

2021  
YEAR IN REVIEW

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*Our  
Road to  
Purpose*

Management Discussion & Analysis  
and Audited Financial Statements  
for the Year Ended March 31, 2021



Calgary Homeless  
FOUNDATION

## MANAGEMENT'S DISCUSSION AND ANALYSIS

*This Management's Discussion and Analysis (MD&A) includes information about Calgary Homeless Foundation's (CHF) expectations for the future. When strategy, plans and future operating performance, or other things that have not yet taken place are discussed, CHF is making statements considered to be forward-looking information. Forward-looking information involves risks, uncertainties and other factors that may cause actual results to differ materially from those stated in this MD&A. Forward-looking information is designed solely to help readers understand management's current views and is not appropriate for other purposes. CHF disclaims any intention or obligation to update or revise any forward-looking information, whether because of new information, future events or otherwise.*

*Please note the period April 1, 2019 to March 31, 2020 is referred to as fiscal 2020, the period April 1, 2020 to March 31, 2021 is referred to as fiscal 2021, and the period April 1, 2021 to March 31, 2022 is referred to as fiscal 2022.*

### 1. Environment

#### Homelessness in Calgary

From 1994 to 2008, Calgary had the fastest-growing population of people experiencing homelessness in Canada. In 2008, Calgary led the country by ambitiously implementing Canada's first 10 Year Plan to End Homelessness (Calgary's Plan). Calgary's Plan concluded in early 2018, and key achievements included a 32% decrease in homelessness per capita; a 35% decrease in shelter use; creation of more than 2,100 new housing program spaces with 92% of program participants achieving housing stability; more than 9,700 people experiencing homelessness housed; and, more than 550 units of housing with supports built.

Calgary has been recognized internationally as a leader in responding to homelessness – a true measure of our community's core values. By embracing a spirit of partnership across governments, service providers and community leaders, considerable progress has been achieved. Under the guidance of CHF, Calgary's Homeless-Serving System of Care (CHSSC) has evolved into a seamlessly coordinated network of frontline agencies. Over 30 agencies work with us to ensure people at risk of or experiencing homelessness are not forced to navigate the system – the system is customized to their needs. Although extraordinary progress has been achieved, we must acknowledge the huge challenge still facing us.

Today, on any given night, up to 3,000 of Calgary's mothers, fathers, young adults, and grandparents are waiting for a home and the related supports they need to succeed. Alarming, research completed by the University of Calgary School of Public Policy revealed that in 2019 over 4,200 people slept in a homeless shelter for the first time in their lives. This is not an easy time for Calgary's most vulnerable, or for the social service agencies working with them. Recent trends and events impacting homelessness include:

#### COVID-19 Pandemic

- A deteriorating economic situation in Alberta coupled with the arrival of the the pandemic, and the resulting public health response to contain it, has created the worst downturn since the Great Depression. Students, women, and people of colour have been hit particularly hard by the economic fallout of the pandemic.

- The pandemic disproportionately impacted lower-wage jobs, widening the income gap. All jobs lost in Canada in 2020 earned \$28 or less per hour.<sup>1</sup>
- The pandemic has accelerated long-standing trends in labour markets and economies around the world – income inequality, unstable employment, and the digitization of the economy.
- Mental health disorders, addictions and overdoses continue to rise in Calgary. This has led to reduced housing stability for vulnerable people, increased demand for health supports and housing services that are already oversubscribed, and an uptick in social disorder. Opioid death rates, for example, have more than doubled since the pandemic began.
- By the beginning of May 2021, a third wave of the pandemic had resulted in the highest active case count to date, due to the more contagious COVID-19 variants outpacing vaccination efforts. This has resulted in additional strain on the health care system and further economic shocks due to increased public health orders.
- Over a year into the pandemic, society is becoming increasingly polarized, with a portion of the population strongly opposing and, in some cases, defying pandemic restrictions and a majority of the population frustrated with those who are not following the public health orders.

#### High Calgary unemployment:

- Alberta's economy is more volatile than the rest of Canada, due to the prominence of the oil and gas sector. Oil and gas commodity prices dropped dramatically at the beginning of the pandemic and have only partially recovered. Increased societal awareness of climate change is also resulting in downward pressure on this industry. This has negative economic impacts on both individual incomes and government revenues.
- Calgary's economy contracted 10% in 2020 and is forecast to recover 7% in 2021. Calgary's unemployment rate peaked at 15% in July of 2020 and remained stubbornly high at 11% at the end of March 2021.<sup>2</sup>

#### Continued lack of affordable housing units:

- The rental supply in Calgary has increased, with 1,306 rental units added to Calgary's supply and 2,189 rental units under construction. Combined with high unemployment rates topping 15% in July and the first net outmigration from Calgary since 1993, the apartment vacancy rate increased from 3.9% in October 2019 to 6.6% in October 2020.<sup>3</sup>
- Although vacancy rates nearly doubled, average rent increased slightly to \$1,195, which remains unaffordable for at-risk and vulnerable Calgarians.<sup>3</sup>
- Calgary has only 3.6% of households supported by non-market housing vs 6% nationwide.
- Despite the increased vacancy, the lowest 20% of income earners, consisting of 20% of Calgary's rental household population, can reasonably afford only 11% of existing rental units. Over 88% of the affordable universe for this quintile are bachelor and one-bedroom units, pointing to further affordability challenges for low-income households with a need for more bedroom units.<sup>3</sup>

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<sup>1</sup> CIBC Economics, Canadian Labour Market Dichotomy – Deeper than Perceived, Benjamin Tal, January 2021

<sup>2</sup> Statistics Canada, Labour Force Survey, March 2021

<sup>3</sup> Canada Mortgage and Housing Corporation, Rental Market Report, January 2021

### Government, CHF and CHSSC response:

- Both the federal and provincial governments have responded with unprecedented levels of spending to respond to the public health crisis and the resulting economic downturn.
- In collaboration with government and community partners, CHF has provided leadership to implement and appropriately adapt public health measures to help prevent the spread of the COVID-19 virus into and within Calgary's homeless population and CHSSC and, ultimately, protect all Albertans.
- Calgary's homeless population is considered high risk due to various vulnerabilities, including the potential for pre-existing physical health, mental health, and addiction issues in combination with financial insecurity and the inability to self-quarantine and maintain physical distance. CHF is coordinating multiple stakeholder groups to remove barriers to testing, bolster staffing and resources to CHSSC service providers, support vaccination programs and implement diversion and housing placement strategies to alleviate the strain on Calgary's shelter system and house vulnerable Calgarians.
- CHF strategically allocated more than \$26 million in emergency response funding through a structured procurement process resulting in 1,062 individuals and families successfully diverted from homelessness and 1,296 individuals and families housed in the period from March 1, 2020 to mid-April 2021, more than 40% higher than prior years' housing rates.

This crisis has highlighted that people cannot be healthy and safe without a home. One of the positive outcomes of the pandemic has been the coordinated response between CHF, the City of Calgary, the Ministry of Community and Social Services and frontline agencies working towards ending homelessness within CHSSC. Of note is a renewed appreciation by Alberta Health Services of the need for social supports and the health complexities for those experiencing homelessness in our city.

Following the pandemic, Alberta's recovery from COVID-19 will require sustained public health measures and innovative solutions that support the province's economic recovery. CHF will continue to prioritize long-term housing stability. These initiatives will focus on identifying safe and affordable housing options while providing the sustainable programmatic supports, including mental health and addiction supports, needed to ensure housing security.

## 2. Organization and Leadership

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CHF is structured into three primary areas: Homeless-Serving System of Care, Stakeholder Engagement and Operations. As of March 31, 2021, there were 44 employees. A list of the leadership team can be found on the CHF website at: <http://calgaryhomeless.com/about/leadership/>.

### 3. Strategy

Purpose is aspirational. It is the "why" behind everything that CHF does and underpins our vision, our mission, our strategy, the decisions we make, how we hire, and even how we respond to crisis. Ideally, it also makes clear how we are impacting and improving the lives of others in our local and global community. Purpose is different from mission and vision in that it is not simply a carefully crafted statement. Nor is it a strategy to generate value for our stakeholders. Instead, purpose is a call to action and a reason for being that not only provides focus for CHF but gives people within our organization a sense of meaning.

In the fall of 2020, we began the journey of determining CHF's Purpose and Ambition. Throughout this process we engaged with multiple key stakeholders across our community — from funded agencies, collaborative partners, alumni and current board members, urban Indigenous agencies, and those with lived experience. We also engaged with CHF staff in multiple focus groups.

The result led to the creation of our new Purpose and Ambition, which provides the framework and areas of focus that will guide CHF for the next four years.

#### Our purpose:

##### Guiding the fight against homelessness

Calgary Homeless Foundation commits to guide the fight against homelessness.

We are uniquely positioned within the system of care to observe the many complicating factors that affect those faced with or experiencing homelessness.

Our broad line of sight gives us a deep understanding of the cause-and-effect dynamics of homelessness. This insight, delivered as an arm's length advisor, enables us to inspire governments, service providers and our community to undertake a shared responsibility to maximize our collective impact in the fight against homelessness.

**Guiding the fight against homelessness** is the reason we exist as an organization. It is the true calling of Calgary Homeless Foundation. We were formed in 1998 to reduce homelessness in Calgary. In 2008, we were appointed as the lead implementer of Calgary's 10-Year Plan to End Homelessness. It is our job to invite and encourage funders and service providers to work together to ensure no one is left behind. Challenging the status quo to drive a collective effort to fight homelessness has been in our DNA since the very beginning.

While we acknowledge, today, that homelessness may never disappear entirely, our Purpose endures — to guide governments and service providers in forming a backbone of integrated supports that enable people to journey out of homelessness. Fueled by our Purpose, we envision the day when homelessness is rare, brief, and non-recurring — perhaps an episode in someone's life, but never a condition that defines them.

While our Purpose describes why we exist as an organization; our Ambition describes the collective desire for a certain achievement and the willingness to strive for its attainment. The two are intertwined. Having Purpose unites us and gives us energy, while Ambition provides us with something to measure against. Being clear about our Ambition as an organization helps turn that energy into positive outcomes.

## Our ambition:

By 2025 we will be recognized as the authoritative guide on how governments, service providers and community leaders, in our community and beyond, can best leverage their combined resources and programs in a unified fight against homelessness.

To accomplish this, we will:

- ▶ **Serve** as the trusted advisor to all orders of government, the business community and all Calgarians toward building a coordinated and comprehensive response to the complicating issues affecting homelessness.
- ▶ **Promote** the reconciliation necessary to break down barriers by giving, receiving, listening and reaching out in love.
- ▶ **Advocate** with unwavering conviction for the co-creation, with community, of a system-wide approach to serving people experiencing homelessness.
- ▶ **Forge** an innovative path for targeted research, powerful data analytics, a cutting-edge technology platform, and a sponsored forum for sharing knowledge and best practices.

Our Purpose and Ambition are strongly flavoured with the concept of collaboration. This is deliberate. We firmly believe that the power of collaborative behaviour presents an incredible opportunity to achieve better social outcomes in the most fiscally responsible way by enabling the intersection of service pathways across government departments and community agencies. As thought leaders and guiding influencers, our greatest contribution will be found in our success at inspiring funders, service providers, and community leaders to work under a comprehensive and coordinated plan to fight homelessness.

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We believe that by aiming high—by setting out to establish our organization as the authoritative voice in our community about the complex issues of homelessness and the best strategies to address them—we will inspire in our board and staff the kind of behaviour and commitment needed to fulfill our Purpose of **Guiding the fight against homelessness**

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To support our Purpose and Ambition, our strategies in fiscal 2022 include:

- Focusing on enhancing and establishing trusting relationships with our key stakeholders (governments, funded agencies, Indigenous communities, community organizations)
- Exploring a community-wide collaborative framework to improve existing service delivery models for our vulnerable population
- Refreshing our strategic priorities, culture, behaviours and values aligned to our Purpose and Ambition
- Enhancing both CHF's and the CHSSC's capacity to define, understand and learn from our collective outcomes to maximize impact
- Maintaining CHF as a trusted source of data and information to better serve people at risk of or experiencing homelessness
- Enhancing our internal capacities through modernizing technology infrastructure; modernizing data and analytics technology; and, process standardization and documentation

## 4. Fiscal 2021 Priorities

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Every year, CHF sets strategic priorities and business plan goals to align with CHF's current Strategic Plan. In fiscal 2021, CHF set five strategic directions. Key accomplishments in each of these areas include:

i) **Implement new technology infrastructure to advance the effectiveness and efficiency of the Calgary Homeless-Serving System of Care (CHSSC).**

- Enhanced security for both remote and on-premise work
- Invested in hardware and software solutions to support remote and on-premise work to allow maximum flexibility
- Transferred all files from on-premise to cloud-based server
- Conducted an infrastructure review for the data warehouse and commenced upgrades and enhancements
- Disaster Recovery and Business Continuity Plans drafted
- Implemented a help desk software system for the HMIS team to enhance agency support
- Vendor selected for assessment and design of a community data hub

ii) **Inspire Ecosystem shared accountability and investment in achieving Functional Zero.**

- Strategically allocated more than \$26 million of provincial and federal funding for COVID-19 emergency response in Calgary's Homeless Serving System of Care (CHSSC)
- Worked with the provincial Ministry of Mental Health and Addictions to align system outcomes to recovery-oriented housing programs
- Collaborated with shelters and other frontline agencies to enhance prevention and diversion programs, implement a rapid counselling program pilot and coordinate an isolation site for COVID-19 response
- Through CHF's work coordinating the Calgary Assisted Self-Isolation Site (for people with no fixed address to isolate due to COVID-19), Alberta Health Services' awareness of the need for blended medical and social supports was heightened
- Provided support for shelter and Indigenous vaccination programs
- Worked with community partners and the City of Calgary to launched the COVID-19 Community Affordable Housing Advocacy Plan and in response, the City allocated 3 new sites for non-market non-profit housing development
- Key partner in the City of Calgary Mental Health and Addiction Community Strategy and Action Plan
- Continued outreach to build/strengthen sector relationships and to advance the work of the system of care with all levels of government and ministries, including Alberta Health Services, the Calgary Police Service and other social impact agencies.
- Participated in multi-funder United Way, FCSS and Calgary Foundation Stewardship Councils to award emergency response funds

iii) **Enhance our Organizational Adaptive Capacity (people, process, culture) to thrive in a changing world.**

- Rapidly distributed more than \$26 million emergency response funding through a structured procurement process resulting in 1,062 individuals and families successfully diverted from homelessness and 1,296 individuals and families housed

- Conducted a transparent procurement process to review and select service providers for existing federally funded programs, creating 5% additional capacity through program optimization in the CHSSC while piloting two innovative program designs
- Funded programs for 70 new housing spaces opened by HomeSpace Society during the year
- Project managed a new collaboration to set up and operate Calgary's Assisted Self-Isolation Site (for people with no fixed address to isolate due to COVID-19) for the CHSSC
- Focused on staff mental wellness including enhanced benefit coverage for counselling, mental wellness training for all staff and continual adaptation of COVID-19 office procedures to align to government health and safety guidelines and employee needs/challenges
- Maintained high level of employee engagement despite challenges of COVID-19 and senior leadership changes
- Over 30 stakeholder interviews conducted and all staff and Board engaged to provide input to clarify CHF's Purpose and Ambition
- Drafted a revised strategic plan aligned to CHF's newly clarified Purpose and Ambition

iv) Continue to grow CHF's knowledge and understanding of Indigenous world views and take actions towards becoming a better ally of Indigenous peoples.

- Shared insights from the recently completed research into the causes of flow from surrounding Treaty 7 First Nations in/out of the CHSSC with the Indigenous community (the Belzberg Research)
- Supported self-determination and autonomy in the allocation of federal Indigenous COVID-19 relief funds by the Indigenous Community Advisory Board
- Participated in the 7 Brothers Circle to support Indigenous COVID-19 response
- Incorporated requirement for organizations to demonstrate their aptitude in providing culturally appropriate supports in CHF's procurement process
- Held preliminary discussions with UCalgary, United Way and the Aboriginal Friendship Centre to leverage and align Indigenous strategies
- Developed and launched an Indigenous Engagement Strategy
- Supported the Indigenous community vaccine rollout program
- Presented findings of the Belzberg Research to the federal government Indigenous caucus

v) Initiate transformational shift in data culture with/in the CHSSC to collectively harness the power of rigour and the potential of evidence.

- Developed new reporting and better data insights using data warehouse and business intelligence tools
- Launched internal Leadership Dashboard highlighting key shelter, housing, Coordinated Access and Assessment (CAA) and diversion trends
- Automated data submission, quality check, calculation and reporting processes
- Developed multiple reporting data marts to enable real-time reporting and self-service data availability
- Developed a draft framework to assess and enhance the CAA process
- Interpreted and integrated lessons learned from 10 program evaluations
- Initiated developmental evaluations for 7 pilot programs to be conducted over the next year
- Held several Communities of Learning to disseminate lessons learned and best practices and support COVID-19 adaptation
- Commenced development of system effectiveness, quality of life and housing indicators for the domains of home, health, wealth and connection

## 5. Risk Management

CHF continues to proactively mitigate enterprise risk through an annual strategic review process; an annual budgeting and business planning process; templates for service agreements (projects and consulting); transparent request for proposal (RFP) processes; and, a tracking process for current contractual commitments.

Key risk areas for CHF are discussed below, which include the anticipated risk and mitigation strategies.

### Performance Risk

Performance risk includes the risks related to strategy, program (agency) performance and the risk of a program participant incident within a CHF-funded program. There is a risk that annual plans and investments are not effective in reducing homelessness. To address this risk, an annual review process is undertaken with the community that: evaluates progress; identifies gaps in systems; integrates new knowledge and results from system and program monitoring processes; integrates best practices; and, adjusts annual plans and investments accordingly. There is also a risk that agencies do not deliver their program commitments. CHF continues to conduct comprehensive program monitoring and quality assurance processes, including site visits and reviews. Lastly, there is a risk of disruption to plans and effectiveness due to a world event, such as the COVID-19 pandemic. To address this risk, CHF works with public health agencies, all levels of government and strategic partners to assess areas of highest need and identify appropriate responses.

### Financial Risk

There is a risk that inadequate financial management could impact CHF's strategy, reputation and/or liquidity. CHF mitigates this risk through the implementation of rigorous internal controls, system access restrictions, the oversight of staff, and regular financial monitoring. CHF has a Board-approved Financial Policy, which is updated regularly.

There is a risk that government funding could be significantly cut. CHF mitigates this risk by the continued strengthening of government relationships with multiple levels of government staff, filing all reports on time, adjusting budgets and plans to align with current government funding levels and aligning to government priorities where appropriate.

### Political and Reputational Risk

There is a risk significant controversy could erode trust or public support that could result in reduced funding. CHF frequently communicates with both government and the public to support continued positive media attention to end homelessness. Throughout the COVID-19 pandemic, CHF is communicating regularly with government funders to brief them on the Calgary context and CHSSC responses and with the public to support public confidence in the government, health and CHSSC responses.

## 6. Governance

The Board ensures CHF meets all legal, financial and regulatory requirements, makes progress on its stated goals and is appropriately resourced to meet its goals. The Board endeavors and acts to remove barriers or impediments and enhances engagement among community leaders. A list of the Board of Directors can be found on CHF website at: <http://calgaryhomeless.com/about/leadership/>.

## 7. Financial Results

### Statement of Financial Position (as at March 31, 2021)

Cash increased by \$5.8 million to \$21.7 million in fiscal 2021 due a net increase of \$5.1 million of restricted cash for COVID emergency response and an increase of \$2.3 million in operating funds, partially offset by a \$1.6 million distribution of restricted cash exceeding donations received for the Calgary Collaborative Capital Campaign for Affordable Housing. The unexpended pandemic response revenue will be invested in areas of greatest need by the end of September 2021. Short-term investments increased by \$4.1 million to \$7.5 million in fiscal 2021 due to the investment of restricted operating reserves.

Current liabilities decreased by \$0.6 million to \$7.1 million in fiscal 2021 due to a \$1.6 million decrease in the funds held in trust for the Calgary Collaborative Capital Campaign for Affordable Housing, which were largely distributed in fiscal 2021 as part of the windup of the campaign, partially offset by an increase of \$1.0 million in accrued liabilities for payments to agencies. The accrued liabilities were paid to the agencies in April 2021.

### Statement of Operations

Donations and grants increased from \$60.7 million in fiscal 2020 to \$91.8 million in fiscal 2021 due to an increase of \$34.4 million in government funding for COVID-19 emergency response, partially offset by a decrease of \$3.3 million of pledges collected through the Calgary Collaborative Capital Campaign for Affordable Housing. Investment income decreased by 50% to \$0.2 million due to substantially lower interest rates in fiscal 2021.

Operating expenses were \$76.0 million in fiscal 2021, a 46% increase compared to \$52.1 million in fiscal 2020. In both years, operating expenses consisted of payments to agencies delivering front line services to people at risk of or experiencing homelessness. Increased government funding for pandemic response enabling CHF to increase program expenditures in areas of greatest need.

Administration expenses increased from \$5.0 million in fiscal 2020 to \$5.2 million in fiscal 2021. Administration expenses in fiscal 2021 were comprised of \$4.0 million in salaries and \$1.2 million in office expenses. In comparison, fiscal 2020 administration expenses were comprised of \$3.7 million in salaries and \$1.3 million in office expenses. Salaries increased due to filling several roles that were vacant at the end of fiscal 2020.

Excess of revenue over expenses was \$10.7 million in fiscal 2020 as compared \$4.1 million in fiscal 2021, an increase that is due to the one-time government-funded programming revenue received in fiscal 2021 for pandemic emergency response that was not fully spent by year end. The unexpended pandemic response revenue will be invested in areas of greatest need by the end of September 2021.

Of the \$0.6 million of funds raised for operating costs in fiscal 2021, the average gift amount was \$427. Fundraising methods for operating costs include on-line gifts, proceeds from special events, grants from foundations, solicitations to individuals, companies and community investment programs, and unsolicited gifts. As part of the Calgary Collaborative Capital Campaign for Affordable Housing which concluded on March 31, 2018, CHF received \$0.2 million in fiscal 2021 which was disbursed to HomeSpace Society, CHF's housing provider. CHF has no remaining outstanding pledges from this campaign.

### Liquidity and Capital Resources

In fiscal 2021, operating activities generated \$9.9 million, due to revenue exceeding expenses by \$10.7 million offset by a decrease of \$0.8 million in net working capital. In fiscal 2020, operating activities used \$2.3 million, due to an increase in net working capital of \$6.4 million net of revenue exceeding expenses of \$4.1 million. In both years, the change in net working capital was primarily due to fluctuations in Calgary Collaborative Capital Campaign for Affordable Housing funds held in trust for the fundraising agencies.

Investing activities used \$4.1 million in fiscal 2020, due to the redemption and purchase of term deposits. Investing activities generated \$0.2 million in fiscal 2020, due to the redemption and purchase of term deposits.

Financial Statements of

**CALGARY HOMELESS FOUNDATION**

And Independent Auditors' Report thereon

Year ended March 31, 2021



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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Calgary Homeless Foundation

### ***Opinion***

We have audited the financial statements of Calgary Homeless Foundation (the Entity), which comprise:

- the statement of financial position as at March 31, 2021
- the statement of operations for the year then ended
- the statement of changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2021, 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 "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.



We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these 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, due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

***Auditors' 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 auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.



We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

*KPMG LLP*

Chartered Professional Accountants

Calgary, Canada

June 14, 2021

# CALGARY HOMELESS FOUNDATION

## Statement of Financial Position

March 31, 2021, with comparative information for 2020

	Operating	System Programs	CCCCAH Campaign	March 31, 2021 Total	March 31, 2020 Total
<b>Assets</b>					
Current assets:					
Cash	\$ 7,055,793	\$ 13,658,090	\$ -	\$ 20,713,883	\$ 13,220,474
Restricted cash for CCCCCAH (note 3)	-	-	1,031,229	1,031,229	2,719,413
Short-term investments (note 5)	7,484,697	-	-	7,484,697	3,400,851
Accounts receivable	18,248	3,518	671	22,437	71,363
Prepaid expenses	78,960	2,616,023	-	2,694,983	2,383,973
	14,637,698	16,277,631	1,031,900	31,947,229	21,796,074
Property and equipment (note 6)	39,335	-	-	39,335	65,558
	\$ 14,677,033	\$ 16,277,631	\$ 1,031,900	\$ 31,986,564	\$ 21,861,632
<b>Liabilities and Funds Balances</b>					
Current liabilities:					
Accounts payable and accrued liabilities (note 7)	\$ 226,455	\$ 1,504,138	\$ -	\$ 1,730,593	\$ 591,145
Funds held in trust for CCCCCAH (note 3)	-	-	1,031,900	1,031,900	2,662,497
Deferred contributions	97,844	347,350	-	445,194	672,550
Approved system programs disbursements (note 8)	-	3,857,657	-	3,857,657	3,733,444
	324,299	5,709,145	1,031,900	7,065,344	7,659,636
Funds balances:					
Internally restricted – net investment in property and equipment	39,335	-	-	39,335	65,558
Internally restricted – Wind Up Reserve	2,100,000	-	-	2,100,000	-
Internally restricted – Sustainability Reserve	2,100,000	-	-	2,100,000	-
Internally restricted – Strategic Reserve	3,800,000	-	-	3,800,000	-
Externally restricted	-	10,568,486	-	10,568,486	6,236,996
Unrestricted	6,313,399	-	-	6,313,399	7,899,442
	14,352,734	10,568,486	-	24,921,220	14,201,996
Commitments and contingencies (notes 4 and 9)					
	\$ 14,677,033	\$ 16,277,631	\$ 1,031,900	\$ 31,986,564	\$ 21,861,632

See accompanying notes to the financial statements.

Approved by the Board of Directors



Chairman, Board of Directors



Chair, Audit Committee

# CALGARY HOMELESS FOUNDATION

## Statement of Operations

Year ended March 31, 2021, with comparative information for 2020

	Year ended March 31, 2021			Year ended
	Operating	System Programs	Total	March 31, 2020 Total
Revenue:				
Donations and grants	\$10,275,407	\$81,486,006	\$91,761,413	\$60,660,939
Investment income	112,040	93,173	205,213	417,726
	<u>10,387,447</u>	<u>81,579,179</u>	<u>91,966,626</u>	<u>61,078,665</u>
Operating expenses:				
System program disbursements (note 8)	–	76,038,092	76,038,092	52,064,646
	<u>–</u>	<u>76,038,092</u>	<u>76,038,092</u>	<u>52,064,646</u>
Administrative expenses:				
Salaries	3,912,326	88,791	4,001,117	3,653,880
Office	1,122,220	59,750	1,181,970	1,272,533
Amortization	26,223	–	26,223	33,354
	<u>5,060,769</u>	<u>148,541</u>	<u>5,209,310</u>	<u>4,959,767</u>
Total expenses	<u>5,060,769</u>	<u>76,186,633</u>	<u>81,247,402</u>	<u>57,024,413</u>
Excess of revenue over expenses	<u>\$ 5,326,678</u>	<u>\$ 5,392,546</u>	<u>\$10,719,224</u>	<u>\$ 4,054,252</u>

See accompanying notes to the financial statements.

# CALGARY HOMELESS FOUNDATION

## Statement of Changes in Fund Balances

Year ended March 31, 2021, with comparative information for 2020

	Internally Restricted – net investment in property and equipment	Internally Restricted Wind Up Reserve	Internally Restricted Sustainability Reserve	Internally Restricted Strategic Reserve	Externally restricted	Unrestricted	Total
Fund balances, March 31, 2019	\$ 97,856	\$ –	\$ –	\$ –	\$ 3,805,356	\$ 6,244,532	\$10,147,744
Purchase of property and equipment	1,056	–	–	–	–	(1,056)	–
Excess (deficiency) of revenue over expenses	(33,354)	–	–	–	2,431,640	1,655,966	4,054,252
Fund balances, March 31, 2020	65,558	–	–	–	6,236,996	7,899,442	14,201,996
Establish internally restricted Reserves (note 12)	–	2,100,000	2,100,000	3,800,000	–	(8,000,000)	–
Interfund transfer	–	–	–	–	(1,061,056)	1,061,056	–
Excess (deficiency) of revenue over expenses	(26,223)	–	–	–	5,392,546	5,352,901	10,719,224
Fund balances, March 31, 2021	\$ 39,335	\$ 2,100,000	\$ 2,100,000	\$ 3,800,000	\$10,568,486	\$ 6,313,399	\$24,921,220

See accompanying notes to the financial statements.

# CALGARY HOMELESS FOUNDATION

## Statement of Cash Flows

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$10,719,224	\$ 4,054,252
Add (deduct) items not affecting cash:		
Amortization	26,223	33,354
	<u>10,745,447</u>	<u>4,087,606</u>
Changes in non-cash working capital	(980,589)	(6,458,073)
Increase in approved system programs disbursements	124,213	44,460
	<u>9,889,071</u>	<u>(2,326,007)</u>
Investing:		
Purchase of property and equipment	-	(1,056)
Redemption of short-term investments	3,400,851	3,556,438
Purchase of short-term investments	(7,484,697)	(3,400,851)
	<u>(4,083,846)</u>	<u>154,531</u>
Increase (decrease) in cash	5,805,225	(2,171,476)
Cash, beginning of year	15,939,887	18,111,363
Cash, end of year	<u>\$21,745,112</u>	<u>\$15,939,887</u>
Cash is comprised of:		
Cash	\$20,713,883	\$ 13,220,474
Restricted cash for CCCCAH Campaign	1,031,229	2,719,413
	<u>\$21,745,112</u>	<u>\$15,939,887</u>

See accompanying notes to the financial statements.

# CALGARY HOMELESS FOUNDATION

## Notes to Financial Statements

Year ended March 31, 2021, with comparative information for 2020

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### 1. Nature of operations:

Calgary Homeless Foundation (the "Foundation") was incorporated under the *Alberta Societies Act* on September 4, 1998. The Foundation is a not-for-profit organization and a registered charity and is exempt from income taxes under the *Income Tax Act*. The Foundation's purpose is to guide the fight against homelessness in Calgary. The Foundation's stated objectives are to serve as a community partner in identifying the causes of and solutions to homelessness; to develop plans, in conjunction with all aspects of the community, that will provide access to housing for the homeless in Calgary; to provide leadership and focus to address homelessness issues in Calgary and to raise such funds as may be necessary to achieve these objectives.

### 2. Significant accounting policies:

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies:

#### (a) Fund accounting:

The Operating Fund is an unrestricted fund that contains the assets, liabilities, revenue and expenses related to the Foundation's operating activities and special events.

The Foundation maintains the following restricted funds:

- (i) The System Programs Fund contains the assets, liabilities, revenue and expenses related to the Foundation's homelessness initiatives, including the operation of community programs and, prior to September 30, 2016 (note 4), the acquisition of real estate property for affordable housing.
- (ii) The CCCCAH Fund (formerly RESOLVE Fund) contains the assets and liabilities related to the Foundation's fiscal agent agreement with Calgary Collaborative Capital Campaign for Affordable Housing ("CCCAH") fund raising parties (note 3).

#### (b) Revenue recognition:

The Foundation follows the restricted fund method for accounting for contributions.

Restricted contributions related to a restricted fund are recognized as revenue of the appropriate restricted fund when received or when future receipt of cash is guaranteed by a funding agreement. Restricted contributions to the Operating Fund are deferred and recognized to revenue when the related expenditures are incurred. Unrestricted contributions and contributions in the System Programs Fund are recognized in the Operating Fund and System Programs Fund, respectively, as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

# CALGARY HOMELESS FOUNDATION

Notes to Financial Statements, page 9

Year ended March 31, 2021, with comparative information for 2020

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## 2. Significant accounting policies (continued):

### (b) Revenue recognition (continued):

Special events revenue, such as event ticket sales and sponsorships, is recognized when the event has occurred and the amount can be reasonably assured to be received.

Restricted investment income is recognized as revenue of the System Programs Fund when earned.

Unrestricted investment income is recognized as revenue of the Operating Fund when earned.

### (c) Cash:

Cash includes cash on hand held at Canadian financial institutions which is highly liquid.

### (d) Short-term investments:

Short-term investments are investments other than cash and have an initial maturity of less than twelve months. Interest income on the investments is accrued over the term of the investment.

### (e) Property and equipment:

Purchased property and equipment are recorded at cost and are amortized over the estimated useful life on a straight-line basis as follows:

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Computer equipment	2 years
Software	3 years
Leasehold improvements	Remaining term of the lease including the first renewal option

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In the year of acquisition, the assets are amortized at one-half of the normal rate.

Property and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable and exceeds its fair value. An impairment loss is recognized when the asset's carrying amount is not recoverable and exceeds its fair value.

### (f) Measurement uncertainty:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

# CALGARY HOMELESS FOUNDATION

Notes to Financial Statements, page 10

Year ended March 31, 2021, with comparative information for 2020

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## 2. Significant accounting policies (continued):

### (f) Measurement uncertainty (continued):

Amounts accrued as receivable pursuant to various funding contracts associated with the Foundation'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 approved system programs disbursements is based on management's best estimate of the disbursements to be made under existing funding agreements.

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.

The uncertainties around the outbreak of COVID-19 pandemic required the use of judgments and estimates which resulted in no material impacts for the year ended March 31, 2021. The future impact of COVID-19 uncertainties could generate, in future reporting periods, a risk of material adjustment to the reported amounts of assets, liabilities, revenue and expenses in the financial statements.

While the disruption is currently expected to be temporary, there is considerable uncertainty around its duration. The Foundation is unclear if this disruption will negatively impact its future operating results. The related financial impact and duration cannot be reasonably estimated at this time. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported on the statement of operations in the periods in which they become known. Consequently, actual results could differ from those estimates.

### (g) Financial instruments:

#### (i) Measurement:

The Foundation initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions that are measured at the exchange amount.

The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, restricted cash for CCCCAH campaign, short-term investments and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, funds held in trust for CCCCAH campaign and approved system programs disbursements.

# CALGARY HOMELESS FOUNDATION

Notes to Financial Statements, page 11

Year ended March 31, 2021, with comparative information for 2020

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## 2. Significant accounting policies (continued):

### (g) Financial instruments (continued):

#### (ii) Impairment:

Financial assets measured at cost or amortized cost are tested for impairment, at the end of each year, to determine whether there are indicators that the asset may be impaired. The amount of the write-down, if any, is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost. The amount of the reversal is recognized in excess of revenue over expenditures.

#### (iii) Transaction costs:

Financial instruments, that are subsequently measured at cost or amortized cost, are adjusted by the transaction costs and financing fees that are directly attributable to their origination, issuance or assumption.

### (h) Contributed goods and services:

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

Volunteers have contributed a variety of services to assist the Foundation in carrying out its objectives. The fair value of such services is not recognized in these financial statements.

### (i) Presentation and disclosure of controlled not-for-profit organization:

HomeSpace Society (the "Society"), which is controlled by the Foundation for accounting purposes, is not consolidated in the Foundation's financial statements. The financial information of the controlled not-for-profit organization is disclosed in note 7.

# CALGARY HOMELESS FOUNDATION

Notes to Financial Statements, page 12

Year ended March 31, 2021, with comparative information for 2020

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### **3. CCCCAH (Calgary Collaborative Capital Campaign for Affordable Housing):**

During the 2012 fiscal year, the Foundation entered into an agreement with two other homeless serving charities to form the Calgary Collaborative Capital Campaign for Affordable Housing. During the 2013 fiscal year, six additional partners joined. The purpose of CCCCAH is to fundraise to support the acquisition (both past and future) of affordable housing. The Foundation acts as the fiscal agent for the campaign. The fundraising campaign concluded March 31, 2018 and pledges will be collected for up to three years after the campaign's conclusion.

Administration expenses incurred were \$71,799 (2020 - \$99,815). The Foundation also received \$71,000 (2020 - \$75,000) as a fiscal agent fee.

The Statement of Operations includes contributions of \$2,861,763 (2020 - \$6,162,493) made to the CCCCAH Campaign as system programs revenue and total expenditures and distributions related to the CCCCAH Campaign of \$2,843,830 (2020 - \$5,868,379) as system programs disbursements related to all partners' interest in the Campaign.

The Statement of Operations includes revenue of \$17,733 (2020 - \$294,114) as operating revenue representing CCCCAH distributions to the Foundation during the year.

### **4. Conveyance of affordable housing net assets:**

On September 30, 2016, the Foundation conveyed the property held for affordable housing and the associated cash, receivables, payables, mortgages, loans, deposits, tenant and grant agreements to HomeSpace Society, a separately registered charity with its own Board of Directors, management and office. Since the conveyance, the Society focuses on housing solutions for ending homelessness, while the Foundation continues its leadership role within Calgary's homeless - serving system of care.

The Foundation is one of the nine participating agencies in the CCCCAH campaign to fundraise capital for affordable housing which concluded on March 31, 2018 (Note 3). On September 30, 2016, the Foundation and the Society entered into agreements assigning the funds raised for the Foundation through the CCCCAH campaign to the Society (the "benefits"). The agreements specify that the Society is the registered owner and trustee of the properties for which CCCCAH fundraised (the "CCCCA assets"). In return for transferring the benefits and the CCCCAH assets, the Foundation is the beneficial owner of the CCCCAH assets with a net book value of \$94 million (2020 - \$78.7 million). The beneficial ownership of the CCCCAH assets will not transfer to the Society until the last pledge is received and the obligations of the CCCCAH campaign and the associated gift agreements have expired or terminated.

# CALGARY HOMELESS FOUNDATION

Notes to Financial Statements, page 13

Year ended March 31, 2021, with comparative information for 2020

## 5. Short-term investments:

Short-term investments consist of a Guaranteed Investment Certificates of \$3,458,882 and \$4,025,815 (2020 - \$3,400,851) bearing interest at 1.7% and 0.78% respectively (2020 – 2.3%) and maturing April 1, 2021 and June 2, 2021, respectively.

## 6. Property and equipment:

			2021	2020
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 72,848	\$ 72,848	\$ –	\$ –
Leasehold improvements	20,302	14,211	6,091	10,151
Software	66,488	33,244	33,244	55,407
	\$ 159,638	\$ 120,303	\$ 39,335	\$ 65,558

## 7. Related party transactions:

For accounting purposes, the Foundation controls HomeSpace Society, as the Foundation guarantees certain liabilities of the Society (note 9) and is the beneficial owner of certain assets of the Society (note 4).

The Society is a not-for-profit society incorporated June 19, 2003 under the Societies Act of Alberta. The Society is a designated charitable organization and is exempt from income taxes under the Income Tax Act. The Society receives and holds donations and purchases of land and buildings and funds to acquire land and buildings that will be dedicated in perpetuity for transitional and affordable housing in Calgary.

There are no significant differences in the accounting policies of the Foundation and the Society.

During the year, the Foundation provided \$7,710,602 (2020 - \$252,160) of grant funding, of which \$7,458,442 was to operate a COVID-19 emergency isolation centre to serve individuals who had tested positive for COVID-19 or were suspected of having contracted COVID-19, and \$252,160 for a supportive housing program. At year end, accounts payable includes \$200,000 (2020 - \$66,777) owing to the Society related to these programs.

# CALGARY HOMELESS FOUNDATION

Notes to Financial Statements, page 14

Year ended March 31, 2021, with comparative information for 2020

## 7. Related party transactions (continued):

The Foundation reports condensed financial information of this controlled not-for-profit organization as follows:

	2021	2020
<b>Assets</b>		
Current assets	\$ 10,211,309	\$ 16,674,110
Property held for affordable housing	118,011,972	97,247,559
Property and equipment	11,689	10,558
	<u>\$ 128,234,970</u>	<u>\$ 113,932,227</u>
<b>Liabilities</b>		
	\$ 20,646,496	\$ 9,317,622
Fund balances:		
Internally restricted – net investment in property and equipment	\$ 11,689	\$ 10,558
Internally restricted – net investment in property held for affordable housing	103,579,732	97,789,269
Internally restricted – capital reserve fund for building maintenance	2,065,429	3,056,718
Unrestricted	1,931,624	3,758,060
	<u>107,588,474</u>	<u>104,614,605</u>
	<u>\$ 128,234,970</u>	<u>\$ 113,932,227</u>
<b>Revenue</b>		
Revenue	\$ 17,444,522	\$ 19,672,268
Expenses	(14,470,653)	(5,865,755)
Excess of revenue over expenses	<u>\$ 2,973,869</u>	<u>\$ 13,806,513</u>
Cash provided from operating activities	\$ 2,795,787	\$ 12,918,869
Cash used in financial activities	\$ 13,362,564	\$ (1,268,292)
Cash outflow from investing activities	<u>\$ (22,773,161)</u>	<u>\$ (9,100,558)</u>

All related party transactions are recorded at the exchange amount, which is the amount agreed upon by the parties.

# CALGARY HOMELESS FOUNDATION

Notes to Financial Statements, page 15

Year ended March 31, 2021, with comparative information for 2020

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## 8. Approved system programs disbursements:

The Foundation has entered into contracts, with various service agencies towards ending homelessness in Calgary by delivering system programs funds, of \$3,857,657 (2020 - \$3,733,444) over the next fiscal year.

Terms of these agreements include a 30-day notification of cancellation of contracts. Only amounts representing the cancellation period have been accrued on the financial statements as at March 31, 2021.

## 9. Commitments and contingencies:

The Foundation has a lease for office space requiring the Foundation to pay monthly expenses of \$22,806. The lease expires on June 29, 2023.

As a result of the Foundation's beneficial ownership of the CCCCAH assets (Note 4):

- (a) The Foundation guarantees the Society's mortgages on the CCCCAH assets totaling \$3.3 million, with maturity dates ranging from 2022 to 2023, a current portion of \$176,932, interest rates ranging from 2.54% to 3.15% on the mortgages, and secured by assets with a net book value of \$14.9 million.
- (b) The Foundation guarantees the Society's \$5 million evergreen line of credit facility to finance land purchases, bearing interest at 3.48%, of which \$NIL has been drawn as of March 31, 2021.

## 10. Financial instruments:

The Foundation is exposed to the following significant financial risks:

### (a) Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation does not have a concentration of credit exposure with any one party. The Foundation does not consider itself exposed to undue credit risk.

The Foundation is exposed to credit risk relating to cash and short-term investments. The risk is mitigated as cash and short-term investments are deposited with major Canadian financial institutions.

The Foundation is exposed to credit risk relating to accounts receivable, which is influenced by the individual characteristics of each debtor. The majority of the accounts receivable are from financial institutions and government agencies. The Foundation limits its exposure to credit risks by dealing with only credit worthy organizations. Management does not expect any debtor to fail in meeting their obligations.

# CALGARY HOMELESS FOUNDATION

Notes to Financial Statements, page 16

Year ended March 31, 2021, with comparative information for 2020

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## 10. Financial instruments (continued):

(b) Liquidity risk:

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation manages its liquidity risk through cash and debt management.

(c) Interest rate risk:

Interest rate risk arises on cash and cash equivalents, restricted cash, and short-term investments. The Foundation is exposed to interest rate risk due to fluctuations in the bank's interest rates.

(d) Other price risk:

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is subject to price risk in the value of donated shares on the date of sale compared to the date of donation. The Foundation mitigates this risk by selling all shares upon release to the Foundation in an effort to ensure that price on date of sale does not materially differ from the price on transfer.

There is no significant change in risk exposure from prior years except for the events identified in note 13.

## 11. Statutory disclosures:

As required under Section 7(2) of the Charitable Fundraising Regulation of Alberta, the Foundation discloses the following:

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	2021
Amounts paid as remuneration to employees whose principal duties involve fundraising	\$ 280,712

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# CALGARY HOMELESS FOUNDATION

Notes to Financial Statements, page 17

Year ended March 31, 2021, with comparative information for 2020

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## **12. Internally Restricted Funds:**

During Fiscal 2021, the Foundation established three new internally restricted funds from the existing unrestricted fund balance. The Foundation created these funds to address future requirements: Wind Up Reserve, Sustainability Reserve and Strategic Reserve. The Wind Up Reserve was established to ensure coverage of 100% of all legal commitments to wind up the Foundation in the event all annual funding is discontinued. The Sustainability Reserve was created to allow for orderly transition in the event a significant portion of annual funding is discontinued. The Strategic Reserve was formed to accumulate operating surpluses and will be allocated to strategic initiatives with Board approval.

## **13. COVID-19 Pandemic:**

On March 11, 2020, the World Health Organization declared the Novel Coronavirus (COVID-19) outbreak a pandemic. This has resulted in governments worldwide, including the Canadian and Alberta governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods, closures of non-essential businesses, and physical distancing, have caused material disruption to businesses in Calgary, resulting in an economic slowdown.

The ultimate duration and magnitude of the impact on the economy and the financial effect on Foundation's future revenues, operating results and overall financial performance is not known at this time; These impacts may include challenges on Foundation's ability to obtain funding, and disruptions to its operations, employee impacts from illness, school closures and other response measures.

As at the reporting date, the Foundation has determined that COVID-19 has had no impact on its contracts or lease agreements, the assessment of provisions and contingent liabilities, or the timing of revenue recognition. Management has assessed the financial impacts of the COVID-19 pandemic and did not identify any negative impacts on its financial statements as at March 31, 2021.

The Foundation continues to manage liquidity risk by forecasting and assessing cash flow requirements on an ongoing basis. As at March 31, 2021, the Foundation continues to meet its contractual obligations within normal payment terms and the Foundation's exposure to credit risk remains largely unchanged.