

Financial Statements of

**THE CALGARY BRIDGE  
FOUNDATION FOR YOUTH**

Year ended December 31, 2016



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## INDEPENDENT AUDITORS' REPORT

To the Members of The Calgary Bridge Foundation for Youth

We have audited the accompanying financial statements of The Calgary Bridge Foundation for Youth, which comprise of the statement of financial position as at December 31, 2016, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Basis for Qualified Opinion**

In common with many not-for-profit organizations, The Calgary Bridge Foundation for Youth derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of The Calgary Bridge Foundation for Youth. Therefore, we were not able to determine whether, as at and for the years ended December 31, 2016 and December 31, 2015, any adjustments might be necessary to donation and fundraising revenues and excess of revenues over expenses reported in the statements of operations, excess of revenues over expenses reported in the statements of cash flows and current assets and unrestricted net assets reported in the statements of financial position. This caused us to qualify our audit opinion on the financial statements as at and for the year ended December 31, 2015.

**Qualified Opinion**

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of The Calgary Bridge Foundation for Youth as at December 31, 2016, 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.

*KPMG LLP*

Chartered Professional Accountants

March 22, 2017  
Calgary, Canada

# THE CALGARY BRIDGE FOUNDATION FOR YOUTH

## Statement of Financial Position

December 31, 2016, with comparative information for 2015

	2016	2015
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 1,430,665	\$ 1,210,661
Short-term investments (note 3)	12,032	—
Accounts receivable (note 10)	2,140	6,566
Government remittances recoverable	15,602	13,077
Prepaid expenses and deposits	45,717	49,265
Total current assets	1,506,156	1,279,569
Capital assets (note 4)	92,666	57,066
	<u>\$ 1,598,822</u>	<u>\$ 1,336,635</u>

## Liabilities and Net Assets

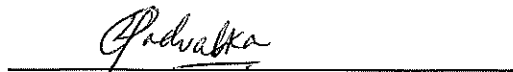
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 93,872	\$ 84,037
Deferred contributions (note 5)	514,198	310,790
	<u>608,070</u>	<u>394,827</u>
<b>Non-current liabilities</b>		
Deferred capital contributions (note 6)	44,979	40,254
Total liabilities	653,049	435,081
<b>Net assets</b>		
Invested in capital assets	47,687	16,812
Unrestricted	898,086	884,742
Total net assets	945,773	901,554
Commitments (note 8)		
	<u>\$ 1,598,822</u>	<u>\$ 1,336,635</u>

See accompanying notes to financial statements.

Approved by the Board:



Director



Director

(DARSHAN TADVALKAR)

# THE CALGARY BRIDGE FOUNDATION FOR YOUTH

## Statement of Operations

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
<b>Revenues</b>		
Amortization of deferred capital contributions (note 6)	\$ 29,255	\$ 56,389
Registration	58,616	45,239
Fundraising (note 9)	51,580	41,098
Donations – restricted (note 9)	32,082	21,673
Donations – unrestricted (note 9)	17,524	5,991
Programs:		
Government of Canada	3,567,467	3,212,068
City of Calgary	619,451	389,066
United Way	503,178	535,715
RBC Foundation	38,696	16,518
Other Programs	16,939	–
Government of Alberta	–	14,706
Rogers Communications	–	144,073
Somali Homework Club	–	29,497
	4,934,788	4,512,033
<b>Expenses</b>		
Amortization of capital assets	44,524	68,753
Registration and administration	38,933	7,425
Fundraising (note 9)	28,550	31,627
Donations – restricted	32,082	21,673
Loss on disposal of capital assets (note 4)	749	–
Programs:		
Government of Canada	3,567,467	3,212,068
City of Calgary	619,451	389,066
United Way	503,178	535,715
RBC Foundation	38,696	16,518
Other Programs	16,939	–
Government of Alberta	–	14,706
Rogers Communications	–	144,073
Somali Homework Club	–	29,497
	4,890,569	4,471,121
<b>Excess of revenues over expenses</b>	<b>\$ 44,219</b>	<b>\$ 40,912</b>

See accompanying notes to financial statements.

# THE CALGARY BRIDGE FOUNDATION FOR YOUTH

## Statement of Changes in Net Assets

Year ended December 31, 2016, with comparative information for 2015

	Invested in Capital Assets	Unrestricted	2016	2015
Net assets, beginning of year	\$ 16,812	\$ 884,742	\$ 901,554	\$ 860,642
(Deficiency) excess of revenues over expenses	(16,018)	60,237	44,219	40,912
Interfund transfers	46,893	(46,893)	—	—
Net assets, end of year	\$ 47,687	\$ 898,086	\$ 945,773	\$ 901,554

See accompanying notes to financial statements.

# THE CALGARY BRIDGE FOUNDATION FOR YOUTH

## Statement of Cash Flows

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Cash flows provided by (used in):		
<b>Operations</b>		
Excess of revenues over expenses	\$ 44,219	\$ 40,912
Add items not affecting cash:		
Amortization of capital assets	44,524	68,753
Amortization of deferred capital contributions	(29,255)	(56,389)
Loss on disposal of capital assets (note 4)	749	—
	60,237	53,276
Change in non-cash working capital:		
Accounts receivable	4,426	(1,906)
Government remittances recoverable	(2,525)	2,302
Prepaid expenses and deposits	3,548	(12,523)
Accounts payable and accrued liabilities	9,835	(74,353)
Deferred contributions	203,408	90,401
	278,929	57,197
<b>Financing</b>		
Deferred capital contributions received (note 6)	33,980	15,225
<b>Investments</b>		
Purchase of capital assets using restricted funds (note 4)	(33,980)	(15,225)
Purchase of capital assets using unrestricted funds (note 4)	(46,893)	(8,804)
Purchase of short-term investments (note 3)	(12,032)	—
	(92,905)	(24,029)
Increase in cash	220,004	48,393
Cash, beginning of year	1,210,661	1,162,268
Cash, end of year	\$ 1,430,665	\$ 1,210,661

See accompanying notes to financial statements.

# THE CALGARY BRIDGE FOUNDATION FOR YOUTH

Notes to the Financial Statements

Year ended December 31, 2016, with comparative information for 2015

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## 1. Purpose of the organization

The Calgary Bridge Foundation For Youth (the "Foundation") was incorporated on November 6, 1990 under the Societies Act of Alberta as a not-for-profit organization, and is a registered charity under the Income Tax Act. The Foundation is committed to assisting youth to overcome language and cultural barriers that restrict their access and contribution to society. The Foundation therefore forms a "bridge" for immigrant and refugee youths to find help that is required.

## 2. Significant accounting policies

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants ("CPA") Handbook.

### (a) Measurement uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates. Significant estimates may include the recoverability and useful of capital assets.

### (b) Revenue recognition

The Foundation follows the deferral method of accounting for contributions.

Revenue containing conditions as to its use is deferred until the conditions are fulfilled.

Fees for services are recognized as revenue as related services are provided and the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions restricted for the acquisition of capital assets are recognized as revenue in the amounts that match the amortization expense of the related capital assets purchased with the contributions.

Unrestricted donations and fundraising revenue are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

### (c) Capital assets

Capital assets are recorded at cost less accumulated amortization. Individual asset with a cost of \$1,000 or less are expensed in the year of acquisition.



# THE CALGARY BRIDGE FOUNDATION FOR YOUTH

Notes to the Financial Statements

Year ended December 31, 2016, with comparative information for 2015

## 2. Significant accounting policies (continued)

### (c) Capital assets (continued)

Amortization is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Computer equipment	3 years
Furniture and fixtures	5 years
Leasehold improvements	5 years

In the year of acquisition and disposal, amortization is half of the annual amount.

### (d) Investments

Impairment of portfolio investments is recognized when the loss in value of a portfolio investment is other than temporary, and is included in the Statement of Operations.

### (e) Contributed services

Volunteers assist the Foundation in carrying out certain activities. Due to uncertainty in determining fair value of the service and given that such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

### (f) Donated equipment and materials

Donated equipment and materials are recorded at fair market value if it can be reasonably determined. If fair market value cannot be reasonably determined, donated equipment and materials are recorded at nominal value.

### (g) 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 Foundation 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.

# THE CALGARY BRIDGE FOUNDATION FOR YOUTH

Notes to the Financial Statements

Year ended December 31, 2016, with comparative information for 2015

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## 2. Significant accounting policies (continued)

### (g) Financial instruments (continued)

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 Foundation 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 Foundation 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.

### (h) Allocation of expenses

The Foundation records a number of its expenses by program. The costs of each program include the costs of personnel and other expenses that are directly related to providing the program.

The Foundation allocates certain of its general support expenses by identifying the appropriate basis of allocating each expense. Administration and corporate governance are not allocated; other general operation expenses are allocated in the following basis:

- (i) Information technology: information technology costs are allocated based on number of full-time employees working for each program.
- (ii) Office rent, repairs and maintenance, insurance, professional service, administrative salary and benefits, rent, repairs and maintenance expenses, insurance, professional service, and administrative salary and benefits are allocated based on budgeted amounts as agreed upon with funders.

## 3. Short-term Investments

During the year, the Foundation entered into a contract with a Canadian bank to obtain corporate credit cards having a combined limit of \$12,000. The Canadian bank required the Foundation to invest cash into a one year GIC of \$12,000 with them as collateral for the credit cards. On July 22, 2016, the Foundation purchased a one year GIC of \$12,000, maturing on July 21, 2017, with interest of 2.1% per annum.

At December 31, 2016, \$2,286 was outstanding on these credit cards and is included in accounts payable and accrued liabilities.

# THE CALGARY BRIDGE FOUNDATION FOR YOUTH

Notes to the Financial Statements

Year ended December 31, 2016, with comparative information for 2015

## 4. Capital assets

			2016	2015
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 239,663	\$ 180,071	\$ 59,592	\$ 47,937
Furniture and fixtures	142,485	112,912	29,573	5,902
Leasehold improvements	220,215	216,714	3,501	3,227
	\$ 602,363	\$ 509,697	\$ 92,666	\$ 57,066

Current year capital additions of \$80,873 (2015 - \$24,029) were purchased using restricted funds of \$33,980 (2015 - \$15,225) and unrestricted funds of \$46,893 (2015 - \$8,804).

Current year amortization of \$44,524 (2015 - \$68,753) consists of \$28,506 (2015 - \$56,389) restricted assets and \$16,018 (2015 - \$12,364) unrestricted assets.

During the year, assets with a net book value of \$749 (2015 - \$ nil) were disposed of, resulting in a loss on the disposal of capital assets of \$749 (2015 - \$ nil).

## 5. Deferred contributions

Deferred contributions represent restricted program funds and restricted donations relating to programs of the Foundation.

	2016	2015
Balance, beginning of year	\$ 310,790	\$ 220,389
Contributions received in the year	5,066,781	4,468,942
Amounts recognized as revenue in the year	(4,829,393)	(4,363,316)
Amounts transferred to deferred capital contributions	(33,980)	(15,225)
Balance, end of year	\$ 514,198	\$ 310,790

## 6. Deferred capital contributions

Deferred capital contributions represent restricted contributions received and designated to be used for capital purposes and comprise the following:

# THE CALGARY BRIDGE FOUNDATION FOR YOUTH

Notes to the Financial Statements

Year ended December 31, 2016, with comparative information for 2015

## 6. Deferred capital contributions (continued)

	2016	2015
Balance, beginning of year	\$ 40,254	\$ 81,418
Capital assets purchased with restricted contributions provided by funders	33,980	15,225
Amortization of deferred capital contributions	(29,255)	(56,389)
Balance, end of year	\$ 44,979	\$ 40,254

## 7. Related party transactions

During the year, the Foundation received donations of \$200 (2015 - \$2,150) designated for scholarship and \$ nil (2015 - \$121) of general donations from the Board of Directors. As at December 31, 2016, \$100 (2015 - \$1,900) of the designated donation is recorded as deferred contributions.

## 8. Commitments

The Foundation has contractual obligations to pay annual operating lease rental payments in the next two years as follows:

2017	\$ 174,469
2018	27,000

## 9. Donations and fundraising

In raising \$49,606 (2015 - \$27,664) in donations and \$51,580 (2015 - \$41,098) in fundraising revenues, the Foundation incurred \$28,550 (2015 - \$31,627) for the purpose of soliciting contributions including \$28,550 (2015 - \$18,859) for fundraising expenses and \$ nil (2015 - \$12,768) for employee expenses.

## 10. Accounts receivable

No provision for allowance for doubtful accounts has been accounted for in accounts receivable during the year (2015 - \$ nil).

# THE CALGARY BRIDGE FOUNDATION FOR YOUTH

Notes to the Financial Statements

Year ended December 31, 2016, with comparative information for 2015

## 11. Financial instruments:

The Foundation is subject to the following financial instrument risk:

### (a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Foundation does not believe it is subject to any significant concentration of credit risk. Cash and short term investments are in place with major financial institutions and all of the accounts receivables are due from the federal government, where chances of default are low.

### (b) Liquidity risk:

Liquidity risk is the risk that the Foundation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Foundation does not believe it is subject to any significant concentration of liquidity risk.

The Foundation manages its liquidity risk by monitoring its operating requirements. The Foundation prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

### (c) Interest rate risk:

Interest rate risk arises on cash. The Foundation is exposed to interest rate risk due to fluctuations in the bank's interest rates.

## 12. Allocation of expenses by program

The allocation have been made to specific programs as follows:

	<u>Information Technology</u>		<u>Office Rent</u>		<u>Repairs and Maintenance</u>	
	2016	2015	2016	2015	2016	2015
City of Calgary	\$ 2,567	\$ 2,472	\$ 10,000	\$ 8,000	\$ 1,335	\$ -
Government of Canada	30,285	34,080	14,068	36,651	974	3,229
RBC Foundation	281	-	-	-	-	-
Rogers Communications	-	650	-	-	-	-
United Way	2,567	2,472	10,000	8,000	1,335	3,283
	<u>\$ 35,700</u>	<u>\$ 39,674</u>	<u>\$ 34,068</u>	<u>\$ 52,651</u>	<u>\$ 3,644</u>	<u>\$ 6,512</u>

# THE CALGARY BRIDGE FOUNDATION FOR YOUTH

Notes to the Financial Statements

Year ended December 31, 2016, with comparative information for 2015

## 12. Allocation of expenses by program (continued)

	Insurance		Professional Service		Admin Salary and Benefits	
	2016	2015	2016	2015	2016	2015
City of Calgary	\$ 3,175	\$ 1,000	\$ 3,500	\$ 2,000	\$ 41,025	\$ 37,638
Government of Canada	14,788	11,800	12,463	10,647	332,338	265,470
RBC Foundation	454	211	537	253	-	-
Rogers Communications	-	1,334	-	1,600	-	10,941
Somali Homework Club	-	-	-	-	-	2,917
Other Programs	500	-	-	-	-	-
United Way	3,175	7,000	3,500	5,000	74,500	74,500
	\$ 22,092	\$ 21,345	\$ 20,000	\$ 19,500	\$ 447,863	\$ 391,466

All other expenses are charged directly to the programs.

## 13. Expenses by object:

	2016	2015
Advertising and promotion	\$ 32,230	\$ 34,873
Amortization of capital assets	44,524	68,753
Insurance	22,092	21,345
Partnership development	100,041	62,375
Professional service	20,000	19,500
Program supplies and field trips	83,717	96,942
Rent	78,745	65,374
Repairs and maintenance	28,317	16,812
Salaries and benefits	4,079,964	3,714,296
Scholarship	18,500	30,500
Staff meeting and professional development	35,908	28,823
Information technology	57,465	58,776
Telecommunications	48,419	46,086
Transportation	106,807	94,390
Office, administration, fundraising and other	133,840	112,276
	\$ 4,890,569	\$ 4,471,121