

CARYA SOCIETY OF CALGARY
Financial Statements
Year Ended December 31, 2017



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, 2017, the statement of operations, change in fund balances and cash flow for the year then ended, and a summary of significant accounting policy 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.

(continues)

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, 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.

Quadrant
CHARTERED ACCOUNTANTS AND
CHARTERED BUSINESS VALUATORS


Calgary, Alberta
March 28, 2018

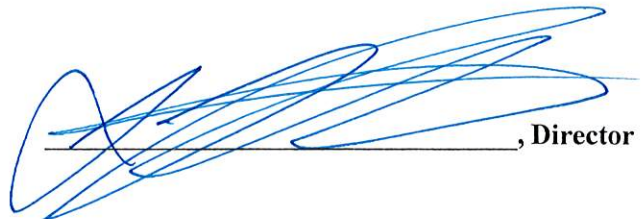


CARYA SOCIETY OF CALGARY
Statement of Financial Position
As at December 31, 2017

	General Operating Fund	Program Technology Fund	Capital Reserve Fund	Total December 31 2017	Total December 31 2016
Assets					
Current					
Cash and cash equivalents (Note 3)	\$ 1,743,383	\$ -	\$ -	\$ 1,743,383	\$ 810,412
Investments (Note 4)	98,833	1,631,032	270,135	2,000,000	2,000,000
Accounts receivable (Note 5)	330,737			330,737	329,873
Prepaid expenses	112,072	-	-	112,072	105,760
	2,285,025	1,631,032	270,135	4,186,192	3,246,045
Property and equipment (Note 6)	2,507	-	1,098	3,605	15,400
	<u>\$ 2,287,532</u>	<u>\$ 1,631,032</u>	<u>\$ 271,233</u>	<u>\$ 4,189,797</u>	<u>\$ 3,261,445</u>
Liabilities					
Current					
Accounts payable and accrued liabilities	\$ 294,477	\$ -	\$ -	\$ 294,477	\$ 352,640
Grants received in advance (Note 7)	1,186,070	-	-	1,186,070	-
Deferred revenue (Note 8)	736,129	-	-	736,129	1,054,472
Deferred contributions related to property and equipment (Note 9)	-	-	1,098	1,098	5,491
Deferred contributions related to rent (Note 10)	-	191,283	-	191,283	191,283
	2,216,676	191,283	1,098	2,409,057	1,603,886
Commitments (Note 11)					
Fund balances	70,856	1,439,749	270,135	1,780,740	1,657,559
	<u>\$ 2,287,532</u>	<u>\$ 1,631,032</u>	<u>\$ 271,233</u>	<u>\$ 4,189,797</u>	<u>\$ 3,261,445</u>

Approved by the Board:

 , Director

 , Director



See accompanying notes

CARYA SOCIETY OF CALGARY
Statement of Operations
Year Ended December 31, 2017

	General Operating Fund	Program Technology Fund	Capital Reserve Fund	Total December 31 2017	Total December 31 2016
	<i>(Schedule)</i>				
Revenues					
United Way Grant	\$ 2,038,910	\$ -	\$ 4,393	\$ 2,043,303	\$2,121,027
United Way Donor	72,670	24,715	-	97,385	105,085
Federal Government	1,099,000	-	-	1,099,000	1,141,634
Provincial Government	614,597	-	-	614,597	607,275
Family Community Support Services	4,871,365	-	-	4,871,365	5,103,735
Child and Family Services	628,707	-	-	628,707	628,707
Client fees	132,982	-	-	132,982	154,258
Memberships	-	230	-	230	159
Charitable donations	200,233	125,458	-	325,691	277,334
Casino	74,189	-	-	74,189	4,500
Other	899,456	13,335	-	912,791	998,350
Interest	1,494	16,678	3,322	21,494	20,000
	<u>10,633,603</u>	<u>180,416</u>	<u>7,715</u>	<u>10,821,734</u>	<u>11,162,064</u>
Expenditures					
Amortization	1,115	6,287	4,393	11,795	14,938
Benefits	1,144,231	17,183	-	1,161,414	1,240,094
Building occupancy	722,880	4,338	-	727,218	719,662
Community relations	58,768	5,847	-	64,615	57,174
Contracted services	920,263	3,389	-	923,652	920,377
Office expenses	172,501	798	-	173,299	242,074
Program expenses	261,488	6,692	-	268,180	270,183
Recruitment	2,305	-	-	2,305	4,134
Salaries and wages	6,921,176	82,472	-	7,003,648	7,161,061
Staff development	89,752	311	-	90,063	162,877
Travel	268,268	4,096	-	272,364	261,102
	<u>10,562,747</u>	<u>131,413</u>	<u>4,393</u>	<u>10,698,553</u>	<u>11,053,676</u>
Excess of revenue over expenditures	<u>\$ 70,856</u>	<u>\$ 49,003</u>	<u>\$ 3,322</u>	<u>\$ 123,181</u>	<u>\$ 108,388</u>



CARYA SOCIETY OF CALGARY
Statement of Changes in Fund Balances
Year Ended December 31, 2017

	General Operating Fund	Program Technology Fund	Capital Reserve Fund	Total December 31 2017	Total December 31 2016
Balance, beginning of year	\$ 47,242	\$ 1,343,504	\$ 266,813	\$ 1,657,559	\$ 1,549,171
Inter-fund allocation	(47,242)	47,242	-	-	-
Excess of revenue over expenditures	70,856	49,003	3,322	123,181	108,388
Balance, end of year	<u>\$ 70,856</u>	<u>\$ 1,439,749</u>	<u>\$ 270,135</u>	<u>\$ 1,780,740</u>	<u>\$ 1,657,559</u>



CARYA SOCIETY OF CALGARY
Statement of Cash Flows
Year Ended December 31, 2017

	General Operating Fund	Program Technology Fund	Capital Reserve Fund	Total December 31 2017	Total December 31 2016
Operating activities					
Excess of revenue over expenditures	\$ 70,856	\$ 49,003	\$ 3,322	\$ 123,181	\$ 108,388
Amortization	1,115	6,287	4,393	11,795	14,938
Amortization of deferred contribution	-	-	(4,393)	(4,393)	(4,393)
Inter-fund transfers	(199,505)	195,852	3,653	-	-
Changes in non-cash operating working capital (Note 12)	802,388	-	-	802,388	(990,353)
	674,854	251,142	6,975	932,971	(871,420)
Investing activities					
Proceeds from sale of investment	356,950	1,379,890	263,160	2,000,000	2,000,000
Purchase of investment	(98,833)	(1,631,032)	(270,135)	(2,000,000)	(2,000,000)
	258,117	(251,142)	(6,975)	-	-
Increase (decrease) in cash	932,971	-	-	932,971	(871,420)
Cash, beginning of year	810,412	-	-	810,412	1,681,832
Cash, end of year	\$ 1,743,383	\$ -	\$ -	\$ 1,743,383	\$ 810,412



CARYA SOCIETY OF CALGARY

(Schedule) Statement of Operations – Operating Fund

Year Ended December 31, 2017

	Older Adults				Multi Resilience and Community Development					Counselling and Community Outreach						Total						
	The Way In Network	Senior Support	Older Adult Counseling	Senior Outreach	Elder Abuse Programs	Other Older Adult Programs	Community Development	Starburst	Critical Hours	Sinus Glis	Bowness Families	Other CD Programs	Family Counseling	In Sync	Prime Time Counseling		UW	NPCPC	Urgent Care	Other Counselling Programs	Misc	
Revenue																						
United Way Grant	-	-	-	155,500	159,000	1,803	47,622	262,216	-	60,000	439,283	1,716	-	-	-	600,000	-	184,000	87,770	-	2,098,910	
United Way Donor	-	-	-	-	-	-	72,670	-	-	-	-	-	-	-	-	-	-	-	-	-	72,670	
Provincial Government	-	235,487	7,500	-	-	143,493	-	-	-	-	-	127,367	-	-	-	-	-	-	-	-	614,597	
City of Calgary FCSS	65,486	224,771	292,568	1,497,520	-	31,625	676,278	90,377	161,459	23,500	77,250	127,367	1,515,458	75,379	158,979	-	81,465	-	-	-	4,871,365	
CFS - Gov't of AB	-	-	-	-	-	-	-	-	-	-	-	-	-	220,042	-	-	-	-	-	-	81,465	
Client fees	-	50,948	13,373	-	-	-	-	-	-	-	-	-	99,092	-	-	-	-	-	408,565	-	628,707	
Donations	-	-	-	1,385	99,380	-	4,322	18,750	-	7,180	1,093	15,762	39,092	40	-	15,407	-	589	13,574	-	132,982	
Other Income	-	-	-	51,280	1,750	32,436	8,240	985	-	5	30,124	25,265	2,930	-	44,861	4,780	-	20,200	24,000	-	200,233	
Casino	-	-	-	-	-	-	-	-	-	-	-	74,189	-	-	-	-	-	48	574,767	121,966	899,456	
Federal Government Interest	-	-	-	-	-	71,114	7,747	-	-	-	-	-	-	-	-	-	923,566	-	96,579	-	74,189	
Total Revenue	65,486	511,206	313,441	1,705,685	300,130	280,471	744,209	444,998	161,459	90,685	547,710	244,299	1,557,500	255,461	203,840	628,349	923,566	286,302	1,205,949	123,459	1,494	10,633,603
Expense:																						
Compensation	47,473	369,809	218,825	1,227,649	218,594	197,474	523,845	299,007	111,345	47,897	382,623	139,347	1,069,809	208,891	146,065	376,240	300,728	217,975	817,580	-	-	6,921,176
Benefits	8,547	48,578	32,736	229,752	31,623	27,988	78,778	49,775	19,101	11,726	51,657	17,123	181,812	32,052	34,383	66,649	50,500	28,481	142,021	-	-	1,144,231
Recruitment	53	-	-	-	455	-	30	-	-	-	-	-	30	379	-	-	496	-	655	-	-	2,305
Travel	1,675	15,681	13,590	36,876	3,976	5,690	20,923	9,025	3,479	2,168	5,747	3,023	25,018	18,107	6,799	25,809	18,776	14,126	37,780	-	-	266,268
Staff Development	111	923	1,921	6,779	5,531	3,028	1,769	3,376	521	272	7,190	520	8,747	1,861	812	11,000	7,202	3,076	25,112	-	-	89,752
Building Occupancy	4,233	13,519	22,707	80,586	13,905	5,315	49,051	13,245	7,691	1,655	28,819	7,842	142,424	13,971	7,406	84,958	35,554	8,144	62,896	118,966	-	772,880
Contracted Services	1,867	7,265	6,277	67,116	15,088	35,620	23,837	24,921	4,303	8,926	30,505	50,418	48,686	6,012	3,253	32,251	499,781	5,958	47,076	-	-	920,263
Program Expense	685	2,470	9,296	16,531	3,687	3,694	33,653	40,897	13,022	15,273	31,775	23,057	17,324	4,364	1,998	15,676	4,927	5,152	18,210	-	-	261,488
Community Relations	325	601	2,354	4,797	2,549	1,520	2,722	1,424	567	2,034	3,749	1,425	16,303	1,276	397	4,544	1,649	1,003	6,030	3,000	-	58,768
Office Expense	517	14,654	4,736	35,600	3,687	143	9,600	3,279	1,424	735	5,645	1,876	47,348	8,530	2,128	11,221	3,955	2,387	14,837	1,494	-	173,616
Total Expense	65,486	473,500	313,441	1,705,685	300,130	280,471	744,209	444,998	161,459	90,685	547,710	244,299	1,557,500	295,461	203,840	628,349	923,566	286,302	1,173,196	123,460	1,494	10,562,747
Net Income	-	37,706	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33,133	-	-	70,856

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, 2017.

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, 2017 the Society's cash consisted of:

	<u>2017</u>	<u>2016</u>
General operating	\$ 1,680,770	\$ 738,211
AGLC restricted cash	62,613	72,201
	<u>\$ 1,743,383</u>	<u>\$ 810,412</u>

4. **Investments**

The Society's investment consists of a redeemable GIC that matures on May 19, 2017. The GIC bears interest at 0.9% per annum.

5. **Accounts Receivable**

	<u>2017</u>	<u>2016</u>
Third party caregiving and counselling	\$ 297,628	\$ 287,982
Interest receivable	12,383	12,383
Goods and service tax recoverable	20,726	20,530
Other receivables	-	8,978
	<u>\$ 330,737</u>	<u>\$ 329,873</u>

6. **Property and Equipment**

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Leasehold improvements	\$ 121,049	\$ 117,444	\$ 3,605	\$ 9,113
Software licenses	28,290	28,290	-	6,287
	<u>\$ 149,339</u>	<u>\$ 145,734</u>	<u>\$ 3,605</u>	<u>\$ 15,400</u>



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.

	2017	2016
City of Calgary grant	\$ 1,186,070	\$ -
	-	-
	<u>\$ 1,186,070</u>	<u>\$ -</u>

Grants received in advance summarized by program are as follows:

	2017	2016
<i>Programs</i>		
Area Preventive/ Youth Counselling	\$ 378,864	\$ -
Older Adults	520,087	-
Supplementary Family Programs	287,119	-
	<u>\$ 1,186,070</u>	<u>\$ -</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.

	2017	2016
Changes in deferred revenue are as follows:		
Balance, beginning of period	\$ 1,054,472	\$ 1,245,946
Deferred contributions	1,404,717	1,895,157
Transferred to revenue	(1,723,060)	(2,086,631)
	<u>\$ 736,129</u>	<u>\$ 1,054,472</u>

Deferred revenue summarized by program are as follows:

	2017	2016
<i>Program</i>		
Administration	\$ 70,468	\$ 73,468
Counselling and Supplementary	232,365	348,889
Multi Generational/ Community Development	204,547	324,352
Older Adults	153,455	39,303
Restricted donations	75,294	268,460
	<u>\$ 736,129</u>	<u>\$ 1,054,472</u>



CARYA SOCIETY OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2017

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>2017</u>	<u>2016</u>
Beginning balance	\$ 5,491	\$ 9,883
Recognized in current period	<u>(4,393)</u>	<u>(4,392)</u>
Balance, end of period	<u>\$ 1,098</u>	<u>\$ 5,491</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>2017</u>	<u>2016</u>
Balance, beginning of period	\$ 191,283	\$ 191,283
Recognized in current period	<u>-</u>	<u>-</u>
Balance, end of period	<u>\$ 191,283</u>	<u>\$ 191,283</u>

11. **Commitments**

The Society has the following commitments at December 31, 2017.

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.

Contractual obligation payment schedule:

2018	\$ 344,887
2019	344,887
2020	<u>86,222</u>
	<u>\$ 775,996</u>

12. **Changes in Non-Cash Operating Working Capital**

	<u>2017</u>	<u>2016</u>
Accounts receivable	\$ (864)	\$ 136,063
Prepaid expenses	(6,312)	(20,376)
Accounts payable and accrued liabilities	(58,163)	189,504
Deferred revenue	(318,343)	(191,474)
Grants received in advance	<u>1,186,070</u>	<u>(1,104,070)</u>
	<u>\$ 802,388</u>	<u>\$ (990,353)</u>

