

**HomeSpace Society**

*(formerly Calgary Community Land Trust Society)*

**Financial Statements**

**March 31, 2017**

## Independent Auditors' Report

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To the Directors  
HomeSpace Society  
*(formerly Calgary Community Land Trust Society)*

We have audited the accompanying financial statements of HomeSpace Society (formerly Calgary Community Land Trust Society), which comprise the statement of financial position as at March 31, 2017, and the statements of operations, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of HomeSpace Society (formerly Calgary Community Land Trust Society) as at March 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Collins Barrow Calgary LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS

Calgary, Canada  
May 18, 2017

**HomeSpace Society**  
*(formerly Calgary Community Land Trust Society)*  
*(Incorporated under the laws of Alberta)*

**Statement of Financial Position**  
**March 31, 2017**

	Operating	Project	March 31, 2017	March 31, 2016
<b>Assets</b>				
<b>Current assets</b>				
Cash	\$ 5,635,649	\$ 9,786,250	\$ 15,421,899	\$ 691,531
Accounts receivable	29,615	564,333	593,948	6,976
Prepaid expenses	67,538	-	67,538	3,855
Deposits in trust for real estate acquisitions	-	37,500	37,500	-
	5,732,802	10,388,083	16,120,885	702,362
Property held for affordable housing (note 4)	-	64,808,342	64,808,342	3,881,643
Property and equipment (note 5)	5,304	-	5,304	-
	<u>\$ 5,738,106</u>	<u>\$ 75,196,425</u>	<u>\$ 80,934,531</u>	<u>\$ 4,584,005</u>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable and accrued liabilities	\$ 373,966	\$ 1,561,890	\$ 1,935,856	\$ 29,050
Deferred contributions	112,891	-	112,891	-
Current portion of mortgages payable (note 6)	-	1,337,082	1,337,082	-
Current portion of loans payable (note 7)	-	130,000	130,000	-
	486,857	3,028,972	3,515,829	29,050
Tenant deposits	149,796	-	149,796	4,950
Mortgages payable (note 6)	-	2,656,389	2,656,389	-
Loans payable (note 7)	-	293,265	293,265	72,000
	<u>\$ 636,653</u>	<u>\$ 5,978,626</u>	<u>6,615,279</u>	<u>106,000</u>
<b>Fund Balances</b>				
Internally restricted - net investment in property and equipment	5,304	-	5,304	-
Internally restricted - net investment in property held for affordable housing	-	60,391,606	60,391,606	3,809,643
Externally restricted	-	8,826,193	8,826,193	324,131
Unrestricted net assets	5,096,149	-	5,096,149	209,922
	<u>5,101,453</u>	<u>69,217,799</u>	<u>74,319,252</u>	<u>4,478,005</u>
	<u>\$ 5,738,106</u>	<u>\$ 75,196,425</u>	<u>\$ 80,934,531</u>	<u>\$ 4,584,005</u>

Commitments and contingencies (note 9)  
 Subsequent events (note 12)

The accompanying notes are an integral part of these financial statements.

Approved by the Board of Directors,

 \_\_\_\_\_, Director  
 \_\_\_\_\_, Director

# HomeSpace Society

(formerly Calgary Community Land Trust Society)

## Statement of Operations

Year Ended March 31, 2017

	Year Ended March 31, 2017			March 31, 2016
	Operating	Project	Total	
Revenue				
Donations and grants	\$ 551,346	\$ 4,781,164	\$ 5,332,510	\$ 10,667
Rental revenue	1,836,568	-	1,836,568	150,519
Interest and investment income	<u>11,476</u>	<u>14,581</u>	<u>26,057</u>	<u>7,983</u>
	<u>2,399,390</u>	<u>4,795,745</u>	<u>7,195,135</u>	<u>169,169</u>
Operating expenses				
Real property costs	658,154	1,269	659,423	61,804
Special events	<u>5,994</u>	<u>-</u>	<u>5,994</u>	<u>-</u>
	<u>664,148</u>	<u>1,269</u>	<u>665,417</u>	<u>61,804</u>
Administrative expenses				
Salaries	532,193	-	532,193	-
Office	245,159	114,063	359,222	8,500
Amortization	<u>1,768</u>	<u>556,664</u>	<u>558,432</u>	<u>46,758</u>
	<u>779,120</u>	<u>670,727</u>	<u>1,449,847</u>	<u>55,258</u>
Total expenses	<u>1,443,268</u>	<u>671,996</u>	<u>2,115,264</u>	<u>117,062</u>
Excess of revenue over expenses before conveyance	<u>956,122</u>	<u>4,123,749</u>	<u>5,079,871</u>	<u>52,107</u>
Conveyance of affordable housing net assets (note 3)	<u>7,388,712</u>	<u>57,372,664</u>	<u>64,761,376</u>	<u>-</u>
Excess of revenue over expenses	<u>\$ 8,344,834</u>	<u>\$ 61,496,413</u>	<u>\$ 69,841,247</u>	<u>\$ 52,107</u>

These accompanying notes are an integral part of these financial statements.

# HomeSpace Society

(formerly Calgary Community Land Trust Society)

## Statement of Changes in Fund Balances

Year Ended March 31, 2017

	Internally restricted - net investment in property and equipment	Internally restricted - net investment in property held for affordable housing	Externally restricted	Unrestricted	Total
Fund balances, March 31, 2015	\$ -	\$ 3,845,734	\$ 458,440	\$ 121,724	\$ 4,425,898
Excess (deficiency) of revenue over expenses	-	(46,758)	10,667	88,198	52,107
Forgiveness of loan payable	<u>-</u>	<u>10,667</u>	<u>(10,667)</u>	<u>-</u>	<u>-</u>
Fund balances, March 31, 2016	-	3,809,643	458,440	209,922	4,478,005
Excess of revenue over expenses before conveyance	(1,768)	(556,664)	4,680,413	957,890	5,079,871
Conveyance of affordable housing net assets	-	53,503,164	3,869,500	7,388,712	64,761,376
Property and equipment additions	7,072	-	-	(7,072)	-
Property held for affordable housing additions	-	3,453,303	-	(3,453,303)	-
Repayment of mortgages payable	-	140,517	(140,517)	-	-
Forgiveness of loans payable	-	44,758	(44,758)	-	-
Proceeds from loans payable	-	(133,115)	133,115	-	-
Repayment of loans payable	<u>-</u>	<u>130,000</u>	<u>(130,000)</u>	<u>-</u>	<u>-</u>
Fund balances, March 31, 2017	<u>\$ 5,304</u>	<u>\$ 60,391,606</u>	<u>\$ 8,826,193</u>	<u>\$ 5,096,149</u>	<u>\$ 74,319,252</u>

These accompanying notes are an integral part of these financial statements.

# HomeSpace Society

(formerly Calgary Community Land Trust Society)

## Statement of Cash Flows

Year Ended March 31, 2017

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	2017	2016
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 69,841,247	\$ 52,107
Add (deduct) items not affecting cash:		
Amortization	558,432	46,758
Forgiveness of loan payable (note 7)	(44,758)	(10,667)
Conveyance of affordable housing net assets	<u>(51,757,884)</u>	<u>-</u>
	18,597,037	88,198
Changes in non-cash working capital	<u>(268,892)</u>	<u>(2,758)</u>
Cash provided from operating activities	<u>18,328,145</u>	<u>85,440</u>
Financing activities		
Repayments of mortgage, net	(140,517)	-
Proceeds from loans payable	133,115	-
Repayment of loans payable	<u>(130,000)</u>	<u>-</u>
Cash provided from financing activities	<u>(137,402)</u>	<u>-</u>
Investing activities		
Property and equipment additions	(7,072)	-
Property held for affordable housing additions	<u>(3,453,303)</u>	<u>-</u>
Cash used in investing activities	<u>(3,460,375)</u>	<u>-</u>
Cash inflow	14,730,368	85,440
Cash, beginning of year	<u>691,531</u>	<u>606,091</u>
Cash, end of year	<u>\$ 15,421,899</u>	<u>\$ 691,531</u>

These accompanying notes are an integral part of these financial statements.

# HomeSpace Society

(formerly Calgary Community Land Trust Society)

## Notes to Financial Statements

March 31, 2017

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### 1. Nature of operations

HomeSpace Society ("the Society") (formerly Calgary Community Land Trust Society) was incorporated under the *Alberta Societies Act* on June 19, 2003. The Society is a not-for-profit organization and a registered charity and is exempt from income taxes under the *Income Tax Act*. The Society's mission is to creatively apply expertise to increase and manage the number of affordable and specialized housing units in Calgary.

The Charitable Fundraising Regulation of Alberta applies to the Society and the Society has considered all required disclosures under Section 7(2) of the Act in preparing these financial statements.

### 2. Significant accounting policies

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

#### (a) Fund accounting

The Society follows the restricted fund method for accounting for contributions.

The Operating Fund is an unrestricted fund that contains the assets, liabilities, revenue and expenses related to the Society's operating activities, the operation of affordable housing and special events.

The Project Fund is a restricted fund that contains the assets, liabilities, revenue and expenses related to the Society's projects and initiatives and the acquisition of real estate property for affordable housing.

#### (b) Revenue recognition

Restricted contributions related to a restricted fund are recognized as revenue of the appropriate restricted fund when received or when future receipt of cash is guaranteed by a funding agreement. Restricted contributions to the Operating Fund are deferred and amortized to revenue when the related expenditures are incurred. Unrestricted contributions in the Operating Fund and contributions in the Project Fund are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted investment income is recognized as revenue in the Operating fund.

Rental revenue related to the provision of affordable housing is recognized when received.

# HomeSpace Society

(formerly Calgary Community Land Trust Society)

## Notes to Financial Statements

March 31, 2017

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(c) Property held for affordable housing

The Society acquires and constructs real estate properties that are to be used as affordable housing in current and future years. These properties are held as ongoing investments in affordable housing and are stated at cost less accumulated amortization. Cost includes all expenditures incurred in connection with the acquisition of real estate property including all direct costs. Major capital improvements and replacements are capitalized and amortized over the term appropriate to the expenditure.

The purchase price of assets held for affordable housing is allocated to land and building. Contributed land is recorded at fair value at the date of contribution.

Buildings included in assets held for affordable housing are amortized over the estimated life of 40 years on a straight-line basis. In the year of acquisition, the assets are amortized at one-half the normal rate.

Assets held for affordable housing are evaluated for impairment when events or circumstances indicate its carrying value may not be recoverable. Any impairment is measured by comparing the carrying value of the assets to the fair value, based on the present value of future cash flows expected to be generated by the assets.

(d) Property and equipment

Purchased property and equipment are recorded at cost and are amortized over the estimated useful life on a straight-line basis as follows:

Computer Equipment	2 Years
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In the year of acquisition, the assets are amortized at one-half of the normal rate.

Property and equipment is evaluated for impairment when events or circumstances indicate its carrying value may not be recoverable. Any impairment is measured by comparing the carrying value of the assets to the fair value, based on the present value of future cash flows expected to be generated from the assets.

(e) Measurement uncertainty

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 liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

# HomeSpace Society

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## Notes to Financial Statements

March 31, 2017

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The valuation of property held for affordable housing is based on management's best estimates of the future recoverability of these assets and the determination of costs subject to classification as property held for affordable housing. The amounts recorded for amortization of the property held for affordable housing are based on management's best estimates of the remaining useful lives and period of future benefit of the related assets.

Amounts accrued as receivable pursuant to various funding contracts associated with Society's programs are based on management's best estimates of the amounts to be received for the periods in question upon the actual finalization of the associated claims and/or contract processes.

By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

(f) Financial instruments

*Measurement*

The Society initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions that are measured at the exchange amount.

The Society subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable and deposits in trust for real estate acquisitions.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, tenant deposits, mortgages payable and loans payable.

*Impairment*

Financial assets measured at cost or amortized cost are tested for impairment, at the end of each year, to determine whether there are indicators that the asset may be impaired. The amount of the write-down, if any, is recognized in excess of revenue over expenditures. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost. The amount of the reversal is recognized in excess of revenue over expenditures.

# HomeSpace Society

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## Notes to Financial Statements

March 31, 2017

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### *Transaction costs*

Financial instruments, that are subsequently measured at cost or amortized cost, are adjusted by the transaction costs and financing fees that are directly attributable to their origination, issuance or assumption. Long-term debt is also reduced by financing fees and any debt premiums or discounts. The Society uses the effective interest method to amortize these adjustments to long-term debt.

(g) Contributed goods and services

Donations of materials and services are recognized when the fair value can be reasonably estimated and the materials and services are used in the normal course of operations. Donations of legal services related to the acquisition of real estate provided on a pro-bono basis are not recorded as the amounts cannot be reasonably estimated.

(h) Deposits in trust for real estate acquisitions

Deposits in trust for real estate acquisitions include all payments made for properties whose purchases have not yet been finalized. Deposits are held in trust by solicitors for the Society. The amount is applied to the purchase price upon closing or is refunded if the purchase does not close.

3. Conveyance of affordable housing net assets

On September 30, 2016, the Society received property held for affordable housing and the associated cash, receivables, payables, mortgages, loans, deposits, tenant and grant agreements from the Calgary Homeless Foundation (the "Foundation") a separately registered charity with its own Board of Directors, management and office. The Society focuses on housing solutions for ending homelessness, while the Foundation continues its leadership role within Calgary's Plan to End Homelessness, serving as the system planner for Calgary's homeless-serving system of care. The gift from the Foundation resulted in revenue of \$64.8 million consisting of the following:

Cash	\$	13,003,492
Net working capital		(1,745,280)
Property held for affordable housing		58,135,060
Mortgages and loan		<u>(4,631,896)</u>
	\$	<u>64,761,376</u>

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## Notes to Financial Statements

March 31, 2017

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The Foundation remains one of the nine participating agencies in the RESOLVE campaign to fundraise capital for affordable housing. On September 30, 2016, the Foundation and the Society entered into agreements assigning the funds raised for the Foundation through the RESOLVE campaign to the Society (the “benefits”). The agreements specify that the Society is the registered owner and trustee of the properties for which RESOLVE is fundraising (the “RESOLVE assets”). In return for transferring the benefits and the RESOLVE assets, the Foundation is the beneficial owner of the RESOLVE assets with a net book value of \$49.6 million. The beneficial ownership of the RESOLVE assets will not transfer to the Society until the last pledge is received and the obligations of the RESOLVE campaign and the associated gift agreements have expired or terminated.

#### 4. Property held for affordable housing

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>
Land	\$ 19,185,273	\$ -	\$ 19,185,273	\$ 2,398,500
Building	51,664,364	6,041,295	45,623,069	1,483,143
	<u>\$ 70,849,637</u>	<u>\$ 6,041,295</u>	<u>\$ 64,808,342</u>	<u>\$ 3,881,643</u>

#### 5. Property and equipment

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>
Computer Equipment	<u>\$ 7,072</u>	<u>\$ 1,768</u>	<u>\$ 5,304</u>	<u>\$ -</u>

#### 6. Mortgages payable

	<b>March 31, 2017</b>	<b>March 31, 2016</b>
Mortgage payable for the Bowness (Longbow) property bearing interest at a rate of 3.10% per annum, payable in monthly principal and interest instalments totalling \$4,405, maturing in fiscal 2018 and secured by the Bowness property having a carrying value of \$2,811,223.	\$ 759,485	\$ -
Mortgage payable for the Capitol Hill (Francis) property bearing interest at a rate of 3.25% per annum, payable in monthly principal and interest instalments totalling \$4,652, maturing in fiscal 2018 and secured by the Capitol Hill property having a carrying value of \$3,112,238.	794,610	-

# HomeSpace Society

(formerly Calgary Community Land Trust Society)

## Notes to Financial Statements

March 31, 2017

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	March 31, 2017	March 31, 2016
Mortgage payable for the Bankview property bearing interest at a rate of 2.54% per annum, payable in monthly principal and interest instalments totalling \$5,120, maturing in 2023 and secured by the Bankview property having a carrying value of \$3,710,953.	948,396	-
Mortgage payable for the Crescent Heights property bearing interest at a rate of 2.54% per annum, payable in monthly principal and interest instalments totalling \$2,168, maturing in fiscal 2023 and secured by the Crescent Heights property having a carrying value of \$1,523,123.	398,862	-
Mortgage payable for the Lower Mount Royal (Croydon) property bearing interest at a rate of 3.45% per annum, payable in monthly principal and interest instalments totalling \$2,715, secured by the Lower Mount Royal property having a carrying value of \$2,103,276. The loan matured in fiscal 2017, however the Society is continuing to make payments consistent with the previous terms and is renegotiating the maturity date with the bank as at May 18, 2017.	469,944	-
Mortgage payable for the Thorncliffe property bearing interest at a rate of 2.54% per annum, payable in monthly principal and interest instalments totalling \$3,359, maturing in fiscal 2023, and secured by the Thorncliffe property having a carrying value of \$2,245,331.	<u>622,174</u>	<u>-</u>
	3,993,471	-
Less: Portion due within one year	<u>(1,337,082)</u>	<u>-</u>
Balance, end of year	<u>\$ 2,656,389</u>	<u>\$ -</u>

Assuming that the mortgages are not renewed at the maturity date, the estimated principal payments due are as follows:

2018	\$ 1,337,082
2019	844,916
2020	83,001
2021	85,120
2022	87,298
Subsequent to 2022	<u>1,556,054</u>
	<u>\$ 3,993,471</u>

Total interest paid on mortgages payable during the year was \$50,799.

# HomeSpace Society

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## Notes to Financial Statements

March 31, 2017

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All of the mortgages payable are guaranteed by the Foundation (note 8).

In May 2016, the Society renegotiated its line of credit in the amount of \$5 million with a major Canadian financial institution to finance land purchases for various properties in Calgary. The line of credit bears interest at 2.06% per annum subject to change on the date of the advance and replaces the Society's existing line of credit. At March 31, 2017, \$NIL had been drawn on the line of credit.

### 7. Loans payable

The loans are payable to Canadian Mortgage and Housing Corporation (CMHC). The Sunalta loan is an unsecured, non-interest bearing loan granted for the purpose of developing affordable housing which was expended on the Sunalta Lodging House. This loan is forgivable over 11 years. The Kootenay Lodge loan is a non-interest bearing loan granted for the purpose of developing affordable housing. This loan is forgivable over 15 years. Funds for the development of Prelude and South Calgary properties were received in the year and up to 35% of those funds may be forgiven if rents meet affordability criteria as defined by the CMHC. The loans are unsecured, non-interest bearing and are to be repaid out of the project's capital financing.

	March 31, 2017	March 31, 2016
Sunalta Lodging House	\$ 161,932	\$ -
Kootenay Lodge	61,333	72,000
Prelude and South Calgary	200,000	-
	<hr/>	<hr/>
	423,265	72,000
Less: Portion Due Within One Year	(130,000)	-
	<hr/>	<hr/>
Balance, End of Year	\$ 293,265	\$ 72,000

### 8. Related party transactions

The Calgary Homeless Foundation (the "Foundation") is related to the Society, as the Foundation guarantees certain liabilities of the Society and is the beneficial owner of certain assets of the Society (note 3).

As a result of the Foundation's beneficial ownership of the RESOLVE assets (note 3):

- The Foundation guarantees the Society's mortgages on the RESOLVE assets totaling \$4.0 million, with maturity dates ranging from May 1, 2017 to June 1, 2022, a current portion of \$1.3 million, interest rates ranging from 2.54% to 3.45%, secured by assets with a net book value of \$15.5 million.
- The Foundation guarantees the Society's \$5 million evergreen line of credit facility to finance land purchases, bearing interest at 2.06%, of which \$NIL has been drawn as of March 31, 2017.

There are no significant differences in the accounting policies of the Foundation and the Society.

# HomeSpace Society

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March 31, 2017

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Accounts receivable includes \$58,711 (2016 - \$NIL) from the Foundation related to amounts paid by the Society on the Foundation's behalf and accounts payable and accrued liabilities includes \$NIL (2016 - \$12,074) due to the Foundation. Amounts are non-interest bearing and payable on demand.

### 9. Commitments and contingencies

The Foundation entered into a lease agreement on May 14, 2015 for \$1 with the Government of Alberta for premises which expires on March 31, 2020. The fair value of the donated rent during 2017 was not considered material to the users of the financial statements.

As part of a \$4.1M funding agreement with Persons with Developmental Disabilities Calgary Region Community Board (PDD), the Society is required to maintain ownership and control of each of the housing units referenced in the agreement for a period of 20-30 years. If the Society transfers ownership of these properties before this time PDD may require a repayment of a portion of the total proceeds that declines as the length of ownership increases.

### 10. Financial instruments

The Society is exposed to the following significant financial risks:

#### (a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society does not have a concentration of credit exposure with any one party. The Society does not consider itself exposed to undue credit risk.

The Society is exposed to credit risk relating to cash. The risk is mitigated as cash is deposited with major Canadian financial institutions.

The Society is exposed to credit risk relating to accounts receivable, which is influenced by the individual characteristics of each customer. The majority of the accounts receivable are from donors and government agencies. The Society limits its exposure to credit risks by dealing with only credit worthy organizations. Management does not expect any debtors to fail in meeting their obligations.

#### (b) Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society manages its liquidity risk through cash and debt management.

# HomeSpace Society

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## Notes to Financial Statements

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(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society is exposed to interest rate risk to the extent of any upward revision in prime lending-rates. The Society attempts to mitigate this risk by limiting the debt assumed and entering into medium-term mortgages.

(d) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Society is subject to price risk in the value of donated shares on the date of sale compared to the date of donation. The Society mitigates this risk by selling all shares upon release to the Society in an effort to ensure that price on date of sale does not materially differ from the price on transfer.

11. Statutory disclosures

As required under Section 7(2) of the Charitable Fundraising Regulation of Alberta, the Society is required to disclose amounts paid as remuneration to employees whose principal duties involve fundraising and direct costs incurred for the purposes of soliciting contributions. No such fundraising activities took place during the year ended March 31, 2017.

12. Subsequent events

In April 2017, the Society paid a deposit of \$25,000 for a residential purchase contract for the land and buildings located at 719 - 5 Street NE. The purchase price is \$935,000 and the contract is scheduled to be completed on December 7, 2017.

In May 2017, the Society paid a deposit of \$25,000 for a residential purchase contract for the land and buildings located at 2520 - 17 Avenue SW. The purchase price is \$725,000 and the contract is scheduled to be completed on December 18, 2017.

13. Comparative amounts

Certain amounts have been reclassified to conform to the current year's presentation.