

The Elizabeth Fry Society of Saskatchewan Inc.

Financial Statements

March 31, 2016



Hounjet/Tastad/Harpham

Certified General Accountants | Comptables Généraux Accrédités

THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.

MARCH 31, 2016

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INDEPENDENT AUDITOR'S REPORT

To the members of:
The Elizabeth Fry Society of Saskatchewan Inc.

We have audited the accompanying financial statements of The Elizabeth Fry Society of Saskatchewan Inc. which comprise the statement of financial position as at March 31, 2016, and the statements of operations, changes in net assets and cash flows for the year then ended, and 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.

Auditor's 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 the auditor's 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, the auditor considers 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 organization derives part of its revenue in the form of fundraising activities, the completeness of which is not susceptible to complete audit verification. Accordingly, our verification of revenue from these sources was limited to accounting for the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses and net assets.



Qualified opinion

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the fundraising activities as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

June 9, 2016
Saskatoon, Saskatchewan



CHARTERED PROFESSIONAL ACCOUNTANTS



THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
REVENUE		
Amiskusees - Worme Semaganes Family Foundation	\$ -	\$ 5,000
Canadian Association of Elizabeth Fry Societies	14,227	2,570
City of Saskatoon	20,000	20,000
Community Initiatives Fund	37,500	12,500
Correctional Services of Canada	6,375	6,655
Disbursements recovered	13,736	13,590
Donations	7,242	8,519
Fundraising	31,841	51,035
Interest	922	31
Law Foundation of Saskatchewan	300,000	251,250
Membership dues	110	10
Miscellaneous	100	3,193
Other grants	15,635	-
Saskatchewan Liquor and Gaming Authority	8,083	4,542
United Way of Saskatoon and Area	<u>60,000</u>	<u>60,000</u>
	515,771	438,895
Deferred revenue, beginning of year	56,000	37,500
Deferred revenue, end of year	<u>-</u>	<u>(56,000)</u>
TOTAL REVENUE RECOGNIZED IN THE YEAR	<u>571,771</u>	<u>420,395</u>
EXPENDITURES		
Amortization	1,603	956
Canadian Association of Elizabeth Fry Societies	16,752	11,189
Client needs	13,206	11,683
Computer support	9,788	3,622
Equipment rental	2,670	2,434
Fundraising	14,537	12,262
Honorarium	11,915	12,168
Insurance	521	3,127
Interest and bank charges	2,502	2,077
Meetings	2,185	4,752
Memberships and subscriptions	61	15
Miscellaneous	3,718	2,580
Office rent	26,565	24,600
Office supplies	13,840	6,740
Professional fees	67,020	17,981
Program costs	26,980	12,308
Repairs and maintenance	1,938	42
Salaries and benefits	343,556	257,435
Telephone	6,694	4,369
Training and seminars	6,373	5,484
Travel	<u>34,179</u>	<u>16,079</u>
	<u>606,603</u>	<u>411,903</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>\$ (34,832)</u>	<u>\$ 8,492</u>

(see accompanying notes)



THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2016

	Capital Asset Fund	Operating Fund	Restricted Fund	2016	2015
NET ASSETS, beginning of year \$	3,726	\$ 90,936	\$ 7,901	\$ 102,563	\$ 94,071
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(1,603)	(33,229)	-	(34,832)	8,492
INVESTED IN EQUIPMENT	5,595	(5,595)	-	-	-
NET ASSETS, end of year	<u>\$ 7,718</u>	<u>\$ 52,112</u>	<u>\$ 7,901</u>	<u>\$ 67,731</u>	<u>\$ 102,563</u>

(see accompanying notes)



THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures	\$ (34,832)	\$ 8,492
Items not involving cash:		
Amortization	<u>1,603</u>	<u>956</u>
	(33,229)	9,448
Net change in working capital:		
Accounts receivable	14,978	(1,601)
GST receivable	(835)	(1,979)
Prepaid expenses	405	(428)
Accounts payable and accrued liabilities	1,915	4,469
Deferred revenue	<u>(56,000)</u>	<u>18,500</u>
	<u>(72,766)</u>	<u>28,409</u>
INVESTING ACTIVITIES		
Decrease (increase) in short term investments	37,846	(67,846)
Additions to tangible capital assets	<u>(5,595)</u>	<u>(1,289)</u>
	<u>32,251</u>	<u>(69,135)</u>
DECREASE IN CASH	(40,515)	(40,726)
CASH, beginning of year	<u>64,292</u>	<u>105,018</u>
CASH, end of year	<u>\$ 23,777</u>	<u>\$ 64,292</u>

(see accompanying notes)



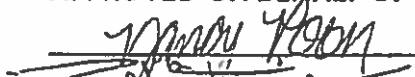

THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
ASSETS		
CURRENT		
Cash	\$ 23,777	\$ 64,292
Short term investments	30,000	67,846
Accounts receivable	24,507	39,485
GST receivable	2,815	1,979
Prepaid expenses	<u>1,216</u>	<u>1,621</u>
	82,315	175,223
TANGIBLE CAPITAL ASSETS (Note 3)	<u>7,718</u>	<u>3,725</u>
	<u>\$ 90,033</u>	<u>\$ 178,948</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 22,302	\$ 20,385
Deferred revenue	<u>-</u>	<u>56,000</u>
	<u>22,302</u>	<u>76,385</u>
NET ASSETS		
CAPITAL ASSET FUND	7,718	3,726
OPERATING FUND	52,112	90,936
RESTRICTED FUND	<u>7,901</u>	<u>7,901</u>
	<u>67,731</u>	<u>102,563</u>
	<u>\$ 90,033</u>	<u>\$ 178,948</u>

APPROVED ON BEHALF OF THE BOARD:

 Director
 Director

(see accompanying notes)



THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2016**

The organization was incorporated under the laws of the Non-profit Corporations Act of the Province of Saskatchewan on June 29, 1981. The main purpose of the organization is to develop and maintain programs and services for women who are facing the justice system.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the organization are in accordance with Canadian accounting standards for not-for-profit organizations applied on a basis consistent with that of the preceding year. Outlined below are those policies considered particularly significant.

Donated materials and services

Donated materials are recorded at estimated fair market value. If fair values cannot be reasonably estimated, such donations are not recorded in the accounts.

The value of contributed volunteer time is not reflected in these financial statements since such efforts are not generally susceptible to reasonable objective measurement or valuation.

Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reported period. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they became known.

Fund accounting

The accounts of the Board are maintained in accordance with the principles of fund accounting. For financial reporting purposes, accounts with similar characteristics have been combined into the following major funds:

(a) Operating fund

The operating fund reflects the primary operations of the organization including revenues generated from grants, fundraising, and donations and organizational expenditures incurred.

(b) Restricted fund

The restricted fund consists of cash that has been reserved for use in the event of a major funding reduction. This internally restricted reserve is not available for other purposes without the approval of the Board of Directors.

(c) Capital fund

The capital fund is a restricted fund that reflects the equity of the organization in capital assets. Expenses consist primarily of amortization of capital assets.



THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

Financial assets and liabilities are recognized when the organization becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are derecognized when the rights and obligations to receive or repay cash flows from the assets and liabilities have expired or have been transferred and the organization has transferred substantially all the risks and rewards of ownership.

The organization initially measures all its financial assets and financial liabilities at fair value and subsequently at amortized cost except for marketable securities, which are recorded at fair value. Changes in fair value are recognized in the statement of operations. Financial assets are tested for impairment at the end of each reporting period when there are indicators the assets may be impaired.

Income taxes

The organization is incorporated as a not-for-profit organization; therefore, its earnings are not subject to income tax and no provision has been made for them in these financial statements.

Recognition of revenue

Income, including grants and donations are included in revenue when received or are considered receivable. Receipts to fund future activities are deferred and included in revenue of a later period.

Tangible capital assets and amortization

Tangible capital assets are recorded at cost. Normal maintenance and repair expenditures are expensed as incurred. Amortization is recorded using the following rates and methods:

	<u>Rate</u>	<u>Method</u>
Computer equipment	30%	Declining balance
Office equipment	20%	Declining balance

In the year of acquisition, assets are amortized at half of the above rates. No amortization is charged in the year of disposal.

2. FINANCIAL RISK MANAGEMENT

Management has established policies and procedures to manage risk relating to financial instruments, with the objective of minimizing any adverse effects on financial performance. The organization measures and monitors risk throughout the year. A brief description of management's assessment of these risks is as follows:

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the organization.

Financial instruments potentially exposed to credit risk include cash and cash equivalents, the short-term investment and accounts receivable. Management considers its exposure to credit risk over cash and cash equivalents to be remote as the organization holds its cash and cash equivalents deposits with a major Canadian bank. Credit risk relating to the short-term investment is also considered remote as it is a fixed income security issued by a major Canadian financial institution. Accounts receivable are not concentrated significantly; therefore their carrying amount represents the maximum credit risk exposure.



THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2016

2. FINANCIAL RISK MANAGEMENT (Continued)

Currency risk

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. It is management's opinion that the organization is not significantly exposed to currency risk.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

Interest rate risk arises when the organization invests in interest bearing financial instruments. The organization is exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. There is minimal sensitivity to interest rate fluctuations on any cash and cash equivalents or the short-term investment invested at short-term market interest rates.

Liquidity risk

Liquidity risk is defined as the risk that the organization may not be able to settle or meet its obligations as they come due. It is management's opinion that the organization is not significantly exposed to liquidity risk.

Market risk

Market risk is the risk the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices. The organization does not hold any financial instruments whose fair values are affected by changes in market prices; therefore, management does not believe it is exposed to market risk.

Changes in risk

There are no significant changes to financial risk from the prior year.

3. TANGIBLE CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2016</u>	<u>Net 2015</u>
Computer equipment	\$ 5,888	\$ 1,377	\$ 4,511	\$ 563
Office equipment	<u>43,801</u>	<u>40,594</u>	<u>3,207</u>	<u>3,162</u>
	<u>\$ 49,689</u>	<u>\$ 41,971</u>	<u>\$ 7,718</u>	<u>\$ 3,725</u>

4. COMPARATIVE STATEMENTS

The prior year's financial statements were prepared by another accountant. Certain accounts from the prior year's financial statements have been reclassified for comparative purposes.



THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2016****5. RELATED PARTY TRANSACTIONS**

The society is related to the Canadian Association of Elizabeth Fry Societies (CAEFS), Alberta Saskatchewan Manitoba Elizabeth Fry Societies (ASMEFS), The Elizabeth Fry Society of Manitoba Inc., The Elizabeth Fry Society of Edmonton Inc., and The Elizabeth Fry Society of Calgary Inc. as they are all members of CAEFS.

As at March 31, 2016, there is an account receivable due from CAEFS in the amount of \$6,797 (2015 - \$3,140).

As at March 31, 2016, there is an account receivable due from ASMEFS in the amount of \$3,461 (2015 - \$2,570) and there is an account payable in the amount of \$5,200 (2015 - \$0).

