



**2023 MANAGEMENT'S DISCUSSION & ANALYSIS  
AND AUDITED FINANCIAL STATEMENTS**

***Living Our Purpose:***  
**NAVIGATING COMPLEXITY**



Calgary Homeless  
**FOUNDATION**

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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*This Management's Discussion and Analysis (MD&A) includes information about Calgary Homeless Foundation's (CHF) expectations for the future. When strategy, plans, future operating performance, or other things that have not yet occurred are discussed, CHF makes statements considered 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 that April 1, 2022, to March 31, 2023, is referred to as Fiscal 2023, and April 1, 2023, to March 31, 2024, is referred to as Fiscal 2024.*

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### 1. 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, 2023, there were 37 employees at CHF. A list of the executive leadership team can be found on CHF's website at: <http://calgaryhomeless.com/about/leadership/>

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### 2. Strategy

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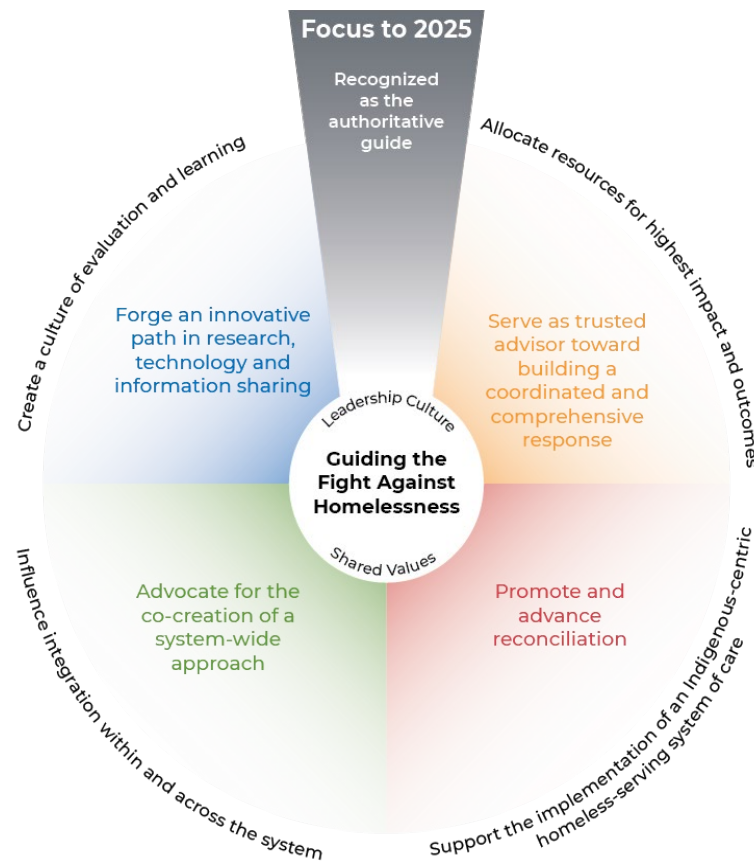
**Our purpose** — *Guiding the fight against homelessness* — articulates the higher calling of CHF. It provides the passion and focus for what we do and underlines the true meaning behind the daily work of our staff.

We are uniquely positioned within the homeless-system of care to observe the many complicated 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.

In Fall of 2021, CHF unveiled *Guiding the Fight Against Homelessness: Focus to 2025* strategic plan.

Our strategic plan emanates from purpose, the heartbeat of CHF. It sits at the center of everything we do, enabled by our leadership culture and shared values. Our ambition is to be recognized as the authoritative guide in conducting a unified fight against homelessness. Through 2025, we have identified four strategic ambitions around which we will concentrate our efforts to create breakthroughs. This is represented by the graphic below.



### 3. Fiscal 2023 Accomplishments

CHF accomplished several activities in Fiscal 2023, informed by our four strategic ambitions.

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.

- We allocated \$52.5 million for the highest impact and outcomes to our community partners.
- We became the fiscal agent and coordinator of the Coordinated Community Extreme Weather Response (CCEWR) in partnership with the City of Calgary, Calgary Transit, Calgary By-Law Services, Calgary Police Services, shelters, street outreach teams and nonprofit service providers. This initiative is a four-year program building on the previous year's Coordinated Community Winter Response (CCWR). The program's objectives are to continue improving coordination between service providers, gather data to improve our understanding of individuals experiencing homelessness so we can better match services with their needs and continue to provide winter essentials.



- We received support from the provincial and municipal governments to pursue the creation of a high support placed-based supportive housing project to serve high-complexity individuals in Calgary. The project is now with our strategic housing partner – HomeSpace - pursuing all the necessary design and land development requirements.

Promote the reconciliation necessary to break down barriers by giving, receiving, listening, and reaching out in love.

- The activities we undertook this past year focused on listening to the truth and continuing to position ourselves as an ally to urban Indigenous community organizations and Indigenous communities within the Treaty 7 region.
- With federal Reaching Home funding, we supported the acquisition of land and development of an Indigenous Elders Lodge for the Aboriginal Friendship Centre of Calgary. We created the first Indigenous Elders' Lodge in Calgary.
- We also renewed our commitment to supporting the Seven Brothers' Circle. This community-driven collective works to meet the physical, mental, and spiritual needs of Indigenous individuals living in Treaty 7 territory.
- We are working with Tsuut'ina representatives to discuss potential CHF funding support for an on-reserve transition housing program.

Advocate with unwavering conviction for the co-creation with community of a system-wide approach to serving people experiencing homelessness.

- Provided expert advice to several multi-stakeholder roundtables, committees and task forces on public safety, mental health, and affordable housing to ensure that the complicating factors affecting homelessness are understood and integrated into public policy responses.
  - City of Calgary's Housing Affordability Task Force, Provincial Calgary Public Safety & Community Response Task Force, SORCe Leadership Group, City of Calgary's Mental Health and Addictions Leadership Group, Real-Time Integrated Mental Health & Addictions Centre, Calgary's Mental Health's Addiction Investment Framework's Community Investment Table.

Forge an innovative path for targeted research, powerful data analytics, a cutting-edge technology platform and sponsored forum for sharing best practices.

- CHF has successfully developed and implemented a collective learning and evaluation framework in collaboration with community partners. This framework incorporates technological, evaluative, and social tools to foster accountability, innovation, and strategic learning within the homeless-serving system of care. A significant achievement is the creation of agency dashboards, enabling real-time analytics for partner agencies. The framework encompasses enhancing data collection platforms, establishing program and system effectiveness indicators, promoting strategic learning through developmental evaluations and

communities of learning, engaging frontline staff in reflective practice, and utilizing sensemaking tools like system mapping and outcome harvesting.

- These accomplishments have resulted in the successful building of sector capacity for accountability, innovation, and strategic learning. Moving forward, CHF will continue to refine its work within programmatic theories of change, which will inform the development of System Effectiveness Indicators (SEIs). These SEIs will align with the macro-level domains of impact that include health, financial independence, community connection, and housing.
- CHF is actively pursuing an innovative approach in targeted research and analytics to advance the development of its social learning system. This system fosters continuous learning and improvement by promoting transparency, accountability, innovation, and strategic learning within CHF and its community partners. By harnessing the power of tools such as theories of change, agency dashboards, and outcome harvesting, CHF gathers, analyzes, and interprets data to drive ongoing learning and enhances the organization's overall effectiveness and impact.

## 4. Looking Forward to Fiscal 2024

Four annual organizational goals have been identified in support of our four strategic ambitions for F24.

**Create a comprehensive employee journey, further cultivating our leadership culture, and positioning CHF as an employer of choice;** we will have strategically enhanced employee engagement and workplace culture as part of an overall strategy to retain and develop workforce talent, rolled out an enhanced employee centric goal setting process that aligns team and individual goals with our four annual organizational goals, and adopted learning, development and succession strategies to build organizational capacity. Overall, we aim to create an inclusive workplace environment where people support each to uphold and embrace CHF leadership behaviours, take accountability for our purpose, collaborate for greater impact, empower others to succeed and, learn and grow together to achieve our purpose.

**Standardize processes, and align programs and financial data to generate advanced sectoral-level insights;** we will have developed a systems map, including a framework to assess relationship strength within our sector partners, established an evaluation and learning group within the homeless-serving system of care, broadened the design of a social learning system and functionality of a community of practice, generated system-level insights into the four domains of recovery impact and standardized the process and flow to enable an internal and external annual cycle in support of a social learning system.

**Build CHF's brand and a network of allies to align CHF interests with public policy, political and community interests;** we will continue to support the creation of an Indigenous-centric system of care, continue to build and maintain key relationships with all levels of government and community stakeholders, continued to leverage external collaborative initiatives to influence a greater level of integration within the system, completed a website refresh and a new employee intranet to support and enhance our brand position with external and internal stakeholders.

**Invest in automated business processes, systems and strategies to increase organizational and sectoral level capacity;** we will have implemented new software programs: Grant Management & Learning Management, conducted an annual cybersecurity assessment and IT asset security audit and implemented high-priority recommendations from the audit, automate relationship management utilizing Customer Relationship Management Software, automated and integrated systems to improve the efficiency of financial and program data capture and reporting.

## 5. Risk Management

CHF mitigates enterprise risk through an annual strategic review process, a yearly 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.

### 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 ineffective in reducing homelessness. To address this risk, an annual review process with the community evaluates progress, identifies system gaps, 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 conducts comprehensive program monitoring and quality assurance processes, including site visits and reviews. Lastly, there is a risk of disruption to CHF plans due to a world event, such as the COVID-19 pandemic. CHF works with the appropriate government agencies and strategic partners to assess areas of highest need and identify appropriate responses to manage the disruption.

### Financial Risk

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

### Political and Reputational Risk

CHF operates in a fluid political environment working with all four levels of government (Indigenous, municipal, provincial, and federal). There is always the potential risk for government funding to be reduced. CHF mitigates this risk by strengthening 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 with government priorities where appropriate.

## 6. Governance

The CHF Board of Directors ensures that CHF meets all legal, financial, and regulatory requirements, progresses on its stated goals, and is appropriately resourced to meet them. The Board 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 of March 31, 2023)

The Foundation is reporting a total fund balance of \$30.8 million, an increase of \$9.9 million over the prior year. Total assets increased \$10.2 million, comprised of an increase in restricted cash in the system programs fund of \$7.7 million and a decrease of \$11.9 million in operating fund cash that transferred to the Strategic Investment Fund with an increase in long-term investments of \$13.7 million.

Investments of \$14.4 million are classified based on the intended use and estimated timing of utilization, with \$0.7 million classified as short-term investments and \$13.7 million classified as long-term assets. The Foundation's investments are held within the Strategic Investment Fund, an internally restricted fund to support strategic projects that directly contribute to achieving the Foundation's purpose and long-term ambitions.

### Statement of Operations (as of March 31, 2023)

#### Revenue:

Government grants decreased by \$3.7 million from \$69.5 million in Fiscal 2022 to \$65.8 million in Fiscal 2023 due to a decrease of \$5.0 million in the Government of Canada's Indigenous stream funding that was transitioned as part of a collaborative initiative to an Indigenous community entity. This funding reduction was combined with a decrease of \$1.7 million post-COVID-19 emergency response funding, offset by an increase of \$2.8 million for a four-year contract with the City of Calgary for CCEWR and a carry over of \$0.2M in deferred Fiscal 2022 grant revenue.

Other grant funding decreased by \$0.9 million due to an emergency grant for the Fiscal 2022 CCWR. General fundraising and donations decreased by \$0.5 million due to a \$0.7 million decrease in pledges collected through the Calgary Collaborative Capital Campaign for Affordable Housing as the campaign winds down, offset by a \$0.2 million increase in general and restricted fundraising campaigns in Fiscal 2023.

Investment and other income increased by \$0.9 million due to higher interest rates in Fiscal 2023 combined with \$0.4 million investment income from the Foundation's investment holdings.

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**Expenses:**

Operating expenses were \$58.5 million in Fiscal 2023, of which \$52.6 million was for system program expenses. Overall expenses decreased 23.5% from \$76.4 million in Fiscal 2022. The decrease is primarily attributed to a reduction in Government of Canada indigenous stream funding transitioned to an indigenous led organization at the end of Fiscal 2022, as well as additional program funds expended in Fiscal 2022 from prior year unexpended funding. In both years, operating expenses comprised of payments to agencies delivering front-line services to people at risk of or experiencing homelessness.

Salaries, fundraising and general and administration expenses increased by \$0.2 million in Fiscal 2023 over Fiscal 2022. Expenses, not including project disbursements, in Fiscal 2023, were comprised of \$4.4 million in salaries and benefits and \$1.1 million in general and administrative and fundraising and event expenses. In comparison, Fiscal 2022 non-project disbursement expenses included \$4.0 million in salaries and benefits and \$1.3 million in general and administrative and fundraising expenses.

**Net Operations:**

Excess of revenue over expenses of \$9.8 million in Fiscal 2023, comprised of \$2.7 million in operating fund surplus and \$7.1 million in system programs fund surplus. The systems program surplus is restricted for project disbursements and held for future period allocations. Operating fund surplus is allocated to the Strategic Investment Fund.

**Liquidity and Capital Resources (as of March 31, 2023)**

In Fiscal 2023, total cash provided by Operations was \$9.8 million attributed to an excess of revenue over expenses of \$9.8 million, plus \$0.7 million increase in accrued system program disbursements, less a decrease of \$0.3 million in net working capital and \$0.4 million in items not affecting cash, including investment income earnings that was re-invested.

Investing activities used \$13.2 million in cash in Fiscal 2023 that was allocated to the Strategic Investment Fund to support strategic projects that directly contribute to achieving the Foundation's purpose and long-term ambitions.



Financial Statements of

**CALGARY HOMELESS FOUNDATION**

And Independent Auditor's Report thereon

Year ended March 31, 2023



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## INDEPENDENT AUDITOR'S 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, 2023
- 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, 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 auditor's 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.

### ***Other Information***

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditor's report thereon, included in Management's Discussion and Analysis (MD&A) document.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in MD&A document as at the date of this auditor's report.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of the other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

### ***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.

### ***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 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 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 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.

*KPMG LLP*

Chartered Professional Accountants

Calgary, Canada

June 6, 2023



# CALGARY HOMELESS FOUNDATION

## Statement of Financial Position

March 31, 2023, with comparative information for 2022

	Operating	System Programs	Strategic Investment	CCCCAH Campaign	March 31, 2023 Total	March 31, 2022 Total
<b>Assets</b>						
Current assets:						
Cash	\$ 4,733,285	\$ 11,275,057	\$ 1,270,187	\$ –	\$ 17,278,529	\$ 20,275,660
Restricted cash for CCCCCAH	–	–	–	536,128	536,128	883,754
Short-term investments (note 5)	–	–	700,000	–	700,000	1,009,438
Accounts receivable	75,271	32,147	–	2,275	109,693	22,308
Prepaid expenses	148,868	3,683,184	–	–	3,832,052	3,920,433
	4,957,424	14,990,388	1,970,187	538,403	22,456,402	26,111,593
Long-term investments (note 5)	–	–	13,712,716	–	13,712,716	–
Property and equipment (note 6)	206,768	–	–	–	206,768	49,899
	\$ 5,164,192	\$ 14,990,388	\$ 15,682,903	\$ 538,403	\$ 36,375,886	\$ 26,161,492
<b>Liabilities and Fund Balances</b>						
Current liabilities:						
Accounts payable and accrued liabilities	\$ 442,916	\$ –	\$ –	\$ –	\$ 442,916	\$ 228,601
Funds held in trust for CCCCCAH	–	–	–	538,403	538,403	884,351
Deferred contributions	9,361	120,589	–	–	129,950	291,108
Approved system program-disbursements (note 8)	–	4,484,499	–	–	4,484,499	3,793,039
	452,277	4,605,088	–	538,403	5,595,768	5,197,099
Fund balances:						
Internally restricted – Capital	206,768	–	–	–	206,768	49,899
Internally restricted – Wind-Up Reserve	2,100,000	–	–	–	2,100,000	2,100,000
Internally restricted – Sustainability Reserve	2,100,000	–	–	–	2,100,000	2,100,000
Internally restricted – Strategic Investment Reserve	–	–	15,682,903	–	15,682,903	9,784,840
Externally restricted – System Programs	–	10,385,300	–	–	10,385,300	3,272,588
Unrestricted Operating	305,147	–	–	–	305,147	3,657,066
	4,711,915	10,385,300	15,682,903	–	30,780,118	20,964,393
Commitments and contingencies (notes 4 and 9)	–	–	–	–	–	–
	\$ 5,164,192	\$ 14,990,388	\$ 15,682,903	\$ 538,403	\$ 36,375,886	\$ 26,161,492

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, 2023, with comparative information for 2022

	Operating	System Programs	Strategic Investment	March 31 2023 Total	March 31, 2022 Total
<b>Revenue:</b>					
Government grants	\$ 7,330,516	\$ 58,496,532	\$ –	\$ 65,827,048	\$ 69,525,544
Other grants	–	128,132	–	128,132	1,028,131
Fundraising & donations (note 3)	477,307	806,203	–	1,283,510	1,742,774
Investment & other income	305,524	323,459	461,832	1,090,815	150,187
	8,113,347	59,754,326	461,832	68,329,505	72,446,636
<b>Expenses:</b>					
Project disbursements (note 3)	–	52,509,508	363,083	52,872,591	71,080,487
Salaries & benefits	4,281,410	132,106	–	4,413,516	3,986,242
Fundraising & special events	81,079	–	–	81,079	73,508
General & administrative	1,026,625	–	19,734	1,046,359	1,234,550
Amortization	41,681	–	–	41,681	28,676
	5,430,795	52,641,614	382,817	58,455,226	76,403,463
<b>Excess/(deficiency) of revenue over expenses before undermentioned items</b>					
	\$ 2,682,552	\$ 7,112,712	\$ 79,015	\$ 9,874,279	\$ (3,956,827)
<b>Change in unrealized gain/(loss) on investments</b>					
	\$ –	\$ –	\$ (58,554)	\$ (58,554)	\$ –
<b>Excess/(deficiency) of revenue over expenses</b>					
	\$ 2,682,552	\$ 7,112,712	\$ 20,461	\$ 9,815,725	\$ (3,956,827)

See accompanying notes to the financial statements.

# CALGARY HOMELESS FOUNDATION

## Statement of Changes in Fund Balances

Year ended March 31, 2023, with comparative information for 2022

	Internally Restricted - Capital	Internally Restricted Wind-Up Reserve	Internally Restricted Sustainability Reserve	Internally Restricted Strategic Investment Reserve	Externally Restricted System Programs	Unrestricted Operations	Total
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
Purchase of property and equipment	39,240	-	-	-	-	(39,240)	-
Interfund transfer	-	-	-	5,984,840	-	(5,984,840)	-
(Deficiency) excess of revenue over expenses	(28,676)	-	-	-	(7,295,898)	3,367,747	(3,956,827)
Fund balances, March 31, 2022	49,899	2,100,000	2,100,000	9,784,840	3,272,588	3,657,066	20,964,393
Purchase of property and equipment	198,550	-	-	(123,697)	-	(74,853)	-
Interfund transfer	-	-	-	6,001,299	-	(6,001,299)	-
(Deficiency) excess of revenue over expenses	(41,681)	-	-	20,461	7,112,712	2,724,233	9,815,725
Fund balances, March 31, 2023	\$ 206,768	\$ 2,100,000	\$ 2,100,000	\$ 15,682,903	\$ 10,385,300	\$ 305,147	\$ 30,780,118

See accompanying notes to the financial statements.

# CALGARY HOMELESS FOUNDATION

## Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	\$ 9,815,725	\$ (3,956,827)
Add (deduct) items not affecting cash:		
Amortization	41,681	28,676
Loss (gain) on sale of investments	36,154	(31,911)
Income reinvested in investments	(497,992)	–
Change in unrealized loss on investments	58,554	–
	<u>9,454,121</u>	<u>(3,960,062)</u>
Changes in non-cash working capital		
Accounts receivables	(87,385)	129
Prepaid expenses	88,381	(1,225,450)
Accounts payable and accrued liabilities	214,315	(1,501,991)
Deferred contributions	(161,158)	(154,087)
Funds held in trust	(345,948)	(147,549)
	<u>(291,795)</u>	<u>(3,028,948)</u>
Increase (decrease) in approved system programs disbursements	691,460	(64,618)
	<u>9,853,786</u>	<u>(7,053,628)</u>
Investing:		
Purchase of property and equipment	(198,550)	(39,240)
Redemption of investments	5,724,746	6,507,170
Purchase of investments	(18,724,739)	–
	<u>(13,198,543)</u>	<u>6,467,930</u>
Decrease in cash	(3,344,757)	(585,698)
Cash, beginning of year	21,159,414	21,745,112
Cash, end of year	<u>\$ 17,814,657</u>	<u>\$ 21,159,414</u>
Cash is comprised of:		
Cash	\$ 17,278,529	\$ 20,275,660
Restricted cash for CCCCAH Campaign	536,128	883,754
	<u>\$ 17,814,657</u>	<u>\$ 21,159,414</u>

See accompanying notes to the financial statements.

# CALGARY HOMELESS FOUNDATION

Notes to Financial Statements

Year ended March 31, 2023, with comparative information for 2022

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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 Foundation maintains the following unrestricted fund:

- (i) The Operating Fund is an unrestricted fund that contains the assets, liabilities, revenue, and expenses related to the Foundation's operating activities to; allocate resources for highest impact and outcomes, build knowledge and understanding, galvanize public and political will and mobilize the community. The Operations Fund includes the expenses for CHF Management and staff, general office and administrative costs and fundraising expenses.

The Foundation maintains the following restricted funds:

- (i) The System Programs Fund contains the assets, liabilities, revenue and expenses related to the Foundation's distribution of funding for program expenditures allocated under contract to partner agencies.
- (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).
- (iii) The Strategic Investment Fund contains the assets, liabilities, revenue, and expenses related to the Foundation's strategic reserve which was created to invest in gaps in the homeless serving system of care that directly contribute to achieving the Foundation's purpose and strategic ambitions in four key areas: 1. pilot programs and evaluation projects 2. collaborative stakeholder integration projects 3. strategic research projects / partnerships 3. strategic technology projects



# CALGARY HOMELESS FOUNDATION

Notes to Financial Statements, page 2

Year ended March 31, 2023, with comparative information for 2022

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## 2. Significant accounting policies (continued):

### (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 expenses 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.

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 and Strategic Investment 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) Investments:

The Foundation classifies investments as short-term or long-term based on the expected utilization timeline for investment holdings and invests in specific instruments based on the Board approved Investment Policy Statement. Interest income on investments is accrued over the term of investments.

(i) Short-term investments are investments equal to the current year Board approved expenditures within the Strategic Investment Fund.

(ii) Long-term investments are investments that have been classified based on organizational intent and represent the balance of investments after classification of short-term holdings.

# CALGARY HOMELESS FOUNDATION

Notes to Financial Statements, page 3

Year ended March 31, 2023, with comparative information for 2022

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## 2. Significant accounting policies (continued):

### (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
Other equipment	4 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 are 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 or replacement cost. An impairment loss is recognized when the asset's carrying amount is not recoverable and the capital asset no longer contributes to the Foundation's ability to provide services or that the future economic benefits or service potential associated with the assets is less than its net carrying amount.

### (f) Measurement uncertainty:

The preparation of financial statements in accordance with ASNPO 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.

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 approved system programs disbursements are 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.

# CALGARY HOMELESS FOUNDATION

Notes to Financial Statements, page 4

Year ended March 31, 2023, with comparative information for 2022

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## 2. Significant accounting policies (continued):

### (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.

Equity instruments that are quoted in an active market are subsequently recorded at fair value. The Foundation subsequently measures all other financial assets and financial liabilities at amortized cost unless management has elected to carry the instruments at fair value.

Financial assets measured at amortized cost include cash, restricted cash for CCCCAH campaign 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.

#### (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 expenses.

#### (iii) Transaction costs:

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments, which 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 and amortized on a straight-line basis over the terms of the instruments.

### (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 to 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.

# CALGARY HOMELESS FOUNDATION

Notes to Financial Statements, page 5

Year ended March 31, 2023, with comparative information for 2022

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## 2. Significant accounting policies (continued):

- (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.

## 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 continue to be collected.

Administration expenses incurred during the year ended March 31, 2023 were \$36,801 (2022 – \$36,971). The Foundation also received \$36,000 (2022 – \$36,000) as a fiscal agent fee.

The Statement of Operations includes contributions of \$382,747 (2022 – \$1,075,323) made to the CCCCAH Campaign as system programs revenue and total expenditures and distributions related to the CCCCAH Campaign of \$382,747 (2022 – \$1,075,323) as system programs disbursements related to all partners' interest in the CCCCAH Campaign.

The Statement of Operations includes revenue of \$36,000 (2022 – \$36,000) 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.

# CALGARY HOMELESS FOUNDATION

Notes to Financial Statements, page 6

Year ended March 31, 2023, with comparative information for 2022

## 4. Conveyance of affordable housing net assets (continued):

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 “CCCAH 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 \$103.0 million (2022 – \$98.0 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.

## 5. Investments:

The following is a summary of the Foundation’s investments which are recorded at fair value:

Fair Value	2023	2022
Cash, T Bill’s & GICs	\$ 3,555,118	\$ 1,009,438
Fixed income	6,428,812	–
Marketable Securities/Equities	4,428,786	–
Total	14,412,716	1,009,438
Investments classified as current	\$ 700,000	\$ 1,009,438
Investments classified as non-current	\$ 13,712,716	\$ –

## 6. Property and equipment:

			2023	2022
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 136,196	\$ 87,159	\$ 49,037	\$ 7,888
Other equipment	19,921	623	19,298	–
Leasehold improvements	51,127	26,082	25,045	30,929
Software	190,184	76,796	113,388	11,082
	\$ 397,428	\$ 190,660	\$ 206,768	\$ 49,899



# CALGARY HOMELESS FOUNDATION

Notes to Financial Statements, page 7

Year ended March 31, 2023, with comparative information for 2022

## 7. Related party transactions:

The Foundation controls HomeSpace Society (the "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 \$262,010 (2022 – \$713,014) of grant funding, of which \$254,510 was for a supportive housing program and \$7,500 was for Tennant Insurance Support.

### HomeSpace information

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

	2023	2022
<b>Assets</b>		
Current assets	\$ 5,174,561	\$ 13,397,017
Property held for affordable housing	159,976,003	140,076,478
Property and equipment	77,119	45,708
	<b>\$ 165,227,683</b>	<b>\$ 153,519,203</b>
<b>Liabilities</b>		
	<b>\$ 29,642,910</b>	<b>\$ 27,555,042</b>
Fund balances:		
Internally restricted – net investment in property and equipment	\$ 77,119	\$ 45,708
Internally restricted – net investment in property held for affordable housing	133,272,905	123,478,705
Internally restricted – capital reserve fund for building maintenance	1,311,459	1,582,619
Unrestricted	923,290	857,129
	<b>135,584,773</b>	<b>125,964,161</b>
	<b>\$ 165,227,683</b>	<b>\$ 153,519,203</b>

# CALGARY HOMELESS FOUNDATION

Notes to Financial Statements, page 8

Year ended March 31, 2023, with comparative information for 2022

## 7. Related party transactions (continued):

	2023	2022
Revenue	\$ 19,210,045	\$ 27,104,844
Expenses	(9,589,433)	(8,729,157)
<b>Excess of revenue over expenses</b>	<b>\$ 9,620,612</b>	<b>\$ 18,375,687</b>
Cash provided from operating activities	\$ 21,436,875	\$ 11,545,484
Cash inflow from financial activities	5,000,491	5,169,057
Cash outflow from investing activities	(25,644,441)	(22,268,001)

All related party transactions are recorded at the exchange amount, which is the amount agreed upon by the parties. The prior year statement of cash flow has been updated to reflect an increase in investing activities by \$2.3 million with a corresponding decrease to operating activities.

## 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 over the next fiscal year. The terms of these agreements include a 30-day notification of cancellation of contracts. Only amounts representing the funding that are within the 30-day cancellation period of \$4,484,499 (2022 – \$3,793,039) have been accrued on the financial statements as at March 31, 2023.

## 9. Commitments and contingencies:

The Foundation has a lease for office space requiring the Foundation to pay monthly expenses of \$23,363. The lease expires on June 29, 2023 and signed a new lease contract that starts July 1, 2023 and runs until June 30, 2030. The annual payments for the new lease consists of \$141,160 for years 1-3, \$169,392 for years 4-5, \$197,624 for year 6 and year \$211,740 for year 7.

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

- The Foundation guarantees the Society's mortgages on the CCCCAH assets totaling \$2.8 million, with maturity dates ranging from December 1, 2027, to December 1, 2028, a current portion of \$157,621, interest rates ranging from 4.18 % to 4.28% per annum on the mortgages and secured by assets with a net book value of \$14.5 million.
- The Foundation guarantees the Society's \$5 million evergreen line of credit facility to finance land purchases, of which \$nil has been drawn as of March 31, 2023.

# CALGARY HOMELESS FOUNDATION

Notes to Financial Statements, page 9

Year ended March 31, 2023, with comparative information for 2022

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## 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, restricted cash to CCCCAH and investments. The risk is mitigated as cash, T-bills and GICs, and restricted cash to CCCCAH, 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 to meet their obligations.

(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 to CCCCAH, and 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 2022.

# CALGARY HOMELESS FOUNDATION

Notes to Financial Statements, page 10

Year ended March 31, 2023, with comparative information for 2022

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## 11. Statutory disclosures:

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

	2023	2022
Amounts paid as remuneration to employees whose principal duties involve fundraising	\$ 95,403	\$ 189,066

Proceeds from fundraising are disclosed as fundraising & donations on the statement of operations.

## 12. Internally Restricted Funds:

The Foundation maintains three internally restricted funds established by the Board of Directors to mitigate risk, ensure sustainability, and support investment in strategic projects with no other source of designated or sustainable funding.

The Foundation maintains the following restricted funds:

- (i) The Wind-Up Reserve was created to ensure coverage of 100% of all legal commitments to wind up the Foundation in the event funding is discontinued. The Wind-Up Reserve is assessed on an annual basis and any adjustments require approval of the Foundation's Board of Directors
- (ii) The Sustainability Reserve was created to allow for orderly transition in the event a significant portion of annual funding is discontinued. The Sustainability Reserve is assessed on an annual basis with any adjustments approved by the Foundation's Board of Directors
- (iii) The Strategic Reserve was created to fund gaps and support innovation in the homeless serving system of care that is responsive to community need. Investments in strategic projects require Board approval and must directly contribute to achieving the Foundations' Purpose and Ambitions in the following four areas:
  - 1. Pilot programs and evaluation projects
  - 2. Collaborative stakeholder integration projects
  - 3. Strategic research project/partnerships
  - 4. Strategic technology projects

# CALGARY HOMELESS FOUNDATION

Notes to Financial Statements, page 11

Year ended March 31, 2023, with comparative information for 2022

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## **13. Comparative information:**

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year with the objective to improve the transparency of the financial statements to make them more relevant to the key stakeholders. This will be achieved by disaggregating the revenue and expenditures into the funding source level. These reclassifications had no impact on deficiency of revenue over expenses or fund balances.







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CHF aims to provide our stakeholders with transparency and accountability. Any complaints or concerns with CHF can be anonymously reported through our external whistleblower line at 403-214-1821.