

**MEOW Foundation for the Adoption of Abandoned Cats**

**Financial Statements**

(Audited)

**June 30, 2024**

# **MEOW Foundation for the Adoption of Abandoned Cats**

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June 30, 2024

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**Independent Auditor's Report**

To the members of MEOW Foundation for the Adoption of Abandoned Cats:

**Qualified Opinion**

I have audited the accompanying financial statements of **MEOW Foundation for the Adoption of Abandoned Cats** (the Foundation), which comprise the Statement of Financial Position as at **June 30, 2024**, and the Statement of Operations, Statement of Changes in Fund Balances and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my 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 **MEOW Foundation for the Adoption of Abandoned Cats** as at **June 30, 2024**, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**Basis for Qualified Opinion**

In common with many not-for-profit organizations, the Foundation derives revenues from cash fundraising activities, the completeness of which is not susceptible to satisfactory audit verification.

The Foundation also earns investment income from 2425162 Alberta Ltd., operating as Regal Cat Café, (a wholly owned Canadian Controlled Private Corporation) for which the records were not subject to an audit.

Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Foundation. Therefore, I was not able to determine whether any adjustments might be necessary to fundraising revenue, income from the Regal Cat Café, increase (decrease) in funds, cashflows from operations for the year ended **June 30, 2024**, current assets and investment in the Regal Cat Café as at **June 30, 2024** and **June 30, 2023**, and net assets at **June 30, 2024** and **June 30, 2023**.

The auditor's opinion on the financial statements for the year ended **June 30, 2023** was modified accordingly because of the possible effects of these limitations in scope.

I conducted the audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of **MEOW Foundation for the Adoption of Abandoned Cats** in accordance with the ethical requirements that are relevant to the audit of the financial statements in Canada, and have fulfilled any other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for the qualified opinion.

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

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

In preparing the financial statements, management is responsible for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing **MEOW Foundation for the Adoption of Abandoned Cats** financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 **MEOW Foundation for the Adoption of Abandoned Cat'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 **MEOW Foundation for the Adoption of Abandoned Cat's** ability to continue as a going concern as at **June 30, 2024**. If I conclude that a material uncertainty exists, I am 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 the opinion. My conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause **MEOW Foundation for the Adoption of Abandoned Cats** 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.

I 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 my audit.



**NVN Professional Corporation, Chartered Professional Accountant**

Calgary, Alberta


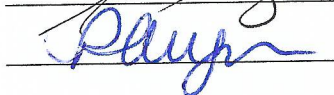
November 25, 2024

**MEOW Foundation for the Adoption of Abandoned Cats****Statement of Financial Position****(Audited)**

As at June 30, 2024

	<u>2024</u>	<u>2023</u>
<b><u>Assets</u></b>		
<b>Current</b>		
Cash and cash equivalents	\$965,164	\$505,322
Externally restricted assets (Note 3)	31,806	97,579
Short-term investments	392,902	327,216
Accounts receivable	6,796	6,411
Due from related party (Note 6)	24,398	29,785
Goods and Services Tax receivable	4,604	15,533
Inventory (Note 5)	62,853	120,475
Prepaid expenses and deposits	62,343	41,481
	<u>1,550,866</u>	<u>1,143,802</u>
<b>Capital assets, net of accumulated amortization (Note 7)</b>	<b>1,601,480</b>	<b>1,571,431</b>
<b>Other non-current</b>		
Investment in Regal Cat Café (Note 8)	59,044	100
Long term loan receivable from Regal Cat Café (Note 9)	250,000	280,869
	<u>309,044</u>	<u>280,969</u>
	<u><u>\$3,461,390</u></u>	<u><u>\$2,996,202</u></u>
<b><u>Liabilities and net assets</u></b>		
<b>Current liabilities</b>		
Accounts payable and accruals	\$59,304	\$50,327
Deferred revenue	875	234
Deferred cash contributions (Note 3)	31,806	97,578
Deferred capital contributions (Note 4)	187,812	130,277
	<u>279,797</u>	<u>278,416</u>
<b>Net assets</b>		
Unrestricted	1,767,925	1,276,632
Invested in capital assets	1,413,668	1,441,154
	<u>3,181,593</u>	<u>2,717,786</u>
	<u><u>\$3,461,390</u></u>	<u><u>\$2,996,202</u></u>

Approved on behalf of the Board of Directors

  
\_\_\_\_\_  
Director  
\_\_\_\_\_  
Director

See Notes to the Financial Statements

**MEOW Foundation for the Adoption of Abandoned Cats**

Statement of Changes in Net Assets (Audited)

For the Year Ended June 30, 2024

			2024	2023
	Unrestricted	Invested in Capital Assets	Total	Totals
Balance, beginning of year	\$1,276,632	\$1,441,154	\$2,717,786	\$2,377,588
Transfer	(8,838)	8,838	-	-
Excess of revenue over expenses	500,131	(36,324)	463,807	340,198
<b>Balance, end of year</b>	<b>\$1,767,925</b>	<b>\$1,413,668</b>	<b>\$3,181,593</b>	<b>\$2,717,786</b>

See Notes to the Financial Statements

**MEOW Foundation for the Adoption of Abandoned Cats**

## Statement of Operations

(Audited)

For the Year Ended June 30, 2024

	2024	2023
<b>Revenues</b>		
Fundraising activities		
Donations	\$794,524	\$796,907
Donations - in kind investment stock and other	38,249	2,632
Grants (Note 3)	251,645	195,097
Gaming contributions (Note 3)	93,084	36,398
Other fundraising	43,714	75,448
	<b>1,221,216</b>	<b>1,106,482</b>
Thrift store and markets	484,019	488,353
Adoption fees	132,475	143,271
Unrealized gains on investments	82,447	14,893
Investment (loss) in Regal Cat Café (Note 8)	58,944	(2,419)
Dividends, interest and other, net of fees	40,759	28,995
Management fees (Note 6)	40,156	34,766
Amortized capital contributions (Note 4)	6,584	11,540
Realized loss on sale of investments	(39,620)	-
	<b>2,026,980</b>	<b>1,825,881</b>
<b>Expenses</b>		
<b>Administrative</b>		
Salaries and wages - administrative	158,403	253,176
Office and general	108,356	94,483
Amortization of capital assets	42,908	45,019
Professional fees - consulting	36,088	24,562
Professional fees - audit and legal	13,147	9,721
Bank charges	6,188	7,767
<b>Operating</b>		
Cat care - veterinary expenses	336,608	318,443
Salaries and wages - programs	284,210	275,095
Thrift store and markets (Appendix I)	283,977	256,395
Cat care - food, litter, and other	78,240	53,942
Fundraising - direct costs	62,466	41,947
Cat care - vaccines, medications, microchips	61,304	55,731
Shelter - utility and property costs	46,718	49,402
Impairment loss (Note 5)	44,560	-
	<b>1,563,173</b>	<b>1,485,683</b>
<b>Excess of revenues over expenses</b>	<b>\$463,807</b>	<b>\$340,198</b>

See Notes to the Financial Statement

## **MEOW Foundation for the Adoption of Abandoned Cats**

Statement of Cash Flows (Audited)

For the Year Ended June 30, 2024

	<b>2024</b>	<b>2023</b>
<b>Cash Flows from Operating Activities</b>		
Fundraising activities, net expenses	\$1,054,344	\$1,112,630
Thrift store and markets, net expenses	227,059	232,198
Adoption fees	132,475	143,271
Management fees, dividends, interest and other	142,481	63,286
Administrative and operating expenses	(1,124,831)	(1,178,712)
	<b>431,528</b>	<b>372,673</b>
<b>Cash Flows from Investing Activities</b>		
Proceeds on sale of investments	508,875	-
Purchase of investments	(504,246)	(9,601)
Purchase of equipment and other	(57,626)	-
Website development	(14,119)	(2,053)
Purchase of computer equipment	(1,212)	(1,686)
Purchase of building improvements	-	(13,800)
	<b>(68,328)</b>	<b>(27,140)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds of long-term debt receivable from Regal Cat Café	30,869	-
Repayment of CEBA loan	-	(40,000)
	<b>30,869</b>	<b>(40,000)</b>
<b>Increase in cash</b>	<b>394,069</b>	<b>305,533</b>
Cash, beginning of year	602,901	297,368
<b>Cash, end of year</b>	<b>\$996,970</b>	<b>\$602,901</b>
<b>Cash comprises of:</b>		
Unrestricted cash and cash equivalents	\$965,164	\$505,322
Externally restricted cash	31,806	97,579
	<b>\$996,970</b>	<b>\$602,901</b>

See Notes to the Financial Statements



# **MEOW Foundation for the Adoption of Abandoned Cats**

Notes to the Financial Statements

(Audited)

June 30, 2024

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## **1. Nature of the organization:**

MEOW Foundation for the Adoption of Abandoned Cats (the "Foundation") was incorporated on July 27, 2000 under the Alberta Societies Act as a not-for-profit organization under the name Make Each One Wanted Foundation for the Adoption of Abandoned Cats.

The Foundation is dedicated to working with the public to rescue homeless cats from the City of Calgary streets and surrounding areas in order to prevent and alleviate animal suffering and reduce pet overpopulation.

The Foundation is a registered charitable organization and under present legislation is not subject to income taxes. The financial statements reflect the assets, liabilities, net assets, net revenues and other transactions of all of the operations of the Foundation. Accordingly, these financial statements include the administrative and other operating expenditures funded by donations, grants and other general revenue.

## **2. Significant accounting policies:**

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook and include the following significant accounting policies:

### **(a) Basis of accounting**

Management has concluded that the going concern basis of accounting is appropriate for the Foundation.

#### **Fund accounting**

The Foundation follows the deferral method of accounting for contributions. Restricted contributions such as Government and externally restricted funding are recognized when conditions of the funding have been met and the related expenditures have been incurred.

#### **Operating fund**

The Operating Fund accounts for assets, liabilities, revenues and expenditures related to the operations, program delivery and administration of the Foundation.

### **(b) Cash and cash equivalents**

Cash include balances with Canadian banks and investments with maturities of three months or less.

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investing or other purposes. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent only when it has a short maturity of approximately three months or less.

### **(c) Short-term investments**

Investments are comprised of short-term equity funds held in Canadian depositories.

### **(d) Accounts receivable and other**

Accounts receivable comprise amounts due from funders and rebates from the Federal government.

### **(e) Due from related party**

Comprises of short-term operating loans and expense reimbursements from Regal Cat Café.

# **MEOW Foundation for the Adoption of Abandoned Cats**

Notes to the Financial Statements

(Audited)

June 30, 2024

## **2. Significant accounting policies (continued):**

### **(f) Prepaid expenses and deposits**

Prepaid expenses primarily comprise of advance payments and deposits made to vendors in the current fiscal year for goods and services to be received in the next fiscal year or refunded in future years. Prepaid expenses are recognized as expenses in the period when the goods and services are received.

### **(g) Inventory**

Inventory consists of donated goods and merchandise for resale. Inventory is recorded at the lower of cost (or where donated, \$nil) or net realizable value using the first-in, first-out method. High value donated goods for resale are initially recognized at their fair value and subsequently reviewed for impairment.

An annual review is conducted for potential impairment, and if the current fair market value is less than the initially recognized fair value, any resulting impairment is charged to income in the year in which it is determined. Previous impairment losses are not reversed.

### **(h) Capital assets**

Property and equipment are recorded at cost and are amortized over their estimated useful lives using the straight-line basis at the following rates:

Building and improvements	40 years
Building and improvement - minor renovations	5 years
Furniture and other equipment	5 - 15 years
Website	10 years
Computer equipment	3 years

Land is recorded at cost and is not amortized.

The Foundation records a write-down when property and equipment no longer have any long-term service potential to the Foundation and their net carrying amount exceeds their residual value. The excess net carrying amount over residual value is recognized as an expense in the statement of operations. Previous write-downs are not reversed.

Any potential impairment identified is assessed by comparing the carrying value of the capital asset to its fair value and any resulting impairment is charged to income in the year in which it is determined.

### **(i) Long term loan receivable from Regal Cat Café**

A long-term loan was issued to the related party to aid in the purchase of the assets of the Regal Cat Café's operations. There are no formal fixed repayments or interest terms between the Foundation and the Regal Cat Café.

## **MEOW Foundation for the Adoption of Abandoned Cats**

Notes to the Financial Statements

(Audited)

June 30, 2024

### **2. Significant accounting policies (continued):**

#### **(j) Investment in Regal Cat Café**

On April 26, 2022, the Foundation incorporated a Canadian Controlled Private Corporation, 2425162 Alberta Ltd. (the Corporation) o/a Regal Cat Café, for which it is the sole shareholder. The private Corporation was then used to acquire the assets and operations of an existing privately owned business, Regal Cat Café on June 1<sup>st</sup> of 2022 with the aid of the Foundation through the means of a long-term loan.

A committee has been formed by the Foundation which sits on the board of directors of the Regal Cat Cafe and oversees its operational and strategic directives.

The Foundation's investment in the Regal Cat Café is recorded using the equity investment method where the investment is initially recorded at cost and the carrying value is adjusted thereafter to include the Foundations pro-rata share of post-acquisition earnings of the Regal Cat Café. The amount of subsequent adjustments is determined by the net income generated by the Regal Cat Café, where the carrying value of the investment is increased or decreased accordingly and the income is recorded in the Statement of Operations to the extent that the carrying value of the investment does not fall below the initial nominal value of the shares issued.

The Regal Cat Café is subject to Part I Corporate Income Taxes; the results and operations are separate of the Foundation and any tax liabilities are the responsibility of the Regal Cat Cafe. The Corporation is authorized to donate a maximum of 75% of its net taxable income to the Foundation while the remainder of net taxable income is taxed at the Federal and Provincial Corporate tax rates.

#### **(k) Revenue recognition**

The Foundation follows the deferral method of accounting for externally restricted donations and contributions. Restricted grants, donations and contributions are recognized as revenue in the appropriate fund in the year in which the related expenditures are incurred. Unrestricted donations and contributions are recognized as revenue in the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is assured.

Restricted grants or donations used to purchase capital assets are recorded as deferred capital contributions upon the initial purchase of the asset and are subsequently recorded into income as amortized capital contributions throughout the life of the asset.

Adoption fees and thrift store sales are recorded as revenue in the appropriate fund when the good or service have been provided, and fundraising is recorded when cash has been received.

Net income generated by the Regal Cat Café is recognized as a return on investment when earned.

Investment income is recorded when earned, while realized gains or losses on the sale of investments are recorded upon disposal, and changes in the fair market value of investments is recorded as an unrealized gain or loss.

#### **(l) Contributed goods and services**

The Foundation recognizes contributions of materials such as pet food and pet supplies at the fair market value of these contributions if they can be reasonably estimated and are used in the normal course of the Foundation's operations and would have otherwise been purchased. Donations of gifts such as investment stock or donated items are recorded at their fair market value less any costs incurred to sell.

Volunteers contribute their time each year to assist the Foundation in delivering its services. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

June 30, 2024

**2. Significant accounting policies (continued):****(m) Measurement uncertainty**

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses for the periods covered.

By their nature, these estimates relating to the collectability of receivables, prepaid expenditures, investments in related parties, the useful life of the building, furniture, equipment, computer equipment and the website, and the amounts recorded as accrued liabilities are subject to measurement uncertainty and the effect on the financial statements could be significant. Actual results may vary from these estimates, the impact of which would be recorded in the Statement of Operations in future years.

**(n) Financial instruments****Measurement of financial instruments**

The Foundation initially measures its financial assets and liabilities at fair value. The Foundation subsequently measures all its financial assets and liabilities at amortized cost except for investments in equity instruments and mutual funds that are quoted in an active market, which are measured at fair market value. Changes in fair value of these financial instruments are recognized in net income.

Financial instruments measured at amortized cost include cash and cash equivalents, externally restricted assets, accounts receivable, long term loan receivable, and accounts payable.

**Financial risk**

It is management's opinion that the Foundation is not exposed to significant currency or price risks arising from these financial instruments. The following risk exposures related to the financial instruments are outlined as follows:

**Liquidity risk**

Liquidity risk is the risk that the Foundation will be unable to fulfil its obligations on a timely basis or at a reasonable cost as they come due. The Foundation's overall liquidity risk is monitored on a regular basis.

**Interest risk**

The Foundation was subject to interest rate risk on its long-term debt until the loan was repaid. The Foundation manages this risk by monitoring and negotiating repayment terms with the lowest interest rate for any fixed period of time.

**Market risk**

Market risk relates to the investments in shares through a certified broker. The Foundation's investments are held with a reputable Canadian brokerage and invested in Canadian stocks. Market risk is the risk that the fair market value of these stocks will fall below the original cost due to the performance of financial markets.

**Credit risk**

Credit risk relates to cash, investments and accounts receivable. The Foundation's cash and investment balances are held with reputable Canadian financial institutions. Accounts receivable are primarily due from government funders and the Foundation's donors. Long term debt is due from the Regal Cat Café, a related party for which the Foundation is the sole shareholder. The Foundation is of the opinion that there is minimal credit risk in collecting these receivables.

Of the Foundation's total cash and investments of \$1,389,872 (2023 - \$930,117), on June 30, 2024, \$201,473 (2023 - \$353,362) were insured by the Canada Deposit Insurance Corporation and \$392,902 (2023 - \$327,216) were invested in Canadian equity funds with a certified broker. The average rate of interest earned on all of the Foundation's cash and investments was 2.51% (2023 - 3.10% on cash and investments).

## **MEOW Foundation for the Adoption of Abandoned Cats**

Notes to the Financial Statements

(Audited)

June 30, 2024

### **3. Externally restricted assets / deferred cash contributions:**

Deferred cash contributions consist of unspent externally restricted funds to be used for non-capital expenditures. These funds are restricted by Alberta Gaming and Liquor Commission (AGLC), Government and other funders to be spent only on previously approved expenditures.

	<b>AGLC (Gaming) Restricted</b>	<b>Restricted Grants and Donations</b>	<b>2024 Total</b>	<b>2023 Total</b>
Balance, start of year	\$22,578	\$75,000	\$97,578	\$31,247
Received	94,105	184,852	278,957	297,826
Utilized	(93,084)	(251,645)	(344,729)	(231,495)
<b>Balance, end of year</b>	<b>\$23,599</b>	<b>\$8,207</b>	<b>\$31,806</b>	<b>\$97,578</b>

### **4. Deferred capital contributions:**

Externally restricted assets contributed towards the purchase of capital assets are recorded as deferred capital contributions and are amortized on the same basis as the related asset.

	<b>2024</b>	<b>2023</b>
Balance, start of year	\$130,277	\$141,817
Add capital purchases:		
Kennels	50,000	-
Website development	14,119	-
Less: Amortization	(6,584)	(11,540)
<b>Balance, end of year</b>	<b>\$187,812</b>	<b>\$130,277</b>

## **MEOW Foundation for the Adoption of Abandoned Cats**

Notes to the Financial Statements

(Audited)

June 30, 2024

### **5. Inventory and impairment losses:**

Inventory comprises of purchased merchandise available for sale and donated items for which a value can be reasonably estimated. Donation of used goods and of nominal valuation or cannot be reasonably estimated are not recorded.

<b>Composition:</b>	<b>2024</b>	<b>2023</b>
Merchandise purchased and available for sale	\$55,079	\$52,109
Donated jewelry available for resale	7,774	68,366
	<b>\$62,853</b>	<b>\$120,475</b>

### **Donated jewelry analysis:**

	<b>2024</b>	<b>2023</b>
Balance, start of year	\$68,366	\$68,366
Less:		
Cost of items sold	(16,032)	-
Remaining items at original cost	52,334	68,366
Less:		
Write down for impairment	(44,560)	-
Balance, end of year	<b>\$7,774</b>	<b>\$68,366</b>

During the year, several pieces of the donated jewelry were sold at auction for net proceeds of \$3,017, significantly less than carrying value of \$16,032. Based on information provided to management by both an independent appraiser and an independent jewelry auction house, it was determined that the current fair market value of the remaining items were significantly overstated. As a result, management wrote down the value of the remaining items as an impairment loss of about 85% of the original costs. No reversals of this loss will be made in future years.

## **MEOW Foundation for the Adoption of Abandoned Cats**

Notes to the Financial Statements

(Audited)

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### **6. Related party transactions:**

The Foundation is involved in the operations of its wholly owned Canadian Controlled Private Corporation (22425162 Alberta Ltd. o/a Regal Cat Café). To facilitate the ease of operations in the Corporation, the Foundation lends short term funds and expense reimbursements.

During the year, the following transactions and accounts were receivable to the Foundation:

	<u>2024</u>	<u>2023</u>
<b>Advance short term loan</b>		
Balance, start of year	\$25,000	\$35,000
Less: repayments	<u>(25,000)</u>	<u>(10,000)</u>
Balance, end of year	-	<b>25,000</b>
<b>Reimbursable expenses</b>		
Balance, start of year	4,785	54
Add: expenses paid for	114,246	135,344
Less: repayments	<u>(94,633)</u>	<u>(130,613)</u>
Balance, end of year	<b>24,398</b>	<b>4,785</b>
<b>Receivable from Regal Cat Café</b>	<b>\$24,398</b>	<b>\$29,785</b>
	<u>2024</u>	<u>2023</u>
<b>Management fees</b> (exclusive of GST)	\$40,156	\$34,766

The Foundation also charges for management services related to tasks completed by its staff on behalf of the Regal Cat Café.

### **7. Capital assets:**

#### **Capital assets**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>2024 Net Book Value</b>	<b>2023 Net Book Value</b>
Building and improvements	\$1,234,932	\$212,812	\$1,022,120	\$1,055,510
Land	463,813	-	463,813	463,813
Furniture and other equipment	99,452	10,624	88,828	36,098
Computer equipment	30,449	28,703	1,746	3,773
Website	27,948	2,975	24,973	12,237
	<b>\$1,856,594</b>	<b>\$255,114</b>	<b>\$1,601,480</b>	<b>\$1,571,431</b>

## **MEOW Foundation for the Adoption of Abandoned Cats**

Notes to the Financial Statements

(Audited)

June 30, 2024

### **8. Investment in Regal Cat Café:**

The Foundation uses the equity method to record the value of its investment in the Regal Cat Café. The value is calculated as the initial cost of the share purchase plus the aggregate surplus or losses in net income at the end of the year.

	<u>2024</u>	<u>2023</u>
Initial share cost	\$100	\$100
Add:		
Prior periods aggregate income	-	2,419
Current year income (loss) before tax	58,944	(2,419)
	<u>58,944</u>	-
<b>Investment in Regal Cat Café</b>	<u><b>\$59,044</b></u>	<u><b>\$100</b></u>

The profit and loss results of the Regal Cat Café were prepared by management and have not been subject to an audit or review.

### **9. Long Term Loan Receivable from Regal Cat Cafe:**

Upon the purchase of the Regal Cat Café, assets and operations by the Corporation, the Foundation loaned the original purchase price of \$280,869 to the Corporation for which no set repayment terms are in place. However, the Regal Cat Café has been repaying \$5,000 per month since January 2024 and expects to continue this going forward. In addition, a lump sum payment of \$30,000 was made to the Foundation subsequent to the year-end in September of 2024.

	<u>2024</u>	<u>2023</u>
Balance, start of year	\$280,869	\$280,869
Less: repayments	(30,869)	-
Balance, end of year	<u><b>\$250,000</b></u>	<u><b>\$280,869</b></u>

### **10. Commitment:**

The Foundation has entered into a lease extension for the North location Thrift store that expires March 31, 2029 which will give rise to the following annual expenses, exclusive of GST:

- July 1, 2024 – June 30, 2025 for \$45,258;
- July 1, 2025 – June 30, 2026 for \$48,434;
- July 1, 2026 – June 30, 2027 for \$50,816;
- July 1, 2027 – June 30, 2028 for \$51,610; and
- July 1, 2028 – March 31, 2029 for \$40,494.



## **MEOW Foundation for the Adoption of Abandoned Cats**

Notes to the Financial Statements

(Audited)

June 30, 2024

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### **11. Subsequent events:**

In July of 2024, the Foundation finalized a lease agreement for a second Thrift store location in the South. Included in prepaid expenses are the first and twenty-third month's rent prepaid for a total of \$19,661 as well as a security deposit of \$15,000, all paid prior to the current fiscal year end. The lease term is for a total of five years commencing October 1, 2024 and expiring September 30, 2029. This will give rise to the following annual expenses, exclusive of GST:

- July 1, 2024 – June 30, 2025 for \$45,304;
- July 1, 2025 – June 30, 2026 for \$60,405;
- July 1, 2026 – June 30, 2027 for \$63,425;
- July 1, 2027 – June 30, 2028 for \$64,432;
- July 1, 2028 – June 30, 2029 for \$67,452; and
- July 1, 2028 – September 30, 2029 for \$17,115.

### **12. Fundraising expense:**

As required under section 7(2) of the Charitable Fundraising Regulation of Alberta, the following amounts are disclosed:

Costs incurred for the purpose of soliciting contributions were \$62,466 (2023 - \$41,947) of which \$25,926 (2023 - \$7,168) was remuneration for fundraising activities

### **13. Comparative figures:**

The prior year comparative figures have been reclassified to conform to the current year's presentation.

**MEOW Foundation for the Adoption of Abandoned Cats****Appendix I: Schedules Thrift Store and Markets Expenses****(Audited)**

June 30, 2024

**Thrift store and markets**

	<b>2024</b>	<b>2023</b>
Salaries and wages	\$146,859	\$134,618
Cost of merchandise sold	50,273	40,140
Rent	47,111	43,573
Utilities	14,533	13,364
Office, fees and other	14,442	12,502
Maintenance and repairs	6,664	6,842
Event costs and other	4,095	5,356
	<b>\$283,977</b>	<b>\$256,395</b>