
**The Elizabeth Fry Society,
Toronto Branch**

Financial Statements

March 31, 2019

The Elizabeth Fry Society, Toronto Branch

Statement of Financial Position

As at March 31

	General Fund	Capital Asset Fund	2019 Total	2018 Total
Assets				
Current				
Cash	\$ 47,605	\$ 312,671	\$ 360,276	\$ 108,863
Short term investments (Note 2)	-	-	-	144,338
Accounts receivable	350,343	-	350,343	180,009
GST/HST recoverable	41,132	-	41,132	23,466
Prepaid expenses	20,334	-	20,334	46,702
	459,414	312,671	772,085	503,378
Long term investments (Note 2)	1,012,505	127,714	1,140,219	966,613
Capital assets (Note 3)	-	837,560	837,560	862,817
	\$ 1,471,919	\$ 1,277,945	\$ 2,749,864	\$ 2,332,808

Liabilities

Current				
Accounts payable and accruals	\$ 360,291	\$ -	\$ 360,291	\$ 252,191
Deferred revenue (Note 4)	232,434	-	232,434	11,983
Current portion of mortgage payable (Note 5)	-	6,791	6,791	6,346
	592,725	6,791	599,516	270,520
Mortgage Payable (Note 5)	-	4,807	4,807	11,598
	592,725	11,598	604,323	282,118

Net Assets

General operating	299,448	-	299,448	172,010
Internally restricted	565,685	-	565,685	565,685
Externally restricted (Note 6)	14,061	-	14,061	14,061
Capital asset fund	-	1,266,347	1,266,347	1,298,934
	879,194	1,266,347	2,145,541	2,050,690
	\$ 1,471,919	\$ 1,277,945	\$ 2,749,864	\$ 2,332,808

See accompanying notes to the financial statements

On behalf of the Board:


 Director
 
 Director

The Elizabeth Fry Society, Toronto Branch

Statement of Operations

Year Ended March 31

	General Operating	Capital Assets Fund	2019 Total	2018 Total
Revenue				
United Way	\$ 564,643	\$ -	\$ 564,643	\$ 557,067
Donations	99,493	-	99,493	81,442
Foundation grants	10,967	-	10,967	70,013
Corporation grants	4,524	-	4,524	1,900
Bequests and legacies	40,000	-	40,000	-
Federal government (Note 8)	1,275,268	-	1,275,268	1,030,115
Provincial government (Note 7 and 8)	634,550	-	634,550	513,853
Municipal government	358,601	-	358,601	100,420
Investment income	71,746	-	71,746	21,036
Other receipts	58,099	-	58,099	76,411
	3,117,891	-	3,117,891	2,452,257
Expenses				
Agency office	201,792	-	201,792	157,465
Amortization	-	31,536	31,536	34,796
Building occupancy	247,393	-	247,393	204,130
Client services	107,274	-	107,274	83,346
Fundraising	5,069	-	5,069	6,123
Mortgage interest	-	1,051	1,051	1,399
Promotion and publicity	24,229	-	24,229	10,874
Membership dues	3,844	-	3,844	1,903
Professional services	352,052	-	352,052	216,943
Salaries and benefits	1,956,433	-	1,956,433	1,741,296
Staff training and travel	86,132	-	86,132	33,074
Volunteer programs	6,235	-	6,235	6,193
	2,990,453	32,587	3,023,040	2,497,542
Excess (deficiency) of revenue over expenses	\$ 127,438	\$ (32,587)	\$ 94,851	\$ (45,285)

See accompanying notes to the financial statements

The Elizabeth Fry Society, Toronto Branch

Statement of Cash Flows

Year Ended March 31

	2019	2018
Operating activities		
Excess (deficiency) of revenue over expenses	\$ 94,851	\$ (45,285)
Items not requiring an outlay of cash		
Unrealized gain on investments	(55,905)	(22,770)
Amortization	31,536	34,796
	70,482	(33,259)
Net change in working capital items		
Operating working capital		
Short term investments	144,338	(2,279)
Account receivable	(170,334)	(61,084)
GST/HST recoverable	(17,666)	(2,825)
Prepaid expenses	26,368	(2,989)
Accounts payable	108,100	(34,333)
Deferred income	220,451	4,254
Increase (decrease) from operating activities	381,739	(132,515)
Investing activities		
Purchase of capital assets	(6,279)	-
Change of long term investments	(117,701)	679
(Decrease) increase from investing activities	(123,980)	679
Financing activity		
Repayment of mortgage payable	(6,346)	(5,932)
Increase (decrease) in cash	251,413	(137,768)
Cash, beginning of year	108,863	246,631
Cash, end of year	\$ 360,276	\$ 108,863

See accompanying notes to the financial statements

The Elizabeth Fry Society, Toronto Branch

Notes to Financial Statements

March 31, 2019

1. Significant accounting policies (continued)

c) Revenue recognition

The organization follows the deferral method of accounting for contributions to the General Fund. Internally and externally restricted contributions are recognized as revenue in the year received. Amounts received that relate to future fiscal periods are recorded as deferred income until the related costs are incurred.

Contributions related to the purchase of capital assets are recognized as revenue in the capital asset fund in the year in which the related funds are received or are receivable if the amount can be reasonably estimated and collection reasonably assured.

Other unrestricted contributions or services are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized on an accrual basis. Changes in fair value of investments subsequently measured at fair value are included in investment income in the statement of revenue and expenses.

d) Short-term investments

Highly liquid investments with an original maturity of more than three months but less than one year are classified as short-term investments.

e) Long-term investments

Long-term investments with an original maturity of over one year are initially recognized and subsequently measured at fair value, determined using market rates. Transaction costs and net gains and losses arising from changes in fair value are immediately recognized in operations.

f) Capital assets

Purchased property and equipment are recorded in the Capital Asset Fund at cost. Amortization is provided annually to depreciate the cost of these assets over their estimated useful lives. The rates used are on a declining balance basis as follows:

Buildings	3.2%
Computer hardware	30%
Furniture and fixture	30%

Capital assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. There were no impairment indicators in 2019.

The Elizabeth Fry Society, Toronto Branch

Notes to Financial Statements

March 31, 2019

1. Significant accounting policies (continued)

i) Measurement uncertainty

The preparation of the Agency's financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Such estimates include the valuation of accounts receivable, deferred income, accrued liabilities, and the estimated useful lives of capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Long term investments

	2019		2018	
	Cost	Fair Value	Cost	Fair Value
Guaranteed investment certificates	\$ -	\$ -	\$ 142,000	\$ 144,338
Mutual funds/equities	397,698	458,551	350,378	390,791
Bonds	686,616	681,668	593,465	575,822
	1,084,314	1,140,219	1,085,843	1,110,951
Less: short-term investments	-	-	142,000	144,338
	\$ 1,084,314	\$ 1,140,219	\$ 943,843	\$ 966,613

3. Capital assets

	2019		2018	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 50,157	\$ -	\$ 50,157	\$ 50,157
Building	1,337,627	570,381	767,246	792,608
Computer equipment	25,507	19,265	6,242	8,918
Furniture and fixture	35,112	21,197	13,915	11,134
	\$ 1,448,403	\$ 610,843	\$ 837,560	\$ 862,817

The Elizabeth Fry Society, Toronto Branch

Notes to Financial Statements

March 31, 2019

7. Ministry of Attorney General

Revenue and expenditures related to the two programs funded by the Ministry of Attorney General are outlined below:

	Community Justice Worker	Partner Assault (Response) Program
Revenue		
Operating Grant	124,900	154,641
Client fees	-	15,210
Deferred revenue carried forward	-	1,983
	124,900	171,834
Expenses		
Salaries and benefits		
Salaries	89,953	133,662
Benefits	16,431	26,655
	106,384	160,317
Other operating		
Utilities	-	16,346
Office/program supplies	4,479	3,947
Telephone/communication	-	1,200
Office/program equipment	2,763	1,195
Promotional goods/materials	155	-
Community workshops/meetings/events	-	80
Staff expenses	654	1,735
Front-line volunteer expenses	-	564
Client expenses	-	6,195
Audit	500	500
Bookkeeping	-	3,025
Insurance	500	1,170
Administrative fees	12,000	-
	21,051	35,957
	127,435	196,274
Deficiency of revenue over expenditures	(2,535)	(24,440)

The Elizabeth Fry Society, Toronto Branch

Notes to Financial Statements

March 31, 2019

10. Financial instruments risk exposure (continued)

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The Agency is exposed to this risk mainly in respect of its mortgage payable (See Note 5) and accounts payable. The Agency expects to meet these obligations as they come due through sufficient cash flow from operations. The Agency has not had issues with meeting obligations in the past.

There has been no change in risk assessment from the prior year.

Market risk

Market risk is the risk that the fair value of 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 Agency is mainly exposed to interest rate risk and other price risk.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Agency does not make any sales or purchases in a foreign currency, nor does it maintain cash balances in a foreign currency. Consequently, the Agency is not exposed to currency risk.

Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments will fluctuate because of changes in market interest rates. The exposure of the Agency to interest rate risk arises also from its interest bearing investments. The primary objective of the Agency with respect to its investments is to ensure the security of principal amounts invested and provide for a high degree of liquidity, while achieving satisfactory investment return. The Agency manages this risk by holding primarily term deposits and by staggering the terms of the investments held. The Agency's interest bearing mortgage (Note 5) is not considered a risk due to a fixed interest rate and renewal balance of \$Nil upon maturity.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Agency is exposed to other price risk through its portfolio portion of long term investments. The Agency has formal policies and procedures that establish target asset mix. The Agency's policies also require diversification of investments within categories and set limits on exposure to individual investments.