

The Elizabeth Fry Society of Saskatchewan Inc.
Financial Statements
March 31, 2023



HOUNJET TASTAD HARPHAM
— Chartered Professional Accountants —

THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.

MARCH 31, 2023

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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, 2023, 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, 2023 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, 2023 and 2022, current assets as at March 31, 2023 and 2022, and net assets as at April 1 and March 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended March 31, 2022 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 22, 2023
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, 2023

	<u>2023</u>	<u>2022</u>
REVENUE		
Canadian Association of Elizabeth Fry Societies - service contract	\$ 2,428	\$ 10,546
Disbursements recovered	12,035	3,965
Donations	21,055	17,850
Fundraising	32,529	33,322
Grants (Note 5)	622,134	691,983
Membership dues	-	20
Miscellaneous	2,917	4,206
	<u>693,098</u>	<u>761,892</u>
EXPENDITURES		
Amortization	16,138	19,841
Canadian Association of Elizabeth Fry Societies	11,569	1,861
Client needs	27,359	37,434
Computer support	6,897	5,236
Contract services	14,725	30,148
Equipment rental	6,878	5,070
Fundraising	18,741	22,897
Honorarium	7,925	4,751
Insurance	6,892	6,314
Interest and bank charges	1,709	1,614
Marketing	8,500	3,180
Meals and entertainment	3,540	7,223
Meetings	-	110
Memberships and subscriptions	408	15
Miscellaneous	7,911	4,358
Office rent	62,325	61,476
Office supplies	21,539	20,480
Professional fees	52,704	55,926
Program costs	6,107	16,123
Repairs and maintenance	2,228	1,628
Resources	747	396
Salaries and benefits	359,380	397,124
Telephone	15,105	14,294
Training and seminars	5,326	14,008
Travel	18,487	18,175
	<u>683,140</u>	<u>749,682</u>
EXCESS OF REVENUE OVER EXPENDITURES	9,958	12,210
NET ASSETS, beginning of year	<u>153,533</u>	<u>141,323</u>
NET ASSETS, end of year	<u>\$ 163,491</u>	<u>\$ 153,533</u>

(see accompanying notes)



THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 9,958	\$ 12,210
Items not involving cash:		
Amortization	<u>16,138</u>	<u>19,841</u>
	26,096	32,051
Net change in working capital:		
Accounts receivable	(933)	750
Grants receivable	6,337	(6,050)
GST receivable	1,043	907
Inventory	3,716	3,199
Prepaid expenses	(1,257)	975
Accounts payable and accrued liabilities	430	2,424
Grants payable	(17,332)	(10,327)
Salaries payable	6,837	4,747
Deferred revenue	<u>14,089</u>	<u>11,765</u>
	39,026	40,441
FINANCING ACTIVITIES		
Decrease in deferred revenue - capital	<u>(737)</u>	<u>(922)</u>
INVESTING ACTIVITIES		
Increase in short term investments	<u>(2,536)</u>	<u>(875)</u>
INCREASE IN CASH	35,753	38,644
CASH, beginning of year	<u>160,457</u>	<u>121,813</u>
CASH, end of year	<u>\$ 196,210</u>	<u>\$ 160,457</u>

(see accompanying notes)



THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT		
Cash	\$ 196,210	\$ 160,457
Short term investments (Note 6)	204,590	202,055
Accounts receivable	2,259	1,326
Grants receivable (Note 7)	663	7,000
GST receivable	4,610	5,650
Inventory	962	4,678
Prepaid expenses	<u>4,340</u>	<u>3,083</u>
	413,634	384,249
TANGIBLE CAPITAL ASSETS (Note 8)	<u>25,781</u>	<u>41,918</u>
	<u>\$ 439,415</u>	<u>\$ 426,167</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 22,592	\$ 22,160
Grants payable (Note 9)	64,341	81,673
Salaries payable	20,903	14,066
Deferred revenue (Note 10)	<u>165,139</u>	<u>151,049</u>
	272,975	268,948
DEFERRED REVENUE - CAPITAL (Note 11)	<u>2,949</u>	<u>3,686</u>
	<u>275,924</u>	<u>272,634</u>
NET ASSETS		
INTERNALLY RESTRICTED NET ASSETS (Note 12)	40,000	40,000
UNRESTRICTED NET ASSETS	<u>123,491</u>	<u>113,533</u>
	<u>163,491</u>	<u>153,533</u>
	<u>\$ 439,415</u>	<u>\$ 426,167</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, 2023

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, 2023

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. COMPARATIVE STATEMENTS

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

3. 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 \$385,559. This constitutes 56% of the organization's total revenue. This funding is approved annually.

4. REAL ESTATE CONTRACTUAL OBLIGATIONS

The organization entered into a one-year lease agreement on July 1, 2022 for its office space, which expires on June 30, 2023. The organization subsequently entered into a three-month lease agreement on July 1, 2023, which expires on September 30, 2023. The estimated lease obligation due in the next year is \$31,342.



THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

5. GRANTS

RECEIPTS	<u>2023</u>	<u>2022</u>
Affinity Credit Union	\$ 10,000	\$ -
Canadian Association of Elizabeth Fry Societies	-	40,000
City of Saskatoon	-	10,000
Community Initiatives Fund	38,875	31,500
Dakota Dunes	-	950
Government of Canada	47,500	82,500
Government of Saskatchewan	86,000	115,000
Law Foundation of Saskatchewan	450,000	450,000
Possibilities Recovery Centre	16,500	-
Saskatchewan Indian Gaming Authority	2,500	-
Saskatchewan Liquor and Gaming Authority	7,628	4,735
Saskatoon Community Foundation	1,500	12,500
The Elizabeth Fry Society, Toronto Branch	-	2,000
United Way of Saskatoon and Area	<u>45,000</u>	<u>35,000</u>
TOTAL RECEIPTS	705,503	784,185
Grants receivable at the beginning of the year	(7,000)	(950)
Grants receivable at the end of the year (Note 7)	663	7,000
Grants payable at the end of the year (Note 9)	(64,341)	(81,673)
Deferred revenue at the beginning of the year	144,504	127,003
Deferred revenue at the end of the year (excluding service contract portion and Nancy Poon Memorial Fund) (Note 10)	(157,932)	(144,504)
Deferred revenue at the beginning of the year - capital	3,686	4,608
Deferred revenue at the end of the year - capital (Note 11)	<u>(2,949)</u>	<u>(3,686)</u>
TOTAL GRANTS RECOGNIZED IN THE YEAR	<u>\$ 622,134</u>	<u>\$ 691,983</u>

6. SHORT TERM INVESTMENTS

	<u>2023</u>	<u>2022</u>
Term deposit	\$ 202,205	\$ 201,500
Accrued interest receivable	<u>2,385</u>	<u>555</u>
	<u>\$ 204,590</u>	<u>\$ 202,055</u>

7. GRANTS RECEIVABLE

	<u>2023</u>	<u>2022</u>
Community Initiatives Fund	\$ -	\$ 7,000
Possibilities Recovery Centre	<u>663</u>	<u>-</u>
	<u>\$ 663</u>	<u>\$ 7,000</u>



THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

8. TANGIBLE CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2023</u>	<u>Net 2022</u>
Computer equipment	\$ 3,901	\$ 3,085	\$ 816	\$ 1,165
Leasehold improvements	8,831	7,948	883	2,648
Office furniture and equipment	49,858	46,775	3,083	3,854
Vehicles	43,923	25,629	18,294	26,134
Website development	16,234	13,529	2,705	8,117
	<u>\$ 122,747</u>	<u>\$ 96,966</u>	<u>\$ 25,781</u>	<u>\$ 41,918</u>

9. GRANTS PAYABLE

	<u>2023</u>	<u>2022</u>
Government of Canada	\$ -	\$ 11,673
Law Foundation of Saskatchewan	64,341	70,000
	<u>\$ 64,341</u>	<u>\$ 81,673</u>

10. DEFERRED REVENUE

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

	<u>2023</u>	<u>2022</u>
Affinity Credit Union	\$ 10,000	\$ -
Canadian Association of Elizabeth Fry Societies	39,425	40,000
Canadian Association of Elizabeth Fry Societies - service contract	343	1,735
City of Saskatoon	-	1,666
Community Initiatives Fund	24,000	1,968
Government of Canada	59,411	79,500
Government of Saskatchewan	20,000	20,000
Nancy Poon Memorial Fund	6,864	4,810
Possibilities Recovery Centre	2,596	-
Saskatchewan Indian Gaming Authority	2,500	-
The Elizabeth Fry Society, Toronto Branch	-	1,370
	<u>\$ 165,139</u>	<u>\$ 151,049</u>



THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

11. 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>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 3,686	\$ 4,608
Amount amortized to revenue	<u>(737)</u>	<u>(922)</u>
Balance, end of year	<u>\$ 2,949</u>	<u>\$ 3,686</u>

12. 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.

13. 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.

