

Calgary Catholic Immigration Society

Financial Statements
For the year ended
March 31, 2023



Independent auditor's report

To the Board of Directors of Calgary Catholic Immigration Society

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Calgary Catholic Immigration Society (the Society) as at March 31, 2023 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.

What we have audited

The Society's financial statements comprise:

- the statement of financial position as at March 31, 2023;
- the statement of revenues and expenditures for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

Independence

We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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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 related 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.

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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Calgary, Alberta
June 5, 2023

Calgary Catholic Immigration Society
Statement of Financial Position
As of March 31, 2023

	2023	2022
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	7,892,122	2,938,341
Term deposits (note 2)	766,000	766,000
Restricted cash (notes 2, 4(b), 7)	6,245,868	4,984,837
Accounts receivable	7,514,660	7,726,798
Prepaid expenses	156,222	154,933
	<u>22,574,872</u>	<u>16,570,909</u>
Capital assets (note 5)	<u>12,554,240</u>	<u>12,406,417</u>
	<u>35,129,112</u>	<u>28,977,326</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	2,865,289	2,012,526
Deferred contributions (notes 2, 7)	12,380,297	10,528,898
Current portion of long-term debt (note 6)	495,385	484,315
	<u>15,740,971</u>	<u>13,025,739</u>
Long term debt (note 6)	<u>2,782,711</u>	<u>3,278,096</u>
Deferred contributions related to capital assets (note 9)	<u>1,862,695</u>	<u>1,872,275</u>
	<u>20,386,377</u>	<u>18,176,110</u>
Net assets		
Internally restricted (note 4(a))	4,455,763	3,989,734
AMHC reserve fund (note 4(b))	312,508	290,050
Unrestricted net assets	9,974,464	6,521,432
	<u>14,742,735</u>	<u>10,801,216</u>
	<u>35,129,112</u>	<u>28,977,326</u>

Commitments (note 10)

The accompanying notes are an integral part of these financial statements

Approved by the Board of Directors



Mike Shaikh, Chair

(Signed) "Imran Gulam"

Imran Gulam, Chair, Finance and Audit

Calgary Catholic Immigration Society
Statement of Revenues and Expenditures
For the year ended March 31, 2023

	2023	2022
	\$	\$
Revenues		
Program based funding (notes 7, 12)	61,032,676	31,577,632
Covid-19 funding (notes 3, 7)	2,101,381	3,641,846
User fees and other	2,327,722	1,192,685
Amortization of deferred contributions (note 9)	266,631	244,947
Donations	223,025	159,124
Interest	117,736	105,820
Rental revenue	113,863	60,728
	<u>66,183,034</u>	<u>36,982,782</u>
Expenditures		
Wages and employee benefits	25,268,241	19,503,430
Office and other	13,341,036	4,677,537
Education training	4,113,533	2,629,628
Temporary Accommodations	12,405,985	3,632,954
Professional fees and program consultants	3,980,636	3,233,314
Amortization of capital assets	644,880	586,369
Rent, utilities and other	624,298	430,587
Automobile and transportation	996,809	423,269
Non-recoverable GST	626,146	239,693
Interest on long-term debt	79,014	99,318
Conference and staff development	160,937	71,631
	<u>62,241,515</u>	<u>35,527,730</u>
Excess of revenues over expenditures	<u>3,941,519</u>	<u>1,455,052</u>

Calgary Catholic Immigration Society
Statement of Changes in Net Assets
For the year ended March 31, 2023

	Internally restricted (note 4a) \$	AMHC reserve fund (note 4b) \$	Unrestricted net assets \$	Total 2023 \$	Total 2022 \$
Net assets - Beginning of year	3,989,734	290,050	6,521,432	10,801,216	9,346,164
Excess of revenue over expenditure	-	-	3,941,519	3,941,519	1,455,052
Increase in internally restricted	560,000	-	(560,000)	-	-
Use of internally restricted	(93,971)	-	93,971	-	-
Increase of replacement reserve	-	22,458	(22,458)	-	-
Net assets - End of year	<u>4,455,763</u>	<u>312,508</u>	<u>9,974,464</u>	<u>14,742,735</u>	<u>10,801,216</u>

The accompanying notes are an integral part of these financial statements

Calgary Catholic Immigration Society
Statement of Cash Flows
For the year ended March 31, 2023

	2023 \$	2022 \$
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenditures	3,941,519	1,455,052
Items not affecting cash		
Amortization of capital assets	644,880	586,369
Amortization of deferred contributions related to Capital assets	<u>(266,631)</u>	<u>(244,947)</u>
	4,319,768	1,796,474
Net Change in non-cash working capital balances related to operations*	<u>2,915,011</u>	<u>(4,433,620)</u>
	7,234,779	(2,637,146)
Investing activities		
Purchase of capital assets	(792,703)	(657,977)
Increase in deferred contributions related to capital assets	257,051	244,949
Increase in restricted cash	<u>(1,261,031)</u>	<u>(1,477,600)</u>
	(1,796,683)	(1,890,628)
Financing activities		
Repayment of long-term debt	<u>(484,315)</u>	<u>(366,635)</u>
Increase/(decrease) in cash for the year	4,953,781	(4,894,409)
Cash and cash equivalents - Beginning of year	<u>2,938,341</u>	<u>7,832,750</u>
Cash and cash equivalents - End of year	<u>7,892,122</u>	<u>2,938,341</u>
Supplemental information		
Cash	7,892,122	2,438,341
Cash equivalents	-	500,000
Interest paid	79,014	99,318

*Consists of changes in accounts receivable, prepaid expenses, accounts payable and accrued liabilities and deferred contributions.

The accompanying notes are an integral part of these financial statements

Calgary Catholic Immigration Society

Notes to Financial Statements

March 31, 2023

1. Nature of organization

The Calgary Catholic Immigration Society (the "Society") is a non-profit organization formed for the purpose of aiding and assisting immigrants and refugees concerning their reception in southern Alberta. The assistance provided is in the form of meeting immigrants and refugees upon arrival, obtaining temporary or permanent living accommodations and providing interpreters and information (Settlement Integration Services) on all aspects of daily life. The Society operates a shelter for government-sponsored refugees (Margaret Chisholm Resettlement Centre or MCRC). The Society also operates one licensed, non-profit daycare centre (Cross-Cultural Children's Centre) which caters to the special needs of immigrant and refugee children. The cost of operating these facilities is initially borne by the Society and usage charges are made to individuals, the sponsoring agency or other organizations utilizing the service. In addition, the Society provides various other services to immigrants and refugees including employment training and English as a second language training.

The Society is a registered charity under the Income Tax Act and is therefore not subject to income tax.

The Society is also registered under the Charitable Fundraising Act of Alberta and has considered all required disclosures under section 7 (2) of the Act in preparing these statements.

2. Significant accounting policies

Basis of Accounting

The financial statements of the Society have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") as issued by the Canadian Accounting Standards Board.

Use of estimates

The preparation of the financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions relating to operations are recognized as revenue in the period in which the related expenses are incurred. Restricted contributions relating to capital assets are recognized as revenue as the related capital assets are amortized. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. User fees are recognized when services are rendered, and collectability is reasonably assured. Interest income is recognized when earned. Rent revenue and recovery of rent operating expenses, including property taxes, are recognized as revenue when earned.

Calgary Catholic Immigration Society

Notes to Financial Statements

March 31, 2023

Government funding policy

The Organization receives government funding which provide immediate financial assistance as compensation for costs or expenditures to be incurred. The Organization recognizes government funding as revenue when received or receivable and when there is reasonable assurance that conditions attached to the funding are met.

Capital assets and amortization

Amortization is provided over the estimated useful lives of the assets using the declining balance method at the following annual rates:

Building	4%
Furniture and equipment	20%
Vehicles	20%
Leasehold improvement	20%
Computer and software	33%

Capital assets are recorded at cost less accumulated amortization and any provision for impairment. The cost for contributed capital assets is considered to be fair value at the date of contribution. The cost of capital assets made up of significant separable component parts is allocated to the component parts when practicable and when estimates can be made of the estimated useful lives of the separate components.

Capital assets are tested for impairment when conditions indicate that a capital asset no longer contributes to the Society's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount. When conditions indicate that a capital asset is impaired, the net carrying amount of the capital asset is written down to the asset's fair value or replacement cost. The write-downs of capital assets are recognized as expenses in the statement of operations.

Contributed goods and services

Donations of materials and services are recognized when the fair value can be reasonably estimated, and the materials and services are used in the normal course of operations.

Services donated to the Society through volunteer work are not reflected in the accounts of the Society. Donations in kind are recorded at the time of contribution to the extent that fair value can be reasonably estimated. Donations in kind received during 2023 were \$21,900 (2022 - \$Nil).

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, deposits held at banks, and \$Nil (2022 - \$500,000) of redeemable short-term investments with an initial term to maturity within 3 months.

Calgary Catholic Immigration Society

Notes to Financial Statements

March 31, 2023

Term Deposits

Term deposits are non-redeemable short-term investments with initial terms to maturity between 3 to 12 months. The Society holds two short-term GICs with balances of \$500,000 and \$266,000 at March 31, 2023 (2022 - \$500,000 and \$266,000).

Restricted cash

Restricted cash comprised of \$5,933,360 for Refugees Sponsorship Funds and \$312,508 for Alberta Mortgage and Housing Corporation ("AMHC") reserve fund (2022 - \$4,694,787 and \$290,050). The funds are kept in an interest-bearing account, and earned interest is credited back to the program.

Financial instruments

The Society initially measures financial assets and financial liabilities at fair value. It subsequently measures its financial assets and liabilities at amortized cost. The financial assets subsequently measured at amortized cost include cash and cash equivalents, term deposits, restricted cash and accounts receivable. The financial liabilities subsequently recorded at amortized cost include accounts payable and accrued liabilities and long-term debt.

3. COVID-19 Pandemic

During the year the Society continued receiving COVID-19 funding to assist with supporting its COVID-19 related costs. The Society has recognized the following funding revenue for COVID – 19:

COVID-19 Funding Details	Funder Name	2023 \$	2022 \$
Supporting Temporary Foreign Workers Affected by COVID-19	Employment and Social Development Canada	2,101,381	3,240,673
COVID-19 Community Funding - Response Phase	Government of Alberta - Health	-	154,917
Community Outreach Table Grant	The City of Calgary	-	138,247
Settlement Vaccine Access	Immigration Refugee and Citizenship Canada	-	105,590
Social Service Support for COVID-19	The City of Calgary	-	2,419
		2,101,381	3,641,846

4 Restricted reserves

a) Internally restricted reserves

	2023 \$	2022 \$
Innovative project and social enterprise	22,980	22,980
Stabilization reserves	2,789,987	2,589,987
Building reserve	793,676	593,676
Oil and gas training projects reserve	155,000	155,000
Operational enhancement reserve - MCRC	69,126	69,126
Computer reserve	3,592	3,592
Special needs project reserve	65,299	65,299
Staff appreciation reserve	141,342	125,000
Health services revenue reserve	58,571	58,571
CEO Succession Planning and Program Enhancement & Development	349,687	300,000
Strategic Plan Reserve	6,503	6,503
	4,455,763	3,989,734

Calgary Catholic Immigration Society

Notes to Financial Statements

March 31, 2023

b) AMHC reserve fund

Under the terms of the AMHC project operating agreement for MCRC, the Society is required to fund and maintain a replacement reserve for capital repairs. The replacement reserve increased by \$22,458 (2022 – \$12,758) during the year pursuant to this agreement for an ending balance of \$312,508 (2022 – \$290,050). In the previous year, AMHC had approved certain expenditures of which \$Nil (2022- \$Nil) remains unexpended. The remaining replacement reserve funds are not available for use without AMHC approval.

5 Capital assets

			2023	2022
	Cost	Accumulated Amortization	Net	Net
	\$	\$	\$	\$
Land	5,241,000	-	5,241,000	5,241,000
Building	9,128,236	3,831,520	5,296,716	5,517,413
Furniture and equipment	3,333,593	2,567,874	765,719	789,319
Computers and software	2,917,511	2,247,866	669,645	516,411
Vehicles	120,853	64,204	56,649	70,811
Leasehold improvement	264,332	244,284	20,048	-
Assets under construction*	504,463	-	504,463	271,463
	21,509,988	8,955,748	12,554,240	12,406,417

* Assets under construction are related to MCRC reception house expansion and Client Record Management Database and will not be subject to amortization until they are put into use.

6 Long-term debt

	Interest rate	Mortgage Amortization Period	Monthly blended principal and interest payment \$	Term	2023 \$	2022 \$
Property Resettlement Centre – March 1, 1995	0.68% ²	9.6 years	6,628	60 months	537,421	613,034
Society office – April 1, 2012	2.50%	7.92 years	39,594	60 months	2,712,661	3,114,509
Toyota Sienna Mini Van	5.69%	5 years	722	60 months	28,014	34,868
					3,278,096	3,762,411
Less: Current portion					(495,385)	(484,315)
					2,782,711	3,278,096

Calgary Catholic Immigration Society

Notes to Financial Statements

March 31, 2023

Principal repayments required under the terms of the above mortgages and loans are as follows:

	\$
2024	495,385
2025	506,760
2026	473,322
2027	449,022
2028	455,294
Thereafter	<u>898,313</u>
	<u>3,278,096</u>

Collateral includes all rental income associated with the properties, any personal properties used in connection with, arising from, or situated on the properties, and the properties itself. The mortgage for the Resettlement Centre is with the Canadian Mortgage and Housing Corporation ("CMHC") at an interest rate quoted by CMHC for non-profit organizations and with the Royal Bank of Canada for the Society Office. The Society has entered into a subsidiary agreement whereby Alberta Municipal Affairs will reimburse the Society up to an amount based on the variance between the interest rate paid over the life of the mortgage and 2%. In 2023, the Society was reimbursed \$Nil (2022 - \$Nil) for mortgage interest expense which has been recorded as a reduction to total interest expense for the year.

7 Deferred contributions

The changes for the year in the balance of the deferred contribution reported are as follows:

	2022	Additions	Releases to revenue	2023
	\$			\$
Program revenue	5,838,486	4,184,256	(3,571,431)	6,451,311
Covid-19 funding	-	2,101,381	(2,101,381)	-
Refugees sponsorship funds*	4,690,412	5,933,361	(4,694,787)	5,928,986
Balance – End of year	<u>10,528,898</u>	<u>12,218,998</u>	<u>(10,367,599)</u>	<u>12,380,297</u>

* Trust account to cover the expenses of sponsored refugees

8 Line of credit

The Society has a credit facility of \$266,000 (2022 - \$266,000) of which \$Nil was drawn at March 31, 2023 (2022 - \$Nil). The facility bears an interest rate of prime plus 5% and is collateralized by \$266,000 GIC. This standby line of credit is renewed automatically every year.

Calgary Catholic Immigration Society

Notes to Financial Statements

March 31, 2023

9 Deferred contributions related to capital assets

Deferred contributions related to capital assets consist of unamortized portions of restricted contributions which have been used to acquire capital assets.

The changes for the year in the deferred contributions balance reported are as follows:

	2023	2022
	\$	\$
Balance – Beginning of year	1,872,275	1,872,273
Contributions	257,051	244,949
Amortization of deferred contributions	(266,631)	(244,947)
Balance – End of year	1,862,695	1,872,275

10 Commitments

The Society has entered into lease agreements for office spaces in various locations expiring during the course of 2023 – 2025. Payment commitments for the remainder of the lease terms are as follows:

	\$
2024	297,370
2025	253,236
2026	99,030
	<u>649,636</u>

11 Government remittances payable

Accounts payable and accrued liabilities include government remittances payable of \$Nil (2022 - \$Nil)

12 Program based funding

Under the terms of the contracts with various funding agencies, excess funds received over specific operating expenditures as budgeted in the Society's funding applications may be repayable in the current or following year. Management estimates the amount that is likely to be repaid to the funding agencies and records this in accounts payable and accrued liabilities and as a reduction to program-based funding. The funding agencies may approve the retention of these funds for the specified purpose or may request the amount be repaid. The actual amount repaid or required to be repaid to funding agencies may differ from management's estimate as the calculation of excess funds is carried out by the funding agencies subsequent to year-end. Any differences in the amounts recovered or paid from the amounts accrued are recorded in the year recovered as program-based funding or as a reduction of program-based funding. The society repaid \$Nil (2022 - \$Nil) to funding agencies.

Calgary Catholic Immigration Society

Notes to Financial Statements

March 31, 2023

Program based revenue recognized by the source is as follows:

	2023	2022
	\$	\$
Federal Programs – Others	27,791,056	16,189,986
Federal Programs – Afghans	26,782,191	9,042,513
Alberta Programs	5,187,039	4,275,587
Funders – Others	1,272,390	2,069,546
	<u>61,032,676</u>	<u>31,577,632</u>

13 Financial instrument risk

It is management's opinion that the Society is not exposed to significant currency risk from its financial instruments.

The Society is exposed to interest rate risk in relation to its long-term debt which is comprised of mortgage liabilities (Note 6). This can mean that if interest rates increase, the Society may not be able to meet its obligations. The mortgages are subject to changes in market mortgage interest rates through bank borrowings at variable interest rates or fixed interest rates upon renewal of existing mortgages. The Society manages this risk by limiting its mortgage obligations to those deemed reasonable by management.

Liquidity risk is the exposure of the Society to the risk of being unable to meet its financial obligations as they come due. COVID-19 brings an increased liquidity risk and as such the Society monitors and reviews actual and forecasted cash flows that incorporate the effects of COVID-19 to ensure there are available cash resources to meet these needs.

The Society's exposure to credit risk remains largely unchanged from the prior year and management believes the credit risk is not significant as the balance of receivables are government contracted amounts. The Society continues to meet its contractual obligations within normal payment terms. Credit risk may increase due to COVID-19 and the Society's ability to meet their non-financial covenants.