

Financial Statements of

**TRELLIS SOCIETY FOR COMMUNITY
IMPACT**

And Independent Auditor's Report thereon

Year ended March 31, 2025



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Trellis Society for Community Impact

Opinion

We have audited the financial statements of Trellis Society for Community Impact (the "Entity"), which comprise:

- the statement of financial position as at March 31, 2025;
- the statement of revenues and expenses for the year then ended;
- the statement of 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.



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, 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's 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

July 4, 2025

TRELLIS SOCIETY FOR COMMUNITY IMPACT

Statement of Financial Position

March 31, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 435,246	\$ 812,716
Restricted cash (note 2)	306,137	186,577
Investments (note 3)	3,454,490	4,260,263
Accounts receivable	1,194,964	851,290
Government remittances recoverable	69,386	84,401
Inventory	42,000	15,550
Prepaid expenses and deposits	494,061	476,749
Current portion of lease receivable (note 5)	69,263	65,262
Due from the Trellis Foundation (note 16)	-	200,529
Loan receivable from the Trellis Foundation (note 16)	20,000	20,000
	<u>6,085,547</u>	<u>6,973,337</u>
Tangible capital assets (note 4)	1,508,426	1,728,421
Lease receivable (note 5)	512,118	575,857
Loan receivable from the Trellis Foundation (note 16)	2,940,000	2,960,000
	<u>\$ 11,046,091</u>	<u>\$ 12,237,615</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 2,581,933	\$ 3,046,594
Deferred contributions – program advances (note 7)	3,419,428	3,213,854
Current portion of capital lease obligation (note 10)	22,900	14,123
Current portion of loans (note 9)	-	14,766
	<u>6,024,261</u>	<u>6,289,337</u>
Capital lease obligations (note 10)	137,213	80,974
Loans (note 9)	-	485,938
Long term accrued liabilities	19,184	15,910
Deferred donations related to tangible capital assets (note 8)	1,613,035	1,836,886
	<u>1,769,432</u>	<u>2,419,708</u>
Net assets:		
Unrestricted	2,692,398	2,968,570
Internally restricted	560,000	560,000
	<u>3,252,398</u>	<u>3,528,570</u>
Commitments (note 17)		
Contingencies (note 19)		
	<u>\$ 11,046,091</u>	<u>\$ 12,237,615</u>

See accompanying notes to the financial statements.

On behalf of the Board:



Director



Director

TRELLIS SOCIETY FOR COMMUNITY IMPACT

Statement of Revenues and Expenses

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Revenues:		
Core Funding:		
Federal government	\$ 1,837,650	\$ 1,976,055
Provincial government (note 12)	14,772,352	14,398,521
Municipal government (note 12)	1,931,745	2,063,534
United Way	3,303,825	3,289,684
Calgary Homeless Foundation	5,997,628	6,846,000
Self-Generated Funding		
Donations (notes 11 and 16)	6,211,220	5,618,456
Program revenue	2,483,028	2,330,745
Administrative revenue	1,777,724	1,287,474
Trellis Foundation support (note 16)	611,634	451,340
	<u>38,926,806</u>	<u>38,261,809</u>
Expenses (note 12):		
Child & Youth Programming	12,641,025	11,319,228
Culture & Community	2,640,306	2,389,296
Parenting Supports	1,821,553	2,336,091
Housing Supports & Shelter	15,689,326	16,346,539
Therapy & Wellness	2,106,690	1,052,091
Administration	4,424,141	4,718,283
	<u>39,323,041</u>	<u>38,161,528</u>
(Deficiency) excess of revenues over expenses	<u>\$ (396,235)</u>	<u>\$ 100,281</u>

See accompanying notes to financial statements.

TRELLIS SOCIETY FOR COMMUNITY IMPACT

Statement of Changes in Net Assets

Year ended March 31, 2025, with comparative information for 2024

	Internally restricted	Unrestricted	2025	2024
Net assets, beginning of year	\$ 560,000	\$ 2,968,570	\$ 3,528,570	\$ 3,428,289
(Deficiency) excess of revenues over expenses	–	(396,235)	(396,235)	100,281
Transfer of capital assets to the Foundation (note 4)	–	120,063	120,063	–
Net assets, end of year	\$ 560,000	\$ 2,692,398	\$ 3,252,398	\$ 3,528,570

See accompanying notes to financial statements.

TRELLIS SOCIETY FOR COMMUNITY IMPACT

Statement of Cash Flows

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Cash and cash equivalents provided by (used in) the following activities:		
Operating:		
(Deficiency) excess of revenues over expenses	\$ (396,235)	\$ 100,281
Items not affecting cash:		
Amortization of deferred donations related to tangible capital assets (note 8)	(179,272)	(185,238)
Disposals and write-down of deferred donations related to tangible capital assets	(63,593)	(104,669)
Change in unrealized loss (gain) on investments		
Amortization of tangible capital assets	249,483	315,937
Loss (gain) on investment	–	520
(Gain) loss on asset disposal (transfer)	9,158	(1,445,524)
Straight line adjustment on operating lease	3,276	(38,186)
	(377,183)	(1,356,879)
Changes in non-cash working capital:		
Accounts receivable	(343,674)	(440,335)
Government remittances recoverable	15,015	2,179
Inventory	(26,450)	7,185
Prepaid expenses and deposits	(17,312)	106,840
Accounts payable and accrued liabilities	(464,435)	301,039
Deferred contributions – program advances	205,574	(283,181)
	(1,008,465)	(1,663,152)
Financing:		
Repayment of loans	(9,259)	(155,903)
Repayment of capital lease obligations	–	(55,525)
Due to Foundation	(225)	225
Donations received related to tangible capital assets	19,014	66,011
	9,530	(145,192)
Investing:		
Proceeds from sale of investments	5,150,758	6,279,921
Purchases of investments	(4,344,986)	(6,781,151)
Proceeds from sale of tangible capital assets	–	1,810,365
Purchase of tangible capital assets (note 12)	(345,014)	(116,976)
Proceeds from lease receivable (Principal)	59,738	65,606
Advance to Foundation	200,529	(200,529)
Repayment of loan receivable from the Foundation	20,000	20,000
Loan to Foundation	–	–
	741,025	1,077,236
Net increase in cash and cash equivalents	(257,910)	(731,108)
Cash and cash equivalents, beginning of year	999,293	1,730,401
Cash and cash equivalents, end of year	\$ 741,383	\$ 999,293
Cash and cash equivalents is comprised of:		
Cash and cash equivalents	\$ 435,246	\$ 812,716
Restricted cash	306,137	186,577
	\$ 741,383	\$ 999,293

See accompanying notes to financial statements.

TRELLIS SOCIETY FOR COMMUNITY IMPACT

Notes to Financial Statements

Year ended March 31, 2025, with comparative information for 2024

Trellis Society for Community Impact (the "Entity") is a not-for-profit organization registered under the Societies Act of Alberta. The Entity works with children, youth and families to unearth their potential and support their growth. The Entity achieves its mission through programs that focus on improving access to resources, developing family and community supports and building people's capacity to deal with life's challenges. The vision of the Entity is a world where everyone reached their full potential; unlocking growth across generations.

The Entity is registered under the Income Tax Act as a registered charity and therefore is exempt from income taxes.

1. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies:

(a) Cash and cash equivalents, and restricted cash:

Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid with original maturities of less than three months. Cash subject to restrictions is included in restricted cash.

(b) Investments:

Investments are composed of Guaranteed Investment Certificates ("GICs") with maturities greater than three months at the time of purchase and are recorded at fair value.

(c) Inventory:

Inventory includes gift certificates and communications and promotional items and is measured at the lower of cost and replacement cost. Cost is determined on a first-in, first-out basis, and net realizable value is determined using the current estimated selling price less the selling cost. The estimated selling price takes into account management's best estimate of the most probable set of economic conditions.

TRELLIS SOCIETY FOR COMMUNITY IMPACT

Notes to Financial Statements, page 2

Year ended March 31, 2025, with comparative information for 2024

1. Significant accounting policies (continued):

(d) Tangible capital assets:

Tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at estimated fair value at the date of contribution.

The Entity provides for amortization on a straight-line basis at the following rates, based on the estimated useful lives and residual values of the assets:

Buildings and related improvements	10–30 years
Vehicles	5–10 years
Office equipment and furniture	4–10 years
Assets under capital lease	4 years
Computer and software	3–4 years
Playground	15 years
Clubs equipment	10 years
Appliances	10 years

Leasehold building improvements are amortized using the straight-line method over the terms of the leases, which vary from five to ten years and are representative of the estimated useful lives of the assets.

Tangible capital assets are tested for impairment whenever events or changes in circumstances indicate that an asset can no longer be used as originally expected and its carrying amount may not be fully recoverable. An impairment loss is recognized when and to the extent that management assesses the future useful life of an asset to be less than originally estimated.

(e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently recorded at fair value. All other financial instruments are recorded at cost or amortized cost, unless management has elected to record at fair value.

Transaction costs related to financial instruments measured at fair value are expensed as incurred. For all other financial instruments, the transaction costs are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the statement of revenues over expenses.

TRELLIS SOCIETY FOR COMMUNITY IMPACT

Notes to Financial Statements, page 3

Year ended March 31, 2025, with comparative information for 2024

1. Significant accounting policies (continued):

(e) Financial instruments (continued):

With respect to financial assets measured at cost or amortized cost, the Entity recognizes in the statement of revenues over expenses an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. If an asset that was previously written down becomes less impaired and the recovery in value relates to an event occurring subsequent to the impairment write-down, the asset can be written back up, but only to the extent of the original impairment adjustment. This reversal of the previously recorded impairment loss is recorded in the statement of revenues and expenses in the period the reversal occurs.

(f) Government subsidy:

The Entity periodically applies for financial assistance under available government incentive and subsidy programs. Government subsidies are recognized as revenue in the period that the Entity becomes eligible to receive the subsidy and when related expenses are incurred.

(g) Revenue recognition:

The Entity follows the deferral method of accounting for contributions which include donations and government grants. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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. Endowment contributions are recognized as direct increases in net assets.

Restricted capital contributions related to tangible capital assets that will be amortized are deferred and amortized on a straight-line basis over the estimated useful life of the corresponding asset. Restricted capital contributions for the purchase of tangible capital assets that are not amortized are recognized as direct increases in net assets.

Externally restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Contributions of shares of publicly traded companies are recorded at the closing market price of the shares on the day they are effectively received by the Entity. The delivered value of the shares is included in donations and other income.

(h) Donated services and materials:

A substantial number of volunteers contribute a significant amount of time each year. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements. Gifts in kind are recognized as revenue when the value can be reasonably determined and the Entity would have to otherwise purchase these items for use in the normal course of operations.

TRELLIS SOCIETY FOR COMMUNITY IMPACT

Notes to Financial Statements, page 4

Year ended March 31, 2025, with comparative information for 2024

1. Significant accounting policies (continued):

(i) Use of estimates:

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Estimates primarily arise in the determination of the allowance for doubtful accounts, calculation of estimated useful lives and potential impairment of tangible capital assets, determination of accrued liabilities and potential contingencies. Actual results could be different from their estimates. These estimates and assumptions are reviewed periodically and are prospectively adjusted in the periods in which they become known.

(j) Expenses:

Expenses are charged to mission priorities, which include Child & Youth Programming, Culture & Community, Parenting Supports, Housing Supports & Shelter, Therapy & Wellness and Administration, according to the activity that they benefit. Certain expenses benefit more than one category and, accordingly, are attributed to the relevant categories on the basis of actual expenses and employee hours. The basis of allocation for all expenses may be revised according to specific program budgets.

- Child & Youth Programming expenses consist of staff compensation and benefits, facility maintenance and rental of club spaces, food, supplies, and admin costs related to running the clubs.
- Culture & Community based expenses consist of staff compensation and benefits, and community outreach expenses, including travel and meals.
- Parenting Supports expenses consist of staff compensation and benefits, basic needs support and programming supplies.
- Housing Supports & Shelter expenses include staff compensation and benefits, rent/shelter for teens, food distribution and individualized support costs.
- Therapy & Wellness expenses include compensation and benefits of therapists, as well as supplies used for therapy and basic needs support for clients.
- Administration expenses are incurred to operate the Entity and its programs in a cost-effective manner while maximizing all opportunities to further the Entity's mission. These include expenses related to human resources, information technology, facilities and finance departments in addition to corporate governance activities, such as strategic planning, reporting, and financial planning. A portion of these costs are allocated to the programs as per each of the funder agreement allowances.

TRELLIS SOCIETY FOR COMMUNITY IMPACT

Notes to Financial Statements, page 5

Year ended March 31, 2025, with comparative information for 2024

1. Significant accounting policies (continued):

(k) Related party transactions:

Monetary related party transactions and non-monetary related party transactions that have commercial substance are measured at the exchange amount when they are in the normal course of business, except when the transaction is an exchange of a product or property held for sale in the normal course of operations. Where the transaction is not in the normal course of operations, it is measured at the exchange amount when there is a substantive change in the ownership of the item transferred and there is independent evidence of the exchange amount.

All other related party transactions are measured at the carrying amount.

2. Restricted cash:

Restricted cash consists of the balances in separate bank accounts as required by the Alberta Gaming and Liquor Commission related to casino and raffle proceeds. The use of these funds is restricted to specified uses as defined in the casino and raffle license agreements, and must be spent within a specified time frame.

3. Investments:

	2025	2024
GICs	\$ 3,440,949	\$ 4,250,000
Member share dividend	13,542	10,263
	<u>\$ 3,454,490</u>	<u>\$ 4,260,263</u>

The outstanding GICs as at March 31, 2025 have issue dates that range between July 2024 and March 2025. The effective interest rates on the GICs vary between 4.00% and 5.20% per annum (2024 – 5.20% per annum). GICs have maturity dates between July 25, 2024 and November , 2025.

GICs earned interest income of \$222,460 in 2025 (2024 – \$177,160).

TRELLIS SOCIETY FOR COMMUNITY IMPACT

Notes to Financial Statements, page 6

Year ended March 31, 2025, with comparative information for 2024

4. Tangible capital assets:

2025	Cost	Accumulated amortization	Net book value
Buildings and related improvements:			
Pineridge Club	\$ 851,322	\$ 536,565	\$ 314,757
Penbrooke Club	784,448	552,933	231,515
Other	750,831	750,831	–
Vehicles	494,231	212,523	281,708
Office equipment and furniture	303,759	296,227	7,532
Assets under capital lease	442,750	265,127	177,623
Computer and software	1,111,016	1,111,016	–
Clubs equipment	126,247	126,247	–
Appliances	30,265	29,963	302
Leasehold building improvements	754,069	630,556	123,513
Playground	31,208	3,988	27,220
Assets under construction	344,256	–	344,256
	\$ 6,024,402	\$ 4,515,976	\$ 1,508,426
2024	Cost	Accumulated amortization	Net book value
Buildings and related improvements:			
Pineridge Club	\$ 851,322	\$ 508,188	\$ 343,134
Penbrooke Club	784,448	526,785	257,663
Other	750,831	319,236	431,595
Vehicles	419,104	188,222	230,882
Office equipment and furniture	303,759	284,199	19,560
Assets under capital lease	442,750	220,852	221,898
Computer and software	1,111,016	1,101,326	9,690
Clubs equipment	126,247	126,247	–
Appliances	30,265	28,252	2,013
Leasehold building improvements	754,069	584,551	169,518
Playground	31,208	1,907	29,301
Assets under construction	13,167	–	13,167
	\$ 5,618,186	\$ 3,889,765	\$ 1,728,421

TRELLIS SOCIETY FOR COMMUNITY IMPACT

Notes to Financial Statements, page 7

Year ended March 31, 2025, with comparative information for 2024

4. Tangible capital assets (continued):

During the year, the Entity leased two new vehicles for its Group Care operations valued at \$111,267 and transferred two properties to the Trellis Foundation for Community Impact (the "Foundation"):

- (i) Rundle Group Home with original cost of \$221,781 and net book value of \$1,438;
- (ii) Bearlodge Group Home with original cost of \$510,512 and net book value of \$411,104

Total amortization expenses recognized for the year was \$249,483 (2024 – \$315,937).

5. Lease receivable:

In 2021, the Entity leased out building and equipment assets related to Camp Adventure to Connect Charter School Society. Total proceeds were \$1,000,000 with \$150,000 paid on August 1, 2021 and \$850,000 set up as a 10-year lease receivable with 3% annual interest rate in years 1-3, and 10% in years 4-10. The principal lease amount received during the year was \$59,738 (2024 – \$65,606).

During 2025, the Entity recognised interest income on lease receivables of \$55,530 (2024 – \$50,064). The following table shows the undiscounted lease payments to be received:

2026	\$	69,263
2027		76,516
2028		84,528
2029		93,379
2030		103,157
Thereafter		154,538
	\$	581,381
Less: current portion		69,263
	\$	512,118

6. Accounts payable and accrued liabilities:

Government remittances included in accounts payable and accrued liabilities at year end were \$88,506 (2024 – \$112,980) for payroll.

TRELLIS SOCIETY FOR COMMUNITY IMPACT

Notes to Financial Statements, page 8

Year ended March 31, 2025, with comparative information for 2024

7. Deferred contributions – program advances:

Deferred contributions – program advances represent resources for operations received in one period that will be utilized in a subsequent period, as well as externally restricted contributions that were not spent as at March 31, 2025. Changes in this deferred contribution balance are as follows:

	2025	2024
Balance, beginning of year	\$ 3,213,854	\$ 3,508,767
Received during the year	32,787,759	24,818,879
Recognized as revenue during the year	(32,582,185)	(25,113,792)
Balance, end of year	\$ 3,419,428	\$ 3,213,854

8. Deferred donations related to tangible capital assets:

	2025	2024
Deferred donations related to tangible capital assets:		
Balance, beginning of year	\$ 1,836,886	\$ 2,049,050
Capital donations received	19,014	77,743
Less: amortization for the year	(179,272)	(185,238)
Disposals and write-downs	(63,594)	(104,669)
Balance, end of year	\$ 1,613,035	\$ 1,836,886

TRELLIS SOCIETY FOR COMMUNITY IMPACT

Notes to Financial Statements, page 9

Year ended March 31, 2025, with comparative information for 2024

9. Loans:

	2025	2024
Mortgage payable on Pineridge for Bear Lodge Group Home Centre, bearing interest at 4.00% per annum with a renewal date of November 1, 2024 and a monthly blended payments of principal and interest in the amount of \$1,711 and secured against the underlying asset.	\$ —	\$ 239,791
Mortgage payable on Rundle for Rundle Group Home Centre, bearing interest at 4.00% per annum with a renewal date of November 1, 2024 and monthly blended payments of principal and interest in the amount of \$1,167 and secured against the underlying asset.	—	260,913
Mortgage on Bear Lodge and Rundle Group Homes was paid off as a result of transfer of the buildings to the Foundation (refer to Note 4)	—	500,704
Less: current portion	—	14,766
Balance, end of year	\$ —	\$ 485,938

Total interest paid on loans for the year was \$13,760 (2024 – \$27,346).

10. Capital lease obligations:

During the year ended March 31, 2025, Entity expanded its vehicle fleet by entering two capital leases bearing interest rate of 8.19% and 7.79%. The capital lease obligations are secured by the respective assets.

TRELLIS SOCIETY FOR COMMUNITY IMPACT

Notes to Financial Statements, page 10

Year ended March 31, 2025, with comparative information for 2024

10. Capital lease obligations (continued):

Principal repayments required are as follows:

2026	\$ 22,900
2027	18,845
2028	15,941
2029	13,701
2030	2,303
Thereafter	86,423
	<hr/> 160,113
Less: current portion	22,900
	<hr/> \$ 137,213

11. Gifts in kind:

Included in donations and other income is \$47,248 (2024 – \$54,537) of gifts in kind.

12. Comparative figures

Certain 2024 figures have been reclassified, where necessary to confirm to the 2025 presentation. Presentation of the expenses section of the Statement of Revenues and Expenses has been changed to reflect the new service streams that better represent how the Entity conducts its business. The former presentation was inherited from one of the legacy agencies and is no longer aligned with Entity's service delivery. These changes did not impact the Entity's annual (deficiency) excess of revenues over expenses.

13. Surplus:

Certain of the Entity's funding sources retain the right under contract to reclaim any funded program surplus consisting of grants in excess of actual funded expenditures. The Entity, in accordance with surplus retention agreements with its funders, may obtain permission from funding sources to allocate surpluses and apply them to specific purposes. Any surpluses incurred at the year ended March 31, 2025 have been handled in accordance with the agreements and have only been carried over upon funders' consent.

TRELLIS SOCIETY FOR COMMUNITY IMPACT

Notes to Financial Statements, page 11

Year ended March 31, 2025, with comparative information for 2024

14. Charitable Fund-raising Act and Regulations compliance:

Section 8 of the Charitable Fund-raising Act and Sections 6(2) and 7(2) of the Charitable Fund-raising Regulations require the financial information return and audited financial statements to contain certain information related to contributions and related expenses.

Total compensation paid to employees whose principal duties involve fundraising was \$668,008 (2024 – \$563,622). Total expenses incurred for the purpose of soliciting contributions were \$192,033 (2024 – \$235,503).

15. Income taxes:

The Entity is registered as a charitable organization under the Income Tax Act (the "Act") and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Entity must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

16. Related party transactions:

Related party transactions are with the Trellis Foundation for Community Impact (the "Foundation"), which is related to the Entity by way of common charitable objectives and common management:

- (i) The Entity leases group homes from the Foundation for which rental payments of \$656,647 (2024 – \$487,340) were paid during the year. \$31,125 (2024-\$nil) in donations were transferred to the Foundation as the majority funds are intended for the Bowness building project.
- (ii) The Foundation donated \$750,000 (2024 – \$200,000) to the Entity, of which \$400,000 (2024 – \$nil) is included in accounts receivable at year-end. Of the \$750,000 donation, \$250,000 donation is considered Trellis Soirée Event fundraising and \$500,000 is a gift to support strategic initiatives of the Entity. Both gifts are reflected in the donations revenue.
- (iii) The Entity received \$611,646 (2024 – \$451,340) rental support payments from the Foundation, of which \$nil (2024 – \$nil) is included in accounts receivable at year-end. The \$611,646 rental support payments above are shown as Trellis Foundation Support revenue.
- (iv) The Entity made a loan advance of \$3,000,000 in 2023 to the Foundation to support its Charitable objectives. The amount bears no interest and is payable to the Entity in consecutive yearly instalments of \$20,000 each commencing on March 31, 2024 and continuing on the 31st of March each following year with the balance outstanding on March 31, 2074 being fully paid on to the Entity by that date. The balance in associated long-term receivable account as of March 31, 2025 was \$2,960,000 (2024 - \$2,980,000).

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Year ended March 31, 2025, with comparative information for 2024

16. Related party transactions (continued):

- (v) The Entity donated \$nil (2024 - \$1,000,000) to Foundation to support its Charitable objectives.
- (vi) In 2024, the Entity made a \$200,000 advance payment to Trellis Foundation, which was paid off in full in 2025.

17. Financial instruments:

(a) Liquidity risk:

Liquidity risk is the risk that the Entity will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Entity manages its liquidity risk by monitoring its operating requirements. The Agency prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

The Entity continues to use its capital assets and management has assessed no impairment triggers on these assets as at March 31, 2025. The Entity continues to manage liquidity risk by forecasting and assessing cash flow requirements on an ongoing basis.

(b) Credit risk:

The Entity is exposed to credit risk as it relates to cash and cash equivalents and accounts receivable. Cash is held with Canadian financial institutions, and accounts receivable is due from funders and donors with no history of non-payment.

(c) Interest rate risk:

Interest rate risk reflects the sensitivity of the Entity's financial results and operations to movements in interest rates. The Entity had no operating line with variable borrowings rates as at year end. As a result, there is no exposure to changes in interest rates on facilities.

Investments have varying maturity dates. Accordingly, if interest rates decline, the Entity may not be able to reinvest the maturing investment at a rate similar to that of the balance maturing.

There is no significant change in risk exposure from prior years.

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18. Commitments:

The Entity has various operating leases for premises expiring on or before September 30, 2029.

These leases commit the Entity to the following estimated minimum annual base plus operating cost rent payments, as follows:

2026	\$ 474,833
2027	428,526
2028	450,135
2029	495,623
Thereafter	\$ 190,067

19. Contingencies:

The Entity is engaged in certain claims and legal actions in the ordinary course of operations. Management believes that the ultimate outcome of these actions will not have a material adverse effect on the results of operations or financial position of the Entity.