

Financial Statements of

**IMMIGRANT SERVICES CALGARY SOCIETY**

And Independent Auditors' Report thereon

Year ended March 31, 2022



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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Immigrant Services Calgary Society

### ***Opinion***

We have audited the accompanying financial statements of Immigrant Services Calgary Society (the "Entity"), which comprise:

- the statement of financial position as at March 31, 2022;
- the statement of operations and changes in fund balances for the year then ended;
- the statement of cash flows for the year then ended;
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### ***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 "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.



We are independent of the Entity 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 these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

***Auditors' 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 auditors' 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 the 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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.

*KPMG LLP*

Chartered Professional Accountants

Calgary, Canada

June 29, 2022

# IMMIGRANT SERVICES CALGARY SOCIETY

## Statement of Financial Position

March 31, 2022, with comparative information for 2021

	General Fund	Special Purposes Fund	Casino Fund	2022	2021
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 512,682	\$ 3	\$ 127,493	\$ 640,178	\$ 726,912
Investments (note 5)	-	664,436	-	664,436	500,000
Accounts receivable	472,517	-	-	472,517	1,966,746
Government receivable	596,668	-	-	596,668	62,532
Prepaid expense	66,701	-	-	66,701	33,929
	1,648,568	664,439	127,493	2,440,500	3,290,119
Rental deposit (note 6)	160,911	-	-	160,911	135,911
Capital assets (note 7)	424,754	-	-	424,754	439,505
	\$2,234,233	\$ 664,439	\$ 127,493	\$3,026,165	\$3,865,535
<b>Liabilities and Fund Balances</b>					
Current liabilities:					
Accounts payable and accruals (note 18)	\$ 898,323	\$ -	\$ -	\$898,323	\$1,636,955
Deferred contributions (note 8)	597,204	-	62,536	659,740	811,655
	1,495,527	-	62,536	1,558,063	2,448,611
Deferred capital contributions (note 8)	328,731	-	-	328,731	296,927
	1,824,258	-	62,536	1,886,794	2,745,538
Fund balances:					
Invested in capital assets	96,023	-	-	96,023	142,579
Restricted (note 10)	-	664,439	64,957	729,396	726,912
Unrestricted	313,951	-	-	313,951	250,506
	409,974	664,439	64,957	1,139,370	1,119,997
Commitments (note 12)					
Subsequent events (note 12 and 16)					
Economic dependence (note 3)					
Contingencies (note 17)					
	\$2,234,233	\$ 664,439	\$ 127,493	\$3,026,165	\$3,865,535

See accompanying notes to financial statements.

Approved on behalf of the board:



Director



Director

# IMMIGRANT SERVICES CALGARY SOCIETY

## Statement of Operations and Changes in Fund Balances

Year ended March 31, 2022, with comparative information for 2021

	General Fund	Special Purposes Fund	Casino Fund	2022	2021
<b>Revenues:</b>					
Program funding (note 4)	\$ 10,328,616	\$ –	\$ –	\$ 10,328,616	\$ 10,679,720
Others (note 14)	936,238	–	–	936,238	825,472
Fund development	375,886	–	–	375,886	140,638
Casino income	–	–	2,351	2,351	–
Interest income	1,939	2,465	19	4,423	5,608
	11,642,679	2,465	2,370	11,647,514	11,651,438
<b>Expenses:</b>					
Salaries and benefits	7,829,734	–	–	7,829,734	7,541,021
Rent (note 9)	699,931	–	–	699,931	1,009,981
Office and administrative expenses	782,902	–	–	782,902	576,243
Professional fees and program consultants	2,080,653	–	–	2,080,653	2,219,197
Fund development	32,467	–	–	32,467	74,880
Conferences and staff development	83,844	–	–	83,844	53,715
Casino	–	–	2,351	2,351	–
Amortization	116,259	–	–	116,259	88,429
	11,625,790	–	2,351	11,628,141	11,563,386
Excess of revenues over expenses	16,889	2,465	19	19,373	88,052
Fund balances, beginning of year	393,085	661,974	64,938	1,119,997	1,031,945
Fund balances, end of year	\$ 409,974	\$ 664,439	\$ 64,957	\$ 1,139,370	\$ 1,119,997

See accompanying notes to financial statements.

# IMMIGRANT SERVICES CALGARY SOCIETY

## Statement of Cash Flows

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Cash provided (used in):		
Operations:		
Cash receipts from funders and other resources	\$ 12,483,074	\$ 11,204,699
Cash paid to suppliers	(4,452,680)	(2,701,456)
Cash paid to employees	(7,829,009)	(7,627,761)
	201,385	875,482
Investments:		
Interest received	4,423	5,608
Purchase of investments	(164,436)	(201,917)
Rental deposit paid	(25,000)	(95,618)
Purchase of capital assets	(103,108)	(274,370)
	(288,121)	(566,297)
(Decrease) increase in cash and cash equivalents	(86,736)	309,185
Cash and cash equivalents, beginning of year	726,912	417,727
Cash and cash equivalents, end of year	\$ 640,178	\$ 726,912

See accompanying notes to financial statements.

# IMMIGRANT SERVICES CALGARY SOCIETY

## Notes to Financial Statements

Year ended March 31, 2022, with comparative information for 2021

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### 1. Purpose of the organization:

Immigrant Services Calgary Society (the "Society") is a not-for-profit organization incorporated under the Societies Act. The Society is committed to being a comprehensive settlement agency working together with immigrants and their families to make Canada home.

The Society is registered as a charitable organization under the Income Tax Act and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered not-for-profit organization, the Society must meet certain requirements within the Income Tax Act. In the opinion of management, these requirements have been met.

### 2. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations ("ASNPO") in Part III of the Chartered Professional Accountants of Canada Handbook.

#### (a) Fund accounting:

Funds have been established within the accounting and reporting systems as follows:

##### (i) The General Fund:

To account for the various sources of revenue and expenses related to direct services and administration and to account for capital assets related to general fund activities.

##### (ii) The Special Purposes Fund:

Internally restricted reserve account to support the ongoing and long-term financial stability of the Society and to maintain the essential functions of the Society. These amounts are not available for other purposes without approval from the Board.

##### (iii) The Casino Fund:

To account for assets, liabilities, revenue and expenses related to casino activities. Amounts under this fund are externally restricted to certain activities.



# IMMIGRANT SERVICES CALGARY SOCIETY

Notes to Financial Statements, page 2

Year ended March 31, 2022, with comparative information for 2021

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## 2. Significant accounting policies (continued):

### (b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Society has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

### (c) Revenue recognition:

The Society follows the deferral method of accounting for contributions which include donations and government grants. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued if collection is reasonably assured. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

Unrestricted contributions are recognized as revenues when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis at a rate corresponding with the amortization rate for the related capital assets.

# IMMIGRANT SERVICES CALGARY SOCIETY

Notes to Financial Statements, page 3

Year ended March 31, 2022, with comparative information for 2021

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## 2. Significant accounting policies (continued):

### (d) Capital assets:

Purchased capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at estimated fair value at the date of contribution where such value can be reasonably estimated, otherwise the assets are recorded at a nominal value. Amortization is charged on a straight-line basis over the useful life of the asset. Office furniture is amortized over 10 years, computer and office equipment is amortized over 5 years and leasehold improvements are amortized over the term of the lease.

The carrying amount of an item in capital assets is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount is not recoverable and exceeds its fair value.

### (e) Contributed services:

Volunteers contribute hours to assist the Society in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

### (f) Cash and cash equivalents:

Cash and cash equivalents are comprised of cash and short-term investments with an original maturity date at the time of acquisition of three months or less.

### (g) Government assistance:

Government assistance is recorded as other income in the statement of operations as determined by the terms and conditions of the agreement under which the assistance is provided to the Society or the nature of the expenditures which give rise to the credit. Government assistance is recorded when the receipt is reasonably assured.

### (h) Use of estimates:

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the useful life of capital assets for amortization purposes and the collectability of accounts receivable. Actual results could differ from those estimates.

# IMMIGRANT SERVICES CALGARY SOCIETY

Notes to Financial Statements, page 4

Year ended March 31, 2022, with comparative information for 2021

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## 2. Significant accounting policies (continued):

### (h) Use of estimates (continued):

COVID –19 economic impact:

On March 11, 2020, the World Health Organization declared the Coronavirus COVID-19 (COVID-19) outbreak a pandemic. This has resulted in governments worldwide, including the Canadian and Alberta governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods, closures of non-essential businesses, and physical distancing, have caused material disruption to businesses in Alberta resulting in an economic slowdown. The situation remains dynamic with the Canadian and Alberta governments and Bank of Canada reacting with significant monetary and fiscal interventions designed to stabilize economic conditions.

The ultimate duration and magnitude of the impact on the economy and the financial effect on the Society's future revenues, operating results and overall financial performance is not known at this time. These impacts may include challenges on the Society's ability to obtain new funding, generate revenue from non-governmental sources, disruptions to its operations, employee impacts from illness, school closures and other communication response measures.

Governments around the world have recognized the serious economic impacts of the spread of COVID-19 and have taken steps to provide various programs to individuals and businesses of which the Society was a beneficiary. Refer to note 14.

As at the reporting date, the Society has determined that COVID-19 has had minimal impact on its funding agreements, timing of revenue recognition and general operations. The Society continues to manage liquidity risk by forecasting and assessing cash flow requirements on an ongoing basis. As at March 31, 2022, the Society continues to meet its contractual obligations within normal payment terms and the Society's exposure to credit risk remains largely unchanged.

## 3. Economic dependence:

The Society receives the majority of revenue in the form of program funding from government and other charitable organizations (note 4). The Society is dependent upon the continued support of these funders whose contributions are used to meet the current and future operating costs of the Society.

# IMMIGRANT SERVICES CALGARY SOCIETY

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Year ended March 31, 2022, with comparative information for 2021

## 4. Revenue:

	2022	2021
Federal Government	\$ 7,444,218	\$ 7,392,181
Provincial and Territorial Governments	1,618,328	1,913,870
Municipal/Regional Governments	774,636	885,772
Other Registered charities	439,533	463,333
Other program funding	51,901	24,614
	10,328,616	10,679,720
Other revenue	1,318,898	971,718
Balance, end of year	\$ 11,647,514	\$ 11,651,438

## 5. Investments:

Investments are comprised of term deposits and related accrued interest. Investments that relate to the Special Purpose Fund are internally restricted. Interest on Special Purpose Fund investments accumulates as an internally restricted investment. Any transfer from the Special Purposes Fund to the General Fund must be approved by the Board of Directors. As at March 31, 2022, the Society has \$664,436 (2021 - \$500,000) invested in a 0.95% short term callable GIC deposit and had accrued interest of \$nil (2021 - \$nil in a three month, 2.00% term deposit and \$nil in accrued interest).

## 6. Rental deposit:

As at March 31, 2022, a rental deposit of \$160,911 (2021 - \$135,911) is held by the Landlord as security for the performance of the Society's obligations under its premises lease agreement.

## 7. Capital assets:

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer and office equipment	\$ 996,377	\$ 679,152	\$ 317,225	\$ 313,744
Office furniture	457,695	350,166	107,529	125,761
Leasehold improvements	167,831	167,831	—	—
	\$ 1,621,903	\$ 1,197,149	\$ 424,754	\$ 439,505

# IMMIGRANT SERVICES CALGARY SOCIETY

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Year ended March 31, 2022, with comparative information for 2021

## 8. Deferred contributions:

Deferred contributions reported in the General Fund relate to externally restricted operating funding received in the current year for subsequent years' expenses. These contributions must be used for specific purposes designated by the various funders. Agreements representing \$659,740 (2021 - \$811,655) in deferred contributions require that unexpended funds be returned at the end of the funding period. Management expects to utilize these funds in the Society's programs by the end of the related funding periods.

Deferred capital contributions reported in the General Fund relate to amounts used for the purchase of capital assets. Deferred capital contributions are amortized into revenue at a rate corresponding with the amortization rate of the assets purchased.

The change in the deferred capital contribution balance is as follows:

	2022	2021
Balance, beginning of year	\$ 296,927	\$ 60,739
Contributions received during the year	102,508	272,036
Amortization of deferred capital contributions	(70,704)	(35,848)
Balance, end of year	\$ 328,731	\$ 296,927

## 9. Deferred lease inducement:

The deferred lease inducement represents an incentive granted by the landlord to the Society in negotiating a new lease for space obtained. As required by ASNPO in Part III of The Chartered Professional Accountants of Canada Handbook, the amount is deferred and amortized to the statement of operations as a reduction of rent expense incurred by the Society over the life of the lease. During the year, the Society incurred rent expense of \$699,171 (2021 - \$1,150,623) and recorded amortization of lease inducements of \$nil (2021 - \$140,725) resulting in net rent expense reported on the statement of operations of \$699,171 (2021 - \$1,009,981). The cash received from the landlord pursuant to the lease inducement was unrestricted; accordingly, the Society has utilized the funds at the discretion of management. There was no deferred lease inducement remaining as at March 31, 2022 (2021) - \$nil.

# IMMIGRANT SERVICES CALGARY SOCIETY

## Notes to Financial Statements

Year ended March 31, 2022, with comparative information for 2021

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### 10. Restricted funds:

(a) Externally restricted funds:

Funds raised through casinos are restricted by the Alberta Gaming and Liquor Commission to be used for the purposes stated in the Society's approved casino application. The primary restriction is that these funds be used for rent, office furnishings, equipment, volunteer development and travel costs. During the year, \$nil (2021 - \$nil) was transferred from the Casino Fund to the General Fund.

(b) Internally restricted funds:

The Society's Board of Directors has internally restricted resources amounting to \$664,439 (2021 - \$661,974) to be used with the Board's approval for either essential functions or strategic matters of the Society. During the year, \$nil (2021 - \$nil) was transferred from the Special Purposes Fund to the General Fund for this purpose.

### 11. Financial instruments and related risks:

(a) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Society is exposed to interest rate risk with respect to its investments (note 5). The Society seeks to minimize risk from interest rate fluctuations by investing in term deposits with fixed interest rates.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Society is exposed to credit risk with respect to its cash and cash equivalents, investments and accounts receivable. The Society assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The Society mitigates credit risk by holding its cash and investments with high quality financial institutions. The maximum exposure to credit risk on these instruments is their carrying value.

# IMMIGRANT SERVICES CALGARY SOCIETY

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Year ended March 31, 2022, with comparative information for 2021

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## 11. Financial instruments and related risks (continued):

### (c) Liquidity risk:

Liquidity risk is the risk that the Society will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Society manages its liquidity risk by monitoring its operating requirements. The Society prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

There has been minimal impact of COVID-19 on the Society's operations during 2022 fiscal year when compared with the prior year.

There has been no change to the risk exposures from 2021, except for the possible impact as a result of the COVID-19 pandemic as discussed in note 2(h).

## 12. Commitments:

The Society has a long-term lease for its premises, with a lease agreement renewal being signed in April, 2021 for a period of ten years. Subsequent to year end, on May 6, 2022 an extension was signed with the lease expiry now set to fourteen years until March 31, 2035. The Society also leases office equipment. The minimum lease payments, excluding operating costs, over the next thirteen years are as follows:

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	Building	Office equipment
2023	\$ 353,016	\$ 21,025
2024	353,016	17,350
2025	501,432	17,350
2026	501,432	17,350
2027	585,004	17,350
2028-2035	5,265,036	-

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## 13. Financing facility:

The Society has a credit agreement for a revolving line of credit available to a maximum of \$500,000 (2021 - \$500,000) of which \$nil (2021 - \$nil) was drawn at year end. The line of credit is secured by a general security agreement and bears interest at the bank's prime rate plus 0.50%. The bank's prime rate at March 31, 2022 was 2.7% (2021 - 2.45%).

# IMMIGRANT SERVICES CALGARY SOCIETY

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Year ended March 31, 2022, with comparative information for 2021

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## 14. Government assistance:

The Government of Canada has implemented the COVID-19 Economic Response Plan. Under the plan, the Society is eligible for the Canada Emergency Wage Subsidy ("CEWS") in which Canadian businesses impacted by COVID-19 may be eligible for certain wage subsidies. For the year ended March 31, 2022, the Society was eligible and recognized \$301,667 (2021 - \$454,979) under the CEWS program as other income in the statement of operations, of which \$nil (2021 - \$192,628) was receivable as at year end.

Also, under the Government of Canada has implemented the COVID-19 Economic Response Plan, the Society is eligible for the Canada Emergency Rent Subsidy ("CERS"). Under this plan, Canadian businesses impacted by COVID-19 may be eligible for a subsidy to cover part of their commercial rent or property expenses. For the year ended March 31, 2022, the Society met eligibility requirements and has recognized the \$98,197 (2021 - \$102,322) received under the CERS as other income in the statement of operations, of which \$nil (2021 - \$nil) was receivable as at year end.

Also, under the Government of Canada has implemented the COVID-19 Economic Response Plan, the Society is eligible for the Canada Emergency Rent Subsidy ("CERS"). Under this plan, Canadian businesses impacted by COVID-19 may be eligible for a subsidy to cover part of their commercial rent or property expenses. For the year ended March 31, 2022, the Society met eligibility requirements and has recognized the \$98,197 (2021 - \$102,322) received under the CERS as other income in the statement of operations, of which \$nil (2021 - \$nil) was receivable as at year end.

The Government of Canada created a program called the Temporary Wage Subsidy ("TWS") to provide wage assistance to companies resulting from the COVID-19 outbreak. During the year, the Society met the eligibility requirements and received \$nil (2021 - \$19,619) in total compensation. The entire amount has been recognized as other income in the statement of operations for the year ended March 31, 2022.

## 15. Additional disclosures:

The Society is registered under the Charitable Fund-raising Act (the "Act") and discloses additional financial information in accordance with sections of the Act. Expenses incurred by the Society during the year for purpose of soliciting contributions are considered to be nominal (2021 – nominal).



# IMMIGRANT SERVICES CALGARY SOCIETY

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Year ended March 31, 2022, with comparative information for 2021

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## **16. Subsequent event:**

The Society has renewed its funding agreement with Immigration, Refugees and Citizenship Canada ("IRCC") for a period of five years starting April 2020, in support of various programs. Total contribution from the IRCC over the five year period is expected to be \$32,643,854. On April 26, 2022, the Society received \$1,965,506 of advance funding from the IRCC for the first four months for 2022/23 fiscal year in accordance with terms of the renewed funding agreement.

## **17. Contingencies:**

The Society is involved in various claims and litigations arising in the normal course of business primarily relating to former employees. While the outcome of these matters is uncertain and there is no assurance that such matters will be resolved in the Society's favour, the Society currently believes that adverse outcomes, if any, would not have a material impact on its financial position, results of operations or liquidity. Due to the early stage of the majority of these claims and the uncertainty with respect to outcome, no provision has been included in these financial statements.

## **18. Government remittances:**

Included in accounts payable and accruals are government remittances payable of \$12,181 (2021 – \$11,045), relating to GST and payroll related taxes.