

# CUPS Calgary Society

Financial Statements

March 31, 2023



## 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, 2023 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, 2023, 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.

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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 Canada LLP

Chartered Professional Accountants  
June 29, 2023  
Calgary, Alberta

**CUPS Calgary Society**  
**Statement of Financial Position**  
**March 31, 2023**

	Operating Fund	Sustainability Fund	Capital Assets Fund	2023	2022
<b>Assets</b>					
Current assets					
Cash and cash equivalents (note 3)	\$ 4,454,957	\$ -	\$ 173,891	\$ 4,628,848	\$ 5,072,623
Accounts receivable	108,306	-	-	108,306	40,873
Prepaid expenses	123,240	-	-	123,240	114,875
Due from (to) fund	<u>2,171,079</u>	<u>(2,997)</u>	<u>(2,168,082)</u>	<u>-</u>	<u>-</u>
Investments (note 4)	6,857,582	(2,997)	(1,994,191)	4,860,394	5,228,371
Tangible capital assets (note 5)	<u>-</u>	<u>1,115,067</u>	<u>-</u>	<u>1,115,067</u>	<u>1,339,531</u>
	<u>-</u>	<u>-</u>	<u>16,116,411</u>	<u>16,116,411</u>	<u>14,164,661</u>
	<u>\$ 6,857,582</u>	<u>\$ 1,112,070</u>	<u>\$ 14,122,220</u>	<u>\$ 22,091,872</u>	<u>\$ 20,732,563</u>
<b>Liabilities</b>					
Current liabilities					
Accounts payable and accrued liabilities (note 6)	\$ 2,483,504	\$ -	\$ 345,337	\$ 2,828,841	\$ 2,091,669
Current portion of obligations under capital lease (note 7)	5,646	-	-	5,646	13,545
Designated contributions (note 8)	<u>1,068,736</u>	<u>-</u>	<u>-</u>	<u>1,068,736</u>	<u>997,872</u>
Obligations under capital lease (note 7)	3,557,886	-	345,337	3,903,223	3,103,086
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,646</u>
	<u>3,557,886</u>	<u>-</u>	<u>345,337</u>	<u>3,903,223</u>	<u>3,108,732</u>
<b>Members Equity</b>					
Fund balances	<u>3,299,696</u>	<u>1,112,070</u>	<u>13,776,883</u>	<u>18,188,649</u>	<u>17,623,831</u>
	<u>\$ 6,857,582</u>	<u>\$ 1,112,070</u>	<u>\$ 14,122,220</u>	<u>\$ 22,091,872</u>	<u>\$ 20,732,563</u>
Commitments and contingencies (note 13)					
Subsequent events (note 17)					

Approved by Board of Directors,

*[Signature]*

Chairperson

*Jerrad Blandford*

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Treasurer

**CUPS Calgary Society**  
**Statement of Operations and Changes in Fund Balances**  
**Year Ended March 31, 2023**

	Operating Fund	Sustainability Fund	Capital Assets Fund	2023	2022
Revenue					
Grant (note 10)	\$ 15,037,058	\$ -	\$ -	\$ 15,037,058	\$ 15,840,444
Fundraising	809,028	-	-	809,028	544,956
Donation	761,465	-	1,853,962	2,615,427	967,890
Service	165,822	-	-	165,822	243,137
Government assistance	-	-	-	-	138,895
Other	224,830	32,889	-	257,719	156,539
Realized gain (loss) on investments	-	(13,532)	-	(13,532)	2,300
Unrealized loss on investments	-	(38,821)	-	(38,821)	(57,414)
	<u>16,998,203</u>	<u>(19,464)</u>	<u>1,853,962</u>	<u>18,832,701</u>	<u>17,836,747</u>
Expenses					
Program wages, benefits and contracted services	9,907,739	-	-	9,907,739	9,395,256
Program services	4,595,144	-	-	4,595,144	5,151,767
Fundraising	385,122	-	-	385,122	165,572
General and administrative (note 11)	2,723,700	-	-	2,723,700	2,834,115
Amortization	-	-	656,178	656,178	641,240
	<u>17,611,705</u>	<u>-</u>	<u>656,178</u>	<u>18,267,883</u>	<u>18,187,950</u>
Excess (deficiency) of revenue over expenses	(613,502)	(19,464)	1,197,784	564,818	(351,203)
Fund balances, beginning of year	3,913,198	1,381,534	12,329,099	17,623,831	17,975,034
Transfer of fund balances	-	(250,000)	250,000	-	-
Fund balances, end of year	<u>\$ 3,299,696</u>	<u>\$ 1,112,070</u>	<u>\$ 13,776,883</u>	<u>\$ 18,188,649</u>	<u>\$ 17,623,831</u>

**CUPS Calgary Society**  
**Statement of Cash Flows**  
**Year Ended March 31, 2023**

	2023	2022
Cash provided by (used in):		
Operating activities		
Excess (deficiency) of revenue over expenses	\$ 564,818	\$ (351,203)
Add (deduct) items not affecting cash		
Amortization	656,178	641,240
Non-cash donations received	(343,780)	(128,535)
Unrealized loss on investments	38,821	57,414
Realized (gain) loss on investments	<u>13,532</u>	<u>(2,300)</u>
	<u>929,569</u>	<u>216,616</u>
Net change in non-cash working capital balances related to operations:		
Accounts receivable	(67,433)	112,680
Prepaid expenses	(8,365)	(64,168)
Accounts payable and accrued liabilities	391,835	839,281
Designated contributions	<u>70,864</u>	<u>(451,910)</u>
	<u>386,901</u>	<u>435,883</u>
	<u>1,316,470</u>	<u>652,499</u>
Financing activity		
Repayment of obligations under capital lease	<u>(13,545)</u>	<u>(13,545)</u>
Investing activities		
Purchase of tangible capital assets	(2,607,928)	(288,575)
Purchase of investments	(44,463)	(320,377)
Proceeds on disposal of investments	560,354	380,899
Changes in accounts payable and accrued liabilities related to tangible capital assets	<u>345,337</u>	<u>-</u>
	<u>(1,746,700)</u>	<u>(228,053)</u>
Increase (decrease) in cash	(443,775)	410,901
Cash and cash equivalents, beginning of year	<u>5,072,623</u>	<u>4,661,722</u>
Cash and cash equivalents, end of year	<u>\$ 4,628,848</u>	<u>\$ 5,072,623</u>
Cash and cash equivalents is comprised of:		
Cash	\$ 3,628,848	\$ 5,072,623
Guaranteed investment certificate (note 3)	<u>1,000,000</u>	<u>-</u>
	<u>\$ 4,628,848</u>	<u>\$ 5,072,623</u>
Non-cash transactions:		
Donated investments	<u>\$ 343,780</u>	<u>\$ 128,535</u>

# **CUPS Calgary Society**

## **Notes to the Financial Statements**

### **For the Year Ended March 31, 2023**

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#### **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.

Sustainability Fund - 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 tangible 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.

Government assistance is recognized as income in the year the related qualifying expenses are incurred and the amount can be reasonably estimated and collection is reasonably assured.

# CUPS Calgary Society

## Notes to the Financial Statements

### For the Year Ended March 31, 2023

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#### 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 operations.

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

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.

#### Cash and cash equivalents

Cash includes cash on hand and cash held at financial institutions. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to insignificant risk of change in value.

#### 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 are initially recognized at fair value and subsequently measured at amortized cost, except for investments which are measured at fair value. 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.

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 14).



# CUPS Calgary Society

## Notes to the Financial Statements

### For the Year Ended March 31, 2023

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#### 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:

- IT support, professional fees, insurance, office expenses, telephone, mileage and parking, training and development, 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.

#### 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 completeness 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 designated 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 completeness 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 accrued any impact to the financial statements.

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.

**CUPS Calgary Society**  
**Notes to the Financial Statements**  
**For the Year Ended March 31, 2023**

**NOTE 3 – CASH EQUIVALENTS**

Cash equivalents consist of a cashable guaranteed investment certificate of \$1,000,000 (2022 - \$NIL) bearing interest at prime less 2% per annum effectively 4.7% at March 31, 2023 (2022 – NIL) and maturing on October 21, 2023.

**NOTE 4 – SUSTAINABILITY FUND**

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

	2023	2022
Special Projects Fund	\$ 418,520	\$ 679,091
Building Life Cycle Reserve	696,547	660,440
	<b>\$ 1,115,067</b>	<b>\$ 1,339,531</b>

Investments consist of Canadian bonds and debentures and principal protected notes that bear interest at rates ranging from 2.08% to 3.89% per annum (2022 – 2.08% to 3.59% per annum) and mature or are callable between June 9, 2023 and January 26, 2032 (2022 – September 14, 2023 and January 26, 2032).

**NOTE 5 – TANGIBLE CAPITAL ASSETS**

	2023			2022
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 4,863,875	\$ -	\$ 4,863,875	\$ 4,863,875
Buildings	4,733,565	(1,356,442)	3,377,123	3,495,421
Building improvements	10,974,409	(3,526,632)	7,447,777	5,312,931
Furniture and equipment	2,369,349	(1,947,359)	421,990	473,243
Furniture and equipment under capital lease	67,728	(62,082)	5,646	19,191
Automobiles	146,504	(146,504)	-	-
	<b>\$ 23,155,430</b>	<b>\$ (7,039,019)</b>	<b>\$ 16,116,411</b>	<b>\$ 14,164,661</b>

Building improvements includes \$2,543,481 (2022 - \$93,612) of costs for the development of the Society's main office that are not yet in use and therefore no amortization has been taken in the current or prior year.

**NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Included in accounts payable and accrued liabilities is \$197,345 (2022 - \$61,849) relating to payroll source deductions payable.

**CUPS Calgary Society**  
**Notes to the Financial Statements**  
**For the Year Ended March 31, 2023**

**NOTE 7 – OBLIGATIONS UNDER CAPITAL LEASE**

	2023	2022
Capital lease contracts	\$ 5,646	\$ 19,191
Less: portion due within one year	5,646	13,545
<b>Long-term portion</b>	<b>\$ -</b>	<b>\$ 5,646</b>

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

Payments due on obligation under capital lease are as follows:

2024	\$ 6,023
Payment representing interest	<u>(377)</u>
	<u>\$ 5,646</u>

**NOTE 8 – DESIGNATED CONTRIBUTIONS**

The Society received certain donations, fundraising and grants that were subject to restrictions. Certain amounts that were not utilized during the grant term are repayable to funders and have been reclassified to accounts payable and accrued liabilities. Restricted amounts received and expended were as follows:

	Beginning Balance, April 1, 2022	Additions	Utilization	Amounts Repayable	Closing Balance, March 31, 2023
Donations	\$ 21,700	\$ 28,441	\$ (50,141)	\$ -	\$ -
Fundraising	-	192,267	(191,265)	-	1,002
Grants	976,172	6,760,099	(6,112,996)	(555,541)	1,067,734
	<b>\$ 997,872</b>	<b>\$ 6,980,807</b>	<b>\$ (6,354,402)</b>	<b>\$ (555,541)</b>	<b>\$ 1,068,736</b>

	Beginning Balance, April 1, 2021	Additions	Utilization	Closing Balance, March 31, 2022
Donations	\$ 6,563	\$ 21,700	\$ (6,563)	\$ 21,700
Grants	1,443,219	6,983,248	(7,450,295)	976,172
	<b>\$ 1,449,782</b>	<b>\$ 7,004,948</b>	<b>\$ (7,456,858)</b>	<b>\$ 997,872</b>

**CUPS Calgary Society**  
**Notes to the Financial Statements**  
**For the Year Ended March 31, 2023**

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**NOTE 9 – CREDIT FACILITIES**

The Society has available a revolving demand credit facility in the amount of \$650,000 with a major Canadian financial institution. The facility bears interest at the prime plus 1.38% per annum. At March 31, 2023 and 2022 no amounts have been drawn on the credit facility. The Society also has available a revolving lease line of credit facility in the amount of \$150,000. The terms and interest rate of this facility are determined at the time the facility is drawn upon. At March 31, 2023 and 2022 no amounts have been drawn on the lease credit facility. Both facilities are secured by a general security agreement with a first ranking security interest in all personal property.

**NOTE 10 – GRANT REVENUE**

Grant revenue consists of the following:

	<b>2023</b>	<b>2022</b>
Other Grants	\$ 7,333,804	\$ 8,796,910
Government Grants:		
Federal	615,840	500
Provincial	5,818,947	5,898,166
Municipal	1,268,467	1,144,868
	<b>\$ 15,037,058</b>	<b>\$ 15,840,444</b>

**NOTE 11 – GENERAL AND ADMINISTRATIVE EXPENSES**

General and administrative expenses consist of the following:

	<b>2023</b>	<b>2022</b>
Administrative wages, benefits and contracted services	\$ 2,282,702	\$ 2,424,855
Office	440,998	409,260
	<b>\$ 2,723,700</b>	<b>\$ 2,834,115</b>

**NOTE 12 – EMPLOYEE FUTURE BENEFITS**

The Society contributes to a registered retirement savings plan for the benefit of its employees. During the year contributions of \$286,917 (2022 - \$270,822) were deposited to the defined contribution plan and expensed as employee benefits.

# CUPS Calgary Society

## Notes to the Financial Statements

### For the Year Ended March 31, 2023

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#### NOTE 13 – COMMITMENTS AND CONTINGENCIES

The Society has entered into rental, office equipment and facility equipment leases in the normal course of operations. These leases vary in payment terms and duration. Total minimum payments exclusive of occupancy costs over the next five years under the terms of the lease agreements are as follows:

2024	\$	40,526
2025		8,126
2026		2,686
	\$	<b>51,338</b>

The Society is subject to legal claims that together total approximately \$685,000 plus unspecified amounts. The Society has accrued a loss on legal disputes amounting to its most conservative estimate of potential damages based on its internal assessment and input from its independent legal advisors.

#### NOTE 14 – 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, accounts receivable and investments.

The Society minimizes its credit risk relating to cash and cash equivalents and investments by placing its cash and cash equivalents with major financial institutions and investing its fixed income investments in large public organizations.

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.

# CUPS Calgary Society

## Notes to the Financial Statements

### For the Year Ended March 31, 2023

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#### 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 investments are affected by the securities traded in the market.

#### d) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market interest rates. The Society is exposed to interest rate risk to the extent that interest rates are fixed upon maturity.

#### **NOTE 15 – KEY CASE MANAGEMENT, GRADUATE RENT SUBSIDY, COMMUNITY DEVELOPMENT, GRADUATE HOUSING, CONNECT 2 CARE AND HOMES FOR HEALTH PROGRAMS**

The Key Case Management Program is for adults who have lived in a shelter for over a one-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 Community Development Program was implemented to provide community development at four buildings located throughout Calgary. 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 Connect 2 Care Program is a multidisciplinary mobile outreach program that provides transitional case management, advocacy and care coordination for socially vulnerable patients with high acute care use.

The Homes for Health Program is a supportive housing program enhanced with in-home nursing, counselling, and intensive case management services to support participant's recovery. The primary goal of the program is to stabilize chronically or episodically homeless individuals in housing and provide access to supports to help with presenting issues, including complex health needs, mental health and substance use, that can result in a return to homelessness.

**CUPS Calgary Society**  
**Notes to the Financial Statements**  
**For the Year Ended March 31, 2023**

The following tables summarize the financial results of the Key Case Management, Graduate Rent, Community Development, Graduate Housing, Connect 2 Care and Homes for Health programs.

	Key Case Management Program 2023	Graduated Rent Subsidy Program 2023	Community Development Housing Program 2023	Graduate Housing Program 2023	Connect 2 Care Program 2023	Homes for Health Program 2023
<b>Revenue</b>						
Calgary Homeless Foundation	\$ 1,922,380	\$ 1,409,990	\$ 1,212,840	\$ 162,460	\$ 200,000	\$ 536,130
<b>Expenses</b>						
Start up costs	-	-	-	-	3,000	35,108
Staff costs	732,806	275,696	370,398	85,520	126,595	51,052
Participant costs	984,561	1,007,480	725,945	54,348	6,750	6,923
Administration costs	192,238	140,999	121,284	18,955	19,700	48,713
Total operating expenses	1,909,605	1,424,175	1,217,627	158,823	156,045	141,796
Excess (deficiency) of revenue over expenses	\$ 12,775	\$ (14,185)	\$ (4,787)	\$ 3,637	\$ 43,955	\$ 394,334

**NOTE 16 – CAPACITY BUILDING GRANT**

During the year, the Society received \$25,000 (2022 - \$NIL) of funding from the City of Calgary for strategic planning to be utilized by December 31, 2022. The Society utilized \$8,163 of the grant by December 31, 2022. The City of Calgary approved an extension for the remaining amount of \$16,837 to be utilized by December 31, 2023. As at March 31, 2023, the Society has utilized an additional \$14,480 and the remaining amount of \$2,357 is included in designated contributions.

**NOTE 17 – SUBSEQUENT EVENTS**

Subsequent to year end, the Society announced the temporary pause of its Child Development Program operations effective July 2023.

As part of the pause of program operations, the Society's board approved the sale of the Child Development Center building. The building is held for sale subsequent to year end. The net book value of the building and land at March 31, 2023 is \$948,783 and \$400,000 respectively.