

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

Financial Statements

March 31, 2025

## Independent Auditor's 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, 2025 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, 2025, 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, 2025 and 2024, current assets as at March 31, 2025 and 2024, and net assets as at April 1 and March 31 for both the 2025 and 2024 years. Our audit opinion on the financial statements for the year ended March 31, 2024 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with 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 Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's 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.

We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

### 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 Auditor's 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.

### 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 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Chartered Professional Accountants

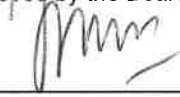
June 19, 2025  
Calgary, Alberta


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

As at March 31,

			2025	2024
	Operating fund	Child & Family Centre fund	Total	Total
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents (note 4)	\$ 797,102	\$ 1,151,450	\$ 1,948,552	\$ 1,206,191
Marketable investments (note 6)	972,704	-	972,704	801,332
Accounts receivable	9,334	8,047	17,381	16,111
GST receivable	13,901	5,367	19,268	104,069
Contribution receivable	-	35,000	35,000	1,025,000
Prepaid expenses and deposits	206,630	72,100	278,730	545,117
	1,999,671	1,271,964	3,271,635	3,697,820
<b>Restricted cash and cash equivalents (note 4)</b>	1,000,000	-	1,000,000	1,000,000
<b>Restricted term deposit (note 5)</b>	-	-	-	250,000
<b>Restricted marketable investments (note 6)</b>	1,199,034	-	1,199,034	1,216,788
<b>Capital assets (note 7)</b>	-	24,347,111	24,347,111	24,220,680
	<b>\$ 4,198,705</b>	<b>\$ 25,619,075</b>	<b>\$ 29,817,780</b>	<b>\$ 30,385,288</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable and accrued liabilities	\$ 880,121	\$ 150,474	\$ 1,030,595	\$ 857,203
Loan payable (note 8)	-	5,911,089	5,911,089	7,832,478
<b>Deferred contributions (note 9)</b>	1,199,034	-	1,199,034	1,216,788
	2,079,155	6,061,563	8,140,718	9,906,469
<b>Net Assets</b>				
Unrestricted	1,119,550	-	1,119,550	748,739
Externally restricted	-	1,121,490	1,121,490	2,341,878
Internally restricted (note 6)	1,000,000	-	1,000,000	1,000,000
Invested in capital assets	-	18,436,022	18,436,022	16,388,202
	2,119,550	19,557,512	21,677,062	20,478,819
	<b>\$ 4,198,705</b>	<b>\$ 25,619,075</b>	<b>\$ 29,817,780</b>	<b>\$ 30,385,288</b>

Approved by the Board

  
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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,

			2025	2024
	Operating fund	Child & Family Centre fund	Total	Total
<b>Revenue</b>				
<i>Grants</i>				
Alberta Government	\$ 3,999,660	\$ -	\$ 3,999,660	\$ 2,665,694
Calgary Homeless Foundation	750,140	-	750,140	731,980
The City of Calgary - Family and Community Support Services	578,732	-	578,732	162,565
The Brenda Strafford Foundation Ltd. (note 11)	180,000	-	180,000	1,226,990
United Way of Calgary and Area	72,122	-	72,122	64,000
Alberta Government - Child & Family Centre	-	-	-	1,000,000
Calgary Foundation	-	-	-	1,000,000
	5,580,654	-	5,580,654	6,851,229
<i>Donations</i>				
Donations and other contributions	2,518,733	1,965,847	4,484,580	3,529,352
Casino	-	-	-	168,079
	2,518,733	1,965,847	4,484,580	3,697,431
Total revenue	8,099,387	1,965,847	10,065,234	10,548,660
<b>Expenses</b>				
<i>Program delivery costs</i>				
Salaries and benefits - program staffing	5,169,686	-	5,169,686	4,354,838
Direct program costs	732,709	-	732,709	739,124
Salaries and benefits - administration	361,991	-	361,991	311,586
Facility expenses	283,504	-	283,504	202,581
Administration expenses	44,034	-	44,034	31,578
	6,591,924	-	6,591,924	5,639,707
<i>Administration</i>				
Salaries and benefits - administration	522,109	-	522,109	546,221
Administration expenses	386,433	-	386,433	280,179
Facility expenses	186,671	-	186,671	219,774
	1,095,213	-	1,095,213	1,046,174
<i>Fund development</i>				
Salaries and benefits - fund development	287,826	-	287,826	214,562
Direct fundraising costs	206,252	-	206,252	107,250
	494,078	-	494,078	321,812
<i>Child and Family Centre capital campaign</i>				
Interest on long term debt	-	407,090	407,090	-
Salaries and benefits - capital campaign	-	141,132	141,132	146,182
Administration expenses	-	14,761	14,761	39,855
	-	562,983	562,983	186,037
Total expenses	8,181,215	562,983	8,744,198	7,193,730
<b>Excess (deficiency) of revenues over expenses before other items</b>				
Amortization	(81,828)	1,402,864	1,321,036	3,354,930
Investment income	(12,620)	(344,036)	(356,656)	(50,481)
	202,639	31,224	233,863	286,511
<b>Excess of revenue over expenses</b>	<b>\$ 108,191</b>	<b>\$ 1,090,052</b>	<b>\$ 1,198,243</b>	<b>\$ 3,590,960</b>

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,

	<b>2025</b>				
	Unrestricted	Externally restricted	Internally restricted	Invested in capital assets	Total
<b>Balance, beginning of year</b>	\$ 748,739	\$ 2,341,878	\$ 1,000,000	\$ 16,388,202	\$ 20,478,819
Excess of revenues over expenses	108,191	1,090,052	-	-	1,198,243
Amortization of capital assets	12,620	344,036	-	(356,656)	-
Purchase of capital assets	-	(483,087)	-	483,087	-
Proceeds from restricted term deposit	250,000	(250,000)	-	-	-
Repayment of loan payable	-	(1,921,389)	-	1,921,389	-
<b>Balance, end of year</b>	<b>\$ 1,119,550</b>	<b>\$ 1,121,490</b>	<b>\$ 1,000,000</b>	<b>\$ 18,436,022</b>	<b>\$ 21,677,062</b>

	<b>2024</b>				
	Unrestricted	Externally restricted	Internally restricted	Invested in capital assets	Total
<b>Balance, beginning of year</b>	\$ 665,850	\$ 1,607,905	\$ 1,000,000	\$ 13,614,104	\$ 16,887,859
Excess of revenues over expenses	32,408	3,558,552	-	-	3,590,960
Amortization of capital assets	50,481	-	-	(50,481)	-
Purchase of capital assets	-	(3,672)	-	3,672	-
Investment in deferred development	-	(2,820,907)	-	2,820,907	-
Purchase of restricted term deposit	-	-	-	-	-
<b>Balance, end of year</b>	<b>\$ 748,739</b>	<b>\$ 2,341,878</b>	<b>\$ 1,000,000</b>	<b>\$ 16,388,202</b>	<b>\$ 20,478,819</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,

**2025**

**2024**

**Operating activities**

Excess of revenue over expenses	\$ 1,198,243	\$ 3,590,960
Items not affecting cash:		
Reinvested dividend income	(37,153)	(41,329)
Deferred contributions recognized in revenue (note 9)	(680,151)	(207,244)
Unrealized gains on marketable investments	(116,465)	(181,499)
Amortization	356,656	50,481
	<u>721,130</u>	<u>3,211,369</u>
Contributions received (note 9)	662,397	1,216,597
Changes in non-cash working capital items:		
Accounts receivable	(1,270)	45,564
GST receivable	84,801	170,594
Contribution receivable	990,000	(945,407)
Prepaid expenses and deposits	266,387	(37,471)
Accounts payable and accrued liabilities	173,392	95,847
	<u>2,896,837</u>	<u>3,757,093</u>

**Investing activities**

Purchase of capital assets	(483,087)	(3,672)
Deferred development costs	-	(11,713,906)
Proceeds from restricted term deposit	250,000	-
	<u>(233,087)</u>	<u>(11,717,578)</u>

**Financing activities**

Proceeds from (repayments of) loan payable	<u>(1,921,389)</u>	<u>7,832,478</u>
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**Increase (decrease) in cash and cash equivalents**

<u>742,361</u>	<u>(128,007)</u>
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Cash and cash equivalents, beginning of year

<u>2,206,191</u>	<u>2,334,198</u>
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**Cash and cash equivalents, end of year**

<u>\$ 2,948,552</u>	<u>\$ 2,206,191</u>
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**Cash and cash equivalents consists of:**

Cash - unrestricted	\$ 797,102	\$ 348,469
Cash - restricted	1,528,288	357,722
Guaranteed investment certificates - restricted (note 4)	623,162	1,500,000
	<u>\$ 2,948,552</u>	<u>\$ 2,206,191</u>

*See accompanying notes to the financial statements*

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

## Notes to Financial Statements

March 31, 2025

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### 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, the Nurturing Newborns (formerly In Home Infant Respite) and Volunteer Day Care Respite Programs, the Early Years, Family Support Program, the Calgary West Family Resource Network and Calgary West, Okotoks and Cochrane Home Visitation Programs, Brenda's House, the Home Links program and Family Mental Wellness Hub 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 short term but flexible and based on when suitable foster or kinship placement arrangements can be made.

The Crisis Nursery offers a variety of wrap around support services to those who access this program. From basic needs resourcing to in home coaching and support, families who are experiencing crisis receive flexible, individualized care.

#### Nurturing Newborns (formerly In Home Infant Respite) Program

The Nurturing Newborns Program provides respite care in the family home on a weekly basis and connections to community resources for parents of children, newborn to six months old, who have no other means of assistance.

#### Volunteer Day Care Respite Program

Day Cares provide temporary space in their facilities subject to their availability and the intake staff at the Crisis Nursery connect struggling families who meet eligibility criteria with day time respite at community Day Cares at no cost.



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

## Notes to Financial Statements

March 31, 2025

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### 1. Nature of operations (continued)

#### Early Years, Family Support Program

The Early Years, Family Support Program, is a program that provides home visitation support related to parenting education, child development information and connecting parents to needed community resources. Families are referred by the Calgary Children's Services program, Alberta Vulnerable Infant Response Team (AVIRT).

#### Calgary West Family Resource Network and Calgary West, Okotoks and Cochrane Home Visitation Programs

The Society operates a Family Resource Network (FRN) that serves communities in the west quadrant of Calgary as well as Home Visitation programs connected to Calgary West, Okotoks, and Cochrane FRN's. Each FRN consists of a collaboration of organizations that offer prevention and early intervention services and support to families with children from birth to age 17 and expectant parents.

#### 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 and strengthen their resilience in the face of future adversity (see note 11).

#### HomeLinks Program

The HomeLinks Program provides families struggling with housing insecurity 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. After being rehoused, families are supported to address issues that have contributed to their homelessness and help them achieve goals and make changes that will prevent their return to homelessness and maintain their housing stability going forward.

#### Family Mental Wellness Hub Program

In May 2025, the Society opened the Family Mental Wellness Hub. This program supports families who are experiencing mental health related crises. The families are able to access therapeutic supports and services to support in the immediate crisis of the family members. The families also have access to two Family Wellness Connectors who can support with system navigation to provide a supported referral to available mental health supports that exist in the community. Families can also access formal assessments that open the doors to on going community supports and services.

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

## Notes to Financial Statements

March 31, 2025

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### 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. Significant accounting policies

#### a) Fund accounting

The Society accounts for its activities using the following funds:

##### ***Operating fund***

This operating fund reports assets, liabilities, revenues and expenses related to the Society's program delivery and operations.

##### ***Child & Family Centre fund***

This restricted fund reports the assets, liabilities, revenues and expenses related to the Child & Family Centre development.

#### 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, the Nurturing Newborns (formerly In Home Infant Respite) and Volunteer Day Care Respite Programs, the Early Years, Family Support Program, the Calgary West Family Resource Network and Calgary West, Okotoks and Cochrane Home Visitation Programs, Brenda's House, the Home Links program and Family Mental Wellness Hub 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, office supplies, repairs and maintenance and utilities 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, except for certain non-arm's length transactions.

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.

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

## Notes to Financial Statements

March 31, 2025

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### 3. Significant accounting policies (continued)

#### c) Measurement of financial instruments (continued)

Financial assets measured at amortized cost include cash and cash equivalents, restricted term deposit, accounts receivable, contributions receivable and restricted cash and cash equivalents. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and loan payable.

#### 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.

#### d) Cash and cash equivalents

The Society considered all investments with maturities of three months or less, cashable guaranteed investments certificates and demand loans that are utilized periodically for day-to-day operations to be cash equivalents.

#### e) 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	50/10 years
Leasehold Improvements	straight-line	4 years
Furniture and fixtures	straight-line	5 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.

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

Notes to Financial Statements

March 31, 2025

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## **3. Significant accounting policies (continued)**

### **f) Revenue recognition**

The Society follows the restricted fund method of accounting for contributions.

Restricted contributions received related to general operations or for which no restricted fund exists are recognized in the Operating fund in the year in which related expenses are incurred. Restricted contributions received related to the Child & Family Centre are recognized as revenue in the Child & Family Centre fund when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Unrestricted contributions are recognized in the Operating fund as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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

Investment income is recognized in the month it accrues in the appropriate fund.

Endowment contributions are recognized as direct increases in net assets.

### **g) 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.

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

Notes to Financial Statements

March 31, 2025

## 4. Cash and cash equivalents

Included in cash and cash equivalents are two (2024 - two) guaranteed investment certificates totaling \$623,162 (2024 - \$1,500,000) redeemable on demand at the discretion of the Society with interest rates from 3.50% to 3.70% per annum (2024 - 4.95% to 5.20%).

	2025			2024
	Unrestricted	Restricted	Total	Total
<b>Operating Fund</b>				
Cash	\$ 797,102	\$ 376,838	\$ 1,173,940	\$ 348,469
Guaranteed investment certificates	-	623,162	623,162	1,000,000
	797,102	1,000,000	1,797,102	1,348,469
<b>Child &amp; Family Centre Fund</b>				
Cash	-	1,151,450	1,151,450	357,722
Guaranteed investment certificates	-	-	-	500,000
	-	1,151,450	1,151,450	857,722
<b>Grand total</b>	\$ 797,102	\$ 2,151,450	\$ 2,948,552	\$ 2,206,191

## 5. Restricted term deposit

The restricted term deposit, a non-redeemable guaranteed investment certificate of \$250,000 with an interest rate of 4.0%, matured in March 2025. This was pledged as security to cover interest payable on the \$10,000,000 non-revolving construction term facility described in note 9. In conjunction with the repayment of the non-revolving term facility in May 2024, the bank released this security.

## 6. Marketable investments

The Society has an investment portfolio, managed in accordance with the Society's investment policy, with a fair market value of \$2,171,738 at March 31, 2025 (2024 - \$2,018,120).

	2025	2024
Allocated to meet external restrictions	\$ 199,034	\$ 216,788
Internally restricted by the Board	1,000,000	1,000,000
	1,199,034	1,216,788
Unrestricted	972,704	801,332
	\$ 2,171,738	\$ 2,018,120

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

Notes to Financial Statements

March 31, 2025

## 6. Marketable investments (continued)

68% (2024 - 65%) of the investment portfolio is invested in equities which are listed on an actively traded market.

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. Capital assets

	<b>2025</b>		
	Cost	Accumulated Amortization	Net Book Value
<b>Operating Fund</b>			
Building	\$ 78,677	\$ 78,677	\$ -
	78,677	78,677	-
<b>Child &amp; Family Centre Fund</b>			
Building	20,700,530	207,005	20,493,525
Land held for Child & Family Centre	2,620,305	-	2,620,305
Furniture and fixtures	1,370,312	137,031	1,233,281
	24,691,147	344,036	24,347,111
<b>Grand total</b>	<b>\$ 24,769,824</b>	<b>\$ 422,713</b>	<b>\$ 24,347,111</b>
	<b>2024</b>		
	Cost	Accumulated Amortization	Net Book Value
<b>Operating Fund</b>			
Leasehold Improvements	\$ 201,923	\$ 189,303	\$ 12,620
Building	78,677	78,677	-
Furniture and fixtures	6,353	6,353	-
	286,953	274,333	12,620
<b>Child &amp; Family Centre Fund</b>			
Building	20,396,199	-	20,396,199
Land held for Child & Family Centre	2,620,305	-	2,620,305
Furniture and fixtures	1,191,556	-	1,191,556
	24,208,060	-	24,208,060
<b>Grand total</b>	<b>\$ 24,495,013</b>	<b>\$ 274,333</b>	<b>\$ 24,220,680</b>

### Child and Family Centre

The Centre's total cost came in at just under \$26,700,000, including \$24,691,147 in land, construction, and set-up costs, and \$1,900,000 was incurred as campaign expenses over the past 9 years.

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

Notes to Financial Statements

March 31, 2025

## 8. Loan payable

	2025	2024
Royal Bank		
Non-revolving term facility with monthly payments of \$38,382, including interest at 5.92%, maturing May 2025.	\$ 5,911,089	\$ -
Non-revolving term facility with monthly interest only payments at the bank's prime lending rate.	-	7,832,478
	\$ 5,911,089	\$ 7,832,478

As security for the loan, a general security agreement covering all assets of the Society has been pledged as security for the loan with the Royal Bank, a collateral mortgage in the amount of \$10,000,000 constituting a first fixed charge on the lands and improvements of the CFC building, and assignment of rents constituting a first ranking assignment of all rents received on the buildings.

Subsequent to year-end, the Society received a donation of \$5,000,000 and repaid the loan in its entirety.

## 9. Deferred contributions

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

	2025	2024
Beginning balance	\$ 1,216,788	\$ 207,435
Contributions received in the year	662,397	1,216,597
Contributions recognized as revenue in the year	(680,151)	(207,244)
Ending balance	\$ 1,199,034	\$ 1,216,788

## 10. Endowment funds held by The Calgary Foundation

The Calgary Foundation has received cumulative contributions, planned gifts and grants of \$38,347 (2024 - \$36,473) 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 3% of the market value of the fund, calculated monthly. The Society received in the year \$1,750 (2024 - \$1,724) of revenues from this fund.

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

## Notes to Financial Statements

March 31, 2025

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### **11. Brenda's House**

As of April 1, 2024, the Society ceased to report to the Brenda Strafford Foundation Ltd. (the "Foundation"), as a fiscal agent, and assumed direct contracting with the funder, Alberta Government Community and Social Services Ministry, Housing and Homelessness Branch, for the delivery of the Brenda's House program in the 2025 fiscal year. These funds support the operating expenses of Brenda's House. The amount received from the Alberta Government was \$1,283,572 (2024 - \$nil) and from the Brenda Strafford Foundation Ltd. of \$180,000 (2024 - \$1,226,990).

Under an agreement with the Foundation, who owns the facility, the Society leased the facility at low cost to support homeless families in fiscal 2025.

In June of 2024, the Foundation provided notice to the Society that they needed to reclaim the facility for their own organizational needs and would not be renewing the lease at the end of the fiscal year. The Foundation worked together with the Society, the funder, and a family homelessness agency in the community on a collaborative strategy to transfer the family shelter program and funding to another organization. The Society successfully transferred the program, closed Brenda's House, and returned the facility to the Foundation on March 31, 2025.

### **12. 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.

#### *Interest rate risk*

The Society is exposed to the risk that future cash flows will fluctuate as there is a floating interest rate on its bank loan.

#### *Market risk*

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

#### *Liquidity risk*

The Society is exposed to the risk that it will encounter difficulty in meeting obligations associated with financial liabilities.



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

Notes to Financial Statements

March 31, 2025

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## 12. Financial Instruments (continued)

### *Financial assets*

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

	<b>2025</b>		<b>2024</b>
Measured at amortized cost	\$ 3,000,933	\$	3,497,302
Measured at fair value	2,171,738		2,018,120
	<u>\$ 5,172,671</u>	\$	<u>5,515,422</u>

## 13. Comparative figures

The financial statements for the prior year have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.