

CARYA SOCIETY OF CALGARY
Financial Statements
Year Ended December 31, 2015



INDEPENDENT AUDITOR'S REPORT

To the Directors of Carya Society of Calgary

We have audited the accompanying financial statements of Carya Society of Calgary, which comprise the statement of financial position as at December 31, 2015, the statement of operations, changes in fund balances and cash flow 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.

Auditor's 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 auditor's 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 qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the Society derives revenue from charitable donations and volunteer services, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments might have been necessary to contributions, excess (deficiency) of revenues over expenses, current assets and net assets.

Qualified Opinion

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the contributions referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of Carya Society of Calgary as at December 31, 2015 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.


CHARTERED ACCOUNTANTS AND
CHARTERED BUSINESS VALUATORS

Calgary, Alberta
March 22, 2016

CARYA SOCIETY OF CALGARY
Statement of Financial Position
As at December 31, 2015

	Operating Fund	Program Technology Fund	Capital Reserve Fund	Total December 31 2015	Total December 31 2014
Assets					
Current					
Cash and cash equivalents (Note 3)	\$ 1,681,832	\$ -	\$ -	\$ 1,681,832	\$ 1,871,208
Investments (Note 4)	356,950	1,379,890	263,160	2,000,000	2,000,000
Accounts receivable (Note 5)	465,936	-	-	465,936	254,412
Prepaid expenses	85,384	-	-	85,384	91,713
	2,590,102	1,379,890	263,160	4,233,152	4,217,333
Property and equipment (Note 6)	4,737	15,716	9,884	30,337	44,207
	\$ 2,594,839	\$ 1,395,606	\$ 273,044	\$ 4,263,489	\$ 4,261,540
Liabilities					
Current					
Accounts payable and accrued liabilities	\$ 163,136	\$ -	\$ -	\$ 163,136	\$ 234,588
Grants received in advance (Note 7)	1,104,070	-	-	1,104,070	1,104,070
Deferred revenue (Note 8)	1,245,946	-	-	1,245,946	1,440,748
Deferred contributions related to property and equipment (Note 9)	-	-	9,883	9,883	14,276
Deferred contributions related to rent (Note 10)	-	191,283	-	191,283	191,283
	2,513,152	191,283	9,883	2,714,318	2,984,965
Commitments (Note 11) Contingencies (Note 12)					
Fund balances	81,687	1,204,323	263,161	1,549,171	1,276,575
	\$ 2,594,839	\$ 1,395,606	\$ 273,044	\$ 4,263,489	\$ 4,261,540

Approved by the Board:

 , Director

 , Director



See accompanying notes

CARYA SOCIETY OF CALGARY
Statement of Operations
Year Ended December 31, 2015

	Operating Fund	Program Technology Fund	Capital Reserve Fund	Total December 31 2015	Total December 31 2014
	<i>(Schedule)</i>				
Revenues					
United Way Grant	\$ 2,223,866	\$ -	\$ 4,393	\$ 2,228,259	\$2,129,788
United Way Donor	39,133	21,318	-	60,451	20,829
Federal Government	1,034,914	-	-	1,034,914	341,138
Provincial Government	511,991	-	-	511,991	503,660
Family Community Support Services	4,416,280	-	-	4,416,280	4,416,281
Child and Family Services	630,485	-	4,783	635,268	621,873
Alberta Health Services	-	-	-	-	87,911
Client fees	122,667	5,246	-	127,913	129,929
Memberships	-	175	-	175	418
Charitable donations	69,657	226,031	-	295,688	207,498
Casino	74,296	-	-	74,296	28,656
Other	757,322	119,466	-	876,788	943,765
Interest	-	17,748	3,677	21,425	23,753
	9,880,611	389,984	12,853	10,283,448	9,455,499
Expenditures					
Amortization	743	9,430	9,177	19,350	12,319
Benefits	963,533	16,111	-	979,644	923,153
Building occupancy	740,012	10,281	-	750,293	672,424
Community relations	28,767	36,498	-	65,265	45,386
Contracted services	815,231	24,968	-	840,199	756,150
Office expenses	222,713	1,580	-	224,293	202,367
Program expenses	217,068	223	-	217,291	221,254
Recruitment	5,825	1,404	-	7,229	9,476
Salaries and wages	6,441,848	94,758	-	6,536,606	6,331,154
Staff development	100,903	3,647	-	104,550	112,400
Travel	262,281	3,851	-	266,132	273,448
	9,798,924	202,751	9,177	10,010,852	9,559,531
Excess (deficiency) of revenue over expenditures	\$ 81,687	\$ 187,233	\$ 3,676	\$ 272,596	\$ (104,032)



CARYA SOCIETY OF CALGARY
Statement of Changes in Fund Balances
Year Ended December 31, 2015

	Operating Fund	Program Technology Fund	Capital Reserve Fund	Total December 31 2015	Total December 31 2014
Balance, beginning of year	\$ -	\$ 1,017,090	\$ 259,485	\$ 1,276,575	\$ 1,380,607
Excess (deficiency) of revenue over expenditures	81,687	187,233	3,676	272,596	(104,032)
Balance, end of year	\$ 81,687	\$ 1,204,323	\$ 263,161	\$ 1,549,171	\$ 1,276,575



CARYA SOCIETY OF CALGARY
Statement of Cash Flows
Year Ended December 31, 2015

	Operating Fund	Program Technology Fund	Capital Reserve Fund	Total December 31 2015	Total December 31 2014
Operating activities					
Excess (deficiency) of revenue over expenditures	\$ 81,687	\$ 187,233	\$ 3,676	\$ 272,596	\$ (104,032)
Amortization	743	9,430	9,177	19,350	12,319
Amortization of deferred contribution	-	-	(4,393)	(4,393)	(54,385)
Changes in non-cash operating working capital (Note 13)	(471,449)	-	-	(471,449)	490,207
	(389,019)	196,663	8,460	(183,896)	344,109
Investing activities					
Purchase of property and equipment	(5,480)	-	-	(5,480)	(28,290)
Proceeds from sale of investment	562,073	1,183,227	254,700	2,000,000	2,000,000
Purchase of investment	(356,950)	(1,379,890)	(263,160)	(2,000,000)	(2,000,000)
	199,648	(196,663)	(8,460)	(5,480)	(28,290)
Increase (decrease) in cash	(189,376)	-	-	(189,376)	315,819
Cash, beginning of year	1,871,208	-	-	1,871,208	1,555,389
Cash, end of year	\$ 1,681,832	\$ -	\$ -	\$ 1,681,832	\$ 1,871,208

CARYA SOCIETY OF CALGARY

(Schedule) Statement of Operations – Operating Fund

Year Ended December 31, 2015

	Counseling and Supplementary Programs														Total						
	Older Adults	Seniors Programs	APC	Critical Hours	Prime Time	Volunteer	In-Sync	Adoption	Inner City	Starburst	Sirius Girls	Family Connector	Act Out	Urgent Care		Early Literacy	Families Helping Families	UW Counseling	NPCPC	Misc	
Revenue																					
United Way Grant	95,475								262,216	126,011	152,108	54,980	114,129	257,867	55,932	1,080,508			24,639	2,223,866	
United Way Donor	577							38,557						42,781						39,133	
Provincial Government	446,710																		22,500	511,991	
City of Calgary FCSS	2,909,465				23,056	46,112			70,084											4,416,280	
CFS - Gov't of AB						222,322	218,376	189,787												630,485	
Client Fees	48,922															1,203			42,739	122,667	
Donations	9,035				730				30,187				996			942			28,000	69,657	
Other Income	255,513					200									1,300				196,963	757,322	
Casino																				74,296	
Federal Government	200,886																		834,028	1,034,914	
Total Revenue	3,966,583		1,148,215	148,156	243,458	23,056	268,634	218,376	189,787	401,043	152,108	54,980	115,888	301,948	55,932	1,243,772	834,028	389,138		9,890,611	
Expenses																					
Compensation	2,711,744		750,914	98,740	173,683	18,101	190,219	168,739	133,395	267,294	98,781	115,420	46,001	93,107	238,745	18,587	844,427	267,128	206,821	6,441,848	
Benefits	409,829		129,355	17,686	22,790	2,889	22,282	21,539	18,884	49,250	8,674	15,217	3,549	9,099	34,200	1,761	130,043	37,901	28,586	963,533	
Recruitment	618			162	321	21	257	209	403	248	107	213	70	150	198	172	1,902	527	247	5,825	
Travel	104,286		22,840	4,260	10,974	382	20,902	2,814	3,112	10,456	3,504	3,294	195	3,167	675	362	48,925	12,109	10,026	262,281	
Staff Development	34,379		8,848	606	1,898	110	4,031	3,483	3,282	3,006	387	3,588	253	542	2,470	623	4,596	12,022	16,780	100,903	
Building Occupancy	312,492		149,919	3,890	10,925	497	15,041	13,863	9,679	13,612	2,567	5,102	1,682	3,598	4,760	4,136	113,316	39,764	35,169	740,012	
Contracted Services	180,697		36,413	2,346	12,885	394	4,535	3,542	5,394	7,728	2,204	3,134	363	1,598	9,496	5,818	49,271	451,871	37,541	815,231	
Program Expense	56,649		12,913	18,130	5,085	380	6,659	715	3,742	42,274	7,965	3,154	1,084	2,159	8,494	22,122	5,674	3,446	16,422	217,068	
Community Relations	13,361		2,701	281	936	32	1,157	507	650	481	259	411	109	654	307	267	4,041	1,973	639	28,767	
Office Expense	90,356		34,312	2,054	3,961	250	3,551	2,965	11,246	6,694	1,563	2,573	1,675	1,814	2,603	2,086	41,076	7,287	7,391	223,456	
Total Expense	3,914,412		1,148,215	148,156	243,458	23,056	268,634	218,376	189,787	401,043	126,011	54,980	115,888	301,948	55,932	1,243,772	834,028	359,622		9,798,924	
Net Income	52,171																			29,516	81,687

Purpose of Organization

Carya Society of Calgary (the "Society") is a regional organization operating programs to provide Calgary's diverse population with high quality, innovative counselling and caregiving services. The Society is a not-for-profit organization incorporated under the Societies Act of the Province of Alberta and is a registered charity under the Income Tax Act. The programs provided by the Society aim to enhance individual and family relationships, help children reach their full potential, engage older adults in their communities, and assist vulnerable citizens so that they may maintain their dignity and respect. Individuals, families and communities turn to the Society for support and solutions through childhood, adulthood and elderhood. Funding comes from various donors including other not-for-profit organizations, the Federal Government, the Provincial Government, the City of Calgary and other charitable donations.

During the year, the Society legally changed their name from Calgary Family Services Society to Carya Society of Calgary.

1. Significant Accounting Policies

Basis of presentation

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of excess revenues over expenditures during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Areas of estimates include the determination of an allowance for doubtful accounts, provisions for amortization and accrued liabilities.

Fund accounting

Carya Society of Calgary follows the restricted fund method of accounting for contributions.

The Operating Fund reports revenues and expenses associated with program delivery and administration activities.

The Program Technology Fund reports on funds that have been restricted for the purpose of non-funded agency programs and for acquiring and upgrading operating systems and related technical support.

The Capital Reserve Fund reports on funds that have been allocated to the program for future expansion

Cash and cash equivalents

Cash and cash equivalents include the amounts held in bank deposits and current accounts maintained by the Society. Any amounts included as cash and cash equivalents will have a maturity of 90 days or less from inception.

Restricted cash consists of amounts that are earned from Casinos. These amounts are restricted for the purpose of paying AGLC approved use of proceeds.

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1. Significant Accounting Policies *(continued)*

Investments

Investments which consist of guaranteed investment certificates (GICs) with maturities of less than one year are held at cost.

Revenue recognition

Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when they are received or become receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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

Fees for services rendered are recorded on an accrual basis. Such revenue is recorded in the accounts during the period in which the service is rendered by the Society and the corresponding account receivable is also recorded at that time.

Deferred revenue

Revenue is deferred in the operating fund when it relates to externally restricted funds received in the current period that should be recognized in future periods.

Property and equipment

Purchased property and equipment are recorded in the fund that best represents the type of asset purchased and are presented at amortized cost. Contributed property and equipment is recorded in the Capital Reserve Fund at fair value at the date of contribution. Property and equipment are amortized over their estimated useful lives using the following rates and methods:

Leasehold improvements	Term of the lease	straight-line method
Software licenses	3 years	straight-line method

The Society regularly reviews its property and equipment to eliminate obsolete items. Government grants are treated as a reduction of property and equipment cost.

Donated services

Volunteers contribute a significant amount of their time each year to the Society's activities. Due to the difficulty in determining the fair value of contributed services of this nature, no related amount is recognized in the financial statements.

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1. Significant Accounting Policies (continued)**Financial instruments policy***Initial and subsequent measurement*

The Society initially measures its financial assets and liabilities at fair value.

The Society subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are valued at fair value. Changes in the fair value of these financial instruments are recognized in the excess of revenues over expenditures in the period incurred.

Financial assets measured at amortized cost include cash, accounts receivable and investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Transaction costs

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in excess of revenues over expenditures in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in the excess of revenues over expenditures over the life of the instrument using the straight-line method.

Impairment

For financial assets measured at cost or amortized cost, the Society determines whether there are indications of possible impairment. When there is an indication of impairment, and the Society determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in the excess of revenue over expenditures. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the excess of revenues over expenditures.

2. Financial Instrument Risk

The Society is exposed to various risks through its financial instruments. The following analysis provides information about the Society's risk exposure and concentration as of December 31, 2015.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk from customers. The Society has a significant number of customers which minimizes the concentration of credit risk. The Society also has a concentration of credit risk related to all cash being held by one financial institution.

Market risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Society is mainly exposed to interest rate risk.

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2. Financial Instrument Risk (continued)

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. In seeking to minimize the risks from interest rate fluctuations, the Society manages exposure through its normal operating and financing activities. The Society is exposed to interest rate risk primarily through its GIC investments.

3. Cash and Cash Equivalents

Cash and cash equivalents contain amounts that have been restricted by AGLC. At December 31, 2015 the Society's cash consisted of:

	2015	2014
General operating	\$ 1,677,415	\$ 1,794,633
AGLC restricted cash	4,417	76,575
	<u>\$ 1,681,832</u>	<u>\$ 1,871,208</u>

4. Investments

The Society's investment consists of a redeemable GIC that matures on May 19, 2016. The GIC bears interest at 1% per annum.

5. Accounts Receivable

	2015	2014
Third party caregiving and counselling	\$ 415,250	\$ 197,704
Interest receivable	12,384	15,959
Goods and service tax recoverable	38,302	40,749
	<u>\$ 465,936</u>	<u>\$ 254,412</u>

6. Property and Equipment

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Leasehold improvements	\$ 121,049	\$ 106,428	\$ 14,621	\$ 19,060
Software licenses	28,290	12,574	15,716	25,147
	<u>\$ 149,339</u>	<u>\$ 119,002</u>	<u>\$ 30,337</u>	<u>\$ 44,207</u>

CARYA SOCIETY OF CALGARY
Notes to Financial Statements
Year Ended December 31, 2015

7. Grants Received in Advance

Grants received in advance represent funds received prior to the balance sheet date which are designated for use in subsequent periods.

	2015	2014
City of Calgary grant	\$ 1,104,070	\$ 1,104,070

Grants received in advance summarized by program are as follows:

	2015	2014
<i>Programs</i>		
Area Preventive/ Youth Counselling	\$ 271,352	\$ 271,352
Older Adults	735,866	735,866
Supplementary Youth Programs	96,852	79,560
Volunteer Coordinator	-	17,292
	\$ 1,104,070	\$ 1,104,070

8. Deferred Revenue

Deferred revenue represents funding for specific programs for which related expenses have not been incurred as at the balance sheet date.

	2015	2014
Changes in deferred revenue are as follows:		
Balance, beginning of period	\$ 1,440,748	\$ 1,053,009
Deferred contributions	1,704,014	2,337,608
Transferred to revenue	(1,898,816)	(1,949,869)
	\$ 1,245,946	\$ 1,440,748

Deferred revenue summarized by program are as follows:

	2015	2014
<i>Program</i>		
Administration	\$ 97,473	\$ 262,355
Counselling and Supplementary	280,042	406,469
Multi Generational/ Community Development	621,444	389,621
Older Adults	117,894	315,274
Restricted donations	129,093	67,029
	\$ 1,245,946	\$ 1,440,748

9. Deferred Contributions Related to Property and Equipment

Deferred contributions related to property and equipment represent purchases of property and equipment to outfit the Society's office premises.

	2015	2014
Beginning balance	\$ 14,276	\$ 18,670
Recognized in current period	(4,393)	(4,394)
Balance, end of period	<u>\$ 9,883</u>	<u>\$ 14,276</u>

10. Deferred Contributions Related to Rent

Deferred contributions related to rent are related to funds that have been identified by management as a source of funds to subsidize rent if required.

	2015	2014
Balance, beginning of period	\$ 191,283	\$ 241,274
Recognized in current period	-	(49,991)
Balance, end of period	<u>\$ 191,283</u>	<u>\$ 191,283</u>

11. Commitments

The Society has the following commitments at December 31, 2015.

The Society entered into an agreement on December 8, 2008 to lease its administrative offices until March 31, 2020. Minimum monthly payments are \$28,740.

The Society has also entered into a three year lease agreement for its vehicle. The lease expires on August 14, 2017. Minimum monthly lease payments are \$346.

Contractual obligation payment schedule:

2016	\$ 349,044
2017	347,655
2018	344,887
2019	344,887
2020	86,222
	<u>\$ 1,472,695</u>

12. Contingencies

The Society is currently a defendant in a legal suit that has been brought against them. The maximum amount of damages that could be awarded to the plaintiff is \$10,000 in punitive damages and \$81,000 for other categories of damages. It is management's understanding that the Society would only be liable for punitive damages, while insurance would cover any other settlement amounts. Management believes that the case for punitive damages brought against the Society has no merit, and the Society is vigorously defending itself.

These financial statements do not contain a provision for the above amounts, as the result of the lawsuit cannot be reasonably determined at this time.

CARYA SOCIETY OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2015

13. Changes in Non-Cash Operating Working Capital

	2015	2014
Accounts receivable	\$ (211,524)	\$ 56,288
Prepaid expenses	6,329	(13,382)
Accounts payable and accrued liabilities	(71,452)	59,562
Deferred revenue	(194,802)	387,739
	-	-
	<u>\$ (471,449)</u>	<u>\$ 490,207</u>

14. Comparative Figures

Some of the comparative figures have been reclassified to conform to the current year's presentation.
