

The Elizabeth Fry Society of Saskatchewan Inc.

Financial Statements

March 31, 2024

THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.

MARCH 31, 2024

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1
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

INDEPENDENT AUDITORS' REPORT

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

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, 2024, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2024, 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 Opinion

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 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 26, 2024
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, 2024

	<u>2024</u>	<u>2023</u>
REVENUE		
Canadian Association of Elizabeth Fry Societies - service contract	\$ -	\$ 2,428
Disbursements recovered	37,353	12,035
Donations	14,991	21,055
Fundraising	11,635	32,529
Grants (Note 2)	1,031,894	622,134
Membership dues	30	-
Miscellaneous	6,922	2,917
	<u>1,102,825</u>	<u>693,098</u>
EXPENDITURES		
Amortization	14,485	16,138
Canadian Association of Elizabeth Fry Societies	921	11,569
Client needs	46,994	27,359
Computers and software	23,591	6,897
Contract services	69,563	14,725
Equipment rental	-	6,878
Fundraising	14,209	18,741
Honorarium	5,145	7,925
Insurance	10,224	6,892
Interest and bank charges	4,333	1,709
Marketing	-	8,500
Meals and entertainment	7,103	3,540
Meetings	584	-
Memberships and subscriptions	193	408
Miscellaneous	8,801	7,911
Office rent	71,548	62,325
Office supplies	23,749	21,539
Professional fees	74,728	52,704
Program costs	10,884	6,107
Repairs and maintenance	1,154	2,228
Resources	-	747
Salaries and benefits	589,616	359,380
Telephone	21,335	15,105
Training and seminars	8,590	5,326
Travel	39,467	18,487
Utilities	6,049	-
	<u>1,053,266</u>	<u>683,140</u>
EXCESS OF REVENUE OVER EXPENDITURES	49,559	9,958
NET ASSETS, beginning of year	<u>163,494</u>	<u>153,536</u>
NET ASSETS, end of year	<u>\$ 213,053</u>	<u>\$ 163,494</u>

(see accompanying notes)

THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 49,559	\$ 9,958
Items not involving cash:		
Amortization	<u>14,485</u>	<u>16,138</u>
	64,044	26,096
Net change in working capital:		
Accounts receivable	2,259	(933)
Grants receivable	(7,504)	6,337
GST receivable	(3,565)	1,043
Inventory	-	3,716
Prepaid expenses	(6,207)	(1,257)
Accounts payable and accrued liabilities	8,176	430
Grants payable	(64,341)	(17,332)
Salaries payable	2,302	6,837
Deferred revenue	<u>(22,801)</u>	<u>14,089</u>
	(27,637)	39,026
FINANCING ACTIVITIES		
Decrease in deferred revenue - capital	<u>(590)</u>	<u>(737)</u>
INVESTING ACTIVITIES		
Increase in short term investments	(6,716)	(2,536)
Additions to tangible capital assets	<u>(30,309)</u>	<u>-</u>
	<u>(37,025)</u>	<u>(2,536)</u>
(DECREASE) INCREASE IN CASH	(65,252)	35,753
CASH, beginning of year	<u>196,210</u>	<u>160,457</u>
CASH, end of year	<u>\$ 130,958</u>	<u>\$ 196,210</u>

(see accompanying notes)

THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT		
Cash	\$ 130,958	\$ 196,210
Short term investments (Note 3)	211,306	204,590
Accounts receivable	-	2,259
Grants receivable (Note 4)	8,167	663
GST receivable	8,174	4,610
Inventory	962	962
Prepaid expenses	<u>10,547</u>	<u>4,340</u>
	370,114	413,634
TANGIBLE CAPITAL ASSETS (Note 5)	<u>41,605</u>	<u>25,781</u>
	<u>\$ 411,719</u>	<u>\$ 439,415</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 30,765	\$ 22,589
Grants payable (Note 6)	-	64,341
Salaries payable	23,205	20,903
Deferred revenue (Note 7)	<u>142,337</u>	<u>165,139</u>
	196,307	272,972
DEFERRED REVENUE - CAPITAL (Note 8)	<u>2,359</u>	<u>2,949</u>
	<u>198,666</u>	<u>275,921</u>
NET ASSETS		
INTERNALLY RESTRICTED NET ASSETS (Note 9)	70,000	40,000
UNRESTRICTED NET ASSETS	<u>143,053</u>	<u>123,494</u>
	<u>213,053</u>	<u>163,494</u>
	<u>\$ 411,719</u>	<u>\$ 439,415</u>

Commitments (Note 12)

Subsequent events (Note 13)

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, 2024**

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, 2024

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. GRANTS

	<u>2024</u>	<u>2023</u>
Affinity Credit Union	\$ 15,000	\$ -
Canadian Association of Elizabeth Fry Societies	19,437	575
City of Saskatoon	-	1,667
Community Initiatives Fund	60,369	9,843
Government of Canada	159,411	67,588
Government of Saskatchewan	88,000	86,000
Law Foundation of Saskatchewan	500,000	385,659
Possibilities Recovery Centre	80,220	14,567
Saskatchewan Indian Gaming Authority	2,500	-
Saskatchewan Liquor and Gaming Authority	1,879	7,628
Saskatoon Community Foundation	34,037	1,500
Saskatoon Housing Initiatives Partnership	23,285	-
The Elizabeth Fry Society, Toronto Branch	-	1,370
United Way of Saskatoon and Area	45,000	45,000
Other	2,756	737
	<u>1,031,894</u>	<u>622,134</u>

THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2024

3. SHORT TERM INVESTMENTS

	<u>2024</u>	<u>2023</u>
Term deposit	\$ 205,238	\$ 202,205
Accrued interest receivable	6,068	2,385
	<u>\$ 211,306</u>	<u>\$ 204,590</u>

4. GRANTS RECEIVABLE

	<u>2024</u>	<u>2023</u>
Community Initiatives Fund	\$ 833	\$ -
Government of Saskatchewan	7,334	-
Possibilities Recovery Centre	-	663
	<u>\$ 8,167</u>	<u>\$ 663</u>

5. TANGIBLE CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2024</u>	<u>Net 2023</u>
Computer equipment	\$ 10,807	\$ 4,366	\$ 6,441	\$ 816
Leasehold improvements	8,831	8,831	-	882
Office furniture and equipment	49,858	47,392	2,466	3,083
Vehicles	67,325	34,627	32,698	18,294
Website development	16,234	16,234	-	2,706
	<u>\$ 153,055</u>	<u>\$ 111,450</u>	<u>\$ 41,605</u>	<u>\$ 25,781</u>

6. GRANTS PAYABLE

	<u>2024</u>	<u>2023</u>
Law Foundation of Saskatchewan	\$ -	\$ 64,341

THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2024

7. DEFERRED REVENUE

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

	<u>2024</u>	<u>2023</u>
Affinity Credit Union	\$ -	\$ 10,000
Canadian Association of Elizabeth Fry Societies	19,988	39,425
Canadian Association of Elizabeth Fry Societies - service contract	323	343
Community Initiatives Fund	14,465	24,000
Government of Canada	-	59,411
Government of Saskatchewan	60,000	20,000
Nancy Poon Memorial Fund	6,864	6,864
Possibilities Recovery Centre	-	2,596
Saskatchewan Indian Gaming Authority	-	2,500
Saskatoon Community Foundation	38,963	-
Saskatoon Housing Initiatives Partnership	1,734	-
	<u>\$ 142,337</u>	<u>\$ 165,139</u>

8. 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>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 2,949	\$ 3,686
Amount amortized to revenue	(590)	(737)
Balance, end of year	<u>\$ 2,359</u>	<u>\$ 2,949</u>

9. 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. In the year, the board made a motion to increase the internally restricted reserve balance to \$70,000.

10. 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 \$500,000. This constitutes 45% of the organization's total revenue. This funding is approved annually.

THE ELIZABETH FRY SOCIETY OF SASKATCHEWAN INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2024

11. 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.

12. COMMITMENTS

The organization entered into a five-year lease agreement in September, 2023 for its office space in Saskatoon, Saskatchewan, which expires in October, 2028. The estimated lease obligation due in each of the next five years are as follows:

2025	\$	59,244
2026		58,244
2027		58,244
2028		58,244
2029		33,975

13. SUBSEQUENT EVENTS

In May of 2024, the organization purchased a duplex in Saskatoon, Saskatchewan for the development of a rental housing project. The organization entered into a promissory agreement with Saskatchewan Housing Corporation in the amount of \$185,619 for capital funding. Under the agreement, this demand loan will be forgiven over a twenty-nine-month period as long as the terms and conditions are met.