Financial Statements of

INN FROM THE COLD SOCIETY

And Independent Auditor's Report thereon

Year ended March 31, 2024

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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, 2024;
- 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 auditor's report, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at March 31, 2024, 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, 2024 and 2023;
- the donation and fundraising revenues and excess (deficiency) of revenues over expenses reported in the statements of operations for the years ended March 31, 2024 and 2023;
- 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, 2024 and 2023; and
- the excess (deficiency) of revenues over expenses reported in the statements of cash flows for the years ended March 31, 2024 and 2023.

Our opinion on the financial statements for the year ended March 31, 2023 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 "***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 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.

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 27, 2024

INN FROM THE COLD SOCIETY

Statement of Financial Position

As of March 31, 2024, with comparative information for 2023

	Operating fund	Capital fund	Thrive fund	2024	2023
Assets					
Current assets:					
Cash and cash equivalents	$ 1,397,095	$ 31,032	$ 185,662	$ 1,613,789	$ 1,463,177
Investments	–	–	–	–	122,084
Internally restricted cash and cash equivalents (note 3)	1,257,585	46,159	–	1,303,744	1,070,656
Internally restricted investments (note 3)	3,695,334	–	2,800,000	6,495,334	2,945,718
Externally restricted cash and cash equivalents (note 3)	–	37,481	5,000	42,481	17,481
Goods and services tax recoverable	19,234	185	–	19,419	29,233
Prepaid expenses and other current assets (note 15)	390,963	–	68,540	459,503	368,112
Asset held for sale (note 4)	–	–	–	–	2,000,000
	6,760,211	114,857	3,059,202	9,934,269	8,016,461
Capital assets (note 4)	–	3,201,350	–	3,201,350	3,464,776
Other long-term assets (note 15)	800,000	–	–	800,000	1,000,000
	$ 7,560,211	$ 3,316,206	$ 3,059,202	$ 13,935,619	$ 12,481,237
Liabilities and Net Assets					
Current liabilities:					
Accounts payable and accrued liabilities (note 5)	$ 439,705	$ 6,660	$ 4,183	$ 450,548	$ 618,500
Accrued liabilities for repayment of funding (note 6)	15,792	–	–	15,792	19,014
Deferred revenue (note 7)	1,241,568	37,481	5,000	1,284,049	764,439
Mortgage payable (note 9)	–	59,164	–	59,164	291,437
	1,697,065	103,305	9,183	1,804,553	1,693,390
Deferred capital contributions (note 8)	–	1,928,193	–	1,928,193	2,230,331
	1,697,065	2,031,498	9,183	3,737,746	3,923,721
Net assets:					
Internally restricted	5,752,918	46,159	2,800,000	8,599,077	4,016,374
Invested in capital assets	–	1,213,994	–	1,213,994	2,943,008
Unrestricted	110,228	24,555	250,019	384,802	1,598,134
	5,863,146	1,284,708	3,050,019	10,197,873	8,557,516
Commitments (note 14)					
	$ 7,560,210	$ 3,316,206	$ 3,059,202	$ 13,935,619	$ 12,481,237

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, 2024, with comparative information for 2023

	Operating fund	Capital fund	Thrive fund	2024	2023
Revenues:					
Donations (note 12 and 15)	$ 4,072,521	$ –	$ –	$ 4,072,521	$ 6,935,455
Fundraising and grants (note 12)	1,690,501	–	–	1,690,501	756,211
Provincial Emergency Supporting Housing Grant	2,964,056	–	–	2,964,056	1,669,734
Calgary Homeless Foundation funding (note 11)	693,738	–	–	693,738	690,516
Amortization of deferred capital contributions (note 8)	–	302,138	–	302,138	1,039,608
Federal wage subsidies (note 14)	23,927	–	–	23,927	8,989
Gifts in kind	140,809	–	–	140,809	56,432
Rental and other income (expenses)	177,977	(47,031)	–	130,946	76,218
Interest	266,814	2,397	68,541	337,752	137,961
	10,030,343	257,504	68,541	10,356,388	11,371,124
Project Thrive donations (note 15)	–	–	–	–	(2,745,751)
	10,030,343	257,504	68,541	10,356,388	8,625,373
Program expenses:					
Salaries and wages	4,048,311	–	–	4,048,311	3,635,962
Other operating expenses (note 4)	1,064,716	–	–	1,064,716	1,171,410
Amortization (note 4)	–	354,865	–	354,865	1,521,422
Diversion efforts	672,730	–	–	672,730	424,860
Fundraising	276,177	–	–	276,177	300,574
Direct client support	97,083	–	–	97,083	69,187
Utilities	147,805	–	–	147,805	143,191
Travel	14,338	–	–	14,338	21,716
	6,321,160	354,865	–	6,676,025	7,288,322
Administrative expenses:					
Salaries and wages	1,188,635	–	–	1,188,635	980,884
Administrative	746,838	5,118	–	751,956	587,895
Advertising and promotion	54,901	–	–	54,901	46,194
Amortization	–	34,510	–	34,510	24,183
Utilities	10,005	–	–	10,005	13,655
	2,000,379	39,628	–	2,040,006	1,652,811
Excess (Deficiency) of revenues over expenses before transfers	$ 1,708,804	$ (136,989)	$ 68,541	$ 1,640,357	$ (315,760)
Fund balances, beginning of year	$ 4,236,613	$ 2,992,393	$ 1,328,510	$ 8,557,516	$ 8,873,276
Interfund transfers	(82,273)	(1,570,696)	1,652,969	–	–
Fund balance, end of year	$ 5,863,145	$ 1,284,708	$ 3,050,019	$10,197,873	$ 8,557,516

See accompanying notes to financial statements.

INN FROM THE COLD SOCIETY

Statement of Changes in Net Assets

For the year ended March 31, 2024, with comparative information for 2023

	Invested in capital assets	Internally restricted	Unrestricted	2024	2023
Net assets, beginning of year	$ 2,943,008	$ 4,016,374	$ 1,598,134	$ 8,557,516	$ 8,873,276
Excess (deficiency) of revenues expenses	(87,237)	280,594	1,447,000	1,640,357	(315,760)
Disposition of capital assets, net of acquisitions	(1,874,050)	–	1,874,050	–	–
Repayment of mortgage payable	232,273	–	(232,273)	–	–
Interfund transfers (note 3)	–	4,302,109	(4,302,109)	–	–
	$ 1,213,994	$ 8,599,077	$ 384,802	$10,197,873	$ 8,557,516

See accompanying notes to financial statements.

INN FROM THE COLD SOCIETY

Statement of Cash Flows

For the year ended March 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in) the following activities:		
Operating:		
Excess/ (Deficiency) of revenues over expenses	$ 1,640,357	$ (315,760)
Items not involving cash:		
Amortization expense	389,375	1,545,605
Amortization of deferred contributions	(302,138)	(1,039,608)
Loss/(Gain) on disposal of capital assets	47,031	(6,175)
Impairment loss on land	–	330,000
Changes in non-cash working capital:		
Goods and services tax recoverable	9,814	(14,457)
Prepaid expenses and other current assets	108,608	(1,159,776)
Accounts payable and accrued liabilities	(167,952)	(35,130)
Accrued liabilities for repayment of funding	(3,222)	(6,793)
Deferred revenue	519,610	(441,207)
	2,241,483	(1,143,301)
Financing:		
Repayment of mortgage payable	(232,273)	(225,416)
Deferred capital contributions received (note 8)	–	691,752
	(232,273)	466,336
Investing:		
Purchase of capital assets (note 4)	(125,950)	(940,224)
Proceeds on disposal of capital assets	1,952,969	6,175
Sale (purchase) of investments	122,084	(122,084)
Sale of internally restricted investments	2,945,718	11,556,510
Purchase of internally restricted investments	(6,495,334)	(10,822,280)
	(1,600,513)	(321,903)
Increase/(Decrease) in cash and cash equivalents	408,697	(998,868)
Cash and cash equivalents, beginning of year	2,551,314	3,550,182
Cash and cash equivalents, end of year	$ 2,960,011	$ 2,551,314
Cash and cash equivalents consist of:		
Cash and cash equivalents	$ 1,613,789	$ 1,463,177
Internally restricted cash and cash equivalents	1,303,744	1,070,656
Externally restricted cash and cash equivalents	42,481	17,481
	$ 2,960,014	$ 2,551,314

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 the facilities connected to the Family Hub Intentions Agreement outlined in note 16. The fund also serves as an investment fund in which surpluses can be placed to create sustainability for programs and services.

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.

2. Significant accounting policies (continued):

(a) Revenue recognition (continued):

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.

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, fixtures, and equipment	3 - 5 years
Computer equipment	3 years

2. Significant accounting policies (continued):

(c) Capital assets (continued):

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.

(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.

2. Significant accounting policies (continued):

(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.

(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:

	2024	2023
Internally restricted for operations		
Cash and cash equivalents	$ 1,257,585	$ 1,025,776
Investments	3,695,334	2,945,718
	4,952,919	3,971,494
Internally restricted for capital projects		
Cash and cash equivalents	46,159	44,880
Internally restricted for future growth opportunities		
Cash and cash equivalents	2,800,000	–
Restricted by external sources for operations		
Cash and cash equivalents	5,000	5,000
Restricted by external sources for capital projects		
Cash and cash equivalents	37,481	12,481
	$ 7,841,559	$ 4,033,855

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

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.

The Society's Board of Directors internally restricted $1,900,000 from the building proceeds and an additional $900,000 from operating surpluses to address future opportunities for growth.

Restrictions by external sources consist of third-party contributions designated for specific purposes, including a capital grant of $25,000 for improvements to the affordable housing apartments, and Project Thrive Capital Campaign contributions of $5,000 (2023 – $5,000) transferable to HomeSpace Society ("HomeSpace") to be used in the purchase and redevelopment of the Family Hub Building (note 16).

The Society's investments are comprised of five Guaranteed Investment Certificates ("GICs") totaling $6,495,334 that are scheduled to mature and earn interest as follows:

GIC #1	$	1,900,000	4.95%	July 10, 2024
GIC #2	$	1,000,000	5.20%	October 7, 2024
GIC #3	$	250,000	5.70%	February 9, 2025
GIC #4	$	250,000	5.30%	February 9, 2025
GIC #5	$	3,095,334	5.20%	March 31, 2025
Total	**$**	**6,495,334**		

(2023 – one GIC totaling $2,945,718, matured on March 29, 2024, earning interest at 4.70% per annum).

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

4. Capital assets and assets held for sale:

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Land	$ 1,000,000	$ –	$ 1,000,000	$ 3,000,000
Building	1,967,610	623,586	1,344,024	1,442,367
Tenant improvements	351,608	105,440	246,168	215,139
Vehicles	75,143	66,326	8,817	20,024
Furniture, fixtures and equipment	1,497,125	918,903	578,222	766,719
Computer equipment	419,794	395,675	24,118	20,527
Less: Asset held for sale	–	–	–	2,000,000
	$ 5,311,280	$ 2,109,930	$ 3,201,350	$ 3,464,776

During the year, capital assets were acquired with cash at an aggregate cost of $125,950 (2023 – $940,224).

Effective March 27, 2023, the Society entered into a purchase and sale agreement for the properties and land at 110-11th Avenue SE and 113-10th Avenue SE with an arm's length party (the "Agreement"). On June 17, 2023, all conditions of the Agreement were satisfied, and the sale closed on July 4, 2023, with the proceeds of the sale, after all closing costs, totaling $1,952,969 and a resulting loss on disposal of $47,031.

Impairment of capital assets:

The Society tested the capital assets sold, as described above, for impairment and recognized no impairment loss (2023 - $1.6 million) based on the estimated fair value in the year. The impairment loss consists of $nil for the building (2023 – $671,983), $nil for the building improvements (2023 – $598,017), and $nil on land value (2022- $330,000). The write-down for the building and building improvements were included in amortization and the write-down of land was included in other operating expenses in the prior year's statement of operations.

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of $nil (2023 – $10,241), which include amounts payable related to payroll.

INN FROM THE COLD SOCIETY

For the year ended March 31, 2024, with comparative information for 2023

6. Accrued liabilities for repayment of funding:

The Society has accrued $15,792 (2023 – $19,014) payable to the 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 2024, the Society received $nil (2023 – $924,962) of funds, for which no amount (2023 - $1,580,272), was transferred during the year to HomeSpace for the redevelopment costs under the Family Hub Intention Agreement (note 16).

Changes in unspent deferred revenue are as follows:

	Operating	Capital	Thrive
Balance, March 31, 2022	$ 470,855	$ 74,481	$ 660,310
Amounts received during the year	918,212	629,752	924,962
Amounts recognized as revenue during the year	(642,108)	–	(1,580,272)
Capital contribution invested in current year	–	(691,752)	–
Balance, March 31, 2023	$ 746,959	$ 12,481	$ 5,000
Amounts received during the year	3,810,294	–	–
Amounts re-designated for use for capital	(25,000)	25,000	–
Amounts recognized as revenue during the year	(3,290,685)	–	–
Balance, March 31, 2024	$ 1,241,568	$ 37,481	$ 5,000

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.

	2024	2023
Balance, beginning of year	$ 2,230,331	$ 2,578,187
Amounts invested in capital assets during the year	–	691,752
Amounts recognized as revenue during the year	(302,138)	(1,039,608)
Balance, end of year	$ 1,928,193	$ 2,230,331

Deferred contributions of $nil (2023 – $798,980) related to the building write-down (note 4) have been taken into income.

9. Mortgage payable:

	2024	2023
$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.	$ 59,164	$ 291,437

The mortgage is payable over the next year as follows:

2025	$ 59,164
	$ 59,164

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 values of these instruments approximate 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 2023.

11. Calgary Homeless Foundation funding:

Calgary Homeless Foundation – Housing with Recovery Supports:

	2024	2023	Budget (Unaudited)
Contributions	$ 709,530	$ 709,530	$ 709,730
Unspent funding to be repaid (note 6)	(15,792)	(19,014)	–
Revenues recognized	693,738	690,516	709,730
Expenses			
Staff costs	288,927	286,970	285,982
Client costs	333,873	333,546	352,610
Administration costs	70,938	70,000	70,938
	693,738	690,516	709,530
	$ –	$ –	$ –

Expenses are eligible under the Housing with Recovery Supports (the "Program") if they were incurred in the period of the particular program and are related directly to the operation of the program.

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, 2024, were $5,763,022 (2023 – $7,691,666). Of these contributions, $5,071,459 (2023 – $6,768,666) were used for program expenses, and the remaining $691,563 (2023 – $923,000) were used for administrative expenses.

Expenses incurred for the purposes of soliciting contributions were $276,177 (2023 – $300,574). In addition to this amount, remuneration paid to employees during the year whose principal duties involve fundraising was $291,753 (2023 – $282,729).

13. Commitments:

At March 31, 2024, 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 March 3, 2022, the Society entered into the Family Hub Lease Agreement with HomeSpace Society (note 16).

The Society is subject to lease commitments per the lease agreement, including the Workplace Lease and the 4th Floor Lease. The 4th Floor Lease shall include; at a minimum, a lease term of one year and equals the rents for the 10 units providing supportive housing (annual payment of $101,112). The Workplace Lease includes 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 $93,000 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 months ' notice to HomeSpace Society.

At March 31, 2024, the Society's other estimated minimum commitments for operating space, software licensing, and contractor agreements are as follows:

2025	$ 183,411
2026	$ 12,193

14. Government assistance:

The Society received wage subsidy grants through the Canada Summer Jobs Grant programs, including Venture for Canada grants, for a total amount of $23,927 (2023 – $8,989).

15. Family Hub Intentions Agreement:

Effective May 17, 2021, the Society entered into the Family Hub Intentions Agreement with HomeSpace Society 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 coordinate the fundraising efforts and other matters related to the Redevelopment and the Family Hub. HomeSpace is the registered owner of the land and building and the Society leases the premises (note 14). Fundraising commitments made to HomeSpace, associated with the redevelopment costs, have been fulfilled and monies transferred over in the prior year.

In 2024, the Society has recognized a contribution receivable of $1,000,000 (2023 – $1,200,000).

The contribution receivable is comprised of $200,000 contained within Prepaid expenses and other current assets and $800,000 in other long-term assets.