

The Elizabeth Fry Society of Saskatchewan Inc.
Financial Statements
March 31, 2017



HOUNJET TASTAD HARPHAM
— Chartered Professional Accountants —

THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.

MARCH 31, 2017

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statement of operations	3
Statement of changes in net assets	4
Statement of cash flows	5
Statement of financial position	6
Notes to the financial statements	7



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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, 2017, 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 expenditures 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, 2017 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 21, 2017
Saskatoon, Saskatchewan

CHARTERED PROFESSIONAL ACCOUNTANTS



THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
REVENUE		
Canadian Association of Elizabeth Fry Societies	\$ 10,701	\$ 14,227
Disbursements recovered	5,049	13,736
Donations	4,964	7,242
Fundraising	35,480	56,841
Grants (Note 2)	473,663	478,593
Interest	377	922
Membership dues	45	110
Miscellaneous	100	100
Sponsorships	7,500	-
	<u>537,879</u>	<u>571,771</u>
EXPENDITURES		
Amortization	1,994	1,603
Canadian Association of Elizabeth Fry Societies	19,191	16,752
Client needs	12,077	13,206
Computer support	4,632	9,788
Contract services	25,046	-
Equipment rental	3,444	2,670
Fundraising	21,360	14,537
Honorarium	15,093	11,915
Insurance	2,058	521
Interest and bank charges	2,161	2,502
Meetings	663	2,185
Memberships and subscriptions	175	61
Miscellaneous	4,269	3,718
Office rent	25,884	26,565
Office supplies	9,828	13,840
Professional fees	72,216	67,020
Program costs	2,505	26,980
Repairs and maintenance	1,133	1,938
Salaries and benefits	287,692	343,556
Telephone	7,039	6,694
Training and seminars	2,575	6,373
Travel	22,132	34,179
	<u>543,167</u>	<u>606,603</u>
DEFICIENCY OF REVENUE OVER EXPENDITURES	<u>\$ (5,288)</u>	<u>\$ (34,832)</u>

(see accompanying notes)



THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2017

	<u>Capital Asset Fund</u>	<u>Operating Fund</u>	<u>Restricted Fund</u>	<u>2017</u>	<u>2016</u>
NET ASSETS, beginning of year	\$ 7,718	\$ 52,113	\$ 7,901	\$ 67,732	\$ 102,564
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(1,994)</u>	<u>(3,294)</u>	<u>-</u>	<u>(5,288)</u>	<u>(34,832)</u>
NET ASSETS, end of year	<u>\$ 5,724</u>	<u>\$ 48,819</u>	<u>\$ 7,901</u>	<u>\$ 62,444</u>	<u>\$ 67,732</u>

(see accompanying notes)



THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures	\$ (5,288)	\$ (34,832)
Items not involving cash:		
Amortization	<u>1,994</u>	<u>1,603</u>
	(3,294)	(33,229)
Net change in working capital:		
Accounts receivable	17,459	14,978
GST receivable	216	(835)
Prepaid expenses	-	405
Accounts payable and accrued liabilities	1,435	1,915
Deferred revenue	<u>-</u>	<u>(56,000)</u>
	<u>15,816</u>	<u>(72,766)</u>
INVESTING ACTIVITIES		
Decrease in short term investments	30,000	37,846
Additions to tangible capital assets	<u>-</u>	<u>(5,595)</u>
	<u>30,000</u>	<u>32,251</u>
INCREASE (DECREASE) IN CASH	45,816	(40,515)
CASH, beginning of year	<u>23,777</u>	<u>64,292</u>
CASH, end of year	<u>\$ 69,593</u>	<u>\$ 23,777</u>

(see accompanying notes)



THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
ASSETS		
CURRENT		
Cash	\$ 69,593	\$ 23,777
Short term investments	-	30,000
Accounts receivable	7,049	24,507
GST receivable	2,598	2,815
Prepaid expenses	<u>1,216</u>	<u>1,216</u>
	80,456	82,315
TANGIBLE CAPITAL ASSETS (Note 3)	<u>5,724</u>	<u>7,718</u>
	<u>\$ 86,180</u>	<u>\$ 90,033</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ <u>23,736</u>	\$ <u>22,301</u>
NET ASSETS		
CAPITAL ASSET FUND	5,724	7,718
OPERATING FUND	48,819	52,113
RESTRICTED FUND	<u>7,901</u>	<u>7,901</u>
	<u>62,444</u>	<u>67,732</u>
	<u>\$ 86,180</u>	<u>\$ 90,033</u>

APPROVED ON BEHALF OF THE BOARD:

Nancy Koon, Director
R. G. Harpham, Director

(see accompanying notes)



THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2017**

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, 2017

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

- Funding is recorded using the restricted fund method for both restricted and unrestricted contributions. Contributions are recognized as revenue in the year received or receivable when the amount is known or can be reasonably estimated, and collectability is reasonably assured.
- Receipts to fund future activities are deferred and included in revenue of a later period.
- Interest is recognized when earned.
- All other revenue is recognized when received or considered receivable.

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.



THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

2. GRANTS

RECEIPTS

	<u>2017</u>	<u>2016</u>
City of Saskatoon	\$ 28,500	\$ 20,000
Community Initiatives Fund	50,000	40,000
Correctional Services of Canada	1,575	10,482
Government of Canada	-	5,635
Government of Saskatchewan	18,750	-
Law Foundation of Saskatchewan	300,000	300,000
Saskatchewan Liquor and Gaming Authority	8,171	8,083
Saskatoon Community Foundation	5,000	5,000
Saskatoon Regional Health Authority	10,000	5,000
United Way of Saskatoon and Area	<u>60,000</u>	<u>75,000</u>
TOTAL RECEIPTS	481,996	469,200
Grants receivable at the beginning of the year	(10,000)	(31,607)
Grants receivable at the end of the year	1,667	10,000
Deferred revenue at the beginning of the year	-	31,000
Deferred revenue at the end of the year	<u>-</u>	<u>-</u>
TOTAL GRANTS RECOGNIZED IN THE YEAR	\$ <u>473,663</u>	\$ <u>478,593</u>

3. TANGIBLE CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2017</u>	<u>Net 2016</u>
Computer equipment	\$ 5,888	\$ 2,730	\$ 3,158	\$ 4,511
Office equipment	<u>43,801</u>	<u>41,235</u>	<u>2,566</u>	<u>3,207</u>
	<u>\$ 49,689</u>	<u>\$ 43,965</u>	<u>\$ 5,724</u>	<u>\$ 7,718</u>

4. 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, 2017, there is an account receivable due from CAEFS in the amount of \$1,590 (2016 - \$6,797).

As at March 31, 2017, there is an account receivable due from ASMEFS in the amount of \$1,974 (2016 - \$3,461) and there is an account payable in the amount of \$7,500 (2016 - \$5,200).



THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

5. ECONOMIC DEPENDENCE

The organization is economically dependent on the Law Foundation of Saskatchewan to fund operations through grants.

6. 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 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. Accounts receivable are not concentrated significantly; therefore their carrying amount represents the maximum credit risk exposure.

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. In actively addressing liquidity risk, the organization applies appropriate measures to ensure it will have sufficient working capital available to meet its obligations.

Changes in risk

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

7. COMPARATIVE STATEMENTS

Certain accounts from the prior year's financial statements have been reclassified for comparative purposes.

8. SUBSEQUENT EVENTS

Effective June 1, 2017, the organization has moved into a new office space with a five year lease. The estimated lease obligations due in each of the next five years are as follows:

2018	\$	46,555
2019		56,551
2020		57,594
2021		58,443
2022		59,406
Thereafter		14,916

