

ACCESSIBLE HOUSING SOCIETY

Financial Statements

March 31, 2025

ACCESSIBLE HOUSING SOCIETY
Index to Financial Statements
For the Year Ended March 31, 2025

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 15



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INDEPENDENT AUDITOR'S REPORT

To the Directors of Accessible Housing Society:

Opinion

We have audited the financial statements of Accessible Housing Society (the "Society"), which comprise the statement of financial position, as at March 31, 2025, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, 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 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.

(continues)



Independent Auditor's Report to the Directors of Accessible Housing Society *(continued)*

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

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

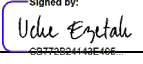
Chartered Professional Accountants

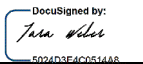
Calgary, Alberta
June 20, 2025

ACCESSIBLE HOUSING SOCIETY
Statement of Financial Position
As at March 31

	2025	2024
Assets		
Current		
Cash	\$ 600,272	\$ 622,353
Restricted cash (Note 3)	1,297,389	1,243,916
Short term investments (Note 4)	174,151	171,256
Accounts receivable	1,992	22,625
Goods and services tax recoverable	8,335	6,040
Prepaid expenses	45,261	47,179
	2,127,400	2,113,369
Long term investments (Note 4)	163,479	160,863
Property and equipment (Note 5)	12,844,286	13,133,806
	\$ 15,135,165	\$ 15,408,038
Liabilities and Net assets		
Current		
Accounts payable and accrued liabilities (Notes 7, 10)	\$ 427,299	\$ 297,643
Security deposits (Note 3)	41,326	42,124
Current portion of long term debt (Note 6)	197,860	186,185
Deferred contributions - operations (Note 7)	131,445	195,675
	797,930	721,627
Long term debt (Note 6)	195,070	393,109
Deferred contributions - property and equipment (Note 8)	9,708,042	9,919,991
Deferred contributions - future property development (Note 9)	94,717	127,212
Lease inducement (Note 11)	66,098	83,340
	10,861,857	11,245,279
Net Assets		
Invested in property and equipment	2,742,866	2,634,740
Internally restricted (Note 12)	1,424,333	1,415,973
Unrestricted	106,109	112,046
	4,273,308	4,162,759
	\$ 15,135,165	\$ 15,408,038

On behalf of the Board

Signed by:

 Uche Ekechukwu Director

DocuSigned by:

 John Olorun Director

ACCESSIBLE HOUSING SOCIETY
Statement of Operations
For the Year Ended March 31

	2025	2024
Revenue		
Alberta government funding	\$ 2,754,799	\$ 2,744,799
Calgary Homeless Foundation	1,109,640	1,174,040
Rental and service fees	744,061	738,075
Other grants	356,423	412,549
Recognition of deferred contributions related to property and equipment (Note 8)	320,452	316,976
Donations	99,598	27,466
Interest income	73,317	69,563
Other income	23,368	13,833
Fee for service	3,124	2,569
	5,484,782	5,499,870
Expenses		
Salaries and benefits	3,389,828	3,371,905
Resident programs	442,145	444,744
Amortization	398,690	397,674
Food services	237,216	215,961
Facility and maintenance	174,799	195,209
Telephone and utilities	164,504	175,098
Professional fees	112,057	172,674
Office rental (Note 11)	118,729	118,592
Office and administrative	101,442	113,525
Insurance	88,129	85,351
Software and information technology	46,057	54,632
Staff training and travel	44,931	31,220
Interest on long term debt	33,709	28,422
Fund development	21,997	40,301
	5,374,233	5,445,308
Excess of revenue over expenses	\$ 110,549	\$ 54,562

ACCESSIBLE HOUSING SOCIETY
Statement of Changes in Net Assets
For the Year Ended March 31

	Invested in property and equipment	Internally restricted (Note 12)	Unrestricted	2025	2024
Net assets - beginning of year	\$ 2,634,740	\$ 1,415,973	\$ 112,046	\$ 4,162,759	\$ 4,108,197
Excess of revenue over expenses	(78,238)	-	188,787	110,549	54,562
Internally restricted additions (Note 12)	-	8,360	(8,360)	-	-
Debt repayments	186,364	-	(186,364)	-	-
Net assets - end of year	\$ 2,742,866	\$ 1,424,333	\$ 106,109	\$ 4,273,308	\$ 4,162,759

ACCESSIBLE HOUSING SOCIETY
Statement of Cash Flows
For the Year Ended March 31

	2025	2024
Operating activities		
Excess of revenue over expenses	\$ 110,549	\$ 54,562
Items not affecting cash:		
Amortization of property and equipment	398,690	397,674
Revenue recognized from deferred contributions related to property and equipment (Note 8)	(320,452)	(316,976)
Amortization of deferred lease incentives (Note 11)	(17,242)	(17,242)
	<u>171,545</u>	<u>118,018</u>
Changes in non-cash working capital:		
Accounts receivable	20,633	(10,977)
Goods and services tax recoverable	(2,295)	(45)
Prepaid expenses	1,918	(161)
Accounts payable and accrued liabilities	129,656	22,137
Deferred contributions - operations	(64,230)	(11,907)
Security deposits	(798)	2,407
	<u>84,884</u>	<u>1,454</u>
Cash flows from operating activities	<u>256,429</u>	<u>119,472</u>
Investing activities		
Purchase of property and equipment	(109,170)	(59,838)
Redemption of investments	171,256	-
Purchase of investments	(176,767)	(169,223)
Decrease (increase) in restricted cash	(53,473)	167,529
Cash flows used by investing activities	<u>(168,154)</u>	<u>(61,532)</u>
Financing activities		
Contribution received for future property and equipment (Note 8)	84,006	43,732
Spent for future expenditures	(7,998)	-
Repayment of debt	(186,364)	(219,407)
Cash flows used by financing activities	<u>(110,356)</u>	<u>(175,675)</u>
Decrease in cash flows	<u>(22,081)</u>	<u>(117,735)</u>
Cash - beginning of year	<u>622,353</u>	<u>740,088</u>
Cash - end of year	<u>\$ 600,272</u>	<u>\$ 622,353</u>

ACCESSIBLE HOUSING SOCIETY

Notes to Financial Statements

Year Ended March 31, 2025

1. Purpose of organization

Accessible Housing Society (the "Society ") is a Calgary not-for-profit organization that opens doors for people to live in community with dignity through supportive living services. The Society's vision states that people with limited mobility are empowered to achieve their potential. The Society is incorporated under the Societies Act of Alberta as a not-for-profit organization. The Society is a registered charity, and thus is exempt from income tax under Section 149(1)(f) of the Income Tax Act.

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 below:

Revenue recognition

The Society follows the deferral method of accounting for contributions. 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. Restricted contributions are recognized in the year in which the related expenses are incurred.

Amounts externally restricted for capital purposes are recorded as deferred contributions for property and equipment when received or receivable and recognized as revenue each year in proportion to the annual amortization of the related assets for which the capital contributions were expended. Amounts which have not been designated for a specific capital project or which relate to capital costs in a future period are deferred and recognized as revenue when the expenses are incurred.

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

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

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

Cash

Cash consists of cash on hand and bank balances.

Restricted cash

The Society has received cash that is to be used for specific purposes and keeps this cash in separate bank accounts if there is a requirement from funders.

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ACCESSIBLE HOUSING SOCIETY

Notes to Financial Statements

Year Ended March 31, 2025

2. Summary of significant accounting policies (*continued*)

Property and equipment

Property and equipment is recorded at cost. Contributed property and equipment are recorded at fair value at the date of contribution. Property and equipment is amortized over its estimated useful life at the following rates and methods:

Building	Remaining useful life years with original useful life of 40 years	straight-line
Digital equipment	3 years	straight-line
Equipment	5 years	straight-line
Leasehold improvement	10 years	straight-line
Major equipment	10 years	straight-line

Property under development is not amortized until placed into use.

The Society capitalizes interest on construction projects when the interest expense is directly attributed to the construction activity and the project is developed over a significant amount of time.

When property or equipment no longer has any long-term service potential to the Society, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Any unamortized deferred contribution amount related to the asset is recognized in revenue in the statement of operations, provided that all restrictions have been complied with.

Financial instruments policy

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

Investments consist of guaranteed investment certificates (GICs). Investments with maturity within one year have been classified as short-term investments.

Contributed materials and services

Donated materials are recorded at the estimated fair value, if the donated materials would otherwise have been purchased in the normal course of operations and if the fair value can be reasonably estimated. If fair value cannot be reasonably estimated, such donations are not recorded. The fair value of donated goods received during the year was \$nil (2024 - \$nil)

The operations of the Society include the contribution of time by volunteers. The fair value of donated services cannot be reasonably determined and as such are not reflected in these financial statements.

Measurement uncertainty

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. By their nature, these estimates are subject to measurement uncertainty. Actual results could differ from and affect the results reported in these financial statements.

ACCESSIBLE HOUSING SOCIETY
Notes to Financial Statements
Year Ended March 31, 2025

3. Restricted cash

The restricted cash is comprised of the following:

	<u>2025</u>	<u>2024</u>
Casino funds	\$ 105,644	\$ 58,329
Security deposits	41,326	42,124
Internally restricted funds (Note 12)	<u>1,150,419</u>	<u>1,143,463</u>
	<u>\$ 1,297,389</u>	<u>\$ 1,243,916</u>

Casino funds are subject to Alberta Gaming, Liquor and Cannabis restrictions.

Security deposits are received on behalf of residential tenants and kept separately in an interest-bearing trust account in accordance to the requirement of the Residential Tenancies Act of Alberta.

4. Investments

	<u>2025</u>	<u>2024</u>
<u>Short term</u>		
Fixed non-redeemable eighteen month GIC, bearing interest at 5.06% per annum, maturing December 1, 2025 (2024: June 1, 2024)	<u>\$ 174,151</u>	<u>\$ 171,256</u>
<u>Long term</u>		
Fixed non redeemable GIC twelve month GIC, bearing interest at 5.35%, maturing July 27, 2026 (2024: July 27, 2026)	<u>\$ 163,479</u>	<u>\$ 160,863</u>

These GICs are held in accordance to the internally restricted fund requirements to fund for specific purposes (Note 12).

ACCESSIBLE HOUSING SOCIETY
Notes to Financial Statements
Year Ended March 31, 2025

5. Property and equipment

	Cost	Accumulated amortization	2025 Net book value
Land	\$ 1,440,000	\$ -	\$ 1,440,000
Building	13,560,916	2,368,744	11,192,172
Digital equipment	526,109	467,664	58,445
Equipment	490,169	416,622	73,547
Leasehold improvements	126,989	76,193	50,796
Major equipment	97,752	68,426	29,326
	\$ 16,241,935	\$ 3,397,649	\$ 12,844,286

	Cost	Accumulated amortization	2024 Net book value
Land	\$ 1,440,000	\$ -	\$ 1,440,000
Building	13,560,916	2,029,078	11,531,838
Digital equipment	461,750	459,935	1,815
Equipment	445,360	387,802	57,558
Leasehold improvements	126,989	63,495	63,494
Major equipment	97,752	58,651	39,101
	\$ 16,132,767	\$ 2,998,961	\$ 13,133,806

ACCESSIBLE HOUSING SOCIETY
Notes to Financial Statements
Year Ended March 31, 2025

6. Long term debt

	<u>2025</u>	<u>2024</u>
Mortgage payable to First Calgary Financial bearing interest at 6.80% (2024: 6.80%) per annum, payable in monthly instalments of \$18,339 (2024: \$18,339), due February 2027 (2024: February 2027). Secured by land and building with a carrying value of \$12,632,172 (2024: \$12,971,838).	\$ 392,930	\$ 579,294
Current portion	<u>(197,860)</u>	<u>(186,185)</u>
	<u>\$ 195,070</u>	<u>\$ 393,109</u>
Principal repayment terms are approximately:		
2026	\$ 197,860	
2027	<u>195,070</u>	
	<u>\$ 392,930</u>	

7. Deferred contributions related to operations

Deferred contributions related to operations represent externally restricted amounts received that have not yet been spent.

	<u>2025</u>	<u>2024</u>
Balance - beginning of the year	\$ 195,675	\$ 207,582
Contributions received	4,259,647	4,347,202
Repaid to funder	-	(3,115)
Recognized as revenue	<u>(4,273,985)</u>	<u>(4,355,994)</u>
Balance - end of the year	<u>\$ 181,337</u>	<u>\$ 195,675</u>

Surpluses in total of \$49,200 (2024: \$nil) as disclosed in Note 10 from various programs that are required to be paid back to funders are included in accounts payable for the year end.

8. Deferred contributions related to property and equipment

	<u>2025</u>	<u>2024</u>
Balance - beginning of the year	\$ 9,919,991	\$ 10,176,783
Transfer from deferred contributions related to future development (Note 9)	24,497	32,929
Contributions received	84,006	27,255
Recognized as revenue	<u>(320,452)</u>	<u>(316,976)</u>
Balance - end of the year	<u>\$ 9,708,042</u>	<u>\$ 9,919,991</u>

ACCESSIBLE HOUSING SOCIETY
Notes to Financial Statements
Year Ended March 31, 2025

9. Deferred contributions related to future property development

Deferred contributions related to future development represent contributions from Resolve capital campaign to support the land and building.

	<u>2025</u>	<u>2024</u>
Balance - beginning of the year	\$ 127,212	\$ 143,664
Contributions received	2,319	16,477
Transfer to deferred contributions related to property and equipment (Note 8)	(24,497)	(32,929)
Utilizations	<u>(10,317)</u>	<u>-</u>
Balance - end of the year	<u>\$ 94,717</u>	<u>\$ 127,212</u>

ACCESSIBLE HOUSING SOCIETY

Notes to Financial Statements

Year Ended March 31, 2025

10. Refundable surplus

a) The annual Emergency/Short-Term/Long-Term Supportive Housing Initiative Conditional Grant Funding Agreement with the Minister of Community and Social Services defines any excess of funds received over approved operating expenditures as the unused portion of the grant. There is no deferred portion for the year ended March 31, 2025 (2024: \$nil). In accordance with the specific purpose funding agreement, the unused portion of Wage Top-Up Funding amounting \$nil (2024 - \$nil) is reported as accounts payable and accrued liabilities (Note 7).

b) In accordance with the annual funding agreements with the Calgary Homeless Foundation, any unused surplus resulting from the excess of funds received over approved operating expenses is applied to the subsequent year. As at March 31, 2025, the refundable surplus from the Bridge to Home program of \$49,200 (2024: \$nil) are reported as accounts payable and accrued liabilities (Note 7)

	Bridge to Home	
	2024	2023
Funds received in current year		
Program funding	\$ 1,158,840	\$ 1,174,040
Expenses		
Staff costs	667,957	713,624
Client costs	325,999	343,056
Admin	115,684	117,360
	1,109,640	1,174,040
Refundable surplus	\$ 49,200	\$ -

11. Lease commitments

On April 23, 2018, the Society signed a 10 year office lease agreement to extend and expand its original lease to January 2029. The landlord offered 9 months free rent from December 2018 to August 2019, and funded leasehold improvements of \$99,015, which was recorded in financial statements as lease inducements at the time when received. The lease inducements in total of \$66,098 at March 31, 2025 (2024: \$83,340) are recognized as a reduction of rent expense at \$17,242 per annum (2024: \$17,242), over the lease term.

Under the terms of the above agreement, future minimum lease payments are as follows:

2026	\$ 64,124
2027	64,753
2028	67,896
2029	56,580
	\$ 253,353

ACCESSIBLE HOUSING SOCIETY

Notes to Financial Statements

Year Ended March 31, 2025

12. Internally restricted funds

Internally restricted funds represent funds that have been designated by the Board of Directors as restricted funds for specific purposes in subsequent periods as described below. Internally restricted funds cannot be spent without board approval.

In previous years, the Board of Directors approved the set up of a contingency fund in case there are unanticipated significant shortfalls in revenue. An amount of \$708,360 (2024: \$700,000) was approved to be kept in the contingency fund in the current year. Interest income of \$8,360 from GIC was transferred to the internally restricted contingency fund.

The Board of Directors allocated \$nil (2024: \$nil) from the operating surplus to the building reserve to be used in major repairs and maintenance related to the building based on reserve fund study.

During the year, interest of \$nil (2024 - \$59,609) was earned on the internally restricted GICs. The board has made a resolution to transfer this interest earned to the unrestricted fund.

	<u>2025</u>	<u>2024</u>
Contingency fund	\$ 708,360	\$ 729,805
Building reserve	715,973	745,777
Less: internally restricted interest transferred to unrestricted	-	(59,609)
	<u>\$ 1,424,333</u>	<u>\$ 1,415,973</u>

These funds are held in a bank account and invested as GICs as disclosed in Note 3 and Note 4.

ACCESSIBLE HOUSING SOCIETY

Notes to Financial Statements

Year Ended March 31, 2025

13. Financial instruments

The Society's financial instruments consist of cash, restricted cash, investments, accounts receivable, accounts payable and accrued liabilities, security deposits payable, and long term debt, all of which are reported at amortized cost.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. Credit risk exists in accounts receivable. The Society does not consider that it is exposed to undue credit risk. No allowance is provided for the receivables, as all amounts are considered collectible.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in mortgage payable and accounts payable.

The Society's ability to continue to service debt and meet other obligations as they come due is dependent on the continued ability to generate earnings and cash flows.

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. The Society is mainly exposed to interest risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Society is exposed to interest rate risk primarily through its mortgage. The mortgage is paid based on fixed rate and contractual terms to its maturity date and management does not consider changes in fair value to be of a significant risk.
