

Canadian Alliance to End Homelessness
Financial Statements
March 31, 2023

To the Members of Canadian Alliance to End Homelessness:

Opinion

We have audited the financial statements of Canadian Alliance to End Homelessness (the "Alliance"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations and 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Alliance as at March 31, 2023, and the results of its 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 Alliance 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.

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 Alliance'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 Alliance or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Alliance'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 Alliance'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 Alliance'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 Alliance 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.

Calgary, Alberta

June 29, 2023

MNP LLP

Chartered Professional Accountants

Canadian Alliance to End Homelessness

Statement of Financial Position

As at March 31, 2023

	2023	2022
Assets		
Current		
Cash and cash equivalents (Note 3)	388,417	500,686
Accounts receivable	296,830	389,712
Short-term investments (Note 4)	32,000	-
Prepaid expenses	40,844	67,570
	758,091	957,968
Capital assets (Note 5)	9,007	8,381
	767,098	966,349
Liabilities		
Current		
Accounts payable and accruals (Note 6)	284,944	198,467
Deferred revenue (Note 7)	232,229	239,262
	517,173	437,729
Net Assets	249,925	528,620
	767,098	966,349

Approved on behalf of the Board of Directors



Director



Director

The accompanying notes are an integral part of these financial statements

Canadian Alliance to End Homelessness Statement of Operations and Changes in Net Assets

For the year ended March 31, 2023

	2023	2022
Revenue		
Government grants	1,520,899	1,510,316
Conference revenue	994,938	301,346
Fee for service	691,918	551,062
Other Grants	350,404	254,819
Foundation grants	306,585	494,770
Donations and sponsorship	283,992	344,558
Accelerator fund	89,915	-
Community fees	89,318	73,330
Other revenue	80,208	22,177
	4,408,177	3,552,378
Expenses		
Personnel	2,511,225	2,069,984
Conference and other program expenses	1,361,401	176,964
Office and administration	341,405	161,323
Contractors and professional fees	345,008	562,704
Accelerator fund expenses	89,915	-
Marketing and communications	31,411	130,655
Amortization	6,507	3,874
	4,686,872	3,105,504
(Deficiency) excess of revenue over expenses	(278,695)	446,874
Net assets, beginning of year	528,620	81,746
Net assets, end of year	249,925	528,620

The accompanying notes are an integral part of these financial statements

Canadian Alliance to End Homelessness
Statement of Cash Flows
For the year ended March 31, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating		
(Deficiency) excess of revenue over expenses	(278,695)	446,874
Amortization	6,507	3,874
	(272,188)	450,748
Changes in working capital accounts		
Accounts receivable	92,882	(242,256)
Prepaid expenses	26,726	(17,303)
Accounts payable and accruals	86,477	(65,485)
Deferred revenue	(7,033)	(252,755)
	(73,136)	(127,051)
Financing		
Repayment of long-term payable	-	(49,988)
Investing		
Purchase of capital assets	(7,133)	(10,311)
Decrease in cash resources	(80,269)	(187,350)
Cash resources, beginning of year	500,686	688,036
Cash resources, end of year	420,417	500,686
Cash resources are composed of:		
Cash (Note 3)	138,417	468,186
Cash equivalents (Note 3)	250,000	32,500
Short term investments (Note 4)	32,000	-
	420,417	500,686

The accompanying notes are an integral part of these financial statements

Canadian Alliance to End Homelessness

Notes to the Financial Statements

For the year ended March 31, 2023

1. Incorporation and nature of the organization

Canadian Alliance to End Homelessness (the "Alliance") is a not-for-profit organization incorporated under the Canada Corporations Act on May 6, 2011, and on December 13, 2011 was continued under the Canada Not-For-Profit Corporation Act. The Alliance is a registered charity under Section 149(1) of the Income Tax Act (the "Act"), and therefore is not subject to income tax. In order to maintain its status as a registered charity under the Act, the alliance must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

The Alliance has been formed to create a national movement to end homelessness in Canada.

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, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

Revenue recognition

The Alliance follows the deferral method of accounting for contributions. 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. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Conference registration, community fees, donations, sponsorship and other revenues are recognized as revenue when invoiced and when the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed materials and services

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Alliance's operations and would otherwise have been purchased.

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.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

Foreign currency translation

These financial statements have been presented in Canadian dollars, the principal currency of the Alliance's operations.

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and monetary liabilities reflect the exchange rates at the statement of financial position date. Gains and losses on translation or settlement are included in the determination of excess (deficiency) of revenues over expenses for the current period.

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

Financial instruments

The Alliance recognizes financial instruments when the Alliance 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 Alliance may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Alliance has not made such an election during the year. The Alliance subsequently measures all arm's length transactions at cost or 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 revenues 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.

Financial asset impairment

The Alliance assesses impairment of all its financial assets measured at cost or amortized cost. The Alliance groups assets for impairment testing when there are numerous assets affected by the same factors. When there is an indication of impairment, the Alliance determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

The Alliance 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 revenues over expenses.

The Alliance 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 revenues 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 revenues and 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. Amortization is based on the estimated useful lives of capital assets.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the period in which they become known.

3. Cash

Included in cash and cash equivalents is \$250,000 of cashable Guaranteed Investment Certificates (2022 - \$32,500) bearing interest rates from 3.35% to 4.2% (2022 - 0.05%) and maturing May 17, 2023 and February 16, 2024 respectively.

4. Short-term investments

Short term investments represent a non-redeemable GIC issued by financial institutions, bearing interest rate of 4.85% per annum and matures within the next fiscal year.

Canadian Alliance to End Homelessness Notes to the Financial Statements

For the year ended March 31, 2023

5. Capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2023 Net book value</i>	<i>2022 Net book value</i>
Computers	20,036	11,029	9,007	8,381

6. Accounts payable and accrued liabilities

	<i>2023</i>	<i>2022</i>
Accounts payable	79,631	97,832
Accrued liabilities	157,763	72,778
Goods and services tax payable	47,550	27,857
	284,944	198,467

7. Deferred revenue

Deferred revenue consists of unspent contributions that are externally restricted. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred revenue balance are as follows:

	<i>Opening balance</i>	<i>Amount received during the year</i>	<i>Amount recognized as revenue during the year</i>	<i>2023</i>	<i>2022</i>
Reaching Home	65,457	1,078,686	(1,144,143)	-	65,457
Community Fees and General Grants	59,596	706,359	(564,425)	201,530	59,596
Porticus	86,427	-	(86,427)	-	86,427
Maytree	24,356	175,217	(179,802)	19,771	24,356
Vote Housing	3,427	491	(3,918)	-	3,427
Training and Technical Assistance	-	114,515	(103,587)	10,928	-
	239,263	2,075,268	(2,082,302)	232,229	239,263

Canadian Alliance to End Homelessness

Notes to the Financial Statements

For the year ended March 31, 2023

8. Financial instruments

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

Credit Risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The financial instruments that potentially subject the Alliance to a significant concentration of credit risk consist of cash and accounts receivable. The Alliance mitigates its exposure to credit loss by placing its cash in a major financial institution.

Credit concentration

Accounts receivable from one customer (2022 - one) represents 48% (2022 - 64%) of total accounts receivable as at March 31, 2023. The outstanding balance from this customer was collected after year-end. The Alliance believes that there is minimal risk associated with the collection of remaining amounts. The balance of accounts receivable is widely distributed among the remainder of the Alliance's large customer base. The Alliance performs regular credit assessments of its customers and provides allowances for potentially uncollectable accounts receivable.

Liquidity risk

Liquidity risk is the risk that the Alliance will be unable to fulfil its obligations on a timely basis or at a reasonable cost. The Alliance does not believe it is subject to any significant concentration of liquidity risk. The Alliance manages its liquidity risk by monitoring its operating requirements. The Alliance prepares budget and cash forecasts to ensure it has sufficient funds to fulfil its obligations.

9. Fundraising

As required under Section 7(2) of the Charitable Fundraising Regulations of Alberta, the following amounts are disclosed; expenses incurred in the year for the purposes of soliciting contributions were \$33,763 (2022 - \$nil) and the total amount paid as remuneration to employees and contractors of the organization whose principal duties involved fundraising were \$110,864 (2022 - \$nil).

10. Comparative figures

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