

CALGARY MILITARY FAMILY RESOURCE CENTRE
Financial Statements
Year Ended March 31, 2025

CALGARY MILITARY FAMILY RESOURCE CENTRE

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Year Ended March 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Members of Calgary Military Family Resource Centre

Opinion

We have audited the financial statements of Calgary Military Family Resource Centre (the "company"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at March 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 Financial Statements* section of our report. We are independent of the company in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the company'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 judgment and maintain professional skepticism throughout the audit. We also:

(continues)

Independent Auditor's Report to the Members of Calgary Military Family Resource Centre (*continued*)

- 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 company'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 company'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 company 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.

Calgary, Alberta
June 9, 2025


CHARTERED PROFESSIONAL ACCOUNTANTS

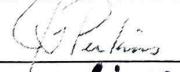

CALGARY MILITARY FAMILY RESOURCE CENTRE

Statement of Financial Position

March 31, 2025

	2025	2024
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 348,510	\$ 159,908
Casino cash - restricted	51,926	12,698
Short term investments (Note 4)	946,325	1,128,437
Accounts receivable (Note 5)	120,834	9,007
Inventory (Note 6)	24,487	28,423
Prepaid expenses	22,432	37,155
	<u>1,514,514</u>	<u>1,375,628</u>
PROPERTY AND EQUIPMENT (Note 7)	<u>70,956</u>	<u>23,860</u>
	<u>\$ 1,585,470</u>	<u>\$ 1,399,488</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Note 8)	\$ 32,133	\$ 126,912
Deferred contributions (Note 9)	340,245	77,667
	<u>372,378</u>	<u>204,579</u>
NET ASSETS		
Internally restricted reserve (Note 10)	397,499	539,573
Internally restricted severance reserve (Note 10)	39,666	39,541
Unrestricted	775,927	615,795
	<u>1,213,092</u>	<u>1,194,909</u>
	<u>\$ 1,585,470</u>	<u>\$ 1,399,488</u>

ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

Please see Notes

CALGARY MILITARY FAMILY RESOURCE CENTRE**Statement of Operations
Year Ended March 31, 2025**

	2025	2024
REVENUES		
Military Family Services (<i>Note 12</i>)	\$ 621,616	\$ 652,311
Donations	134,563	84,608
Donations in Kind (<i>Note 11</i>)	71,777	49,497
Activities	19,236	36,525
Grants	62,935	70,596
Casino	47,604	50,495
General (<i>Note 12</i>)	112,361	133,870
Merchandise sales	13,429	19,811
	<u>1,083,521</u>	<u>1,097,713</u>
EXPENSES		
Salaries and wages	743,086	761,039
Administration	68,680	74,352
Donations in Kind (<i>Note 11</i>)	71,777	49,497
Activities	100,949	140,491
Health and Wellness	7,153	106,626
Professional services contract	21,970	63,130
Travel expenses	7,240	22,421
Costs of inventories sold	12,265	35,602
Insurance	7,630	7,366
Bank charges	5,727	6,059
Volunteer management	5,847	4,492
Fundraising (<i>Note 13</i>)	3,322	3,400
Childcare	2,655	2,255
Amortization	7,037	9,401
	<u>1,065,338</u>	<u>1,286,131</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 18,183</u>	<u>\$ (188,418)</u>

CALGARY MILITARY FAMILY RESOURCE CENTRE

Statement of Changes in Net Assets

Year Ended March 31, 2025

	Internally Restricted Reserve	Internally Restricted Severance Reserve	Unrestricted	2025	2024
NET ASSETS - BEGINNING OF YEAR	\$ 539,573	\$ 39,541	\$ 615,795	\$ 1,194,909	\$ 1,383,327
EXCESS OF REVENUES OVER EXPENSES	-	-	18,183	18,183	(188,418)
Transfer from internally restricted reserve (<i>Note 10</i>)	(142,074)	-	142,074	-	-
Transfer from severance reserve (<i>Note 10</i>)	-	125	(125)	-	-
NET ASSETS - END OF YEAR	\$ 397,499	\$ 39,666	\$ 775,927	\$ 1,213,092	\$ 1,194,909

CALGARY MILITARY FAMILY RESOURCE CENTRE

Statement of Cash Flows

Year Ended March 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 18,183	\$ (188,418)
Item not affecting cash:		
Amortization of property and equipment	<u>7,037</u>	<u>9,401</u>
	25,220	(179,017)
Changes in non-cash working capital:		
Accounts receivable	(111,827)	(1,490)
Inventory	3,936	24,890
Prepaid expenses	14,723	13,825
Accounts payable and accrued liabilities	(94,779)	86,429
Deferred contributions	<u>262,578</u>	<u>(262,841)</u>
	74,631	(139,187)
Cash flow from (used by) operating activities	<u>99,851</u>	<u>(318,204)</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	(54,133)	-
Redemption (purchase) of short term investments	<u>182,112</u>	<u>(115,103)</u>
Cash flow from (used by) investing activities	<u>127,979</u>	<u>(115,103)</u>
INCREASE (DECREASE) IN CASH FLOW	227,830	(433,307)
Cash and cash equivalents - beginning of year	<u>172,606</u>	<u>605,913</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 400,436</u>	<u>\$ 172,606</u>
CASH AND CASH EQUIVALENTS CONSISTS OF:		
Cash in bank	\$ 348,108	\$ 159,308
Cash on hand	402	600
Casino cash - restricted	<u>51,926</u>	<u>12,698</u>
	<u>\$ 400,436</u>	<u>\$ 172,606</u>

CALGARY MILITARY FAMILY RESOURCE CENTRE

Notes to Financial Statements

Year Ended March 31, 2025

1. PURPOSE OF THE COMPANY

Calgary Military Family Resource Centre (the "Centre") was incorporated on March 15, 1991 under the Societies Act of Alberta as a not-for-profit organization. The Centre provides a range of family support services to the military community, including mental health services, child and youth programs, deployment support, veteran programming assistance, and community integration activities.

The Centre is a registered charity under Section 149(1) of the Income Tax Act (Canada) and, as such, is exempt from income taxes. It was granted charitable status effective March 15, 1991, enabling it to issue official donation receipts for income tax purposes.

The Centre's operations are primarily funded through contributions from the Department of National Defence, donations from individuals and corporate sponsors, and fundraising activities. Continued operations are dependent on the ongoing financial support from government funding, the generosity of donors, and successful fundraising initiatives.

The Centre complies with reporting requirements under the Income Tax Act and applicable funder agreements to maintain its charitable registration and funding eligibility.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

Revenue recognition

The Centre follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions for the purchase of property and equipment are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired property and equipment. 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. All revenues and contributions are recognized when the amounts are known, collection is reasonably assured and the following criteria are met:

Military Family Services revenues are deferred until the period the related expenditures are incurred.

Contributions for program related activities include amounts recovered from activities undertaken by the Centre and are recognized when the events occur.

Funds received from sale of merchandise and family passes are recognized at the point of sale.

Casino contributions are deferred until the period the related eligible expenditures are incurred,

Grants are recognized in the period the related expenses are incurred.

Donations in kind are recognized when the donation in kind is received.

Cash and cash equivalents

Cash and cash equivalents include deposits in Canadian financial institutions and investments with original maturities of less than ninety days. Cash held in a trading account are presented as short-term investments.

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CALGARY MILITARY FAMILY RESOURCE CENTRE

Notes to Financial Statements

Year Ended March 31, 2025

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

Casino cash - restricted

Casino cash consists of funds received from casino fundraisers and interest thereon. The usage of these funds is restricted by the funding guidelines of the Alberta Gaming, Liquor and Cannabis Commission.

Investments

Short-term investments represent Guaranteed Investment Certificates (GICs) bearing interest rates as mandated by the financial institution maturing within one year from year end and cash held in a trading account. Long-term investments represent Guaranteed Investment Certificates (GICs) bearing interest rates as mandated by the financial institution maturing after one year from year end.

Inventory

Inventory is measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Inventory includes all costs to purchase, convert, and bring the inventories to their present location and condition. Cost is determined using the weighted-average cost formula for all inventory items.

Property and equipment

Property and equipment are stated at cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Motor vehicles	30%
Computer equipment	45%
Furniture and fixtures	20%

The Centre regularly reviews its property and equipment for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount is not recoverable and is in excess of its fair value.

Contributed property and equipment used in the Centre's normal course of operations are recorded at fair value, when fair value can be reasonably determined.

Contributed services and materials

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated services cannot be reasonably determined and are therefore not reflected in these financial statements.

Contributions of materials are recognized in the financial statements at fair value at the date of contribution, when fair value can be reasonably estimated and when the materials are used in the normal course of operations, and would otherwise have been purchased.

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CALGARY MILITARY FAMILY RESOURCE CENTRE

Notes to Financial Statements

Year Ended March 31, 2025

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

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Estimates include the valuation of inventory including management's estimate of obsolete inventory, amortization and impairment of property and equipment, deferred contributions, and accrued expenses.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets, if any are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets measured at amortized cost include cash and cash equivalents, casino cash - restricted, short-term investments, and accounts receivable.

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

3. FINANCIAL INSTRUMENTS

The company is exposed to various risks through its financial instruments and has a risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the company's risk exposure and concentration as of March 31, 2025.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The company is exposed to credit risk from its accounts receivable which consists of GST receivable from the government and other receivables. A substantial portion of the accounts receivable are with well-known and reliable funders and are subject to normal credit risk. Accordingly, the Centre views credit risk as minimal.

The Centre is also exposed to credit risk as a significant portion of its cash, restricted cash and short-term investments are held at one chartered bank. As such, the Centre is exposed to all the risks of that financial institution.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Centre is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Centre has sufficient cash to discharge its liabilities.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the company manages exposure through its normal operating and financing activities. The company is exposed to interest rate risk primarily through its short-term and long-term investments.

There has been no change to the risk exposures from the previous year.

CALGARY MILITARY FAMILY RESOURCE CENTRE

Notes to Financial Statements

Year Ended March 31, 2025

4. SHORT TERM INVESTMENTS

	2025	2024
Cash in investment account	\$ 630,819	\$ 209,354
One year GIC maturing April 16, 2025 yielding 5.14%	100,000	-
One year GIC maturing January 28, 2026 yielding 3.57%	100,000	-
One year GIC maturing February 4, 2026 yielding 3.32%	100,000	-
One year GIC maturing January 28, 2026 yielding 3.57%	5,073	-
One year GIC maturing February 4, 2026 yielding 3.32%	10,433	-
One year GIC maturing January 22, 2025 yielding 5.06%	-	111,185
One year GIC maturing January 22, 2025 yielding 5.06%	-	100,968
One year GIC maturing January 27, 2025 yielding 5.12%	-	100,909
One year GIC maturing January 27, 2025 yielding 5.11%	-	5,086
One year GIC maturing February 21, 2025 yielding 5.22%	-	100,585
One year GIC maturing March 28, 2025 yielding 5.12%	-	200,140
One year GIC maturing March 28, 2025 yielding 5.12%	-	200,140
One year GIC maturing March 28, 2025 yielding 5.11%	-	100,070
	\$ 946,325	\$ 1,128,437

5. ACCOUNTS RECEIVABLE

Included in accounts receivable is \$5,109 (2024 - \$9,007) representing Goods and Services Tax refund due from the Government of Canada.

6. INVENTORY

Inventory consists of the following:

	2025	2024
Support our Troops promotional items	\$ 17,217	\$ 19,826
Passes/Tickets	7,270	8,597
	\$ 24,487	\$ 28,423

7. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Motor vehicles	\$ 85,589	\$ 31,758	\$ 53,831	\$ 1,837
Furniture and fixtures	32,513	19,268	13,245	16,556
Computer equipment	35,322	31,442	3,880	5,467
	\$ 153,424	\$ 82,468	\$ 70,956	\$ 23,860

CALGARY MILITARY FAMILY RESOURCE CENTRE

Notes to Financial Statements

Year Ended March 31, 2025

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities includes payroll remittances of \$3,142 (2024 - \$3,551)

The Centre has corporate credit cards with a combined limit of \$45,000. The balance outstanding on the credit cards at the end of the year is \$6,510 (2024 - \$12,653).

9. DEFERRED CONTRIBUTIONS

	March 31, 2024	Funds received	Funds recognized	March 31, 2025
MFS Funding				
- Core	\$ -	\$ 798,930	\$ 621,556	\$ 177,374
- Gender-Based Violence	4,934	-	60	4,874
- Contingency Funding	19,382	-	-	19,382
	24,316	798,930	621,616	201,630
Red Deer Golf Tournament	27,441	-	3,101	24,340
Bell True Patriot Love Foundation	6,000	-	-	6,000
Casino	12,698	81,917	47,604	47,011
Other Externally Restricted	5,179	47,000	50,086	2,093
Lockheed Martin	2,033	10,000	8,072	3,961
	53,351	138,917	108,863	83,405
Deferred Capital Contributions				
Allardyce Bower Foundations	-	55,210	-	55,210
	\$ 77,667	\$ 993,057	\$ 730,479	\$ 340,245

10. INTERNALLY RESTRICTED RESERVES

During previous years, the Board of Directors passed motions to set up internal reserve funds to help ensure the long term financial stability of the Centre. These funds are the internally restricted reserve and the internally restricted severance reserve.

The internally restricted reserve is determined each year based on the following amounts included in the last annual audited financial statements: the total liabilities, including deferred revenue and deferred contributions and the lesser of \$350,000 or 15% of expenditures. During the current year \$142,074 was transferred from the internally restricted reserve (2024 - \$31,829 transferred from the internally restricted reserve) based on the Board's policy.

The internally restricted severance reserve is determined each year based on two weeks of earnings for each year of employment at the Centre. During the current year this reserve was increased by \$125 (2024 - decreased by \$3,163) based on the Board's policy.

	2025	2024
Deferred contributions	\$ 77,667	\$ 340,508
Accounts payable and accrued liabilities	126,912	40,483
15% of prior year end expenditures	192,920	158,582
Internally restricted reserve	397,499	539,573
Internally restricted severance accrual	39,666	39,541
	\$ 437,165	\$ 579,114

CALGARY MILITARY FAMILY RESOURCE CENTRE

Notes to Financial Statements

Year Ended March 31, 2025

11. CONTRIBUTED MATERIALS

During the year \$71,777 (2024 - \$49,497) of contributed materials were recognized in revenues and expenses. Contributed materials consisted of office supplies, tickets and printings.

12. RELATED PARTY TRANSACTIONS

During the year the Centre recognized funding of \$621,616 (2024 - \$652,311) from Military Family Services and \$68,100 (2024 - \$67,981) from 3 CDSG Personnel Support Services during the year. Both of these organizations are related parties by way of significant influence, economic dependence and common charitable objectives. The amount from 3 CDSG Personnel Support Services is included in general revenue.

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

The Centre is economically dependent on Military Family Services as its funding represents 57% (2024 - 59%) of the Centre's total revenue. It is also economically dependent to a lesser extent on 3 CDSG Personnel Support Services and Garrison Edmonton (CDSG) as the Centre uses the CDSG's facilities and certain materials and services at no cost.

13. FUNDRAISING EXPENSES

In accordance with the requirement of the Charitable Fund-raising Act and Regulation, the Centre is required to disclose the following information:

Gross contributions received during the year were \$245,103 (2024 - \$205,699). Of this amount, \$200,984 (2024 - \$168,673) was used for program expenses and the remaining \$44,118 (2024 - \$37,026) was used for administrative expenses.

Expenses incurred for the purpose of soliciting contributions totaled \$3,322 (2024 - \$3,400). Of this amount, remuneration paid to employees during the year whose principal duties involved fundraising was \$nil (2024 - \$nil).
