

**The Elizabeth Fry Society
of Peterborough
Financial Statements
For the year ended March 31, 2019**

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Independent Auditor's Report

To the Board of Directors of
The Elizabeth Fry Society of Peterborough

Opinion

We have audited the accompanying financial statements of The Elizabeth Fry Society of Peterborough (the Organization), which comprise the statement of financial position as at March 31, 2019, and the statements of revenues and expenses, fund balances 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 Organization as at March 31, 2019, 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 Organization 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.

Other Matter

The financial statements of the Organization for the year ended March 31, 2018 were audited by another auditor who expressed an unmodified opinion on those statements on June 11, 2018.

Responsibilities of Management and Those Charged with Governance 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.

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.



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.

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 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 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 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Peterborough, Ontario
June 21, 2019

**The Elizabeth Fry Society of Peterborough
Statement of Financial Position**

March 31	2019	2018
Assets		
Current		
Cash	\$ 59,430	\$ 32,628
Term deposits (Note 2)	22,554	22,500
Accounts receivable (Note 3)	6,803	4,054
Prepaid expenses	523	497
	<u>\$ 89,310</u>	<u>\$ 59,679</u>

Liabilities and Fund Balances

Current		
Accounts payable and accrued liabilities	\$ 11,955	\$ 11,024
Statutory deductions payable	5,017	7,886
Deferred revenue (Note 5)	49,918	13,200
	<u>66,890</u>	<u>32,110</u>
Fund Balance	<u>22,420</u>	<u>27,569</u>
	<u>\$ 89,310</u>	<u>\$ 59,679</u>

On behalf of the Board:


_____ Director


_____ Director

The accompanying notes are an integral part of these financial statements

**The Elizabeth Fry Society of Peterborough
Statement of Fund Balances**

<u>For the year ended March 31</u>	<u>2019</u>	<u>2018</u>
Balance - beginning of the year	\$ 27,569	\$ 27,143
Excess of Revenues over Expenses (Expenses over Revenue)	<u>(5,149)</u>	426
Balance - end of the year	<u>\$ 22,420</u>	<u>\$ 27,569</u>

The accompanying notes are an integral part of these financial statements

The Elizabeth Fry Society of Peterborough Statement of Revenues and Expenses

For the year ended March 31	2019	2018
Revenues		
Grants, Contracts and Special Project Funding		
Community Safety and Correctional Services	\$ 6,540	\$ 6,540
City of Peterborough	16,000	17,000
Attorney General of Ontario	180,000	169,142
Human Service & Justice	-	1,000
Community Foundation of Greater Peterborough	2,500	7,575
United Way - Peterborough	50,873	50,873
Ministry of Community Safety and Correctional Services	23,999	23,999
Donations, Fundraising and Miscellaneous		
Bingo, raffle and Nevada revenue	27,741	27,100
Donations	43,210	25,652
Miscellaneous	6,215	6,882
	<u>357,078</u>	<u>335,763</u>
Expenses		
Advertising and promotion	598	687
Bank charges and interest	4	142
Client expenses	8,063	2,426
Computer software and supplies	259	348
Community development	1,564	8,394
Insurance	4,182	3,931
Office and miscellaneous	18,130	29,631
Office rent	17,799	15,943
Professional services	8,200	7,420
Staff training	1,336	1,855
Telephone	5,994	1,945
Travel	11,938	6,156
Wages and benefits	284,160	256,459
	<u>362,227</u>	<u>335,337</u>
Excess (Deficiency) of Revenue over Expenses	\$ (5,149)	\$ 426

The accompanying notes are an integral part of these financial statements

**The Elizabeth Fry Society of Peterborough
Statement of Cash Flows**

For the year ended March 31	2019	2018
Cash Flows from Operating Activities		
Excess (Deficiency) of Revenue over Expenses	\$ (5,149)	\$ 426
Changes in non-cash working capital balances		
Accounts receivable	(2,749)	(1,952)
Prepaid expenses	(25)	968
Term deposit	(54)	(2,500)
Accounts payable and accrued liabilities	930	4,433
Statutory deductions payable	(2,869)	3,695
Deferred revenue	36,718	13,200
Increase in Cash	26,802	18,270
Cash - net - beginning of the year	32,628	14,358
Cash - net - end of the year	\$ 59,430	\$ 32,628

The accompanying notes are an integral part of these financial statements

The Elizabeth Fry Society of Peterborough

Notes to the Financial Statements

March 31, 2019

1. Summary of Significant Accounting Policies

a) Nature of the Entity

The Elizabeth Fry Society of Peterborough is a community based agency that offers support to women in conflict with the law, and works with other agencies to increase public awareness about the criminal justice system in Canada.

The Elizabeth Fry Society of Peterborough was incorporated on December 12, 1991 under the Ontario Business Corporations Act as a Corporation without share capital. As a not-for-profit corporation under the Income Tax Act (Canada) the Society is exempt from income taxes. The Society is also prohibited from distributing any of its earnings to, or for the personal benefit of, the members.

b) Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

c) Fund Accounting

The operating fund accounts for the Organization's operating activities with respect to unrestricted resources and restricted operating grants.

d) Revenue Recognition

The Organization follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as income in the year the related expenses are incurred.

Investment income is recognized as received or receivable.

e) Financial Instruments

i) Measurement

The Organization initially measures its financial assets and liabilities at fair value. Subsequently, the Organization measures all its financial assets and financial liabilities at amortized cost plus accrued interest.

ii) Impairment

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

The Elizabeth Fry Society of Peterborough Notes to the Financial Statements

March 31, 2019

1. Summary of Significant Accounting Policies (continued)

e) Financial Instruments (continued)

iii) Transaction Costs

Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

f) Accounts Receivable

The Organization records accounts receivable for amounts owing by a funder for approved expenditures incurred in the current year; and recognizes the HST/GST refund for expenditures paid or payable during the year.

g) Capital Assets

Capital assets are expensed at acquisition. Capital assets consist of computer and office equipment.

h) Deferred Revenue

Deferred revenue is the amount which represents an excess of revenue received for specific programs over expenditures made by the year end for those programs.

i) Contributed Materials and Services

Volunteers contribute significant hours each year to assist the Organization in carrying out its activities. Because of the difficulty of determining their fair value, these services are not recognized in the financial statements.

Contributed materials and services which are used in the normal course of the Organization's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if the fair value can be reasonably estimated.

2. Term Deposit

The short-term investments are cashable investments that mature within two years with an interest rates between .25% to 2.15% and include accrued interest to the reporting date.

The Elizabeth Fry Society of Peterborough Notes to the Financial Statements

March 31, 2019

3. Accounts Receivable

All of the amounts in accounts receivable are in the normal course of operations, for which the Organization has not set up an allowance for uncollectable accounts (2018: \$ nil).

4. Credit Facility Security

The Organization has arranged overdraft protection with its credit union, to a maximum of \$5,000, fully secured by a term deposit. The amount drawn at year-end was \$ nil (2018: \$ nil).

5. Deferred Revenue

	Dept for Women & Gender Equality	City of Peterborough	Other	Total
Beginning balance	\$ -	\$ 13,000	\$ 200	\$ 13,200
Received during the year	49,200	-	1,000	50,200
Spent during the year		13,000	482	13,482
Ending balance	<u>\$ 49,200</u>	<u>\$ -</u>	<u>\$ 718</u>	<u>\$ 49,918</u>

6. Commitments

The Organization signed a five year lease commencing March 1, 2019 and terminating on February 28, 2024. The annual lease payments plus HST are as follows:

2020	29,000
2021	31,200
2022	31,400
2023	33,600
2024	30,800

7. Economic Dependence

In common with the normal not-for-profit financial environment, the Organization derives such a significant portion of its revenues from various government sources and community groups that it is economically dependent upon these sources of revenue.

The Elizabeth Fry Society of Peterborough Notes to the Financial Statements

March 31, 2019

8. Financial Instrument Risk

The Organization's financial instruments consists of cash and cash equivalents, accounts receivable, investments, accounts payable and accrued liabilities and deferred revenue. The financial instruments are subject to several types of risk, the main components being:

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Organization is mainly exposed to interest rate risk.

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 Organization is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of fixed income denominated investments as described in Note 2.

Credit Risk

Credit risk arises from the potential that a counterparty will fail to perform its obligation. The Organization is exposed to that risk from its funders. Due to the nature of the Organization, the credit risk is minimized by the signed contracts received from recognized government prior to beginning the programs in question.

Changes in Risk

There have been no significant changes in the Organization's risk exposures from the prior year.
