

Financial Statements of

**FAMILIES MATTER
SOCIETY OF CALGARY**

And Independent Auditors' Report thereon

Year ended December 31, 2021



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INDEPENDENT AUDITORS' REPORT

To the Members of Families Matter Society of Calgary

Opinion

We have audited the financial statements of Families Matter Society of Calgary (the Entity), which comprise:

- the balance sheet as at December 31, 2021
- the statement of revenues and expenses for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2021, and its results of operations and its cash flows 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 auditors' report.



We are independent of the Entity 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 Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in the Annual Report document.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materiality inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report thereon, included in Annual Report document as at the date of this auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 Entity'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 Entity'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 Entity's 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.
- 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.

KPMG LLP

Chartered Professional Accountants

Calgary, Canada

April 28, 2022

FAMILIES MATTER SOCIETY OF CALGARY


Balance Sheet

December 31, 2021, with comparative information for 2020


	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 173,899	\$ 213,828
Short term investments	280,000	950,000
Restricted cash	100,595	5,381
Accounts receivable	260	163
Accrued interest receivable	378	5,772
Grant receivable	25,000	5,000
Goods and services tax receivable	7,608	12,474
Prepaid expenses and deposits	50,583	43,917
	<u>638,323</u>	<u>1,236,535</u>
Long-term investments (note 7)	563,037	-
Property and equipment (note 3)	121,191	131,675
	<u>\$ 1,322,551</u>	<u>\$ 1,368,210</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable and accruals (note 8)	\$ 138,526	\$ 107,429
Deferred revenue (note 4)	425,755	464,089
	<u>564,281</u>	<u>571,518</u>
Deferred capital contributions (note 5)	3,218	5,705
	<u>567,499</u>	<u>577,223</u>
Net assets:		
Internally restricted funds	380,499	356,452
Net assets unrestricted	374,553	434,535
	<u>755,052</u>	<u>790,987</u>
Lease commitments (note 8)		
	<u>\$ 1,322,551</u>	<u>\$ 1,368,210</u>

See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

FAMILIES MATTER SOCIETY OF CALGARY

Statement of Revenues and Expenses

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Revenues:		
Funding (note 6)	\$ 2,923,372	\$ 2,659,232
Change in unrealized gain on investments	16,858	—
Amortization of deferred capital contribution	2,487	27,493
	<u>2,942,717</u>	<u>2,686,725</u>
Expenses:		
Salaries and related expenses	2,216,190	1,941,599
Occupancy and equipment	345,195	306,490
Program operations	183,709	210,361
Administration	61,497	61,222
Staff and volunteers	78,821	35,103
Contracted services	39,278	30,493
Marketing and fundraising	23,257	31,074
Amortization (note 3)	17,554	36,853
Other	13,151	9,483
	<u>2,978,652</u>	<u>2,662,678</u>
(Deficiency)/excess of revenues over expenses	<u>\$ (35,935)</u>	<u>\$ 24,047</u>

See accompanying notes to the financial statements

FAMILIES MATTER SOCIETY OF CALGARY

Statement of Changes in Net Assets

Year ended December 31, 2021, with comparative information for 2020

	Internally Restricted	Unrestricted	Total 2021	Total 2020
Balance, beginning of year	\$ 356,452	\$ 434,535	\$ 790,987	\$ 766,940
(Deficiency)/excess of revenues over expenses	–	(35,935)	(35,935)	24,047
Transfer of funds from unrestricted to internally restricted	24,047	(24,047)	–	–
Balance, end of year	\$ 380,499	\$ 374,553	\$ 755,052	\$ 790,987

See accompanying notes to the financial statements

FAMILIES MATTER SOCIETY OF CALGARY

Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash flows provided by (used in):		
Operating:		
(Deficiency)/excess of revenues over expenses	\$ (35,935)	\$ 24,047
Add items not affecting cash:		
Amortization of capital assets	17,554	36,853
Amortization of deferred capital contributions	(2,487)	(27,493)
Unrealized gain on investments	(16,858)	–
	(37,726)	33,407
Change in non-cash working capital:		
Accrued interest receivable	5,394	7,705
Grants receivable	(20,000)	(5,000)
Accounts receivable	(97)	90,404
Goods and services tax receivable	4,866	(942)
Prepaid expenses and deposits	(6,666)	15,720
Accounts payable and accrued liabilities	31,097	48,908
Deferred revenue	(38,334)	335,210
	(61,466)	525,412
Investing:		
Proceeds from (purchase of) of short term investments	670,000	(400,000)
(Purchase of) proceeds from of long-term investments	(546,179)	100,000
Purchase of property and equipment	(7,070)	(110,869)
	116,751	(410,869)
Financing:		
Deferred capital contributions received	–	5,000
Increase in cash and cash equivalents	55,285	119,543
Cash and cash equivalents, beginning of year	219,209	99,666
Cash and cash equivalents, end of year	\$ 274,494	\$ 219,209
Cash and cash equivalents consist of:		
Cash	\$ 173,899	\$ 213,828
Restricted cash	100,595	5,381
	\$ 274,494	\$ 219,209

See accompanying notes to the financial statements.

FAMILIES MATTER SOCIETY OF CALGARY

Notes to Financial Statements

Year ended December 31, 2021, with comparative information for 2020

1. Purpose of organization:

Families Matter Society of Calgary (“The Society”) was incorporated under the Societies Act (Alberta) as a result of an amalgamation filed on December 23, 2003 that combined the operating assets of Calgary Family Connections Society, The Parent Development Centre (Calgary) Association, and Calgary Support for Young Parents Association.

The Society’s mission is to strengthen families through life’s transitions by providing families with education and support, and by promoting community understanding of family issues through public awareness and advocacy. Services provided include parenting resources and courses, in-home support, early childhood development, postpartum support, and a parent resource telephone line.

2. Significant accounting policies:

(a) Basis of presentation:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants (“CPA”) Handbook.

On March 11, 2020, the World Health Organization declared a global pandemic for the COVID-19 virus. The Foundation is following health advisories and mandatory requirements from local, provincial and national health and government organizations.

Market conditions had improved over the course of 2021 as nations began re-opening their economies, but the recent resurgence of COVID-19 cases (including cases related to variants or mutations of the COVID-19 virus) in certain geographic areas, and the possibilities that a resurgence may occur in other areas, has resulted in the re-imposition of certain restrictions by local authorities. In addition, while vaccines are being distributed, there is uncertainty as to the timing, level of adoption, duration of efficacy and overall effectiveness of the vaccine against variants or mutations.

While COVID-19 continues to present a challenging economic environment, there is no significant adverse financial impact to the Society to date. Management has been closely monitoring its financial results. The ultimate effects of how the outbreak will impact the Society’s business in future periods cannot be reasonably estimated at this time.

FAMILIES MATTER SOCIETY OF CALGARY

Notes to Financial Statements, page 2

Year ended December 31, 2021, with comparative information for 2020

2. Significant accounting policies (continued):

(b) Measurement uncertainty:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates. Significant estimates includes the recoverability and useful life of capital assets and valuation of investments.

These estimates and judgments have been made taking into consideration the economic impact of the COVID-19 pandemic and the significant economic volatility and uncertainty it has created, however, the future impact of COVID-19 cannot be reasonably estimated at this time.

(c) Revenue recognition:

The Society follows the deferral method of accounting for contributions.

Revenue containing conditions as to its use is deferred until the conditions are fulfilled.

Fees for services are recognized as revenue as related services are provided and the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions restricted for the acquisition of capital assets are recognized as revenue in the amounts that match the amortization expense of the related capital assets purchased with the contributions.

Unrestricted donations and fundraising revenue are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(d) Property and equipment:

Purchased property and equipment are recorded at cost. Contributed property and equipment are recorded at the fair value at the date of contribution. Property and equipment is amortized over their estimated useful lives at the following rates applying the reducing balance method except where indicated:

Equipment	20%
Computer equipment	30%
Sign	30%
Leasehold improvements	straight line over lease term

FAMILIES MATTER SOCIETY OF CALGARY

Notes to Financial Statements, page 3

Year ended December 31, 2021, with comparative information for 2020

2. Significant accounting policies (continued):

(d) Property and equipment (continued):

The Society regularly reviews its property and equipment for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized in the statement of revenue and expenses when the carrying value of the asset exceeds the sum of undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the capital asset exceeds its fair value. An impairment loss is not reversed if the fair value of the capital asset subsequently increases.

(e) Investments:

Investments are classified as short term investments if they have original maturities of more than three months and mature within one year from the Balance Sheet date.

Investments are classified as long term investments if they have original maturities of more than one year from the Balance Sheet date. Changes in fair values are recognized in the Statement of Revenues and Expenses as changes in unrealized gains or losses.

Impairment of portfolio investments is recognized when the loss in value of a portfolio investment is other than temporary, and is included in the statement of revenue and expenses.

(f) Contributed services:

Volunteers assist the Society in carrying out certain activities. Due to uncertainty in determining fair value of the service and given that such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

(g) Donated equipment and materials:

Donated equipment and materials are recorded at fair market value if the fair value can be reasonably determined and the equipment and materials would otherwise be purchased. If fair market value cannot be reasonably determined, donated equipment and materials are recorded at nominal value.

(h) Income taxes:

The Society is a registered charity and while registered, the Society is exempt from income tax and may issue tax deductible receipts to donors.

FAMILIES MATTER SOCIETY OF CALGARY

Notes to Financial Statements, page 4

Year ended December 31, 2021, with comparative information for 2020

2. Significant accounting policies (continued):

(i) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Society has elected to carry its investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset.

If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(j) Cash and cash equivalent, restricted cash, and short term investments:

The Society considers cash on deposit with chartered banks, and certificates of deposit with original maturities of 90 days or less as cash and cash equivalent. Restricted cash is casino funds that must be used on specific purposes, and the Society expects to utilize these funds in the next fiscal year. Short term investments can be redeemed at any time by the Society.

FAMILIES MATTER SOCIETY OF CALGARY

Notes to Financial Statements, page 5

Year ended December 31, 2021, with comparative information for 2020

3. Property and equipment:

2021	Cost	Accumulated amortization	Net book value
Equipment	\$ 24,448	\$ 23,857	\$ 591
Computer equipment	79,361	76,734	2,627
Leaseholds	150,673	32,700	117,973
	<u>\$ 254,482</u>	<u>\$ 133,291</u>	<u>\$ 121,191</u>

2020	Cost	Accumulated amortization	Net book value
Equipment	\$ 24,448	\$ 23,709	\$ 739
Computer equipment	79,362	75,608	3,754
Sign	13,924	12,711	1,213
Leaseholds	143,602	17,633	125,969
	<u>\$ 261,336</u>	<u>\$ 129,661</u>	<u>\$ 131,675</u>

Amortization for the year ended December 31, 2021 was \$17,554 (2020 – \$36,853).

4. Deferred revenue:

Deferred revenue consists of restricted funds which are required to be expended on specific programs and possibly could require repayment, and unrestricted funds that can be expended on programs that the Society feels best enhances its objectives.

	2021	2020
Alberta Children Services	\$ 190,725	\$ 283,234
Alberta Gaming and Liquor/Restricted revenue	107,192	21,770
The Frasnian Foundation	45,000	–
Calgary Learns	32,737	8,405
Private donations	23,317	18,266
Public Health Agency of Canada	12,694	12,556
SE Calgary Community resource Centre	10,000	–
The Wagemaker Foundation	4,090	3,544
Alberta Health Services	–	34,653
Fathering for the Future	–	36,905
Family Canada	–	1,214
The United Way	–	43,542
	<u>\$ 425,755</u>	<u>\$ 464,089</u>

FAMILIES MATTER SOCIETY OF CALGARY

Notes to Financial Statements, page 6

Year ended December 31, 2021, with comparative information for 2020

5. Deferred capital contributions:

Contributions provided or allocated for the purpose of acquiring property and equipment are recognized as revenues on the same basis as the related property and equipment is amortized.

Deferred capital contributions related to property and equipment represents the unamortized amount and unspent amount of the donations and grants received for the purchase of property and equipment. The amortization of capital contribution is recorded as revenue in the Statement of Operations.

	2021	2020
Balance, beginning of year	\$ 5,705	\$ 28,198
Amortization of deferred capital contribution	(2,487)	(27,493)
Deferred capital contribution received	–	5,000
	<u>\$ 3,218</u>	<u>\$ 5,705</u>

6. Funding:

	2021	2020
Funds recognized as income:		
Alberta Children Services – Family Resource Network	\$ 1,447,315	\$ 948,406
City of Calgary, Family and Community Support Services	811,199	890,919
United Way of Calgary and Area	240,512	259,202
Alberta Health Services	143,212	127,896
Calgary Learns	68,775	54,196
Public Health Agency of Canada	48,365	45,768
Program fees, registration, interest and memberships	42,464	17,004
Fathering for the Future	36,905	71,304
Donations and other	33,889	55,405
Canadian Woman Foundation	25,139	–
Canada Alberta Job Grant	17,500	–
Casino proceeds	6,883	13,229
Family Canada	1,214	3,752
Alberta Children Services	–	124,667
Calgary and Area Child and Family Service	–	47,484
	<u>\$ 2,923,372</u>	<u>\$ 2,659,232</u>

FAMILIES MATTER SOCIETY OF CALGARY

Notes to Financial Statements, page 7

Year ended December 31, 2021, with comparative information for 2020

7. Long term investments:

December 31, 2021	Cost	Fair value
Fixed income	\$ 134,332	\$ 131,834
Equities	275,352	286,257
Trust and funds	139,749	144,356
Cash	590	590
	\$ 550,023	\$ 563,037

There were no long term investments in 2020.

8. Lease commitments:

The Society has lease agreements with respect to its premises for periods ranging from six years to ten years. Future annual base lease payments for the next five years are as follows:

	3404 25th	Midnapore	Total
2022	\$ 84,242	\$ 55,462	\$ 139,704
2023	84,242	55,462	139,704
2024	84,242	55,462	139,704
2025	84,242	55,462	139,704
2026	84,242	23,109	107,351
Thereafter	252,725	—	252,725

9. Credit Facility:

The Society has corporate credit cards facility from a Canadian bank for \$30,000 (2020 – \$25,000). At December 31, 2021, \$6,337 (2020 – \$8,573) was outstanding on these credit cards and is included in accounts payable and accruals.

FAMILIES MATTER SOCIETY OF CALGARY

Notes to Financial Statements, page 8

Year ended December 31, 2021, with comparative information for 2020

10. Financial instruments:

The Society is subject to the following financial instrument risks:

(a) Credit risk:

Credit risk refers to the risk that a counterparty to a financial instrument may default on its contractual obligations resulting in a financial loss. The Society does not believe it is subject to any significant concentration of credit risk. Cash and cash equivalents and investments are in place with major financial institutions and majority of the accounts receivables are due from the landlord for leasehold improvement reimbursements, where chances of default are low.

(b) Liquidity risk:

Liquidity risk is the risk that the Society will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Society does not believe it is subject to any significant concentration of liquidity risk.

The Society manages its liquidity risk by monitoring its operating requirements. The Society prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(c) Interest rate risk:

Interest rate risk arises on cash, restricted cash, and investments. The Society is exposed to interest rate risk due to fluctuations in the bank's interest rates.

There has been no change to the Society risk exposure from 2020, other than the potential impact of COVID-19 as described in note 2(a) and note 2(b).

11. Fundraising expenses:

Section 7(2) of the Charitable Fund-raising Act of Alberta requires the foundation to disclose the expenses incurred for the purpose of soliciting contributions.

Direct expenses incurred for the purpose of soliciting contributions: \$3,089 (2020 – \$5,824).