Financial Statements of

INN FROM THE COLD SOCIETY

And Independent Auditors' Report thereon

Year ended March 31, 2022

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Inn from the Cold Society

Qualified Opinion

We have audited the financial statements of Inn from the Cold Society (the Entity), which comprise:

- the statement of financial position as at March 31, 2022;
- the statement of operations 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, except for the possible effects of the matter described in the "*Basis for Qualified Opinion*" section of our auditors' report, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at March 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Entity derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Entity.

Therefore, we were not able to determine whether any adjustments might be necessary to:

- the current assets reported in the statements of financial position as at March 31, 2022 and 2021;
- the donation and fundraising revenues and excess (deficiency) of revenues over expenses reported in the statements of operations for the years ended March 31, 2022 and 2021;
- the unrestricted net assets, at the beginning and end of the year, reported in the statements of changes in net assets for the years ended March 31, 2022 and 2021; and
- the excess (deficiency) of revenues over expenses reported in the statements of cash flows for the years ended March 31, 2022 and 2021.

Our opinion on the financial statements for the year ended March 31, 2021 was qualified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "*Auditors' Responsibilities for the Audit of the Financial Statements*" section of our auditors' 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 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 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.

Auditors’ 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 auditors’ 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 auditors' 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 auditors' 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 28, 2022

INN FROM THE COLD SOCIETY

Statement of Financial Position

As of March 31, 2022, with comparative information for 2021

	Operating fund	Capital fund	Thrive fund	2022	2021
Assets					
Current assets:					
Cash and cash equivalents	$ 1,176,393	$ 15,750	$ 100,056	$ 1,292,199	$ 1,897,605
Investments	-	-	-	-	5,796
Internally restricted cash and cash equivalents (note 3)	1,008,086	44,251	-	1,052,337	1,348,895
Internally restricted investments (note 3)	2,676,346	-	1,003,602	3,679,948	2,661,143
Externally restricted cash and cash equivalents (note 3)	470,855	74,481	660,310	1,205,646	317,899
Goods and services tax recoverable	10,496	1,920	2,360	14,776	20,861
Prepaid expenses and other current assets	206,431	-	1,905	208,336	436,131
	5,548,607	136,402	1,768,233	7,453,242	6,688,330
Capital assets (note 4)	-	6,400,157	-	6,400,157	7,751,343
	$ 5,548,607	$ 6,536,559	$ 1,768,233	$13,853,399	$14,439,673
Liabilities and Net Assets					
Current liabilities:					
Accounts payable and accrued liabilities (note 5)	$ 606,975	$ 6,173	$ 40,482	$ 653,630	$ 529,972
Accrued liabilities for repayment of funding (note 6)	25,807	-	-	25,807	181,912
Deferred revenue (note 7)	470,855	74,481	660,310	1,205,646	317,899
Mortgage payable (note 9)	-	516,853	-	516,853	735,616
	1,103,637	597,507	700,792	2,401,936	1,765,399
Deferred capital contributions (note 8)	-	2,578,187	-	2,578,187	3,879,257
	1,103,637	3,175,694	700,792	4,980,123	5,644,656
Net assets:					
Internally restricted	3,684,432	44,251	1,003,602	4,732,285	5,010,038
Invested in capital assets	-	3,305,117	-	3,305,117	3,136,470
Unrestricted	760,538	11,497	63,839	835,874	648,509
	4,444,970	3,360,865	1,067,441	8,873,276	8,795,017
Commitments (note 13)					
Subsequent event (note 4)					
	$ 5,548,607	$ 6,536,559	$ 1,768,233	$13,853,399	$14,439,673

See accompanying notes to financial statements

Approved on behalf of the Board of Directors:

________________ Director

________________ Director

INN FROM THE COLD SOCIETY

Statement of Operations

For the year ended March 31, 2022, with comparative information for 2021

	Operating fund	Capital fund	Thrive Fund	2022	2021
Revenues:					
Donations (note 12)	$ 3,371,263	$ –	$ –	$ 3,371,263	$ 3,925,449
Fundraising and grants (note 12)	817,140	–	10,000	827,140	1,242,723
Provincial Emergency Supporting Housing Grant	1,520,027	–	–	1,520,027	1,520,027
Calgary Homeless Foundation funding (note 11)	941,240	–	–	941,240	946,693
Amortization of deferred capital contributions (note 8)	–	1,310,720	–	1,310,720	568,030
Federal wage subsidies (note 14)	281,719	–	–	281,719	272,861
Gifts in kind	50,434	–	–	50,434	70,323
Rental and other income	29,611	14,915	(80)	44,446	42,000
Interest	26,249	326	5,507	32,082	37,974
	7,037,683	1,325,961	15,427	8,379,071	8,626,080
Program expenses:					
Salaries and wages	3,661,027	–	–	3,661,027	3,754,584
Other operating expenses	617,643	–	–	617,643	846,547
Amortization (note 4)	–	1,423,931	–	1,423,931	668,361
Diversion efforts	609,741	–	–	609,741	644,298
Fundraising	128,766	–	206	128,972	151,668
Direct client support	98,330	–	–	98,330	133,721
Utilities	99,450	–	–	99,450	78,366
Travel	25,036	–	–	25,036	24,109
	5,239,993	1,423,931	206	6,664,130	6,301,654
Administrative expenses:					
Salaries and wages	938,973	–	–	938,973	905,590
Administrative	398,530	9,050	247,780	655,360	500,752
Advertising and promotion	25,451	–	–	25,451	27,109
Amortization	–	8,585	–	8,585	21,062
Utilities	8,313	–	–	8,313	7,917
	1,371,267	17,635	247,780	1,636,682	1,462,430
Excess (deficiency) of revenues over expenses before transfers	$ 426,423	$ (115,605)	$ (232,559)	$ 78,259	$ 861,996
Fund balances, beginning of year	$ 4,537,310	$ 4,257,707	$ –	$ 8,795,017	$ 7,933,021
Interfund transfers	(518,763)	(781,237)	1,300,000	–	–
Fund balance, end of year	$ 4,444,970	$ 3,360,865	$ 1,067,441	$ 8,873,276	$ 8,795,017

See accompanying notes to financial statements

INN FROM THE COLD SOCIETY

Statement of Changes in Net Assets

For the year ended March 31, 2022, with comparative information for 2021

	Invested in capital assets	Internally restricted	Unrestricted	2022	2021
Net assets, beginning of year	$ 3,136,470	$ 5,010,038	$ 648,509	$ 8,795,017	$ 7,933,021
Excess (deficiency) of revenues over expenses	(121,796)	22,247	177,808	78,259	861,996
Acquisition of capital assets	81,330	–	(81,330)	–	–
Addition of deferred capital contributions	(9,650)	–	9,650	–	–
Repayment of mortgage payable	218,763	–	(218,763)	–	–
Interfund transfers	–	(300,000)	300,000	–	–
	$ 3,305,117	$ 4,732,285	$ 835,874	$ 8,873,276	$ 8,795,017

See accompanying notes to financial statements

INN FROM THE COLD SOCIETY

Statement of Cash Flows

For the year ended March 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in) the following activities:		
Operating:		
Excess of revenues over expenses	$ 78,259	$ 861,996
Items not involving cash:		
Amortization expense	1,432,516	689,423
Amortization of deferred contributions	(1,310,720)	(568,030)
Gain on disposal of capital assets	(14,915)	(5,826)
Changes in non-cash working capital:		
Goods and services tax recoverable	6,085	17,126
Prepaid expenses and other current assets	227,795	(213,903)
Accounts payable and accrued liabilities	123,658	156,235
Accrued liabilities for repayment of funding	(156,105)	133,372
Deferred revenue	887,747	(310,786)
	1,274,320	759,607
Financing:		
Repayment of mortgage payable	(218,763)	(212,305)
Investing:		
Purchase of capital assets	(81,330)	(33,660)
Proceeds on disposal of capital assets	14,915	5,826
Sale (purchase) of investments	5,796	(5,796)
Purchase on sale of internally restricted investments	(1,018,805)	(2,020,913)
Deferred capital contributions received	9,650	64,624
	(1,069,774)	(1,989,919)
Decrease in cash and cash equivalents	(14,217)	(1,442,617)
Cash and cash equivalents, beginning of year	3,564,399	5,007,016
Cash and cash equivalents, end of year	$ 3,550,182	$ 3,564,399
Cash and cash equivalents consist of:		
Cash and cash equivalents	$ 1,292,199	$ 1,897,605
Internally restricted cash and cash equivalents	1,052,337	1,348,895
Externally restricted cash and cash equivalents	1,205,646	317,899
	$ 3,550,182	$ 3,564,399

See accompanying notes to financial statements

1. Nature of the organization:

Inn from the Cold Society (the “Society”) is incorporated under The Societies Act of Alberta. The Society offers emergency shelter, essential needs, supported housing, and a comprehensive continuum of collateral services to families experiencing homelessness. The Society’s mission is to provide shelter, sanctuary, and healing to assist homeless children and their families achieve independence.

The Society has three established funds as follows:

(i) Operating Fund:

The Operating Fund accounts for the Society’s program delivery and administrative activities related to its operations. The Board of Directors may transfer a portion of the accumulated Operating Fund balance to the Capital Fund and/or Thrive Fund.

(ii) Capital Fund:

The Capital Fund reports the assets, liabilities, revenues and expenses related to the Society’s capital assets and projects under development.

(iii) Thrive Fund:

The Thrive Fund reports the assets, liabilities, revenues and expenses related to the Society’s activities to develop long-term sustainability for its facilities.

2. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) in Part III of the CPA Handbook and, in management’s opinion, have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

(a) Revenue recognition:

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the period 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.

Donations in kind are recorded at fair value when fair value can be reasonably determined and the donated items would have otherwise been purchased.

Deferred revenues represent designated donations received in the current year which are used to subsidize families and fund operations in a subsequent year. Recognition of these amounts as revenue is deferred to subsequent years when the related expenses are incurred.

2. Significant accounting policies (continued):

(a) Revenue recognition (continued):

Donations restricted for the purchase of capital assets are recorded as deferred capital contributions and amortized into revenue in order to match the amortization recorded on the capital assets, which were purchased with restricted funds.

The Society applies for financial assistance under available government incentive programs. Government assistance relating to expenses of the period is recorded as federal wage subsidies revenue in the statement of operations.

Revenue from all other sources is included in the year in which it is received or receivable if the amount to be received can be reasonably estimated and collections are reasonable assured.

(b) Cash and cash equivalents:

Cash consists of cash on hand and balances with banks. Cash equivalents consist of gift cards.

(c) Capital assets:

Purchased capital assets are recorded at cost. The cost from contributed capital assets is considered to be fair value at the date of contribution. These contributions are deferred and amortized over the useful life of the asset at the same method and rate as the expense.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives. Building improvements are amortized using the straight-line method over the remaining estimated useful life of the building. Assets under construction are not amortized until the asset is available for productive use.

Building	20 years
Building improvements	Remaining life of building
Tenant improvements	5 years
Vehicles	5 years
Furniture and equipment	3 - 5 years
Computer equipment	3 years

The Society regularly reviews its capital assets to eliminate obsolete items. Capital assets acquired during the year are not amortized until they are available for use. Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable and exceeds its fair value. When a capital asset no longer contributes to the Society's ability to provide services, its carrying amount is written down to its residual value.

2. Significant accounting policies (continued):

(d) Contributed services:

Volunteers contribute a significant number of hours per year to assist the Society in carrying out its program activities. Due to the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

(e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Society has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs. These costs are amortized using the effective interest rate method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial impairment charge.

(f) Measurement uncertainty:

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant items subject to such estimates and assumptions include the estimated useful lives of capital assets. 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.

(g) Goods and Services Tax:

Goods and Services Tax is recoverable at 50% as a rebate of amounts paid. The unrecoverable portion is recorded as an expense with the rebate treated as a receivable.

2. Significant accounting policies (continued):

(h) Income taxes:

The Society is registered as a charitable society under the Income Tax Act of Canada (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 Society must meet the certain requirements within the Act. In the opinion of management, these requirements have been met.

3. Restricted cash and cash equivalents and investments:

Restricted cash and cash equivalents and investments consist of the following restricted amounts:

	2022	2021
Internally restricted for operations		
Cash and cash equivalents	$ 1,008,086	$ 1,304,885
Investments	3,679,948	2,661,143
	4,688,034	3,966,028
Internally restricted for capital projects		
Cash and cash equivalents	44,251	44,010
Restricted by external sources for operations		
Cash and cash equivalents	1,131,165	295,768
Restricted by external sources for capital projects		
Cash and cash equivalents	74,481	22,131
	$ 5,937,931	$ 4,327,937

The Society's Board of Directors internally restricts funds with the objective of having a reserve for operations to cover approximately six months of estimated future operating costs, and to ensure access to funds for required capital projects.

Restrictions by external sources consist of third-party contributions designated for specific purposes, including Project Thrive Capital Campaign contributions of $660,310 to be transferred to HomeSpace Society ("HomeSpace") to be used in the purchase and redevelopment of the Family Hub Building (note 15).

3. Restricted cash and cash equivalents and investments (continued):

The Society's investments are comprised of five Guaranteed Investment Certificates ("GICs") totaling $3,679,948 that are scheduled to mature on January 23, 2023 and earn interest at 1.05% per annum, respectively (2021 – two GIC's totaling $2,006,645 and $654,498 that were scheduled to mature on April 4, 2021 and May 23, 2021 and earned interest at 0.45% and 0.40% per annum, respectively).

The Society's GIC investments have been internally restricted by the Society's Board of Directors.

4. Capital assets:

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Land	$ 3,330,000	$ –	$ 3,330,000	$ 3,330,000
Building	5,753,714	3,541,021	2,212,693	2,916,756
Building improvements	2,152,440	1,554,422	598,018	1,120,964
Tenant improvements	34,031	15,314	18,717	25,523
Vehicles	124,143	92,912	31,231	42,438
Furniture and equipment	734,457	606,026	128,431	220,196
Computer equipment	380,457	352,797	27,660	95,466
Assets under construction	53,407	–	53,407	–
	$ 12,562,649	$ 6,162,492	$ 6,400,157	$ 7,751,343

During the year, capital assets were acquired at an aggregate cost of $81,330 (2021 – $33,660), $81,329 (2021 – $33,660) of which were acquired with cash and $nil (2021 – $nil) of which were gifts in kind.

Impairment of capital assets:

During the year ended, the Society appraised the building properties at 110-11th Avenue SE and 113-10th Avenue SE for a value of $3.6 million with the intent to sell the building subsequent to year end. As a result, the Society tested the related capital assets for impairment and recognized an impairment loss of $416,430 for the buildings and $370,593 for the building improvements, which is included in amortization in the Statement of Operations. The properties were listed for sale on an active market April 13, 2022.

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of $8,921 (2021 – $7,899), which include amounts payable related to payroll.

6. Accrued liabilities for repayment of funding:

The Society has accrued $25,807 (2021 – $181,912) payable to Calgary Homeless Foundation in relation to program surpluses.

7. Deferred revenue:

The Society's contributors restrict certain contributions for specific purposes. Recognition of these amounts is deferred to years in which the specified expenses are incurred. In 2022, the Society received $660,310 of funds to be transferred to HomeSpace for the redevelopment costs under the Family Hub Intention Agreement (note 15).

Changes in unspent deferred revenue are as follows:

	Operating	Capital	Thrive
Balance, March 31, 2020	$ 590,675	$ 38,010	–
Amounts received during the year	1,166,829	31,506	–
Amounts re-designated for use for capital	(19,699)	19,699	–
Amounts re-designated for use for operating	2,460	(2,460)	–
Amounts recognized as revenue during the year	(1,444,497)	–	–
Capital contributions invested during the year	–	(64,624)	–
Balance, March 31, 2021	295,768	22,131	–
Amounts received during the year	1,072,529	40,000	660,310
Amounts re-designated for use for capital	(22,000)	22,000	–
Amounts recognized as revenue during the year	(875,442)	–	–
Capital contribution invested in current year	–	(9,650)	–
Balance, March 31, 2022	$ 470,855	$ 74,481	$ 660,310

8. Deferred capital contributions:

The Society's contributors have provided the following amounts for acquisition of capital assets. Recognition of these amounts is deferred and amortized into revenues on the same basis as the amortization expense recognized on the capital assets the contributions were used to purchase.

For the year ended March 31, 2022, with comparative information for 2021

8. Deferred capital contributions (continued):

	2022	2021
Balance, beginning of year	$ 3,879,257	$ 4,382,663
Amounts invested in capital assets during the year	9,650	64,624
Amounts recognized as revenue during the year	(1,310,720)	(568,030)
Balance, end of year	$ 2,578,187	$ 3,879,257

Deferred contributions of $787,023 related to the building write-down (note 4) have been taken into income.

9. Mortgage payable:

	2022	2021
$1,500,000 demand mortgage payable bearing interest at 3% per annum, secured by the underlying asset. Unless the lender demands early repayment, monthly blended installments of $19,820 are due starting July 2017 and ending June 2024. The mortgage may be repaid at any time without penalty.	$ 516,853	$ 735,616

Notwithstanding the demand feature, the mortgage is payable over the next three years as follows:

2023	$ 225,417
2024	232,273
2025	59,163
	$ 516,853

10. Financial instruments:

The Society's financial instruments consist of cash and cash equivalents, investments, internally and externally restricted cash and cash equivalents, internally restricted investments, mortgage payable, accounts payable and accrued liabilities, and accrued liabilities for repayment of funding. The fair value of these instruments approximates their carrying value unless otherwise noted due to their short-term nature. The Society is exposed to credit risk with respect to its cash and cash equivalents, investments, and internally restricted investments, which are deposited with Canadian commercial banks. Liquidity risk is the risk that the Society will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Society manages its liquidity risk by monitoring its operating requirements. The Society prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. The Society's internally restricted investments earn interest at fixed rates and the Society's mortgage payable bears interest at a fixed rate; accordingly, the Society is not exposed to significant interest-rate or foreign exchange risk. There has been no change to the risk exposures from 2021.

11. Calgary Homeless Foundation funding:

(a) Calgary Homeless Foundation – Housing with Intensive Supports:

	2021 Actual	2022 Actual	Budget (Unaudited)
Contributions	$ 850,560	$ 850,560	$ 850,560
Unspent funding to be repaid (note 6)	(117,583)	(21,468)	–
Revenues recognized	732,977	829,092	850,560
Expenses			
Staff costs	387,225	391,953	414,601
Client costs	260,696	352,121	350,941
Administration costs	85,056	85,018	85,018
	732,977	829,092	850,560
	$ –	$ –	$ –

11. Calgary Homeless Foundation funding (continued):

(b) Calgary Homeless Foundation – Adaptive Case Management:

	2021 Actual	2022 Actual	Budget (Unaudited)
Contributions	$ –	$ 116,487	$ 116,487
Unspent funding to be repaid (note 6)	–	(4,339)	–
Revenues recognized	–	112,148	116,487
Expenses			
Client costs	–	63,135	66,540
Staff costs	–	37,364	38,298
Administration costs	–	11,649	11,649
	–	112,148	116,487
	$ –	$ –	$ –

(c) Calgary Homeless Foundation – Journey House 1:

	2021 Actual	2022 Actual	Budget (Unaudited)
Contributions	$ 127,910	$ –	$ –
Unspent funding to be repaid (note 6)	(22,235)	–	–
Revenues recognized	105,675	–	–
Expenses			
Client costs	47,815	–	–
Staff costs	45,074	–	–
Administration costs	12,786	–	–
	105,675	–	–
	$ –	$ –	$ –

11. Calgary Homeless Foundation funding (continued):

(d) Calgary Homeless Foundation – Journey House 2:

	2021 Actual	2022 Actual	Budget (Unaudited)
Contributions	$ 150,135	$ –	$ –
Unspent funding to be repaid (note 6)	(42,094)	–	–
Revenues recognized	108,041	–	–
Expenses			
Client costs	60,957	–	–
Staff costs	32,077	–	–
Administration costs	15,007	–	–
	108,041	–	–
	$ –	$ –	$ –

Expenses are eligible under the Housing with Intensive Supports and Adaptive Case Management programs (collectively, the “Programs”) if they were incurred in the period of the particular program and are related directly to the operation of the program. The expenses in these schedules are consistent with the approved budget for the Programs and signed agreements with the Calgary Homeless Foundation.

12. Fundraising activities:

In accordance with the requirements of the Charitable Fund-raising Act and Regulation, the Society is required to disclose the following information.

Gross contributions received during the year ended March 31, 2022 were $4,198,403 (2021 – $5,168,172). Of these contributions, $3,694,595 (2021 – $4,547,991) were used for program expenses and the remaining $503,808 (2021 – $620,181) were used for administrative expenses.

12. Fundraising activities (continued):

Expenses incurred for the purposes of soliciting contributions were $128,972 (2021 – $151,668). In addition to this amount, remuneration paid to employees during the year whose principal duties involve fundraising was $285,561 (2021 – $274,781).

13. Commitments:

At March 31, 2022, the Society has various commitments related to operating leases for certain office premises, software licensing and contractor agreements expiring on or before March 31, 2049.

Effective May 17, 2021, the Society entered into the Family Hub Intention Agreement with HomeSpace (note 15). This agreement holds the Society responsible for fundraising obligations in relation to the Family Hub redevelopment campaign as well as future lease commitments.

The Society is also subject to lease commitments per the agreement, including the Workplace Lease and the 4th Floor Lease. The 4th Floor Lease shall include at a minimum a lease term of at least one year. The Workplace Lease shall include, at a minimum, the following:

- A lease term for 40 years commencing on the date when the lease premises are ready for full occupancy;
- Basic rent shall be set out in the Workplace lease and fixed for the first 27 years (annual payment of $208,972 for base rent and an estimated amount of $92,993 for recovery of operating costs), with the basic rent for the remaining 13 years to be negotiated based on the parameters set out in the Workplace lease;
- Operating cost recovery for the Society's proportionate share of operating costs; and
- The Society shall have the right to surrender the Workplace Lease at any time on not less than 12-month notice to HomeSpace.

At March 31,2022 the Society's other estimated minimum commitments for operating space, software licensing and contractor agreements are as follows:

2023	$ 165,612
2024	139,866
2025	60,036

14. COVID-19 and government assistance:

While the disruption caused by COVID-19 is currently expected to be temporary, there is considerable uncertainty around its duration. The COVID-19 pandemic presents uncertainty over future cash flows, may cause significant changes to the Society's assets or liabilities and may have a significant impact on its future operations. The COVID-19 pandemic has resulted in the Society changing how it operates such as physically distancing clients, facilitating remote working for those staff members that are able and implementing appropriate safety protocols. Further, as large public gatherings were not allowed during much of the year the Society's Gala fundraising

14. COVID-19 and government assistance (continued):

event could not be held resulting in a significant loss of revenue. The COVID-19 pandemic has also resulted in more available funding opportunities to apply for to offset the impacts of the pandemic from both government and private sources; the Society was successful in receiving financial support from many of these opportunities. Any related financial impact of COVID-19 on the Society or broader economic influences in future periods cannot be reasonably estimated at this time.

As at the reporting date, the Society has determined that COVID-19 has had no impact on its accounting policies, contracts or lease agreements, the assessment of provisions and contingent labilities, or the timing of revenue recognition. The Society continues to manage liquidity risk by forecasting and assessing cash flow requirements on an ongoing basis. As at March 31, 2022, the Society continues to meet its contractual obligations within normal payment terms and the Society's exposure to credit risk remains largely unchanged.

In response to the impact of the COVID-19 pandemic on Canadian businesses, the Canadian government announced the Canada Emergency Wage Subsidy ("CEWS") program on March 27, 2020. Under this program, Canadian businesses may be eligible for the wage subsidies. To be eligible for the subsidy, the Society must demonstrate the eligibility of employees and eligible revenue reductions. The CEWS program was applicable for the period March 15, 2020 to September 25, 2021.

The 10% Temporary Wage Subsidy for Employers ("TWS") is a three-month measure that allows eligible employers to reduce the amount of payroll deductions they need to remit to the Canada Revenue Agency ("CRA").

The Society recognized CEWS and TWS amounts of $281,719 and $nil (2021 – $257,128 and $15,733) in respect of its employees for the period from April 1, 2021 to March 31, 2022, with CEWS amount being fully collected at March 31, 2022. Such subsidy amounts have been presented as federal wage subsidies revenue on the statement of operations. While qualifications and subsidy amounts may be subject to audit by the CRA, the Society is confident with respect to its entitlement to the subsidies received.

15. Family Hub Intentions Agreement:

Effective May 17, 2021, the Society entered into the Family Hub Intentions Agreement with HomeSpace in relation to the acquisition and development of the Multi-generational Family Hub Building at 706 7th Avenue SW (the "Redevelopment"). This agreement created the existence of a Project Thrive Capital Campaign Committee, a joint committee between HomeSpace and the Society to co-ordinate the Parties' fundraising efforts and other matters related to the Redevelopment and the Family Hub. HomeSpace will become the registered owner of the land and building and upon completion, the Society will lease the premise (note 13).

16. Comparative information:

Certain comparative information has been reclassified to be consistent with current year presentation. These reclassifications did not impact the Society's excess of revenue over expenses or net assets.