

**ELIZABETH FRY SOCIETY OF CALGARY**  
**Financial Statements**  
**For the Year Ended December 31, 2015**

**ELIZABETH FRY SOCIETY OF CALGARY**  
**Index to Financial Statements**  
**For the Year Ended December 31, 2015**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Elizabeth Fry Society of Calgary

We have audited the accompanying financial statements of Elizabeth Fry Society of Calgary, which comprise the statement of financial position as at December 31, 2015 and the statements of operations, changes in net assets and 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 audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Elizabeth Fry Society of Calgary as at December 31, 2015 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.

Calgary, Alberta  
June 22, 2016

*Calvista LLP*  
Chartered Professional Accountants

**ELIZABETH FRY SOCIETY OF CALGARY**  
**Statement of Financial Position**  
**As at December 31, 2015**

	Operating	Berkana House (Note 2g)	2015	2014
<b>Assets</b>				
Current				
Cash and cash equivalents	\$ 167,487	\$ 24,454	\$ 191,941	\$ 335,561
Short term investments (Note 3)	191,153	-	191,153	215,712
Accounts receivable	69,315	50,804	120,119	90,488
Prepaid expenses	5,862	-	5,862	7,014
	<u>433,817</u>	<u>75,258</u>	<u>509,075</u>	<u>648,775</u>
Property and equipment (Note 4)	<u>5,872</u>	<u>187,395</u>	<u>193,267</u>	<u>201,541</u>
	<u>\$ 439,689</u>	<u>\$ 262,653</u>	<u>\$ 702,342</u>	<u>\$ 850,316</u>
<b>Liabilities</b>				
Current				
Accounts payable and accrued liabilities	\$ 64,941	\$ 11,515	\$ 76,456	\$ 93,213
Intercompany account with related party (Note 5)	-	132,204	132,204	150,741
	<u>64,941</u>	<u>143,719</u>	<u>208,660</u>	<u>243,954</u>
<b>Deferred contributions</b>				
Operations (Note 7)	115,357	-	115,357	212,402
Property and equipment (Note 8)	3,609	129,042	132,651	139,593
	<u>183,907</u>	<u>272,761</u>	<u>456,668</u>	<u>595,949</u>
<b>Net Assets</b>				
Invested in property and equipment	2,263	58,353	60,616	61,947
Unrestricted	253,519	(68,461)	185,058	192,420
	<u>255,782</u>	<u>(10,108)</u>	<u>245,674</u>	<u>254,367</u>
	<u>\$ 439,689</u>	<u>\$ 262,653</u>	<u>\$ 702,342</u>	<u>\$ 850,316</u>

**On behalf of the Board**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# ELIZABETH FRY SOCIETY OF CALGARY

## Statement of Operations

For the Year Ended December 31, 2015

	Operating	Berkana House (Note 2g)	2015	2014
<b>Revenue</b>				
Alberta Law Foundation	\$ 359,334	\$ -	\$ 359,334	\$ 308,703
United Way	329,939	-	329,939	280,534
Government of Canada	-	280,462	280,462	271,261
Alberta Solicitor General	125,626	-	125,626	125,571
Alberta Gaming	99,003	-	99,003	54,051
Calgary Learns operating	39,184	-	39,184	-
Other income	13,652	47	13,699	1,331
Donations and memberships	20,526	-	20,526	36,559
Calgary Foundation	14,110	-	14,110	10,890
Government of Alberta	21,783	-	21,783	16,517
Amortization of deferred contributions	1,565	5,377	6,942	7,740
Agent fee from Berkana House (Note 5(a))	12,900	-	6,450	-
Piper Kerman event	6,350	-	6,350	-
Canadian Association of Elizabeth Fry Societies	4,842	-	4,842	1,075
Interest income	2,248	-	2,248	2,927
Community Spirit	-	-	-	3,337
Miscellaneous income	-	-	-	2,177
Rental income	-	-	-	588
	<b>1,051,062</b>	<b>285,886</b>	<b>1,330,498</b>	<b>1,123,261</b>
<b>Expenses</b>				
Salaries and wages	690,481	217,134	907,615	818,434
Program costs	74,749	25,710	100,459	68,458
Office	60,490	9,353	69,843	44,381
Premises	64,164	1,561	65,725	71,216
Professional fees	44,870	4,200	49,070	38,002
Repairs and maintenance	29,126	10,824	39,950	36,900
Advertising and promotion	36,747	-	36,747	320
Travel	32,097	3,599	35,696	22,637
Insurance	5,458	3,369	8,827	6,750
Amortization	2,517	5,757	8,274	9,221
Goods and services tax	5,158	-	5,158	4,249
Conference and workshops	4,249	-	4,249	4,959
Meetings	2,384	447	2,831	4,188
Telephone	-	1,482	1,482	3,265
Interest and bank charges	1,472	-	1,472	1,292
Memberships	922	-	922	3,607
Donation	760	-	760	1,000
Fundraising expenses	110	-	110	50
Share of management expense (Note 5(a))	-	6,450	-	-
	<b>1,055,754</b>	<b>289,886</b>	<b>1,339,190</b>	<b>1,138,929</b>
<b>Deficiency of revenue over expenses</b>	<b>\$ (4,692)</b>	<b>\$ (4,000)</b>	<b>\$ (8,692)</b>	<b>\$ (15,668)</b>

The accompanying notes are an integral part of these financial statements.

**ELIZABETH FRY SOCIETY OF CALGARY**  
**Statement of Changes in Net Assets**  
**For the Year Ended December 31, 2015**

	Balance, beginning of the year 2015	Deficiency of revenue over expenses	Balance, end of the year 2015
<b>The Elizabeth Fry Society of Calgary:</b>			
Invested in property and equipment	\$ 3,213	\$ (950)	\$ 2,263
Unrestricted	<u>257,261</u>	<u>(3,742)</u>	<u>253,519</u>
	<u>260,474</u>	<u>(4,692)</u>	<u>255,782</u>
<b>Berkana House (Note 2g)</b>			
Invested in property and equipment	58,734	(380)	58,354
Unrestricted	<u>(64,841)</u>	<u>(3,620)</u>	<u>(68,461)</u>
	<u>(6,107)</u>	<u>(4,000)</u>	<u>(10,107)</u>
	<u>\$ 254,367</u>	<u>\$ (8,692)</u>	<u>\$ 245,675</u>

**ELIZABETH FRY SOCIETY OF CALGARY**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2015**

	2015	2014
<b>Operating activities</b>		
Deficiency of revenue over expenses	\$ (8,692)	\$ (15,668)
Items not affecting cash:		
Amortization of property and equipment	8,274	9,221
Amortization of deferred contributions	<u>(6,942)</u>	<u>(7,740)</u>
	<u>(7,360)</u>	<u>(14,187)</u>
Changes in non-cash working capital:		
Accounts receivable	(29,632)	(10,246)
Accounts payable and accrued liabilities	(16,757)	41,977
Prepaid expenses	1,152	(810)
Deferred contribution - operating	<u>(97,045)</u>	<u>52,070</u>
	<u>(142,282)</u>	<u>82,991</u>
Cash flow from operating activities	<u>(149,642)</u>	<u>68,804</u>
<b>Investing activity</b>		
Purchase of property and equipment	<u>-</u>	<u>(1,538)</u>
<b>Financing activity</b>		
Advances (repayment) to/from related parties	<u>(18,537)</u>	<u>7,350</u>
<b>Increase (decrease) in cash flow</b>	<b>(168,179)</b>	<b>74,616</b>
Cash and cash equivalents - beginning of year	<u>551,273</u>	<u>476,657</u>
<b>Cash and cash equivalents - end of year</b>	<b>\$ 383,094</b>	<b>\$ 551,273</b>
<b>Cash and cash equivalents consist of:</b>		
Cash - Elizabeth Fry Society of Calgary	\$ 167,487	\$ 324,097
Cash - Berkana House	24,454	11,464
Short term investments	<u>191,153</u>	<u>215,712</u>
	<b>\$ 383,094</b>	<b>\$ 551,273</b>

# ELIZABETH FRY SOCIETY OF CALGARY

## Notes to Financial Statements

Year Ended December 31, 2015

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### 1. Purpose of the Society

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) of the Income Tax Act.

The purpose 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.

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### 2. Summary of significant accounting policies

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook and, in management's opinion, have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

#### (a) 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.

#### (b) Cash and cash equivalents

Cash and cash equivalents consist primarily of commercial paper and deposits with a maturity date of three months or less and cashable investments. Because of the short term maturity of these investments, their carrying amount approximates fair value.

#### (c) Property and equipment

Property and equipment is recorded at cost. Donated property and equipment are recorded at fair market value. 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:

Building improvements	4%
Computer equipment	30% / 45%
Furniture and equipment	30% / 20%
Website	30%

#### (d) 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.

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## **ELIZABETH FRY SOCIETY OF CALGARY**

### **Notes to Financial Statements**

**Year Ended December 31, 2015**

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#### **2. Summary of significant accounting policies (*continued*)**

##### **(e) Financial instruments**

The Society initially measures its financial assets and financial liabilities at fair value. It subsequently measures all of its financial assets and financial liabilities at amortized cost.

The financial assets measured at amortized cost include cash and cash equivalents, short term investments and accounts receivable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities and due to related party.

##### **(f) Management 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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

##### **(g) Berkana House project**

The Elizabeth Fry Society of Calgary has entered into a joint project (Berkana House) with The Calgary John Howard Society to establish a transitional housing program for women on conditional releases leaving federal and provincial institutions. All assets, liabilities, revenue and expenses relating to this project are shared on an equal basis. Accordingly, these financial statements include one-half of all assets, liabilities, revenue and expenses relating to the project.

The terms of respective contribution between The Elizabeth Fry Society of Calgary and The Calgary John Howard Society are defined by the joint venture agreement dated November 1, 2001 and the management committee of the joint venture, of which each joint venturer has appointed two members.

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#### **3. Short term investments**

The short term investments consist of two one-year redeemable guaranteed investment certificates bearing an interest rate of 0.65% (2014 - 1.00%), maturing April 23, 2016. These are recorded at cost, which approximates their fair values.

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**ELIZABETH FRY SOCIETY OF CALGARY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2015**

**4. Property and equipment**

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
<b>Elizabeth Fry Society of Calgary</b>				
Computer equipment	\$ 88,361	\$ 85,768	\$ 2,593	\$ 3,705
Computer software	14,749	14,717	32	45
Furniture and equipment	70,123	66,876	3,247	4,639
	<u>173,233</u>	<u>167,361</u>	<u>5,872</u>	<u>8,389</u>
<b>Berkana House project (Note 2g)</b>				
Land	60,000	-	60,000	60,000
Buildings	232,326	107,049	125,277	130,497
Computer equipment	34,429	32,311	2,118	2,655
	<u>326,755</u>	<u>139,360</u>	<u>187,395</u>	<u>193,152</u>
	<u>\$ 499,988</u>	<u>\$ 306,721</u>	<u>\$ 193,267</u>	<u>\$ 201,541</u>

**5. Intercompany account with related party**

	2015	2014
Due to Berkana House to the Society's co-venturer, The Calgary John Howard Society	\$ 132,204	\$ 137,841
Due to Berkana House to The Elizabeth Fry Society of Calgary	-	12,900
	<u>\$ 132,204</u>	<u>\$ 150,741</u>

(a) Administrative fees received from Berkana House in the amount of \$6,450 (2014: \$6,450) have been eliminated in the statement of operations.

(b) During the year the Society donated \$nil (2014 - \$1,000) to the Calgary John Howard Society, the co-venturer for the Berkana House project.

(c) Intercompany ledger accounts are used by Berkana house and the Calgary John Howard Society (the co-venturer for Berkana House project). Intercompany payables are made by The Calgary John Howard Society to Berkana for operating expenses and reconciled against intercompany receivables from Berkana house.

**ELIZABETH FRY SOCIETY OF CALGARY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2015**

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**6. Lease commitment**

On March 30, 2012 the Society entered into an occupancy lease agreement for a term of ten years. The base minimum annual payments for the subsequent four years are as follows:

2016	\$	43,200
2017		45,600
2018		45,600
2019		48,000
	\$	<u>182,400</u>

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**7. Deferred contributions related to operations**

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

	2014	Additions	Utilizations	2015
<u>Program</u>				
Alberta Gaming	\$ 143,862	\$ -	\$ 99,003	\$ 44,859
Correctional Services	-	1,500	-	1,500
Alberta Justice and Solicitor General	-	125,626	125,626	-
Alberta Community Initiatives Program	-	5,525	-	5,525
CAEFS	-	11,059	4,842	6,217
Calgary Foundation	14,110	-	14,110	-
Calgary Learns - project grant	-	20,000	-	20,000
United Way	29,411	304,880	329,939	4,352
Alberta Solicitor General - Bail	3,236	-	752	2,484
Donations	-	420	-	420
Rotary	-	30,000	-	30,000
Calgary Learns Operating Grants	21,783	-	21,783	-
	<u>\$ 212,402</u>	<u>\$ 499,010</u>	<u>\$ 596,055</u>	<u>\$ 115,357</u>

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## ELIZABETH FRY SOCIETY OF CALGARY

### Notes to Financial Statements

Year Ended December 31, 2015

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#### 8. Deferred contributions related to property and equipment

Deferred contributions related to property and equipment represent restricted contributions which were contributed for the purchase of property and equipment. The contributions are being recognized as revenue on the same basis as the amortization of the assets acquired with the funds.

	2014	Additions	Utilizations	2015
<u>Funder</u>				
Alberta Gaming	\$ 1,854	\$ -	\$ 556	\$ 1,298
Alberta Law	1,324	-	435	889
Gifts in kind	638	-	191	447
Anonymous Donor	89	-	40	49
Community Lottery	585	-	117	468
Nickle Foundation	350	-	105	245
Muttart Foundation	198	-	60	138
Alberta Justice	68	-	31	37
Calgary Learns	34	-	15	19
United Way	34	-	15	19
Berkana House project - various funders (Note 2g)	134,418	-	5,376	129,042
	<u>\$ 139,592</u>	<u>\$ -</u>	<u>\$ 6,941</u>	<u>\$ 132,651</u>

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#### 9. Gifts in kind

Gifts in kind in the amount of \$760 (2014: \$3,917) have been included in donations and expensed through client support and supplies. In the current year the Society received furniture with a fair market value of \$Nil (2014 - \$750) that was recorded in property and equipment.

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#### 10. Financial instruments

The Society's financial instruments consist of cash and cash equivalents, short term investments, accounts receivable, accounts payable and accrued liabilities and due to related party. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

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#### 11. Comparative figures

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

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