

Hope Mission
Financial Statements
December 31, 2023

Management's Responsibility

To the Members and Directors of Hope Mission:

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

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

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

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

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Executive Director

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Director of Finance

To the Members of Hope Mission:

Qualified Opinion

We have audited the financial statements of Hope Mission (the "Organization"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

As is common with many charitable organizations, the Organization derives revenue from general donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to amounts recorded in the records of the Organization. Therefore we were not able to determine whether any adjustments might be necessary to donations revenue, excess of revenue over expenses and cash flows from operations for the years ended December 31, 2023 and 2022, current assets as at December 31, 2023 and 2022, and net assets as at January 1 and December 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under 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 Organization 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 qualified opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Chartered Professional Accountants

Hope Mission
Statement of Financial Position
As at December 31, 2023

	2023	2022
Assets		
Current		
Cash and cash equivalents	11,504,315	15,273,612
Marketable securities (Note 4)	833,578	102,034
Accounts receivable	266,615	142,828
Inventory	53,629	50,993
Prepaid expenses and deposits	383,834	365,531
	13,041,971	15,934,998
Restricted cash (Note 3), (Note 8)	650,050	341,083
Capital assets (Note 5)	71,520,985	63,717,007
	85,213,006	79,993,088
Liabilities		
Current		
Accounts payable and accruals (Note 6)	3,464,522	2,088,434
Deferred revenue (Note 7)	2,953,092	2,876,272
	6,417,614	4,964,706
Deferred contributions related to capital assets (Note 8)	33,404,294	34,469,376
Deferred lease obligation (Note 9)	1,350,000	-
	41,171,908	39,434,082
Commitments (Note 10)		
Subsequent events (Note 16)		
Net Assets		
Invested in capital assets	37,068,463	29,807,653
Unrestricted	6,972,635	10,751,353
	44,041,098	40,559,006
	85,213,006	79,993,088

Approved on behalf of the Board

Director

Director

The accompanying notes are an integral part of these financial statements

Hope Mission Statement of Operations

For the year ended December 31, 2023

	2023	2022
Revenue		
Donations	15,177,347	13,753,907
██████████	1,785,762	892,740
Other income	790,125	324,805
Interest income	750,912	287,392
Designated donations	663,434	79,818
Bargain Shoppe and other ancillary operations	140,252	144,256
	19,307,832	15,482,918
Expenses		
Ministry van (Note 13)	1,535,775	906,382
Salaries and benefits (Note 14)	1,523,753	1,382,683
Fundraising (Note 14)	1,259,714	1,451,334
Bargain Shoppe and other ancillary operations (Note 13)	1,099,555	813,047
Office - donation processing	980,342	547,223
Designated projects	663,184	67,818
Amortization	324,343	142,609
Management fee (Note 13)	282,300	-
Office - supplies	174,514	103,581
Office - general	125,809	39,322
Telephone, communication and I.T. services	100,799	65,070
Goods and services tax	58,893	54,664
Annual banquet and special events	58,639	-
Travel	56,572	40,150
Insurance	45,440	35,359
Training and staff development	26,163	13,707
Professional fees	18,417	-
Cost recovery from Program for the Homeless and Women's Program (Note 13)	(1,078,246)	(551,191)
	7,255,966	5,111,758
	12,051,866	10,371,160
Programs		
Program for the Homeless (Schedule 1)	4,749,903	3,788,017
R.W. Tegler Youth Centre and Kids in Action (Schedule 2)	819,206	795,144
Brightwood Ranch (Schedule 3)	557,509	605,755
Women's Centre (Schedule 4)	458,869	303,186
Bethany Homes (Schedule 5)	561,107	326,311
Calgary Hope (Schedule 6)	1,326,353	1,048,663
Red Deer Hope (Schedule 7)	441,982	242,131
Wetaskiwin Hope (Schedule 8)	-	408,030
	8,914,929	7,517,237
Excess of revenue over expenses before other item	3,136,937	2,853,923
Other item		
Gain (loss) on disposal of capital assets	(1,215)	798
Excess of revenue over expenses	3,135,722	2,854,721

The accompanying notes are an integral part of these financial statements

Hope Mission
Statement of Changes in Net Assets
For the year ended December 31, 2023

	<i>Invested in capital assets</i>	<i>Unrestricted</i>	2023	<i>2022</i>
Net assets, beginning of year	29,807,653	10,751,353	40,559,006	36,704,285
Excess (deficiency) of revenue over expenses	(1,157,215)	4,292,937	3,135,722	2,854,721
Investment in capital assets	8,071,655	(8,071,655)	-	-
Donation restricted for purchase of land <i>(Note 2)</i>	346,370	-	346,370	1,000,000
Net assets, end of year	37,068,463	6,972,635	44,041,098	40,559,006

The accompanying notes are an integral part of these financial statements

Hope Mission Statement of Cash Flows

For the year ended December 31, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating		
Donations	15,413,332	13,915,553
Grants	24,134,370	14,942,917
Other income	3,593,545	2,533,094
Interest received	750,912	287,392
Cash paid to suppliers and employees	(38,873,356)	(25,499,631)
	5,018,803	6,179,325
Financing		
Grants and donations received for capital assets <i>(Note 8)</i>	308,969	1,347,464
Investing		
Purchase of capital assets	(8,789,102)	(9,172,315)
Proceeds on disposal of capital assets	1,000	2,000
	(8,788,102)	(9,170,315)
Decrease in cash resources	(3,460,330)	(1,643,526)
Cash resources, beginning of year	15,716,729	17,360,255
Cash resources, end of year	12,256,399	15,716,729
Cash resources are composed of:		
Cash and cash equivalents	11,504,315	15,273,612
Restricted cash <i>(Note 3)</i>	650,050	341,083
Term deposit <i>(Note 4)</i>	102,034	102,034
	12,256,399	15,716,729

The accompanying notes are an integral part of these financial statements

Hope Mission

Notes to the Financial Statements

For the year ended December 31, 2023

1. Purpose of organization

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

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

2. Significant accounting policies

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

Revenue recognition

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

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

Cash and cash equivalents

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

Marketable securities

The Organization has investments in guaranteed investment certificates and common shares held in a public market. These investments are all highly liquid and are collectively entitled marketable securities. Marketable securities are recorded at fair value with prices quoted in an active market.

Inventory

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

Capital assets

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

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

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

Hope Mission
Notes to the Financial Statements
For the year ended December 31, 2023

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

Long-lived assets

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

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

Contributed materials and services

Contributions of materials are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials are used in the normal course of the Organization's operations and would otherwise have been purchased. During the year \$21,510 (2022 - \$14,207) of gifts-in-kind were recorded and recognized as revenue with an offsetting expense, \$346,370 (2022 - \$nil) of gifts-in-kind were recorded and recognized as land with an offsetting increase to net assets, and \$1,350,000 (2022 - \$nil) of gifts-in-kind were recorded and recognized as land with an offsetting rental lease obligation (Note 9). During the year, the Organization also received donations of fuel and repairs and maintenance from Alberta Health Services in addition to receiving funding under the [REDACTED] agreement to assist with running ambulances; these contributions have not been recognized in the financial statements. Contributed services are not recognized in the financial statements because of the difficulty in determining their fair value. During the year, volunteers contributed many hours of service assisting the Organization's service delivery activities.

Allocation of expenses

The Organization engages in outreach programs to fulfill its purpose of ministering to needy men, women, young people and children (see Schedules 1-8). The costs of each program include the expenses that are directly related to providing the programs. The Organization also incurs a number of general support expenses that are common to the administration of the Organization and each of its programs.

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

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

Financial instruments

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

Arm's length financial instruments

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

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

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

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

Hope Mission
Notes to the Financial Statements
For the year ended December 31, 2023

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

Related party financial instruments

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

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

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

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

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

Financial asset impairment

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. The Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

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

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue over expenses during the reporting period.

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

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

3. Restricted cash

	2023	2022
Unspent donations for capital assets - Wetaskiwin Hope building <i>(Note 8)</i>	523,355	258,961
Unspent donations for capital assets - Red Deer Hope building <i>(Note 8)</i>	126,695	82,120
Unspent donations for capital assets - ██████████ rebuild	-	2
	650,050	341,083

Hope Mission
Notes to the Financial Statements
For the year ended December 31, 2023

4. Marketable securities

	2023	2022
Term deposit, bearing interest at 3.25% (2022 - 2.40%), maturing August 2024	102,034	102,034
Investment portfolio	731,544	-
	833,578	102,034

The term deposit is pledged for letters of credit issued in connection with development permits and a 25 year lease.

5. Capital assets

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Land	14,071,655	-	14,071,655	11,600,285
Buildings	76,898,904	21,808,415	55,090,489	50,521,271
Automotive	2,047,441	1,218,648	828,793	565,278
Computer equipment	163,908	141,893	22,015	21,375
Computer software	77,515	60,498	17,017	19,070
Equipment	169,725	36,295	133,430	100,216
Furniture and fixtures	817,538	135,536	682,002	530,597
Fences	85,347	30,304	55,043	50,588
Kitchen equipment	951,631	420,392	531,239	211,263
Parking lot	141,454	52,152	89,302	97,064
	95,425,118	23,904,133	71,520,985	63,717,007

At December 31, 2023, \$348,283 (2022 - \$439,980) of capital additions are included in accounts payable and accruals. No amortization has been recognized on assets under construction of \$2,822,031 (2022 - \$169,070).

6. Accounts payable and accruals

Included in accounts payable and accruals are government remittances payable of \$723,201 (2022 - \$497,511).

7. Deferred revenue

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

	2022	Amounts received or receivable	Amounts recognized as revenue	2023
Alberta Seniors, Community and Social Services (Schedule 1), (Schedule 8)	2,338,754	22,595,349	(22,140,867)	2,793,236
(Schedule 1), (Schedule 4)	90,651	1,592,481	(1,581,837)	101,295
Other	446,867	2,673,652	(3,061,958)	58,561
	2,876,272	26,861,482	(26,784,662)	2,953,092

Hope Mission
Notes to the Financial Statements
For the year ended December 31, 2023

8. Deferred contributions related to capital assets

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

	2023	2022
Balance, beginning of year	34,469,376	35,557,035
Amount received from other sources during the year	308,969	347,464
Less: Amounts recognized as revenue during the year	(1,374,051)	(1,435,123)
Balance, end of year	33,404,294	34,469,376

During the year, the Organization received \$264,394 (2022 - \$258,961) for the new Wetaskiwin Hope building and \$44,575 (2022 - \$82,120) for the new Red Deer Hope building. The total amount received to date of \$650,050 (2022 - \$341,081) has been recorded in deferred contributions related to capital assets and the cash received but not yet spent has been included in restricted cash (Note 3).

During the year, the Organization received a donation of \$nil (2022 - \$1,000,000) restricted for the purchase of [REDACTED].

9. Deferred lease obligation

During the year, the Organization received land in the City of Red Deer with a fair market value of \$1,350,000 (2022 - \$nil) in exchange for a lease and joint use agreement. The Organization intends to construct a building on the land, however construction has not commenced as of year-end. The lease has a term of 35 years, commencing on the date the Organization receives an occupancy permit from the City of Red Deer for the building.

10. Commitments

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

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

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

The Organization has entered into various operating lease agreements with estimated minimum annual payments as follows:

<u>2024</u>	<u>201,970</u>
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Hope Mission
Notes to the Financial Statements
For the year ended December 31, 2023

11. Economic dependence

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

12. Credit facilities

Hope Mission has access to a revolving operating credit facilities to a maximum of \$6,000,000 (2022 - \$6,000,000) with interest calculated at the lender's prime rate. The facilities are secured by a general security agreement over all present and after acquired personal property, a land mortgage in the principal sum of \$5,000,000 over certain lands held by the Organization, and a general assignment of leases and rents in respect of certain properties held by the Organization. As at December 31, 2023, no amounts were drawn on these facilities. The Organization also has a letter of credit outstanding in respect of a development permit with the City of Edmonton in the amount of \$76,000 (2022 - \$76,000).

The credit facilities are subject to financial covenants with respect to the working capital ratio, total debt to equity ratio, and debt service coverage ratio. As at December 31, 2023, the Organization is in compliance with the financial covenants.

13. Inter-department charges

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

	2023	2022
Management fees - Program for the Homeless (Schedule 1)		
Rural Winter Emergency Response	200,000	-
Base program	198,490	100,191
Rapid Exit program	122,667	91,434
Rapid Re-Housing program	69,127	70,497
[REDACTED] Centre	52,251	-
Emergency shelter	32,311	-
Supported referrals program	4,425	-
	679,271	262,122
Management fees - Women's Program (Schedule 4)		
Base program	25,824	25,824
Laundry supplies - Program for the Homeless (Schedule 1)		
Bargain Shoppe and other ancillary operations	159,240	155,736
Other		
Ministry van	213,911	107,509
	1,078,246	551,191

Management fees of \$282,300 (2022 - \$nil) were charged to the Statement of Operations related to the [REDACTED] program with the corresponding cost reduction shown on Schedule 1.

Hope Mission
Notes to the Financial Statements
For the year ended December 31, 2023

14. Fundraising expenses

As required under The Charitable Fundraising Act of Alberta, the Organization reports that \$310,617 (2022 - \$96,000) was paid as remuneration to employees in respect of fundraising related work in the year ended December 31, 2023 and \$1,259,714 (2022 - \$1,451,334) in other expenses incurred for the purposes of soliciting contributions.

15. Financial instruments

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

Credit risk

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

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Organization is exposed to interest rate risk with respect to its marketable securities (Note 4) and its credit facility agreement (Note 12). The Organization is able to manage interest rate risk by investing in term deposits and borrowing at floating rates with a no penalty prepayment option.

16. Subsequent events

On January 1, 2024, the Organization acquired Emmanuel Foundation for International Community Development ("Emmanuel Foundation"). Emmanuel Foundation collects goods that aid in the sustainable transformation of a community, and ships this inventory anywhere in the world where people would not otherwise have access to these goods and items. Emmanuel Foundation also provides meal kits locally and internationally.

On January 1, 2024, the Organization acquired The Mission to Children, an organization that feeds, evangelises, and disciples at-risk children around the world.

The Organization has made these acquisitions as the mission and vision of Emmanuel Foundation and The Mission to Children aligns with that of Hope Mission.

17. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

Hope Mission
Schedule 1 - Program for the Homeless
For the year ended December 31, 2023

	2023	2022
Revenue		
Government grants (Note 7)	11,507,177	6,456,701
Government grants - Rural Winter Emergency Response (Note 7)	4,988,616	1,598,540
Government grants - Service Hub (Note 7)	2,034,592	201,057
Government grants - ██████████ Centre (Note 7)	1,508,484	-
██████████ grants (Note 7)	1,375,833	1,185,373
Amortization of deferred contributions (Note 8)	1,213,537	1,267,871
Rental (Note 7)	459,931	430,496
Other income	929	428
Government grants - COVID response	-	2,435,192
██████████ grants (Note 7)	-	14,795
	23,089,099	13,590,453
Expenses		
Amortization	1,641,971	1,573,510
Food and kitchen costs	1,392,474	892,926
Goods and services tax	100,152	75,874
Insurance	289,496	217,444
Interest and bank charges	3,397	1,133
Laundry supplies (Note 13)	159,240	155,736
Management fee (Note 13)	679,271	262,122
Office supplies	330,049	185,714
Professional fees	59,501	19,741
Rent	765,535	342,316
Repairs and maintenance	1,536,753	606,454
Supplies	1,389,909	1,285,295
Telephone, communication and I.T. services	109,484	105,990
Towels, blankets and mats	261,070	245,723
Training and staff development	27,297	23,204
Utilities	461,044	512,069
Vehicle, travel and transit	114,396	96,964
Wages and employee benefits	18,800,263	10,776,255
Cost recovery from ██████████ (Note 13)	(282,300)	-
	27,839,002	17,378,470
Deficiency of revenue over expenses	(4,749,903)	(3,788,017)

Hope Mission
Schedule 2 - R.W. Tegler Youth Centre and Kids in Action
For the year ended December 31, 2023

	2023	2022
Revenue		
Government grants (Note 7)	343,868	166,735
Amortization of deferred contributions (Note 8)	3,963	4,129
	347,831	170,864
Expenses		
Amortization	36,501	37,560
Automotive	19,232	16,800
Fees, licences and permits	45	45
Food and kitchen costs	430,638	380,189
Goods and services tax	4,199	3,040
Insurance	37,399	28,614
Office supplies	10,224	16,948
Professional fees	1,565	152
Repairs and maintenance	51,760	31,219
Supplies	3,438	161
Telephone, communication and I.T. services	4,195	3,906
Training and staff development	250	-
Utilities	46,595	31,296
Wages and employee benefits	520,996	416,078
	1,167,037	966,008
Deficiency of revenue over expenses	(819,206)	(795,144)

Hope Mission
Schedule 3 - Brightwood Ranch
For the year ended December 31, 2023

	2023	2022
Revenue		
Donations	210,023	7,688
Amortization of deferred contributions (Note 8)	37,012	38,603
Other income	31,935	-
Rental (Note 7)	19,312	-
	298,282	46,291
Expenses		
Amortization	151,638	155,637
Automotive	32,452	20,162
Fees, licenses and permits	108	163
Food and kitchen costs	29,614	13,936
Goods and services tax	5,503	4,090
Insurance	92,003	67,982
Interest and bank charges	435	165
Office supplies	2,515	1,484
Professional fees	19,488	14,836
Recreation supplies	1,899	585
Repairs and maintenance	127,832	82,622
Telephone, communication and I.T. services	7,142	6,336
Training and staff development	7,555	1,228
Utilities	41,643	58,275
Vehicle, travel and transit	2,750	15,229
Wages and employee benefits	333,214	209,316
	855,791	652,046
Deficiency of revenue over expenses	(557,509)	(605,755)

Hope Mission
Schedule 4 - Women's Centre
For the year ended December 31, 2023

	2023	2022
Revenue		
██████████ grants (Note 7)	206,004	199,995
Rental (Note 7)	80,255	85,849
Amortization of deferred contributions (Note 8)	58,065	60,484
Other income	704	574
	345,028	346,902
Expenses		
Amortization	97,337	100,441
Client services	795	1,911
Food and kitchen costs	6,910	10,239
Goods and services tax	1,562	948
Insurance	61,605	23,708
Interest and bank charges	556	679
Management fee (Note 13)	25,824	25,824
Office supplies	36,667	32,568
Professional fees	2,911	5
Repairs and maintenance	42,481	29,815
Telephone, communication and I.T. services	4,446	4,263
Training and staff development	979	459
Utilities	40,169	39,788
Wages and employee benefits	481,655	379,440
	803,897	650,088
Deficiency of revenue over expenses	(458,869)	(303,186)

Hope Mission
Schedule 5 - Bethany Homes
For the year ended December 31, 2023

	2023	2022
Revenue		
Nutrition program (Note 7)	308,220	297,360
Donations	94,072	74,140
Other revenue	93,519	92,295
Amortization of deferred contributions (Note 8)	25,274	26,327
	521,085	490,122
Expenses		
Amortization	74,270	69,939
Automotive	82,630	66,823
Fees, licenses and permits	1,009	953
Food and kitchen	223,942	136,403
Goods and services tax	5,269	3,395
Insurance	20,607	22,848
Office supplies	4,554	2,110
Professional fees	1,983	156
Repairs and maintenance	3,685	8,370
Supplies	144,304	134,797
Telephone, communication and I.T. services	2,599	4,383
Training and staff development	3,514	503
Utilities	17,073	21,041
Vehicle, travel and transit	1,497	452
Wages and employee benefits	495,256	344,260
	1,082,192	816,433
Deficiency of revenue over expenses	(561,107)	(326,311)

Hope Mission
Schedule 6 - Calgary Hope
For the year ended December 31, 2023

	2023	2022
Revenue		
Amortization of deferred contributions (Note 8)	36,200	37,709
Other revenue	6,388	13,100
	42,588	50,809
Expenses		
Amortization	203,991	211,745
Automotive	27,021	23,554
Fees, licences and permits	285	20
Food and kitchen costs	88,954	119,867
Goods and services tax	6,370	5,421
Insurance	30,120	15,181
Office supplies	10,128	8,463
Professional fees	2,111	176
Repairs and maintenance	106,352	102,112
Supplies	51,068	19,626
Telephone, communication and I.T. services	5,063	5,693
Training and staff development	167	125
Utilities	56,507	57,954
Vehicle, travel and transit	27,867	29,956
Wages and employee benefits	752,937	499,579
	1,368,941	1,099,472
Deficiency of revenue over expenses	(1,326,353)	(1,048,663)

Hope Mission
Schedule 7 - Red Deer Hope
For the year ended December 31, 2023

	2023	2022
Expenses		
Automotive	3,731	2,531
Fees, licenses, and permits	50	25
Food and kitchen costs	99,953	13,424
Goods and services tax	1,417	377
Insurance	6,953	7,455
Office supplies	7,431	3,206
Professional fees	7,130	41
Rent	29,883	24,000
Repairs and maintenance	607	31
Supplies	5,150	3,650
Telephone, communication and I.T. services	1,225	782
Training and staff development	4,845	-
Vehicle, travel & transit	4,000	1,150
Wages and employee benefits	269,607	185,459
Deficiency of revenue over expenses	(441,982)	(242,131)

Hope Mission
Schedule 8 - Wetaskiwin Hope
For the year ended December 31, 2023

	2023	2022
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Revenue		
Government grants (Note 7)	2,092,976	625,000
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Expenses		
Automotive	21,486	4,470
Food and kitchen costs	96,116	15,566
Goods and service tax	14,939	18,519
Insurance	25,931	586
Office supplies	3,640	2,869
Professional fees	9,030	649
Rent	203,175	155,728
Repairs and maintenance	75,501	391,633
Supplies	169,764	152,515
Telephone, communication and I.T. services	3,886	668
Utilities	52,287	22,796
Wages and employee benefits	1,417,221	267,031
	2,092,976	1,033,030
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Deficiency of revenue over expenses	-	(408,030)
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