

CALGARY ALPHA HOUSE SOCIETY

Financial Statements

Year Ended March 31, 2020

CALGARY ALPHA HOUSE SOCIETY
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Year Ended March 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Members of Calgary Alpha House Society

Qualified Opinion

We have audited the financial statements of Calgary Alpha House Society (the Society), which comprise the statement of financial position as at March 31, 2020, and the statements of revenues and expenses, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2020, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Society derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2020, current assets and net assets as at March 31, 2020. Our audit opinion on the financial statements for the year ended March 31, 2020 was modified accordingly because of the possible effects of this limitation of scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with 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 qualified audit opinion.

Other Matter

The financial statements for the year ended March 31, 2019 were audited by another professional accountant who expressed a qualified opinion on those financial statements on June 19, 2019 for the reasons described in the Basis for Qualified Opinion section.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to

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Independent Auditor's Report to the Members of Calgary Alpha House Society (*continued*)

continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Mahmud Khalfan Prof Corp

Calgary, Alberta
June 30, 2020

Mahmud Khalfan Professional Corporation
Chartered Professional Accountants

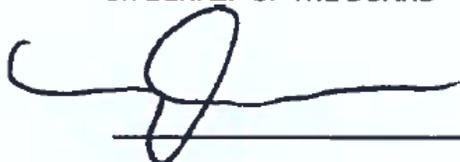
CALGARY ALPHA HOUSE SOCIETY

Statement of Financial Position

March 31, 2020

	Operating Fund 2020	Capital fund 2020	Reserve Fund 2020	Total 2020	Total 2019
ASSETS					
Current					
Cash	\$ 2,314,834	\$ -	\$ 39,825	\$ 2,354,659	\$ 923,945
Restricted cash	161,845	-	-	161,845	3,425,933
Restricted investments (Note 3)	1,530,680	-	-	1,530,680	-
Accounts receivable	124,968	-	-	124,968	87,320
GST receivable	44,944	-	-	44,944	41,649
Employee advances	859	-	-	859	4,568
Prepaid expenses	236,957	-	-	236,957	261,267
	4,415,087	-	39,825	4,454,912	4,744,682
CAPITAL ASSETS (Net of accumulated amortization) (Note 4)	-	4,870,919	-	4,870,919	5,018,956
	\$ 4,415,087	\$ 4,870,919	\$ 39,825	\$ 9,325,831	\$ 9,763,638
LIABILITIES					
Current					
Accounts payable and accrued liabilities	\$ 354,371	\$ -	\$ -	\$ 354,371	\$ 349,057
Wages payable	863,774	-	-	863,774	732,514
Employee deductions payable	167,680	-	-	167,680	124,098
Callable debt due in one year (Note 6)	-	125,622	-	125,622	85,923
Deferred contributions (Note 5)	2,915,274	-	-	2,915,274	3,425,933
	4,301,099	125,622	-	4,426,721	4,717,525
Callable debt due thereafter	-	675,417	-	675,417	1,317,373
	4,301,099	801,039	-	5,102,138	6,034,898
NET ASSETS	113,988	4,069,880	39,825	4,223,693	3,728,740
	\$ 4,415,087	\$ 4,870,919	\$ 39,825	\$ 9,325,831	\$ 9,763,638

ON BEHALF OF THE BOARD



Director



Director

See notes to financial statements

CALGARY ALPHA HOUSE SOCIETY
Statement of Revenues and Expenses
Year Ended March 31, 2020

	Operating Fund 2020	Capital Fund 2020	Reserve Fund 2020	Total 2020	Total 2019
REVENUES					
Calgary Homeless Foundation	\$ 8,862,487	\$ 51,771	\$ -	\$ 8,914,258	\$ 8,581,798
Alberta Community and Social Services	3,201,022	16,776	-	3,217,798	2,592,582
Alberta Health Services	2,072,265	6,377	-	2,078,642	1,839,472
Rental income	1,485,728	-	-	1,485,728	1,436,215
Resolve campaign	-	501,110	-	501,110	1,101,057
City of Calgary	439,113	7,153	-	446,266	448,254
Donations and fundraising	162,961	9,528	-	172,489	26,175
University of Calgary	142,359	-	-	142,359	331,029
Contracted funding	105,967	-	-	105,967	-
Calgary Herald Fund	67,887	-	-	67,887	12,579
Interest	45,726	-	362	46,088	12,250
Casino	32,812	8,899	-	41,711	35,097
Miscellaneous	12,388	-	-	12,388	19,343
	16,630,715	601,614	362	17,232,691	16,435,851
EXPENSES (Schedule 1)	16,490,744	268,111	-	16,758,855	15,462,159
OTHER REVENUES (EXPENSES)					
Gain on disposal of capital assets	-	21,117	-	21,117	-
EXCESS OF REVENUES OVER EXPENSES	\$ 139,971	\$ 354,620	\$ 362	\$ 494,953	\$ 973,692

See notes to financial statements

CALGARY ALPHA HOUSE SOCIETY
Statement of Changes in Net Assets
Year Ended March 31, 2020

	Operating Fund 2020	Capital fund 2020	Reserve Fund 2020	Total 2020	Total 2019
NET ASSETS (DEBT) - BEGINNING OF YEAR	\$ 81,642	\$ 3,615,659	\$ 31,439	\$ 3,728,740	\$ 2,755,048
Excess of revenues over expenses	139,971	354,620	362	494,953	973,692
Transfers <i>(Note 11)</i>	(107,625)	99,601	8,024	-	-
NET ASSETS (DEBT) - END OF YEAR	\$ 113,988	\$ 4,069,880	\$ 39,825	\$ 4,223,693	\$ 3,728,740

See notes to financial statements

CALGARY ALPHA HOUSE SOCIETY
Statement of Cash Flows
Year Ended March 31, 2020

	Operating Fund 2020	Capital fund 2020	Reserve Fund 2020	Total 2020	Total 2019
OPERATING ACTIVITIES					
Cash receipts from funders and clients	\$ 16,036,682	\$ 601,612	\$ -	\$ 16,638,295	\$ 17,837,250
Cash paid to suppliers and employees	(16,180,789)	-	-	(16,180,789)	(14,897,122)
Interest received	15,047	-	362	15,409	12,250
Bank charges, interest and payroll service fees paid	(56,800)	-	-	(56,800)	(58,077)
Interest paid on callable debt	(48,276)	-	-	(48,276)	(77,248)
Cash flow from (used by) operating activities	(234,136)	601,612	362	367,839	2,817,053
INVESTING ACTIVITIES					
Purchase of capital assets	-	(140,209)	-	(140,209)	(138,373)
Proceeds on disposal of capital assets	-	41,255	-	41,255	-
Investments purchased	(1,500,000)	-	-	(1,500,000)	-
Cash flow from (used by) investing activities	(1,500,000)	(98,954)	-	(1,598,954)	(138,373)
FINANCING ACTIVITY					
Repayment of callable debt	-	(602,259)	-	(602,259)	(1,053,109)
Cash flow from (used by) financing activity	-	(602,259)	-	(602,259)	(1,053,109)
OTHER CASH FLOW ITEMS					
Transfer of cash between funds	(107,625)	99,601	8,024	-	-
INCREASE (DECREASE) IN CASH FLOW	(1,841,761)	-	8,386	(1,833,374)	1,625,571
Cash - beginning of year	4,318,440	-	31,439	4,349,878	2,724,307
CASH - END OF YEAR	\$ 2,476,679	\$ -	\$ 39,825	\$ 2,516,504	\$ 4,349,878
CASH CONSISTS OF:					
Cash	\$ 2,314,834	\$ -	\$ 39,825	\$ 2,354,659	\$ 923,945
Restricted cash	161,845	-	-	161,845	3,425,933
	\$ 2,476,679	\$ -	\$ 39,825	\$ 2,516,504	\$ 4,349,878

See notes to financial statements

CALGARY ALPHA HOUSE SOCIETY

Notes to Financial Statements

Year Ended March 31, 2020

1. PURPOSE OF THE SOCIETY

Calgary Alpha House Society (the Society) is a non-profit, charitable agency that provides safe and caring environments for individuals whose lives are affected by alcohol and other drug dependencies.

The Society was established in 1981 as a place of safety for men and women struggling with addictions, as well as mental and physical health issues. The Society operates a Shelter and Detox/Transitional facility, Outreach Programs, including the DOAP Team, Encampment Team, and the Needle Response Team, and Housing Programs with intensive case management support.

The Society is a registered charity under section 149(1) of the Income Tax Act. As such, it is exempt from income taxes and is able to issue donation receipts for income tax purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements of the Society have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) on a going-concern basis that assumes that the Society will be able to realize its assets and discharge its liabilities in the normal course of operations.

Fund accounting

The Society follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for revenues and expenses related to program delivery and administrative activities.

The Capital Fund reports the assets, liabilities, revenues, and expenses related to the Society's capital assets.

The Reserve Fund reports amounts to be held for contingency purposes. These internally restricted amounts are not available for other purposes without approval of the board of directors.

Cash

Cash and cash equivalents include amounts on deposit with financial institutions and term deposits that mature within three months from the date of acquisition. The Society held no cash equivalents during the year.

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CALGARY ALPHA HOUSE SOCIETY

Notes to Financial Statements

Year Ended March 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

- a) Restricted contributions related to operations are recognized as revenue in the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue in the appropriate fund.
- b) Donations of goods or services in kind are recognized as revenue and receipted when the fair market value can be readily determined.
- c) Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
- d) Capital contributions are recognized as revenue the year in which the funds are received.
- e) Rent is recognized in the Operating Fund when received unless received prior to being due then it is placed in deferred income until due.

Capital assets

The Society's accounting policy capitalizes assets with a cost greater than \$500. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Buildings	40 years	straight-line method
Furniture and fixtures	10 years	straight-line method
Automotive	7 years	straight-line method
Leasehold improvements	5 years	straight-line method
Computer equipment	4 years	straight-line method

Long-lived assets are reviewed for impairment when events and circumstances indicate that the carrying amount of a long-lived asset is not recoverable and exceeds its fair value. The amount of the impairment loss, if any, is the excess of carrying value over its fair value. When assets are sold or disposed the original costs are removed from the accounts and the gain or loss is charged to the Capital Fund. Amortization expense is reported in the Capital Fund.

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CALGARY ALPHA HOUSE SOCIETY

Notes to Financial Statements

Year Ended March 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

Financial assets and liabilities are measured initially at fair value. Subsequent measurement is at amortized cost.

Financial assets measured at amortized cost consist of cash, short term investments and accounts receivable.

Financial liabilities measured at amortized cost consist of callable debt, accounts payable and accrued liabilities and wages payable.

The Society assesses impairment of all its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Society determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Society reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment loss is recognized in the statement of revenues and expenses.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. In particular, the Society uses estimates in determining the useful life of capital assets, valuation of accrued liabilities and determining the current portion of callable debt.

3. RESTRICTED INVESTMENTS

The amounts are invested in a flex notice account earning interest at CWB Prime rate less 1.5%. The amounts can be withdrawn by giving a 93 days written notice to the bank. Restricted investments are held for contingency purposes and are not available for other purposes without approval of the board of directors.

CALGARY ALPHA HOUSE SOCIETY

Notes to Financial Statements

Year Ended March 31, 2020

4. CAPITAL ASSETS

Capital assets consist of the following:

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Land	\$ 730,000	\$ -	\$ 730,000	\$ 730,000
Buildings	3,962,253	296,924	3,665,329	3,764,385
Automotive	311,113	235,886	75,227	77,417
Computer equipment	188,937	126,558	62,379	36,708
Furniture and fixtures	740,605	430,321	310,284	318,793
Leasehold improvements	344,767	317,067	27,700	91,653
	\$ 6,277,675	\$ 1,406,756	\$ 4,870,919	\$ 5,018,956

5. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent grants externally restricted for specific purposes. The deferred contributions are:

	2020	2019
<u>Calgary Homeless Foundation</u>		
Opening balance	\$ 903	\$ 107,457
Grant funds received	9,147,896	8,432,944
Grant funds spent	(8,914,259)	(8,539,498)
Grant funds paid back	(23,328)	-
Ending balance	211,212	903
 <u>Alberta Health Services</u>		
Opening balance	210,919	155,254
Grant funds received	1,910,408	1,895,137
Grant funds spent	(2,078,642)	(1,839,472)
Ending balance	42,685	210,919
 <u>Alberta Community and Social Services</u>		
Opening balance	1,600,000	1,866,036
Grant funds received	2,390,396	2,326,546
Grant funds spent	(3,217,798)	(2,592,582)
Ending balance	772,598	1,600,000

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CALGARY ALPHA HOUSE SOCIETY

Notes to Financial Statements

Year Ended March 31, 2020

5. DEFERRED CONTRIBUTIONS *(continued)*

City of Calgary

Opening balance	461,776	76,912
Grant funds received	399,324	647,222
Grant funds spent	(446,262)	(262,358)
Ending balance	414,838	461,776

Resolve

Opening balance	110,423	723,056
Restricted donations received	485,855	488,432
Restricted donations spent	(501,111)	(1,101,065)
Ending balance	95,167	110,423

Calgary Herald

Opening balance	147,238	159,817
Grant funds received	-	-
Grant funds spent	(67,887)	(12,579)
Ending balance	79,351	147,238

Calgary Foundation

Opening balance	-	-
Grant funds received	265,000	-
Grant funds spent	-	-
Ending balance	265,000	-

University of Calgary

Opening balance	93,852	71,446
Grant funds received	178,777	353,435
Grant funds spent	(135,560)	(331,029)
Grant funds repaid	(137,069)	-
Ending balance	-	93,852

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CALGARY ALPHA HOUSE SOCIETY

Notes to Financial Statements

Year Ended March 31, 2020

5. DEFERRED CONTRIBUTIONS *(continued)*

Restricted fundraising and donations

Opening balance	702,944	577,310
Restricted donations received	266,518	149,651
Restricted donations spent	-	(24,017)
Ending balance	969,462	702,944

Casino

Opening balance	97,878	65,663
Casino proceeds received	8,794	67,315
Casino funds spent	(41,711)	(35,100)
Ending balance	64,961	97,878

Grand total **\$ 2,915,274** \$ 3,425,933

6. CALLABLE DEBT

	<u>2020</u>	<u>2019</u>
Canadian Western Bank demand loan with monthly payments of \$12,452 including interest at an annual rate of CWB prime plus 0.75% per annum renewing June 2022. The loan is secured by the land and building reported in Note 4.	\$ 801,039	\$ 1,403,296
Principal due in one year	(125,622)	(85,923)
	\$ 675,417	\$ 1,317,373

Principal repayment terms are approximately:

2021	\$ 125,622
2022	129,701
2023	133,913
2024	138,262
2025	142,752
Thereafter	130,789
	\$ 801,039

The loan is secured against Demand Collateral Mortgage in the principal amount to be determined, conveying a first fixed charge over property located at 1312 - 25th Street SE, Calgary, Alberta and legally described as Plan 7016GB, Lot 2; promissory note in an amount of \$2,500,000; Unconditional and Unlimited Environmental Agreement and Indemnity (Form 1164) executed by the Borrower; Acknowledged Assignment of Insurance coverage for full insurable values of all assets of the Borrower taken as security by the Bank with first loss payable to the Bank by way of standard mortgage clause.

The loan is subject to certain financial and reporting covenants. The Society expects to be in compliance with these covenants.

CALGARY ALPHA HOUSE SOCIETY

Notes to Financial Statements

Year Ended March 31, 2020

7. COMMITMENTS, AGREEMENTS AND CONTINGENT LIABILITIES

Rental Agreements

Under the terms of a lease agreement with Alberta Health Services effective April 1, 2019, the Society pays rent on its main operating facility, in the nominal amount of \$1 annually. The fair market value of the rent, operating costs and maintenance is not easily determinable. The fair market value of the rent, operating costs and maintenance, donated by Alberta Infrastructure, is neither recorded as donation income nor expensed in the Society's books and records. Alberta Infrastructure holds title to the building.

The Society entered into a 1 year lease of five buildings with the Homespace Society to begin April 1, 2020 and expiring March 31, 2021.

During 2018, the Society entered into a 3 year lease of office space to begin October 2018 requiring monthly payments of \$3,000 for the first year, \$3,063 the second year and \$3,125 for the third.

Contingent Liability

The Alberta Gaming & Liquor Commission "AGLC" requires the distribution of gaming profits to be made within 24 months of receipt of the funds. If the Society fails to comply with the rules they will be subject to AGLC Board-directed sanctions, such as suspension of gaming licenses, revocation of gaming licenses, and/or directives to donate all gaming funds to other eligible charitable organizations. The Society received casino proceeds of \$67,315 in November 2018 of which \$67,127 is still required to be spent. Management is confident the Society will comply with the spending requirement.

8. EMPLOYEE FUTURE BENEFITS

The Society contributes to a registered retirement savings plan ("the Plan") for the benefit of its employees. During the year, contributions of \$188,892 (2019 - \$168,290) were deposited to the Plan and expensed as employee benefits.

9. STATUTORY DISCLOSURES

As required under Section 7(2) of the Charitable Fundraising Regulation of Alberta, the Society is required to disclose amounts paid as remuneration to employees whose principal duties involve fundraising and direct costs incurred for the purposes of soliciting contributions. During 2019, the Society did not have any employees whose principal role was related to fundraising activities.

10. PROGRAM BASED FUNDING

Under the terms of the contracts with various funding agencies, excess funds received over specific operating expenditures as budgeted in the Society's funding applications may be repayable in the current or following year. Management estimates the amount that is likely to be repaid to the funding agencies and records this in accounts payable and accrued liabilities and as a reduction to program based funding. The funding agencies may approve the retention of these funds for the specified purpose or may request the amount be repaid. The actual amount repaid or required to be repaid to funding agencies may differ from management's estimate as the calculation of excess funds is carried out by the funding agencies subsequent to year-end. Any differences in the amounts recovered or paid from the amounts accrued are recorded in the year recovered as program based funding or as a reduction of program based funding. The Society repaid \$160,395 (2019 -\$Nil) to funding agencies.

CALGARY ALPHA HOUSE SOCIETY

Notes to Financial Statements

Year Ended March 31, 2020

11. FUND TRANSFERS

During the year, the Society transferred funds from the Operating Fund to the Capital Fund for the purchase of capital assets.

During the year, the Society transferred funds from the Operating Fund to the Reserve Fund to increase the amount held for contingency purposes.

12. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of March 31, 2020.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk from its clients. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Society has a significant number of clients which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its receipt of funds from its clients and funders, callable debt, and accounts payable.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Society is mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Society manages exposure through its normal operating and financing activities. The Society is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

13. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation. Figures for year end March 31, 2019 were audited by another professional accountant.

14. SUBSEQUENT EVENTS

On March 17, 2020, the Government of Alberta declared a public health emergency in response to the Covid-19 pandemic. The ongoing global pandemic has disrupted economic activities and supply chains. Although the effect of the Covid-19 pandemic is expected to be temporary, given the dynamic nature of the circumstances, it may have an impact on some of the revenue streams and expenses of the Society. The overall financial impact cannot be reasonably estimated at this time.

CALGARY ALPHA HOUSE SOCIETY

Expenses

(Schedule 1)

Year Ended March 31, 2020

	Operating Fund 2020	Capital Fund 2020	Reserve Fund 2020	Total 2020	Total 2019
<u>Program expenses</u>					
Wages and MERC	\$ 9,930,805	\$ -	\$ -	\$ 9,930,805	\$ 9,212,565
Rent subsidies and damage deposit	2,623,583	-	-	2,623,583	2,456,091
Client costs - supplies	724,035	-	-	724,035	493,715
Program expenses	392,963	-	-	392,963	325,499
Supplementary staff benefits	405,457	-	-	405,457	410,411
Food	306,695	-	-	306,695	292,124
Automotive and parking	278,766	-	-	278,766	293,053
Amortization	-	268,111	-	268,111	267,639
Building repairs and maintenance	270,979	-	-	270,979	286,629
Staff development and recognition	149,677	-	-	149,677	106,288
Hotel accommodations	25,384	-	-	25,384	-
Client costs - transportation	21,267	-	-	21,267	26,366
	15,129,611	268,111	-	15,397,722	14,170,380
<u>Administrative expenses</u>					
Administrative wages and benefits	844,263	-	-	844,263	733,321
Office expenses and sundry	164,550	-	-	164,550	105,026
Consultants and technical support	123,240	-	-	123,240	177,626
Professional fees	65,000	-	-	65,000	56,324
Bank charges, interest and payroll service fees	56,800	-	-	56,800	58,077
Interest on callable debt	48,276	-	-	48,276	77,248
Fundraising and promotion	34,186	-	-	34,186	58,843
Board expenses	10,548	-	-	10,548	8,937
Telephone and internet	9,534	-	-	9,534	8,909
Travel and parking	4,736	-	-	4,736	7,468
	1,361,133	-	-	1,361,133	1,291,779
	\$ 16,490,744	\$ 268,111	\$ -	\$ 16,758,855	\$ 15,462,159

See notes to financial statements