes direct design and construction costs and overhead costs directly attributable to these activities.

Amortization of property and equipment and assets under capital lease in use is provided over the estimated useful life of the Organization's assets on a straight-line basis. Expenditures incurred to get an asset ready for use are capitalized and amortized over the asset's useful life once they are being utilized in the manner intended by management. When assets under construction are completed and ready for their intended use, the amounts are transferred to the appropriate property and equipment category and amortized over the asset's useful life. The cost of routine repairs and maintenance is charged to operating expenditures as incurred.

Asset type	Method	Useful life
Helicopter airframe and aviation equipment	Straight-line	3 to 20 years
Engines	Straight-line	11 years
Buildings	Straight-line	20 years
Medical equipment	Straight-line	2 to 5 years
Computer hardware and software	Straight-line	2 to 3 years
Other (leasehold improvements and office equipment)	Straight-line	Lesser of term of lease (where applicable) or 5 years

March 31, 2026
(Canadian dollars in thousands)

2. Significant accounting policies (continued)

Property and equipment is classified as held for sale when management commits to a plan whereby the asset is available for immediate sale in its present condition, an active program to locate a buyer has been initiated, the sale is probable and expected to be recognized as a sale within one year, the asset is being actively marketed for sale at a price that is reasonable and it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Assets held for sale are measured at the lower of their carrying value and their fair value, less selling costs and are no longer amortized.

Internally generated intangible assets

Internally generated intangible assets related to internally developed software are recognized when the asset meets the criteria for capitalization. Capitalized costs include direct costs of development, including employee compensation and costs incurred from third-party service providers.

Costs incurred during the research phase are expensed. Development costs are capitalized when management can demonstrate the technical feasibility of the asset, the intention and ability to complete and use the asset and the ability to reliably measure the expenditures attributable to the asset.

Internally generated intangible assets are recorded at cost less accumulated amortization and any provision for impairment. These assets are amortized on a straight-line basis over their estimated useful lives.

Asset type	Method	Useful life
Computer software	Straight-line	3 years

Cloud computing arrangements

The Organization follows the simplification approach which requires that the Organization recognize expenditures related to the elements in cloud computing arrangements as an expense.

Maintenance and repairs

The Organization has long-term maintenance contracts (the "Contracts") that cover both engines and covered parts for helicopter airframe and aviation equipment. The annual cost of these Contracts is based on a contractual hourly rate multiplied by the number of flight hours (subject to a minimum required hours). The provisions of the Contracts allow for the prepayment of engine overhauls and covered parts replacement which, when performed, will extend the life of the helicopters. An estimate of the proportion of the annual contractual hourly rate related to prepayment has been recorded as maintenance contracts on the consolidated statement of financial position. When engine overhauls or covered parts replacement occurs, the amount is transferred to the appropriate property and equipment category. The remainder of the amounts paid under the Contracts are expensed as incurred and included in aviation operations expenditures on the consolidated statement of fundraising, operations and change in net assets.

March 31, 2026
(Canadian dollars in thousands)

2. Significant accounting policies (continued)

Impairment

Property and equipment and internally generated intangible assets are reviewed for impairment when conditions indicate that the asset no longer contributes to STARS' ability to provide critical care services, or when conditions indicate that the carrying value of the asset may no longer be recoverable. The Organization assesses impairment by comparing the carrying value of the asset against the undiscounted cash flows expected from the asset's use and disposition. If the asset is impaired, the net carrying amount of the capital asset is written down to the asset's fair value or replacement cost. Any impairment losses are recognized as an expense in the consolidated statement of fundraising, operations and change in net assets and are not reversed if the fair value of the related asset subsequently increases.

Financial instruments

The Organization initially records arm's length financial instruments at fair value. Subsequently, the Organization measures financial instruments as follows:

- Investments in equity instruments that are quoted in an active market at fair value;
- All other financial assets, including cash, accounts receivable and deposits, at amortized cost;
- All other financial liabilities, including accounts payable and accrued liabilities and credit facilities, at amortized cost; and
- Risk management contracts, not designated as a hedge, at fair value.

Transaction costs incurred on the acquisition of financial instruments that are measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and are then amortized using the straight-line method.

Risk management contracts

The Organization uses financial derivative instruments to economically hedge the impact of foreign currency changes in anticipated transactions denominated in foreign currencies. Although management considers all risk management contracts to be economic hedges, none have been designated as effective hedges for accounting purposes.

Risk management contracts are initially measured at fair value with subsequent changes in fair value recognized as gains or losses on risk management contracts in the consolidated statement of fundraising, operations and change in net assets. The fair value of these derivative contracts is based on an estimate of the amounts that would be paid or received to settle these instruments at the consolidated statement of financial position date.

March 31, 2026
(Canadian dollars in thousands)

2. Significant accounting policies (continued)

Revenue recognition

Type of revenue	Revenue recognition policy
1) Donation contributions, including those received from government agencies.	Deferral method.
a) Restricted contributions	Recognized as revenue in the year in which the related expenses are incurred, unless related to property and equipment, in which case they are accounted for as capital contributions and grants.
b) Capital contributions and grants	Capital contributions and grants are externally restricted funds received from donors and government agencies that are to be used only for capital purchases. Capital contributions and grants are deferred and amortized to revenue in the same manner as the related asset.
c) Unrestricted contributions and government contributions	Recognized when received or receivable if the amount to be received can reasonably be estimated and collection is reasonably assured.
d) Endowment contributions	Recognized as an increase in net assets when received. Earnings from endowment assets are to be recognized in accordance with the objectives of the endowment agreements.
2) Revenue received in advance of the period to which it relates	Recorded as deferred revenue.
3) Site registration and monitoring recoveries and other fee for services	Recognized as revenue when the service has been performed if the amount can be reasonably estimated and collection is reasonably assured.

March 31, 2026
(Canadian dollars in thousands)

2. Significant accounting policies (continued)

Type of revenue	Revenue recognition policy
4) Lottery revenue has two elements:	The two elements are determined based on:
a) Ticket revenue associated with a purchaser buying a ticket with the intended purpose of winning a prize	The stand-alone value of the ticket revenue component measured at fair value as compared to other similarly prize-based lotteries recognized at the time the prizes are drawn.
b) Contribution revenue based on the ticket purchasers intended purpose to contribute to STARS mission	The contribution component comprised of the residual and recognized when received.
5) Calendar and merchandise revenue	Recognized when calendars or merchandise are sold if the amount can be reasonably estimated and collection is reasonably assured.
6) Fundraising event revenue	Deferred and recognized as revenue when the event occurs.
7) Realized interest income, realized gains and losses on investments and investment revenue	Recognized in revenue as earned.
8) Donations of in-kind investments	Recorded at fair market value on the date of donation.

Donations of services and materials

Donations in kind are recorded at fair market value only when fair market value can be reasonably estimated and when the donated materials or services would otherwise normally be purchased and paid for by the Organization. The value of donations in kind recorded in fiscal 2026 was \$1,331 (2025 - \$750). Volunteers contribute substantial donated time and services throughout the year to STARS; however, due to the difficulty of determining fair market value of these donated services, this value is not recorded in these consolidated financial statements.

March 31, 2026
(Canadian dollars in thousands)

2. Significant accounting policies (continued)

Expense recognition

Costs incurred for the lottery and annual event marketing material not meeting the definition of an asset are expensed in the year incurred. All prize costs for the lottery paid prior to the event are recorded as deferred expenses on the consolidated statement of financial position until the lottery draw is held.

Use of estimates

The preparation of the consolidated financial statements in conformity with Part III of the CPA Canada Accounting Handbook requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenues and expenditures during the reporting periods. Management believes the most significant estimates and assumptions are associated with the valuation of accounts receivable, inventories, fair value and useful life of property and equipment and internally generated intangible assets, estimates of prepayments related to maintenance contracts and the fair value of investments and risk management contracts. If the underlying estimates and assumptions upon which the consolidated financial statements are based change in future periods, actual amounts may differ materially from those included in the accompanying consolidated financial statements.

Revisions to accounting estimates are recognized in the period in which the estimates are made and in any future years affected.

3. Accounts receivable

	2026 \$	2025 \$
Site registration and monitoring recoveries	776	691
Government contributions and other	1,514	1,792
Government remittances	98	201
	2,388	2,684
Less: Allowance for doubtful accounts	(41)	(63)
Balance, end of year	2,347	2,621

March 31, 2026
(Canadian dollars in thousands)

4. Inventory

	2026 \$	2025 \$
Helicopter parts	1,416	2,433
Calendar and merchandise inventory	198	132
Balance, end of year	1,614	2,565

The amount of inventories recognized in aviation operations expenditures on the consolidated statement of fundraising, operations and change in net assets during the year ended March 31, 2026 was \$771 (2025 - \$680).

5. Investments

Most of the Organization's bond/fixed income and equity funds are professionally managed under pooled portfolio management service agreements. The Organization's Statement of Investment Policies and Procedures ensures that the investment portfolio is managed with a primary emphasis on preservation and security of capital and a secondary emphasis on growth of that capital. The composition of investment assets at March 31 is as follows:

	2026 \$	2025 \$
Cash and cash equivalents	3,842	3,321
Bonds/fixed income	8,208	7,675
Canadian equities	4,371	3,892
Global equities	4,711	4,337
	21,132	19,225

Included in cash and cash equivalents as at March 31, 2026 is a \$1,000 (March 31, 2025 - \$1,000) guaranteed income certificate that is pledged as collateral under the Organization's credit facilities (note 10).

Investment and other income on the consolidated statement of fundraising, operations and change in net assets for the year ended March 31 included:

	2026 \$	2025 \$
Investment income	1,912	2,740
Gain on sale of investments	170	69
Unrealized gain on investments	1,108	805
Other income	28	26
Total investment and other income	3,218	3,640

March 31, 2026
(Canadian dollars in thousands)

6. Maintenance contracts

In fiscal 2020, Service entered into two Contracts for long-term maintenance related to engines and helicopter and aviation equipment. Both Contracts are for a term of ten years and provide for escalation of the contractual rate as defined in the Contract over that period.

	2026 \$	2025 \$
Balance, beginning of year	10,844	8,047
Additions	3,112	2,797
Balance, end of year	13,956	10,844

7. Property and equipment

	March 31, 2026			March 31, 2025
	Cost \$	Accumulated amortization \$	Net carrying value \$	Net carrying value \$
Helicopters & aviation equipment	109,027	28,615	80,412	85,619
Engines	33,317	14,183	19,134	22,286
Buildings	15,309	4,679	10,630	11,065
Medical equipment	6,190	4,501	1,689	1,067
Computer hardware and software	1,596	1,517	79	282
Assets under construction	1,375	-	1,375	235
Other	5,989	5,541	448	605
	172,803	59,036	113,767	121,159

March 31, 2026
 (Canadian dollars in thousands)

7. Property and equipment (continued)

Included in property and equipment are assets under capital lease as follows:

	March 31, 2026			March 31, 2025
	Cost \$	Accumulated amortization \$	Net carrying value \$	Net carrying value \$
Buildings	4,876	3,335	1,541	1,786

Property and equipment include \$11,008 of assets not yet in use at March 31, 2026 (March 31, 2025 - \$2,597) and are not subject to amortization. The total includes assets under construction valued at \$1,375 (March 31, 2025 - \$235), as well as the Calgary hangar and office building, which has a net book value of \$8,460 (March 31, 2025 - \$8,570). The building has remained vacant since July 2025 (was in use prior to this date) and is associated with a planned renovation project that is presently in the design phase. No construction had begun as at the reporting date.

8. Internally generated intangible assets

	March 31, 2026			March 31, 2025
	Cost \$	Accumulated amortization \$	Net carrying value \$	Net carrying value \$
Computer software	825	459	366	412

9. Accounts payable and accrued liabilities

	2026 \$	2025 \$
Accounts payable and accrued liabilities	7,107	9,391
Government remittances owing	123	32
Balance, end of year	7,230	9,423

March 31, 2026
(Canadian dollars in thousands)

10. Credit facilities

The Organization has a demand credit facility (the "Facility") for a maximum amount of \$1,000 for ongoing general corporate purposes. The Facility is revolving, due on demand, can be drawn in increments of \$5 and bears interest at bank prime.

The total amount outstanding on the Facility at March 31, 2026 was \$nil (March 31, 2025 - \$nil). A \$1,000 guaranteed investment certificated (included in investments – note 5) has been pledged as collateral for the Facility.

11. Deferred contributions

Contributions are deferred when a donor restricts the usage of their contribution to a specific purpose. Most deferred donations received by the Organization relate to amounts to be used for the purchase of helicopters and medical equipment.

	2026 \$	2025 \$
Balance, beginning of year	82,158	86,985
Restricted contributions received	1,518	3,028
Amortization of amounts related to operating expenditures	(781)	(908)
Amortization of amounts related to government funded property and equipment	(5,051)	(4,677)
Amortization of amounts related to property and equipment	(1,564)	(2,270)
Balance, end of year	76,280	82,158

Amortization of amounts related to operating expenditures and property and equipment are included in gross donations and fundraising revenue on the consolidated statement of fundraising, operations and change in net assets.

12. Net assets

The Endowment Fund is an externally restricted fund where the principal assets are to be maintained in perpetuity. The earnings from these assets are to be expended in accordance with the objectives of the endowment agreements.

Endowment fund

	2026 \$	2025 \$
Medical physicians	20	20
Doctors on board	237	237
Balance, end of year	257	257

March 31, 2026
(Canadian dollars in thousands)

13. Lottery revenue and expenses

Alberta lottery

The following table summarizes the net lottery revenue recognized during the fiscal year and amounts deferred to the next fiscal year. This deferral is based on contribution margins for prize draws occurring in April.

	2026 \$	2025 \$
Lottery close date	Mar 20, 2026	Mar 27, 2025
Main lottery prize draw date	Mar 31, 2026	Mar 31, 2025
Daily cash raffle prize draw dates	Apr 1 – May 4, 2026	Apr 1 – May 4, 2025
Lottery revenue	21,920	22,224
Lottery expenses	(12,593)	(12,663)
Net lottery revenue	9,327	9,561

	2026 \$	2025 \$
Deferred ticket revenue [a]	1,700	1,700
Deferred expenses [b]	(850)	(850)
Net revenue deferred to the next fiscal year	850	850

The net revenue deferred of \$850 relates to the daily cash raffle and will be recorded in the fiscal year ending March 31, 2027 (\$850 in the fiscal year ended March 31, 2026).

	2026 \$	2025 \$
[a] Deferred revenue		
Deferred ticket revenue	1,700	1,700
Other deferred revenue	1,491	1,130
Balance, end of year	3,191	2,830

	2026 \$	2025 \$
[b] Deferred expenses		
Deferred lottery expenses	850	850
Other deferred expenses	370	420
Balance, end of year	1,220	1,270

March 31, 2026
(Canadian dollars in thousands)

13. Lottery revenue and expenses (continued)

Saskatchewan lottery

The Saskatchewan lottery begins and concludes within each fiscal year, thus there is no deferred revenue or expense associated with this lottery. Accordingly, the entire net contribution of \$3,373 was recognized during the year ended March 31, 2026 (2025 - \$4,261). This net contribution was comprised of \$10,609 in lottery revenue and \$7,236 in lottery expenses (2025 - \$11,059 in lottery revenue and \$6,798 in lottery expenses).

14. Fee for services

	2026 \$	2025 \$
Support and other services	3,525	2,730
Excess helicopter inventory sales	(100)	863
	3,425	3,593

15. Net change in non-cash working capital items

	2026 \$	2025 \$
Accounts receivable	274	(1,585)
Deferred expenses	50	(11)
Prepaid expenses	84	83
Inventory	951	195
Deposits	39	121
Maintenance contracts	(3,112)	(2,797)
Accounts payable and accrued liabilities	(2,193)	1,515
Deferred revenue	361	279
	(3,546)	(2,200)

March 31, 2026
(Canadian dollars in thousands)

16. Commitments and contingencies

Commitments

The Organization is obligated to make payments under certain base and office space lease agreements. At March 31, 2026 the aggregate payments in the next five years and thereafter are set out in the table below:

	\$
2027	2,467
2028	2,050
2029	941
2030	943
2031	741
Thereafter	2,166
	9,308

Contingent liabilities

STARS is not currently party to any litigation. From time-to-time the Organization may be subject to legal actions resulting from its operational activities. When they occur, such matters consist of routine litigation and administrative proceedings occurring in the ordinary course of business, some of which may be covered by liability insurance. Management does not expect any such actions to have a material adverse effect on the consolidated financial position, results of fundraising and operations or cash flows of the Organization.

17. Financial risk management

The existence of financial instruments exposes the Organization to financial risks. The Organization's overall risk management program seeks to mitigate these risks and reduce volatility that may otherwise occur in its financial performance. Financial risk management is carried out by the Organization's finance group, under policies approved by the Board of Directors. STARS' policies for minimizing these risks are detailed below.

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices. Components of market risk to which the Organization is exposed are discussed below.

March 31, 2026
(Canadian dollars in thousands)

17. Financial risk management (continued)

Interest rate risk

Interest rate risk refers to the risk that the fair value of a financial instrument or the future cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest-bearing financial liabilities (credit facility) carried by the Organization. STARS manages interest rate risk as needed by sourcing its borrowings from different sources providing short-term and long-term funding options as required, seeking to fix interest rates where practical through the use of interest rate swap derivative contracts and controlling the mix of liabilities with fixed and variable interest rate obligations.

Currency risk

Currency risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in foreign currency exchange rates. The Organization enters into foreign currency purchase transactions and has liabilities that are denominated in foreign currencies and thus is exposed to the financial risks of earning fluctuations arising from changes in foreign exchange rates and the degree of volatility of these rates. The Organization uses financial derivative contracts from time to time to mitigate its foreign currency risk.

Price risk

Price risk is the risk of a decline in the value of a security or portfolio. The Organization is subject to price risk on its investments for three primary reasons:

- Changing interest rates impact the market value of fixed rate investments such as bonds;
- Foreign exchange rates impact the market value of investments denominated in currencies other than the Canadian dollar; and
- General economic conditions affect the market value of the equity investments held by the Organization.

STARS manages this risk by using an investment manager for its long-term portfolio investments and by investing funds in short-term fixed-rate products with high credit ratings in line with the Organization's Investment Policy.

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 Organization's main credit risk relates to its accounts receivable and maintenance contracts. STARS manages this risk by ensuring that it enters into business relationships with reputable, credit-worthy organizations.

The Organization strives to mitigate risk of financial loss due to financial institution failure by maintaining cash balances in highly liquid investments or deposits in or with major Canadian financial institutions.

March 31, 2026
(Canadian dollars in thousands)

17. Financial risk management (continued)

The Organization is also exposed to counterparty credit risk inherent in financial derivative contracts. In all contracts that the Organization may enter, the counter party is a global business, and the Organization assesses this risk as minimal.

Liquidity risk

Liquidity risk includes the risk that:

- The Organization will not have sufficient funds to settle a transaction on the due date; and/or
- The Organization may be unable to settle or recover a financial asset.

To help mitigate these risks, STARS maintains cash and access to undrawn credit facilities, adheres to its capital management policies as discussed in note 19 and continually monitors forecasted cash flows and available credit under existing banking arrangements. Additionally, the Organization uses an investment manager to help alleviate the risk that the Organization would be required to sell a portion of its investment portfolio at a time that the market for these investments is unfavorable.

18. Risk management contracts

To mitigate foreign currency risk primarily on helicopter upgrades, purchase of medical equipment, on-going helicopter maintenance and pilot and aircraft maintenance engineer training, the Organization entered into foreign currency derivative contracts.

As at March 31, 2026, the following contracts were outstanding:

Foreign currency forward contracts			
Value date	Amount sold (\$CAD)	Amount bought (\$USD)	Rate
March 30, 2026	\$619	\$450	1.3777
April 29, 2026	\$619	\$450	1.3766
May 28, 2026	\$619	\$450	1.3759
June 30, 2026	\$619	\$450	1.3752

The contract dated March 30, 2026 had a contractual value date of March 30, 2026 and remained unsettled and outstanding at the reporting date. This contract was settled subsequent to year end.

For the year ended March 31, 2026, the realized loss on settled foreign currency forward contracts was \$135 (2025 – realized gain of \$191).

At the consolidated statement of financial position date, the fair value of the outstanding risk management contracts was based on quoted market prices in active markets, determined by the Organization's counter party, who is a financial services organization, which the Organization accepts as the fair value of these instruments.

March 31, 2026
(Canadian dollars in thousands)

19. Capital management

STARS' objective when managing its capital is to safeguard its assets and continue as a going concern to provide appropriate benefits and services to its beneficiaries and its stakeholders.

A portion of the Organization's capital is restricted, and the Organization must meet certain requirements to utilize externally restricted funds, as described in note 2. The Organization has internal control processes to ensure that the restrictions are met prior to the utilization of these funds and the Organization has been in compliance with these restrictions throughout the year.

20. Supplemental disclosures

Commitments

As disclosed in note 16, the Organization is obligated to make payments under certain base and office space lease agreements. At March 31, 2026 the aggregate payments in the next five years and thereafter, by province, are set out in the table below:

	Alberta \$	Saskatchewan \$	Manitoba \$	Total \$
Commitments				
2027	1,584	822	61	2,467
2028	1,206	816	28	2,050
2029	118	818	5	941
2030	119	819	5	943
2031	121	615	5	741
Thereafter	2,105	-	61	2,166
	5,253	3,890	165	9,308

Other considerations

Beginning in the year ended March 31, 2014 and ending in the year ended March 31, 2025, in the province of Manitoba, the Organization committed to funding the deficiencies in fundraising activities from unrestricted cross provincial donations. During the year ended March 31, 2025 the province of Manitoba did not have any such fundraising-related deficiencies which the Organization would have had to fund.

The Organization has also established individual bank accounts for each province to segregate fundraising and operations revenues and expenditures. On a regular basis, STARS reconciles revenues and expenditures for each province which results in an interprovincial receivable or payable. Cash transfers settle interprovincial receivable or payable accounts on a regular basis.

March 31, 2026
(Canadian dollars in thousands)

21. Related party transactions

Certain members of the STARS Board of Directors hold positions at organizations where the Organization has commercial activities in the ordinary course of business. As such, these organizations are related parties to STARS. All related party transactions are recorded at the agreed upon exchange amount.

During the year, the Organization received donations and sponsorships of \$1,602 (2025 – \$1,597) and \$137 (2025 – \$nil) in rental income for use of the Calgary hangar from certain of these related parties prior to July 2025 and paid operating expenditures of \$1,106 (2025 – \$1,050) to certain of these related parties.

22. Cloud computing arrangements

For the year ended March 31, 2026, the Organization expensed \$1,660 (2025 – \$1,179) for elements in cloud computing arrangements. These amounts are included in base operations and administration expenditures.

23. Gift in-kind donation

During the year ended March 31, 2026, the Organization entered into a non-monetary transaction and donated a BK117 helicopter to The Hangar Flight Museum. This helicopter had been classified as an asset held for sale and had a carrying value of \$nil at the time of donation. The donation was recognized at its fair market value of \$630 based on a valuation included in the agreement. The transaction resulted in an equal donation expense and gain on disposal of assets held for sale, with no net impact on consolidated excess of revenue over expenditures for the year.

24. Comparative figures

Certain figures from prior year have been reclassified where necessary to conform to the current year's presentation.

March 31, 2026
(Canadian dollars in thousands)

25. Fundraising expenses and other

As required under Section 7(2) of the Charitable Fundraising Act Regulation of Alberta, the Saskatchewan Charitable Fundraising Businesses Act, and the Manitoba Charities Endorsement, the Organization discloses the following additional information:

	2026 \$	2025 \$
Alberta Charitable Fundraising Act		
Gross contributions	25,887	23,750
Gross gaming proceeds	21,948	22,073
Soliciting contributions expense [a]	6,685	5,876
[a] Soliciting contributions expense includes:		
Fundraising expenses	2,799	2,235
Remuneration paid to employees	3,387	3,108
Third party fundraising expenses	499	533
Saskatchewan Charitable Fundraising Businesses Act		
Gross contributions	10,713	9,332
Gross gaming proceeds	10,548	10,963
Soliciting contributions expense [b]	2,883	2,588
[b] Soliciting contributions expense includes:		
Fundraising expenses	1,190	1,322
Remuneration paid to employees	1,432	979
Third party fundraising expenses	261	287
Manitoba Charities Endorsement		
Gross contributions	3,169	3,282
Gross gaming proceeds	348	149
Soliciting contributions expense [c]	747	869
[c] Soliciting contributions expense includes:		
Fundraising expenses	431	425
Remuneration paid to employees	244	271
Third party fundraising expenses	72	173

Gross contributions include capital campaign receipts. The gross gaming proceeds were realized from lottery sales and other gaming activities, both of which are governed by each province's gaming authority. The remuneration paid to employees includes those whose principal duties are fundraising.