

The Elizabeth Fry Society of Saskatchewan Inc.
Financial Statements
March 31, 2018



HOUNJET TASTAD HARPHAM
— Chartered Professional Accountants —

THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.

MARCH 31, 2018

CONTENTS

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



HOUNJET TASTAD HARPHAM

Chartered Professional Accountants

207 - 2121 Airport Drive
Saskatoon, SK S7L 6W5
306.653.5100 Fax-306.653.5141
www.hth-accountants.ca

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, 2018, and the statement of operations and changes in net assets and statement of 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, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of fundraising revenue was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, deficiency of revenue over expenditures, and cash flows from operations for the years ended March 31, 2018 and 2017, current assets as at March 31, 2018 and 2017, and net assets as at April 1 and March 31 for both the 2018 and 2017 years. Our audit opinion on the financial statements for the year ended March 31, 2017 was modified accordingly because of the possible effects of this limitation in scope.

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 revenue 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, 2018 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 15, 2018
Saskatoon, Saskatchewan



CHARTERED PROFESSIONAL ACCOUNTANTS



THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2018

	<u>2018</u>	<u>2017</u>
REVENUE		
Disbursements recovered	\$ 27,206	\$ 15,750
Donations	11,165	4,964
Fundraising	28,033	35,480
Grants (Note 2)	570,176	473,663
Interest	21	377
Membership dues	210	45
Miscellaneous	5,067	100
Sponsorships	-	7,500
	<u>641,878</u>	<u>537,879</u>
EXPENDITURES		
Amortization	3,917	1,994
Canadian Association of Elizabeth Fry Societies	15,679	19,191
Client needs	19,555	12,077
Computer support	8,470	4,632
Contract services	6,802	25,046
Equipment rental	2,607	3,444
Fundraising	17,471	21,360
Honorarium	5,363	15,093
Insurance	3,127	2,058
Interest and bank charges	2,331	2,161
Meetings	2,870	663
Memberships and subscriptions	15	175
Miscellaneous	1,862	4,269
Office rent	49,876	25,884
Office supplies	14,487	9,828
Professional fees	79,221	72,216
Program costs	6,484	2,505
Repairs and maintenance	2,213	1,133
Salaries and benefits	381,805	287,692
Telephone	10,947	7,039
Training and seminars	10,228	2,575
Travel	17,948	22,132
	<u>663,278</u>	<u>543,167</u>
DEFICIENCY OF REVENUE OVER EXPENDITURES	(21,400)	(5,288)
NET ASSETS, beginning of year	<u>62,444</u>	<u>67,732</u>
NET ASSETS, end of year	<u>\$ 41,044</u>	<u>\$ 62,444</u>

(see accompanying notes)



THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2018

	<u>2018</u>	<u>2017</u>
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Deficiency of revenue over expenditures	\$ (21,400)	\$ (5,288)
Items not involving cash:		
Amortization	<u>3,917</u>	<u>1,994</u>
	(17,483)	(3,294)
Net change in working capital:		
Accounts receivable	(4,286)	9,126
Grants receivable	(7,083)	8,333
GST receivable	(2,081)	216
Prepaid expenses	(4,268)	-
Accounts payable and accrued liabilities	(9,337)	1,435
Salaries payable	11,867	-
Deferred revenue	<u>21,050</u>	<u>-</u>
	<u>(11,621)</u>	<u>15,816</u>
FINANCING ACTIVITIES		
Increase in deferred revenue - capital	<u>9,000</u>	<u>-</u>
INVESTING ACTIVITIES		
Decrease in short term investments	-	30,000
Additions to tangible capital assets	<u>(19,814)</u>	<u>-</u>
	<u>(19,814)</u>	<u>30,000</u>
(DECREASE) INCREASE IN CASH	(22,435)	45,816
CASH, beginning of year	<u>69,593</u>	<u>23,777</u>
CASH, end of year	<u>\$ 47,158</u>	<u>\$ 69,593</u>

(see accompanying notes)





THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2018

	<u>2018</u>	<u>2017</u>
ASSETS		
CURRENT		
Cash	\$ 47,158	\$ 69,593
Accounts receivable	9,668	5,382
Grants receivable (Note 3)	8,750	1,667
GST receivable	4,679	2,598
Prepaid expenses	<u>5,483</u>	<u>1,216</u>
	75,738	80,456
TANGIBLE CAPITAL ASSETS (Note 4)	<u>21,621</u>	<u>5,724</u>
	<u>\$ 97,359</u>	<u>\$ 86,180</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 14,398	\$ 23,736
Salaries payable	11,867	-
Deferred revenue (Note 5)	<u>21,050</u>	<u>-</u>
	47,315	23,736
DEFERRED REVENUE - CAPITAL (Note 6)	<u>9,000</u>	<u>-</u>
	<u>56,315</u>	<u>23,736</u>
NET ASSETS		
INTERNALLY RESTRICTED NET ASSETS (Note 7)	7,901	7,901
UNRESTRICTED NET ASSETS	<u>33,143</u>	<u>54,543</u>
	<u>41,044</u>	<u>62,444</u>
	<u>\$ 97,359</u>	<u>\$ 86,180</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, 2018

The organization was incorporated under the laws of the Non-profit Corporations Act of the Province of Saskatchewan on June 29, 1981. It became a registered charity under the provision of the Canada Revenue Agency effective January 1, 1983. The main purpose of the organization is to work with women and girls before, during and after involvement with the justice system to provide legal assistance, access to information and programming, and support for community integration as well as to advocate for the human rights, dignity and self-worth of all women and girls.

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.

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.



THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recognition of revenue

The organization follows the deferral method of accounting for contributions, which include government grants and donations. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from fundraising activities and sponsorships are recorded when the event occurs.

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 furniture and equipment	20%	Declining balance
Vehicles	30%	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. GRANTS

RECEIPTS	<u>2018</u>	<u>2017</u>
Affinity Credit Union	\$ 10,000	\$ -
Amiskusees - Women Semaganes Family Foundation	2,000	-
City of Saskatoon	20,000	28,500
Community Initiatives Fund	50,000	50,000
Correctional Services of Canada	2,100	1,575
Dakota Dunes	5,850	-
Government of Saskatchewan	121,117	18,750
Law Foundation of Saskatchewan	285,000	300,000
Saskatchewan Liquor and Gaming Authority	6,076	8,171
Saskatoon Community Foundation	-	5,000
Saskatoon Regional Health Authority	30,000	10,000
SaskEnergy	1,000	-
United Way of Saskatoon and Area	<u>60,000</u>	<u>60,000</u>
TOTAL RECEIPTS	593,143	481,996
Grants receivable at the beginning of the year	(1,667)	(10,000)
Grants receivable at the end of the year (Note 3)	8,750	1,667
Deferred revenue at the end of the year (Note 5)	(21,050)	-
Deferred revenue at the end of the year - capital (Note 6)	<u>(9,000)</u>	<u>-</u>
TOTAL GRANTS RECOGNIZED IN THE YEAR	<u>\$ 570,176</u>	<u>\$ 473,663</u>



THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

3. GRANTS RECEIVABLE

	<u>2018</u>	<u>2017</u>
Community Initiatives Fund	\$ 1,667	\$ 1,667
Government of Saskatchewan	<u>7,083</u>	<u>-</u>
	<u>\$ 8,750</u>	<u>\$ 1,667</u>

4. TANGIBLE CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2018</u>	<u>Net 2017</u>
Computer equipment	\$ 7,196	\$ 3,874	\$ 3,322	\$ 3,158
Office furniture and equipment	54,112	42,779	11,333	2,566
Vehicles	<u>8,195</u>	<u>1,229</u>	<u>6,966</u>	<u>-</u>
	<u>\$ 69,503</u>	<u>\$ 47,882</u>	<u>\$ 21,621</u>	<u>\$ 5,724</u>

5. DEFERRED REVENUE

Deferred revenue represents unspent restricted funding received in the current period that is related to the subsequent period.

	<u>2018</u>	<u>2017</u>
Amiskusees - Women Semaganes Family Foundation	\$ 2,000	\$ -
Dakota Dunes	5,850	-
Government of Saskatchewan	<u>13,200</u>	<u>-</u>
	<u>\$ 21,050</u>	<u>\$ -</u>

6. DEFERRED REVENUE - CAPITAL

Deferred revenue represents the unamortized amount of grants received and spent for the purchase of capital assets. The amortization of deferred revenue is recorded as revenue in the statement of operations and changes in net assets. The changes in the deferred revenue are as follows:

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ -	\$ -
Amounts received in the year	10,000	-
Amount amortized to revenue	<u>(1,000)</u>	<u>-</u>
Balance, end of year	<u>\$ 9,000</u>	<u>\$ -</u>



THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2018****7. INTERNALLY RESTRICTED NET ASSETS**

In the operating fund, \$7,901 has been restricted by the board 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.

8. 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, 2018 there is an account receivable due from CAEFS in the amount of \$8,886 (2017 - \$1,590).

9. ECONOMIC DEPENDENCE

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

10. 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. It is management's opinion that the organization is not significantly exposed to credit risk.

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.

11. COMPARATIVE STATEMENTS

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, 2018

12. REAL ESTATE CONTRACTUAL OBLIGATIONS

The organization has entered into a five-year lease agreement on June 1, 2017 for its office space. The lease expires on June 30, 2022. The estimated lease obligations due in each of the next five years are as follows:

2019	\$	56,552
2020		57,594
2021		58,444
2022		59,406
2023		14,916

