

CARYA SOCIETY OF CALGARY
Financial Statements
Year Ended December 31, 2016



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, 2016, 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, 2016 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.



Quadrant
CHARTERED ACCOUNTANTS AND
CHARTERED BUSINESS VALUATORS

Calgary, Alberta
April 12, 2017

CARYA SOCIETY OF CALGARY
Statement of Financial Position
As at December 31, 2016

	General Operating Fund	Program Technology Fund	Capital Reserve Fund	Total December 31 2016	Total December 31 2015
Assets					
Current					
Cash and cash equivalents (Note 3)	\$ 810,412	\$ -	\$ -	\$ 810,412	\$ 1,681,832
Investments (Note 4)	204,687	1,528,500	266,813	2,000,000	2,000,000
Accounts receivable (Note 5)	329,873	-	-	329,873	465,936
Prepaid expenses	105,760	-	-	105,760	85,384
	1,450,732	1,528,500	266,813	3,246,045	4,233,152
Property and equipment (Note 6)	3,622	6,287	5,491	15,400	30,337
	\$ 1,454,354	\$ 1,534,787	\$ 272,304	\$ 3,261,445	\$ 4,261,540
Liabilities					
Current					
Accounts payable and accrued liabilities	\$ 352,640	\$ -	\$ -	\$ 352,640	\$ 163,136
Grants received in advance (Note 7)	-	-	-	-	1,104,070
Deferred revenue (Note 8)	1,054,472	-	-	1,054,472	1,245,946
Deferred contributions related to property and equipment (Note 9)	-	-	5,491	5,491	9,883
Deferred contributions related to rent (Note 10)	-	191,283	-	191,283	191,283
	1,407,112	191,283	5,491	1,603,886	2,714,318
Commitments (Note 11)					
Fund balances	47,242	1,343,504	266,813	1,657,559	1,549,171
	\$ 1,454,354	\$ 1,534,787	\$ 273,304	\$ 3,261,445	\$ 4,261,540

Approved by the Board:

_____, Director _____, Director



See accompanying notes

CARYA SOCIETY OF CALGARY
Statement of Operations
Year Ended December 31, 2016

	General Operating Fund	Program Technology Fund	Capital Reserve Fund	Total December 31 2016	Total December 31 2015
	<i>(Schedule)</i>				
Revenues					
United Way Grant	\$ 2,116,634	\$ -	\$ 4,393	\$ 2,121,027	\$2,228,259
United Way Donor	89,409	15,676	-	105,085	60,451
Federal Government	1,141,634	-	-	1,141,634	1,034,914
Provincial Government	607,275	-	-	607,275	511,991
Family Community Support Services	5,103,735	-	-	5,103,735	4,416,280
Child and Family Services	628,707	-	-	628,707	635,268
Client fees	154,258	-	-	154,258	127,913
Memberships	-	159	-	159	175
Charitable donations	106,063	171,271	-	277,334	295,688
Casino	4,500	-	-	4,500	74,296
Other	990,309	8,041	-	998,350	876,788
Interest	-	16,348	3,652	20,000	21,425
	<u>10,942,524</u>	<u>211,495</u>	<u>8,045</u>	<u>11,162,064</u>	<u>10,283,448</u>
Expenditures					
Amortization	1,115	9,430	4,393	14,938	19,350
Benefits	1,220,167	19,927	-	1,240,094	979,644
Building occupancy	714,943	4,719	-	719,662	750,293
Community relations	48,805	8,369	-	57,174	65,265
Contracted services	914,697	5,680	-	920,377	840,199
Office expenses	239,191	2,883	-	242,074	224,293
Program expenses	268,545	1,638	-	270,183	217,291
Recruitment	4,134	-	-	4,134	7,229
Salaries and wages	7,063,918	97,143	-	7,161,061	6,536,606
Staff development	162,877	-	-	162,877	104,550
Travel	256,890	4,212	-	261,102	266,132
	<u>10,895,282</u>	<u>154,001</u>	<u>4,393</u>	<u>11,053,676</u>	<u>10,010,852</u>
Excess of revenue over expenditures	<u>\$ 47,242</u>	<u>\$ 57,494</u>	<u>\$ 3,652</u>	<u>\$ 108,388</u>	<u>\$ 272,596</u>



CARYA SOCIETY OF CALGARY
Statement of Changes in Fund Balances
Year Ended December 31, 2016

	General Operating Fund	Program Technology Fund	Capital Reserve Fund	Total December 31 2016	Total December 31 2015
Balance, beginning of year	\$ 81,687	\$ 1,204,323	\$ 263,161	\$ 1,549,171	\$ 1,276,575
Inter-fund allocation	(81,687)	81,687			
Excess of revenue over expenditures	47,242	57,494	3,652	108,388	272,596
Balance, end of year	\$ 47,242	\$ 1,343,504	\$ 266,813	\$ 1,657,559	\$ 1,549,171



CARYA SOCIETY OF CALGARY
Statement of Cash Flows
Year Ended December 31, 2016

	General Operating Fund	Program Technology Fund	Capital Reserve Fund	Total December 31 2016	Total December 31 2015
Operating activities					
Excess of revenue over expenditures	\$ 47,242	\$ 57,494	\$ 3,651	\$ 108,388	\$ 272,596
Amortization	1,115	9,430	4,393	14,938	19,350
Amortization of deferred contribution	-	-	(4,393)	(4,393)	(4,393)
Inter-fund transfers	(81,687)	81,687	-	-	-
Changes in non-cash operating working capital (Note 12)	(990,353)	-	-	(990,353)	(471,449)
	(1,023,683)	148,611	3,652	(871,420)	(183,896)
Investing activities					
Purchase of property and equipment	-	-	-	-	(5,480)
Proceeds from sale of investment	356,950	1,379,890	263,160	2,000,000	2,000,000
Purchase of investment	(204,687)	(1,528,501)	(266,812)	(2,000,000)	(2,000,000)
	152,263	(148,611)	(3,652)	-	(5,480)
Increase (decrease) in cash	(871,420)	-	-	(871,420)	(189,376)
Cash, beginning of year	1,681,832	-	-	1,681,832	1,871,208
Cash, end of year	\$ 810,412	\$ -	\$ -	\$ 810,412	\$ 1,681,832



CARYA SOCIETY OF CALGARY

Statement of Operations – Operating Fund (Schedule)

Year Ended December 31, 2016

	Older Adults										Multi Resilience and Community Development										Counseling and Community Outreach									
	The Way In Network	Senior Support	Older Adult Counseling	Senior Outreach	Elder Abuse	Other Older Adult Programs	Community Development	Steinburst	Critical Hours	Stikes Girls	Early Literacy	Other CD Programs	Family Counseling	In Syno	Prime Time	UM Counseling	NCPC	Urgent Care	Other Counseling Programs	Misc	Total									
Revenue																														
United Way Grant	10,000	-	-	7,386	53,500	9,697	57,984	262,216	-	94,000	332,342	5,000	-	-	1,080,508	-	114,129	79,872	10,000	2,116,634										
United Way Donor	-	-	91	-	-	-	89,318	-	-	-	-	-	-	-	-	-	-	-	-	89,318										
Provincial Government	-	173,906	-	-	-	155,044	-	-	-	87,219	-	191,266	-	-	-	-	-	-	-	607,275										
City of Calgary FCS	65,486	424,771	315,813	1,613,556	-	-	732,746	82,670	174,762	-	-	1,462,918	81,590	117,958	-	-	31,465	-	-	5,103,735										
CFS - Gov't of AB	-	-	-	-	-	-	-	-	-	-	-	-	220,042	-	-	-	-	-	-	220,042										
Client Fees	-	24,742	8,473	-	345	-	-	-	-	-	-	57,457	1,210	-	10,730	-	888	408,665	-	628,707										
Donations	-	-	-	2,916	-	-	1,000	14,570	5,640	148	-	15,438	-	-	-	-	50,609	66,350	-	154,258										
Other Income	5,000	-	-	25,640	1,072	135,408	49,949	-	113	5,436	-	10,035	4,500	-	228,360	-	490	272,619	158,223	990,309										
Casino	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,500									
Federal Government	4,003	-	-	-	-	226,324	-	-	-	-	-	18,967	-	-	-	892,339	-	-	-	1,141,634										
Total Revenue	84,489	628,319	324,377	1,649,498	54,717	526,473	841,673	448,774	180,515	94,148	424,997	245,147	1,521,689	302,842	214,594	1,319,618	492,339	146,982	878,109	1,682,223	10,892,523									
Expenses																														
Compensation	57,539	488,091	254,362	1,130,596	40,155	364,296	560,846	290,490	116,070	57,071	295,342	125,362	1,022,903	214,435	171,944	918,959	281,729	110,587	562,988	263	7,063,918									
Benefits	9,348	62,855	31,344	242,483	7,013	58,729	100,828	62,474	27,369	12,911	49,785	11,718	189,566	29,137	19,498	149,336	45,995	14,547	95,233	-	1,220,167									
Recruitment	38	-	303	-	-	149	55	283	109	61	245	147	849	214	148	313	325	99	797	-	4,134									
Travel	2,574	14,008	9,078	27,991	1,132	6,509	30,277	7,968	5,127	1,244	1,576	2,720	27,889	20,905	6,921	44,599	16,598	8,930	21,245	-	256,890									
Staff Development	713	2,559	2,167	9,511	1,372	9,732	10,414	4,021	1,329	627	5,259	2,492	18,505	6,488	2,187	9,920	19,160	487	37,324	18,581	162,877									
Building Occupancy	1,209	22,835	12,865	86,277	-	11,110	54,842	15,904	3,552	1,983	7,963	11,963	198,631	16,570	4,822	106,066	94,744	3,221	61,420	118,966	714,944									
Contracted Services	11,409	5,903	4,337	36,396	1,113	69,682	45,389	9,989	4,522	7,394	14,189	73,067	40,792	8,099	4,229	54,019	484,474	3,854	26,192	914,697										
Program Expense	1,055	4,523	2,891	20,943	3,050	4,647	30,088	49,263	20,613	11,917	43,393	13,065	20,132	3,410	2,491	8,754	3,865	3,643	20,785	-	268,545									
Community Relations	99	196	2,006	29,509	271	614	234	881	292	195	653	670	8,423	600	996	994	1,171	326	2,273	-	48,805									
Office Expense	506	22,409	5,044	66,802	609	1,987	8,700	8,501	1,532	796	6,793	1,923	53,998	3,024	1,959	26,859	4,279	1,278	23,307	-	240,306									
Total Expense	84,489	628,319	324,377	1,649,498	54,717	526,473	841,673	448,774	180,515	94,148	424,997	245,147	1,521,689	302,842	214,594	1,319,618	492,339	146,982	851,543	147,547	10,892,523									
Net Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26,566	20,676	47,242									

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.

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 General Operating Fund reports revenues and expenses associated with program delivery and administration activities along with revenues and expenses for programs that do not have a specific fund.

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.

Investments

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

(continues)



1. Significant Accounting Policies (*continued*)

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 general operating fund when it relates to externally restricted funds received in the current period that should be recognized in future periods and there is no specific fund that the revenue is required to be reported in.

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.

(*continues*)



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, 2016.

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.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its receipt of funds from its funders and other related sources, deferred revenue, deferred contributions and accounts payable.

(continues)



2. Financial Instrument Risk *(continued)*

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.

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, 2016 the Society's cash consisted of:

	2016	2015
General operating	\$ 738,211	\$ 1,677,415
AGLC restricted cash	72,201	4,417
	<u>\$ 810,412</u>	<u>\$ 1,681,832</u>

4. Investments

The Society's investment consists of a redeemable GIC that matures on May 19, 2017. The GIC bears interest at 1% per annum.

5. Accounts Receivable

	2016	2015
Third party caregiving and counselling	\$ 287,982	\$ 415,250
Interest receivable	12,383	12,384
Goods and service tax recoverable	20,530	38,302
Other receivables	8,978	-
	<u>\$ 329,873</u>	<u>\$ 465,936</u>

6. Property and Equipment

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
Leasehold improvements	\$ 121,049	\$ 111,936	\$ 9,113	\$ 14,621
Software licenses	28,290	22,003	6,287	15,716
	<u>\$ 149,339</u>	<u>\$ 133,939</u>	<u>\$ 15,400</u>	<u>\$ 30,337</u>



CARYA SOCIETY OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2016

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.

	2016	2015
City of Calgary grant	\$ -	\$ 1,104,070

Grants received in advance summarized by program are as follows:

	2016	2015
<i>Programs</i>		
Area Preventive/ Youth Counselling	\$ -	\$ 271,352
Older Adults	-	735,866
Supplementary Youth Programs	-	96,852
Volunteer Coordinator	-	-
	<u>\$ -</u>	<u>\$ 1,104,070</u>

8. Deferred Revenue

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

	2016	2015
Changes in deferred revenue are as follows:		
Balance, beginning of period	\$ 1,245,946	\$ 1,440,748
Deferred contributions	1,895,157	1,704,014
Transferred to revenue	(2,086,631)	(1,898,816)
	<u>\$ 1,054,472</u>	<u>\$ 1,245,946</u>

Deferred revenue summarized by program are as follows:

	2016	2015
<i>Program</i>		
Administration	\$ 73,468	\$ 97,473
Counselling and Supplementary	348,889	280,042
Multi Generational/ Community Development	324,352	621,444
Older Adults	39,303	117,894
Restricted donations	268,460	129,093
	<u>\$ 1,054,472</u>	<u>\$ 1,245,946</u>



CARYA SOCIETY OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2016

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.

	<u>2016</u>	<u>2015</u>
Beginning balance	\$ 9,883	\$ 14,276
Recognized in current period	(4,392)	(4,393)
Balance, end of period	<u>\$ 5,491</u>	<u>\$ 9,883</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.

	<u>2016</u>	<u>2015</u>
Balance, beginning of period	\$ 191,283	\$ 191,283
Recognized in current period	-	-
Balance, end of period	<u>\$ 191,283</u>	<u>\$ 191,283</u>

11. Commitments

The Society has the following commitments at December 31, 2016.

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:

2017	\$ 347,655
2018	344,887
2019	344,887
2020	<u>86,222</u>
	<u>\$ 1,123,651</u>

CARYA SOCIETY OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2016

12. Changes in Non-Cash Operating Working Capital

	<u>2016</u>	<u>2015</u>
Accounts receivable	\$ 136,063	\$ (211,524)
Prepaid expenses	(20,376)	6,329
Accounts payable and accrued liabilities	189,504	(71,452)
Deferred revenue	(191,474)	(194,802)
Grants received in advance	<u>(1,104,070)</u>	<u>-</u>
	<u>\$ (990,353)</u>	<u>\$ (471,449)</u>

