

Financial Statements of

**THE SALVATION ARMY
COMMUNITY SERVICES, CALGARY**

And Independent Auditors' Report thereon

Year ended March 31, 2022



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INDEPENDENT AUDITORS' REPORT

To The Governing Council of The Salvation Army in Canada

Qualified Opinion

We have audited the financial statements of The Salvation Army – Community Services, Calgary (the Entity) which comprise:

- the balance sheet as at March 31, 2022
- the statement of operations for the year then ended
- the statement of changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, except for the possible effects of the matter described in the ***"Basis for Qualified Opinion"*** section of our auditors' report, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2022 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 Qualified Opinion

In common with many charitable organizations, the Entity derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of this revenue was limited to the amounts recorded in the records of the Entity.



Therefore, we were not able to determine whether any adjustments might be necessary to:

- the current assets reported in the balance sheets as at March 31, 2022 and March 31, 2021 the donation revenue and net surplus (deficit) of revenue over expenses reported in the statements of operations for the years ended March 31, 2022 and March 31, 2021
- the operating fund balances, at the beginning and end of the year reported in the statements of changes in fund balances for the years ended March 31, 2022 and March 31, 2021
- the net surplus (deficit) of revenue over expenses reported in the statements of cash flows for the years ended March 31, 2022 and March 31, 2021.

Our opinion on the financial statements for the year ended March 31, 2021 was qualified 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 **"Auditors' Responsibilities for the Audit of the Financial Statements"** section of our auditors' report.

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

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

Emphases of Matter – Basis of Presentation

We draw attention to the introduction to the notes to the financial statements which described the basis of presentation used in the financial statements.

Our opinion is not modified in respect of this matter.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Calgary, Canada

May 27, 2022

THE SALVATION ARMY COMMUNITY SERVICES, CALGARY

Balance Sheet

March 31, 2022, with comparative figures for 2021

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents (note 3)	\$ 8,635,823	\$ 6,901,382
Accounts receivable (note 9)	140,951	336,218
Prepaid expenses	47,527	47,342
	<u>8,824,301</u>	<u>7,284,942</u>
Capital assets (note 4)	15,345,882	15,874,538
	<u>\$ 24,170,183</u>	<u>\$ 23,159,480</u>

Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 794,364	\$ 1,026,969
Deferred revenue (note 5)	193,720	402,689
	<u>988,084</u>	<u>1,429,658</u>
Fund balances:		
Operating	2,892,883	2,563,959
Capital	15,345,882	15,873,171
Other Restricted (note 6)	4,943,334	3,292,692
	<u>23,182,099</u>	<u>21,729,822</u>
Economic dependence (note 11)		
Commitments (note 12)		
Contingent liability (note 13)		
	<u>\$ 24,170,183</u>	<u>\$ 23,159,480</u>

See accompanying notes to financial statements.

On behalf of The Governing Council:



Chief Financial Officer and Territorial Financial Secretary



Chief Operating Officer and Territorial Secretary for Business Administration

THE SALVATION ARMY

COMMUNITY SERVICES, CALGARY

Statement of Operations

Year ended March 31, 2022, with comparative information for 2021

	2022				2021			
	Operating (Schedule 1)	Restricted Funds		Total	Operating (Schedule 1)	Restricted Funds		Total
Capital		Other Restricted	Capital			Other Restricted		
Revenue:								
Allocations from other Salvation Army entities (notes 9 and 10)	\$ 3,904,607	\$ -	\$ 1,098,743	\$ 5,003,350	\$ 6,138,932	\$ -	\$ 108,671	\$ 6,247,603
Government grants (note 7)	2,176,926	-	200,000	2,376,926	3,324,236	-	-	3,324,236
Surplus payable to Government (note 7)	-	-	-	-	(193,692)	-	-	(193,692)
Donations	1,193,678	-	535,855	1,729,533	1,025,670	-	316,299	1,341,969
Fees for services	465,788	-	-	465,788	433,231	-	-	433,231
Sales and rental fees (note 9)	183,066	-	-	183,066	201,615	-	-	201,615
Grants from other charities	10,500	-	-	10,500	59,600	-	-	59,600
Interest (note 9)	13,326	-	27,223	40,549	10,458	-	25,734	36,192
Other	23,721	-	-	23,721	15,990	-	-	15,990
	7,971,612	-	1,861,821	9,833,433	11,016,040	-	450,704	11,466,744
Expenses:								
Salaries, wages and benefits	4,784,787	-	-	4,784,787	6,367,855	-	-	6,367,855
Occupancy	1,583,512	-	-	1,583,512	1,480,967	-	-	1,480,967
Program specific	571,411	-	-	571,411	926,732	-	-	926,732
Amortization	-	827,233	-	827,233	-	795,254	-	795,254
Administrative (note 9)	513,175	-	-	513,175	264,813	-	-	264,813
Management support assessment (note 9)	147,703	-	-	147,703	173,494	-	-	173,494
Allocations to other Salvation Army entities (note 9)	-	-	150	150	-	-	50,515	50,515
Grants to Qualified Donees	-	-	-	-	11,242	-	-	11,242
Loss from sale of assets	-	897	-	897	-	5,933	-	5,933
	7,600,588	828,130	150	8,428,868	9,225,103	801,187	50,515	10,076,805
Excess (deficiency) of revenue over expenses	\$ 371,024	\$ (828,130)	\$ 1,861,671	\$ 1,404,565	\$ 1,790,937	\$ (801,187)	\$ 400,189	\$ 1,389,939

See accompanying notes to financial statements.

THE SALVATION ARMY COMMUNITY SERVICES, CALGARY

Statement of Changes in Fund Balances

Year ended March 31, 2022, with comparative information for 2021

	2022				2021			
	Operating	Restricted Funds		Total	Operating	Restricted Funds		Total
		Capital	Other Restricted			Capital	Other Restricted	
Fund balances, beginning of year	\$ 2,563,959	\$ 15,873,171	\$ 3,292,692	\$ 21,729,822	\$ 1,214,168	\$ 16,282,484	\$ 2,843,231	\$ 20,339,883
Excess (deficiency) of revenue over expenses	371,024	(828,130)	1,861,671	1,404,565	1,790,937	(801,187)	400,189	1,389,939
Allocation of land and buildings (note 9)	-	47,712	-	47,712				
Interfund transfers (note 8)	(42,100)	253,129	(211,029)	-	(441,146)	391,874	49,272	-
Fund balance, end of year	\$ 2,892,883	\$ 15,345,882	\$ 4,943,334	\$ 23,182,099	\$ 2,563,959	\$ 15,873,171	\$ 3,292,692	\$ 21,729,822

See accompanying notes to financial statements.

THE SALVATION ARMY

COMMUNITY SERVICES, CALGARY

Statement of Cash Flows

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 1,404,565	\$ 1,389,939
Items not affecting cash:		
Amortization	827,233	795,254
Loss on sale of capital assets	897	5,933
	<u>2,232,695</u>	<u>2,191,126</u>
Changes in non-cash operating working capital:		
Accounts receivable	195,267	(205,883)
Prepaid expenses	(185)	-
Accounts payable and accrued liabilities	(232,605)	284,244
Deferred revenue	(208,969)	(107,676)
	<u>1,986,203</u>	<u>2,161,811</u>
Investments:		
Additions to capital assets	(251,762)	(393,241)
	<u>(251,762)</u>	<u>(393,241)</u>
Increase in cash and cash equivalents	1,734,441	1,768,570
Cash and cash equivalents, beginning of year	6,901,382	5,132,812
Cash and cash equivalents, end of year	<u>\$ 8,635,823</u>	<u>\$ 6,901,382</u>

See accompanying notes to financial statements.

THE SALVATION ARMY

COMMUNITY SERVICES, CALGARY

Notes to Financial Statements

Year ended March 31, 2022

The Salvation Army Community Services, Calgary (the “Ministry Unit”) is an unincorporated operating unit of The Salvation Army Canada & Bermuda Territory (the “Territory”).

The Governing Council of The Salvation Army in Canada (“The Governing Council”), a corporation established by a Special Act of Parliament, is the primary legal entity through which the Territory conducts its operations. The Governing Council holds title to all Salvation Army property, including bank and investment accounts and real estate on behalf of individual operating units.

The Ministry Unit is a registered charitable organization, associated with The Salvation Army Territorial Headquarters (“THQ”), the primary charitable entity of the Territory. The Ministry Unit operates under the direction of The Salvation Army Alberta and Northern Territories Divisional Headquarters (“DHQ”), which is located in Edmonton, Alberta.

The Salvation Army is an international Christian church. Its message is based on the Bible; its ministry is motivated by love for God and the needs for humanity. The mission of The Salvation Army is to share the love of Jesus Christ, meet human needs and be a transforming influence in the communities of our world.

These financial statements include the results of operations of the following programs operated by the Ministry Unit: emergency and transitional services, and community ministries programs.

The Emergency and Transitional Services program provides several levels of accommodation for homeless or transient men and women, including both emergency and transitional beds.

The Community Ministries programs provide various services to families, children and individuals emphasizing on family functioning, child development and adult education (computer and English as a Second Language (“ESL”) classes). The programs also provide assistance for meeting pressing basic needs of families, children, and individuals including thrift store referrals, infant essentials, backpacks for kids and Christmas hampers.

The Ministry Unit, a controlled entity of The Governing Council, has its financial data included in the consolidated financial statements of The Governing Council.

THE SALVATION ARMY

COMMUNITY SERVICES, CALGARY

Notes to Financial Statements, page 2

Year ended March 31, 2021

1. Basis of presentation:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants Canada Handbook and present the assets, liabilities, fund balances, revenue, expenses and cash flows of the Ministry Unit.

(a) Operating fund:

The purpose of the Operating Fund is to record the operations of the Ministry Unit, including the receipt and use of allocations, contributions and fees for services, with no external restrictions, other than that they be used in operations. In Schedule 1, Externally Funded Operations are the largest funded operating programs with no external restrictions, other than that funds be used in one of these programs.

(b) Restricted Funds:

(i) Capital Fund:

The purpose of the Capital Fund is to record purchased capital assets, related debt, and the net investment of the Ministry Unit in such assets.

(ii) Other Restricted Funds:

The Other Restricted Funds include funds set aside through internal or external restrictions for future operations or capital acquisitions.

External restrictions refer to any conditions or specific uses that have been requested or required by the donor in making a gift to the Ministry Unit. Internal designations refer to those funds which the Ministry Unit has earmarked for specific purposes, where the donor has not placed any restrictions on their use.

The Ministry Unit has established the following reserves:

The Capital Deposit reserve represents funds that are restricted for capital purposes and maintenance (i.e., acquisition, repair, maintenance, property taxes, insurance and replacement of capital assets); however, these funds can be withdrawn for operating purposes with the agreement of DHQ, provided the foreseeable capital needs of the Ministry Unit have been met.

The Project reserve represents funds that are restricted for projects that have been formally approved by DHQ and THQ (i.e., acquisition, construction, repair, maintenance, and replacement of capital assets). As contributions for these projects are received, they are recorded as revenue in the Project reserve. As expenditures are incurred for these projects, funds are subsequently transferred to the Capital Fund or the Operating Fund as appropriate.

THE SALVATION ARMY COMMUNITY SERVICES, CALGARY

Notes to Financial Statements, page 3

Year ended March 31, 2021

2. Significant accounting policies:

(a) Cash and cash equivalents:

Under the Territory's policies, all ministry units invest surplus funds with THQ rather than with external financial institutions. THQ accounts bear interest at prevailing market rates based on the type of account.

(b) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of acquisition.

In accordance with the policies established by the Territory, capital assets with a cost exceeding \$5,000 are stated at cost, less accumulated amortization, provided for on a straight-line basis over their estimated useful lives, as follows:

	Amortization Period
Building	40 years
Furniture and fixtures	3 to 10 years
Vehicles	5 years

Assets under construction are not amortized until the asset is available for productive use.

(c) Contributions of materials and services:

Contributions of materials are recognized at fair market value only to the extent that they would normally be purchased and an official receipt for income tax purposes has been issued to the donors. Contributions of services are not recognized in these financial statements.

(d) Revenue recognition:

The Ministry Unit follows the restricted fund method of accounting for contributions.

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

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year to which they relate. When a portion of the restricted contribution relates to a future period, it is deferred and recognized in that subsequent period. All other restricted contributions are recognized as revenue of the appropriate Restricted Fund.

THE SALVATION ARMY

COMMUNITY SERVICES, CALGARY

Notes to Financial Statements, page 4

Year ended March 31, 2021

2. Significant accounting policies (continued):

(d) Revenue recognition (continued):

Interest, which is recorded on the accrual basis, represents interest income received from THQ on deposits held on behalf of the Ministry Unit. Interest on contributions with external use restrictions is recorded in the Other Restricted Funds, while other interest is recorded in the appropriate Operating Fund.

Allocations from other Salvation Army entities represent transfers made to the Ministry Unit from DHQ and THQ for the operation of programs. The funds are derived from individuals in the community that have contributed to the national fundraising efforts of the Territory. Allocations from THQ are primarily related to COVID-19 emergency relief efforts.

(e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition and are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Ministry Unit has not elected to carry any such financial instruments at fair value. There is no exposure to significant amounts of credit, interest, liquidity or foreign exchange risk, inclusive of COVID-19 impact.

(f) Allocation of expenses:

The Ministry Unit classifies expenses on the statement of operations by function. The Ministry Unit allocates personnel expenses, program expenses and occupancy costs between departments. Allocated expenses and the basis of allocation are as follows:

- (i) A portion of the expenses from the administration department are allocated proportionately using the percentages of salaries and benefits identified in the agreements with the Government of Alberta and the Calgary and Area Child and Family Services Authority funding agreements.
- (ii) A portion of the expenses from the food services department are allocated proportionately based on the daily rate per emergency bed identified in the Ministry Unit's funding agreements with the Province of Alberta.

(g) Use of estimates:

The preparation of financial statements 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 and expenses during the year. Actual results could differ from those estimates.

THE SALVATION ARMY COMMUNITY SERVICES, CALGARY

Notes to Financial Statements, page 5

Year ended March 31, 2021

3. Cash and cash equivalents:

Cash and cash equivalents include cash in bank and deposit accounts held with THQ as follows:

	2022	2021
Operating bank account	\$ 1,579,808	\$ 1,495,839
THQ general deposit account	2,102,666	2,081,297
THQ capital deposit account (note 6)	3,193,748	3,161,788
THQ project deposit account (note 6)	1,749,586	130,904
Gift cards	8,015	28,954
Petty cash advances	2,000	2,600
Cash and cash equivalents, end of year	\$ 8,635,823	\$ 6,901,382

Funds held in the general deposit account are available for withdrawal on demand and may be used for the general operating needs of the Ministry Unit.

4. Capital assets:

	2022		
	Cost	Accumulated amortization	Net book value
Land	\$ 2,098,713	\$ –	\$ 2,098,713
Building	26,861,902	14,406,587	12,455,315
Furniture and fixtures	989,163	503,045	486,118
Vehicles	271,177	164,556	106,621
Assets under construction	199,115	–	199,115
	\$ 30,420,070	\$ 15,074,188	\$ 15,345,882

THE SALVATION ARMY COMMUNITY SERVICES, CALGARY

Notes to Financial Statements, page 6

Year ended March 31, 2021

4. Capital assets (continued):

			2021
	Cost	Accumulated amortization	Net book value
Land	\$ 2,077,174	\$ –	\$ 2,077,174
Building	26,740,847	13,633,593	13,107,254
Furniture and fixtures	992,791	469,803	522,988
Vehicles	271,177	133,189	137,988
Assets under construction	29,134	–	29,134
	\$ 30,111,123	\$ 14,236,585	\$ 15,874,538

5. Deferred revenue:

Deferred revenue represents restricted contributions for which a restricted fund has not been established and which will be used in future periods. Contributions are recorded as deferred revenue until the related expenditures have been incurred.

	2022	2021
Balance, beginning of year	\$ 402,689	\$ 510,365
Contributions received	13,740	35,952
Amounts recognized as revenue	(222,709)	(143,628)
Balance, end of year	\$ 193,720	\$ 402,689

6. Other Restricted Funds:

The Other Restricted Funds balance comprises the following:

	2022	2021
Funds internally restricted:		
Capital Deposit	\$ 3,193,748	\$ 3,161,788
Projects	1,749,586	130,904
	\$ 4,943,334	\$ 3,292,692

THE SALVATION ARMY COMMUNITY SERVICES, CALGARY

Notes to Financial Statements, page 7

Year ended March 31, 2021

7. Government grants:

The Ministry Unit receives grants, subject to annual renewal upon review by the provincial government, for the purposes of providing emergency shelter to those in need.

In accordance with the funding agreements with the Government, the Government has the ability to consider any operating surplus or excess revenue over expenses in the following years' funding budget or request a repayment of excess funds. Included in accounts payable and accrued liabilities are government remittances of nil (2021 – \$193,692), which include amounts payable to Alberta Health Services for return of surplus funding with respect to the current year.

8. Interfund transfers:

2022	Operating Fund	Capital Fund	Other Restricted Funds
Contribution to Capital Deposit reserve	\$ (100,000)	\$ –	\$ 100,000
Funding of operations from reserves	139,681	–	(139,681)
Transfer to fund purchase of capital assets	(81,781)	253,129	(171,348)
	\$ (42,100)	\$ 253,129	\$ (211,029)

2021	Operating Fund	Capital Fund	Other Restricted Funds
Contribution to Capital Deposit reserve	\$ (82,200)	\$ –	\$ 82,200
Transfer to fund purchase of capital assets	(358,946)	391,874	(32,928)
	\$ (441,146)	\$ 391,874	\$ 49,272

THE SALVATION ARMY

COMMUNITY SERVICES, CALGARY

Notes to Financial Statements, page 8

Year ended March 31, 2021

9. Related party transactions and balances:

The Ministry Unit received allocations of \$4,621,281 (2021 – \$4,513,774) from DHQ, and \$221,951 (2021 – \$1,306,289) from THQ during the year. THQ applied for the Canadian Emergency Wage Subsidy on behalf of the Territory and has allocated a portion of the subsidy in the amount of \$186,291 (2021- \$427,540) to the Ministry Unit, of which nil (2021 – \$282,054) is included in account receivable. In addition, the Ministry Unit received rental income of \$47,980 (2021 – \$47,952) from DHQ, which is included in sales and rental fees and land from another ministry unit with an original cost of \$21,539, which was recorded directly in the capital fund. The Ministry Unit also received \$40,549 (2021 – \$36,192) of interest from THQ on funds held in deposit accounts.

During the year, the Ministry Unit paid THQ \$147,703 (2021 – \$173,494) for management support assessment charges and \$84,859 (2021 – \$92,789) for accounting fees, which are included in allocations to other Salvation Army entities and administrative expenses respectively. The Ministry Unit also transferred nil (2021 – \$50,515) to DHQ, representing a return of unspent funds from an approved property project and \$150 (2021 – nil) to THQ for the Brighter Futures campaign.

Also during the year, the Ministry Unit was allocated land and buildings from another Salvation Army Ministry Unit. The assets were exchanged at their carrying value of \$47,712 (original cost – \$142,594), which was recorded directly in the capital fund.

The above transactions and balances are in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

10. Allocation of expenses:

Salaries, wages and benefits of \$277,608 (2021 – \$455,549), occupancy costs of \$50,196 (2021 – \$99,901) and food services expenses of \$277,400 (2021 – \$277,523) have been allocated to the Residential Services. In addition, salaries, wages and benefits of nil (2021 – \$285,560) have been allocated to the Residential Services – Covid 19.

11. Economic dependence:

The Ministry Unit receives the majority of its revenue from the Government or allocations from DHQ. In management's opinion, the Ministry Unit's continued operations are dependent on the continuance of these funding sources.

THE SALVATION ARMY COMMUNITY SERVICES, CALGARY

Notes to Financial Statements, page 9

Year ended March 31, 2021

12. Commitments:

The Ministry Unit is committed to equipment and premises leases as follows:

	Premises	Equipment	Total
2023	\$ 819,658	\$ 11,308	\$ 830,966
2024	819,658	11,308	830,966
2025	819,658	1,520	821,177
2026	555,009	-	555,009
2027	530,950	-	530,950
	<u>\$ 3,544,933</u>	<u>\$ 24,13</u>	<u>\$ 3,569,068</u>

13. Contingent liability:

The Ministry Unit receives certain government assistance in the form of forgivable loans to fund certain capital projects. This funding is considered a grant as long as the Ministry Unit continues to meet the terms of the agreements. In the case of default, the funding is repayable to the government. At year end, the Ministry Unit had received \$331,222 (2021 – \$351,358) of such funding. The Ministry Unit is currently in compliance with the agreements and, accordingly, no amounts are recorded as a liability in these financial statements related to this funding.

THE SALVATION ARMY – COMMUNITY SERVICES, CALGARY

Schedule 1 - Statement of Operations and Changes in Fund Balances – Externally Funded and Other

Year ended March 31, 2022

	Externally Funded Operations										Total Operations
	Residential Services	Residential Services Covid-19	Total Residential Services	Women's Residential Families	Women's Residential Services Covid-19	Total Women's Residential Services	Healthy Families	Additions Treatment Program (Residential)	Total Externally Funded Operations	Other	
Revenue:											
Allocations from other Salvation Army entities (notes 9 and 10)	\$ 84,665	\$ –	\$ 84,665	\$ –	\$ –	\$ –	\$ –	\$ 221	\$ 84,886	\$ 3,819,721	\$ 3,904,607
Government grants (note 7)	1,541,933	–	1,541,933	–	–	–	–	3,876	1,545,809	631,117	2,176,926
Donations	–	–	–	–	–	–	–	–	–	1,193,678	1,193,678
Fees for services	–	–	–	–	–	–	–	–	–	465,788	465,788
Sales and rental fees (note 9)	–	–	–	–	–	–	–	–	–	183,066	183,066
Grants from other charities	–	–	–	–	–	–	–	–	–	10,500	10,500
Interest (note 9)	–	–	–	–	–	–	–	–	–	13,326	13,326
Other	–	–	–	–	–	–	–	–	–	23,721	23,721
	1,626,598	–	1,626,598	–	–	–	–	4,097	1,630,695	6,340,917	7,971,612
Expenses:											
Salaries, wages and benefits											
Occupancy	911,783	–	911,783	–	–	–	–	3,882	915,665	3,869,122	4,784,787
Program specific	249,909	–	249,909	–	–	–	–	–	249,909	1,333,603	1,583,512
Administrative (note 9)	299,682	–	299,682	–	–	–	–	–	299,682	271,729	571,411
Management support assessment (note 9)	42,274	–	42,274	–	–	–	–	43	42,317	470,858	513,175
Grants to other charities	29,773	–	29,773	–	–	–	–	78	29,851	117,852	147,703
	1,533,421	–	1,533,421	–	–	–	–	4,003	1,537,424	6,063,164	7,600,588
Excess of revenue over expenses	93,177	–	93,177	–	–	–	–	94	93,271	277,753	371,024
Fund balances, beginning of year	(1,162,178)	(9,430)	(1,171,608)	637,704	2,336	640,040	–	(46,659)	(578,227)	3,142,186	2,563,959
Interfund transfers (note 8)	(59,619)	–	(59,619)	–	–	–	(104,337)	–	(163,956)	121,856	(42,100)
Fund balances, end of year	\$ (1,128,620)	\$ (9,430)	\$ (1,138,050)	\$ 637,704	\$ 2,336	\$ 640,040	\$ (104,337)	\$ (46,565)	\$ (648,912)	\$ 3,541,795	\$ 2,892,883

See accompanying notes to financial statements.

THE SALVATION ARMY

COMMUNITY SERVICES, CALGARY

Schedule 1 - Statement of Operations and Changes in Fund Balances – Externally Funded and Other, page 2

Year ended March 31, 2021

	Externally Funded Operations										Total Operations	Other	Total Operations
	Residential Services	Residential Services Covid-19	Total Residential Services	Women's Residential Families	Women's Residential Services Covid-19	Total Women's Residential Services	Healthy Families	Additions Treatment Program (Residential)	Total Externally Funded Operations				
Revenue:													
Allocations from other Salvation Army entities (notes 9 and 10)	\$ -	\$ -	\$ -	\$ 203,840	\$ -	\$ 203,840	\$ -	\$ -	\$ 203,840	\$ 5,935,092	\$ 6,138,932		
Government grants (note 7)	1,541,933	339,811	1,881,744	294,879	5,168	300,047	-	469,342	2,651,133	673,103	3,324,236		
Surplus payable to government (note 8)	-	-	-	-	-	-	-	(193,692)	(193,692)	-	(193,692)		
Donations	-	-	-	-	-	-	-	200	200	1,025,470	1,025,670		
Fees for services	-	-	-	-	-	-	-	14,247	14,247	418,984	433,231		
Sales and rental fees (note 9)	-	-	-	-	-	-	-	-	-	201,615	201,615		
Grants from other charities	-	7,900	7,900	-	5,600	5,600	-	3,000	16,500	43,100	59,600		
Interest (note 9)	-	-	-	-	-	-	-	-	-	10,458	10,458		
Other	-	-	-	-	-	-	-	-	-	15,990	15,990		
	1,541,933	347,711	1,889,644	498,719	10,768	509,487	-	293,097	2,692,228	8,323,812	11,016,040		
Expenses:													
Salaries, wages and benefits	962,663	299,771	1,262,434	389,830	5,168	394,998	-	312,376	1,969,808	4,398,047	6,367,855		
Occupancy	194,140	45,807	239,947	24,800	-	24,800	-	148,619	413,366	1,067,601	1,480,967		
Program specific	299,701	5,023	304,724	5,031	3,264	8,295	-	123	313,142	613,590	926,732		
Administrative (note 9)	29,070	-	29,070	13,473	-	13,473	-	11,330	53,873	210,940	264,813		
Management support assessment (note 9)	33,912	-	33,912	9,426	-	9,426	-	5,424	48,762	124,732	173,494		
Grants to other charities	-	-	-	-	-	-	-	-	-	11,242	11,242		
	1,519,486	350,601	1,870,087	442,560	8,432	450,992	-	477,872	2,798,951	6,426,152	9,225,103		
Excess (deficiency) of revenue over expenses	22,447	(2,890)	19,557	56,159	2,336	58,495	-	(184,775)	(106,723)	1,897,660	1,790,937		
Fund balances, beginning of year	(1,134,621)	-	(1,134,621)	581,545	-	581,545	104,337	138,116	(310,623)	1,524,791	1,214,168		
Interfund transfers (note 8)	(50,004)	(6,540)	(56,544)	-	-	-	(104,337)	-	(160,881)	(280,265)	(441,146)		
Fund balances, end of year	\$ (1,162,178)	\$ (9,430)	\$ (1,171,608)	\$ 637,704	\$ 2,336	\$ 640,040	\$ -	\$ (46,659)	\$ (578,227)	\$ 3,142,186	\$ 2,563,959		

See accompanying notes to financial statements.