

CALGARY DROP-IN & REHAB CENTRE SOCIETY

Financial Statements

For the Year Ended March 31, 2021

Calgary Drop-In & Rehab Centre Society
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For the Year Ended March 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Members of Calgary Drop-In & Rehab Centre Society:

Report on the financial statements

We have audited the financial statements of Calgary Drop-In & Rehab Centre Society (the "Society"), which comprise the statement of financial position, as at March 31, 2021, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or 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.

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Auditor's Responsibilities for the Audit of 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.

BDO Canada LLP

Chartered Professional Accountants

Calgary, Alberta
June 17, 2021

Calgary Drop-In & Rehab Centre Society
Statement of Operations
For the Year Ended March 31, 2021

	Programs	COVID-19	2021 Total	2020 Total
Revenue				
Grants				
Alberta Human Services	\$ 13,302,853	\$ 9,155,105	\$ 22,457,958	\$ 13,302,853
Calgary Homeless Foundation	967,851	3,149,109	4,116,960	42,717
United Way	437,690	50,000	487,690	500,217
City of Calgary	467,802	-	467,802	488,105
Alberta Employment, Immigration and Industry	527,198	-	527,198	549,612
Victims of Crime Fund	150,000	-	150,000	150,000
Other grants	3,879	336,841	340,720	31,854
Human Resources/Skills Development Canada	-	-	-	19,245
The Calgary Foundation	76,000	-	76,000	-
Canada Emergency Wage Subsidy (Note 15)	1,573,426	-	1,573,426	-
Donations	3,024,541	250,000	3,274,541	2,008,273
Rental revenue	2,739,578	-	2,739,578	2,150,028
Interest revenue	40,344	-	40,344	97,163
Other revenue	1,000,526	-	1,000,526	269,838
Gifts in-kind (Note 11)	1,761,078	-	1,761,078	2,921,604
Amortization of deferred contributions (Note 6)	2,025,943	-	2,025,943	2,185,074
Total Revenue	28,098,709	12,941,055	41,039,764	24,716,583
Expenses				
Direct client costs				
Food (Note 11)	1,882,768	61,713	1,944,481	3,466,239
Materials	115,953	36,424	152,377	113,176
Personal incidentals	448,560	105,435	553,995	99,186
Recreation	3,159	1,022	4,181	2,608
Transportation	8,462	563	9,025	7,606
Medical supplies	12,670	32,433	45,103	28,688
	2,471,572	237,590	2,709,162	3,717,503
Facilities				
Building maintenance	853,771	135,760	989,531	998,673
Furnishings and equipment	22,462	45,807	68,269	53,138
Equipment repair and maintenance	12,759	109,108	121,867	117,442
Rent	37,124	5,538,950	5,576,074	62,807
Utilities	1,055,008	14,122	1,069,130	1,018,586
Facility supplies	150,130	131,528	281,658	226,330
Facility insurance	122,333	2,163	124,496	71,752
Facility - other	1,487	36,307	37,794	396
Garbage removal	72,506	7,645	80,151	93,087
Inventory	-	-	-	12,704
Amortization	4,191,415	-	4,191,415	3,411,005
Property taxes	76,190	-	76,190	74,162
Loan interest expenses	284,742	-	284,742	192,692
	6,879,927	6,021,390	12,901,317	6,332,774

Calgary Drop-In & Rehab Centre Society
Statement of Operations
For the Year Ended March 31, 2021

	Programs	COVID-19	2021 Total	2020 Total
Expenses (Continued)				
Administration				
Bank charges	\$ 47,570	\$ 18	\$ 47,588	\$ 40,063
Consultant and legal fees	350,857	18,999	369,856	426,942
Miscellaneous	13,017	3,916	16,933	66,866
Board travel	-	-	-	14,108
Equipment repair and maintenance	44,060	-	44,060	9,362
Office supplies	25,585	167	25,752	32,214
Telephone	133,622	3,630	137,252	104,234
Vehicle expenses	70,867	494	71,361	68,507
Vehicle insurance	17,240	-	17,240	15,762
Advertising	139,768	1,230	140,998	187,014
Staff training and travel	63,729	267,362	331,091	131,424
Licensing and other fees	188,394	67,648	256,042	25,731
Audit	60,105	5,000	65,105	55,105
Liability insurance	41,493	-	41,493	33,994
	1,196,307	368,464	1,564,771	1,211,326
Salaries and benefits	14,641,536	6,305,445	20,946,981	14,891,217
Total Expenses	25,189,342	12,932,889	38,122,231	26,152,820
Excess (deficiency) of revenue over expenses	\$ 2,909,367	\$ 8,166	\$ 2,917,533	\$ (1,436,237)

Calgary Drop-In & Rehab Centre Society
Statement of Financial Position
As at March 31, 2021

	2021	2020
Assets		
Current assets		
Cash and cash equivalents	\$ 3,690,830	\$ 2,661,475
Internally restricted cash (Note 9)	5,500,000	-
Accounts receivable	159,775	154,952
Goods and services tax receivable	34,670	20,979
Inventory	16,500	44,836
Prepaid expenses	218,360	109,465
Assets held for sale (Note 4)	1,597,382	1,594,152
	<u>11,217,517</u>	<u>4,585,859</u>
Property and equipment (Note 4)	47,762,765	51,339,976
	<u>58,980,282</u>	<u>55,925,835</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,363,200	\$ 1,350,600
Demand loan (Note 5)	7,733,333	3,050,000
Line of credit (Note 5)	-	12,480,656
Security deposits	135,351	125,046
Unearned rent	21,980	166,243
Deferred contributions related to operations (Note 6)	1,275,397	105,097
	<u>10,529,261</u>	<u>17,277,642</u>
Long-term debt (Note 5)	5,011,419	-
Deferred contributions related to property and equipment (Note 6)	16,484,318	14,610,442
	<u>32,024,998</u>	<u>31,888,084</u>
Fund balances		
Invested in property and equipment	20,131,077	22,793,030
Replacement reserve (Note 8)	40,000	-
Internally restricted (Note 9)	5,500,000	1,896,024
Unrestricted	1,284,207	(651,303)
	<u>26,955,284</u>	<u>24,037,751</u>
	<u>\$ 58,980,282</u>	<u>\$ 55,925,835</u>

Approved on behalf of the Board:

Director: 

Director: 

Calgary Drop-In & Rehab Centre Society
Statement of Changes in Fund Balances
For the Year Ended March 31, 2021

	Internally Restricted Funds (Note 9)	Invested in Property and Equipment	Replacement Reserve (Note 8)	Unrestricted Funds	2021 Total	2020 Total
Fund balances, beginning of year	\$ 1,896,024	\$ 22,793,030	\$ -	\$ (651,303)	\$ 24,037,751	\$ 25,473,988
Excess (deficiency) of revenue over expenses	-	(2,572,260)	-	5,489,793	2,917,533	(1,436,237)
Capital transactions (Note 10)	89,693	(89,693)	-	-	-	-
Interfund transfers (Note 7)	3,514,283	-	40,000	(3,554,283)	-	-
Fund balances, end of year	\$ 5,500,000	\$ 20,131,077	\$ 40,000	\$ 1,284,207	\$ 26,955,284	\$ 24,037,751

Calgary Drop-In & Rehab Centre Society

Statement of Cash Flows

For the Year Ended March 31, 2021

	2021	2020
Operating activities		
Excess (deficiency) of revenue over expenses	\$ 2,917,533	\$ (1,436,237)
Non-cash transactions		
Amortization of property and equipment	4,191,415	3,411,005
Amortization of deferred contributions	(2,025,943)	(2,185,074)
Changes in non-cash working capital		
Accounts receivable	(4,823)	11,223
Goods and services tax receivable	(13,691)	39,566
Inventory	28,336	17,474
Prepaid expenses	(108,895)	(63,830)
Accounts payable and accrued liabilities	12,600	(2,734,028)
Security deposits	10,305	53,114
Other deposits	-	59,300
Unearned rent	(144,263)	(107,898)
Deferred contributions related to operations (Note 6)	1,175,691	93,250
Cash flows from (used by) operating activities	<u>6,038,265</u>	<u>(2,842,135)</u>
Financing activities		
Additions to deferred contributions related to property and equipment (Note 6)	3,894,428	674,160
Disposal of property and equipment	406,788	20,115
Line of credit withdrawn (Note 5)	-	2,771,111
Loan repaid (Note 5)	(2,785,904)	-
Cash flows from financing activities	<u>1,515,312</u>	<u>3,465,386</u>
Investing activities		
Purchase of property and equipment (Note 10)	<u>(1,024,222)</u>	<u>(3,984,988)</u>
Cash flows used by investing activities	<u>(1,024,222)</u>	<u>(3,984,988)</u>
Increase (decrease) in cash	6,529,355	(3,361,737)
Cash and cash equivalents, beginning of year	<u>2,661,475</u>	<u>6,023,212</u>
Cash and cash equivalents, end of year	\$ 9,190,830	\$ 2,661,475
Cash and cash equivalents consists of:		
Cash and cash equivalents	\$ 3,690,830	\$ 2,661,475
Internally restricted cash (Note 9)	5,500,000	-
	<u>\$ 9,190,830</u>	<u>\$ 2,661,475</u>

Calgary Drop-In & Rehab Centre Society

Notes to the Financial Statements

For the Year Ended March 31, 2021

1. Purpose of the organization

The Calgary Drop-In & Rehab Centre Society (the "Society") is dedicated to provide non-political and non-sectarian services to needy people by way of night and day shelters, relaxation, food, recreation, diversion and lay counseling and referrals on the various services and entitlements available to the client. The Society is incorporated under the Societies Act of Alberta and is a registered charity under the Income Tax Act of Canada and therefore is not subject to income tax.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") in Part III of the *CPA Canada Handbook*, and in management's opinion, have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

a) Revenue recognition

The Society follows the deferral method of accounting for contributions.

Restricted grants and donations are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Restricted grants and donations related to property and equipment are recognized in revenue using the same rates and methods to amortize the assets to which the contribution relates.

Unrestricted grants and donations are recognized as revenue of the General Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Business development revenues from the Wood Workshop are recognized as services are performed. Revenues from the Wood Workshop that encompass two fiscal periods are recognized as work in progress revenue and expenses at year end.

Rental revenue is recognized as revenue in the month the rent is due.

Interest income is recognized as revenue on an accrual basis when it is earned.

Other revenue is recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

b) Programs

Revenue and expenses related to the delivery of programs are reported according to nature of the program.

Programs and COVID-19 are supported by externally restricted contributions and report the revenue and expenses related to the delivery of those programs.

Affordable Housing are internal programs supported by rental and other revenue.

The General program records revenue and expenses related to general operations and small programs not separately disclosed.

The Capital Fund reports the revenues and expenses related to the Society's property and equipment and facility expansion campaigns.

c) Cash and cash equivalents

Cash consists of cash on hand and balances with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, with original maturities of three months or less and that are subject to an insignificant risk of change in value.

d) Inventory

Inventory consists of raw materials used to produce finished wood products. The inventory is recorded at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

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Calgary Drop-In & Rehab Centre Society
Notes to the Financial Statements
For the Year Ended March 31, 2021

2. Summary of significant accounting policies (continued)

e) Property and equipment

Purchased property and equipment are recorded at cost. Contributed property and equipment are recorded at fair value at the date of contribution. Contributions received are deferred and amortized over the useful life of the asset. Property and equipment are amortized over their estimated useful lives at the following rates and methods:

Building	Remaining useful life years with original useful life of 20 years	Straight-line
Computers	5 years	Straight-line
Automobiles	5 years	Straight-line
Equipment	6.67 years	Straight-line

The City of Calgary has granted a 25 year Ground Lease for the land located under the main Riverfront building at \$10.00 per year commencing February 1, 2000 and ending January 31, 2025 with an option for the Society to renew for a further period of 25 years.

f) Financial instruments

The Society initially measures its financial assets and financial liabilities at fair value. It subsequently measures all of its financial assets and financial liabilities at amortized cost and are assessed for impairment at each reporting date.

g) Contributed materials and services

Volunteers contributed approximately 39,349 (2020 - 138,907) hours during the year to assist the Society to carry out its programs. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Donated food and materials are recorded as expenses at their fair market value at the date of contribution when fair values can be reasonably determined and would otherwise be purchased with a corresponding amount recorded as donation revenue (*Note 11*).

h) Management estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The financial statement areas that contain management estimates are the useful lives of property and equipment, amortization of deferred contributions, expenses allocations among programs, and estimation of value for the gifts in kind. Actual results could differ from those estimates.

3. Assets held by Calgary Foundation

The prior year long-term investments and investment fund balances have decreased by \$1,030,568 which has no effect on the deficiency of revenues over expenses. The changes have been made to correctly present the balances in accordance with ASNPO.

Calgary Drop-In & Rehab Centre Society
Notes to the Financial Statements
For the Year Ended March 31, 2021

4. Property and equipment

	Cost		Accumulated Amortization		Net Book Value	
	2021	2020	2021	2020	2021	2020
Land	\$ 9,609,835	\$ 9,884,835	\$ -	\$ -	\$ 9,609,835	\$ 9,884,835
Buildings	70,440,663	71,695,789	32,888,069	30,989,996	37,552,594	40,705,793
Computers	3,786,392	3,303,941	1,926,759	1,333,985	1,859,633	1,969,956
Automobiles	545,222	545,222	545,222	545,222	-	-
Equipment	3,117,927	3,373,728	3,027,668	3,248,010	90,259	125,718
Construction in progress	247,826	247,826	-	-	247,826	247,826
	\$ 87,747,865	\$ 89,051,341	\$ 38,387,718	\$ 36,117,213	\$ 49,360,147	\$ 52,934,128

The Inglewood Plaza property is available for sale and is actively listed by management. It is included in Land and Buildings with a net value of \$1,597,382 (2020 - \$1,594,152).

5. Demand loan

	2021	2020
The Calgary Foundation (a)	\$ -	\$ 3,000,000
Canada Mortgage and Housing Corporation (b)	5,011,419	50,000
TD loan (c)	7,733,333	12,480,656
	\$ 12,744,752	\$ 15,530,656

(a) The loan has been provided by The Calgary Foundation for the construction of Centre 4800 and was paid in full during the year.

(b) The Society entered into an agreement with Canada Mortgage and Housing Corporation (the "CMHC") to borrow the Seed Loan of \$50,000 to finance the professional cost of the construction of Centre 4800 (the "project"). This was non-interest bearing and was paid in full during the year. The Society entered into a new agreement with CMHC to further finance the construction of the project. This agreement consists of a repayable loan of \$5,011,419 and a forgivable loan of \$3,773,207 which is included in deferred contributions. The principal balance of the repayable loan will be amortized over a period of 40 years commencing from the time at which the Society demonstrates twelve consecutive months of annualized gross income from the project of no less than \$719,352. Interest payments of \$22,686 and principal payments of \$Nil were made during the year.

This loan agreement includes non-financial and financial covenants to be met by the Society. As at March 31, 2021, all of the covenant requirements have been met.

(c) On April 15, 2020, the Society entered a revolving loan agreement with Toronto-Dominion Bank ("TD") for the following purposes:

1. To assist with working capital for a maximum amount of \$500,000;
2. To assist with capital expenditures and acquisitions of property up to a maximum amount of \$3,000,000;
3. To provide interim financing for the construction of Centre 4800 Building up to a maximum amount of \$12,480,656;
4. Upon completion of Centre 4800 building, to replace facility #3 above with a long-term financing for that property up to a maximum of \$12,480,656; and
5. To fulfill the requirements of the City in relation to the construction, a letter of credit amounting to \$150,000 was issued by TD.

During the year the revolving loan was converted to a long-term financing in accordance with facility #4. The long-term loan bears interest at prime + 0.00%. The loan is repayable to TD on demand. In the absence of demand, the drawdown will be repaid by minimum monthly principal payments based on a 20-year notional amortization. The loan is secured by first charge on all properties associated with the Society, collateral on the mortgage of buildings located at 835-6 Avenue SW and general assignment of rent leases associated with the address as previously mentioned.

The Society is subject to a financial covenant under this loan agreement. As at March 31, 2021 the Society met the requirement of this financial covenant.

Calgary Drop-In & Rehab Centre Society
Notes to the Financial Statements
For the Year Ended March 31, 2021

6. Deferred contributions

The deferred contributions relate to funds received in the current and previous periods to be matched with expenses of subsequent periods. Contributions received for property and equipment are deferred and amortized over the useful life of the asset. Unused cash for capital contributions are transferred to deferred contributions for future capital expenditure.

	2021	Additions to Deferred Contributions	Inter- Account Transfers	Amortization of Deferred Contributions	2020
Deferred contributions related to property and equipment					
Riverfront Avenue building	\$ 312,930	\$ 114,342	\$ 5,391	\$ (580,037)	\$ 773,234
Donation Centre building	142,500	-	-	(15,000)	157,500
Centre 4800 building	9,221,338	3,780,086	-	(296,819)	5,738,071
Wood Workshop building	-	-	-	(140,316)	140,316
Bridgeland Manor building	365,879	-	-	(153,481)	519,360
Sundial building	5,985,904	-	-	(688,139)	6,674,043
Others	455,767	-	-	(152,151)	607,918
Total related to property and equipment	16,484,318	3,894,428	5,391	(2,025,943)	14,610,442
Deferred contributions related to operations	1,275,397	1,175,691	(5,391)	-	105,097
	\$ 17,759,715	\$ 5,070,119	\$ -	\$ (2,025,943)	\$ 14,715,539

7. Interfund transfers

The Board of Directors approved transfers as follows:

- a) \$3,514,283 (2020 - \$450,000) from unrestricted funds to the capital reserve;
- b) \$40,000 (2020 - \$Nil) from unrestricted funds to replacement reserve which is further discussed in Note 8.

8. Replacement reserve

To be in compliance with CMHC loan outlined in Note 5(b), a percentage of revenues of the project are to be restricted in a replacement reserve. \$40,000 (2020 - \$Nil) has been restricted in the year.

Calgary Drop-In & Rehab Centre Society
Notes to the Financial Statements
For the Year Ended March 31, 2021

9. Internally restricted funds

The Board of Directors has established an operating reserve. The reserve will be accumulated as funds are available to a maximum equal to three months of operating expenses. The funds shall be held available for and restricted in use to meet the regular operating expenses of the Society in the event revenues available to meet such expenses are otherwise insufficient, and for no other purpose. This reserve cannot be accessed without prior approval of the Board of Directors.

The capital reserves represent funds held for future additions to property and equipment or repayment of debt used to finance past additions to property and equipment.

	Operating Reserve	Capital Reserve	2021 Total	2020 Total
Reserve balance, beginning	\$ 5,500,000	\$ (3,603,976)	\$ 1,896,024	\$ 1,245,341
Capital transactions (Note 10)	-	89,693	89,693	200,683
Interfund transfers (Note 7)	-	3,514,283	3,514,283	450,000
Reserve balance, ending	<u>\$ 5,500,000</u>	<u>\$ -</u>	<u>\$ 5,500,000</u>	<u>\$ 1,896,024</u>

10. Capital transactions

The following capital transactions result in changes to the fund balances in the Capital Reserve and Invested in Property and Equipment.

	2021 Capital Reserve	2021 Invested in Property and Equipment	2020 Capital Reserve	2020 Invested in Property and Equipment
Additions to property and equipment	\$ (1,024,222)	\$ 1,024,222	\$ (3,984,988)	\$ 3,984,988
Change in loan balances	(2,785,904)	2,785,904	2,771,111	(2,771,111)
Additions to deferred contributions related to property and equipment (Note 6)	3,899,819	(3,899,819)	1,414,560	(1,414,560)
	<u>\$ 89,693</u>	<u>\$ (89,693)</u>	<u>\$ 200,683</u>	<u>\$ (200,683)</u>

11. Gifts in-kind

The Society received gifts in-kind during the year with a fair market value of \$1,761,078 (2020 - \$2,921,604). These gifts are reported in the statement of operations and consist of food, personal incidentals, supplies and small furnishings.

12. Additional information to comply with the disclosure requirement of the Charitable Fundraising Act of Alberta and regulations

Gross contributions received were \$3,274,541 (2020 - \$2,036,797) and were allocated as follows:

	2021	2020
General fund	\$ 3,024,541	\$ 1,962,668
Wood Workshop	-	1,000
Centre 4800	-	73,129
COVID-19	250,000	-
	<u>\$ 3,274,541</u>	<u>\$ 2,036,797</u>

The Society incurred a total cost of \$197,773 (2020 - \$250,386) for soliciting these contributions. Included in these total costs are \$59,583 (2020 - \$65,000) remuneration paid to employees engaged in these fundraising activities. \$Nil (2020 - \$Nil) were paid as remuneration to fundraising businesses.

Calgary Drop-In & Rehab Centre Society

Notes to the Financial Statements

For the Year Ended March 31, 2021

13. Financial instruments

The Society's financial instruments consist of cash and cash equivalents, short term investments, accounts receivable, accounts payable and accrued liabilities, loan and security deposits, with all financial assets and liabilities reported at their amortized cost. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant market, interest rate, currency or credit risks arising from these financial instruments. The fair value approximates their carrying value. There has been no change in exposure to risk from that reported in the prior year.

14. Comparative figures

Some of the comparative figures have been reclassified to conform to the current year's presentation. This reclassification has no effect on prior year deficiency of revenues over expenses.

15. COVID-19 impact

The global pandemic has disrupted economic activities. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances and the uncertainty around the duration of the disruption, the related financial impact cannot be reasonably estimated at this time. It is management's opinion that the COVID-19 outbreak will not substantially impact the Society's ability to continue as a going concern. During the year, management determined it qualified for the Canadian Employment Wage Subsidy, applied for and received funds. These funds are subject to specific legislation and audit by the Canada Revenue Agency.
