

**The Children's Cottage Society of Calgary,  
An Alberta Society**

Financial Statements

March 31, 2020

## Independent Auditors' Report

To: The Members of **The Children's Cottage Society of Calgary, an Alberta Society**

### Qualified Opinion

We have audited the financial statements of The Children's Cottage Society of Calgary, an Alberta Society (the "Society"), which comprise the statement of financial position as at March 31, 2020 and the statements of operations and 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 March 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Qualified Opinion

In common with many not-for-profit organizations, the Society derives revenue from fundraising activities 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 fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2020 and 2019, current assets as at March 31, 2020 and 2019, and net assets as at March 31 for both the 2020 and 2019 years. Our audit opinion on the financial statements for the year ended March 31, 2019 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditors' report thereon, in the Annual Report.

Our opinion on the 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 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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Annual Report is expected to be made available to us after the date of this auditors' report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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

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

Independent Auditors' Report (continued)

In preparing the financial statements, management is responsible for assessing the Society'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 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.

Auditors' 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 auditors' 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 judgement 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 auditors' 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 auditors' 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.



June 17, 2020  
Calgary, Alberta

Chartered Professional Accountants

**The Children's Cottage Society of Calgary,**  
**An Alberta Society**  
Statement of Financial Position

As at March 31,

**2020**

**2019**

**Assets**

**Current assets**

Cash	\$ 1,451,469	\$ 1,007,398
Marketable investments (note 6)	73,417	523,156
Accounts receivable	147,571	165,451
Prepaid expenses	70,544	72,599
	<u>1,743,001</u>	<u>1,768,604</u>

**Restricted cash (note 5)**

120,928 -

**Restricted marketable investments (note 6)**

1,692,457 1,335,397

**Deferred Child and Family Centre costs (note 7)**

570,518 219,920

**Capital assets (note 8)**

2,464,093 2,323,356  
\$ 6,590,997 \$ 5,647,277

**Liabilities**

**Current liabilities**

Accounts payable and accrued liabilities \$ 460,561 \$ 421,331

**Deferred contributions (note 9)**

692,457 335,397

**Deferred capital contributions (note 10)**

563,088 212,490  
1,716,106 969,218

**Commitments (note 13)**

**Net Assets**

Unrestricted	1,282,440	1,347,273
Internally restricted (notes 5, 6)	1,120,928	1,000,000
Invested in capital assets	2,471,523	2,330,786
	<u>4,874,891</u>	<u>4,678,059</u>
	<u>\$ 6,590,997</u>	<u>\$ 5,647,277</u>

Approved by the Board



Director



Director

See accompanying notes to the financial statements

# The Children's Cottage Society of Calgary,

## An Alberta Society

### Statement of Operations

For the year ended March 31,

**2020**

**2019**

#### Revenue

##### Grants

Alberta Government	\$ 2,969,389	\$ 2,939,416
Calgary Homeless Foundation	1,120,813	1,184,957
The Brenda Strafford Foundation Ltd.	897,546	897,546
The City of Calgary - Family and Community Support Services	123,853	123,854
United Way of Calgary and Area	55,714	61,224
Other grants	3,885	8,223
	<u>5,171,200</u>	<u>5,215,220</u>

##### Donations

Donations and other contributions	1,837,532	1,335,913
Capital campaign donations and other contributions	205,509	171,885
Casino	77,754	107,471
	<u>2,120,795</u>	<u>1,615,269</u>

Total revenue

7,291,995      6,830,489

#### Expenses

##### Program delivery costs

Salaries and benefits - program staffing	4,590,325	4,407,743
Direct program costs	1,106,401	1,124,724
Salaries and benefits - administration	415,180	420,440
Facility expenses	183,633	123,090
Administration expenses	35,610	33,794
	<u>6,331,149</u>	<u>6,109,791</u>

##### Administration

Salaries and benefits - administration	174,929	173,740
Administration expenses	167,688	153,271
Facility expenses	43,257	38,670
	<u>385,874</u>	<u>365,681</u>

##### Fund development

Salaries and benefits - fund development	142,824	119,145
Direct fundraising costs	90,080	84,201
	<u>232,904</u>	<u>203,346</u>

##### Capital campaign

Capital campaign consulting expenses	119,464	104,974
Salaries and benefits - capital campaign	38,132	53,940
Administration expenses	47,913	12,395
	<u>205,509</u>	<u>171,309</u>

Total expenses

7,155,436      6,850,127

**Excess (deficiency) of revenue over expenses before investment income**

136,559      (19,638)

Investment income (loss)

(82,051)      81,025

**Excess of revenue over expenses**

\$ 54,508      \$ 61,387

See accompanying notes to the financial statements

**The Children's Cottage Society of Calgary,**

**An Alberta Society**

Statement of Changes in Net Assets

For the year ended March 31,

**2020**

**2019**

	Invested in capital assets	Internally restricted	Unrestricted	Total	Total
<b>Balance, beginning of year</b>	\$ 2,330,786	\$ 1,000,000	\$ 1,347,273	\$ 4,678,059	\$ 4,568,874
Excess (deficiency) of revenues over expenses	(1,587)	-	56,095	54,508	61,387
Capital contributions for land	142,324	-	-	142,324	47,798
Transfer (note 5)	-	120,928	(120,928)	-	-
Investment in deferred development	350,598	-	(350,598)	-	-
Capital contributions utilized	(350,598)	-	350,598	-	-
<b>Balance, end of year</b>	<b>\$ 2,471,523</b>	<b>\$ 1,120,928</b>	<b>\$ 1,282,440</b>	<b>\$ 4,874,891</b>	<b>\$ 4,678,059</b>

See accompanying notes to the financial statements

# The Children's Cottage Society of Calgary,

## An Alberta Society

### Statement of Cash Flows

For the year ended March 31,

**2020**

**2019**

#### Operating activities

Excess of revenue over expenses \$ 54,508 \$ 61,387

#### Items not affecting cash:

Reinvested dividend income (48,799) (79,451)

Deferred contributions recognized in revenue (note 9) (523,116) (381,958)

Unrealized losses (gains) on investments 141,478 (2,072)

Amortization 1,587 1,906

(374,342) (400,188)

Contributions received (note 9) 1,373,098 385,510

#### Changes in non-cash working capital items:

Accounts receivable 17,880 (76,829)

Prepaid expenses 2,055 28,849

Accounts payable and accrued liabilities 39,230 26,362

1,057,921 (36,296)

#### Investing activities

Investment in land (note 8) (142,324) (47,798)

Deferred Child and Family Centre costs (note 7) (350,598) -

Transfer to internally restricted net assets (note 5) (120,928) -

(613,850) (47,798)

#### Increase (decrease) in cash

444,071 (84,094)

Cash, beginning of year

1,007,398 1,091,492

**Cash, end of year**

**\$ 1,451,469 \$ 1,007,398**

See accompanying notes to the financial statements

# The Children's Cottage Society of Calgary, An Alberta Society

Notes to Financial Statements

March 31, 2020

---

## 1. Nature of operations

The Children's Cottage Society of Calgary, an Alberta Society (the "Society") was incorporated on October 11, 1989 under the Societies Act of the Province of Alberta as a charitable organization. As a registered charitable organization, the Society is exempt from corporate income taxes provided certain disbursement requirements are maintained.

The Society aims to prevent harm and neglect to all children and to build strong families through support services, respite programs and a crisis nursery in and around Calgary. The programs offered by the Society are the Crisis Nursery, Community Respite Programs, the Healthy Families Programs, Brenda's House, the Rapid Rehousing Program, the Home Links Program, the HomeBridge Program and the Adaptive Case Management program.

### Crisis Nursery

Isolated families who require support in caring for their children during times of stress may come to the Society's Crisis Nursery for help. The Crisis Nursery provides 24 hour / 365 day emergency care for newborns to children eight years of age for stays of up to 72 hours. Children are provided shelter, food, toys and clothing in a safe and welcoming environment, while parents receive non-judgmental support, and referral to other community resources.

The Crisis Nursery also provides temporary care for children age 8 years and younger who have been apprehended by Alberta Government Child Intervention Services. Placement at the Crisis Nursery occurs when foster homes or other alternatives are not available. The length of stay is flexible and based on when suitable, permanent arrangements can be made.

The Crisis Nursery offers a family coaching service to those who access this program. Family Coaches work with families on a voluntary basis from the time of admission to when goals are achieved in order to help strengthen parenting and life skills.

### Community Respite Programs

The Community Respite Programs provide in-home infant support and childcare respite. The In Home Infant Respite Program provides support services to parents of newborn to six-month-old infants who have no other means of assistance. The Society also coordinates with child care centers throughout the city to provide free or subsidized short-term child care when parents are in need of daytime relief.

### Healthy Families

The Healthy Families Programs offers in-home education and support to parents with children up to three years of age who are assessed as needing assistance to ensure safe children in healthy families. The primary focus is on parent child interaction and developmental milestones. The Healthy Families programs have designated staff who

# The Children's Cottage Society of Calgary, An Alberta Society

Notes to Financial Statements

March 31, 2020

---

## 1. Nature of operations (continued)

provide support to parents engaged in the Government of Alberta - Alberta Vulnerable Infant Response Team.

### Brenda's House

Brenda's House is a shelter for families with children who are currently experiencing homelessness. Fourteen rooms are available to support homeless families along with a daily childcare program to support families' to achieve their goals. The program operates in a facility owned by The Brenda Strafford Foundation Ltd. Families are provided with resources to meet their goals for health, well-being, housing, and development in order to leave the shelter into independent housing.

### Rapid Rehousing, Home Links, HomeBridge and Adaptive Case Management Programs

The Rapid Rehousing, Home Links, HomeBridge and Adaptive Case Management Programs provide homeless families support to find and maintain housing. Families receive assistance in finding and securing affordable market housing, and in obtaining furnishings and assistance to set up their housing. Families are supported to address issues that have contributed to their chronic homelessness and may put them at risk of returning to homelessness. The Rapid Rehousing Program works with families requiring support for up to six months. The Home Links Program works with families requiring intensive support over one to two years. The Adaptive Case Management Program is a fee for service housing first program that provides families who are homeless and have not entered shelters with case management and housing support. HomeBridge is a prevention program that support families at risk of homelessness to find and receive solution in an effort to ensure that they may remain in their housing immediately and over the long term. This program will also intervene to arrange hotel shelter placements when all family shelter spaces are exhausted in Calgary.

### Contract Changes

In November 2019, the Society received notice from the Children's Services Ministry of the Government of Alberta ("the Ministry") that the Healthy Families programs and the Community Respite Programs including the childcare respite program would be terminated on March 31, 2020. These programs concluded on March 31, 2020. A portion of the Child Care Respite Program was retained to support the intake needs of the remaining Community Respite and Crisis Nursery screening and family support needs.

The Society was successful in being awarded new contracts the Ministry awarded in respect to a new Family Resource Network ("FRN") structure. In April, 2020, the Society entered into agreements to operate the Calgary West Family Resource Network #4 and home visitation programs to be connected to FRN #12 and #13 for Okotoks and Cochrane.

The Early Years, Family Support Program, a spin off program from the terminated Healthy Families program is now a standalone program that will provide support to

# The Children's Cottage Society of Calgary, An Alberta Society

Notes to Financial Statements

March 31, 2020

---

parents served by Calgary Children's Services program, Alberta Vulnerable Infant Response Team.

## 2. Basis of presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles, specifically Canadian accounting standards for not-for-profit organizations ("ASNFPO").

## 3. Novel coronavirus ("COVID-19")

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19" was declared a global pandemic by the World Health Organization on March 11, 2020. The Government of Alberta declared a State of Emergency in regards to the pandemic on March 17, 2020. Governments worldwide enacted emergency measures to combat the spread of the virus. These measures, which include public health measures requiring the closure of non-essential businesses, requesting the public to stay home as much as possible, the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. On April 30, 2020, the Government of Alberta announced a phased relaunch strategy outlining the relaxing of certain measures starting mid-May 2020, conditional on the results of ongoing monitoring of testing results for COVID-19 in the province.

The Society continues to operate all of its programs as they were designated essential services by the Government of Alberta. Operational modifications have been necessary to adopt health, safety and physical distancing protocols. Adaptations to program delivery is adapted as Alberta Health Services and the Government of Alberta provides regulations and directions. A number of planned fundraising events were cancelled due to restrictions on the size of gatherings and how venues must comply with health regulations.

The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments.

## 4. Significant accounting policies

### a) Measurement uncertainty

The preparation of financial statements in conformity with ASNFPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

# The Children's Cottage Society of Calgary, An Alberta Society

Notes to Financial Statements

March 31, 2020

---

## 4. Significant accounting policies (continued)

### b) Allocation of expenses

The Society incurs a number of general support expenses that are common to the administration of the organization and each of its programs. Expenditures are recorded on an accrual basis and are charged to the Crisis Nursery, Community Respite Programs, Healthy Families Programs, Brenda's House, Rapid Rehousing Program, Home Links Program, HomeBridge Program and Adaptive Case Management Program according to the activity that they benefit.

The Society allocates its general support expenses by identifying the appropriate basis of allocation for each component expense and applying that basis consistently each year. General support expenses include administrative salaries, information technology, insurance and office supplies which have been allocated proportionately based on the number of full time staff in each program. This basis of allocation is reviewed periodically and may be revised according to circumstances prevailing from time to time.

### c) Measurement of financial instruments

The Society initially measures its financial assets and liabilities at fair value.

The Society subsequently measures all its financial assets and financial liabilities at amortized cost, except for marketable investments and restricted marketable investments, which are measured at fair value. Changes in fair value are recognized in the statements of operations.

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

#### Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statements of operations. The previously recognized impairment loss may be reversed to the extent of the 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 the statement of operations.

# The Children's Cottage Society of Calgary, An Alberta Society

Notes to Financial Statements

March 31, 2020

---

## 4. Significant accounting policies (continued)

### d) Capital assets

Capital assets are recorded at cost. Cost includes acquisition costs, other direct costs, property taxes and legal costs. The Society provides for amortization using the estimated useful life as follows:

Assets	Method	Rate
Building	straight-line	10 years
Furniture and fixtures	straight-line	3 years

One-half of a full year's amortization is recorded in the year of acquisition. No amortization is recorded in the year of disposal.

The Society records a write-down when the property no longer contributes to the Society's ability to provide goods and services or when the value of future economic benefits or service potential associated with it is less than its net carrying amount. The excess net carrying amount over its fair value or replacement cost is recognized as an expense in the statement of operations. Previous write-downs are not reversed.

### e) Revenue recognition

The Society follows the deferral method of accounting for contributions.

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.

Restricted contributions are initially deferred and recognized as revenue in the year in which the related expenses are incurred.

Restricted contributions received for capital assets are initially deferred and recognized as revenue over the useful life of the asset. Restricted contributions received for assets that will not be amortized are recognized directly to net assets.

Externally restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted and internally restricted investment income is recognized in the month it accrues.

Endowment contributions are recognized as direct increases in net assets.

# The Children's Cottage Society of Calgary, An Alberta Society

Notes to Financial Statements

March 31, 2020

---

## 4. Significant accounting policies (continued)

### f) Contributed materials and services

The Society records the value of donated materials and services when the fair value can be reasonably estimated and when the material and services are used in the normal course of the Society's operations and would otherwise have been purchased.

### g) Change in accounting policy

Effective April 1, 2019 the Society adopted the CPA Canada Handbook Section 4433 Tangible Capital Assets Held by Not-for-Profit Organizations which replaced the previous guidance in Section 4431 concerning the recognition, measurement, presentation and disclosure of capital assets.

The new section was adopted on a prospective basis in accordance with the transitional provisions. There was no numeric impact to the Society's financial statements arising from the adoption of the accounting pronouncement.

## 5. Cash, cash equivalents and restricted cash

A credit facility has been authorized to a maximum of \$100,000. No amount is outstanding on the credit facility as at the year end.

In February 2020, the Board approved using \$160,000 of the Society's surplus to invest in maintenance and repairs at its facilities, prepare the new Calgary West FRN Hub for use and acquire some IT equipment of which just over \$39,000 had been incurred by March 31, 2020. Cash of \$120,928 is presented as restricted in respect of remaining amounts to be spent during the next fiscal year.

## 6. Marketable investments

The Society has an investment portfolio, managed in accordance with the Society's investment policy, with a fair market value of \$1,765,874 at March 31, 2020 (2019 - \$1,858,553).

	<b>2020</b>	<b>2019</b>
Marketable investments – allocated to meet external restrictions	\$ 692,457	\$ 335,397
Marketable investments – internally restricted by the Board	1,000,000	1,000,000
	<u>1,692,457</u>	<u>1,335,397</u>
Marketable investments - unrestricted	73,417	523,156
	<u>\$ 1,765,874</u>	<u>\$ 1,858,553</u>

59% of the investment portfolio is invested in equities which are listed on an actively traded market.

# The Children's Cottage Society of Calgary, An Alberta Society

Notes to Financial Statements

March 31, 2020

## 6. Marketable investments (continued)

The Board may, from time to time, approve a transfer of these funds for operating and capital expenditures but will maintain a minimum market value balance of \$1,000,000.

## 7. Deferred Child and Family Centre costs

Deferred Child and Family Centre costs include architecture and project management costs for the building of a new facility, named the Child and Family Centre. During the year \$350,598 (2019 - \$Nil) of Child and Family Centre costs were capitalized.

## 8. Capital assets

	<b>2020</b>		
	Cost	Accumulated Amortization	Net Book Value
Land held for Child and Family Centre	\$ 2,464,093	\$ -	\$ 2,464,093
Building	78,677	78,677	-
Furniture and fixtures	6,353	6,353	-
	<b>\$ 2,549,113</b>	<b>\$ 85,020</b>	<b>\$ 2,464,093</b>
	<b>2019</b>		
	Cost	Accumulated Amortization	Net Book Value
Land held for Child and Family Centre	\$ 2,321,769	\$ -	\$ 2,321,769
Building	78,677	78,677	-
Furniture and fixtures	6,353	4,766	1,587
	<b>\$ 2,406,799</b>	<b>\$ 83,443</b>	<b>\$ 2,323,356</b>

## 9. Deferred contributions

Deferred contributions represent unspent donations, grants and fundraising that have been designated by the donor for a specific purpose.

	<b>2020</b>		<b>2019</b>	
Beginning balance	\$	335,397	\$	379,643
Contributions received in the year		1,373,098		385,510
Contributions recognized as revenue in the year		(523,116)		(381,958)
Contributions spent for the purchase of capital assets (see note 10)		(492,922)		(47,798)
Ending balance	<b>\$</b>	<b>692,457</b>	<b>\$</b>	<b>335,397</b>

Included in deferred contributions is \$534,441 (2019 - \$38,504) of deferred contributions designated to be used for capital purposes for the Child and Family Centre.

# The Children's Cottage Society of Calgary, An Alberta Society

Notes to Financial Statements

March 31, 2020

---

## 10. Deferred capital contributions

Deferred capital contributions represent contributed capital assets and restricted contributions that have been designated by donors for the purchase of capital assets.

The changes in the deferred capital contributions balance for the year are as follows:

	<u>2020</u>		<u>2019</u>
Beginning balance	\$ 212,490	\$	212,490
Capital assets purchased with contributions	492,922		47,798
Capital assets transferred to net assets	(142,324)		(47,798)
Ending balance	<u>\$ 563,088</u>	<u>\$</u>	<u>212,490</u>

## 11. Endowment funds held by The Calgary Foundation

The Calgary Foundation has received cumulative contributions, planned gifts and grants of \$31,799 (2019 - \$33,712) designated by the donors to be retained permanently by the Calgary Foundation for the benefit of the Society. The Society receives income from the Calgary Foundation annually, set at 4% of the market value of the fund, calculated monthly. The Society received in the year \$1,259 (2019 – \$1,313) of revenues from this fund.

## 12. Related party transactions

### Brenda's House

The Society exercises significant influence over the Brenda's House program by virtue of its involvement in decision-making regarding this program's financial and operating matters.

Under an agreement with The Brenda Strafford Foundation Ltd. (the "Foundation") who owns the facility and provides its use at no cost to support homeless families, the Society is responsible for the operation of Brenda's House. The Foundation acts as a charitable agent receiving the funds from the Alberta Government Community and Social Services Ministry, Housing and Homelessness Branch and distributes these funds to the Society. These funds support the operating expenses of Brenda's House. The amount of the grant received for the current year is \$897,546 (2019 - \$897,546). Of this amount, \$897,546 (2019 - \$897,546) was recognized as revenue.

# The Children's Cottage Society of Calgary, An Alberta Society

Notes to Financial Statements

March 31, 2020

---

## 13. Commitments

The Society has entered into a lease for office premises, which expires on November 30, 2022. Future minimum annual commitments, including an estimate of the proportionate share of operating expenses for the office premises and for equipment under operating leases, are as follows:

Fiscal years ending March 31,	
2021	\$ 114,117
2022	116,532
2023	79,576
2024	3,776
	<hr/>
	\$ 314,001

## 14. Financial Instruments

The Society's use of financial instruments and its exposure to risks associated with such instruments arises out of its normal course of operations and investing activities. Operations are located in Calgary. The Society is not exposed to significant credit risk.

As a condition of its banking arrangements, the Society has entered into a general security agreement covering all assets of the Society with the Royal Bank of Canada.

### *Market Risk*

The Company is exposed to the risk that the fair value of its investments in securities will fluctuate because of public market price changes.

### *Financial assets*

The carrying amounts of financial assets recognized in the financial statements consist of those:

	<b>2020</b>	<b>2019</b>
Measured at amortized cost	\$ 1,719,968	\$ 1,172,849
Measured at fair value	1,765,874	1,858,553
	<hr/>	<hr/>
	\$ 3,485,842	\$ 2,931,401