

Hope Mission
Financial Statements
December 31, 2022

Management's Responsibility

To the Members and Directors of Hope Mission:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

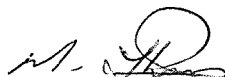
The Board of Directors and Audit Committee are composed primarily of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Audit Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Audit Committee is also responsible for recommending the appointment of the Organization's external auditors.

MNP LLP is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Audit Committee and management to discuss their audit findings.

March 28, 2023



Executive Director



Director of Finance

To the Members and Directors of Hope Mission:

Qualified Opinion

We have audited the financial statements of Hope Mission (the "Organization"), which comprise the statement of financial position as at December 31, 2022, 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

As is common with many charitable organizations, the Organization derives revenue from general donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to amounts recorded in the records of the Organization. Therefore we were not able to determine whether any adjustments might be necessary to donations revenue, excess of revenue over expenses and cash flows from operations for the years ended December 31, 2022 and 2021, current assets as at December 31, 2022 and 2021, and net assets as at January 1 and December 31 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ended December 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

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

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

Edmonton, Alberta

March 28, 2023

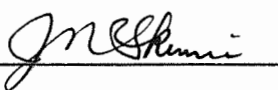
MNP LLP

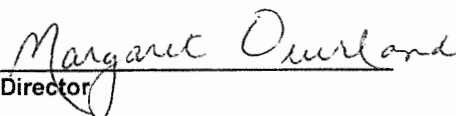
Chartered Professional Accountants

Hope Mission
Statement of Financial Position
As at December 31, 2022

	2022	2021
Assets		
Current		
Cash and cash equivalents	15,614,693	17,008,468
Restricted cash (Note 3), (Note 8)	2	249,753
Term deposits (Note 4)	102,034	102,034
Accounts receivable	142,828	394,019
Inventory	50,993	50,993
Prepaid expenses and deposits	365,531	278,590
	16,276,081	18,083,857
Capital assets (Note 5)	63,717,007	56,504,339
	79,993,088	74,588,196
Liabilities		
Current		
Accounts payable and accruals (Note 6)	2,088,434	1,510,133
Deferred revenue (Note 7)	2,876,272	816,743
	4,964,706	2,326,876
Deferred contributions related to capital assets (Note 8)	34,469,376	35,557,035
	39,434,082	37,883,911
Commitments (Note 9)		
Significant events (Note 15)		
Net Assets		
Invested in capital assets	29,807,653	21,089,496
Unrestricted	10,751,353	15,614,789
	40,559,006	36,704,285
	79,993,088	74,588,196

Approved on behalf of the Board

Director 

Director 

Hope Mission Statement of Operations

For the year ended December 31, 2022

	2022	2021
Revenue		
Donations	13,753,907	14,435,454
REACH	892,740	974,081
Other income (Note 15)	324,805	508,055
Interest income	287,392	116,108
Bargain Shoppe and other ancillary operations	144,256	117,013
Designated donations	79,818	715,336
	15,482,918	16,866,047
Expenses		
Fundraising (Note 13)	1,451,334	1,671,730
Salaries and benefits (Note 13)	1,382,683	1,353,704
Ministry van (Note 12)	906,382	975,844
Bargain Shoppe and other ancillary operations (Note 12)	813,047	593,495
Office - donation processing	547,223	278,105
Amortization	142,609	50,215
Office - supplies	103,581	104,057
Designated projects	67,818	715,794
Telephone, communication and I.T. services	65,070	41,427
Goods and services tax	54,664	44,016
Travel	40,150	9,193
Insurance	35,359	27,351
Office - general	39,322	37,212
Training and staff development	13,707	5,984
Professional fees	-	12,739
Cost recovery from Program for the Homeless and Women's Program (Note 12)	(551,191)	(545,089)
	5,111,758	5,375,777
	10,371,160	11,490,270
Programs		
Program for the Homeless (Schedule 1)	3,788,017	2,447,474
R.W. Tegler Youth Centre and Kids in Action (Schedule 2)	795,144	803,615
Brightwood Ranch (Schedule 3)	605,755	440,229
Women's Centre (Schedule 4)	303,186	374,742
Bethany Homes (Schedule 5)	326,311	180,335
Calgary Hope (Schedule 6)	1,048,663	815,432
Red Deer Hope (Schedule 7)	242,131	164,271
Wetaskiwin Hope (Schedule 8)	408,030	-
	7,517,237	5,226,098
Excess of revenue over expenses before other items	2,853,923	6,264,172
Other items		
Gain (loss) on disposal of capital assets (Note 15)	798	(30,775)
Excess of revenue over expenses	2,854,721	6,233,397

The accompanying notes are an integral part of these financial statements

Hope Mission
Statement of Changes in Net Assets
For the year ended December 31, 2022

	<i>Invested in capital assets</i>	<i>Unrestricted</i>	<i>2022</i>	<i>2021</i>
Net assets, beginning of year	21,089,496	15,614,789	36,704,285	30,470,888
Excess (deficiency) of revenue over expenses	(855,520)	3,710,241	2,854,721	6,233,397
Investment in capital assets	8,573,677	(8,573,677)	-	-
Donation restricted for purchase of land (Note 8)	1,000,000	-	1,000,000	-
Net assets, end of year	29,807,653	10,751,353	40,559,006	36,704,285

The accompanying notes are an integral part of these financial statements

Hope Mission
Statement of Cash Flows
For the year ended December 31, 2022

	2022	2021
Cash provided by (used for) the following activities		
Operating		
Donations	13,915,553	15,288,985
Grants	14,942,917	12,150,518
Other income	2,533,094	2,742,708
Interest received	287,392	116,108
Cash paid to suppliers and employees	(25,499,631)	(23,693,472)
	6,179,325	6,604,847
Financing		
Grants and donations received for capital assets (Note 8)	1,347,464	2,749,407
Investing		
Purchase of capital assets	(9,172,315)	(9,409,751)
Proceeds on disposal of capital assets	2,000	4,500
	(9,170,315)	(9,405,251)
Decrease in cash resources	(1,643,526)	(50,997)
Cash resources, beginning of year	17,360,255	17,411,252
Cash resources, end of year	15,716,729	17,360,255
Cash resources are composed of:		
Cash and cash equivalents	15,614,693	17,008,468
Restricted cash (Note 3)	2	249,753
Term deposits (Note 4)	102,034	102,034
	15,716,729	17,360,255

The accompanying notes are an integral part of these financial statements

1. Purpose of organization

Hope Mission (the "Organization") was incorporated under the authority of the Societies Act of Alberta. As a registered charity under the Income Tax Act of Canada, Hope Mission is exempt from income taxes.

The purpose of the Organization is to minister spiritually, physically and socially to needy men, women, young people and children by various means of Christian endeavour and to spread the Gospel of Jesus Christ by all such means as the Organization may deem proper and expedient.

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 and include the following significant accounting policies:

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Grants from government departments and similar agencies are recognized as revenue in the period covered by the grant. Grants receivable are recognized as revenue if the amount to be received can be reasonably estimated and collection is reasonably assured. 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.

Revenue arising from various ancillary operations is recognized as revenue when a price is agreed, the goods or services are delivered and collection is reasonably assured.

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.

Inventory

Inventory held for consumption in the provision of services is recorded at the lower of cost and current replacement cost. Cost is determined by the first in, first out method.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives. In the year of acquisition, amortization is recorded using the half-year rule.

	Rate
Buildings	4 %
Automotive	30 %
Computer equipment	30 %
Computer software	30 %
Equipment	20 %
Furniture and fixtures	20 %
Fences	10 %
Kitchen equipment	20 %
Parking lot	8 %

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

Long-lived assets

Long-lived assets consist of capital assets and are measured and amortized as described in the above accounting policy.

The Organization writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Organization's ability to provide goods and services. The assets are also written-down when the value of future economic benefits or service potential associated with an asset is less than its net carrying amount. When the Organization determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value.

Contributed materials and services

Contributions of materials are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials are used in the normal course of the Organization's operations and would otherwise have been purchased. During the year \$14,207 (2021 - \$41,082) of gifts-in-kind were recorded and recognized as revenue with an offsetting expense, and \$nil (2021 - \$16,900) of gifts-in-kind were recorded and recognized as capital assets with an offsetting deferred contribution related to capital assets. During the year, the Organization also received donations of fuel and repairs and maintenance from Alberta Health Services in addition to receiving funding under the REACH agreement to assist with running ambulances; these contributions have not been recognized in the financial statements. Contributed services are not recognized in the financial statements because of the difficulty in determining their fair value. During the year, volunteers contributed many hours of service assisting the Organization's service delivery activities.

Allocation of expenses

The Organization engages in outreach programs to fulfill its purpose of ministering to needy men, women, young people and children (see Schedules 1-8). The costs of each program include the expenses that are directly related to providing the programs. The Organization also incurs a number of general support expenses that are common to the administration of the Organization and each of its programs.

Specific costs incurred for programs are allocated based on actual costs for these programs. General support expenses are allocated on the following bases:

Professional fees	Proportionately on program expenses as a percentage of total expenses
Telephone, communication and I.T. services	Number of employees for the program
Utilities	Square footage of buildings

Financial instruments

The Organization recognizes financial instruments when the Organization 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 Organization may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments at fair value. All other financial assets and liabilities are subsequently measured at 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 revenue 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.

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

Related party financial instruments

The Organization initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at fair value.

All other related party financial instruments are measured at cost on initial recognition.

At initial recognition, the Organization may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value. The Organization has not made such an election during the year, thus all such related party debt instruments are subsequently measured at amortized cost.

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments at fair value.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess of revenue over expenses.

Financial asset impairment

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. The Organization 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 revenue over expenses. The Organization 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 revenue 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 revenue over 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. Provisions are made for slow moving and obsolete inventory and spoilage. Amortization and amortization of deferred contributions related to capital assets are based on the estimated useful lives of capital assets. Gifts in kind, when recognized, are measured at their estimated fair value.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenue over expenses in the periods in which they become known.

3. Restricted cash

	2022	2021
Unspent donations for capital assets - Herb Jamieson rebuild <i>(Note 8)</i>	2	249,753

4. Term deposits

Term deposits mature between July and September 2023, and bear interest at rates at 2.40% (2021 - 0.20%). The term deposits are pledged for letters of credit issued in connection with development permits and a 25 year lease.

Hope Mission
Notes to the Financial Statements
For the year ended December 31, 2022

5. Capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2022 Net book value</i>	<i>2021 Net book value</i>
Land	11,600,285	-	11,600,285	8,042,922
Buildings	70,228,210	19,706,939	50,521,271	47,324,344
Automotive	1,587,510	1,022,232	565,278	483,793
Computer equipment	155,611	134,236	21,375	19,707
Computer software	73,200	54,130	19,070	23,758
Equipment	107,345	7,129	100,216	-
Furniture and fixtures	622,166	91,569	530,597	246,595
Fences	75,358	24,770	50,588	42,700
Kitchen equipment	549,154	337,891	211,263	215,016
Parking lot	141,454	44,390	97,064	105,504
	85,140,293	21,423,286	63,717,007	56,504,339

At December 31, 2022, \$439,980 (2021 - \$164,515) of capital additions are included in accounts payable and accruals. No amortization has been recognized on assets under construction of \$169,070 (2021 - \$nil).

6. Accounts payable and accruals

Included in accounts payable and accruals are government remittances payable of \$497,511 (2021 - \$305,090).

7. Deferred revenue

Deferred revenue primarily includes operating grants received in the year that are either designated under the terms of the funding contracts for use in the following year or in excess of eligible expenses incurred.

	<i>2021</i>	<i>Amounts received or receivable</i>	<i>Amounts recognized as revenue</i>	<i>2022</i>
Alberta Seniors, Community and Social Services (<i>Schedule 1</i>)	621,167	10,896,246	(9,178,659)	2,338,754
Homeward Trust Edmonton (<i>Schedule 1</i>), (<i>Schedule 4</i>)	140,829	1,335,190	(1,385,368)	90,651
COVID response (<i>Schedule 1</i>)	-	2,435,192	(2,435,192)	-
Other	54,747	1,986,715	(1,594,595)	446,867
	816,743	16,653,343	(14,593,814)	2,876,272

8. Deferred contributions related to capital assets

Deferred capital contributions consist of the unamortized amount of contributions received for the purchase of capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred capital contributions are as follows:

	2022	2021
Balance, beginning of year	35,557,035	34,245,506
Ambulance received as a gift-in-kind <i>(Note 2)</i>	-	16,900
Amount received from other sources during the year	347,464	2,749,407
Less: Amounts recognized as revenue during the year	(1,435,123)	(1,454,778)
Balance, end of year	34,469,376	35,557,035

During the year, Hope Mission received \$6,382 (2021 - \$2,749,407) related to grants and fundraising to rebuild the Herb Jamieson Centre. The total amount received to date of \$16,107,672 (2021 - \$16,101,290) has been recorded in deferred contributions related to capital assets and the cash received but not yet spent has been included in restricted cash.

During the year, the Organization received a donation of \$1,000,000 (2021 - \$nil) restricted for the purchase of the Herb Jamieson Centre land.

9. Commitments

Under an agreement with Homeward Trust Edmonton, Hope Mission undertook to renovate Immigration Hall, a heritage building, to provide low rent apartments. This work was completed and the renovated Immigration Hall opened in 2009. Homeward Trust Edmonton maintains a caveat on the title of Immigration Hall, and is entitled to a proportion of proceeds on a sliding scale should the property be sold prior to the year 2030.

Hope Mission entered into an agreement with Homeward Trust Edmonton for the demolition and reconstruction of Edwardson Place, which was completed in 2016. Homeward Trust Edmonton provided a capital grant of \$2.0 million towards construction costs and therefore maintains a caveat on the title of Edwardson Place, entitling them to repayment should the property be sold and the proceeds of disposition are not committed to supporting similar services to homeless individuals, or if the facility ceases to operate for its intended purpose prior to the year 2034.

Under various contracts with Alberta Seniors, Community and Social Services, Homeward Trust Edmonton and other government agencies, Hope Mission is responsible for managing various programs. Any deficit from operating these programs are the responsibility of Hope Mission and any surpluses are potentially repayable to the funder.

10. Economic dependence

These statements include the operation of the Herb Jamieson Centre, which is owned and managed under contract by Hope Mission. These programs and other temporary shelter programs operated out of facilities owned by Hope Mission are substantially funded by grants from government at the federal, provincial and municipal levels. Most of these grants are considered and advanced on an annual basis, with no commitment to continuance.

11. Credit facilities

Hope Mission has access to a revolving operating credit facilities to a maximum of \$6,000,000 (2021 - \$6,000,000) with interest calculated at the lender's prime rate. The facilities are secured by a general security agreement over all present and after acquired personal property, a land mortgage in the principal sum of \$5,000,000 over certain lands held by the Organization, and a general assignment of leases and rents in respect of certain properties held by the Organization. As at December 31, 2022, no amounts were drawn on these facilities. The Organization also has a letter of credit outstanding in respect of a development permit with the City of Edmonton in the amount of \$76,000 (2021 - \$76,000).

The credit facilities are subject to financial covenants with respect to the working capital ratio, total debt to equity ratio, and debt service coverage ratio. As at December 31, 2022, the Organization is in compliance with the financial covenants.

12. Inter-department charges

Management fees are charged to various programs and represent administrative costs internally allocated under the respective grant agreements. Bargain Shoppe and other ancillary operations expense includes the costs of operating an internal laundry service. Laundry fees are charged as an expense to the Program for the Homeless on Schedule 1, and included as part of laundry supplies. The corresponding cost reduction is shown in the statement of operations as a cost recovery.

	2022	2021
Management fees - Program for the Homeless (Schedule 1)		
Base program	100,191	87,240
Rapid Exit program	91,434	90,072
Rapid Re-Housing program	70,497	65,650
	262,122	242,962
Management fees - Women's Program (Schedule 4)		
Base program	25,824	25,824
Laundry supplies - Program for the Homeless (Schedule 1)		
Bargain Shoppe and other ancillary operations	155,736	155,736
Other		
Ministry van	107,509	120,567
	551,191	545,089

13. Fundraising expenses

As required under The Charitable Fundraising Act of Alberta, the Organization reports that \$96,000 (2021 - \$122,475) was paid as remuneration to employees in respect of fundraising related work in the year ended December 31, 2022 and \$1,451,334 (2021 - \$1,671,730) in other expenses incurred for the purposes of soliciting contributions.

14. Financial instruments

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

Credit risk

Financial instruments that potentially subject the Organization to credit risk consist of accounts receivable. The Organization has determined that no allowance for doubtful accounts is necessary based on factors surrounding the credit risk of specific accounts, historical trends and other information.

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. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Organization is exposed to interest rate risk with respect to its term deposits (Note 4) and its credit facility agreement (Note 11). The Organization is able to manage interest rate risk by investing in term deposits and borrowing at floating rates with a no penalty prepayment option.

15. Significant events

COVID-19

During the year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on organizations through the restrictions put in place by the Canadian federal, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

As a result, the Organization has been required to halt the operation of its youth and school lunch programs and cease the utilization of volunteer resources for portions of the year. The Organization has resumed offering programs when possible in accordance with provincial and federal restrictions and regulations. The Organization has received government funding of \$2,435,192 (2021 - \$4,940,760) in order to operate additional day time shelter spaces and overnight shelter spaces to facilitate increased social distancing.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

Fire

In October 2021, a fire caused significant damage the Organization's winter supplies and a food truck. The food truck, with a net book value of \$26,528, was severely damaged, resulting in the recognition of an impairment for the full net book value of the asset. The Organization filed an insurance claim relating to its damaged property and recognized insurance recoveries of \$100,000 (2021 - \$nil) in the Statement of Operations.

16. Comparative figures

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

Hope Mission
Schedule 1 - Program for the Homeless
For the year ended December 31, 2022

	2022	2021
Revenue		
Government grants (Note 7)	6,456,701	5,630,877
Government grants - COVID response (Note 7), (Note 15)	2,435,192	5,122,905
Government grants - Rural Winter Emergency Response (Note 7)	1,598,540	-
Amortization of deferred contributions (Note 8)	1,267,871	1,265,233
Homeward Trust Edmonton grants (Note 7)	1,185,373	983,125
Rental (Note 7)	430,496	393,404
Government grants - Service Hub (Note 7)	201,057	-
Rexall grants (Note 7)	14,795	43,180
Other income	428	632
Health clinic	-	306,623
Homeward Trust Edmonton - COVID response	-	159,144
	13,590,453	13,905,123
Expenses		
Amortization	1,573,510	1,434,717
Food and kitchen costs	892,926	631,389
Goods and services tax	75,874	76,202
Insurance	217,444	168,123
Interest and bank charges	1,133	1,278
Laundry supplies (Note 12)	155,736	155,736
Management fee (Note 12)	262,122	242,962
Office supplies	185,714	201,577
Physicians fees	-	216,609
Professional fees	19,741	50,347
Rent	342,316	1,066,453
Repairs and maintenance	606,454	408,174
Supplies	1,285,295	1,040,989
Telephone, communication and I.T. services	105,990	119,919
Towels, blankets and mats	245,723	152,649
Training and staff development	23,204	3,500
Utilities	512,069	361,041
Vehicle, travel and transit	96,964	67,652
Wages and employee benefits	10,776,255	9,953,280
	17,378,470	16,352,597
Deficiency of revenue over expenses	(3,788,017)	(2,447,474)

Hope Mission
Schedule 2 - R.W. Tegler Youth Centre and Kids in Action
For the year ended December 31, 2022

	2022	2021
Revenue		
Government grants (Note 7)	166,735	134,497
Amortization of deferred contributions (Note 8)	4,129	19,555
	170,864	154,052
Expenses		
Amortization	37,560	37,000
Automotive	16,800	18,120
Fees, licences and permits	45	150
Food and kitchen costs	380,189	287,172
Goods and services tax	3,040	3,383
Insurance	28,614	31,084
Office supplies	16,948	26,554
Professional fees	152	2,791
Repairs and maintenance	31,219	18,285
Supplies	161	1,260
Telephone, communication and I.T. services	3,906	1,782
Training and staff development	-	881
Utilities	31,296	28,282
Vehicle, travel and transit	-	1,250
Wages and employee benefits	416,078	499,558
	966,008	957,552
Deficiency of revenue over expenses	(795,144)	(803,500)

Hope Mission
Schedule 3 - Brightwood Ranch
For the year ended December 31, 2022

	2022	2021
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Revenue		
Amortization of deferred contributions (Note 8)	38,603	40,281
Donations	7,688	62,116
Government grants and other income	-	19,206
	<hr/>	<hr/>
	46,291	121,603
<hr/>		
Expenses		
Amortization	155,637	158,056
Automotive	20,162	17,168
Fees, licenses and permits	163	164
Food and kitchen costs	13,936	5,291
Goods and services tax	4,090	3,368
Insurance	67,982	49,974
Interest and bank charges	165	163
Office supplies	1,484	1,053
Professional fees	14,836	17,859
Recreation supplies	585	184
Repairs and maintenance	82,622	105,817
Telephone, communication and I.T. services	6,336	5,026
Training and staff development	1,228	-
Utilities	58,275	52,542
Vehicle, travel and transit	15,229	554
Wages and employee benefits	209,316	144,613
	<hr/>	<hr/>
	652,046	561,832
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Deficiency of revenue over expenses	(605,755)	(440,229)
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Hope Mission
Schedule 4 - Women's Centre
For the year ended December 31, 2022

	2022	2021
Revenue		
Homeward Trust Edmonton grants (Note 7)	199,995	198,000
Rental (Note 7)	85,849	126,278
Amortization of deferred contributions (Note 8)	60,484	63,005
Other income	574	643
	346,902	387,926
Expenses		
Amortization	100,441	102,390
Client services	1,911	1,702
Food and kitchen costs	10,239	1,286
Goods and services tax	948	99
Insurance	23,708	22,066
Interest and bank charges	679	795
Management fee (Note 12)	25,824	25,824
Office supplies	32,568	13,545
Professional fees	5	3,489
Repairs and maintenance	29,815	17,212
Telephone, communication and I.T. services	4,263	4,908
Training and staff development	459	-
Utilities	39,788	42,338
Wages and employee benefits	379,440	527,014
	650,088	762,668
Deficiency of revenue over expenses	(303,186)	(374,742)

Hope Mission
Schedule 5 - Bethany Homes
For the year ended December 31, 2022

	2022	2021
Revenue		
Nutrition program (Note 7)	297,360	297,144
Other revenue	92,295	106,105
Donations	74,140	76,079
Amortization of deferred contributions (Note 8)	26,327	27,424
	490,122	506,752
Expenses		
Amortization	69,939	70,869
Automotive	66,823	43,270
Fees, licenses and permits	953	916
Food and kitchen	136,403	89,775
Goods and services tax	3,395	3,148
Insurance	22,848	16,575
Office supplies	2,110	289
Professional fees	156	2,093
Repairs and maintenance	8,370	43,080
Supplies	134,797	89,234
Telephone, communication and I.T. services	4,383	3,642
Training and staff development	503	291
Utilities	21,041	23,355
Vehicle, travel and transit	452	807
Wages and employee benefits	344,260	299,743
	816,433	687,087
Deficiency of revenue over expenses	(326,311)	(180,335)

Hope Mission
Schedule 6 - Calgary Hope
For the year ended December 31, 2022

	2022	2021
Revenue		
Amortization of deferred contributions (Note 8)	37,709	39,280
Other revenue	13,100	35,862
	50,809	75,142
Expenses		
Amortization	211,745	213,275
Automotive	23,554	20,556
Fees, licences and permits	20	-
Food and kitchen costs	119,867	78,968
Goods and services tax	5,421	3,171
Insurance	15,181	10,760
Office supplies	8,463	5,155
Professional fees	176	2,791
Repairs and maintenance	102,112	55,692
Supplies	19,626	26,158
Telephone, communication and I.T. services	5,693	6,941
Training and staff development	125	-
Utilities	57,954	38,019
Vehicle, travel and transit	29,956	27,910
Wages and employee benefits	499,579	401,178
	1,099,472	890,574
Deficiency of revenue over expenses	(1,048,663)	(815,432)

Hope Mission
Schedule 7 - Red Deer Hope
For the year ended December 31, 2022

	2022	2021
Expenses		
Automotive	2,531	7,170
Fees, licenses, and permits	25	-
Food and kitchen costs	13,424	9,227
Goods and services tax	377	611
Insurance	7,455	7,456
Office supplies	3,206	2,884
Professional fees	41	1,396
Rent	24,000	19,546
Repairs and maintenance	31	-
Supplies	3,650	4,282
Telephone, communication and I.T. services	782	581
Vehicle, travel & transit	1,150	-
Wages and employee benefits	185,459	111,118
Deficiency of revenue over expenses	(242,131)	(164,271)

Hope Mission
Schedule 8 - Wetaskiwin Hope
For the year ended December 31, 2022

	2022	2021
Revenue		
Government grants (Note 7)	625,000	-
Expenses		
Automotive	4,470	-
Food and kitchen costs	15,566	-
Goods and service tax	18,519	-
Insurance	586	-
Office supplies	2,869	-
Professional fees	649	-
Rent	155,728	-
Repairs and maintenance	391,633	-
Supplies	152,515	-
Telephone, communication and I.T. services	668	-
Utilities	22,796	-
Wages and employee benefits	267,031	-
	1,033,030	-
Deficiency of revenue over expenses	(408,030)	-