Calgary Family Therapy Centre

Financial Statements
and
Independent Auditor’s Report thereon

For the year ended March 31, 2025

KPMG LLP
205 5th Avenue SW
Suite 3100
Calgary AB T2P 4B9
Tel 403-691-8000
Fax 403-691-8008
www.kpmg.ca

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Calgary Family Therapy Centre

Opinion

We have audited the financial statements of Calgary Family Therapy Centre (the Entity), which comprise:

- the statement of financial position as at March 31, 2025
- the statement of operations and changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity 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 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 Auditor's report.

We are independent of the Entity 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 opinion.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.

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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the 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 Entity'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 Entity'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 Entity 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.
- 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.

KPMG LLP

Chartered Professional Accountants

Calgary, Canada

June 20, 2025

Calgary Family Therapy Centre

Statement of Financial Position

As at March 31, 2025, with comparative information for 2024

	2025	2024
	$	$
Assets		
Current assets		
Cash and cash equivalents	232,664	214,466
Investment (Note 3)	11,000	11,000
Accounts receivable	4,705	7,000
Prepaid expenses	24,257	24,041
	272,626	256,507
Capital assets (Note 4)	36,863	60,518
Total assets	309,489	317,025
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	49,899	48,809
Deferred revenue	17,468	-
	67,367	48,809
Leasehold inducement (Note 5)	25,510	47,375
	92,877	96,184
Net assets		
Unrestricted	216,612	220,841
Total liabilities and net assets	309,489	317,025

Commitments (Note 8)

The accompanying notes are an integral part of these financial statements.

Signed on behalf of the Board:

Signed by:
Jeff Chang
FF919F5CF6D6475...
Director

Signed by:
Sally St. George
6FBC7C844D38439...
Director

Calgary Family Therapy Centre

Statement of Operations and Changes in Net Assets

For the year ended March 31, 2025, with comparative information for 2024

	2025	2024
	$	$
Revenue		
Contract (Note 6)	840,950	840,950
Teaching/Training	14,450	3,600
Interest	14,392	17,027
Donations	5,502	3,793
Miscellaneous	460	895
Fee for service	-	97,191
	875,754	963,456
Expenses		
Salaries	601,794	631,873
Facility (Note 5)	164,677	166,053
Administrative	89,857	160,752
Amortization	23,655	23,654
	879,983	982,332
Deficiency of revenue over expenses	(4,229)	(18,876)
Net assets - beginning of year	220,841	239,717
Net assets - end of year	216,612	220,841

The accompanying notes are an integral part of these financial statements.

Calgary Family Therapy Centre
Statement of Cash Flows
For the year ended March 31, 2025, with comparative information for 2024

	2025	2024
	$	$
Cash provided by (used in)		
Operating activities		
Deficiency of revenue over expenses	(4,229)	(18,876)
Items not affecting cash		
Amortization	23,655	23,654
Amortization of leasehold inducement (Note 5)	(21,865)	(21,866)
	(2,439)	(17,088)
Net change in operating non-cash working capital (Note 9)	20,637	(43,083)
	18,198	(60,171)
Investing activities		
Purchase of investment	-	(11,000)
	-	(11,000)
Increase (decrease) in cash	18,198	(71,171)
Cash - beginning of year	214,466	285,637
Cash - end of year	232,664	214,466

The accompanying notes are an integral part of these financial statements.

1. Nature of the organization

Calgary Family Therapy Centre (“the Centre”) commenced operations on April 16, 2004. It is incorporated under the Societies Act (Alberta). The Centre is a not-for-profit organization and is registered as a charity under the Canadian Income Tax Act and accordingly is exempt from income taxes. The Centre’s mission is to promote and restore the development and well-being of children and their families within the community. A government agency has contracted with the Centre to deliver such services.

2. Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Use of estimates

The financial statements of the Centre have been prepared in accordance with ASNPO which require management to make assumptions and estimates that affect the reported amounts of assets, liabilities, revenues, and expenses. Items subject to estimation include the useful life and potential impairment of capital assets. Actual amounts could differ from those estimates.

Financial instruments

The Centre initially measures financial assets and financial liabilities at their fair value. It subsequently measures its financial assets and financial liabilities at amortized cost. The financial assets include cash, investments, and accounts receivable. The financial liabilities include accounts payable and accrued liabilities.

Cash and cash equivalents

Cash consists of balances with banks. Cash equivalents consist of short-term deposits with an original maturity date of less than 90 days.

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 related to capital assets are recognized as revenue as the related capital assets are amortized.

Unrestricted donations and contributions are recognized as revenue in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Contract, fee for service, and teaching/training revenues are recognized when the related service is provided. Interest income is recognized as revenue when earned.

Contributed materials and services

Contributed materials and services, including volunteer services, are not recognized in the financial statements.

2. Accounting policies (continued)

Capital assets

Capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution to the extent that fair value can be reasonably estimated. During 2025, there were no contributed capital assets (2024 - $nil). Amortization is recorded using the straight-line method over the following estimated useful lives:

Equipment	10 years
Computer Systems	10 years
Leasehold Improvements	Over the life of the lease

Capital assets are assessed for indicators of impairment on an annual basis. Capital assets may be impaired when conditions indicate that an asset no longer contributes to the Centre's ability to provide services, or that the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount. The net carrying amount of the capital asset shall be written down to its fair value or replacement cost and the write-downs of capital assets shall be accounted for as expenses in the statement of operations.

Leasehold inducements

Leasehold inducements are amortized over the life of the corresponding lease as a reduction of facility expenses.

3. Investment

The Centre purchased a one-year cashable GIC investment on July 29, 2024 for $11,000 maturing on July 29, 2025 with an annual interest rate of 3.0% payable at maturity. The total interest to be earned at maturity is $330.

4. Capital assets

	Cost	Accumulated Amortization	2025 Net Book Value	2024 Net Book Value
	$	$	$	$
Computer Systems	19,169	7,667	11,502	13,419
Leasehold Improvements	152,167	126,806	25,361	47,099
Total	171,336	134,473	36,863	60,518

5. Leasehold inducement

On June 1, 2019 the Centre entered into a seven-year lease expiring May 31, 2026. During the year ended March 31, 2021 the Centre received an inducement of $153,058 from the landlord to assist in paying for leasehold improvements. The total amortization of the leasehold inducements was $21,865 for 2025 (2024 - $21,866).

5. Leasehold inducement (continued)

The accumulated amortization on the leasehold inducement at March 31, 2025 is $127,548 (2024 - $105,683). The net book value of the leasehold inducement at March 31, 2025 is $25,510 (2024 - $47,375).

6. Contract revenues

Under the terms of the contract with Alberta Health Services (the “funding agency”) excess funds received over specific operating expenditures as budgeted in the Centre’s funding application are repayable in the current or following year. Management estimates the amount that is likely to be repaid to the funding agency and records this in accounts payable and accrued liabilities and as a reduction to contract revenues. As at March 31, 2025 the amount included as accounts payable and accrued liabilities and reduction to contract revenues was $nil (2024 - $nil). The actual amount retained or required to be repaid to the funding agency may differ from management’s estimate as the calculation of excess funds is carried out by the funding agency subsequent to year-end. Any differences in the amounts recovered or paid from the amounts accrued are recorded in the year recovered as contract revenues or a reduction of contract revenues.

7. Financial instruments

The Centre’s exposure to risks arising from financial instruments are outlined as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Centre’s credit risk exposure relates to cash and cash equivalents, investments, and accounts receivable. Cash and cash equivalents and investments are held with Canadian financial institutions. Management believes the Centre’s exposure to credit risk is not significant.

Liquidity risk

Liquidity risk is the risk that the Centre will encounter difficulty in meeting obligations associated with financial liabilities.

The Centre mitigates its liquidity risk by keeping adequate cash resources on hand to meet all of its payment requirements.

There has been no significant change to the risk exposures described above from 2024.

8. Commitments

The Centre is committed to the following future payments under lease agreements:

	$
2026	179,247
2027	29,875

9. Net change in operating non-cash working capital:

The net change in non-cash working capital balances related to operations consists of the following:

	2025	2024
	$	$
Decrease (increase) in accounts receivable	2,295	(4,633)
(Increase) in prepaid expenses	(216)	(2,382)
Increase in accounts payable and accrued liabilities	1,090	583
Increase (decrease) in deferred revenue	17,468	(36,651)
	20,637	(43,083)