IMMIGRANT SERVICES CALGARY SOCIETY

Financial Statements

March 31, 2026

Doane Grant Thornton LLP
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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, 2026, 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, 2026, 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, 2026. 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.

Doane Grant Thornton

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.

Doane Grant Thornton LLP

Calgary, Canada
June 25, 2026

Chartered Professional Accountants

IMMIGRANT SERVICES CALGARY SOCIETY

Statement of Financial Position
As at March 31

	General Fund	Special Purposes Fund	2026	2025
Assets				
Current				
Cash and cash equivalents	$ 4,276	$ 42,035	$ 46,311	$ 71,975
Accounts receivable	52,215	–	52,215	93,395
Contributions and grants receivable	54,388	–	54,388	284,621
Interfund balances	42,035	(42,035)	–	–
Prepaid expenses	108,987	–	108,987	128,229
	261,901	–	261,901	578,220
Rental deposit (note 5)	174,798	–	174,798	182,283
Capital assets (note 6)	4,230,259	–	4,230,259	4,913,071
Total assets	$ 4,666,958	$ –	$ 4,666,958	$ 5,673,574
Liabilities and fund balances				
Current				
Bank overdraft (note 11)	$ 718,389	$ –	$ 718,389	$ 411,355
Accounts payable and accruals (note 13)	739,788	–	739,788	1,225,516
Deferred contributions (note 7)	157,940	–	157,940	103,234
Current portion of debt (note 11)	36,622	–	36,622	34,116
	1,652,739	–	1,652,739	1,774,221
Deferred capital contributions (note 7)	4,230,259	–	4,230,259	4,912,346
Debt (note 11)	211,813	–	211,813	255,220
Total liabilities	6,094,811	–	6,094,811	6,941,787
Fund balances				
Invested in capital assets	–	–	–	29,601
Unrestricted	(1,427,853)	–	(1,427,853)	(1,297,814)
Total fund balances	(1,427,853)	–	(1,427,853)	(1,268,213)
Going concern (note 2)				
Economic dependance (note 4)				
Commitments (note 10)				
Total liabilities and fund balances	$ 4,666,958	$ –	$ 4,666,958	$ 5,673,574

See accompanying notes to financial statements

Approved on behalf of the Board

Signed by:
Alec Silenzi
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Director

Signed by:
Yonguo Guan
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Director

IMMIGRANT SERVICES CALGARY SOCIETY

Statement of Operations and Changes in Fund Balances
Year ended March 31, 2026

	General Fund	Special Purposes Fund	2026	2025
Revenues:				
Program funding:				
Federal government	$ 7,638,905	$ –	$ 7,638,905	$ 8,757,954
Municipal government	1,072,963	–	1,072,963	1,088,472
Provincial government	914,660	–	914,660	986,695
Registered charities	212,289	–	212,289	297,785
Other	6,105	–	6,105	186,244
Amortization of deferred capital contributions	682,087	–	682,087	627,114
Interpretation and translation services	192,774	–	192,774	436,374
Donations	139,512	–	139,512	327,021
Other revenue	108,659	–	108,659	88,420
Sponsorships	–	–	–	142,304
Interest income	–	13	13	64
	10,967,954	13	10,967,967	12,938,447
Expenses:				
Personnel	7,992,244	–	7,992,244	9,553,946
Occupancy costs	1,249,866	–	1,249,866	1,192,299
Amortization	682,812	–	682,812	642,141
Professional fees and program consultants	436,424	–	436,424	824,705
Licenses	274,254	–	274,254	327,360
Other expenses	177,205	–	177,205	187,282
Program materials	114,602	–	114,602	141,137
Insurance	75,494	–	75,494	69,502
Telecommunications	70,706	–	70,706	55,851
Office and administrative	54,000	–	54,000	36,245
Fund development	–	–	–	145,745
	11,127,607	–	11,127,607	13,156,214
(Deficiency) excess of revenues over expenses	$ (159,653)	$ 13	$ (159,640)	$ (217,767)
Fund balances, beginning of year	(1,268,213)	–	(1,268,213)	(1,050,446)
Interfund transfers	13	(13)	–	–
Fund balances, end of year	$ (1,427,853)	$ -	$ (1,427,853)	$ (1,268,213)

See accompanying notes to financial statements.

IMMIGRANT SERVICES CALGARY SOCIETY

Statement of Cash Flows
Year ended March 31, 2026

	2026	2025
Cash and cash equivalents provided by (used in)		
Operations:		
Deficiency of revenue over expenses	$ (159,640)	$ (217,767)
Items not affecting cash		
Amortization of capital assets	682,812	642,141
Amortization of deferred capital contributions	(682,087)	(627,114)
	(158,915)	(202,740)
Changes to non-cash working capital:		
Accounts, contributions and grants receivable	271,413	159,347
Prepaid expenses	19,242	31,051
Deposits	7,485	12,620
Accounts payable and accruals	(485,728)	287,174
Deferred contributions	54,706	(619,273)
	(291,797)	(331,821)
Financing:		
Repayment of debt	(40,901)	(43,381)
Increase in bank overdraft	307,034	218,401
	266,133	175,020
Decrease in cash and cash equivalents	(25,664)	(156,801)
Cash and cash equivalents, beginning of year	71,975	228,776
Cash and cash equivalents, end of year	$ 46,311	$ 71,975

See accompanying notes to the financial statements.

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, 2026, 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:

- The successful 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.

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.

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 an 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.

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 form 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

The Society applies 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.

During the year, the Society entered into cloud computing arrangements and expensed $318,791 (2025 - $532,210) in connection with the arrangements, which are included in licenses and telecommunications 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. The Society is dependent upon the continued support of these governments and associated agencies to provide current levels of programming.

5. Rental deposit

As at March 31, 2026, rental deposits of $174,798 (2025 – $182,283) are held by landlords as security for the performance of the Society's obligations under premises lease and facility agreements.

6. Capital assets

	Cost	Accumulated amortization	2026 Net book value	2025 Net book value
Computer and office equipment	$ 1,789,866	$ 1,356,779	$ 433,087	$ 677,983
Office furniture	957,724	490,698	467,026	530,854
Leasehold improvements	4,488,389	1,158,243	3,330,146	3,704,234
Balance, end of year	$ 7,235,979	$ 3,005,720	$ 4,230,259	$ 4,913,071

7. 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 $157,940 (2025 – $103,234) 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:

7. Deferred contributions and deferred capital contributions (continued)

	2026	2025
Balance, beginning of year	$ 4,912,346	$ 5,539,460
Amortization of deferred capital contributions	(682,087)	(627,114)
Balance, end of year	$ 4,230,259	$ 4,912,346

8. Internally restricted funds

During the year, $13 (2025 – $18) was transferred from the Special Purposes Fund to the General Fund.

9. Financial instruments and related risks

The Society's financial instruments consist of cash and cash equivalents, accounts receivables, contributions and grants receivable, bank overdraft, accounts payable and accruals, and debt.

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 arises from cash and cash equivalents and accounts receivable. The Society mitigates this risk by holding cash with reputable financial institutions and by monitoring receivable balances.

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.

10. 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
2027	$ 537,654	$ 20,130
2028	526,854	11,948
2029	487,503	8,961
2030	438,753	–
2031	501,432	–
Thereafter	2,131,086	–

11. Debt

a. The Society has a credit agreement for a demand operating loan available to a maximum of $500,000 (except during the period March 17 – April 17, 2026, when the amount was temporarily increased to $600,000 to cover timing of funder payments in the new fiscal period), (2025 – $500,000, with a temporary increase to $650,000). $718,389 (2025 – $411,355) 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, 2026 was 4.45% (2025 – 4.95%).

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, 2026, interest expense of $11,315 (2025 – $13,606) was recorded in the statement of operations. As at March 31, 2026, the Society had $140,106 (2025 – $174,272) outstanding under this facility.

11. Debt (continued)

c. The Society entered into an agreement for a loan from UCalgary (formally 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 revenue from the authorized purpose being the Society's Interpretation and Translation Centre. The loan is interest free.

As at March 31, 2026, the Society had $108,329 (2025 – $115,064) outstanding under the facility.

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

	2026	2025
Calgary Foundation	$ 140,106	$ 174,272
UCalgary (formally University Technologies International)	108,329	115,064
Closing balance	248,435	289,336
Less: current portion of debt	(36,622)	(34,116)
Long term	$ 211,813	$ 255,220

12. 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 2026 and 2025, expenditures incurred by the Society for the purpose of soliciting contributions are considered to be nominal.

13. Government rebates and remittances

Included in accounts payable and accruals are government remittances payable of $19,962 (2025 - $nil) relating to GST and payroll related taxes.

14. Comparative information

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