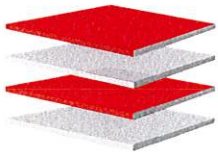


CARYA SOCIETY OF CALGARY

Financial Statements

Year Ended December 31, 2020





INDEPENDENT AUDITOR'S REPORT

To the Directors of Carya Society of Calgary

Qualified Opinion

We have audited the financial statements of Carya Society of Calgary (the Society), which comprise the statement of financial position as at December 31, 2020, the statement of operations, statement of change in fund balances, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies for the year ended December 31, 2020.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2020, the results of its operations and its cash flows for the year ended December 31, 2020 in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations the Society derives revenue from donations and fundraising activities in which the completeness 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 be necessary to contributions, excess of revenues over expenses, current assets and net assets.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

(continues)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Quadrant
CHARTERED PROFESSIONAL
ACCOUNTANTS AND CHARTERED
BUSINESS VALUATORS

Calgary, Alberta
April 29, 2021



CARYA SOCIETY OF CALGARY
Statement of Financial Position
As at December 31, 2020

	General Operating Fund	Program & Technology Fund	Capital Reserve Fund	Total December 31 2020	Total December 31 2019
ASSETS					
Current					
Cash and cash equivalents (Note 3)	\$ 1,445,333	\$ 408,163	\$ -	\$ 1,853,496	\$ 612,764
Investments (Note 4)		1,217,772	282,228	1,500,000	2,000,000
Accounts receivable (Note 5)	210,391	-	-	210,391	461,546
Prepaid expenses	102,655	-	-	102,655	147,438
	<u>1,758,379</u>	<u>1,625,935</u>	<u>282,228</u>	<u>3,666,542</u>	<u>3,221,748</u>
Rent deposit	78,782	-	-	78,782	78,782
Property and equipment (Note 6)	129,282	-	-	129,282	166,498
	<u>\$ 1,966,443</u>	<u>\$ 1,625,935</u>	<u>\$ 282,228</u>	<u>\$ 3,874,606</u>	<u>\$ 3,467,028</u>
LIABILITIES					
Current					
Accounts payable and accrued liabilities	\$ 334,224	\$ -	\$ -	\$ 334,224	\$ 426,109
Deferred revenue (Note 7)	1,632,219	-	-	1,632,219	1,114,176
Deferred contributions related to rent (Note 8)	-	219,698	-	219,698	172,814
	<u>1,966,443</u>	<u>219,698</u>	<u>-</u>	<u>2,186,141</u>	<u>1,713,099</u>
Fund balances	<u>-</u>	<u>1,406,237</u>	<u>282,228</u>	<u>1,688,465</u>	<u>1,753,929</u>
	<u>\$ 1,966,443</u>	<u>\$ 1,625,935</u>	<u>\$ 282,228</u>	<u>\$ 3,874,606</u>	<u>\$ 3,467,028</u>

Commitments (Note 9)

Approved by the Board:

 , Director

 , Director

See accompanying notes

CARYA SOCIETY OF CALGARY
Statement of Operations
Year Ended December 31, 2020

	General Operating Fund	Program & Technology Fund	Capital Reserve Fund	Total December 31 2020	Total December 31 2019
	<i>(Schedule #1)</i>				
Revenues					
United Way Grant	\$ 2,060,030	\$ -	\$ -	\$ 2,060,030	\$ 2,123,615
United Way Donor	200	6,325	-	6,525	26,064
Federal Government	20,725	-	-	20,725	746,067
Provincial Government	748,271	-	-	748,271	1,079,221
Family Community Support Services	5,390,126	-	-	5,390,126	4,956,290
Child and Family Services	797,749	-	-	797,749	643,707
Client fees	76,293	-	-	76,293	140,224
Memberships	-	130	-	130	210
Charitable donations	740,279	59,170	-	799,449	339,677
Casino	68,392	-	-	68,392	37,030
Other	371,906	45,669	-	417,575	858,264
Interest	11,301	20,257	3,688	35,246	66,196
	<u>10,285,272</u>	<u>131,551</u>	<u>3,688</u>	<u>10,420,511</u>	<u>11,016,565</u>
Expenditures					
Amortization	278	36,938	-	37,216	19,584
Benefits	1,196,602	43	-	1,196,645	1,174,191
Building occupancy	516,285	4,028	-	520,313	760,457
Community relations	29,277	1,807	-	31,084	35,063
Contracted services	961,478	154,936	-	1,116,414	1,152,503
Office expenses	468,886	1,006	-	469,892	245,511
Program expenses	243,514	367	-	243,881	244,943
Recruitment	-	-	-	-	2,045
Salaries and wages	6,654,422	-	-	6,654,422	7,080,077
Staff development	63,660	1,578	-	65,238	109,895
Travel	150,870	-	-	150,870	268,324
	<u>10,285,272</u>	<u>200,703</u>	<u>-</u>	<u>10,485,975</u>	<u>11,092,593</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ (69,152)</u>	<u>\$ 3,688</u>	<u>\$ (65,464)</u>	<u>\$ (76,028)</u>



CARYA SOCIETY OF CALGARY
Statement of Changes in Fund Balances
Year Ended December 31, 2020

	General Operating Fund	Program & Technology Fund	Capital Reserve Fund	Total December 31 2020	Total December 31 2019
Balance, beginning of year	\$ 8,295	\$ 1,467,094	\$ 278,540	\$ 1,753,929	\$ 1,829,957
Inter-fund allocation	(8,295)	8,295	-	-	-
Excess of revenue over expenditures	-	(69,152)	3,688	(65,464)	(76,028)
Balance, end of year	\$ -	\$ 1,406,237	\$ 282,228	\$ 1,688,465	\$ 1,753,929



CARYA SOCIETY OF CALGARY
Statement of Cash Flows
Year Ended December 31, 2020

	General Operating Fund	Program & Technology Fund	Capital Reserve Fund	Total December 31 2020	Total December 31 2019
Operating activities					
Excess of revenue over expenditures	\$ -	\$ (69,152)	\$ 3,688	\$ (65,464)	\$ (76,028)
Amortization	278	-	-	278	19,584
Amortization of deferred contribution	-	36,938	-	36,938	-
Inter-fund transfers	389,922	(389,922)	-	-	-
Changes in non-cash operating working capital (Note 10)	768,980	-	-	768,980	63,535
	<u>1,159,180</u>	<u>(422,136)</u>	<u>3,688</u>	<u>740,732</u>	<u>7,091</u>
Investing activities					
Purchase of office equipment	-	-	-	-	(184,690)
Proceeds from sale of investment	81,552	1,639,908	278,540	2,000,000	2,000,000
Purchase of investment	-	(1,217,772)	(282,228)	(1,500,000)	(2,000,000)
	<u>81,552</u>	<u>422,136</u>	<u>(3,688)</u>	<u>500,000</u>	<u>(184,690)</u>
Increase (decrease) in cash	1,240,732	-	-	1,240,732	(177,599)
Cash, beginning of year	612,764	-	-	612,764	790,363
Cash, end of year	<u>\$ 1,853,496</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,853,496</u>	<u>\$ 612,764</u>



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.

The Society, being a not-for-profit organization as defined by Section 149(1)(l) of the Income Tax Act, is exempt from income taxes.

1. Significant Accounting Policies

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO).

Use of estimates

The preparation of financial statements in conformity 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 and expenses 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

The Society follows the restricted fund method of accounting for contributions. Transfers between funds are done based on the needs of the agency programs.

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.

(continues)



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 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. Expenditures of less than \$10,000 will ordinarily be expensed in the year in which they occur. Property and equipment are amortized over their estimated useful lives at the following rates and methods:

Leasehold improvements	Term of the lease	straight-line method
Software license	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, 2020.

(a) 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 funders and donors that may renege on committed funding. The Society has a significant number of funder and donors 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.

(b) 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 and accounts payable.

(continues)



2. Financial Instrument Risk (continued)*(c) 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.

(d) 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, 2020 the Society's cash consisted of:

	2020	2019
General operating	\$ 1,819,946	\$ 544,610
AGLC restricted cash	33,550	68,154
	<u>\$ 1,853,496</u>	<u>\$ 612,764</u>

4. Investments

The Society's investment consists of a redeemable GIC that matures on May 21, 2021. The GIC bears interest at 1.25% per annum.

5. Accounts Receivable

	2020	2019
Third party caregiving and counselling	\$ 174,200	\$ 416,231
Interest receivable	11,495	19,551
Goods and service tax recoverable	24,696	25,764
	<u>\$ 210,391</u>	<u>\$ 461,546</u>

6. Property and Equipment

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Leasehold improvements	\$ 121,049	\$ 121,049	\$ -	\$ 278
Office equipment	271,509	142,227	129,282	166,220
	<u>\$ 392,558</u>	<u>\$ 263,276</u>	<u>\$ 129,282</u>	<u>\$ 166,498</u>

7. Deferred Revenue

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

	<u>2020</u>	<u>2019</u>
Changes in deferred revenue are as follows:		
Balance, beginning of period	\$ 1,114,176	\$ 784,637
Deferred contributions	1,636,731	1,753,315
Transferred to revenue	<u>(1,118,688)</u>	<u>(1,423,776)</u>
	<u>\$ 1,632,219</u>	<u>\$ 1,114,176</u>

Deferred revenue summarized by program are as follows:

	<u>2020</u>	<u>2019</u>
Programs		
Administration	\$ -	\$ -
Multigenerational Wellness in Community	431,860	215,248
Strong Families in Community	614,124	195,064
Restricted donations	39,379	103,864
CFEP East Village Development Project	<u>546,856</u>	<u>600,000</u>
	<u>\$ 1,632,219</u>	<u>\$ 1,114,176</u>

8. 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>2020</u>	<u>2019</u>
Balance, beginning of period	\$ 172,814	\$ 191,283
Deferred contributions	83,822	-
Recognized in current period	<u>(36,938)</u>	<u>(18,469)</u>
Balance, end of period	<u>\$ 219,698</u>	<u>\$ 172,814</u>

9. Commitments

The Society has the following commitments as at December 31, 2020.

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.

On January 30, 2019, the Society entered into a new lease agreement for its administrative offices. The new lease commencement date is July 1, 2020 and is effective until June 30, 2030. The Society will lease 19,633 square feet of office space with monthly payments starting at \$13,089 until June 30, 2022. Monthly payments will then increase to \$16,361 until June 30, 2025, \$19,633 until June 30, 2028, and \$22,905 for the remainder of the lease.

Contractual obligation payment schedule:

2021	\$	157,064
2022		176,697
2023		196,330
2024		196,330
2025		215,963
Thereafter		<u>1,138,714</u>
	\$	<u>2,081,098</u>

10. Changes in Non-Cash Operating Working Capital

	<u>2020</u>	<u>2019</u>
Accounts receivable	\$ 251,155	\$ (177,736)
Prepaid expenses	44,783	(76,100)
Rent deposit	-	(44,605)
Accounts payable and accrued liabilities	(91,885)	50,907
Deferred revenue	<u>564,927</u>	<u>311,069</u>
	<u>\$ 768,980</u>	<u>\$ 63,535</u>

11. Comparative Figures

The comparative figure of rent deposit has been reclassified from prepaid expenses to conform to the current year's presentation.

12. Subsequent Events

Subsequent to the year end the Society signed a five year commitment to operate Village Commons. At this new location the Society will offer their programs starting in 2021. This location is being offered to Carya at a price below fair market value with an annual rent cost of \$44,477.

