

CUPS Calgary Society

Financial Statements

March 31, 2025



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of CUPS Calgary Society

Opinion

We have audited the financial statements of CUPS Calgary Society (the "Society"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations and 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, 2025, 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 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

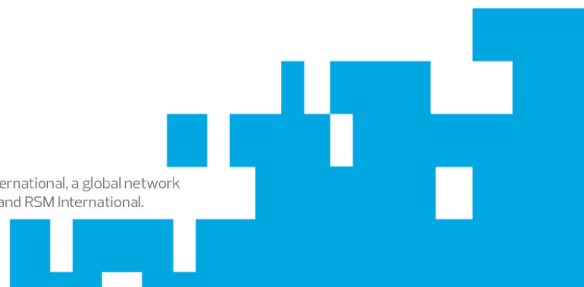
Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that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

In preparing the financial statements, management is responsible for assessing the 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 to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



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

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

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

RSM Canada LLP

Chartered Professional Accountants
June 27, 2025
Calgary, Alberta

CUPS Calgary Society
Statement of Financial Position
March 31, 2025

	Operating Fund	Sustainability Fund	Capital Assets Fund	Endowment Fund	2025	2024
Assets						
Current assets						
Cash and cash equivalents (note 3)	\$ 10,634,419	\$ -	\$ 2,049,038	\$ -	\$ 12,683,457	\$ 6,565,759
Accounts receivable	126,696	-	113,899	-	240,595	195,752
Prepaid expenses	181,126	-	-	-	181,126	283,911
Due from (to) fund	<u>1,636,435</u>	<u>(22,928)</u>	<u>(1,613,507)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	12,578,676	(22,928)	549,430	-	13,105,178	7,045,422
Investments (notes 4 and 5)	-	1,343,296	-	2,043,921	3,387,217	2,189,784
Software service implementation assets (note 13)	274,367	-	-	-	274,367	-
Tangible capital assets (note 6)	<u>-</u>	<u>-</u>	<u>14,059,195</u>	<u>-</u>	<u>14,059,195</u>	<u>14,335,359</u>
	<u>\$ 12,853,043</u>	<u>\$ 1,320,368</u>	<u>\$ 14,608,625</u>	<u>\$ 2,043,921</u>	<u>\$ 30,825,957</u>	<u>\$ 23,570,565</u>
Liabilities						
Current liabilities						
Accounts payable and accrued liabilities (note 7)	\$ 2,116,764	\$ -	\$ 118,641	\$ -	\$ 2,235,405	\$ 2,066,268
Designated contributions (note 8)	<u>7,450,033</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,450,033</u>	<u>506,829</u>
	9,566,797	-	118,641	-	9,685,438	2,573,097
Fund Balances	<u>3,286,246</u>	<u>1,320,368</u>	<u>14,489,984</u>	<u>2,043,921</u>	<u>21,140,519</u>	<u>20,997,468</u>
	<u>\$ 12,853,043</u>	<u>\$ 1,320,368</u>	<u>\$ 14,608,625</u>	<u>\$ 2,043,921</u>	<u>\$ 30,825,957</u>	<u>\$ 23,570,565</u>
Commitments (note 14)						

Approved by Board of Directors,

Signed by

Jerrad Blanchard

Board Treasurer

[Signature]

Board Treasurer

CUPS Calgary Society
Statement of Operations and Changes in Fund Balances
Year Ended March 31, 2025

	Operating Fund	Sustainability Fund	Capital Assets Fund	Endowment Fund	2025	2024
Revenue						
Grant (note 10)	\$ 14,790,555	\$ -	\$ 100,000	\$ -	\$ 14,890,555	\$ 15,866,490
Donation	1,364,375	-	-	1,000,000	2,364,375	2,353,397
Fundraising	520,143	-	-	-	520,143	644,294
Service	127,888	-	-	-	127,888	195,174
Other	78,502	-	-	-	78,502	120,641
Interest	135,806	-	114,737	-	250,543	249,626
Gain on disposal of tangible capital assets	-	-	-	-	-	1,340,903
Unrealized gain on investments	-	46,481	-	11,444	57,925	49,272
Investment income	-	-	-	33,808	33,808	-
	<u>17,017,269</u>	<u>46,481</u>	<u>214,737</u>	<u>1,045,252</u>	<u>18,323,739</u>	<u>20,819,797</u>
Expenses						
Program wages, benefits and contracted services	9,490,786	-	-	-	9,490,786	9,193,866
Program services (note 13)	4,761,814	-	-	-	4,761,814	4,941,543
Fundraising	204,256	-	-	-	204,256	244,072
General and administrative (note 11)	3,033,482	-	-	9,194	3,042,676	2,899,542
Amortization	-	-	681,156	-	681,156	731,955
	<u>17,490,338</u>	<u>-</u>	<u>681,156</u>	<u>9,194</u>	<u>18,180,688</u>	<u>18,010,978</u>
Excess (deficiency) of revenue over expenses	(473,069)	46,481	(466,419)	1,036,058	143,051	2,808,819
Fund balances, beginning of year	3,759,315	1,178,924	15,051,366	1,007,863	20,997,468	18,188,649
Transfer of fund balances	-	94,963	(94,963)	-	-	-
Fund balances, end of year	<u>\$ 3,286,246</u>	<u>\$ 1,320,368</u>	<u>\$ 14,489,984</u>	<u>\$ 2,043,921</u>	<u>\$ 21,140,519</u>	<u>\$ 20,997,468</u>

CUPS Calgary Society
Statement of Cash Flows
Year Ended March 31, 2025

	2025	2024
Cash provided by (used in):		
Operating activities		
Excess of revenue over expenses	\$ 143,051	\$ 2,808,819
Add (deduct) items not affecting cash		
Amortization	681,156	731,955
Gain on disposal of tangible capital assets	-	(1,340,903)
Non-cash donations received	(99,787)	(50,843)
Reinvested investment income	(33,808)	-
Unrealized gain on investments	(57,925)	(49,272)
Software service implementation assets expensed (note 13)	1,750	-
	<u>634,437</u>	<u>2,099,756</u>
Net change in non-cash working capital balances related to operations:		
Accounts receivable	(44,843)	(87,446)
Prepaid expenses	102,785	(160,671)
Accounts payable and accrued liabilities	50,496	(417,236)
Designated contributions	<u>6,943,204</u>	<u>(561,907)</u>
	<u>7,051,642</u>	<u>(1,227,260)</u>
	<u>7,686,079</u>	<u>872,496</u>
Financing activity		
Repayment of obligations under capital lease	<u>-</u>	<u>(5,646)</u>
Investing activities		
Purchase of tangible capital assets	(404,992)	(166,822)
Purchase of software service implementation assets	(276,117)	-
Proceeds on disposal of tangible capital assets	-	2,556,822
Purchase of investments in the endowment fund (note 5)	(1,000,000)	(1,000,000)
Purchase of investments in the sustainability fund	(344,648)	(419,572)
Proceeds on disposal of investments in the sustainability fund	329,541	444,970
Changes in accounts payable and accrued liabilities related to tangible capital assets	118,641	(345,337)
Proceeds from disposal of investments in endowment fund (note 5)	<u>9,194</u>	<u>-</u>
	<u>(1,568,381)</u>	<u>1,070,061</u>
Increase in cash	6,117,698	1,936,911
Cash and cash equivalents, beginning of year	<u>6,565,759</u>	<u>4,628,848</u>
Cash and cash equivalents, end of year	<u>\$ 12,683,457</u>	<u>\$ 6,565,759</u>
Cash and cash equivalents is comprised of:		
Cash	\$ 2,956,626	\$ 2,977,975
Guaranteed investment certificates (note 3)	3,123,903	3,587,784
Restricted cash (note 3)	<u>6,602,928</u>	<u>-</u>
	<u>\$ 12,683,457</u>	<u>\$ 6,565,759</u>
Non-cash transactions:		
Reinvested investment income	<u>\$ 33,808</u>	<u>\$ -</u>
Donated investments	<u>\$ 99,787</u>	<u>\$ 50,843</u>

CUPS Calgary Society

Notes to the Financial Statements

For the Year Ended March 31, 2025

NOTE 1 – NATURE OF OPERATIONS

CUPS Calgary Society (“CUPS” or the “Society”) was incorporated under the *Alberta Societies Act* on September 13, 1988.

CUPS helps Calgarians navigate the complexities of poverty, trauma, adversity and homelessness. As a community health centre, we use an integrated approach to support individuals and families across the areas of health, basic needs and housing and family and child development, helping them access the resources and opportunities they need to feel empowered to create meaningful changes in their lives.

The Society is a registered charity and, accordingly, exempt from income taxes and authorized to issue donation receipts for income tax purposes.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

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

Fund Accounting

These financial statements are prepared on a restricted fund accounting basis that includes the following funds:

Operating Fund - accounts for the assets, liabilities, revenues and expenses related to the Society's delivery of programs and operating activities.

Sustainability Fund - accounts for the assets, liabilities, revenues and expenses related to amounts internally restricted by the board of directors for future use.

Capital Assets Fund - accounts for the assets, liabilities, revenues and expenses related to the facilities and equipment.

Endowment Fund – accounts for the assets, liabilities, revenues and expenses related to the Gerald A. Cooper-Key Foundation endowment that is externally restricted to be maintained in perpetuity per the policies of the Endowment Fund agreement. The Society has established policies around preservation of the capital and asset mix, in order to maximize long-term returns.

Revenue Recognition

Unrestricted contributions are recognized as revenue of the operating fund in the year in which the amount can be reasonably estimated and collection is reasonably assured.

Designated contributions related to general operations are recognized as revenue of the operating fund in the year in which the related expenses are incurred. Designated contributions related to tangible capital assets are recognized as revenue of the capital assets fund when the amount can be reasonably estimated and collection is reasonably assured.

Interest and investment income is recognized as revenue when earned. Investment income on the Sustainability fund is recognized within the Operating fund.

CUPS Calgary Society
Notes to the Financial Statements
For the Year Ended March 31, 2025

Unrealized gains (losses) on investments held in the Endowment fund are attributable to and reported in the Endowment fund. Restricted revenue from endowments is recognized in the Endowment fund and unrestricted revenue from endowments is recognized in the Operating fund; the split of these amounts are determined in accordance with the terms of the endowment agreement (note 5).

Revenue from special events is recognized when the event has taken place and collection is reasonably assured.

Donations of investments are recorded at fair value when a fair value can be reasonably determined.

Revenue for services is recorded when the program or service has been provided.

Contributed Goods and Services

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

Volunteers contribute time and services to the programs of the Society. Contributed services are not recognized in the financial statements as their fair market value cannot reasonably be determined.

Cash and cash equivalents

Cash includes cash on hand and cash held at financial institutions. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to insignificant risk of change in value.

Tangible Capital Assets

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

Buildings	40 years
Building improvements	25 years
Furniture and equipment	5 years
Automobiles	5 years

When conditions indicate a tangible capital asset is impaired, the carrying value of the tangible capital asset is written down to the asset's fair value or replacement cost. A write-down shall not be reversed.

Software Services

During the year, the Society adopted Accounting Guideline AcG-20, *"Customer's Accounting for Cloud Computing Arrangements"* which is effective for fiscal years beginning on or after January 1, 2024. The guideline was adopted retrospectively only to expenditures on implementation activities incurred in a cloud computing arrangement on or after April 1, 2023. There was no impact on the 2024 comparative figures upon adoption of this guideline as no software service implementation assets were incurred during 2024 and there were no changes in recording of software service fees on adoption. In 2025, the Society incurred software service implementation amounts of \$276,117 (2024 - \$NIL) which have been capitalized as software service implementation assets.

The Society expenses software service fees as incurred.

CUPS Calgary Society

Notes to the Financial Statements

For the Year Ended March 31, 2025

The Society capitalizes amounts related to software service implementation activities that are directly attributable to preparing the software service for its intended use as software service implementation assets. Software service implementation assets are amortized on a straight-line basis over the expected period of access to the software by the Society, which is 5 years. When conditions indicate a software service implementation asset is impaired, the carrying value of the software service implementation asset is written down to the asset's fair value or replacement cost. The write-down of the software service implementation asset is recorded as an expense in the statement of operations. A write-down shall not be reversed.

Financial instruments

The Society's financial instruments consist of cash and cash equivalents, accounts receivable, investments, accounts payable and accrued liabilities. All financial instruments are initially recognized at fair value and subsequently measured at amortized cost, except for investments which are measured at fair value. Transaction costs and financing fees associated with financial instruments carried at amortized cost are recorded as adjustments to the initial fair value recognized and amortized over the life of the financial instrument or shorter, dependent upon the expected period of cash flow.

When there is an indication of impairment and such impairment is determined to have occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from sale of the financial asset. Such impairments can be subsequently reversed if the value increases provided the reversal is no greater than the amount that had been previously reported as a reduction in the asset and does not exceed original cost.

Transacting in financial instruments exposes the Society to certain financial risks and uncertainties (note 15).

Revenue and Cost Allocations

Special events are ongoing throughout the year in order to raise additional funding to support the activities of the Society. The revenues and costs of special events are allocated to programs based on the stated intention or general purpose of the special event.

The Society incurs a number of general overhead revenue and expenses that are common to the administration of the organization and each of its programs. The Society allocates its general overhead expenses on the following basis:

- IT support, professional fees, insurance, office expenses, telephone, training and development, and vehicle costs are based on staff headcount.
- Facilities and infrastructure costs are based on an estimate of the square footage used by each program.

Use of Estimates

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 periods. Areas requiring the use of management estimates relate to the determination of collectability of accounts

CUPS Calgary Society
Notes to the Financial Statements
For the Year Ended March 31, 2025

receivable, useful lives and potential impairment of tangible capital assets and completeness of accrued liabilities. Actual results could differ from these estimates.

Amounts accrued as receivable pursuant to funding contracts and billing invoices associated with the Society'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.

The valuation of designated contributions is based on management's estimate of the unspent contributions and the applicability of expenditures to meet the funding restrictions.

The valuation of tangible capital assets is based on management's best estimates of the future recoverability of these assets. The amounts recorded for amortization of tangible capital assets are based on management's best estimates of the remaining useful lives and period of future benefit of the related assets.

The completeness of accrued liabilities is based on management's best estimate of expenses accrued during the year that will be payable in future periods.

Actual results may differ from management's best estimate and the effect on the financial statements of changes in such estimates could be significant.

NOTE 3 – CASH EQUIVALENTS

Cash equivalents consist of cashable guaranteed investment certificates held in the operating and capital assets funds totaling \$3,123,903 (2024 - \$3,587,784), bearing interest at fixed rates ranging from 3.6% to 3.89% and variable rates of prime less 2% per annum effectively 2.95% at year end (2024 – variable rate of prime less 2% per annum effectively 5.2% at year end) and maturing between April and November 2025. Subsequent to year-end guaranteed investment certificates of \$400,000 (2024 - \$NIL) matured and were deposited to cash.

Included in cash is restricted cash of \$6,602,928 (2024 - \$NIL) which relates to designated contributions (note 8) from a grant that is required to be maintained in a separate bank account. The bank account bears interest at variable rates based on the account balance ranging from 2.18% to 3.35%. This grant was received in March 2025 from the Government of Alberta's Primary Health Care System Initiative and will be used to improve access to primary care services, including decreasing wait times, increasing access in the community and improving continuity of care for patients accessing CUPS services.

NOTE 4 – SUSTAINABILITY FUND

The Board of Directors has restricted the following funds, which are reserved for long-term objectives in support of organizational sustainment. The Special Projects Fund requires a board resolution for disbursement to the Society. The Building Life Cycle Reserve is a capital reserve to fund major repair and replacement on fully owned real property assets. The funds are included in investments of the sustainability fund at year end.

	2025	2024
Special Projects Fund	\$ 480,398	\$ 449,956
Building Life Cycle Reserve	862,898	731,956
	\$ 1,343,296	\$ 1,181,921

CUPS Calgary Society

Notes to the Financial Statements

For the Year Ended March 31, 2025

Investments in the sustainability fund consist of Canadian bonds and debentures and principal protected notes that bear interest at rates ranging from 2.08% to 3.40% per annum (2024 – from 2.08% to 2.95% per annum) and mature or are callable between May 26, 2025 and January 26, 2032 (2024 – May 26, 2025 and January 26, 2032).

NOTE 5 – ENDOWMENT FUND

The Society has an endowment of \$2,000,000 (2024 - \$1,000,000) from the Gerald A. Cooper-Key Foundation. The endowment is to be held in perpetuity and invested consistent with the investment policies of the Society. The net investment income earned from the endowment that is available for disbursement (“disbursement income”) shall be determined each year in accordance with the disbursement policy of the Society. The disbursement income earned from the endowment is to be used for the general charitable purposes of the Society for shared space and services for health programs. Any income greater than the disbursement income is to be reinvested in the capital of the fund. The endowment is included in investments of the Fund at year end.

	2025	2024
Endowment Fund	\$ 2,043,921	\$ 1,007,863

The investment in the Endowment Fund consists of a mutual fund with a cost of \$2,026,080 (2024 - \$1,000,000).

NOTE 6 – TANGIBLE CAPITAL ASSETS

	2025			2024
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 4,463,875	\$ -	\$ 4,463,875	\$ 4,463,875
Buildings	4,374,923	1,382,789	2,992,134	3,101,392
Building improvements	9,189,397	3,115,667	6,073,730	6,355,313
Furniture and equipment	2,800,628	2,385,051	415,577	414,779
Automobiles	140,877	26,998	113,879	-
	\$ 20,969,700	\$ 6,910,505	\$ 14,059,195	\$ 14,335,359

Furniture and equipment includes \$102,032 (2024 - \$NIL) of equipment that is not yet in use and therefore no amortization has been taken on this amount.

NOTE 7 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities is \$121,334 (2024 - \$111,797) relating to payroll source deductions payable.

CUPS Calgary Society

Notes to the Financial Statements

For the Year Ended March 31, 2025

NOTE 8 – DESIGNATED CONTRIBUTIONS

The Society received certain donations, fundraising and grants that were subject to restrictions. Certain amounts that were not utilized during the grant term are repayable to funders and have been reclassified to accounts payable and accrued liabilities. Restricted amounts received and expended were as follows:

	Beginning Balance, April 1, 2024	Additions	Utilization	Amounts Repayable	Closing Balance, March 31, 2025
Donations	\$ 43,634	\$ 218,164	\$ 187,058	\$ -	\$ 74,740
Fundraising	-	115,746	80,097	-	35,649
Grants	463,195	12,149,644	4,546,844	726,351	7,339,644
	\$ 506,829	\$ 12,483,554	\$ 4,813,999	\$ 726,351	\$ 7,450,033

	Beginning Balance, April 1, 2023	Additions	Utilization	Amounts Repaid and Repayable	Closing Balance, March 31, 2024
Donations	\$ -	\$ 52,393	\$ 8,759	\$ -	\$ 43,634
Fundraising	1,002	108,697	109,699	-	-
Grants	1,067,734	6,084,468	5,999,801	689,206	463,195
	\$ 1,068,736	\$ 6,245,558	\$ 6,118,259	\$ 689,206	\$ 506,829

NOTE 9 – CREDIT FACILITIES

The Society has available a revolving demand credit facility in the amount of \$650,000 with a major Canadian financial institution. The facility bears interest at the prime rate plus 1.38% per annum. At March 31, 2025 and 2024 no amounts have been drawn on the credit facility. The Society also has available a revolving lease line of credit facility in the amount of \$150,000. The terms and interest rate of this facility are determined at the time the facility is drawn upon. At March 31, 2025 and 2024 no amounts have been drawn on the lease credit facility. Both facilities are secured by a general security agreement with a first ranking security interest in all personal property.

CUPS Calgary Society

Notes to the Financial Statements

For the Year Ended March 31, 2025

NOTE 10 – GRANT REVENUE

Grant revenue consists of the following:

	2025	2024
Other Grants	\$ 8,403,946	\$ 8,527,424
Government Grants:		
Federal	222,030	568,301
Provincial	5,248,104	5,699,258
Municipal	1,016,475	1,071,507
	\$ 14,890,555	\$ 15,866,490

NOTE 11 – GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses consist of the following:

	2025	2024
Administrative wages, benefits and contracted services	\$ 2,647,723	\$ 2,472,365
Office	318,176	349,080
Software service subscription fees (note 13)	76,777	78,097
	\$ 3,042,676	\$ 2,899,542

NOTE 12 – EMPLOYEE FUTURE BENEFITS

The Society contributes to a registered retirement savings plan for the benefit of its employees. During the year contributions of \$210,805 (2024 - \$238,012) were deposited to the defined contribution plan and expensed as employee benefits.

NOTE 13 – SOFTWARE SERVICES

During the year, the Society incurred software service subscription fees totaling \$396,356 (2024 - \$301,684) of which \$76,777 (2024 - \$78,097) are included in general and administrative expenses (note 11) and \$319,579 (2024 - \$223,587) are included in program services expenses.

During the year, the Society capitalized implementation software service assets of \$276,117 (2024 - \$NIL) and expensed \$1,750 of this amount in general and administrative expenses as the asset is expensed straight-line over the expected period of access to the software. At year-end, \$234,117 (2024 - \$NIL) of software service implementation assets were not yet in use and therefore no amounts were expensed in relation to these assets.

CUPS Calgary Society
Notes to the Financial Statements
For the Year Ended March 31, 2025

NOTE 14 – COMMITMENTS

The Society has entered into rental, office equipment and facility equipment leases in the normal course of operations. These leases vary in payment terms and duration. Total minimum payments exclusive of occupancy costs under the terms of the lease agreements are as follows:

2026	\$ 208,110
2027	147,154
2028	25,777
2029	24,024
	<hr/>
	\$ 405,065
	<hr/>

NOTE 15 – FINANCIAL INSTRUMENTS

The Society has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include credit risk, liquidity risk and market risk. There have been no changes in any significant risk exposures from the prior year.

a) Credit Risk

Credit risk is the risk of financial loss to the Society if a customer fails to meet their contractual obligations and this risk arises principally from the Society's cash and cash equivalents, accounts receivable and investments.

The Society minimizes its credit risk relating to cash and cash equivalents and investments by placing its cash and cash equivalents with major financial institutions and investing its fixed income investments in large public organizations.

The Society's exposure to credit risk with its customers is influenced by the individual characteristics of each customer. The Society's customers for the most part are government agencies and donors.

The Society limits its exposure to credit risks from customers by dealing only with credit worthy customers. Management does not expect any customers to fail in meeting their obligations. Management does not expect any government agencies to fail in meeting their obligations.

The carrying amount of cash and cash equivalents and accounts receivable represents the maximum exposure limit.

b) Liquidity Risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Society manages its liquidity risk through maintaining appropriate balances of cash and cash equivalents and investments.

CUPS Calgary Society

Notes to the Financial Statements

For the Year Ended March 31, 2025

c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. The Society is exposed to market risk to the extent that investments are affected by the securities traded in the market.

d) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market interest rates. The Society's investments are exposed to interest rate risk to the extent that interest rates are fixed upon maturity and its cash equivalents are exposed to interest rate risk to the extent that interest rates are floating.

NOTE 16 – KEY CASE MANAGEMENT, GRADUATE RENT SUBSIDY, COMMUNITY DEVELOPMENT, RAPID CARE COUNSELLING, CONNECT 2 CARE AND HOMES FOR HEALTH PROGRAMS

The Key Case Management program stabilizes chronically or episodically homeless individuals through intensive case management support, rent subsidies, and assistance from housing locators to secure and maintain housing. Referrals come through the Calgary Homeless Foundation's Coordinated Access and Assessment triage system.

The Graduated Rent Subsidy Program supports low-income individuals and families who have completed a Housing First case management program by providing ongoing rental subsidies and other supports to maintain housing stability and work towards independence.

The Community Development program provides affordable housing and light support to integrate participants into the broader community, facilitated by an on-site community developer. The program includes community activities and programming to foster a sense of community and increase access to social and recreational amenities.

The Rapid Care Counseling program offers low-barrier, easily accessible mental health services to vulnerable Calgarians through counselling at supportive housing sites and community hubs. The program aims to reduce barriers to mental health support and facilitate connections to longer-term mental health resources for those experiencing housing vulnerability. Subsequent to year-end the Rapid Care Counselling program was discontinued, in its current form.

The Connect 2 Care program is a multidisciplinary mobile outreach team providing transitional case management, advocacy, and care coordination for unhoused or vulnerably housed individuals with high acute care use, aiming to reduce unnecessary acute care and improve access to various support services.

The Homes for Health program supports individuals with significant physical health needs, substance use, and/or mental health concerns by providing independent rental housing and a low participant-to-staff ratio. A multidisciplinary team offers intensive short-term support to participants, who then transition to less intensive supportive and independent housing.

The following tables summarize the financial results included in the statement of operations of the Key Case Management, Graduated Rent Subsidy, Community Development, Rapid Care Counselling, Connect 2 Care and Homes for Health programs.

CUPS Calgary Society

Notes to the Financial Statements

For the Year Ended March 31, 2025

	Key Case Management Program 2025	Graduated Rent Subsidy Program 2025	Community Development Program 2025	Rapid Care Counselling Program 2025	Connect 2 Care Program 2025	Homes for Health Program 2025
Revenue						
Calgary Homeless Foundation	\$ 1,395,739	\$ 1,946,066	\$ 1,389,676	\$ 250,000	\$ 200,000	\$ 1,322,287
Expenses						
Staff costs	450,900	418,364	395,218	174,001	160,592	599,964
Participant costs	785,140	1,222,658	737,232	6,289	19,408	323,295
Administration costs	139,574	194,607	138,968	25,000	20,000	132,229
Total operating expenses	1,375,614	1,835,629	1,271,418	205,290	200,000	1,055,488
Excess of revenue over expenses	\$ 20,125	\$ 110,437	\$ 118,258	\$ 44,710	\$ -	\$ 266,799

Subsequent to year-end, CUPS combined the Homes for Health and Key Case Management programs into the Compass Housing program, which is one enhanced program for scattered housing that provides a greater spectrum of responsive and expanded case management for a diverse population.

Subsequent to year-end, the Community Development program has shifted from a social housing model to a case management approach to align with provincial and federal government mandates.

NOTE 17 – CHARITABLE FUNDRAISING ACT DISCLOSURE

As required under Section 7(2) of the regulations of the Charitable Fundraising Act of Alberta, remuneration and benefits paid in the year to employees whose principal duties involved fundraising were \$357,665 (2024 - \$421,037).