

FAMILIES MATTER SOCIETY OF CALGARY
Financial Statements
Year Ended December 31, 2023



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 society), which comprise the statement of financial position as at December 31, 2023, and the statements of revenues and expenditures, changes in net assets 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 society as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 society in accordance with 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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 society'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 society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the society'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:

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Independent Auditor's Report to the Members of Families Matter Society of Calgary (*continued*)

- 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 society'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 society'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 society 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.

Calgary, Alberta
March 26, 2024



Chartered Professional Accountants

FAMILIES MATTER SOCIETY OF CALGARY
Statement of Financial Position
December 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 921,861	\$ 304,982
Short term investments (Note 4)	454,407	300,207
Accounts receivable and accrued receivable	5,849	16,217
Goods and services tax recoverable	16,670	7,088
Prepaid expenses and prepaid deposits	49,072	48,621
	1,447,859	677,115
Long term investments (Notes 4, 8)	444,000	444,000
Property and equipment (Note 5)	101,197	109,875
	\$ 1,993,056	\$ 1,230,990
LIABILITIES		
CURRENT		
Accounts payable and accruals (Note 6)	\$ 108,609	\$ 86,908
Deposits received	8,280	-
Deferred income (Note 7)	807,674	387,851
	924,563	474,759
Deferred capital contributions (Note 7)	3,414	4,904
	927,977	479,663
NET ASSETS		
Operating fund	621,079	307,327
Internally restricted fund (Note 8)	444,000	444,000
	1,065,079	751,327
	\$ 1,993,056	\$ 1,230,990

Lease commitments (Note 11)

On behalf of the Board

Lisa Barton Director
kg Director

FAMILIES MATTER SOCIETY OF CALGARY
Statement of Revenues and Expenditures
Year Ended December 31, 2023

	2023	2022
Revenue		
Funding (<i>Note 9</i>)	\$ 3,405,043	\$ 3,004,977
Unrealized gain (loss) on investment	45,361	(37,174)
Interest income	16,863	-
Dividend income	15,998	22,358
Amortization of deferred capital contribution	1,490	1,569
Realized loss on sale of investments	(1,094)	(3,786)
	<u>3,483,661</u>	<u>2,987,944</u>
Expenses		
Salaries and related expenses	2,334,370	2,258,035
Occupancy and equipment	448,584	404,211
Program operations	127,055	121,573
Administration	84,382	35,735
Contracted services	61,578	62,345
Staff and volunteers	46,555	46,736
Marketing and fundraising (<i>Note 10</i>)	36,794	34,704
Amortization	17,940	16,636
Other	12,651	11,694
	<u>3,169,909</u>	<u>2,991,669</u>
Excess (deficiency) of revenue over expenses	<u>\$ 313,752</u>	<u>\$ (3,725)</u>

See notes to financial statements

FAMILIES MATTER SOCIETY OF CALGARY
Statement of Changes in Net Assets
Year Ended December 31, 2023

	Operating Fund	Internally Restricted Fund	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 307,327	\$ 444,000	\$ 751,327	\$ 755,052
Excess (deficiency) of revenue over expenses	313,752	-	313,752	(3,725)
NET ASSETS - END OF YEAR	\$ 621,079	\$ 444,000	\$ 1,065,079	\$ 751,327

See notes to financial statements

FAMILIES MATTER SOCIETY OF CALGARY

Statement of Cash Flows

Year Ended December 31, 2023

	2023	2022
Operating activities		
Excess (deficiency) of revenue over expenses	\$ 313,752	\$ (3,725)
Items not affecting cash:		
Amortization of property and equipment	17,940	16,636
Amortization of deferred capital contribution	(1,490)	(1,569)
Dividend reinvestment plan	(15,998)	(22,358)
Interest	(16,750)	3,786
Unrealized loss (gain) on investments	(46,660)	37,174
	<u>250,794</u>	<u>29,944</u>
Changes in non-cash working capital:		
Deferred income	419,823	(37,904)
Accounts payable and accruals	21,703	(51,621)
Accounts receivable and accrued receivable	10,368	9,422
Deposits received	8,280	-
Prepaid expenses and prepaid deposits	(451)	1,963
Goods and services tax receivable	(9,582)	520
	<u>450,141</u>	<u>(77,620)</u>
Cash flow from (used by) operating activities	<u>700,935</u>	<u>(47,676)</u>
Investing activities		
Proceeds from sale of term deposits	203,000	280,000
Proceeds from sale of short-term investments	74,517	106,510
Purchase of property and equipment	(9,263)	(5,320)
Purchase of short-term investments	(22,310)	(103,282)
Purchase of term deposits	(330,000)	(203,000)
	<u>(84,056)</u>	<u>74,908</u>
Cash flow from (used by) investing activities	<u>(84,056)</u>	<u>74,908</u>
Financing activity		
Deferred capital contributions received	-	3,255
Increase in cash flow	616,879	30,487
Cash and cash equivalents - beginning of year	<u>304,982</u>	<u>274,495</u>
Cash and cash equivalents - end of year	<u>\$ 921,861</u>	<u>\$ 304,982</u>

See notes to financial statements

FAMILIES MATTER SOCIETY OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2023

1. PURPOSE OF THE SOCIETY

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Measurement uncertainty

The preparation of financial statements in conformity 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. Significant estimates includes the recoverability and useful life of property and equipment and valuation of investments.

Cash and cash equivalents

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.

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life at the following rates and methods:

Equipment	20%	declining balance method
Computer equipment	30%	declining balance method
Leasehold improvements	10 years	straight-line method

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.

Investments

Investments are classified current if they have original maturities of more than three months and mature within one year from the balance sheet date. Short-term investments include marketable securities, mutual funds equities and other similar investments and 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.

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FAMILIES MATTER SOCIETY OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Families Matter Society of Calgary 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.

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, 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.

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.

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.

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.

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.

FAMILIES MATTER SOCIETY OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2023

3. FINANCIAL INSTRUMENTS

The Society is subject to the following financial instrument risks:

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.

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.

Interest rate risk

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

4. SHORT AND LONG TERM INVESTMENTS

Term deposits consist of following Guaranteed Investment Certificates ("GIC") which are redeemable or with original maturity dates more than 90 days from year-end. Investments are held with a Canadian chartered banking institution.

1. Cashable GIC in the amount of \$45,000 bearing interest at 4.75% and maturing August 24, 2024.
2. Cashable GIC in the amount of \$200,000 bearing interest at 4.10% and maturing October 19, 2024.
3. Non-redeemable GIC in the amount of \$50,000 bearing interest at 4.05% and maturing October 21, 2024.
4. Non-redeemable GIC in the amount of \$30,000 bearing interest at 5.50% and maturing October 23, 2024.
5. Non-redeemable GIC in the amount of \$5,000 bearing interest at 5.05% and maturing December 18, 2024.

Other investments include the following and are held with a public investment firm.

	<u>2023</u>	<u>2022</u>
Equity funds (cost \$353,997, 2022 - \$314,589)	\$ 349,812	\$ 296,849
Mutual funds (cost \$131,441, 2022 - \$145,763)	132,111	150,343
Fixed income funds (cost \$87,976, 2022 - \$101,755)	<u>86,484</u>	<u>94,015</u>
	<u>\$ 568,407</u>	<u>\$ 541,207</u>

Total term deposits and investments held by the Society have a year-end market value of \$898,407 (2022 - \$744,207). Included in these investments are \$444,000 (2022 - \$444,000) of internally restricted funds which is presented as long term assets (Note 8).

FAMILIES MATTER SOCIETY OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2023

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Leasehold improvements	\$ 160,909	\$ 64,182	\$ 96,727	\$ 105,836
Computer equipment	83,707	79,615	4,092	3,566
Equipment	24,448	24,070	378	473
	<u>\$ 269,064</u>	<u>\$ 167,867</u>	<u>\$ 101,197</u>	<u>\$ 109,875</u>

6. CREDIT FACILITY

The Society has a corporate credit card facility from a Canadian bank for \$30,000 (2022 – \$30,000). As at December 31, 2023, \$13,438 (2022 – \$12,426) was outstanding on these credit cards and is included in accounts payable and accruals.

7. DEFERRED REVENUE

Deferred revenue consists of externally restricted funds which are required to be expended on specific programs and possibly could require repayment.

Deferred contributions consist of the following:

	2023	2022
<u>Deferred contributions related to operations</u>		
Private foundations	\$ 549,208	\$ 85,480
Alberta Gaming, Liquor and Cannabis	94,482	59,169
Alberta Children Services	69,550	76,026
Public Health Agency of Canada	42,958	100,840
Calgary Learns	28,273	21,321
Private donations	18,635	14,411
The Wagemaker Foundation	4,568	2,815
SE Calgary Community Resource Centre	-	4,700
Women in Capital Markets – Alberta Chapter	-	23,089
	<u>807,674</u>	<u>387,851</u>

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.

Deferred contributions related to capital assets

Balance - beginning of the year	4,904	3,218
Additions	-	3,255
Utilizations	(1,490)	(1,569)
	<u>3,414</u>	<u>4,904</u>
	<u>\$ 811,088</u>	

FAMILIES MATTER SOCIETY OF CALGARY

Notes to Financial Statements

Year Ended December 31, 2023

8. INTERNALLY RESTRICTED FUNDS

Internally restricted funds are set aside by the board of directors for future operational initiatives and funding shortfalls. The funds can be released by approval of the board of directors at their discretion.

9. FUNDING

	<u>2023</u>	<u>2022</u>
Government funding and supports	\$ 2,685,554	\$ 2,474,573
Public donations and contributions	587,401	415,495
Casino, bingo and special events	105,423	60,024
Other income	15,248	30,578
Program income	11,417	24,308
	<u>\$ 3,405,043</u>	<u>\$ 3,004,978</u>

10. 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: \$3,286 (2022 – \$3,555).

11. LEASE COMMITMENTS

The society has a long term lease with respect to its premises from periods ranging from one year to six years. Future annual base lease payments for the next five years are as follows:

	<u>3404 25th</u>	<u>Midnapore</u>	<u>Triwood</u>	<u>Total</u>
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
2028	84,242	-	-	84,242
Thereafter	84,242	-	-	84,242
	<u>\$ 505,452</u>	<u>\$ 134,033</u>	<u>\$ 24,037</u>	<u>\$ 663,522</u>

12. COMPARATIVE FIGURES

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

The prior year comparative figures were audited by another firm of public accountants.