



Financial Statements of
Alexandra Community Health Centre

And Independent Auditors' Report thereon
For the year ended March 31, 2021



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Alexandra Community Health Centre

Opinion

We have audited the financial statements of Alexandra Community Health Centre (the Entity), which comprise:

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

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

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.



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

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

Other Matter – Comparative Information

The financial statements for the year ended March 31, 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 22, 2020.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

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

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

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



We also:

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

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

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



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

KPMG LLP

Chartered Professional Accountants

Calgary, Canada

June 21, 2021

Alexandra Community Health Centre

Statement of Financial Position

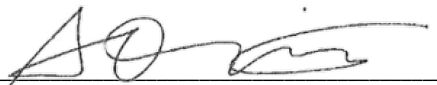
As at March 31, 2021 with comparative information for 2020

| | General Funds | | | Capital Fund | 2021 Total | 2020 Total |
|---|---------------------|---------------------|----------------------|---------------------|----------------------|----------------------|
| | Operating | Sustainability | Total | | | |
| Assets | | | | | | |
| Current | | | | | | |
| Cash | \$ 2,818,098 | \$ - | \$ 2,818,098 | \$ 327,527 | \$ 3,145,625 | \$ 2,091,332 |
| Investments (Note 3) | 1,440,713 | - | 1,440,713 | - | 1,440,713 | 2,468,199 |
| Accounts receivable (Note 7) | 1,788,286 | - | 1,788,286 | - | 1,788,286 | 995,251 |
| Prepaid expenses | 192,743 | - | 192,743 | - | 192,743 | 50,716 |
| | <u>6,239,840</u> | <u>-</u> | <u>6,239,840</u> | <u>327,527</u> | <u>6,567,367</u> | <u>5,605,498</u> |
| Deposits | 66,885 | - | 66,885 | - | 66,885 | 66,895 |
| Investments (Note 3) | - | 5,841,345 | 5,841,345 | - | 5,841,345 | 5,369,739 |
| Capital assets (Note 4) | - | - | - | 1,523,944 | 1,523,944 | 1,583,021 |
| | <u>\$ 6,306,725</u> | <u>\$ 5,841,345</u> | <u>\$ 12,148,070</u> | <u>\$ 1,851,471</u> | <u>\$ 13,999,541</u> | <u>\$ 12,625,153</u> |
| Liabilities | | | | | | |
| Current | | | | | | |
| Accounts payable and accrued liabilities (Note 7) | \$ 2,367,432 | \$ - | \$ 2,367,432 | \$ - | \$ 2,367,432 | \$ 2,076,402 |
| Deferred revenue (Note 5) | 3,939,293 | - | 3,939,293 | - | 3,939,293 | 3,300,508 |
| | <u>6,306,725</u> | <u>-</u> | <u>6,306,725</u> | <u>-</u> | <u>6,306,725</u> | <u>5,376,910</u> |
| Deferred revenue (Note 5) | - | 2,200,000 | 2,200,000 | - | 2,200,000 | 2,200,000 |
| Externally restricted contribution (Note 6) | - | 585,000 | 585,000 | - | 585,000 | 585,000 |
| | <u>6,306,725</u> | <u>2,785,000</u> | <u>9,091,725</u> | <u>-</u> | <u>9,091,725</u> | <u>8,161,910</u> |
| Fund balances | | | | | | |
| Invested in capital assets | - | - | - | 1,523,944 | 1,523,944 | 1,583,021 |
| Internally restricted | - | 3,056,345 | 3,056,345 | 327,527 | 3,383,872 | 2,880,222 |
| | <u>-</u> | <u>3,056,345</u> | <u>3,056,345</u> | <u>1,851,471</u> | <u>4,907,816</u> | <u>4,463,243</u> |
| | <u>\$ 6,306,725</u> | <u>\$ 5,841,345</u> | <u>\$ 12,148,070</u> | <u>\$ 1,851,471</u> | <u>\$ 13,999,541</u> | <u>\$ 12,625,153</u> |

Commitments and subsequent event (Note 8)

See accompanying notes to the financial statements.

On behalf of the Board of Directors


Chair, Board of Directors


Chair, Finance and Audit Committee

Alexandra Community Health Centre

Statement of Operations and Changes in Fund Balances

For the year ended March 31, 2021 with comparative information for 2020

| | General Funds | | | Capital Fund | 2021 | 2020 |
|---|-------------------|---------------------|---------------------|--------------------|---------------------|---------------------|
| | Operating | Sustainability | Total | | Total | Total |
| Revenue | | | | | | |
| Grants | \$ 12,452,771 | \$ - | \$ 12,452,771 | \$ 139,621 | \$ 12,592,392 | \$ 10,977,443 |
| Government grants | 8,809,318 | - | 8,809,318 | 159,467 | 8,968,785 | 4,122,359 |
| Fees for service | 6,906,823 | - | 6,906,823 | - | 6,906,823 | 5,787,576 |
| Fundraising | 3,061,710 | - | 3,061,710 | 123,605 | 3,185,315 | 3,246,795 |
| Cost recoveries | 829,134 | - | 829,134 | - | 829,134 | 817,014 |
| Interest and other | 95,441 | 99,466 | 194,907 | 8,625 | 203,532 | 269,402 |
| | <u>32,155,197</u> | <u>99,466</u> | <u>32,254,663</u> | <u>431,318</u> | <u>32,685,981</u> | <u>25,220,589</u> |
| Expenses | | | | | | |
| Salaries, wages, and benefits | 18,101,469 | - | 18,101,469 | - | 18,101,469 | 13,786,917 |
| Professional fees and contracted services | 6,223,199 | - | 6,223,199 | - | 6,223,199 | 5,454,437 |
| Programs and supplies | 3,007,309 | - | 3,007,309 | - | 3,007,309 | 2,290,715 |
| Contribution to Homeless Housing Society of Calgary (Note 7) | 1,341,070 | - | 1,341,070 | - | 1,341,070 | 1,418,762 |
| Facilities | 2,388,006 | - | 2,388,006 | - | 2,388,006 | 1,318,901 |
| Office and administration | 586,554 | - | 586,554 | 156 | 586,710 | 461,897 |
| Amortization | - | - | - | 458,195 | 458,195 | 384,003 |
| Insurance | 135,450 | - | 135,450 | - | 135,450 | 110,793 |
| | <u>31,783,057</u> | <u>-</u> | <u>31,783,057</u> | <u>458,351</u> | <u>32,241,408</u> | <u>25,226,425</u> |
| Excess (deficiency) of revenue over expenses | 372,140 | 99,466 | 471,606 | (27,033) | 444,573 | (5,836) |
| Fund balances, beginning of year | - | 2,584,739 | 2,584,739 | 1,878,504 | 4,463,243 | 4,469,079 |
| Transfer to Sustainability Fund | (372,140) | 372,140 | - | - | - | - |
| Fund balances, end of year | <u>\$ -</u> | <u>\$ 3,056,345</u> | <u>\$ 3,056,345</u> | <u>\$1,851,471</u> | <u>\$ 4,907,816</u> | <u>\$ 4,463,243</u> |

See accompanying notes to the financial statements.

Alexandra Community Health Centre

Statement of Cash Flows

For the year ended March 31, 2021 with comparative information for 2020

| Cash provided by (used in) | <u>2021</u> | <u>2020</u> |
|--|---------------------|---------------------|
| Operating | | |
| Excess (deficiency) of revenue over expenses | \$ 444,573 | \$ (5,836) |
| Items not affecting cash | | |
| Amortization | 458,195 | 384,003 |
| | <u>902,768</u> | <u>378,167</u> |
| Change in non-cash working capital | | |
| Accounts receivable | (793,035) | (89,112) |
| Prepaid expenses | (142,027) | 19,446 |
| Deposits | 10 | 8,125 |
| Accounts payable and accrued liabilities | 291,030 | (554,815) |
| Deferred revenue | 638,785 | (391,829) |
| | <u>897,531</u> | <u>(630,018)</u> |
| Investing | | |
| Purchase of capital assets | (399,118) | (683,084) |
| Proceeds from disposition of capital assets | - | 31,894 |
| Sale of investments | 709,426 | - |
| Purchase of investments | (153,546) | (182,209) |
| | <u>156,762</u> | <u>(833,399)</u> |
| Increase (decrease) in cash | 1,054,293 | (1,463,417) |
| Cash, beginning of year | <u>2,091,332</u> | <u>3,554,749</u> |
| Cash, end of year | <u>\$ 3,145,625</u> | <u>\$ 2,091,332</u> |
| <hr/> | | |
| Cash is comprised of | | |
| Cash | \$ 3,091,691 | \$ 1,922,962 |
| Externally restricted cash | 53,934 | 168,370 |
| | <u>\$ 3,145,625</u> | <u>\$ 2,091,332</u> |

See accompanying notes to the financial statements.

Alexandra Community Health Centre

Notes to Financial Statements

March 31, 2021 with comparative information for 2020

1. Nature of operations

Alexandra Community Health Centre ("The Alex") is incorporated under the *Alberta Societies Act*. It is a not-for-profit organization, and a registered charity exempt from income taxes under the *Income Tax Act*. The Alex sees the whole story of health. For almost 50 years, The Alex has served a community facing complex health challenges including poverty, trauma, financial and housing instability, food insecurity, and a need for social and community inclusion. The Alex tackles tough health and social issues and walks alongside people from crisis to wellness and from challenge to change.

2. Significant accounting policies

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

(a) Fund accounting

Activities of the Alex are segregated in the following funds:

(i) General Operating Fund

The Operating Fund accounts for the Alex's program delivery and administrative activities. This fund reports unrestricted resources, restricted operating grants, and other internally restricted amounts required for ongoing operations.

(ii) General Sustainability Fund

The Sustainability Fund accounts for resources intended to ensure the continuing operating activities of The Alex. This fund includes externally restricted funds for specific programs as well as unrestricted operating surpluses that may be utilized to support operating deficits and future projects.

(iii) Capital Fund

The Capital Fund accounts for the assets, liabilities, revenues, and expenses related to the Alex's capital assets. This fund reports both internally and externally restricted funds.

(b) Revenue recognition

The Alex follows the restricted fund method of accounting. Restricted contributions related to general operations are deferred and recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund, or if no restricted fund exists, they are recognized in the Operating Fund using the deferral method of accounting.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Fee for service, government and other grants are recognized when the related service is provided. Cost recoveries are recognized when received as part of program delivery. Interest income is recognized as revenue of the appropriate fund when earned.

Alexandra Community Health Centre

Notes to Financial Statements

March 31, 2021 with comparative information for 2020

2. Significant accounting policies (continued)

(c) Cash

Cash includes restricted and non-restricted cash on hand and balances with banks which are highly liquid.

(d) Investments

Investments are comprised of restricted and non-restricted investments other than cash and have an initial maturity of less than twelve months. Investments that are not held for meeting current cash commitments are classified as long term.

(e) Capital assets

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

| | |
|------------------------|-----------------|
| Clinic equipment | 5 years |
| Vehicles | 5 years |
| Furniture and fixtures | 10 years |
| Leasehold improvements | length of lease |
| Computers | 4 years |
| Mobile health buses | 10 years |

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable and exceeds its fair value. When an asset's carrying amount exceeds its fair value, an impairment loss is recognized.

(f) Leases

An operating lease is where substantially all the benefits and risks incidental to ownership of the property are not transferred to The Alex. Lease rentals under operating leases are included in the determination of excess of revenue over expenses over the lease term on a straight-line basis.

(g) Measurement uncertainty

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

Items subject to significant management estimate include the collectability of accounts receivable and the useful life and recoverable value of capital assets.

Amounts recorded as receivable pursuant to various funding contracts associated with The Alex's programs are based on management's best estimates of the amounts to be received for the periods in question upon the actual finalization of the associated claims and/or contract processes.

2. Significant accounting policies (continued)

(h) Measurement uncertainty (continued)

By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

(i) Financial instruments

(i) Measurement

The Alex recognizes its financial instruments when it becomes party to the contractual provisions of the financial instrument. The Alex initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions that are measured at the exchange amount. The Alex subsequently measures all its financial assets and financial liabilities at amortized cost except as otherwise stated.

Financial assets measured at amortized cost include cash, accounts receivable, investments, and prepaid expenses. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, deferred revenue, and externally restricted contribution.

(ii) Impairment

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

(iii) Transaction costs

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

(j) Contributed goods and services

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

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

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

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

Alexandra Community Health Centre

Notes to Financial Statements

March 31, 2021 with comparative information for 2020

3. Investments

As at March 31, 2021, investments are held in Notice Demand Savings Accounts with interest rates of prime less 1.65% and prime less 1.55% (2020 – interest rates of 2.3% and 2.4%) per annum and a minimum withdrawal notice period of 31 to 90 days, respectively. Although balances are held in short-term investment accounts at year-end, the investments held in the sustainability fund are classified as non-current as it is management's intention not to use these investments in the short-term period which is consistent with the spirit and intent of the sustainability fund.

| | <u>2021</u> | <u>2020</u> |
|-------------------------------------|---------------------------|---------------------------|
| Operating fund | <u>\$1,440,713</u> | <u>\$2,172,716</u> |
| Sustainability fund | | |
| Externally restricted contributions | | |
| Community Food Centre | 2,200,000 | 2,200,000 |
| Children's Dental Health Program | 585,000 | 585,000 |
| Internally restricted | <u>3,056,345</u> | <u>2,584,739</u> |
| | <u>5,841,345</u> | <u>5,369,739</u> |
| Capital fund | <u>-</u> | <u>295,483</u> |
| | <u>\$7,282,058</u> | <u>\$7,837,938</u> |

4. Capital assets

| | Cost | Accumulated Amortization | 2021 Net Book Value | 2020 Net Book Value |
|------------------------|---------------------------|-----------------------------|--------------------------------|---------------------------|
| Clinic equipment | \$ 207,091 | \$ 152,305 | \$ 54,786 | \$ 74,069 |
| Vehicles | 296,371 | 237,389 | 58,982 | 76,542 |
| Furniture and fixtures | 457,659 | 158,012 | 299,647 | 285,269 |
| Leasehold improvements | 1,526,022 | 1,000,707 | 525,315 | 664,267 |
| Computers | 828,358 | 552,128 | 276,230 | 94,045 |
| Mobile health buses | 798,451 | 489,467 | 308,984 | 388,829 |
| | <u>\$4,113,952</u> | <u>\$ 2,590,008</u> | <u>\$1,523,944</u> | <u>\$1,583,021</u> |

Alexandra Community Health Centre

Notes to Financial Statements

March 31, 2021 with comparative information for 2020

5. Deferred revenue

Interest income generated from externally restricted contributions support the ongoing operations of the designated programs. Certain externally restricted contributions have been further restricted internally to the sustainability fund as the agreements indicate the long-term spirit and intent of the funder.

| | <u>2021</u> | <u>2020</u> |
|-------------------------------------|--------------------|--------------------|
| Operating fund | | |
| Current deferred contributions | <u>\$3,939,293</u> | <u>\$3,300,508</u> |
| Sustainability fund | | |
| Externally restricted contributions | | |
| Community Food Centre | <u>2,200,000</u> | <u>2,200,000</u> |
| | <u>\$6,139,293</u> | <u>\$5,500,508</u> |

6. Externally restricted contribution

In 2013, The Alex received a contribution of \$585,000 from the City of Calgary. The original principal of the grant is required to remain intact while any interest income is to be used to fund the ongoing lifecycle costs and expenses for The Alex's Children's Dental Health Program.

The grant term was ten years and will automatically renew in perpetuity unless The Alex defaults on its obligations, the agreement is terminated by either party, or the City of Calgary demands repayment with six months notice.

Consistent with prior years, The Alex is not in default of its obligations and all income generated from the grant has been used to fund the program.

7. Related party transactions

Homeless Housing Society of Calgary (the "Society") was incorporated under the *Alberta Societies Act* as a not-for-profit organization. The Society is under common management and pays rent on behalf of clients of The Alex so is considered controlled by The Alex for accounting purposes.

Alexandra Community Health Centre

Notes to Financial Statements

March 31, 2021 with comparative information for 2020

7. Related party transactions (continued)

The Society is not consolidated in these financial statements. The Alex reports condensed financial information of this controlled not-for-profit organization as follows:

| Statement of Financial Position | 2021 | 2020 |
|--|-------------------|-------------------|
| Total assets | \$ 487,177 | \$ 507,373 |
| Total liabilities | (85,110) | (119,818) |
| Net assets | \$ 402,067 | \$ 387,555 |

| Statement of Operations | | |
|--|------------------|--------------------|
| Contributed by The Alex | \$ 1,341,070 | \$ 1,418,762 |
| Other revenue | 817,648 | 862,924 |
| Revenue | 2,158,718 | 2,281,686 |
| Expenses | 2,144,206 | 2,339,541 |
| Excess (deficiency) of revenue over expenses | \$ 14,512 | \$ (57,855) |

| Cash provided by (used in) | | |
|-----------------------------------|-------------|--------------|
| Operating activities | \$ (64,370) | \$ (132,884) |
| Investing activities | \$ (202) | \$ 10,989 |

Accounts receivable includes \$21,050 (2020 - \$48,403) receivable from the Society and accounts payable and accrued liabilities includes \$34,475 (2020 - \$nil) payable to the Society. Cost recoveries include \$215,880 (2020 - \$228,187) from the Society. All related party transactions are in the normal course of operations and recorded at the exchange amount, which is the amount agreed upon by the parties.

8. Commitments and subsequent event

The Alex has committed to a program-specific short-term lease for \$1,471,320 in the coming year that is fully funded by grants. The Alex also has operating lease commitments in the normal course of its operations on property over the next five years as follows:

| | |
|------------|--------------|
| 2022 | \$ 1,048,670 |
| 2023 | 761,761 |
| 2024 | 743,947 |
| 2025 | 690,817 |
| 2026 | 721,548 |
| Thereafter | 4,700,372 |

Subsequent to year end, The Alex signed a contract with a vendor to construct a new dental health bus for approximately \$500,000 to be completed during the coming fiscal year.

9. Financial instruments

The Alex is exposed to the following significant financial risks:

(a) Credit risk

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

The Alex is exposed to credit risk relating to cash and investments which is mitigated by funds deposited with major Canadian financial institutions. The Alex is exposed to credit risk relating to accounts receivable, which is influenced by the individual characteristics of each debtor. The Alex has no significant concentration of credit risk with any one party and limits its exposure to credit risks by dealing with only credit worthy organizations. Management does not expect any debtor to fail in meeting their obligations.

(b) Liquidity risk

Liquidity risk is the risk that the Alex will encounter difficulty in meeting obligations associated with financial liabilities. The Alex mitigates its liquidity risk through its cash management policy and budget process to retain sufficient cash to fund its current obligations.

(c) 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, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Market risk is comprised of currency risk, interest rate risk, and other price risk.

Interest rate risk is the only market risk considered potentially significant to The Alex through interest earned on its investments in Notice Demand Savings Accounts.

There is no significant change in the risk exposure from prior years except for those related to COVID-19 identified in note 13.

Alexandra Community Health Centre

Notes to Financial Statements

March 31, 2021 with comparative information for 2020

10. Home programs

Abbeydale Place and The Prelude are place-based supportive housing programs offering 24-hour care and services with a stable and safe place to live. Participants are supported with their psychiatric needs, addiction issues, and medical recovery, empowering them to reclaim their lives.

The following table summarizes the financial results of The Alex's place-based housing programs:

| | Abbeydale Place | | The Prelude | |
|--|-----------------|----------------|----------------|------------------|
| | 2021 | 2020 | 2021 | 2020 |
| Revenue | | | | |
| Calgary Homeless Foundation | \$ 861,300 | \$ 983,328 | \$ 878,260 | \$ 996,964 |
| Expenses | | | | |
| Staff costs | 695,195 | 681,138 | 676,074 | 663,195 |
| Client costs | 92,350 | 220,674 | 127,541 | 254,197 |
| Administration costs | 86,120 | 85,723 | 87,826 | 87,300 |
| | <u>873,665</u> | <u>987,535</u> | <u>891,441</u> | <u>1,004,692</u> |
| (Deficiency) of revenue over expenses | \$ (12,365) | \$ (4,207) | \$ (13,181) | \$ (7,728) |

HomeBase is a scattered-site supportive housing program supporting chronically homeless individuals by providing intensive case management support while housing people within the community.

Pathways to Housing is also a scattered-site housing program supporting chronically homeless individuals by housing people within the community. However, it is unique in the robust and detailed case management support it provides to some of our most vulnerable participants challenged by major mental illnesses or struggle with the justice system.

The following table summarizes the financial results of The Alex's scattered-site housing programs:

| | HomeBase | | Pathways to Housing | |
|---|------------------|------------------|---------------------|------------------|
| | 2021 | 2020 | 2021 | 2020 |
| Revenue | | | | |
| Calgary Homeless Foundation | \$ 3,246,750 | \$ 3,280,050 | \$ 5,187,270 | \$ 5,187,304 |
| Expenses | | | | |
| Staff costs | 1,520,874 | 1,510,220 | 2,652,563 | 2,682,052 |
| Client costs | 1,205,173 | 1,445,870 | 1,929,234 | 1,993,616 |
| Administration costs | 324,552 | 324,648 | 518,702 | 518,724 |
| | <u>3,050,599</u> | <u>3,280,738</u> | <u>5,100,499</u> | <u>5,194,392</u> |
| (Deficiency) excess of revenue over expenses | \$ 196,151 | \$ (688) | \$ 86,771 | \$ (7,088) |

Alexandra Community Health Centre

Notes to Financial Statements

March 31, 2021 with comparative information for 2020

11. Fundraising expenses

As required under Section 7(2) of the Alberta Charitable Fundraising Regulation:

| | <u>2021</u> | <u>2020</u> |
|--|-------------------|-------------------|
| Amount paid as remuneration to employees whose principal duties involve fundraising | \$ 292,074 | \$ 274,993 |
| Expenses incurred for the purposes of soliciting contributions | <u>99,359</u> | <u>34,248</u> |
| | <u>\$ 391,433</u> | <u>\$ 309,241</u> |

12. Comparative figures

The prior year comparative figures have been reclassified to conform to the current year's presentation to improve comparability to peers and understandability for users.

13. COVID-19 Pandemic

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

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

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

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