

CUPS Calgary Society

Financial Statements

March 31, 2020

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of CUPS Calgary Society

Opinion

We have audited the financial statements of CUPS Calgary Society, (the "Society"), which comprise the statement of financial position as at March 31, 2020 and the statements of operations and changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 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.

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.

RSM Alberta LLP

Chartered Professional Accountants
June 24, 2020
Calgary, Alberta

CUPS Calgary Society

(Incorporated under the laws of Alberta)

Statement of Financial Position

March 31, 2020

| | Operating Fund | Internally Restricted Funds | Capital Assets Fund | 2020 | 2019 |
|---|---------------------|-----------------------------|----------------------|----------------------|----------------------|
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | \$ 3,606,662 | \$ - | \$ - | \$ 3,606,662 | \$ 4,163,829 |
| Accounts receivable | 189,294 | - | - | 189,294 | 128,762 |
| Prepaid expenses | 128,227 | - | - | 128,227 | 72,639 |
| Due from (to) fund | <u>1,212,070</u> | <u>99,688</u> | <u>(1,311,758)</u> | <u>-</u> | <u>-</u> |
| | 5,136,253 | 99,688 | (1,311,758) | 3,924,183 | 4,365,230 |
| Investments (note 4) | - | 1,121,911 | - | 1,121,911 | 1,039,799 |
| Tangible capital assets (note 5) | <u>-</u> | <u>-</u> | <u>14,900,118</u> | <u>14,900,118</u> | <u>15,105,536</u> |
| | <u>\$ 5,136,253</u> | <u>\$ 1,221,599</u> | <u>\$ 13,588,360</u> | <u>\$ 19,946,212</u> | <u>\$ 20,510,565</u> |
| Liabilities | | | | | |
| Current liabilities | | | | | |
| Accounts payable and accrued liabilities (note 6) | \$ 791,527 | \$ - | \$ - | \$ 791,527 | \$ 734,633 |
| Current portion of obligations under capital lease (note 7) | 13,545 | - | - | 13,545 | 13,545 |
| Designated contributions (note 8) | <u>1,258,935</u> | <u>-</u> | <u>-</u> | <u>1,258,935</u> | <u>1,950,295</u> |
| | 2,064,007 | - | - | 2,064,007 | 2,698,473 |
| Obligations under capital lease (note 7) | <u>32,736</u> | <u>-</u> | <u>-</u> | <u>32,736</u> | <u>46,281</u> |
| | <u>2,096,743</u> | <u>-</u> | <u>-</u> | <u>2,096,743</u> | <u>2,744,754</u> |
| Members Equity | | | | | |
| Fund balances | <u>3,039,510</u> | <u>1,221,599</u> | <u>13,588,360</u> | <u>17,849,469</u> | <u>17,765,811</u> |
| | <u>\$ 5,136,253</u> | <u>\$ 1,221,599</u> | <u>\$ 13,588,360</u> | <u>\$ 19,946,212</u> | <u>\$ 20,510,565</u> |
| Commitments and contingencies (note 11) | | | | | |
| COVID-19 (note 13) | | | | | |

Approved by Board of Directors,



Chairperson



Treasurer

CUPS Calgary Society
Statement of Operations and Changes in Fund Balances
Year Ended March 31, 2020

| | Operating Fund | Internally Restricted Funds | Capital Assets Fund | 2020 | 2019 |
|---|---------------------------|--|--------------------------------|----------------------|----------------------|
| Revenue | | | | | |
| Grant | \$ 14,367,178 | \$ - | \$ 33,298 | \$ 14,400,476 | \$ 13,978,548 |
| Fundraising | 1,122,252 | - | - | 1,122,252 | 1,115,907 |
| Donation | 872,585 | - | 34,996 | 907,581 | 1,027,136 |
| Service | 449,786 | - | - | 449,786 | 419,121 |
| Interest and other | 246,452 | 44,006 | - | 290,458 | 124,566 |
| Realized loss on investments | - | (4,738) | - | (4,738) | - |
| Unrealized loss on investments | - | (48,564) | - | (48,564) | - |
| | <u>17,058,253</u> | <u>(9,296)</u> | <u>68,294</u> | <u>17,117,251</u> | <u>16,665,278</u> |
| Expenses | | | | | |
| Program wages, benefits and contracted services | 8,510,502 | - | - | 8,510,502 | 8,527,442 |
| Program services | 4,631,208 | - | - | 4,631,208 | 4,448,536 |
| Fundraising | 628,566 | - | - | 628,566 | 597,224 |
| General and administrative (note 9) | 2,660,560 | - | - | 2,660,560 | 2,511,349 |
| Amortization | - | - | 602,757 | 602,757 | 546,860 |
| | <u>16,430,836</u> | <u>-</u> | <u>602,757</u> | <u>17,033,593</u> | <u>16,631,411</u> |
| Excess (deficiency) of revenue over expenses | 627,417 | (9,296) | (534,463) | 83,658 | 33,867 |
| Fund balances, beginning of year | 2,515,093 | 1,127,895 | 14,122,823 | 17,765,811 | 17,731,944 |
| Transfer of fund balances | <u>(103,000)</u> | <u>103,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 3,039,510</u> | <u>\$ 1,221,599</u> | <u>\$ 13,588,360</u> | <u>\$ 17,849,469</u> | <u>\$ 17,765,811</u> |

CUPS Calgary Society
Statement of Cash Flows
Year Ended March 31, 2020

| | 2020 | 2019 |
|--|---------------------|---------------------|
| Cash provided by (used in): | | |
| Operating activities | | |
| Excess of revenue over expenses | \$ 83,658 | \$ 33,867 |
| Add (deduct) items not affecting cash | | |
| Amortization | 602,757 | 546,860 |
| Non-cash donations received | (162,292) | - |
| Unrealized loss on investments | 48,564 | - |
| Realized loss on investments | 4,738 | - |
| | <u>577,425</u> | <u>580,727</u> |
| Net change in non-cash working capital balances related to operations: | | |
| Accounts receivable | (60,532) | (8,860) |
| Prepaid expenses | (55,588) | (14,958) |
| Accounts payable | 56,894 | 108,195 |
| Designated contributions | <u>(691,360)</u> | <u>534,807</u> |
| | <u>(750,586)</u> | <u>619,184</u> |
| | <u>(173,161)</u> | <u>1,199,911</u> |
| Financing activity | | |
| Repayment of obligations under capital lease | <u>(13,545)</u> | <u>(7,902)</u> |
| Investing activities | | |
| Purchase of capital assets | (362,343) | (276,829) |
| Purchase of investments | (698,896) | (15,562) |
| Proceeds on disposal of investments | <u>690,778</u> | <u>-</u> |
| | <u>(370,461)</u> | <u>(292,391)</u> |
| Increase (decrease) in cash | (557,167) | 899,618 |
| Cash and cash equivalents, beginning of year | <u>4,163,829</u> | <u>3,264,211</u> |
| Cash and cash equivalents, end of year | <u>\$ 3,606,662</u> | <u>\$ 4,163,829</u> |
| Cash and cash equivalents is comprised of: | | |
| Cash | \$ 2,606,662 | \$ 4,163,829 |
| Term deposits (note 3) | <u>1,000,000</u> | <u>-</u> |
| | <u>\$ 3,606,662</u> | <u>\$ 4,163,829</u> |
| Non-cash transactions: | | |
| Tangible capital assets acquired by capital lease | <u>\$ -</u> | <u>\$ 67,728</u> |
| Donated tangible capital assets | <u>\$ 34,996</u> | <u>\$ -</u> |
| Donated investments | <u>\$ 127,296</u> | <u>\$ -</u> |

CUPS Calgary Society

Notes to the Financial Statements

For the Year Ended March 31, 2020

NOTE 1 – NATURE OF OPERATION

CUPS Calgary Society (“CUPS” or the “Society”) was incorporated under the *Alberta Societies Act* on September 13, 1988.

CUPS changes the lives of low-income and homeless Calgarians by addressing the root causes of their challenges. Using science, CUPS addresses trauma, manages adversity and builds lifelong resilience that spans generations.

The Society is a registered charity and, accordingly, exempt from income taxes and authorized to issue donation receipts for income tax purposes.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Fund Accounting

These financial statements are prepared on a restricted fund accounting basis that includes the following funds:

Operating Fund - accounts for the assets, liabilities, revenues and expenses related to the Society's delivery of programs and operating activities.

Internally Restricted Funds - accounts for the assets, liabilities, revenues and expenses related to amounts internally restricted by the board of directors for future use.

Capital Assets Fund - accounts for the assets, liabilities, revenues and expenses related to the facilities and equipment.

Revenue Recognition

Unrestricted contributions are recognized as revenue of the operating fund in the year in which the amount can be reasonably estimated and collection is reasonably assured.

Designated contributions related to general operations are recognized as revenue of the operating fund in the year in which the related expenses are incurred. Designated contributions related to capital assets are recognized as revenue of the capital assets fund when the amount can be reasonably estimated and collection is reasonably assured.

Interest and investment income is recognized as revenue when earned.

Revenue from special events is recognized when the event has taken place and collection is reasonably assured.

Donations of investments are recorded at fair value when a fair value can be reasonably determined.

Revenue for services is recorded when the program or service has been provided.

CUPS Calgary Society

Notes to the Financial Statements

For the Year Ended March 31, 2020

Contributed Goods and Services

Donations of materials and services are recognized when the fair value can be reasonably estimated and the materials and services are used in the normal course of business.

Volunteers contribute time and services to the programs of the Society. Contributed services are not recognized in the financial statements as their fair market value cannot reasonably be determined.

Tangible Capital Assets

Tangible capital assets are recorded at cost and are amortized over the estimated useful life on a straight-line basis as follows:

| | |
|---|----------|
| Buildings | 40 years |
| Building improvements | 25 years |
| Furniture and equipment | 5 years |
| Furniture and equipment under capital lease | 5 years |
| Automobiles | 5 years |

During the year, the Society adopted the new accounting standard HB4433, tangible capital assets held by not-for-profit organizations. This standard is applied on a prospective basis and did not have a material impact on the financial statements. As a result of the implementation of this new standard, the Society has updated their policy as it relates to the impairment of capital assets as follows:

When conditions indicate a tangible capital asset is impaired, the carrying value of the tangible capital asset is written down to the asset's fair value or replacement cost. A write-down shall not be reversed.

Financial instruments

The Society's financial instruments consist of cash and cash equivalents, accounts receivable, investments, accounts payable and accrued liabilities and obligations under capital lease. All financial instruments, other than investments are initially recognized at fair value and subsequently measured at amortized cost. Transaction costs and financing fees associated with financial instruments carried at amortized cost are recorded as adjustments to the initial fair value recognized and amortized over the life of the financial instrument or shorter, dependent upon the expected period of cash flow. Cash and cash equivalents and investments are measured at fair value.

When there is an indication of impairment and such impairment is determined to have occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from sale of the financial asset. Such impairments can be subsequently reversed if the value increases provided the reversal is no greater than the amount that had been previously reported as a reduction in the asset and does not exceed original cost.

Transacting in financial instruments exposes the Society to certain financial risks and uncertainties (note 12).

CUPS Calgary Society

Notes to the Financial Statements

For the Year Ended March 31, 2020

Revenue and Cost Allocations

Fundraising activities and special events are ongoing throughout the year in order to raise additional funding to support the activities of the Society. The revenues and costs of special events are allocated to programs based on the stated intention or general purpose of the special event. Fundraising activities which are general in nature are allocated to the programs based on management's discretion.

The Society incurs a number of general overhead revenue and expenses that are common to the administration of the organization and each of its programs. The Society allocates its general overhead expenses on the following basis:

- Human resources costs, IT support, office supplies, telephone and courier, mileage and parking, meals, training and development, program supplies, client supports, and vehicle costs are based on staff headcount.
- Facilities and infrastructure costs are based on an estimate of the square footage used by each program.
- Professional fees, insurance, advertising and promotion, website, and bank charges costs are based on revenue earned by each program.

Use of Estimates

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Areas requiring the use of management estimates relate to the determination of collectability of accounts receivable, useful lives and potential impairment of tangible capital assets and valuation of accrued liabilities. Actual results could differ from these estimates.

Amounts accrued as receivable pursuant to funding contracts and billing invoices associated with the Society's programs are based on management's best estimates of the amounts to be received for the periods in question upon the actual finalization of the associated claims and/or contract processes.

The valuation of deferred contributions is based on management's estimate of the unspent contributions and the applicability of expenditures to meet the funding restrictions.

The valuation of tangible capital assets is based on management's best estimates of the future recoverability of these assets. The amounts recorded for amortization of tangible capital assets are based on management's best estimates of the remaining useful lives and period of future benefit of the related assets.

The valuation of accrued liabilities is based on management's best estimate of expenses accrued during the year that will be payable in future periods.

The Society is involved in legal claims arising in the normal course of business. The final outcome of such claims cannot be predicted with certainty and management believes that it has appropriately assessed any impact to the financial statements.

CUPS Calgary Society
Notes to the Financial Statements
For the Year Ended March 31, 2020

By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

NOTE 3 – TERM DEPOSITS

Term deposits at March 31, 2020 consist of guaranteed investment certificates that bear interest at 1.8% and mature on October 2, 2020.

NOTE 4 – INTERNALLY RESTRICTED FUNDS

The Board of Directors has restricted the following funds, which are reserved for long-term objectives in support of organizational sustainment. The Building Life Cycle Reserve is a capital reserve to fund major repair and replacement on fully owned real property assets. The Special Projects Fund requires a board resolution for disbursement to the Society. The funds are included in investments at year end.

| | 2020 | 2019 |
|-----------------------------|---------------------|------------------|
| Special Projects Fund | \$629,143 | \$ 626,942 |
| Building Life Cycle Reserve | 492,768 | 412,857 |
| | \$ 1,121,911 | 1,039,799 |

Investments consist of Canadian bonds and debentures and principal protected notes that bear interest at rates ranging from 2.58% to 3.45% (2019 – 2.05% to 9.523%) and mature or are callable between October 2, 2023 and January 26, 2032 (2019 – May 7, 2019 and July 25, 2024).

NOTE 5 – TANGIBLE CAPITAL ASSETS

| | 2020 | | | 2019 |
|---|-------------------|--------------------------|-------------------|-------------------|
| | Cost | Accumulated Amortization | Net Book Value | Net Book Value |
| Land | 4,863,875 | - | 4,863,875 | 4,863,875 |
| Buildings | 4,731,065 | (1,001,547) | 3,729,518 | 3,847,817 |
| Building improvements | 8,308,601 | (2,507,687) | 5,800,914 | 6,015,990 |
| Furniture and equipment | 2,244,785 | (1,785,255) | 459,530 | 377,854 |
| Furniture and equipment under capital lease | 67,728 | (21,447) | 46,281 | 59,826 |
| Automobiles | 408,160 | (408,160) | - | - |
| | 20,624,214 | (5,724,096) | 14,900,118 | 15,105,536 |

NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities is \$5,065 (2019 - \$5,065) relating to payroll source deductions payable.

CUPS Calgary Society
Notes to the Financial Statements
For the Year Ended March 31, 2020

NOTE 7 – OBLIGATIONS UNDER CAPITAL LEASE

| | 2020 | 2019 |
|-----------------------------------|------------------|------------------|
| Capital lease contracts | \$ 46,281 | \$ 59,826 |
| Less: portion due within one year | 13,545 | 13,545 |
| Long-term portion | \$ 32,736 | \$ 46,281 |

The Society's obligations under capital lease are comprised of one contract that bears interest at 2.15%. The contract is repayable in monthly instalments of \$1,046 and matures September 2023.

Payments due on obligation under capital lease are as follows:

| | |
|-------------------------------|------------------|
| 2021 | 14,807 |
| 2022 | 14,807 |
| 2023 | 14,807 |
| 2024 | <u>8,756</u> |
| | 53,177 |
| Payment representing interest | <u>(6,896)</u> |
| | <u>\$ 46,281</u> |

NOTE 8 – DESIGNATED CONTRIBUTIONS

The Society received certain donations, event fundraising and grants that were subject to spending restrictions. Restricted amounts received and expended were as follows:

| | Beginning Balance, April 1, 2019 | Additions | Utilization | Closing Balance, March 31, 2020 |
|-------------------|---|----------------------|------------------------|--|
| Donations | \$ 10,507 | \$ 48,748 | \$ (53,605) | \$ 5,650 |
| Event Fundraising | 46,398 | 733,819 | (688,659) | 91,558 |
| Grants | 1,893,390 | 10,809,429 | (11,541,092) | 1,161,727 |
| | \$ 1,950,295 | \$ 11,591,996 | \$ (12,283,356) | \$ 1,258,935 |

CUPS Calgary Society
Notes to the Financial Statements
For the Year Ended March 31, 2020

| | Beginning Balance, April 1, 2018 | Additions | Utilization | Closing Balance, March 31, 2019 |
|-------------------|---|----------------------|------------------------|--|
| Donations | \$ 31,003 | \$ 258,308 | \$ (278,804) | \$ 10,507 |
| Event Fundraising | 171,976 | 546,495 | (672,073) | 46,398 |
| Grants | 1,212,509 | 12,424,461 | (11,743,580) | 1,893,390 |
| | \$ 1,415,488 | \$ 13,229,264 | \$ (12,694,457) | \$ 1,950,295 |

NOTE 9 – GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses consist of the following:

| | 2020 | 2019 |
|--|---------------------|---------------------|
| Administrative wages, benefits and contracted services | \$ 2,241,873 | \$ 1,948,019 |
| Office | 418,687 | 563,330 |
| | \$ 2,660,560 | \$ 2,511,349 |

NOTE 10 – EMPLOYEE FUTURE BENEFITS

The Society contributes to a registered retirement savings plan for the benefit of its employees. During the year contributions of \$239,823 (2019 - \$231,984) were deposited to the defined contribution plan and expensed as employee benefits.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

The Society has entered into office equipment and facility equipment leases in the normal course of operations. These leases vary in payment terms and duration. Total payments required over the next five years and thereafter under the terms of the lease agreements are summarized as follows:

| | |
|------|------------------|
| 2021 | 28,270 |
| 2022 | 19,536 |
| 2023 | 9,542 |
| 2024 | - |
| 2025 | - |
| | \$ 57,348 |

The Society is subject to two legal claims that together total approximately \$300,000 plus unspecified amounts. The Society believes it has defensible positions with both claims and has informed insurance carriers and confirmed coverage limits in the event of a loss to assess for claims submission. As the potential outcomes cannot be determined at this time, no amount has been accrued in the financial statements in relation to these claims.

CUPS Calgary Society

Notes to the Financial Statements

For the Year Ended March 31, 2020

NOTE 12 – FINANCIAL INSTRUMENTS

The Society has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include credit risk, liquidity risk and market risk.

a) Credit Risk

Credit risk is the risk of financial loss to the Society if a customer fails to meet their contractual obligations and this risk arises principally from the Society's cash and cash equivalents and accounts receivable.

The Society minimizes its credit risk relating to cash and cash equivalents by placing its cash with major financial institutions.

The Society's exposure to credit risk with its customers is influenced by the individual characteristics of each customer. The Society's customers for the most part are government agencies and donors. Over the last five years, the Society has not suffered any material credit losses with any of its customers.

The Society limits its exposure to credit risks from customers by dealing only with credit worthy customers. Management does not expect any customers to fail in meeting their obligations. Management does not expect any government agencies to fail in meeting their obligations.

The carrying amount of cash and cash equivalents and accounts receivable represents the maximum exposure limit.

b) Liquidity Risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Society manages its liquidity risk through maintaining appropriate balances of cash and cash equivalents and investments.

c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. The Society is exposed to market risk to the extent that short and long-term investments are affected by the securities traded in the market.

NOTE 13 – COVID-19

On March 11, 2020, the World Health Organization assessed the coronavirus outbreak (COVID-19) as a pandemic. In Canada, the Government of Alberta declared a provincial state of public health emergency as per the Province of Alberta's *Public Health Act* on March 17, 2020 with respect to COVID-19. Due to the health concerns related to COVID-19, the Society encourages all staff to work from home whenever possible. However, as of the date of the financial statements, the Society is open with modified hours of operation. All services are also available and delivered continuously in a hybrid model of availability remotely by phone and/or video conferencing and in person following provincial social distancing guidelines during normal business hours. The extent to which COVID-19 will continue to impact the

CUPS Calgary Society
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For the Year Ended March 31, 2020

Society's results will depend on future developments, which are highly uncertain and cannot be predicted and dependent upon new information which may emerge concerning the severity of COVID-19 and actions taken to contain this or its impact, among others.

NOTE 14 – KEY CASE MANAGEMENT, GRADUATE RENT SUBSIDY, INCLUSIVE HOUSING, AND GRADUATE HOUSING PROGRAMS

The Key Case Management Program is for adults who have lived in a shelter for over a 1 year period, or up to three times in the past four years. The program integrates a singles case management program while finding safe and appropriate market rate housing for participants.

The Graduate Rent Subsidy Program is to assist all Calgary Homeless Foundation housing first case management programs. Many programs find that their participants have achieved stability in their housing but are financially unable to maintain housing without subsidized rent.

The Inclusive Housing Program was implemented to provide community development at 4 buildings located throughout the city. The program provides a rental subsidy and works closely with tenants to increase their social networks and community interaction by supporting involvement in community.

The Graduate Housing Program enhances the flow and movement of clients through the Homeless System of Care by providing increased opportunities for clients who are living independently and ready to graduate beyond intensive case management programs.

The following tables summarize the financial results of the Key Case Management, Graduate Rent, Inclusive Housing, and Graduate Housing programs.

| | Key Case Management Program 2020 | Graduated Rent Subsidy Program 2020 | Inclusive Housing Program 2020 | Graduate Housing Program 2020 |
|--|---|--|---|--|
| Revenue | | | | |
| Calgary Homeless Foundation | \$ 1,698,650 | \$ 1,394,320 | \$ 1,189,270 | \$ 1,170,000 |
| Expenditures | | | | |
| Start up costs | - | 25,000 | - | 38,374 |
| Staff costs | 664,486 | 182,196 | 332,989 | 279,013 |
| Client costs | 799,234 | 964,168 | 656,675 | 723,426 |
| Administration costs | 169,864 | 136,932 | 118,928 | 111,500 |
| Total operating expenses | 1,633,584 | 1,308,296 | 1,108,592 | 1,152,213 |
| Excess of revenue over expenditures | \$ 65,066 | \$ 86,024 | \$ 80,678 | \$ 17,787 |