

IMMIGRANT SERVICES CALGARY SOCIETY

Financial Statements

March 31, 2025

Independent auditor's report

To the Directors of Immigrant Services Calgary Society

Opinion

We have audited the financial statements of Immigrant Services Calgary Society (the "Society"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations and changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Immigrant Services Calgary Society as at March 31, 2025, 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 *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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 in the financial statements which indicates that the Society's current liabilities exceeded its current assets, the Society reported a deficiency of revenues over expenses and the Society reported a cumulative deficit as at and for the year ended March 31, 2025. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Society's ability to continue as a going concern.

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

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

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

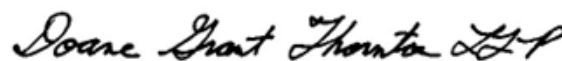
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

Calgary, Canada
August 25, 2025



Chartered Professional Accountants

IMMIGRANT SERVICES CALGARY SOCIETY

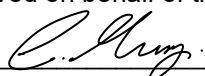
Statement of Financial Position

As at March 31

	General Fund	Special Purposes Fund	2025	2024
Assets				
Current				
Cash and cash equivalents	\$ 901	\$ 71,074	\$ 71,975	\$ 228,776
Accounts receivable (note 14)	93,395	—	93,395	149,924
Contributions and grants receivable	284,621	—	284,621	387,439
Interfund balances	71,074	(71,074)	—	—
Prepaid expenses	128,229	—	128,229	159,280
	578,220	—	578,220	925,419
Rental deposit (note 6)	182,283	—	182,283	194,903
Capital assets (note 7)	4,913,071	—	4,913,071	5,555,212
Total assets	\$ 5,673,574	\$ —	\$ 5,673,574	\$ 6,675,534
Liabilities and fund balances				
Current				
Bank overdraft (note 12)	\$ 411,355	\$ —	\$ 411,355	\$192,954
Accounts payable and accruals (note 14)	1,225,516	—	1,225,516	938,342
Deferred contributions (note 8)	103,234	—	103,234	722,507
Current portion of debt (note 12)	34,116	—	34,116	31,876
	1,774,221	—	1,774,221	1,885,679
Deferred capital contributions (note 8)	4,912,346	—	4,912,346	5,539,460
Debt (note 12)	255,220	—	255,220	300,841
Total liabilities	6,941,787	—	6,941,787	7,725,980
Fund balances				
Invested in capital assets	29,601	—	29,601	44,002
Unrestricted	(1,297,814)	—	(1,297,814)	(1,094,448)
Total fund balances	(1,268,213)	—	(1,268,213)	(1,050,446)
Going concern (note 2)				
Economic dependance (note 4)				
Commitments (note 11)				
Total liabilities and fund balances	\$ 5,673,574	\$ —	\$ 5,673,574	\$ 6,675,534

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, 2025

	General Fund	Special Purposes Fund	2025	2024
Revenues:				
Program funding	\$ 11,308,255	\$ –	\$ 11,308,255	\$ 12,514,726
Amortization of deferred capital contributions	627,114	–	627,114	673,780
Fund development	516,838	–	516,838	491,246
Interpretation and translation services	424,651	–	424,651	493,135
Other income	61,525	–	61,525	13,861
Interest income	46	18	64	77
	12,938,429	18	12,938,447	14,186,825
Expenses:				
Salaries and benefits	9,542,495	–	9,542,495	10,622,923
Occupancy costs	1,192,299	–	1,192,299	819,027
Office and administrative	758,675	–	758,675	927,049
Professional fees and program consultants	810,234	–	810,234	1,659,969
Fund development	139,745	–	139,745	117,812
Conferences and staff development	70,625	–	70,625	136,603
Amortization	642,141	–	642,141	718,356
Accretion expense	–	–	–	25,400
	13,156,214	–	13,156,214	15,027,139
(Deficiency) excess of revenues over expenses	\$ (217,785)	\$ 18	\$ (217,767)	\$ (840,314)
Fund balances, beginning of year	(1,050,446)	–	(1,050,446)	(210,132)
Interfund transfers	18	(18)	–	
Fund balances, end of year	\$(1,268,213)	\$ –	\$ (1,268,213)	\$(1,050,446)

See accompanying notes to financial statements.

IMMIGRANT SERVICES CALGARY SOCIETY

Statement of Cash Flows
Year ended March 31, 2025

	2025	2024
Cash and cash equivalents provided by (used in)		
Operations:		
Deficiency of revenue over expenses	\$ (217,767)	\$ (840,314)
Items not affecting cash		
Accretion expense	–	25,400
Amortization of capital assets	642,141	718,356
Amortization of deferred capital contributions (note 8)	(627,114)	(673,780)
	(202,740)	(770,338)
Changes to non-cash working capital:		
Accounts, contributions and grants receivable	159,347	1,220,166
Prepaid expenses	31,051	(47,820)
Deposits	12,620	–
Accounts payable and accruals	287,174	(869,001)
Deferred contributions	(619,273)	(97,744)
	(331,821)	(564,737)
Financing:		
Repayment of debt	(43,381)	(40,370)
Deferred capital contributions received	–	506,980
Increase in bank overdraft	218,401	52,756
	175,020	519,366
Investing:		
Purchase of capital assets	–	(478,936)
	–	(478,936)
Decrease in cash and cash equivalents	(156,801)	(524,307)
Cash and cash equivalents, beginning of year	228,776	753,083
Cash and cash equivalents, end of year	\$ 71,975	\$ 228,776

See accompanying notes to the financial statements.

IMMIGRANT SERVICES CALGARY SOCIETY

Notes to Financial Statements

March 31, 2025

1. Purpose of the organization:

Immigrant Services Calgary Society (the "Society") is a not-for-profit organization incorporated under the Societies Act of Alberta. 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 Canada and as such is exempt from income taxes and able to issue donation receipts for income tax purposes.

2. Going concern

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations on a going concern basis, which contemplates the realization of assets and the discharge of liabilities in the normal course of operations.

The Society reported a deficiency of revenues over expenses and a cumulative deficit as at and for the year ended March 31, 2025, and the Society's current liabilities exceeded its current assets. These circumstances lend doubt as to the ability of the Society to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

In order to address the aforementioned matters, management is engaged in a number of matters including but not limited to the following:

- Renewal of contribution agreements with key funders;
- Zero-based program budgeting, updating operational and cash flow forecasting models and modification of organizational structure including administrative expense reductions;
- Securing unrestricted contributions to support program delivery and the significant and ongoing transformation the Society; and
- Securing access to credit facilities to support cash flow management and associated forecasting models.

The accompanying financial statements do not include any adjustments to the recoverability and classification of recorded assets and liability amounts and the reported expenses that might be necessary should the Society be unable to continue as a going concern and these adjustments could be material.

IMMIGRANT SERVICES CALGARY SOCIETY

Notes to Financial Statements
March 31, 2025

3. 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 Canadian Chartered Professional Accountants of Canada Handbook.

(a) Fund accounting:

Funds have been established by the Society 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.

(b) Revenue recognition:

The Society follows the deferral method of accounting for contributions. 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 and the amount to be received is fixed or determinable. 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 externally restricted for the purchase of capital assets are recognized as deferred capital contributions when the external restrictions have been satisfied and are deferred and amortized as revenue on a straight-line basis on the same basis as the related capital asset or assets acquired.

(c) 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.

(d) 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.

IMMIGRANT SERVICES CALGARY SOCIETY

Notes to Financial Statements

March 31, 2025

3. Significant accounting policies (continued)

(e) Accounts receivable:

Accounts receivable and contributions and grants receivable are recorded net of allowances for estimated non-collectible accounts.

(f) Capital assets:

Capital assets are recorded at cost less accumulated amortization and impairment losses, if any. 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. Computer and office equipment is amortized over 5 years, office furniture is amortized over 10 years and leasehold improvements are amortized over the remaining lease term plus optional renewal periods that are more likely than not to be exercised.

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

(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 assistance. Government assistance is recorded when the receipt is reasonably assured.

(h) Financial instruments:

Financial instruments are recorded at fair value on initial recognition, except for certain non-arm's length transactions that are measured at cost or fair value, depending on the nature of the related party transaction, and are subsequently recorded at amortized cost. The Society has no non-arm's length transactions recorded at fair value. Equity instruments that are quoted in an active market, including investments in marketable securities, are recorded at fair value. All other financial instruments are recorded at cost or amortized cost.

Transaction costs relating to financial instruments measured at fair value are expensed as incurred. For all other financial instruments, the transaction costs are added to the carrying value of the asset, or netted against the carrying value of the liability, and are then recognized over the expected useful life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is also amortized over the expected useful life of the instrument using the straight-line method and is recognized in the statement of operations.

IMMIGRANT SERVICES CALGARY SOCIETY

Notes to Financial Statements

March 31, 2025

3. Significant accounting policies (continued)

(h) Financial instruments (continued)

Financial assets measured at amortized cost are assessed for indicators of impairment when there is an indication of impairment indicating a significant, adverse change in the expected timing or amount of future cash flows to be derived from the use and eventual disposition of the asset.

(i) 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 estimated useful lives of capital assets, the collectability of accounts, contributions and grants receivable and completeness of accounts payable and accruals. Actual results could differ from those estimates.

(j) Cloud computing arrangements

Effective April 1, 2024, the Society adopted *Accounting Guideline 20, Customer's accounting for cloud computing arrangements*, which provides guidance on the accounting for expenditures on cloud computing arrangements. As part of the adoption, the Society elected to apply the simplification approach to account for its expenditures in its cloud computing arrangements. When there are multiple elements within a single cloud computing arrangement, the Society allocates the consideration to each separable element based on the relative stand-alone selling prices. Expenditures in all cloud computing agreements, excluding tangible capital assets and rights to use tangible capital assets, are treated as a supply of services and expensed as the Society receives the services. Amounts paid in advance of receiving the services are recognized as a prepaid expense. In accordance with the transitional provisions, Society has applied the new accounting guideline retrospectively. As a result of applying the amendments, there was no impact on the Society's previously reported financial position or results of operations or cash flows.

During the year, the Society entered into cloud computing arrangements and expensed \$532,210 (2024 - \$588,699) in connection with the arrangements, which is presented as office and administrative expenses in the statement of operations.

4. Economic dependence

The Society receives the majority of revenue in the form of program funding from Canadian federal, provincial and municipal governments (Note 5). The Society is dependent upon the continued support of these governments and associated agencies to provide current levels of programming.

IMMIGRANT SERVICES CALGARY SOCIETY

Notes to Financial Statements

March 31, 2025

5. Revenue

	2025	2024
Federal government	\$ 8,757,954	\$ 9,765,784
Provincial and territorial governments	829,370	940,972
Municipal and regional governments	1,087,748	952,228
Other registered charities	256,632	654,156
Other program funding	376,551	201,586
	11,308,255	12,514,726
Other revenue	1,630,192	1,672,099
	\$ 12,938,447	\$ 14,186,825

6. Rental deposit

As at March 31, 2025, rental deposits of \$182,283 (2024 – \$194,903) are held by landlords as security for the performance of the Society's obligations under premises lease and facility agreements.

7. Capital assets

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Computer and office equipment	\$ 1,789,866	\$ 1,111,883	\$ 677,983	\$ 936,818
Office furniture	957,724	426,870	530,854	539,450
Leasehold improvements	4,488,389	784,155	3,704,234	4,078,944
Balance, end of year	\$ 7,235,979	\$ 2,322,908	\$ 4,913,071	\$ 5,555,212

8. Deferred contributions and deferred capital 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 \$103,234 (2024 – \$722,507) 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 contributions received and 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:

IMMIGRANT SERVICES CALGARY SOCIETY

Notes to Financial Statements

March 31, 2025

8. Deferred contributions and deferred capital contributions (continued)

	2025	2024
Balance, beginning of year	\$ 5,539,460	\$ 5,706,260
Contributions received during the year	—	506,980
Amortization of deferred capital contributions	(627,114)	(673,780)
Balance, end of year	\$ 4,912,346	\$ 5,539,460

9. Internally restricted funds

During the year, \$18 (2024 – \$671,058) was transferred from the Special Purposes Fund to the General Fund.

10. 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 bank overdraft and debt. Floating-rate financial liabilities subject the Society to a cash flow risk and fixed-rate financial liabilities subject the Society to a fair value risk.

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 and accounts receivable. The Society assesses, on a continuous basis, accounts receivable and provides an allowance for impairment for any amounts that are not considered collectible. The Society mitigates credit risk by holding its cash with high quality Canadian financial institutions. The maximum exposure to credit risk on these instruments is their carrying value.

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, preparing operating budgets and cash flow forecasts and maintaining access to an operating line of credit to ensure it has sufficient funds to fulfill its obligations as they become due in the ordinary course of operations.

IMMIGRANT SERVICES CALGARY SOCIETY

Notes to Financial Statements

March 31, 2025

11. Commitments

The Society has a long-term lease for its premises in Calgary which expires on March 31, 2035. The Society also leases premises in Brooks, Medicine Hat and Lethbridge and leases office equipment. The minimum lease payments, excluding operating costs, under these lease arrangements are as follows:

	Premises	Office equipment
2026	502,044	22,858
2027	526,854	20,130
2028	526,854	11,948
2029	487,503	8,961
2030	438,753	—
Thereafter	2,632,518	—

12. Debt

- a. The Society has a credit agreement for a revolving line of credit available to a maximum of \$500,000 (except during the period March 15 – June 15, 2025, when the amount was increased to \$650,000) (2024 – \$500,000), of which \$411,355 (2024 – \$192,954) 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, 2025 was 4.95% (2024 – 7.5%).
- b. The Society secured a \$250,000 loan from the Calgary Foundation. The loan is to be repaid in 28 payments of \$11,380 quarterly with interest calculated at 7% per annum starting August 2022. The loan matures July 2029. The loan is collateralized by a general security agreement covering all assets of the Society.

For the year ended March 31, 2025, interest expense of \$13,606 (2024 – \$15,742) was recorded in the statement of operations. As at March 31, 2025, the Society had \$174,272 (2024 – \$206,148) outstanding under this facility.

IMMIGRANT SERVICES CALGARY SOCIETY

Notes to Financial Statements

March 31, 2025

12. Debt (continued)

- c. The Society entered into an agreement for a loan from the University Technologies International for \$137,200. The loan is repayable over a period of 10 years until January 31, 2033. Repayment is calculated at 2.5% of earnings from the authorized purpose being the Society's Interpretation and Translation Centre. The loan is interest free. The fair value of the loan at inception was \$110,900 using a 7% discount rate, with the difference of \$26,300 accounted for as other income in the statement of operations. The accretion on the loan in 2025 was \$nil (2024 – \$25,400).

As at March 31, 2025, the Society had \$115,064 (2024 – \$126,569) outstanding under the facility.

A summary of the Society's debt as at March 31 is presented below:

	2025	2024
Calgary Foundation	\$ 174,272	\$ 206,148
University Technologies International	115,064	126,569
Closing balance	289,336	332,717
Less: current portion of debt	(34,116)	(31,876)
Long term	\$ 255,220	\$ 300,841

13. Fundraising

As required under Section 7(2) of the Regulations of the Charitable Fundraising Act of Alberta, the Society is required to disclose expenditures during the year incurred for the purposes of soliciting contributions. During the years 2025 and 2024, expenditures incurred by the Society for the purpose of soliciting contributions are considered to be nominal.

14. Government rebates and remittances

Included in accounts receivable are GST rebates of \$52,505 (2024 - \$nil).

Included in accounts payable and accruals are government remittances payable of \$nil (2024 - \$48,306) relating to GST and payroll related taxes.

15. Comparative information

Certain of the comparative information has been amended to conform to the presentation adopted for the current year.