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Hope Mission
Financial Statements
December 31, 2021

Management's Responsibility

To the Members and Directors of Hope Mission:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Audit Committee are composed primarily of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Audit Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Audit Committee is also responsible for recommending the appointment of the Organization's external auditors.

██████████ is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Audit Committee and management to discuss their audit findings.

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Executive Director

████████████████████

Director of Finance

Independent Auditor's Report

To the Members and Directors of Hope Mission:

Qualified Opinion

We have audited the financial statements of Hope Mission (the "Organization"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, 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 Organization as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

As is common with many charitable organizations, the Organization derives revenue from general donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to amounts recorded in the records of the Organization. Therefore we were not able to determine whether any adjustments might be necessary to donations revenue, excess of revenue over expenses and cash flows from operations for the years ended December 31, 2021 and 2020, current assets as at December 31, 2021 and 2020, and net assets as at January 1 and December 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended December 31, 2020 was modified 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 Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

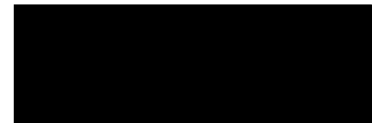
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 Organization'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 Organization'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 Organization 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.

Edmonton, Alberta



Chartered Professional Accountants



Hope Mission
Statement of Financial Position
As at December 31, 2021

	2021	2020
Assets		
Current		
Cash and cash equivalents	17,008,468	11,957,624
Restricted cash (Note 3), (Note 8)	249,753	5,348,983
Term deposits (Note 4)	102,034	104,645
Accounts receivable	394,019	251,684
Inventory	50,993	36,726
Prepaid expenses and deposits	278,590	225,785
	18,083,857	17,925,447
Capital assets (Note 5)	56,504,339	50,610,456
	74,588,196	68,535,903
Liabilities		
Current		
Accounts payable and accruals (Note 6)	1,510,133	2,881,556
Deferred revenue (Note 7)	816,743	937,953
	2,326,876	3,819,509
Deferred contributions related to capital assets (Note 8)	35,557,035	34,245,506
	37,883,911	38,065,015
Commitments (Note 9)		
Significant events (Note 15)		
Net Assets		
Invested in capital assets	21,089,496	20,497,313
Unrestricted	15,614,789	9,973,575
	36,704,285	30,470,888
	74,588,196	68,535,903

Approved on behalf of the Board

 Director

 Director

The accompanying notes are an integral part of these financial statements

Hope Mission Statement of Operations

For the year ended December 31, 2021

	2021	2020
Revenue		
Donations	14,435,454	12,368,761
REACH	974,081	946,974
Designated donations	715,336	68,425
Other income	623,684	287,180
Bargain Shoppe and other ancillary operations	117,013	85,478
Interest income	479	1,611
	16,866,047	13,758,429
Expenses		
Fundraising (Note 13)	1,671,730	1,539,054
Salaries and benefits (Note 13)	1,353,704	1,402,862
Ministry van (Note 12)	976,021	905,832
Designated projects	715,794	67,825
Bargain Shoppe and other ancillary operations (Note 12)	593,495	515,713
Office - donation processing	278,105	332,619
Office - supplies	104,057	71,784
Amortization	50,215	52,498
Goods and services tax	44,016	37,268
Telephone, communication and I.T. services	41,427	36,441
Office - general	37,150	12,370
Insurance	27,351	21,939
Professional fees	12,739	3,215
Travel	9,193	19,920
Training and staff development	5,984	4,074
Annual banquet and special events	-	13,431
Cost recovery from Program for the Homeless and Women's Program (Note 12)	(545,089)	(565,968)
	5,375,892	4,470,877
	11,490,155	9,287,552
Programs		
Program for the Homeless (Schedule 1)	2,447,474	961,322
R.W. Tegler Youth Centre and Kids in Action (Schedule 2)	803,500	636,496
Brightwood Ranch (Schedule 3)	440,229	403,946
Women's Centre (Schedule 4)	374,742	267,806
Bethany Homes (Schedule 5)	180,335	193,751
Calgary Hope (Schedule 6)	815,432	668,685
Red Deer Hope (Schedule 7)	164,271	157,805
	5,225,983	3,289,811
Excess of revenue over expenses before other items	6,264,172	5,997,741
Other items		
Gain (loss) on disposal of capital assets (Note 15)	(30,775)	694
Excess of revenue over expenses	6,233,397	5,998,435

The accompanying notes are an integral part of these financial statements

Hope Mission
Statement of Changes in Net Assets
For the year ended December 31, 2021

	<i>Invested in capital assets</i>	<i>Unrestricted</i>	<i>2021</i>	<i>2020</i>
Net assets, beginning of year	20,497,313	9,973,575	30,470,888	24,472,453
Excess (deficiency) of revenue over expenses	(642,519)	6,875,916	6,233,397	5,998,435
Investment in capital assets	1,234,702	(1,234,702)	-	-
Net assets, end of year	21,089,496	15,614,789	36,704,285	30,470,888

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The accompanying notes are an integral part of these financial statements

Hope Mission
Statement of Cash Flows
For the year ended December 31, 2021

	2021	2020
Cash provided by (used for) the following activities		
Operating		
Donations	15,288,985	12,510,759
Grants	12,150,518	9,358,977
Other income	2,858,337	3,291,414
Interest received	479	1,611
Cash paid to suppliers and employees	(23,693,472)	(18,913,228)
	6,604,847	6,249,533
Financing		
Grants and donations received for capital assets (Note 8)	2,749,407	9,224,622
Investing		
Purchase of capital assets	(9,409,751)	(7,953,898)
Proceeds on disposal of capital assets	4,500	5,650
	(9,405,251)	(7,948,248)
Increase (decrease) in cash resources	(50,997)	7,525,907
Cash resources, beginning of year	17,411,252	9,885,345
Cash resources, end of year	17,360,255	17,411,252
Cash resources are composed of:		
Cash and cash equivalents	17,008,468	11,957,624
Restricted cash	249,753	5,348,983
Term deposits	102,034	104,645
	17,360,255	17,411,252

The accompanying notes are an integral part of these financial statements

Hope Mission
Notes to the Financial Statements
For the year ended December 31, 2021

1. Purpose of organization

Hope Mission (the "Organization") was incorporated under the authority of the Societies Act of Alberta. As a registered charity under the Income Tax Act of Canada, Hope Mission is exempt from income taxes.

The purpose of the Organization is to minister spiritually, physically and socially to needy men, women, young people and children by various means of Christian endeavour and to spread the Gospel of Jesus Christ by all such means as the Organization may deem proper and expedient.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Grants from government departments and similar agencies are recognized as revenue in the period covered by the grant. Grants receivable are recognized as revenue if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue arising from various ancillary operations is recognized as revenue when a price is agreed, the goods or services are delivered and collection is reasonably assured.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Inventory

Inventory held for consumption in the provision of services is recorded at the lower of cost and current replacement cost. Cost is determined by the first in, first out method.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives. In the year of acquisition, amortization is recorded using the half-year rule.

	Rate
Buildings	4 %
Automotive	30 %
Computer equipment	30 %
Computer software	30 %
Furniture and fixtures	20 %
Fences	10 %
Kitchen equipment	20 %
Parking lot	8 %

2. **Significant accounting policies** (Continued from previous page)

Long-lived assets

Long-lived assets consist of capital assets and are measured and amortized as described in the above accounting policy.

The Organization writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Organization's ability to provide goods and services. The assets are also written-down when the value of future economic benefits or service potential associated with an asset is less than its net carrying amount. When the Organization determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value.

Contributed materials and services

Contributions of materials are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials are used in the normal course of the Organization's operations and would otherwise have been purchased. During the year \$41,082 (2020 - \$23,490) of gifts-in-kind were recorded and recognized as revenue with an offsetting expense, and \$16,900 (2020 - \$nil) of gifts-in-kind were recorded and recognized as capital assets with an offsetting deferred contribution related to capital assets. During the year, the Organization also received donations of fuel and repairs and maintenance from Alberta Health Services in addition to receiving funding under the REACH agreement to assist with running ambulances; these contributions have not been recognized in the financial statements. Contributed services are not recognized in the financial statements because of the difficulty in determining their fair value. During the year, volunteers contributed many hours of service assisting the Organization's service delivery activities.

Allocation of expenses

The Organization engages in outreach programs to fulfill its purpose of ministering to needy men, women, young people and children (see Schedules 1-7). The costs of each program include the expenses that are directly related to providing the programs. The Organization also incurs a number of general support expenses that are common to the administration of the Organization and each of its programs.

Specific costs incurred for programs are allocated based on actual costs for these programs. General support expenses are allocated on the following bases:

Professional fees	Proportionately on program expenses as a percentage of total expenses
Telephone, communication and I.T. services	Number of employees for the program
Utilities	Square footage of buildings

Financial instruments

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments at fair value. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

2. Significant accounting policies *(Continued from previous page)*

Related party financial instruments

The Organization initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at fair value.

All other related party financial instruments are measured at cost on initial recognition.

At initial recognition, the Organization may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value. The Organization has not made such an election during the year, thus all such related party debt instruments are subsequently measured at amortized cost.

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments at fair value.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess of revenue over expenses.

Financial asset impairment

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. The Organization 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 at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess of revenue over expenses. The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenue over expenses in the year the reversal occurs.

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue over expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory and spoilage. Amortization and amortization of deferred contributions related to capital assets are based on the estimated useful lives of capital assets. Gifts in kind, when recognized, are measured at their estimated fair value.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenue over expenses in the periods in which they become known.

3. Restricted cash

	2021	2020
Unspent donations for capital assets - [REDACTED] rebuild (Note 8)	249,753	5,348,983

4. Term deposits

Term deposits mature between July and September 2022, and bear interest at rates at 0.20% (2020 - 0.50% - 0.58%). The term deposits are pledged for letters of credit issued in connection with development permits and a 25 year lease.

Hope Mission
Notes to the Financial Statements
For the year ended December 31, 2021

5. Capital assets

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Land	8,042,922	-	8,042,922	8,029,287
Buildings	65,046,335	17,721,991	47,324,344	41,676,383
Automotive	1,341,048	857,255	483,793	427,023
Computer equipment	146,693	126,986	19,707	20,934
Computer software	70,330	46,572	23,758	33,939
Furniture and fixtures	299,251	52,656	246,595	33,180
Fences	62,561	19,861	42,700	47,582
Kitchen equipment	513,918	298,902	215,016	227,405
Parking lot	141,454	35,950	105,504	114,723
	75,664,512	19,160,173	56,504,339	50,610,456

At December 31, 2021, \$164,515 (2020 - \$1,595,486) of capital additions are included in accounts payable and accruals.

6. Accounts payable and accruals

Included in accounts payable and accruals are government remittances payable of \$305,090 (2020 - \$297,485).

7. Deferred revenue

Deferred revenue primarily includes operating grants received in the year that are either designated under the terms of the funding contracts for use in the following year or in excess of eligible expenses incurred.

	2020	Amounts received or receivable	Amounts recognized as revenue	2021
Alberta Housing and Urban Affairs (Schedule 1)	456,008	5,796,036	(5,630,877)	621,167
██████████ (Schedule 1), (Schedule 4)	114,126	1,207,828	(1,181,125)	140,829
COVID response (Schedule 1)	182,145	4,940,760	(5,122,905)	-
Other	185,674	868,298	(999,225)	54,747
	937,953	12,812,922	(12,934,132)	816,743

Hope Mission
Notes to the Financial Statements
For the year ended December 31, 2021

8. Deferred contributions related to capital assets

Deferred capital contributions consist of the unamortized amount of contributions received for the purchase of capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred capital contributions are as follows:

	2021	2020
Balance, beginning of year	34,245,506	25,916,339
Ambulance received as a gift-in-kind (Note 2)	16,900	-
Amount received from other sources during the year	2,749,407	9,224,622
Less: Amounts recognized as revenue during the year	(1,454,778)	(895,455)
Balance, end of year	35,557,035	34,245,506

During the year Hope Mission received \$2,749,407 (2020 - \$9,244,622) related to grants and fundraising to rebuild the Herb Jamieson Centre. The total amount received to date of \$16,101,290 (2020 - \$13,351,884) has been recorded in deferred contributions related to capital assets and the cash received but not yet spent has been included in restricted cash.

9. Commitments

Hope Mission is committed to a consulting agreement expiring December 31, 2022 related to its acquisition of the Brightwood Ranch. The monies to be paid under the agreement form a charge, by way of a caveat, against the property. The maximum future payments required under this agreement are \$15,000 per year.

Under an agreement with [REDACTED], Hope Mission undertook to renovate Immigration Hall, a heritage building, to provide low rent apartments. This work was completed and the renovated Immigration Hall opened in 2009. [REDACTED] maintains a caveat on the title of Immigration Hall, and is entitled to a proportion of proceeds on a sliding scale should the property be sold prior to the year 2030.

Hope Mission entered into an agreement with [REDACTED] for the demolition and reconstruction of Edwardson Place, which was completed in 2016. [REDACTED] provided a capital grant of \$2.0 million towards construction costs and therefore maintains a caveat on the title of Edwardson Place, entitling them to repayment should the property be sold and the proceeds of disposition are not committed to supporting similar services to homeless individuals, or if the facility ceases to operate for its intended purpose prior to the year 2034.

Under various contracts with Alberta Housing and Urban Affairs, [REDACTED] and other government agencies, Hope Mission is responsible for managing various programs. Any deficit from operating these programs are the responsibility of Hope Mission and any surpluses are potentially repayable to the funder.

10. Economic dependence

These statements include the operation of the Herb Jamieson Centre, which is owned and managed under contract by Hope Mission. These programs and other temporary shelter programs operated out of facilities owned by Hope Mission are substantially funded by grants from government at the federal, provincial and municipal levels. Most of these grants are considered and advanced on an annual basis, with no commitment to continuance.

Hope Mission
Notes to the Financial Statements
For the year ended December 31, 2021

11. Credit facilities

Hope Mission has access to a revolving operating credit facilities to a maximum of \$6,000,000 (2020 - \$6,000,000) with interest calculated at the lender's prime rate. The facilities are secured by a general security agreement over all present and after acquired personal property, a land mortgage in the principal sum of \$5,000,000 over certain lands held by the Organization, and a general assignment of leases and rents in respect of certain properties held by the Organization. As at December 31, 2021, no amounts were drawn on these facilities. The Organization also has a letter of credit outstanding in respect of a development permit with the City of Edmonton in the amount of \$76,000 (2020 - \$76,000).

The credit facilities are subject to financial covenants with respect to the working capital ratio, total debt to equity ratio, and debt service coverage ratio. As at December 31, 2021, the Organization is in compliance with the financial covenants.

12. Inter-department charges

Management fees are charged to various programs and represent administrative costs internally allocated under the respective grant agreements. Bargain Shoppe and other ancillary operations expense includes the costs of operating an internal laundry service. Laundry fees are charged as an expense to the Program for the Homeless on Schedule 1, and included as part of laundry supplies. The corresponding cost reduction is shown in the statement of operations as a cost recovery.

	2021	2020
Management fees - Program for the Homeless (Schedule 1)		
Base program	87,240	87,240
Rapid Exit program	90,072	104,661
Rapid Re-Housing program	65,650	78,831
	242,962	270,732
Management fees - Women's Program (Schedule 4)		
Base program	25,824	25,824
Laundry supplies - Program for the Homeless (Schedule 1)		
Bargain Shoppe and other ancillary operations	155,736	155,736
Other		
Ministry van	120,567	113,676
	545,089	565,968

13. Fundraising expenses

As required under The Charitable Fundraising Act of Alberta, the Organization reports that \$122,475 (2020 - \$120,930) was paid as remuneration to employees in respect of fundraising related work in the year ended December 31, 2021 and \$1,671,730 (2020 - \$1,539,054) in other expenses incurred for the purposes of soliciting contributions.

14. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit risk

Financial instruments that potentially subject the Organization to credit risk consist of accounts receivable. The Organization has determined that no allowance for doubtful accounts is necessary based on factors surrounding the credit risk of specific accounts, historical trends and other information.

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. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Organization is exposed to interest rate risk with respect to its term deposits (Note 4) and its credit facility agreement (Note 11). The Organization is able to manage interest rate risk by investing in term deposits and borrowing at floating rates with a no penalty prepayment option.

15. Significant events

COVID-19

During the year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on organizations through the restrictions put in place by the Canadian federal, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

As a result, the Organization has been required to halt the operation of its youth and school lunch programs and cease the utilization of volunteer resources for portions of the year. The Organization has resumed offering programs when possible in accordance with provincial and federal restrictions and regulations. The Organization has received government funding of \$4,940,760 (2020 - \$2,636,827) in order to operate additional day time shelter spaces and overnight shelter spaces to facilitate increased social distancing, of which \$nil (2020 - \$182,145) is included in deferred revenue (Note 7).

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

Fire

In October 2021, a fire caused significant damage the Organization's winter supplies and a food truck. The food truck, with a net book value of \$26,528, was severely damaged, resulting in the recognition of an impairment for the full net book value of the asset. The Organization has filed an insurance claim relating to its damaged property. As final assessments of certain insurance claims remain outstanding, the final recoverable amount remains undetermined. Any proceeds received will be recognized in the period in which the assessment is finalized.

Land and warehouse building purchase

Subsequent to year-end, the Organization purchased the land on which the Herb Jamieson Centre is built for \$2,759,250 as well as a warehouse building for \$3,600,000.

Hope Mission
Schedule 1 - Program for the Homeless
For the year ended December 31, 2021

	2021	2020
Revenue		
Government grants (Note 7)	5,630,877	5,478,036
Government grants - COVID response (Note 7), (Note 15)	5,122,905	2,454,682
Amortization of deferred contributions (Note 8)	1,265,233	707,265
██████████ grants (Note 7)	983,125	1,396,399
Rental (Note 7)	393,404	428,500
Health clinic	306,623	1,055,988
██████████ - COVID response	159,144	-
██████████ grants (Note 7)	43,180	50,170
Other income	632	262
Winter emergency overflow	-	125,728
	13,905,123	11,697,030
Expenses		
Amortization	1,434,717	907,479
Food and kitchen costs	631,389	372,307
Goods and services tax	76,202	36,613
Insurance	168,123	200,520
Interest and bank charges	1,278	2,185
Laundry supplies (Note 12)	155,736	155,736
Management fee (Note 12)	242,962	270,732
Office supplies	201,577	142,259
Physicians fees	216,609	715,546
Professional fees	50,347	24,032
Rent	1,066,453	478,443
Repairs and maintenance	408,174	239,663
Supplies	1,040,989	541,542
Telephone, communication and I.T. services	119,919	95,361
Towels, blankets and mats	152,649	11,800
Training and staff development	3,500	2,516
Utilities	361,041	313,291
Vehicle, travel and transit	67,652	62,070
Wages and employee benefits	9,953,280	8,086,257
	16,352,597	12,658,352
Deficiency of revenue over expenses	(2,447,474)	(961,322)

Hope Mission
Schedule 2 - R.W. Tegler Youth Centre and Kids in Action

For the year ended December 31, 2021

	2021	2020
Revenue		
Government grants	134,497	248,557
Amortization of deferred contributions (Note 8)	19,555	17,555
	154,052	266,112
Expenses		
Amortization	37,000	46,074
Automotive	18,120	8,113
Fees, licences and permits	150	139
Food and kitchen costs	287,172	255,329
Goods and services tax	3,383	2,128
Insurance	31,084	28,810
Office supplies	26,554	23,024
Professional fees	2,791	748
Repairs and maintenance	18,285	54,467
Supplies	1,260	83
Telephone, communication and I.T. services	1,782	2,181
Training and staff development	881	350
Utilities	28,282	22,842
Vehicle, travel and transit	1,250	-
Wages and employee benefits	499,558	458,320
	957,552	902,608
Deficiency of revenue over expenses	(803,500)	(636,496)

Hope Mission
Schedule 3 - Brightwood Ranch
For the year ended December 31, 2021

	2021	2020
Revenue		
Donations	62,116	9,551
Amortization of deferred contributions (Note 8)	40,281	42,060
Government grants and other income	19,206	16,530
Camp rental	-	3,906
	121,603	72,047
Expenses		
Amortization	158,056	163,055
Automotive	17,168	5,485
Fees, licenses and permits	164	233
Food and kitchen costs	5,291	369
Goods and services tax	3,368	1,956
Insurance	49,974	45,482
Interest and bank charges	163	75
Livestock and feed	-	7,444
Office supplies	1,053	3,003
Professional fees	17,859	15,364
Promotion and advertising	-	585
Recreation supplies	184	1,681
Repairs and maintenance	105,817	50,221
Telephone, communication and I.T. services	5,026	4,806
Utilities	52,542	46,516
Vehicle, travel and transit	554	-
Wages and employee benefits	144,613	129,718
	561,832	475,993
Deficiency of revenue over expenses	(440,229)	(403,946)

Hope Mission
Schedule 4 - Women's Centre
For the year ended December 31, 2021

	2021	2020
Revenue		
██████████ grants (Note 7)	198,000	198,000
Rental (Note 7)	126,278	168,668
Amortization of deferred contributions (Note 8)	63,005	65,630
Other income	643	287
	387,926	432,585
Expenses		
Amortization	102,390	104,544
Client services	1,702	1,130
Food and kitchen costs	1,286	4,609
Goods and services tax	99	237
Insurance	22,066	12,335
Interest and bank charges	795	658
Management fee (Note 12)	25,824	25,824
Office supplies	13,545	12,191
Professional fees	3,489	729
Repairs and maintenance	17,212	18,306
Telephone, communication and I.T. services	4,908	3,782
Training and staff development	-	1,813
Utilities	42,338	38,398
Wages and employee benefits	527,014	475,835
	762,668	700,391
Deficiency of revenue over expenses	(374,742)	(267,806)

Hope Mission
Schedule 5 - Bethany Homes
For the year ended December 31, 2021

	2021	2020
Revenue		
Nutrition program (Note 7)	297,144	400,686
Other revenue	106,105	37,688
Donations	76,079	64,022
Amortization of deferred contributions (Note 8)	27,424	22,029
	506,752	524,425
Expenses		
Amortization	70,869	72,070
Automotive	43,270	30,915
Fees, licenses and permits	916	903
Food and kitchen	89,775	155,791
Goods and services tax	3,148	3,203
Insurance	16,575	13,649
Office supplies	289	2,885
Professional fees	2,093	480
Repairs and maintenance	43,080	66,861
Supplies	89,234	66,318
Telephone, communication and I.T. services	3,642	2,931
Training and staff development	291	-
Utilities	23,355	23,934
Vehicle, travel and transit	807	3,008
Wages and employee benefits	299,743	275,228
	687,087	718,176
Deficiency of revenue over expenses	(180,335)	(193,751)

Hope Mission
Schedule 6 - Calgary Hope
For the year ended December 31, 2021

	2021	2020
Revenue		
Amortization of deferred contributions (Note 8)	39,280	40,916
Other revenue	35,862	7,955
	75,142	48,871
Expenses		
Amortization	213,275	206,575
Automotive	20,556	11,688
Food and kitchen costs	78,968	77,905
Goods and services tax	3,171	1,556
Insurance	10,760	8,754
Office supplies	5,155	6,165
Professional fees	2,791	608
Repairs and maintenance	55,692	30,884
Supplies	26,158	14,273
Telephone, communication and I.T. services	6,941	7,401
Utilities	38,019	37,322
Vehicle, travel and transit	27,910	19,475
Wages and employee benefits	401,178	294,950
	890,574	717,556
Deficiency of revenue over expenses	(815,432)	(668,685)

Hope Mission
Schedule 7 - Red Deer Hope
For the year ended December 31, 2021

	2021	2020
Expenses		
Automotive	7,170	4,013
Food and kitchen costs	9,227	1,480
Goods and services tax	611	254
Insurance	7,456	11,386
Office supplies	2,884	2,915
Professional fees	1,396	258
Rent	19,546	19,695
Supplies	4,282	5,626
Telephone, communication and I.T. services	581	1,012
Training and staff development	-	225
Wages and employee benefits	111,118	110,941
Deficiency of revenue over expenses	(164,271)	(157,805)

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