

The Elizabeth Fry Society of Saskatchewan Inc.  
Financial Statements  
March 31, 2022



**HOUNJET TASTAD HARPHAM**  
— Chartered Professional Accountants —

**THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.**

**MARCH 31, 2022**

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## INDEPENDENT AUDITORS' REPORT

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

### Qualified opinion

We have audited the financial statements of The Elizabeth Fry Society of Saskatchewan Inc., which comprise the statement of financial position as at March 31, 2022, and the statement of operations and changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of the report, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2022 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.

### Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of fundraising revenue was limited to accounting for the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditures, and cash flows from operations for the years ended March 31, 2022 and 2021, current assets as at March 31, 2022 and 2021, and net assets as at April 1 and March 31 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ended March 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our 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 qualified audit opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

### Auditors' 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 auditors' 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 judgement 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 organization'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 organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the organization 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.

**August 18, 2022**  
**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, 2022**

	<u>2022</u>	<u>2021</u>
<b>REVENUE</b>		
Canadian Association of Elizabeth Fry Societies - service contract	\$ 10,546	\$ 13,001
Disbursements recovered	3,965	5,160
Donations	17,850	23,357
Fundraising	33,322	24,310
Grants (Note 5)	691,983	681,601
Membership dues	20	230
Miscellaneous	4,206	7,497
	<u>761,892</u>	<u>755,156</u>
<b>EXPENDITURES</b>		
Amortization	19,841	12,635
Canadian Association of Elizabeth Fry Societies	1,861	6,246
Client needs	37,434	8,692
Computer support	5,236	1,645
Contract services	30,148	23,677
Equipment rental	5,070	3,364
Fundraising	22,897	6,363
Honorarium	4,751	2,600
Insurance	6,314	3,668
Interest and bank charges	1,614	2,414
Loss on disposal of tangible capital assets	-	2,413
Marketing	3,180	10,904
Meals and entertainment	7,223	1,533
Meetings	110	-
Memberships and subscriptions	15	132
Miscellaneous	4,358	5,751
Office rent	61,476	60,055
Office supplies	20,480	29,096
Professional fees	55,926	80,745
Program costs	16,123	3,299
Repairs and maintenance	1,628	3,296
Resources	396	12,408
Salaries and benefits	397,124	383,210
Telephone	14,294	13,651
Training and seminars	14,008	9,635
Travel	18,175	9,450
	<u>749,682</u>	<u>696,882</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	12,210	58,274
<b>NET ASSETS, beginning of year</b>	<u>141,324</u>	<u>83,050</u>
<b>NET ASSETS, end of year</b>	<u>\$ 153,534</u>	<u>\$ 141,324</u>

(see accompanying notes)



**THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED MARCH 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures	\$ 12,210	\$ 58,274
Items not involving cash:		
Amortization	19,841	12,635
Loss on disposal of tangible capital assets	-	2,413
	<u>32,051</u>	<u>73,322</u>
Net change in working capital:		
Accounts receivable	(6,250)	9,677
Grants receivable	950	-
GST receivable	907	(1,157)
Inventory	3,199	(4,475)
Prepaid expenses	975	(1,050)
Accounts payable and accrued liabilities	2,424	7,374
Grants payable	(10,327)	92,000
Salaries payable	4,747	(3,112)
Deferred revenue	11,765	56,701
	<u>40,441</u>	<u>229,280</u>
<b>FINANCING ACTIVITIES</b>		
Decrease in deferred revenue - capital	<u>(922)</u>	<u>(1,152)</u>
<b>INVESTING ACTIVITIES</b>		
(Increase) decrease in short term investments	(875)	(201,179)
Additions to tangible capital assets	-	(61,756)
Proceeds from disposal of capital assets	-	1,000
	<u>(875)</u>	<u>(261,935)</u>
<b>INCREASE (DECREASE) IN CASH</b>	38,644	(33,807)
<b>CASH, beginning of year</b>	<u>121,813</u>	<u>155,620</u>
<b>CASH, end of year</b>	<u>\$ 160,457</u>	<u>\$ 121,813</u>



(see accompanying notes)



**THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 160,457	\$ 121,813
Short term investments (Note 6)	202,055	201,179
Accounts receivable	8,326	2,076
Grants receivable	-	950
GST receivable	5,650	6,555
Inventory	4,678	7,876
Prepaid expenses	<u>3,083</u>	<u>4,058</u>
	384,249	344,507
<b>TANGIBLE CAPITAL ASSETS</b> (Note 8)	<u>41,919</u>	<u>61,759</u>
	<u>\$ 426,168</u>	<u>\$ 406,266</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 22,160	\$ 19,729
Grants payable (Note 7)	81,673	92,000
Salaries payable	14,066	9,320
Deferred revenue (Note 9)	<u>151,049</u>	<u>139,285</u>
	268,948	260,334
<b>DEFERRED REVENUE - CAPITAL</b> (Note 10)	<u>3,686</u>	<u>4,608</u>
	<u>272,634</u>	<u>264,942</u>
<b>NET ASSETS</b>		
<b>INTERNALLY RESTRICTED NET ASSETS</b> (Note 11)	40,000	40,000
<b>UNRESTRICTED NET ASSETS</b>	<u>113,534</u>	<u>101,324</u>
	<u>153,534</u>	<u>141,324</u>
	<u>\$ 426,168</u>	<u>\$ 406,266</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, 2022

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.

##### **Cash and cash equivalents**

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding.

##### **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. 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.

##### **Investments**

Investments are recorded using the cost method.





**THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

**MARCH 31, 2022**

**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
Leasehold improvements	5 years	Straight line
Office furniture and equipment	20%	Declining balance
Vehicles	30%	Declining balance
Website development	3 years	Straight line

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

**2. ECONOMIC DEPENDENCE**

The organization is dependant on grant funding to provide its programs and to cover administrative expenses. The majority of the funding comes from single-year contracts. This lack of certainty in funding makes it difficult to plan for the future. In the current fiscal year, the Law Foundation of Saskatchewan has provided funding of \$443,000. This constitutes 58% of the organization's total revenue. This funding is approved annually.

**3. 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, 2022, the society received funding from CAEFS for a total of \$40,000.

**4. REAL ESTATE CONTRACTUAL OBLIGATIONS**

The organization entered into a five-year lease agreement on June 1, 2017 for its office space, which expires on June 30, 2022. The organization subsequently entered into a one-year lease agreement on July 1, 2022, which expires on June 30, 2023. The estimated lease obligation due in each of the next two years are as follows:

2023	\$ 61,155
2024	15,289



## THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2022

## 5. GRANTS

## RECEIPTS

	<u>2022</u>	<u>2021</u>
Amiskusees: Semaganis Worme Family Foundation	\$ -	\$ 1,500
Canadian Association of Elizabeth Fry Societies	40,000	23,000
City of Saskatoon	10,000	22,500
Community Initiatives Fund	31,500	33,000
Dakota Dunes	950	650
Government of Canada	82,500	85,000
Government of Saskatchewan	115,000	170,004
Law Foundation of Saskatchewan	450,000	450,000
Nancy Poon Memorial Fund	4,810	-
Saskatchewan Liquor and Gaming Authority	4,735	7,715
Saskatoon Community Foundation	12,500	2,500
Southminster Steinhauer United Church	-	1,000
The Elizabeth Fry Society, Toronto Branch	2,000	-
United Way of Saskatoon and Area	<u>35,000</u>	<u>20,000</u>
<b>TOTAL RECEIPTS</b>	<b>788,995</b>	<b>816,869</b>
Grants receivable at the beginning of the year	(950)	(950)
Grants receivable at the end of the year	7,000	950
Grants payable at the end of the year (Note 7)	(81,673)	(92,000)
Deferred revenue at the beginning of the year (Note 9)	127,003	82,583
Deferred revenue at the end of the year (excluding service contract portion) (Note 9)	(149,314)	(127,003)
Deferred revenue at the beginning of the year - capital	4,608	5,760
Deferred revenue at the end of the year - capital (Note 10)	<u>(3,686)</u>	<u>(4,608)</u>
<b>TOTAL GRANTS RECOGNIZED IN THE YEAR</b>	<b>\$ <u>691,983</u></b>	<b>\$ <u>681,601</u></b>

## 6. SHORT TERM INVESTMENTS

	<u>2022</u>	<u>2021</u>
Term deposit	\$ 201,500	\$ 200,000
Accrued interest receivable	555	1,179
	<u>\$ 202,055</u>	<u>\$ 201,179</u>

## 7. GRANTS PAYABLE

	<u>2022</u>	<u>2021</u>
Government of Canada	\$ 11,673	\$ -
Government of Saskatchewan	-	42,500
Law Foundation of Saskatchewan	70,000	48,000
The Muttart Foundation	-	1,500
	<u>\$ 81,673</u>	<u>\$ 92,000</u>



## THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2022

## 8. TANGIBLE CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2022</u>	<u>Net 2021</u>
Computer equipment	\$ 3,901	\$ 2,736	\$ 1,165	\$ 1,664
Leasehold improvements	8,831	6,182	2,649	4,415
Office furniture and equipment	49,858	46,004	3,854	4,817
Vehicles	43,923	17,789	26,134	37,334
Website development	16,234	8,117	8,117	13,529
	<u>\$ 122,747</u>	<u>\$ 80,828</u>	<u>\$ 41,919</u>	<u>\$ 61,759</u>

## 9. DEFERRED REVENUE

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

	<u>2022</u>	<u>2021</u>
Canadian Association of Elizabeth Fry Societies	\$ 40,000	\$ 21,000
Canadian Association of Elizabeth Fry Societies - service contract	1,735	12,282
City of Saskatoon	1,666	3,333
Community Initiatives Fund	1,968	1,750
Government of Canada	79,500	37,920
Government of Saskatchewan	20,000	-
Law Foundation of Saskatchewan	-	63,000
Nancy Poon Memorial Fund	4,810	-
The Elizabeth Fry Society, Toronto Branch	1,370	-
	<u>\$ 151,049</u>	<u>\$ 139,285</u>

## 10. 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>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 4,608	\$ 5,760
Amount amortized to revenue	<u>(922)</u>	<u>(1,152)</u>
Balance, end of year	<u>\$ 3,686</u>	<u>\$ 4,608</u>

## 11. INTERNALLY RESTRICTED NET ASSETS

This amount represents funds that have been restricted by the board for use in the event of a major funding reduction or other purposes as deemed appropriate by the board. This internally restricted reserve is only available with prior approval of the Board of Directors.



**THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

**MARCH 31, 2022**

**12. 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.

*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. The organization is exposed to interest rate risk on its short term investments; however, there is minimal sensitivity to interest rate fluctuations on the short term investments due to the relatively short term to maturity.

*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.

**13. COMPARATIVE STATEMENTS**

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

