Financial Statements of

DISTRESS CENTRE CALGARY

And Independent Auditor’s Report thereon

Year ended December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Distress Centre Calgary

Opinion

We have audited the financial statements of Distress Centre Calgary (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations and 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, 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 auditor's 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 opinion.

Emphasis of Matter – Comparative Information

We draw attention to Note 9 to the financial statements, which explains that certain comparative information presented for the year ended December 31, 2023 has been adjusted. 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.

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 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 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 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

March 28, 2025

DISTRESS CENTRE CALGARY

Statement of Financial Position

December 31, 2024, with comparative information for 2023

	Operating fund	Sustainability fund	Subtotal	Capital fund	2024 Total	2023 Total
Assets						
Current assets:						
Cash and cash equivalents	$ 2,845,077	$ 256,166	$ 3,101,243	$ –	$ 3,101,243	$ 2,468,801
Short term investments (note 4)	–	1,586,741	1,586,741	–	1,586,741	1,636,636
Accounts receivable	317,231	21,057	338,288	–	338,288	1,563,134
Prepaid expenses	250,160	-	250,160	–	250,160	201,061
	3,412,468	1,863,964	5,276,432	–	5,276,432	5,869,632
Non-current assets:						
Capital assets	–	–	–	49,229	49,229	89,561
Long term investments (note 4)	–	790,654	790,654	–	790,654	853,877
	$ 3,412,468	$ 2,654,618	$ 6,067,086	$ 49,229	$ 6,116,315	$ 6,813,070
Liabilities						
Current liabilities:						
Accounts payable and accrued liabilities	$ 574,816	$ –	$ 574,816	$ –	$ 574,816	$ 279,460
Deferred contributions (notes 5, 9)	2,227,612	–	2,227,612	–	2,227,612	3,168,732
	2,802,428	–	2,802,428	–	2,802,428	3,448,192
Non-current liabilities:						
Deferred lease liability	167,017	–	167,017	–	167,017	150,453
	2,969,445	–	2,969,445	–	2,969,445	3,598,645
Net assets:						
Invested in capital assets	–	–	–	49,229	49,229	89,561
Restricted	–	–	–	–	–	7,299
Unrestricted	443,023	2,654,618	3,097,641	–	3,097,641	3,117,565
	443,023	2,654,618	3,097,641	49,229	3,146,870	3,214,425
Contractual obligations (note 6)						
	$ 3,412,468	$ 2,654,618	$ 6,067,086	$ 49,229	$ 6,116,315	$ 6,813,070

See accompanying notes to the financial statements.

Approved by the Board

Director

Director

DISTRESS CENTRE CALGARY

Statement of Operations and Changes in Fund Balances

Year ended December 31, 2024, with comparative information for 2023

	Operating Fund	Sustainability fund	Subtotal	Capital fund	2024 Total	2023 Total (note 9)
Revenue						
Government						
Provincial	$ 977,028	$ –	$ 977,028	$ –	$ 977,028	$ 855,592
Municipal	3,871,067	–	3,871,067	–	3,871,067	2,675,844
Federal	1,970,416	–	1,970,416	–	1,970,416	1,257,373
Community Support						
Calgary Homeless Foundation	1,283,836	–	1,283,836	–	1,283,836	1,015,204
United Way of Calgary and Area	4,138,297	–	4,138,297	–	4,138,297	2,749,598
Other fundraising	1,807,444	–	1,807,444	–	1,807,444	2,013,616
Investment income	1,338	121,461	122,799	–	122,799	106,334
	14,049,426	121,461	14,170,887	–	14,170,887	10,673,561
Expenses						
Personnel	10,901,021	–	10,901,021	–	10,901,021	8,318,024
Basic needs fund	318,725	–	318,725	–	318,725	377,376
Building	462,193	–	462,193	–	462,193	359,049
Program costs	1,432,006	–	1,432,006	–	1,432,006	457,450
Information technology	363,733	–	363,733	–	363,733	308,928
Office administration	212,575	–	212,575	–	212,575	229,841
Marketing and fundraising	114,120	–	114,120	–	114,120	224,280
Communication	185,213	–	185,213	–	185,213	135,462
Finances	165,121	–	165,121	–	165,121	76,079
Amortization	-	–	-	40,332	40,332	43,946
Volunteer and training	43,403	–	43,403	–	43,403	57,862
	14,198,110	–	14,198,110	40,332	14,238,442	10,588,297
(Deficiency) excess of revenue over expenses	(148,684)	121,461	(27,223)	(40,332)	(67,555)	85,264
Fund balances, beginning of year	584,408	2,533,157	3,117,565	96,860	3,214,425	3,129,161
Interfund transfer	7,299	–	7,299	(7,299)	–	–
Fund balances, end of year	$ 443,023	$ 2,654,618	$ 3,097,641	$ 49,229	$ 3,146,870	$ 3,214,425

See accompanying notes to the financial statements.

DISTRESS CENTRE CALGARY

Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Operations:		
(Deficiency) excess of revenue over expenses	$ (67,555)	$ 85,264
Item not affecting cash:		
Amortization	40,332	43,946
Unrealized (gain) on investments	(13,364)	(105,292)
Deferred lease liability	16,564	(8,059)
	(24,023)	15,859
Changes in non-cash working capital item:		
Accounts receivable	1,224,846	(1,184,034)
Prepaid expenses	(49,099)	(100,402)
Accounts payable and accrued liabilities	295,356	29,901
Deferred contributions	(941,120)	2,268,499
	505,960	1,029,823
Investing:		
Proceeds from sale of investments	1,608,716	1,859,492
Purchase of investments	(1,482,234)	(1,842,963)
	126,482	16,529
Increase in cash and cash equivalents	632,442	1,046,352
Cash and cash equivalents, beginning of year	2,468,801	1,422,449
Cash and cash equivalents, end of year	$ 3,101,243	$ 2,468,801

See accompanying notes to the financial statements.

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1. Nature of operations:

Distress Centre Calgary (the "Centre") provides immediate crisis and suicide intervention support to anyone through its 24-hour crisis line, online crisis services, the national 988 suicide crisis line and through professional counselling. The Centre also provides information, referral and navigation services through the 211. Calgarians experiencing or at risk of houselessness are served out of the Safe Communities Opportunities and Resource Centre (SORCe). The Centre is a not-for-profit organization incorporated under the Societies Act (Alberta). The Centre is dependent on its contributors to continue as a going concern.

The Centre is a registered charity under the Income Tax Act and as such is exempt from income taxes.

2. Basis of presentation:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles, specifically Canadian accounting standards for not-for-profit organizations ("ASNFPO"), using the restricted fund method to report restricted contributions.

3. Significant accounting policies:

(a) Fund accounting:

The Centre uses the restricted fund method to report restricted contributions.

General funds

General Funds include the Operating Fund and Sustainability Fund.

The Operating Fund is used for program delivery and administrative activities. This fund is comprised of restricted grants, restricted donations, and unrestricted contributions.

The Sustainability Fund accounts for unrestricted resources. This fund was established to sustain the existence and ensure the continuing activities of the Centre. The funds will be utilized to fund operating deficits and future projects at the Board's discretion.

Capital fund

This fund accounts for capital assets and any related capital funding.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand, balances with banks and Guaranteed Investment Certificates ("GICs") with original maturities less than or equal to 90 days.

3. Significant accounting policies (continued):

(c) Investments:

Investments are comprised of Guaranteed Investment Certificates (“GICs”) and fixed income instruments with original maturities greater than 90 days and related accrued interest. Investments maturing in one year or less from the date of the statement of financial position are classified as short-term investments; investments with longer original maturities are classified as long-term investments.

(d) Capital assets:

Purchased capital assets are recorded in the Capital Fund account at cost. Contributed capital assets are recorded in the Capital Fund at fair value at the date of contribution. Capital assets are amortized using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives. Building improvements are amortized using the straight-line method over the remaining term of the lease. Capital assets acquired during the year are amortized beginning when they are placed into use.

Capital asset	Rate
Telephone system	5 years
Furniture and fixtures	5 years
Website	2 years
Computer equipment	3 years
Leasehold improvements	remaining term of the lease
Computer software	2 years

The Centre regularly reviews its capital assets for obsolescence, and assets determined to be obsolete are derecognized. When a capital asset no longer contributes to the Centre’s ability to provide goods and services, or when the value of future economic benefits or service potential associated with it is less than its net carrying amount, its carrying amount is written down to its fair value.

(e) Deferred lease liability:

Lease expenses for the premises are recognized on a straight-line basis over the term of the lease with the calculated lease expense in excess of payments under the terms of the lease accounted for as a deferred lease liability.

(f) Revenue recognition:

Restricted contributions related to the Operating and Sustainability Funds are recognized as revenue in the year in which related costs are incurred. Restricted contributions related to the Capital Fund are recognized as revenue when received, or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

3. Significant accounting policies (continued):

(f) Revenue recognition (continued):

Unrestricted contributions are recorded in the Operating Fund in the year received, or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

(g) Contributed materials and services:

The value of contributed materials and services is recorded when the fair value can be reasonably estimated, when the material and services are used in the normal course of operations and would otherwise have been purchased.

Volunteers have contributed a variety of services to assist the Centre in carrying out its objectives. The fair value of such services is not recognized in these financial statements.

(h) Government assistance:

Government grants are recorded as revenue when eligibility criteria are met and receipt is reasonably assured.

(i) Measurement uncertainty:

The preparation of financial statements in conformity with ASNFPO 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 reporting period. The most significant of these estimates are related to the collectability of accounts receivable and the amortization period for and potential impairment of capital assets. Actual results could differ significantly from the estimates. Management reviews these estimates on a periodic basis and, if required, makes adjustments prospectively.

(j) Financial instruments:

The Centre recognizes its financial instruments when the Centre becomes a party to the contractual provisions of the financial instrument. Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost unless management has elected to carry the instruments at fair value. The Centre has not elected to carry any such financial instruments at fair value, except for fixed income instruments.

Transaction costs incurred through the acquisition of financial instruments that are subsequently measured at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred upon acquisition and by financing costs. These costs are amortized using the straight-line method.

3. Significant accounting policies (continued):

(j) Financial instruments (continued):

Financial assets measured at cost or amortized cost are tested for impairment on an annual basis at the end of the fiscal year if there are indicators that the asset may be impaired. If there is an indicator of impairment, the Centre determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset, or the amount the Centre expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial impairment charge.

4. Investments:

Short term investments consist of GICs in total of $1,491,813 (2023 – $1,636,636) with effective interest rates ranging from 4.25% to 5.14% per annum (2023 – effective interest rates ranging from 0.7% to 5.35% per annum) maturing between April 25, 2025 and August 21, 2025 (2023 – maturing between April 19, 2024 and December 27, 2024) and fixed income bond of $94,928 (2023 – $nil) with effective interest rate of 2.45% per annum maturing on June 2, 2025.

Long term investments consist of GICs in total of $231,147 (2023 – $217,776) with effective interest rates ranging from 4% to 5% per annum (2023 – effective interest rates ranging from 5% to 5.08% per annum) maturing between August 15, 2026 and June 24, 2027 (2023 – maturing between June 15, 2025 and August 15, 2026) and fixed income bonds of $559,507 (2023 – $636,101) maturing between August 14, 2026 and June 18, 2031 (2023 – maturing between June 2, 2025 and June 18, 2031) with effective interest rates ranging from 1.55% to 2.9% per annum (2023 – effective interest rates ranging from 1.55% to 2.9% per annum).

5. Deferred contributions:

The Centre's funders restrict certain contributions for specific purposes. Recognition of unused restricted amounts is deferred to future years in which the specified expenses are incurred. When the contributions are made for the acquisition of capital assets, revenue is recognized when the contributions are received or receivable.

5. Deferred contributions (continued):

Changes for the year in the balance are as follows:

	2024	2023 (note 9)
Balance, beginning of year	$ 3,168,732	$ 900,233
Contributions received	12,918,729	12,770,172
Amounts recognized as revenue	(13,859,849)	(10,501,673)
Balance, end of year	$ 2,227,612	$ 3,168,732

The balance is comprised as follows:

	2024	2023 (note 9)
Provincial government	$ –	$ 237,830
Municipal government	962,360	1,044,636
Federal government	–	198,609
Calgary Homeless Foundation	41,592	201,966
United Way	570,414	1,164,736
Other contributions/fundraising	653,246	320,955
	$ 2,227,612	$ 3,168,732

6. Contractual obligations:

Total obligations under the existing lease for premises (exclusive of operating costs) are as follows:

2025	$ 157,575
2026	175,474
2027	177,468
2028	177,468
2029	196,352
Thereafter	50,662
	$ 934,999

7. Expenses incurred for fundraising:

Expenses incurred for soliciting contributions were $300,142 (2023 – $415,812) including $220,479 (2023 – $254,333) paid to employees involved in securing contributions including fundraising. These expenses are included in office administration, finance, marketing and fundraising, building, and personnel.

8. Financial instruments:

The Centre's use of financial instruments and its exposure to risks associated with such instruments arises out of its normal course of operations and investing activities. The Centre is exposed to the following significant financial risks:

(a) Liquidity risk:

Liquidity risk is the risk that the Centre will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Centre manages liquidity risk by monitoring its operating requirements and maintaining adequate cash and cash equivalents.

The Centre continues to manage liquidity risk by forecasting and assessing cash flow requirements on an ongoing basis. As of December 31, 2024, the Centre continues to meet its contractual obligations within normal payment terms and the Centre's exposure to credit risk remains largely unchanged.

(b) Interest rate risk:

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. In seeking to minimize the risks from interest rate fluctuations, the Centre manages exposure through its normal operating and financing activities. The Centre is exposed to interest rate risk primarily through its guaranteed investment certificates and bonds.

(c) Credit risk:

Credit risk is the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Centre is exposed to credit risk with respect to its cash and investments, which are deposited with Canadian commercial banks and investment managers. The Centre is exposed to credit risk relating to accounts receivable, which is influenced by the individual characteristics of each debtor. The Centre has no significant concentration of credit risk with any one party and limits exposure to credit risks by dealing with only creditworthy organizations. Management does not expect any debtor to fail in meeting their obligation.

There has been no significant change to risk exposures from 2023.

9. Comparative information:

Certain comparative information has been reclassified to be consistent with the financial statement presentation adopted in the current year to better reflect the operations of the Centre. There was no impact on total revenue, total expenses, excess (deficiency) of revenue over expenses, or net assets.

Revenue for the year ended December 31, 2023, as presented on the Statement of Operations:

	2023 (adjusted presentation)	2023 (as previously reported)
Revenue:		
United Way Alberta Capital Region	$ –	$ 1,391,510
Other donations and fundraising	–	1,380,372
City of Calgary, Family and Community Support Services	–	1,284,469
United Way of Calgary and Area	–	1,358,088
Calgary Homeless Foundation	–	1,015,204
City of Calgary – Community Safety Investment Fund	–	466,329
Diversion	–	830,164
Alberta Health Services – addictions and mental health	–	386,569
Calgary Police Services	–	–
Canada Suicide Prevention Service	–	1,061,290
Red Deer – Senior 211	–	169,673
Calgary and Area Child and Family Services	–	205,317
Carya – Senior 211	–	80,600
Civil Society Fund	–	263,706
Interest income	–	106,336
Casino proceeds utilized	–	13,602
Gift in Kind	–	181,259
Calgary Communities Against Sexual Abuse	–	5,000
United Way Centraide Canada	–	35,357
University of Waterloo	–	9,324
Alberta Association of Immigrant Serving Agencies	–	109,995
City of Calgary (David)	–	9,548
Centre for Addiction and Mental Health	–	196,083
City of Calgary, Mental Health and Addiction Investment Framework	–	94,881
BENCH	–	18,885
Government		
Provincial	855,592	–
Municipal	2,675,844	–
Federal	1,257,373	–
Community Support		
Calgary Homeless Foundation	1,015,204	–
United Way	2,749,598	–
Other contributions/fundraising	2,013,616	–
Investment income	106,334	106,334
	$ 10,673,561	$ 10,673,561

9. Comparative information (continued):

Deferred contributions, as presented in note 5:

The balance is comprised as follows:

	2023 (adjusted Presentation)	2023 (as previously reported)
Other donations and fundraising	$ –	$ 205,109
United Way of Calgary and area	–	336,327
Civil Society Fund	–	175,473
City of Calgary	–	1,044,636
Casino proceeds	–	86,986
Calgary Homeless Foundation	–	201,966
United Way Alberta Capital Region	–	828,409
Alberta Health Services	–	62,357
Alberta Association of Immigrant Serving Agencies	–	28,860
Centre for Addiction and Mental Health	–	198,609
Provincial government	237,830	–
Municipal government	1,044,636	–
Federal government	198,609	–
Calgary Homeless Foundation	201,966	–
United Way	1,164,736	–
Other contributions/fundraising	320,955	–
	$ 3,168,732	$ 3,168,732