

Financial Statements of

**FAMILIES MATTER  
SOCIETY OF CALGARY**

And Independent Auditor's Report thereon

Year ended December 31, 2022



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## INDEPENDENT AUDITOR'S 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, 2022
- 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, 2022, 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 "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's 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 auditor's report thereon, included in the Annual Report 2022.

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 materially 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 auditor's report thereon, included in Annual Report 2022 as at the date of this auditor's 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 auditor's 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.



### ***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 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 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 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 27, 2023

# FAMILIES MATTER SOCIETY OF CALGARY

## Balance Sheet

December 31, 2022, with comparative information for 2021


	2022	2021
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 264,113	\$ 173,899
Restricted cash	40,869	100,595
Short-term investments (note 7)	203,000	280,000
Accounts receivable	13,619	260
Accrued interest receivable	2,597	378
Grant receivable	–	25,000
Goods and services tax receivable	7,088	7,608
Prepaid expenses and deposits	48,620	50,583
	<u>579,906</u>	<u>638,323</u>
Long-term investments (note 7)	541,207	563,037
Property and equipment (note 3)	109,875	121,191
	<u>\$ 1,230,988</u>	<u>\$ 1,322,551</u>

## Liabilities and Net Assets

Current Liabilities:		
Accounts payable and accruals (note 9)	\$ 86,905	\$ 138,526
Deferred revenue (note 4)	387,851	425,755
	<u>474,756</u>	<u>564,281</u>
Deferred capital contributions (note 5)	4,904	3,218
	<u>479,660</u>	<u>567,499</u>
Net assets:		
Internally restricted funds	444,000	380,499
Net assets unrestricted	307,328	374,553
	<u>751,328</u>	<u>755,052</u>
Lease commitments (note 8)		
	<u>\$ 1,230,988</u>	<u>\$ 1,322,551</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, 2022, with comparative information for 2021

	2022	2021
Revenues:		
Funding (note 6)	\$ 3,004,977	\$ 2,923,372
Amortization of deferred capital contribution (note 5)	1,569	2,487
Dividend income	22,358	–
Unrealized (loss) gain on investments	(37,174)	16,858
Realized (loss) on investments	(3,786)	–
	<u>2,987,944</u>	<u>2,942,717</u>
Expenses:		
Salaries and related expenses	2,258,035	2,216,190
Occupancy and equipment	404,211	345,195
Program operations	121,573	183,709
Contracted services	62,345	39,278
Staff and volunteers	46,736	78,821
Administration	35,735	61,497
Marketing and fundraising	34,704	23,257
Amortization (note 3)	16,636	17,554
Other	11,693	13,151
	<u>2,991,668</u>	<u>2,978,652</u>
Deficiency of revenues over expenses	<u>\$ (3,724)</u>	<u>\$ (35,935)</u>

See accompanying notes to the financial statements

# FAMILIES MATTER SOCIETY OF CALGARY

## Statement of Changes in Net Assets

Year ended December 31, 2022, with comparative information for 2021

	Internally Restricted	Unrestricted	Total 2022	Total 2021
Balance, beginning of year	\$ 380,499	\$ 374,553	\$ 755,052	\$ 790,987
Deficiency of revenues over expenses	–	(3,724)	(3,724)	(35,935)
Transfer of funds from unrestricted to internally restricted	63,501	(63,501)	–	–
<b>Balance, end of year</b>	<b>\$ 444,000</b>	<b>\$ 307,328</b>	<b>\$ 751,328</b>	<b>\$ 755,052</b>

See accompanying notes to the financial statements



# FAMILIES MATTER SOCIETY OF CALGARY

## Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash flows provided by (used in):		
Operating:		
Deficiency of revenues over expenses	\$ (3,724)	\$ (35,935)
Add items not affecting cash:		
Amortization of capital assets	16,636	17,554
Amortization of deferred capital contributions	(1,569)	(2,487)
Dividend reinvestment plan	(22,358)	–
Unrealized loss (gain) on investments	37,174	(16,858)
Realized loss on investments	3,786	–
	<u>29,945</u>	<u>(37,726)</u>
Change in non-cash working capital:		
Accounts receivable	(13,359)	(97)
Accrued interest receivable	(2,219)	5,394
Grants receivable	25,000	(20,000)
Goods and services tax receivable	520	4,866
Prepaid expenses and deposits	1,963	(6,666)
Accounts payable and accrued liabilities	(51,621)	31,097
Deferred revenue	(37,904)	(38,334)
	<u>(47,675)</u>	<u>(61,466)</u>
Investing:		
Purchase of short-term investments	(203,000)	–
Proceeds from sale of short-term investments	280,000	670,000
Purchase of long-term investments	(103,282)	(546,179)
Proceeds from sale of long-term investments	106,510	–
Purchase of property and equipment	(5,320)	(7,070)
	<u>74,908</u>	<u>116,751</u>
Financing:		
Deferred capital contributions received	3,255	–
	<u>30,488</u>	<u>55,285</u>
Increase in cash and cash equivalents	30,488	55,285
Cash and cash equivalents, beginning of year	274,494	219,209
Cash and cash equivalents, end of year	<u>\$ 304,982</u>	<u>\$ 274,494</u>
Cash and cash equivalents consist of:		
Cash and cash equivalents	\$ 264,113	\$ 173,899
Restricted cash	40,869	100,595
	<u>\$ 304,982</u>	<u>\$ 274,494</u>

See accompanying notes to the financial statements.

# FAMILIES MATTER SOCIETY OF CALGARY

Notes to Financial Statements

Year ended December 31, 2022, with comparative information for 2021

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## 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.

### (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 property and equipment and valuation of investments.

### (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.

# FAMILIES MATTER SOCIETY OF CALGARY

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Year ended December 31, 2022, with comparative information for 2021

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## 2. Significant accounting policies (continued):

### (c) Revenue recognition (continued):

Unrestricted donations, fundraising revenue and dividend income 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 are amortized over their estimated useful lives at the following rates applying the reducing balance method except where indicated:

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

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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. When a capital asset no longer contributes to the Society's ability to provide services, its carrying amount is written down to its residual value. The impairment loss is recognized in the statement of revenues and expenses and is not reversed subsequently.

### (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. Short-term investments can be redeemed at any time by the Society.

Investments are classified as long-term investments if they have 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.

### (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.

# FAMILIES MATTER SOCIETY OF CALGARY

Notes to Financial Statements, page 3

Year ended December 31, 2022, with comparative information for 2021

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## 2. Significant accounting policies (continued):

### (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.

### (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 equivalents and restricted cash:

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 equivalents. Restricted cash is comprised of casino funds that must be used on specific purposes, and the Society expects to utilize these funds in the next fiscal year.

# FAMILIES MATTER SOCIETY OF CALGARY

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Year ended December 31, 2022, with comparative information for 2021

### 3. Property and equipment:

2022	Cost	Accumulated amortization	Net book value
Equipment	\$ 24,448	\$ 23,975	\$ 473
Computer equipment	81,426	77,860	3,566
Leaseholds	153,928	48,092	105,836
	\$ 259,802	\$ 149,927	\$ 109,875

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
	\$ 254,482	\$ 133,291	\$ 121,191

Amortization for the year ended December 31, 2022 was \$16,636 (2021 – \$17,554).

### 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.

	2022	2021
Public Health Agency of Canada	\$ 100,840	\$ 12,694
Alberta Children Services	76,026	190,725
Alberta Gaming, Liquor and Cannabis	59,169	107,192
The Frasnian Foundation	58,368	45,000
The Braund Foundation	27,112	–
Women in Capital Markets – Alberta Chapter	23,089	–
Calgary Learns	21,321	32,737
Private donations	14,411	23,317
SE Calgary Community Resource Centre	4,700	10,000
The Wagemaker Foundation	2,815	4,039
	\$ 387,851	\$ 425,755

# FAMILIES MATTER SOCIETY OF CALGARY

Notes to Financial Statements, page 5

Year ended December 31, 2022, with comparative information for 2021

## 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 revenues and expenses.

	2022	2021
Balance, beginning of year	\$ 3,218	\$ 5,705
Amortization of deferred capital contribution	(1,569)	(2,487)
Deferred capital contribution received	3,255	–
	<u>\$ 4,904</u>	<u>\$ 3,218</u>

## 6. Funding:

	2022	2021
Funds recognized as income:		
Alberta Children Services – Family Resource Network	\$ 1,592,668	\$ 1,447,315
City of Calgary, Family and Community Support Services	816,309	811,199
United Way of Calgary and Area	195,970	240,512
Calgary Learns	77,921	68,775
Donations and other	75,819	33,889
The Braund Foundation	62,488	–
Casino proceeds	59,266	6,883
Public Health Agency of Canada	45,644	48,365
Program fees, registration, interest and memberships	29,769	42,464
The Frasnian Foundation	24,632	–
Summer Job-ESDC	14,491	–
Calgary Foundation	10,000	–
Alberta Health Services	–	143,212
Fathering for the Future	–	36,905
Canadian Woman Foundation	–	25,139
Canada Alberta Job Grant	–	17,500
Family Canada	–	1,214
	<u>\$ 3,004,977</u>	<u>\$ 2,923,372</u>

# FAMILIES MATTER SOCIETY OF CALGARY

Notes to Financial Statements, page 6

Year ended December 31, 2022, with comparative information for 2021

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## 7. Investments:

### (a) Short-term investments:

Short-term investments are comprised of two redeemable guaranteed investment certificates with original maturity dates greater than 90 days that are scheduled to mature one and ten months from year-end, respectively. These redeemable guaranteed investment certificates have an annual interest rate of 2.10% and 4.75%, respectively (2021 – 0.35% and 0.45%). Investments are held with a Canadian chartered banking institution and a public investment firm. Additionally, at December 31, 2022, \$24,000 (2021 – \$nil) of Alberta Gaming, Liquor and Cannabis restricted fund is invested in high interest savings funds and is included in short-term investments.

### (b) Long-term investments:

December 31, 2022	Cost	Fair value
Fixed income	\$ 101,755	\$ 94,015
Equities	314,589	296,849
Trust and funds	145,763	150,343
	<u>\$ 562,107</u>	<u>\$ 541,207</u>

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

# FAMILIES MATTER SOCIETY OF CALGARY

Notes to Financial Statements, page 7

Year ended December 31, 2022, with comparative information for 2021

## 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	Triwood	Total
2023	84,242	55,462	36,056	175,760
2024	84,242	55,462	24,037	163,741
2025	84,242	55,462	–	139,704
2026	84,242	23,109	–	107,351
2027	84,242	–	–	84,242
Thereafter	168,483	–	–	168,483

## 9. Credit Facility:

The Society has a corporate credit card facility from a Canadian bank for \$30,000 (2021 – \$30,000). At December 31, 2022, \$12,426 (2021 – \$6,337) was outstanding on these credit cards and is included in accounts payable and accruals.

## 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, restricted cash, 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 and cash equivalents, 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's risk exposure from 2021.



# FAMILIES MATTER SOCIETY OF CALGARY

Notes to Financial Statements, page 8

Year ended December 31, 2022, with comparative information for 2021

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## 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: \$3,555 (2021 – \$3,089).