

Calgary Alpha House Society
Financial Statements
Year Ended March 31, 2024

Calgary Alpha House Society
Index to Financial Statements
Year Ended March 31, 2024

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues and Expenses	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 14
Expenses (<i>Schedule 1</i>)	15

INDEPENDENT AUDITOR'S REPORT

To the Members of Calgary Alpha House Society

Qualified Opinion

We have audited the financial statements of Calgary Alpha House Society (the "Society"), which comprise the statement of financial position as at March 31, 2024, and the statements of revenues and expenses, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Society derives revenue from fundraising activities 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 Society. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2024, current assets and net assets as at March 31, 2024. Our audit opinion on the financial statements for the year ended March 31, 2024 was modified accordingly because of the possible effects of this limitation of 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 report. We are independent of the Society in accordance with 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 audit 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 ASNPO, 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

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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 these 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 Society'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 Society'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 Society 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.

We 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.

Mahmud Khalfan Prof Corp

Calgary, Alberta
June 26, 2024

Mahmud Khalfan Professional Corporation
Chartered Professional Accountants

Calgary Alpha House Society
Statement of Financial Position
March 31, 2024

	Operating Fund 2024	Capital fund 2024	Reserve Fund 2024	Total 2024	Total 2023
ASSETS					
CURRENT					
Cash (Note 3)	\$ 6,515,865	\$ -	\$ 854,620	\$ 7,370,485	\$ 5,626,127
Restricted investments (Note 4)	1,401,609	-	-	1,401,609	569,704
Accounts receivable (Note 5)	150,730	-	-	150,730	158,412
Prepaid insurance and deposits	477,781	-	-	477,781	591,620
	8,545,985	-	854,620	9,400,605	6,945,863
PROPERTY, PLANT AND EQUIPMENT (Net of accumulated amortization) (Note 6)	-	5,509,082	-	5,509,082	5,143,309
	<u>\$ 8,545,985</u>	<u>\$ 5,509,082</u>	<u>\$ 854,620</u>	<u>\$ 14,909,687</u>	<u>\$ 12,089,172</u>
LIABILITIES AND NET ASSETS					
CURRENT					
Accounts payable and accrued liabilities (Note 7)	\$ 1,984,683	\$ -	\$ -	\$ 1,984,683	\$ 1,439,767
Lease inducement (Note 8)	-	-	-	-	2,161
Deferred contributions (Note 11)	6,360,622	-	-	6,360,622	4,849,945
Current portion of obligations under capital lease (Note 10)	-	189,652	-	189,652	108,890
	8,345,305	189,652	-	8,534,957	6,400,763
OBLIGATIONS UNDER CAPITAL LEASE (Note 10)	-	157,426	-	157,426	32,098
	8,345,305	347,078	-	8,692,383	6,432,861
NET ASSETS	200,680	5,162,004	854,620	6,217,304	5,656,311
	<u>\$ 8,545,985</u>	<u>\$ 5,509,082</u>	<u>\$ 854,620</u>	<u>\$ 14,909,687</u>	<u>\$ 12,089,172</u>

On behalf of the Board

Director

Director

See notes to financial statements

Calgary Alpha House Society
Statement of Revenues and Expenses
Year Ended March 31, 2024

	Operating Fund 2024	Capital Fund 2024	Reserve Fund 2024	Total 2024	Total 2023
REVENUES					
Grant					
Calgary Homeless Foundation	\$ 12,157,492	\$ -	\$ -	\$ 12,157,492	\$ 11,062,867
Alberta Community and Social Services	2,387,908	37,919	-	2,425,827	2,329,691
City of Calgary	3,985,861	161,276	-	4,147,137	3,146,100
Alberta Health Services	3,014,579	-	-	3,014,579	2,873,426
Alberta Mental Health & Addiction	372,801	219,081	-	591,882	293,540
Other grants	263,828	-	-	263,828	100,121
University of Calgary	18,540	-	-	18,540	30,073
	<u>22,201,009</u>	<u>418,276</u>	<u>-</u>	<u>22,619,285</u>	<u>19,835,818</u>
Other revenues					
Rental income	1,860,992	-	-	1,860,992	1,734,313
Donations and fundraising	641,046	6,990	-	648,036	254,085
Miscellaneous	5,631	105,000	-	110,631	58,056
Resolve campaign	-	200,000	-	200,000	49,387
Casino	16,348	-	-	16,348	51,299
Interest	41,146	-	18,577	59,723	26,630
Events	28,446	-	-	28,446	36,265
	<u>2,593,609</u>	<u>311,990</u>	<u>18,577</u>	<u>2,924,176</u>	<u>2,210,035</u>
	24,794,618	730,266	18,577	25,543,461	22,045,853
EXPENSES (Schedule 1)	<u>24,614,725</u>	<u>370,583</u>	<u>-</u>	<u>24,985,308</u>	<u>21,829,499</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	179,893	359,683	18,577	558,153	216,354
OTHER INCOME					
Gain on disposal of property, plant and equipment	-	2,840	-	2,840	4,391
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 179,893</u>	<u>\$ 362,523</u>	<u>\$ 18,577</u>	<u>\$ 560,993</u>	<u>\$ 220,745</u>

See notes to financial statements

Calgary Alpha House Society
Statement of Changes in Net Assets
Year Ended March 31, 2024

	Operating Fund 2024	Capital fund 2024	Reserve Fund 2024	Total 2024	Total 2023
NET ASSETS (DEFICITS) - BEGINNING OF YEAR	\$ (77,053)	\$ 4,897,321	\$ 836,043	\$ 5,656,311	\$ 5,435,566
Excess of revenues over expenses	179,893	362,523	18,577	560,993	220,745
Disposition of capital assets	2,840	(2,840)	-	-	-
Interfund transferred	95,000	(95,000)	-	-	-
NET ASSETS - END OF YEAR	\$ 200,680	\$ 5,162,004	\$ 854,620	\$ 6,217,304	\$ 5,656,311

See notes to financial statements

Calgary Alpha House Society
Statement of Cash Flows
Year Ended March 31, 2024

	Operating Fund 2024	Capital fund 2024	Reserve Fund 2024	Total 2024	Total 2023
OPERATING ACTIVITIES					
Cash receipts from customers	\$ 24,764,058	\$ 727,424	\$ -	\$ 25,491,482	\$ 26,978,721
Cash paid to suppliers and employees	(22,220,648)	(105,000)	-	(22,325,648)	(25,961,421)
Interest received	41,146	-	18,577	59,723	26,630
Bank charge, interest and payroll service fee paid	(121,870)	-	-	(121,870)	(137,762)
Interest paid on callable debt	-	-	-	-	(533)
Cash flow from operating activities	2,462,686	622,424	18,577	3,103,687	905,635
INVESTING ACTIVITIES					
Purchase of property, plant and equipment	-	(736,356)	-	(736,356)	(282,238)
Proceeds on disposal of property, plant and equipment	-	2,840	-	2,840	23,216
Addition of investments	(831,905)	-	-	(831,905)	-
Cash flow from (used by) investing activities	(831,905)	(733,516)	-	(1,565,421)	(259,022)
FINANCING ACTIVITIES					
Repayment of callable debt	-	-	-	-	(73,887)
Addition of obligations under capital lease	-	206,092	-	206,092	-
Repayment of obligations under capital lease	-	-	-	-	(64,284)
Cash flow from (used by) financing activities	-	206,092	-	206,092	(138,171)
OTHER CASH FLOW ITEMS					
Transfer of cash between funds	95,000	(95,000)	-	-	-
INCREASE IN CASH FLOW	1,725,781	-	18,577	1,744,358	508,442
Cash - beginning of year	4,790,084	-	836,043	5,626,127	5,117,685
CASH - END OF YEAR	\$ 6,515,865	\$ -	\$ 854,620	\$ 7,370,485	\$ 5,626,127
CASH CONSISTS OF:					
Cash	\$ 6,418,630	\$ -	\$ 854,620	\$ 7,273,250	\$ 5,408,219
Restricted cash	97,235	-	-	97,235	217,908
	\$ 6,515,865	\$ -	\$ 854,620	\$ 7,370,485	\$ 5,626,127

See notes to financial statements

Calgary Alpha House Society
Notes to Financial Statements
Year Ended March 31, 2024

1. PURPOSE OF THE SOCIETY

Calgary Alpha House Society (the "Society") is a non-profit, charitable agency operating in Calgary, Alberta to provide safe spaces for men and women whose lives have been impacted by alcohol and other drug dependencies. The Society was established in Calgary in 1981.

As the Society has been a part of the Calgary community for 40 years, the Society has been recognized as a leader in helping men and women who are struggling with addictions and mental health issues, which are often a result of early trauma in their lives. Following a continuum of care model, the Society helps individuals find the resources they need to live healthier lives and to find appropriate housing that is often the key to supporting long term well-being and improved health. The Society operates Emergency Shelter, Detox, Community Housing, Place-based Supportive Housing and Outreach. The Outreach teams, formerly Downtown Outreach Addiction Partnership/DOAP and now rebranded as Human-Centred Engagement and Liaison Partnership/HELP, include Encampment, Needle Debris Response and Community Ambassadors.

The Society is a registered charity under section 149(1) of the Income Tax Act. As such, it is exempt from income taxes and is able to issue donation receipts for income tax purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements of the Society have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) on a going-concern basis that assumes that the Society will be able to realize its assets and discharge its liabilities in the normal course of operations.

Fund accounting

The Society follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for revenues and expenses related to program delivery and administrative activities.

The Capital Fund reports the assets, liabilities, revenues, and expenses related to the Society's capital assets.

The Reserve Fund reports amounts to be held for contingency purposes. These internally restricted amounts are not available for other purposes without prior approval from the Board of Directors.

Cash

Cash includes amounts on deposit with financial institutions and cash equivalents includes term deposits and Guaranteed Investment Certificates ("GIC") that mature within three months from the date of acquisition. The Society held no cash equivalents at the end of year 2024.

Revenue recognition

Restricted contributions related to operations are recognized as revenue in the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue in the appropriate fund.

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.

Capital contributions are recognized as revenue in the year in which the funds are received.

Rent is recognized in the Operating Fund when received unless received prior to being due then it is placed in deferred income until due.

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Calgary Alpha House Society
Notes to Financial Statements
Year Ended March 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Capital assets

The Society's accounting policy capitalizes assets with a cost greater than \$5,000. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Buildings	40 years	straight-line method
Furniture and fixtures	10 years	straight-line method
Automotive	7 years	straight-line method
Vehicles under capital leases	7 years	straight-line method
Leasehold improvements	5 years	straight-line method
Computer equipment	4 years	straight-line method
Data infrastructure	4 years	straight-line method

Long-lived assets are reviewed for impairment when events and circumstances indicate that the carrying amount of a long-lived asset is not recoverable and exceeds its fair value. The amount of the impairment loss, if any, is the excess of carrying value over its fair value. When assets are sold or disposed the original costs are removed from the accounts and the gain or loss is charged to the Capital Fund. Amortization expense is reported in the Capital Fund.

Contributed materials and services

The Society does not recognize the value of contributed materials and services as revenue but provides charitable tax receipts when the fair market value can be readily determined.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. 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. In particular, the Society uses estimates in determining the useful life of capital assets, valuation of accrued liabilities and determining the current portion of callable debt.

Financial instruments

Financial assets and liabilities are measured initially at fair value. Subsequent measurement is at amortized cost.

Financial assets measured at amortized cost consist of cash, restricted investments, accounts receivable and prepaid insurance and deposits.

Financial liabilities measured at amortized cost consist of accounts payable and accrued liabilities, deferred contributions and obligations under capital lease.

The Society assesses impairment of all its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Society determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Society reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment loss is recognized in the statement of revenues and expenses.

Calgary Alpha House Society
Notes to Financial Statements
Year Ended March 31, 2024

3. CASH

	2024	2023
Cash	\$ 7,273,250	\$ 5,408,219
Restricted cash	97,235	217,908
	\$ 7,370,485	\$ 5,626,127

Restricted cash includes casino unused funds which are disclosed in note 11 and revolving funds which will be used for the revolving program in the future.

4. RESTRICTED INVESTMENTS

Restricted investments are held for contingency purposes and are not available for other purposes without prior approval of the Board of Directors.

	2024	2023
Cash in flex notice bank account	\$ 601,609	\$ 569,704
GICs	800,000	-
	\$ 1,401,609	\$ 569,704

Restricted investments consist of cash in a flex notice account earning interest at CWB Prime rate less 1.5% which can be withdrawn by giving 93 days written notice to the bank and cashable guaranteed investment certificates (GICs). The GICs earn an annual interest rates of between 4.1% and 4.5% and matures in September 2024 and January 2025.

5. ACCOUNTS RECEIVABLE

	2024	2023
GST receivable	\$ 78,000	\$ 92,940
Grants receivable	-	41,666
Accounts receivable	72,442	23,641
Employee advances	288	165
	\$ 150,730	\$ 158,412

6. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Land	\$ 730,000	\$ -	\$ 730,000	\$ 730,000
Buildings	3,971,442	693,954	3,277,488	3,376,774
Automotive	1,436,484	570,588	865,896	641,939
Computer equipment	220,279	215,249	5,030	20,064
Furniture and fixtures	1,040,015	736,351	303,664	370,844
Leasehold improvements	710,215	383,381	326,834	1,725

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Calgary Alpha House Society
Notes to Financial Statements
Year Ended March 31, 2024

6. PROPERTY, PLANT AND EQUIPMENT *(continued)*

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Data infrastructure	10,261	10,090	170	1,963
	<u>\$ 8,118,696</u>	<u>\$ 2,609,613</u>	<u>\$ 5,509,082</u>	<u>\$ 5,143,309</u>

7. ACCOUNTS PAYABLE

	2024	2023
Accounts payable and accrued liabilities	\$ 734,850	\$ 313,158
Wages payable	1,009,432	758,212
Employee deductions payable	110,781	69,090
Credit cards payable	24,840	21,679
Grant funds repayable	104,780	277,628
	<u>\$ 1,984,683</u>	<u>\$ 1,439,767</u>

8. LEASE INDUCEMENT

The Society entered into a three-year lease of office space on July 14, 2020. The lease term began September 1, 2020 and will expire on August 31, 2023. As per the lease agreement, subject to certain conditions, the Society was relieved of its obligation to pay basic rent for 2 months at the start of the lease.

	2024	2023
Opening balance	\$ 2,161	\$ 7,346
Amortization	(2,161)	(5,185)
Ending balance	<u>\$ -</u>	<u>\$ 2,161</u>

9. LEASE COMMITMENTS

Downtown Calgary:

Under the terms of a lease agreement with Alberta Infrastructure and Transportation, of which the lease was transferred to Alberta Health Services (AHS) in 2019, the Society has completed a 5 year renewal option on March 31, 2021. The Society is in the process of exercising the second 5 year renewal option for the April 01, 2021 through to March 31, 2026 period.

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Calgary Alpha House Society
Notes to Financial Statements
Year Ended March 31, 2024

9. LEASE COMMITMENTS *(continued)*

Auxiliary locations in Calgary:

The Society has a 1 year lease on six buildings with the HomeSpace Society expiring March 31, 2024. These leases have been extended to March 31, 2025.

Office Space:

The Society has entered into a 5 year lease for office space beginning September 1, 2023 and expiring August 31, 2028. Rental charge included base rent plus \$12.50 to \$13.50 per square foot of the rentable area per annum. The annual base rents are listed as follows:

2025	\$	69,425
2026		69,425
2027		72,202
2028		74,979
2029		74,979
		<hr/>
	\$	361,010

10. OBLIGATIONS UNDER CAPITAL LEASE

Capital lease consists of the followings:

	2024	2023
2020 Dodge Caravan (Seven in total)	\$ 27,610	\$ 116,440
2020 Kia Soul - 11179	11,226	24,548
2024 Kia Carnival - 11702	44,871	-
2023 Chrysler Grant Caravan - 11741	53,372	-
2024 Kia Carnival - 11684	49,956	-
2023 Chrysler Pacifica - 11532	48,973	-
2023 Chrysler Pacifica - 11533	48,973	-
2023 Chrysler Pacifica - 11522	49,237	-
2022 Nissan Rogue - 11548	12,860	-
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	347,078	140,988
Amounts payable within one year	(189,652)	(108,890)
	<hr/>	<hr/>
	\$ 157,426	\$ 32,098

The annual interest rates for all the leased vehicles are 6.49% to 9.29%. The leases will all mature by March 2027.

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Calgary Alpha House Society
Notes to Financial Statements
Year Ended March 31, 2024

10. OBLIGATIONS UNDER CAPITAL LEASE *(continued)*

Future minimum capital lease payments are approximately:	
2025	\$ 210,028
2026	113,507
2027	<u>49,080</u>
Total minimum lease payments	372,615
Less interest amount at various rates	<u>25,537</u>
Present value of minimum payments	347,078
Less current portion of capital lease liabilities	<u>(189,652)</u>
	<u>\$ 157,426</u>

11. DEFERRED CONTRIBUTIONS

Deferred contributions consist of the unspent portion of restricted contributions reported in the operating and capital fund, including casino proceeds, restricted grants, restricted fundraising and restricted donations which will be paid back to funders or be reduced from contribution funds in the coming year.

The casino funds are received from the Alberta Gaming, Liquor and Cannabis Commission "AGLC" which requires the distribution of gaming profits to be made within 36 months of receipt of the funds. If the Society fails to comply, the Society will be subject to AGLC board-directed sanctions, such as suspension of gaming licenses, revocation of gaming licenses, and/or directives to donate all gaming funds to other eligible charitable organizations. The Society received \$80,844 in 2024 (2023 - \$Nil). As at the year end, \$81,844 is still required to be spent. Management is confident the Society will comply with this spending requirement.

The grant funds are received from various funders and are restricted for specified operating purposes.

Donations are received from various private and corporate donors and may be restricted for specified programs.

The deferred contributions consist of the following:

	Beginning	Received	Spent/ Repaid	Ending
2024				
Alberta Community Social Services	\$ 88,017	\$ 2,579,143	\$ (2,425,827)	\$ 241,333
Calgary Homeless Foundation	1,216,925	12,380,313	(12,158,122)	1,439,116
Alberta Health Services	343,905	2,830,986	(3,045,281)	129,610
Alberta Mental Health & Addiction	267,565	570,000	(596,196)	241,369
University of Calgary	125,583	-	(18,534)	107,049
City of Calgary	931,117	5,753,193	(4,166,784)	2,517,526
Resolve Campaign	202,809	12,711	(200,000)	15,520
Restricted Fundraising & Donations	1,618,970	218,356	(473,399)	1,363,927
Casino (AGLC)	16,348	81,844	(16,348)	81,844
Other Grants	38,706	430,746	(246,124)	223,328
	<u>\$ 4,849,945</u>	<u>\$ 24,857,292</u>	<u>\$ (23,346,615)</u>	<u>\$ 6,360,622</u>

(continues)

Calgary Alpha House Society
Notes to Financial Statements
Year Ended March 31, 2024

11. DEFERRED CONTRIBUTIONS *(continued)*

	Beginning	Received	Spent/ Repaid	Ending
<u>2023</u>				
Alberta Community Social Services	\$ 452,857	\$ 4,955,363	\$ (5,320,203)	\$ 88,017
Calgary Homeless Foundation	2,283,761	10,248,145	(11,314,981)	1,216,925
Alberta Health Services	307,948	3,130,386	(3,094,429)	343,905
Alberta Mental Health & Addiction	474,556	1,687,768	(1,894,759)	267,565
University of Calgary	90,656	65,000	(30,073)	125,583
City of Calgary	371,119	3,891,395	(3,331,397)	931,117
Resolve Campaign	212,500	39,824	(49,515)	202,809
Restricted Fundraising & Donations	1,053,613	1,070,531	(505,174)	1,618,970
Casino (AGLC)	67,646	1,248	(52,546)	16,348
Other Grants	13,345	25,482	(121)	38,706
	<u>\$ 5,328,001</u>	<u>\$ 25,115,142</u>	<u>\$ (25,593,198)</u>	<u>\$ 4,849,945</u>

12. EMPLOYEE FUTURE BENEFITS

The Society contributes to a registered retirement savings plan ("the Plan") for the benefit of its employees. During the year, contributions of \$129,568 (2023- \$234,228) were deposited to the plan and expensed as employee benefits.

13. STATUTORY DISCLOSURES

As required under Section 7(2) of the Charitable Fundraising Regulation of Alberta, the Society is required to disclose amounts paid as remuneration to employees whose principal duties involve fundraising and direct costs incurred for the purposes of soliciting contributions. During 2024, the Society did not have any employees whose principal role was related to fundraising activities.

14. PROGRAM BASED FUNDING

Under the terms of the contracts with various funding agencies, excess funds received over specific operating expenditures as budgeted in the Society's funding applications may be repayable in the current or following year. Management estimates the amount that is likely to be repaid to the funding agencies and records this in accounts payable and accrued liabilities and as a reduction to program based funding. The funding agencies may approve the retention of these funds for the specified purpose or may request the amount be repaid. The actual amount repaid or required to be repaid to funding agencies may differ from management's estimate as the calculation of excess funds is carried out by the funding agencies subsequent to year end. Any differences in the amounts recovered or paid from the amounts accrued are recorded in the year recovered as program based funding or as a reduction of program based funding. The Society repaid \$343,904 (2023 - \$849,544) to various funding agencies during the year.

15. RELATED PARTY TRANSACTIONS

The Society has entered into a 5-year office lease agreement with a company which is owned by one of board members starting July 1, 2023. The monthly rental is \$2,100 and rental expenses totalling \$14,700 were paid during the year.

Calgary Alpha House Society
Notes to Financial Statements
Year Ended March 31, 2024

16. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of March 31, 2024.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from its clients. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The organization has a significant number of clients which minimizes the concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its clients and funders and accounts payable.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The organization is mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant other price risks arising from these financial instruments.

17. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform with the current year's presentation.

Calgary Alpha House Society

Expenses (Schedule 1)

Year Ended March 31, 2024

	Operating Fund 2024	Capital Fund 2024	Reserve Fund 2024	Total 2024	Total 2023
<u>Program expenses</u>					
Staff wages and MERCs	\$ 13,917,543	\$ -	\$ -	\$ 13,917,543	\$ 12,120,117
Rent subsidies and damage deposit	3,855,209	-	-	3,855,209	3,421,193
Program expenses	885,621	-	-	885,621	538,351
Client costs - supplies	827,495	-	-	827,495	825,584
Supplementary staff benefits	716,391	-	-	716,391	707,253
Automotive and parking	675,839	-	-	675,839	603,595
Food	630,844	-	-	630,844	472,360
Building repairs and maintenance	522,539	-	-	522,539	441,978
Amortization	-	370,583	-	370,583	312,640
Client costs - transportation	15,425	-	-	15,425	40,570
	<u>22,046,906</u>	<u>370,583</u>	<u>-</u>	<u>22,417,489</u>	<u>19,483,641</u>
<u>Administrative expenses</u>					
Administrative wages and benefits	1,605,725	-	-	1,605,725	1,440,940
Office expenses and sundry	270,560	-	-	270,560	256,482
Consultants and technical support	206,166	-	-	206,166	164,841
Bank charges, interest and payroll service fees	121,867	-	-	121,867	116,720
Office rent	120,856	-	-	120,856	115,691
Professional fees	113,536	-	-	113,536	147,530
Fundraising and promotion	79,370	-	-	79,370	75,682
Travel and parking	19,001	-	-	19,001	6,238
Board expenses	14,975	-	-	14,975	12,409
Telephone and internet	14,527	-	-	14,527	8,792
Social media expenses	1,236	-	-	1,236	-
Interest on callable debt	-	-	-	-	533
	<u>2,567,819</u>	<u>-</u>	<u>-</u>	<u>2,567,819</u>	<u>2,345,858</u>
	<u>\$ 24,614,725</u>	<u>\$ 370,583</u>	<u>\$ -</u>	<u>\$ 24,985,308</u>	<u>\$ 21,829,499</u>

See notes to financial statements