



OUR COMMUNITY. OUR FUTURE.

financial statements

march 31, 2016



Calgary Catholic Immigration Society

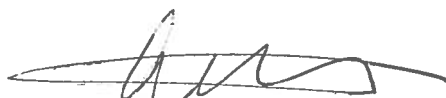
Balance Sheet
March 31, 2016

	2016 \$	2015 \$
Assets		
Current assets		
Cash	1,452,675	1,240,462
Term deposit	266,000	266,000
Restricted cash (note 3(b))	208,196	195,297
Accounts receivable	2,700,220	917,336
Prepaid expenses	40,205	37,950
	<u>4,667,296</u>	<u>2,657,045</u>
Capital assets (note 4)	<u>13,021,177</u>	<u>13,341,552</u>
	<u>17,688,473</u>	<u>15,998,597</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	1,721,051	1,325,603
Deferred revenue	1,403,044	328,537
Current portion of long term debt (note 5)	395,475	380,826
	<u>3,519,570</u>	<u>2,034,966</u>
Long term debt (note 5)	6,080,182	6,483,492
Deferred contributions related to capital assets (note 7)	<u>1,850,803</u>	<u>1,863,423</u>
	<u>11,450,555</u>	<u>10,381,881</u>
Net assets		
Internally restricted (note 3(a))	1,701,177	1,295,576
Externally restricted (note 3(b))	208,196	195,297
Unrestricted net assets	4,328,545	4,125,843
	<u>6,237,918</u>	<u>5,616,716</u>
	<u>17,688,473</u>	<u>15,998,597</u>

Commitments (note 8)

The accompanying notes are an integral part of these financial statements

Approved by the Board of Directors



Sunny Delaney-Clark, Chairperson



Andrea Czinkota, Treasurer

Calgary Catholic Immigration Society

Statement of Revenues and Expenditures For the year ended March 31, 2016

	2016 \$	2015 \$
Revenues		
Program based funding (note 10)	15,637,293	12,927,961
User fees and other	1,735,205	1,434,116
Donations	218,031	115,294
Rental revenue	210,623	327,256
Amortization of deferred contributions (note 7)	183,791	162,999
Interest	1,666	3,980
	<u>17,986,609</u>	<u>14,971,606</u>
Expenditures		
Wages and employee benefits	12,034,325	10,011,783
Office and other	2,402,363	1,415,896
Education training	946,201	1,111,856
Amortization of capital asset	612,444	607,995
Rent, utilities and other	379,092	347,311
Interest on long-term debt	275,387	296,468
Professional fees and program consultants	343,904	262,126
Automobile and transportation	228,032	165,976
Conference and staff development	74,729	104,958
Non-recoverable GST	68,930	51,978
	<u>17,365,407</u>	<u>14,376,347</u>
Excess of revenues over expenditures	<u>621,202</u>	<u>595,259</u>

Statement of Changes in Net Assets For the year ended March 31, 2016

	Internally restricted (note 3a) \$	Externally restricted (note 3b) \$	Unrestricted net assets \$	Total 2016 \$	Total 2015 \$
Net assets - Beginning of year	1,295,576	195,297	4,125,843	5,616,716	5,021,457
Excess of revenue over expenditure	-	-	621,202	621,202	595,259
Increase in internally restricted	410,601	-	(410,601)	-	-
Use of internally restricted	(5,000)	-	5,000	-	-
Increase of replacement reserve	-	12,899	(12,899)	-	-
Net assets - End of year	<u>1,701,177</u>	<u>208,196</u>	<u>4,328,545</u>	<u>6,237,918</u>	<u>5,616,716</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, 2016

	2016 \$	2015 \$
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenditures	621,202	595,259
Items not affecting cash		
Amortization of capital assets	612,444	607,995
Amortization of deferred contributions	(183,791)	(162,999)
	<u>1,049,855</u>	<u>1,040,255</u>
Net Change in non-cash working capital balances related to operations*	(315,184)	177,426
	<u>734,671</u>	<u>1,217,681</u>
Investing activities		
Purchase of capital assets	(292,069)	(915,334)
Increase in deferred contributions related to capital assets	171,171	562,412
Increase in term deposit	-	(96,000)
Increase in restricted cash	(12,899)	(9,457)
	<u>(133,797)</u>	<u>(458,379)</u>
Financing activities		
Repayment of long term debt	(388,661)	(375,442)
	<u>212,213</u>	<u>383,860</u>
Increase in cash for the year	212,213	383,860
Cash - Beginning of year	1,240,462	856,602
Cash - End of year	1,452,675	1,240,462
Supplemental information		
Interest paid	275,387	296,468

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

The accompanying notes are an integral part of these financial statements

Calgary Catholic Immigration Society

Notes to Financial Statements

March 31, 2016

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 day care 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, 2016

Capital assets and amortization

Purchased capital assets are recorded at cost. Donated capital assets are recorded at fair value where fair value can be reasonably estimated.

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%
Computer and software	—	33%

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 2016 were \$Nil (2016 - \$Nil).

Cash

Cash is composed of cash on hand and deposits held at banks.

Term Deposit

Term deposit are cashable short term investments with initial terms to maturity between 4 to 12 months and interest rates of 1%.

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, 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.

It is the opinion of management that the Society is not subject to significant credit, interest rate, price, liquidity or currency risk related to these financial instruments. The assessment is consistent with prior year.

Comparative figure

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

Calgary Catholic Immigration Society

Notes to Financial Statements

March 31, 2016

3 Restricted reserves

a) Internally restricted reserves

	2016	2015
	\$	\$
Stabilization reserves	935,017	624,416
Building reserve	293,676	293,676
Oil and gas training projects reserve	75,000	75,000
Operational enhancement reserve - MCRC	69,126	69,126
Computer reserve	9,238	9,238
Special needs project reserve	40,000	40,000
High need refugee reserve	23,549	25,549
Staff appreciation reserve	25,000	25,000
Health services revenue reserve	58,571	58,571
CEO Succession Planning and Program Enhancement & Development	150,000	50,000
Strategic Plan Reserve	22,000	25,000
	<u>1,701,177</u>	<u>1,295,576</u>

b) Externally restricted reserves

Under the terms of the Alberta Mortgage and Housing Corporation ("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 \$12,899 (2015 – \$13,355) during the year pursuant to this agreement for an ending balance of \$208,196 (2015 – \$195,297). In a previous year, AMHC had approved certain expenditures of which \$6,374 (2015- \$6,374) remains unexpended. The remaining replacement reserve funds are not available for use without AMHC approval.

4 Capital assets

			2016	2015
	Cost	Accumulated Amortization	Net	Net
	\$	\$	\$	\$
Land	5,241,000	-	5,241,000	5,241,000
Building	8,553,185	2,142,058	6,411,127	6,675,705
Furniture and equipment	2,384,486	1,353,388	1,031,098	1,166,475
Computers and software	1,539,404	1,285,722	253,682	255,627
Vehicles	28,368	26,172	2,196	2,745
Asset under construction	82,074	-	82,074	-
	<u>17,828,517</u>	<u>4,807,340</u>	<u>13,021,177</u>	<u>13,341,552</u>

Calgary Catholic Immigration Society

Notes to Financial Statements

March 31, 2016

5 Long-term debt

	Interest rate	Amortization Period	Monthly blended principal and interest payment \$	Term	2016 \$	2015 \$
Property						
Resettlement Centre – March 1, 1995 ¹	1.08% ²	35 years	7,583	60 months	1,047,140	1,112,805
Society office – April 1, 2012 ³	Prime +1.25%	20 years	38,545	60 months	5,016,501	5,238,591
RBC lease Finance - January 1, 2013	3.92%	5 years	9,935	60 months	412,016	512,922
					6,475,657	6,864,318
Less: Current portion					<u>(395,475)</u>	<u>(380,826)</u>
					<u>6,080,182</u>	<u>6,483,492</u>

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

	\$
2017	395,475
2018	621,791
2019	327,135
2020	340,110
Thereafter	<u>4,791,146</u>
	<u>6,475,657</u>

¹ Collateral includes all rental income associated with the property and the property itself

² The mortgage is with the Canadian Mortgage and Housing Corporation ("CMHC") at an interest rate quoted by CMHC for non-profit organizations. 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 (currently 2.76%) over the life of the mortgage and 2%. In 2016, the Society was reimbursed \$2,904 (2015 - \$8,712) for mortgage interest expense which has been recorded as a reduction to total interest expense for the year.

³ Collateral includes all rental income associated with the property, any personal properties used in connection with, arising from or situate on the property and the property itself.

6 Letter of credit

The Society has a credit facility of \$266,000 (2015 - \$266,000) of which \$Nil was drawn at March 31, 2016 (2015 - \$Nil). The facility bears an interest rate of prime plus 5% and is collateralized by the carrying amount of the term deposit. This standby letter of credit is renewed automatically every year.

Calgary Catholic Immigration Society

Notes to Financial Statements

March 31, 2016

7 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:

	2016	2015
	\$	\$
Balance – Beginning of year	1,863,423	1,464,010
Contributions	171,171	562,412
Amortization of deferred contributions	(183,791)	(162,999)
Balance – End of year	<u>1,850,803</u>	<u>1,863,423</u>

8 Commitments

The Society has entered into lease agreements for office spaces in Calgary, Brooks and High River expiring on March 31, 2019. Payment commitments for the remainder of the lease term is as follows:

	\$
2017	100,759
2018	83,414
2019	24,201

9 Government remittances payable

Accounts payable and accrued liabilities include government remittances payable of \$Nil (2015 - \$Nil)

10 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 specified purpose, or may request the amount be prepaid. 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.

11 Subsequent Events

Effective May 1, 2016 CCIS signed a mortgage renewal with RBC for the "Society Office loan" (Note 5) for a five year fixed term of 2.97%, and monthly blended principal and interest payments of \$39,798, to assist in the earlier settlement of this debt.