

The Elizabeth Fry Society  
of Calgary

Financial Statements

December 31, 2020



## INDEPENDENT AUDITOR'S REPORT

To the Members of The Elizabeth Fry Society of Calgary

### *Opinion*

We have audited the financial statements of The Elizabeth Fry Society of Calgary (the "Society"), which comprise the statement of financial position as at December 31, 2020 and the statements of operations, changes in net assets and 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 Society as at December 31, 2020, and its results of 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

### *Auditor's 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 auditor's 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.

**THE POWER OF BEING UNDERSTOOD**  
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As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment 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 Society'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 Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Society 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.

RSM Alberta LLP

Chartered Professional Accountants  
June 30, 2021  
Calgary, Alberta

**The Elizabeth Fry Society of Calgary**  
**Statement of Financial Position**  
**December 31, 2020**

	2020	2019
<b>Assets</b>		
Current assets		
Cash	\$ 254,608	\$ 52,872
Restricted cash (note 2(d))	688,448	77,440
Short-term investments (note 2(e))	691,903	684,605
Accounts receivable	60,654	60,107
Prepaid expenses	<u>17,114</u>	<u>6,877</u>
	1,712,727	881,901
Tangible capital assets (note 3)	<u>48,852</u>	<u>21,394</u>
	<u>\$ 1,761,579</u>	<u>\$ 903,295</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities (note 4)	\$ 95,588	\$ 75,929
Deferred contributions related to operations (note 5)	<u>953,134</u>	<u>189,899</u>
	<u>1,048,722</u>	<u>265,828</u>
<b>Net Assets</b>		
Internally restricted - net assets invested in capital assets	48,852	21,394
Unrestricted	<u>664,005</u>	<u>616,073</u>
	<u>712,857</u>	<u>637,467</u>
	<u>\$ 1,761,579</u>	<u>\$ 903,295</u>
Commitments (note 7)		

Approved by the Board,

Stahley., Director  
J. Balch, Director

**The Elizabeth Fry Society of Calgary**  
**Statement of Operations**  
**Year Ended December 31, 2020**

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	2020	2019
Revenue		
Alberta Law Foundation	\$ 389,496	\$ 207,937
Calgary Homeless Foundation	305,154	222,187
United Way of Calgary and Area	290,233	317,393
Alberta Solicitor General	122,219	187,509
Donations	115,720	86,042
The City of Calgary	75,000	80,000
Calgary Foundation	71,509	39,112
Ministry of Child Services	48,295	55,563
Alberta Gaming, Liquor and Cannabis	29,667	59,524
Government of Canada	27,848	128,059
The University of Calgary	26,567	-
Calgary Learns Operating	25,548	41,698
Calgary Learns Grant	14,906	29,390
Telus Communications Inc.	14,253	-
Canadian Women's Foundation	11,855	-
Interest income	7,311	9,448
Government of Alberta	4,750	-
Canada Mortgage and Housing Corporation	-	31,350
The Alexandra Community Health Centre	-	23,000
Human Rights Education	-	9,982
Amortization of deferred contributions related to tangible capital assets	-	1,270
	<u>1,580,331</u>	<u>1,529,464</u>
Expenses		
Wages and benefits (note 8)	1,165,813	974,306
Program enrichment	205,799	236,991
COVID-19 Indigenous Shelter Diversion Support program	104,695	-
Premises	87,017	74,790
Professional fees	73,377	56,885
Travel and subsistence	44,807	141,627
Technology services	32,801	32,644
Office	16,208	31,091
Telephone	10,674	9,869
Amortization	9,981	3,316
Promotion	4,975	20,584
Bank charges	3,149	2,100
	<u>1,759,296</u>	<u>1,584,203</u>
Loss from operations	(178,965)	(54,739)
Government assistance (note 9)	<u>254,355</u>	<u>-</u>
Excess (deficiency) of revenue over expenses	<u>\$ 75,390</u>	<u>\$ (54,739)</u>

**The Elizabeth Fry Society of Calgary**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2020**

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	Operating		Total	
	Unrestricted	Internally Restricted	2020	2019
<b>Balance, beginning of year</b>	\$ 616,073	\$ 21,394	\$ 637,467	\$ 692,206
Excess (deficiency) of revenue over expenses	85,371	(9,981)	75,390	(54,739)
Purchase of tangible capital assets	(37,439)	37,439	-	-
<b>Balance, end of year</b>	\$ 664,005	\$ 48,852	\$ 712,857	\$ 637,467

**The Elizabeth Fry Society of Calgary**  
**Statement of Cash Flows**  
**Year Ended December 31, 2020**

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	<b>2020</b>	<b>2019</b>
Cash provided by (used in):		
Operating activities		
Excess (deficiency) of revenue over expenses	\$ 75,390	\$ (54,739)
Add (deduct) items not affecting cash		
Amortization of tangible capital assets	9,981	3,316
Amortization of deferred contributions related to tangible capital assets	<u>-</u>	<u>(1,270)</u>
	85,371	(52,693)
Changes in non-cash working capital (note 6)	<u>772,110</u>	<u>34,743</u>
	<u>857,481</u>	<u>(17,950)</u>
Investing activity		
Acquisition of tangible capital assets	<u>(37,439)</u>	<u>(22,232)</u>
Cash inflow (outflow)	820,042	(40,182)
Cash and cash equivalents, beginning of year	<u>814,917</u>	<u>855,099</u>
Cash and cash equivalents, end of year	<u>\$ 1,634,959</u>	<u>\$ 814,917</u>
Cash and cash equivalents is comprised of:		
Cash	\$ 254,608	\$ 52,872
Restricted cash	688,448	77,440
Short-term investments	<u>691,903</u>	<u>684,605</u>
	<u>\$ 1,634,959</u>	<u>\$ 814,917</u>

# The Elizabeth Fry Society of Calgary

## Notes to Financial Statements

December 31, 2020

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### 1. Purpose of the Society

The Elizabeth Fry Society of Calgary (the "Society") is a not-for-profit organization incorporated provincially under the *Societies Act* of Alberta on December 13, 1965. As a registered charity, the Society is exempt from the payment of income tax under Section 149(1)(l) of the *Income Tax Act*.

The mission of the Society is to seek out and organize community resources to give humane assistance to women and girls in conflict with the law; assist in their rehabilitation; and monitor the judicial and corrections systems to promote improvements when and where possible.

### 2. Significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

#### (a) Financial instruments

The Society initially measures its financial assets and liabilities at fair value.

The Society subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, restricted cash, short term investments, and accounts receivable.

Financial liabilities measured at amortized cost include the accounts payable and accrued liabilities.

Financial assets measured at cost or amortized cost are tested for impairment, at the end of each year, to determine whether there are indicators that the asset may be impaired. The amount of the write-down, if any, is recognized in excess of revenue over expenses. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost. The amount of the reversal is recognized in excess of revenue over expenses.

#### (b) Government assistance

Government assistance is recognized as income in the year the related expenses are incurred and the amount can be reasonably estimated and collection is reasonably assured.

#### (c) Revenue recognition

The Society follows the deferral method of accounting for contributions. 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.



# The Elizabeth Fry Society of Calgary

## Notes to Financial Statements

December 31, 2020

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Interest income is recognized as revenue in the year in which it is earned if the amount to be received can be reasonably estimated and collection is reasonably assured.

(d) Restricted cash

Restricted cash is comprised of amounts raised from regulated gaming activities and funds received from the Calgary Homeless Foundation to operate the COVID-19 Indigenous Shelter Diversion Support project. The use of these funds is restricted to certain approved expenditures and, accordingly, is reported in deferred contributions related to operations.

(e) Short-term investments

Short-term investments consist of guaranteed investment certificates with maturities one year after purchase date, bearing interest at 0.10% (2019 - 1.20% - 1.48%) per annum and maturing in September 2021 and can be readily converted to cash at the option of the holder.

(f) Tangible capital assets

Purchased tangible capital assets are recorded at cost. Donated tangible capital assets are recorded at fair market value at the date of contribution. Amortization is provided using methods and rates intended to amortize the cost of assets over their estimated useful lives and is calculated on a declining balance basis at the following rates:

Computer equipment	55%
Furniture and equipment	20%
Computer software	30%

Leasehold improvements are amortized on a straight-line basis over the remainder of the lease term.

When conditions indicate a tangible capital asset is impaired, the carrying value of the tangible capital asset is written down to the asset's fair value or replacement cost. The write down of the tangible capital assets is recorded as an expense in the statement of operations. A write-down shall not be reversed.

(g) Contributed goods and services

Contributed materials are recognized in the financial statements when their fair value can be reasonably determined, they are used in the normal course of the Society's operations and would otherwise have been purchased. Volunteers contribute many hours in assisting the Society in carrying out program activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

# The Elizabeth Fry Society of Calgary

## Notes to Financial Statements

December 31, 2020

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(h) Measurement uncertainty

The valuation of accounts receivable is based on management's best estimate of the provision for doubtful accounts.

The valuation of capital assets is based on management's best estimates of the future recoverability of these assets and the determination of costs subject to classification as capital assets. The amounts recorded for amortization of the capital assets are based on management's best estimates of the remaining useful lives and period of future benefit of the related assets.

The impact that the ongoing COVID-19 pandemic may have on the Society's operations is based on management's best assessment of existing and potential government interventions both at a federal and provincial level. Due to the ongoing changes and development with COVID-19, it is not possible to reliably estimate the length and severity of these developments and the impact of the financial results and conditions of the Society in future periods.

By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

(i) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

3. Tangible capital assets

	Cost	Accumulated Amortization	Net Book Value	
			2020	2019
Computer equipment	\$ 99,352	\$ 94,726	\$ 4,624	\$ 1,633
Furniture and equipment	102,747	76,008	26,740	19,761
Computer software	23,709	16,093	7,616	-
Leasehold improvements	<u>10,968</u>	<u>1,097</u>	<u>9,872</u>	<u>-</u>
	<u>\$ 236,776</u>	<u>\$ 187,924</u>	<u>\$ 48,852</u>	<u>\$ 21,394</u>

4. Government remittances

Accounts payable and accrued liabilities includes payroll remittances of \$20,052 (2019 - \$17,730).

**The Elizabeth Fry Society of Calgary**  
**Notes to Financial Statements**  
**December 31, 2020**

5. Deferred contributions related to operations

Deferred contributions relate to funding received in the current period pertaining to subsequent period program expenses.

<b>Program</b>	<b>2019</b>	<b>Additions</b>	<b>Amount recognized as revenue</b>	<b>2020</b>
Calgary Homeless Foundation - COVID-19 Indigenous Shelter Diversion Support	\$ -	\$ 752,357	\$ 104,695	\$ 647,662
Government of Alberta - Community Initiatives Program	-	75,000	4,750	70,250
Alberta Gaming, Liquor and Cannabis	77,440	\$ -	\$ 29,667	47,773
The University of Calgary	-	72,980	26,567	46,413
Indigenous Programming Donation	-	55,000	18,571	36,429
Calgary Learns Operating	11,461	38,712	25,548	24,625
Calgary Foundation - Indigenous Legal Advocacy	18,847	49,959	46,509	22,297
Calgary Homeless Foundation - Creation Lodge	7,560	96,632	87,925	16,267
Calgary Shaw Charity Classic Foundation	4,634	5,484	-	10,118
Canadian Women's Foundation	-	25,000	11,855	13,145
United Way of Calgary and Area	-	297,036	290,233	6,803
Calgary Learns Grant	8,656	10,100	14,906	3,850
Telus	17,000	-	14,253	2,747
Government of Canada - Indigenous Language and Literacy	24,004	2,463	23,868	2,599
Ministry of Child Services	12,351	38,100	48,295	2,156
Calgary Homeless Foundation - Aboriginal Standing Committee on Housing and Homelessness	3,966	93,605	97,571	-
Government of Canada - New Horizons for Seniors	<u>3,980</u>	<u>-</u>	<u>3,980</u>	<u>-</u>
	<u>\$ 189,899</u>	<u>\$ 1,612,428</u>	<u>\$ 849,193</u>	<u>\$ 953,134</u>

6. Changes in non-cash working capital

	<b>2020</b>	<b>2019</b>
Accounts receivable	\$ (547)	\$ (18,185)
Prepaid expenses	(10,237)	358
Accounts payable and accrued liabilities	19,659	19,535
Deferred contributions related to operations	<u>763,235</u>	<u>33,035</u>
Changes in non-cash working capital	<u>\$ 772,110</u>	<u>\$ 34,743</u>

# The Elizabeth Fry Society of Calgary

## Notes to Financial Statements

December 31, 2020

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### 7. Commitments

The Society is committed under premise leases, including a lease signed subsequent to year-end, for future minimum rental payments exclusive of occupancy costs.

2021	\$ 79,500
2022	<u>23,510</u>
	<u>\$ 103,010</u>

### 8. Employee future benefits

The Society contributed to a defined contribution plan for its full-time employees equal to 3% of their salary. During the year, the Society contributed \$15,371 (2019 - \$10,180) to the plan and is included in wages and benefits. At December 31, 2020, \$1,222 (2019 - \$NIL) was owing to the plan.

### 9. Government assistance

The Society received the Canada Emergency Wage Subsidy and the Temporary Wage Subsidy as part of the COVID-19 relief initiatives provided by the Federal government. During the year, the Society was entitled to and received \$229,355 (2019 - \$NIL) and \$25,000 (2019 - \$NIL) respectively. The Society has maintained compliance with all requirements under the programs to be eligible to receive payments.

### 10. Financial instruments

The Society is exposed to the following significant financial risks:

#### (a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society is exposed to interest rate price risk as certain short-term investments bear interest at fixed rates.

#### (b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society has credit risk with respect to its cash, restricted cash, short-term investments and accounts receivables. The Society mitigates its exposure to credit loss by placing its cash, restricted cash and short-term investments with a major financial institution and through credit monitoring and collection procedures on its accounts receivables.

**The Elizabeth Fry Society of Calgary**  
**Notes to Financial Statements**  
**December 31, 2020**

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(c) Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The financial liabilities on its statement of financial position consist of accounts payable and accrued liabilities. Management closely monitors cash flow requirements to ensure that it has sufficient cash on demand to meet operational obligations.

11. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.