



**Financial Statements**  
**For the year ended March 31, 2019**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Calgary Legal Guidance Society

### ***Opinion***

We have audited the financial statements of the Calgary Legal Guidance Society (the "Entity"), which comprise:

- the statement of financial position as at March 31, 2019;
- the statement of operations and changes in fund balances 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 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 "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 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 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 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, Alberta

June 26, 2019

## Statement of Financial Position

As at March 31, 2019, with comparative information for 2018

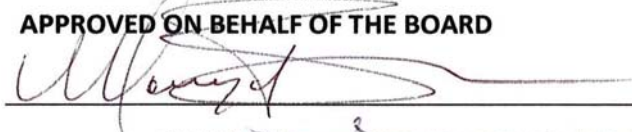

<b>ASSETS</b>		
	<b>2019</b>	<b>2018</b>
<b>Current</b>		
Cash	\$ 855,030	\$ 720,625
Short-term Investments (Note 3)	21,259	358,444
Accounts Receivable	74,056	19,057
Goods and Services Tax Recoverable	11,149	17,493
Employee Deductions Receivable (Note 6)	37,588	-
Short-term Deposits	-	18,228
Prepaid Expenses	56,850	70,725
	<b>1,055,932</b>	<b>1,204,572</b>
<b>Capital Assets (Note 4)</b>	<b>82,889</b>	<b>61,656</b>
<b>Long-term Deposit</b>	<b>23,734</b>	<b>23,734</b>
	<b>1,162,555</b>	<b>1,289,962</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts Payable and Accrued Liabilities	31,710	68,299
Employee Deductions Payable (Note 6)	-	40,550
Repayable to Alberta Law Foundation (Note 7)	-	28,400
Deferred Contributions (Note 7)	201,799	214,265
	<b>233,508</b>	<b>351,514</b>
<b>Deferred Capital Contributions (Note 8)</b>	<b>48,877</b>	<b>41,737</b>
	<b>282,385</b>	<b>393,251</b>
<b>FUND BALANCES</b>		
<b>Programs and Infrastructure (General) Fund</b>	<b>386,349</b>	<b>422,298</b>
<b>Operating Reserve Fund</b>	<b>459,808</b>	<b>454,494</b>
<b>Invested in Capital Assets</b>	<b>34,012</b>	<b>19,919</b>
	<b>880,169</b>	<b>896,711</b>
	<b>1,162,555</b>	<b>1,289,962</b>

**COMMITMENTS AND CONTINGENCIES (Note 11)**

**ECONOMIC DEPENDENCE (Note 12)**

**SUBSEQUENT EVENT (Note 14)**

**APPROVED ON BEHALF OF THE BOARD**

  
 \_\_\_\_\_ Director  
  
 \_\_\_\_\_ Director

## Statement of Operations and Changes in Fund Balances

### For the year ended March 31, 2019, with comparative information for 2018

	Legal Services	DVFL	SBAP	DAL/LRS	Sawhoo Mohkaak Tsi Ma Taas	Advice-A-Thon	Programs & Infra. Fund	Total General Fund 2019	Op. Reserve Fund 2019	Invested in Capital Assets 2019	Total 2019	Total 2018
<b>REVENUE</b>												
Grants												
Alberta Law Foundation (Note 7)	\$ 2,044,558	\$ 137,823	\$ 64,018	\$ 16,611	\$ -	\$ -	\$ -	\$ 2,263,010	\$ -	\$ -	\$ 2,263,010	\$ 2,133,601
United Way (Note 7)	-	-	-	-	100,000	-	-	100,000	-	-	100,000	75,000
City of Calgary, FCSS (Note 7)	-	-	312,935	-	50,430	-	-	363,365	-	-	363,365	289,200
Solicitor General, Victims of Crime Fund (Note 7)	-	150,000	-	-	-	-	-	150,000	-	-	150,000	150,000
Calgary Foundation (Notes 5 & 7)	-	-	-	-	1,731	-	-	1,731	-	-	1,731	96,600
Alberta Lotteries Comm. Invest. Program	-	-	-	-	-	-	-	-	-	-	-	-
Canada Summer Jobs	18,030	-	-	-	-	-	-	18,030	-	-	18,030	15,238
Anonymous Donor	-	252,089	-	-	-	-	-	252,089	-	-	252,089	176,031
Law Foundation of Ontario	-	-	-	-	20,000	-	-	20,000	-	-	20,000	20,000
Alberta Student Temp. Employment Prog.	-	-	-	-	-	-	-	-	-	-	-	-
Law Society of Alberta	-	-	-	76,229	-	-	-	76,229	-	-	76,229	76,229
Donations	1,258	-	-	-	-	2,050	62,651	65,959	-	-	65,959	57,170
Event Sponsorships	-	-	-	-	-	9,850	-	9,850	-	-	9,850	8,000
Casino (Note 7)	9,495	336	239	3,268	168	-	-	13,506	-	-	13,506	66,829
Admin. Fees and Cost Reimbursements	4,640	77	101	25	-	-	607	5,450	-	-	5,450	1,235
Interest Income	-	-	-	-	-	-	-	-	5,314	-	5,314	10,092
Recognition of Deferred Contributions Related to Capital Assets (Note 8)	-	-	-	-	-	-	-	-	-	23,835	23,835	18,866
<b>TOTAL REVENUE</b>	<b>2,077,981</b>	<b>540,325</b>	<b>377,293</b>	<b>96,133</b>	<b>172,329</b>	<b>11,900</b>	<b>63,258</b>	<b>3,339,219</b>	<b>5,314</b>	<b>23,835</b>	<b>3,368,368</b>	<b>3,194,091</b>
<b>EXPENSES</b>												
Advertising and Promotion	6,570	2,517	1,829	13,048	1,627	251	-	25,842	-	-	25,842	23,470
Amortization	-	-	-	-	-	-	-	-	-	28,015	28,015	20,576
Audit Fees	11,354	2,699	1,923	675	1,349	-	-	18,000	-	-	18,000	21,000
Board Expenses	-	-	-	-	-	-	-	-	-	-	-	4,923
Casino Disbursements	1,700	404	288	101	202	-	-	2,695	-	-	2,695	2,170
Client Service Costs and Program Supplies	4,486	135	997	-	404	1,046	-	7,068	-	-	7,068	4,280
Dues, Fees, Licenses and Memberships	23,446	6,284	4,282	84	1,936	-	-	36,032	-	-	36,032	43,358
Equipment Lease	4,904	1,166	830	291	583	-	-	7,774	-	-	7,774	7,923
Computer Expenses	38,024	15,095	11,392	2,181	4,362	-	-	71,054	-	-	71,054	66,710
CRM Software	12,231	2,907	2,071	727	1,453	-	-	19,389	-	-	19,389	1,603
Furniture and Equipment Purchases	551	103	74	25	52	-	-	805	-	-	805	2,482
Human Resource Costs	1,648,215	414,788	300,642	64,571	171,279	-	5,125	2,604,620	-	-	2,604,620	2,501,818
Insurance	22,638	10,278	4,616	69	138	-	-	37,739	-	-	37,739	34,714
Interest and Bank Charges	1,833	436	310	109	218	-	-	2,906	-	-	2,906	3,417
Interpreters	1,717	-	-	-	-	-	-	1,717	-	-	1,717	958
Loss on Disposal of Asset	-	-	-	-	-	-	-	-	-	1,809	1,809	-
Meeting Costs	14,366	6,868	2,512	820	9,911	469	-	34,946	-	-	34,946	23,802
Office Supplies	15,337	2,947	2,145	937	1,591	78	-	23,035	-	-	23,035	17,662
Parking	20,085	3,835	2,669	937	3,444	41	-	31,011	-	-	31,011	23,761
Postage and Courier	3,952	233	166	58	116	-	-	4,525	-	-	4,525	7,121
Printing	4,660	1,160	689	233	540	-	-	7,282	-	-	7,282	10,269
Rent and Utilities	191,066	45,410	32,355	11,353	22,705	-	-	302,889	-	-	302,889	294,231
Professional Development	17,597	5,124	1,011	270	4,270	-	-	28,272	-	-	28,272	21,108
Program Evaluation	-	-	-	-	-	-	-	-	-	-	-	2,028
Statues and Books	5,608	380	151	-	-	-	-	6,139	-	-	6,139	7,337
Telephone and Internet	11,963	2,843	2,026	711	1,422	-	-	18,965	-	-	18,965	18,820
Travel	13,207	10,512	1,446	327	4,564	30	-	30,086	-	-	30,086	24,948
Uncollectible Debts	-	-	-	-	-	-	-	-	-	-	-	642
Volunteer	17,913	3,987	2,717	932	4,892	1,096	-	31,537	-	-	31,537	26,504
Website Development	232	214	152	53	107	-	-	758	-	-	758	2,236
<b>TOTAL EXPENSES</b>	<b>2,093,655</b>	<b>540,325</b>	<b>377,293</b>	<b>98,512</b>	<b>237,165</b>	<b>3,011</b>	<b>5,125</b>	<b>3,355,086</b>	<b>-</b>	<b>29,824</b>	<b>3,384,910</b>	<b>3,219,871</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>(15,674)</b>	<b>-</b>	<b>-</b>	<b>(2,379)</b>	<b>(64,836)</b>	<b>8,889</b>	<b>58,133</b>	<b>(15,867)</b>	<b>5,314</b>	<b>(5,989)</b>	<b>(16,542)</b>	<b>(25,780)</b>
Fund Balances, Beginning of Year	-	-	-	-	-	-	422,298	422,298	454,494	19,919	896,711	922,491
Interfund Transfers (Note 10)	-	-	-	-	-	-	(20,082)	(20,082)	-	20,082	-	-
Program Transfers (Note 10)	15,674	-	-	2,379	64,836	(8,889)	(74,000)	-	-	-	-	-
<b>FUND BALANCES, END OF YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>386,349</b>	<b>386,349</b>	<b>459,808</b>	<b>34,012</b>	<b>880,169</b>	<b>896,711</b>



## Statement of Cash Flows

For the year ended March 31, 2019, with comparative information for 2018

	2019	2018
<b>OPERATING ACTIVITIES</b>		
Deficiency of Revenues Over Expenditures	\$ (16,542)	\$ (25,780)
Items Not Affecting Cash		
Amortization of Capital Assets	28,015	20,576
Interest Accrued and Reinvested on Investments	(5,314)	(10,092)
Loss on Disposal of Asset	1,809	-
Recognition of Grants Towards Capital Assets	(23,835)	(18,866)
	<u>(15,867)</u>	<u>(34,162)</u>
Changes in Non-cash Working Capital		
Accounts Receivable	(54,999)	56,357
Goods and Services Tax Recoverable	6,344	(10,576)
Short-term Deposits	18,228	(18,228)
Employee Deductions Receivable	(37,588)	-
Prepaid Expenses	13,875	(35,873)
Accounts Payable and Accrued Liabilities	(36,589)	(26,344)
Employee Deductions Payable	(40,550)	2,917
Repayable to Alberta Law Foundation	(28,400)	(52,861)
Deferred Contributions	(12,466)	(6,407)
	<u>(172,145)</u>	<u>(91,015)</u>
	<u>(188,012)</u>	<u>(125,177)</u>
<b>INVESTING ACTIVITIES</b>		
Proceeds from Sale of Short-term Investments	342,499	340,095
Purchase of Capital Assets	(51,057)	(4,305)
	<u>291,442</u>	<u>335,790</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from Grants for Capital Asset Purchases	30,975	-
	<u>30,975</u>	<u>-</u>
<b>INCREASE IN CASH</b>	<b>134,405</b>	<b>210,613</b>
<b>CASH – BEGINNING OF YEAR</b>	<b>720,625</b>	<b>510,012</b>
<b>CASH – END OF YEAR</b>	<b><u>855,030</u></b>	<b><u>720,625</u></b>

## Notes to Financial Statements

For the year ended March 31, 2019, with comparative information for 2018

### 1. DESCRIPTION OF ORGANIZATION

The Society was incorporated under the Societies Act of Alberta on June 15, 1977. The Society is registered as a charitable organization under the Income Tax Act of Canada, which provides the Society tax exempt status. The Society provides legal education and assistance to marginalized individuals through the various programs and funds detailed in Note 1.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Calgary Legal Guidance Society (the "Society") have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). The financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

#### Cash and cash equivalents

Cash consists of cash on hand and bank deposits. Highly liquid investments with maturities of three months or less at date of purchase are considered to be cash equivalents.

#### Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a straight-line basis over the following years:

Computer hardware	4	straight-line
Computer software	4	straight-line
Furniture and fixtures	4	straight-line
Leasehold improvements	10	straight-line

Contributed capital assets are recorded at fair value at the date of contribution if these assets would otherwise have been purchased by the Society.

Capital assets acquired during the year are not amortized until they are placed into use.

The Society tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows, the tangible capital assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

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## Notes to the Financial Statements (cont'd)

For the year ended March 31, 2019, with comparative information for 2018

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### **Contributed services**

Volunteers contribute their time during the year to assist the Society in carrying out its activities. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Contributed materials and other services are recorded at fair value at the date of contribution when the fair value can be reasonably estimated, and when the materials and services are used in the normal course of the Society's operations and would otherwise have been purchased.

#### **Allocation of Expenses**

The Society allocates administrative wages and general support expenses across various programs based on approved grant budgets with their major funders. General support expenses include advertising and promotion, board, equipment lease and maintenance, insurance, office and printing, rent, parking, post and courier, and volunteer expenses.

#### **Fund Presentation**

The statement of revenue and expenditures and changes in fund balances is presented by program function and therefore shown on a fund basis.

#### **General Funds**

##### *Legal Services Program Fund*

The Legal Services Program Fund reports activities including the volunteer clinic which has been the core delivery model since inception, and follow-up services for matters that cannot be resolved at the clinic. The Legal Services Program Fund also includes the Immigration program. The Immigration program addresses shortfalls in immigration and refugee legal support for those who have recently arrived in Canada. The program provides legal information, advice and assistance in areas of law that have a greater impact for immigrants and refugees.

##### *Domestic Violence Family Law (DVFL) Program Fund*

The DVFL Program Fund assists in providing legal assistance on family law matters including court ordered protection, emotional support, safety planning, applying for restitution and referrals to other support agencies to victims of family violence.

##### *DAL/LRS Program Fund*

The DAL/LRS Program Fund reports the education activities that provide information to the community either directly to individuals or to organizations, including: Dial-A-Law, which provides pre-recorded legal information on a wide variety of subjects to residents of the Province of Alberta; Lawyer Referral Services; and the delivery of public presentations to respond to public enquiries.

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## Notes to the Financial Statements (cont'd)

For the year ended March 31, 2019, with comparative information for 2018

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### *Social Benefits Advocacy Program (SBAP) Fund*

The Social Benefit Advocacy Program Fund reports the activities of providing services to clients regarding matters such as Alberta Works, Assured Income for Severely Handicapped, Employment Insurance and Worker's Compensation Benefit programs.

#### *Sawhoo Mohkaak Tsi Mah Taas Program Fund*

The Sawhoo Mohkaak Tsi Ma Taas Program Fund accounts for the activities of the Sawhoo Mohkaak Tsi Ma Taas Indigenous Access to Justice Program. The program helps in bridging the gap between Indigenous people and the Justice system.

#### *Advice-A-Thon Fund*

The Advice-A-Thon Fund accounts for the activities of CLG's Advice-A-Thon events. The event occurs annually as a fundraiser for CLG. The net revenue after event expenses is treated as unrestricted revenue to support CLG's other programs and services.

#### *Programs and Infrastructure Fund*

The Programs and Infrastructure Fund reports the Society's unrestricted resources available for use by other programs or restricted funds in the event of a funding deficit. The Fund is maintained through unrestricted donations and unrestricted revenue surpluses that do not otherwise have to be returned to the funder.

### **Internally Restricted Funds**

#### *Operating Reserve Fund*

The Operating Reserve fund is a fund internally restricted by CLG's Board of Directors intended to ensure an orderly wind down of operations in the event that the organization is unable to continue as a going concern. The Operating Reserve fund is not intended to replace a temporary loss of funds (unbudgeted or otherwise); to replace a partial but permanent loss of funds (unbudgeted or otherwise); to eliminate an ongoing budget gap; to be used for unbudgeted or special non-recurring expenses; or, to be used for uninsured losses. The balance of the fund is evaluated on a regular basis to ensure that there is a sufficient balance available in the event that the fund needs to be used.

#### **Invested in Capital Assets Fund**

The Invested in Capital Assets fund reports the assets, liabilities, revenue and expenses related to the Society's capital assets.

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## Notes to the Financial Statements (cont'd)

For the year ended March 31, 2019, with comparative information for 2018

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### **Revenue recognition**

The Society follows the deferral method of accounting for contributions.

- a) Unrestricted contributions are recognized as revenue of the General Fund when received or receivable.
- b) Restricted contributions are recognized as revenue of the related Restricted Fund in the year in which the related expenses are incurred.
- c) Fees for services are recognized as revenue of various programs within the General Fund when such services are delivered.
- d) Interest is recognized as revenue of the related program within the General Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
- e) Restricted contributions related to tangible capital assets are recognized into revenue of the Invested in Capital Asset Fund in the year in which the related amortization expense is incurred over the useful life of the related asset.

#### **Group registered retirement savings plan**

The Society operates a defined contribution registered retirement savings plan ("RRSP") for its employees. The assets of the RRSP are held and administered separately from assets of the Society by an independent administrator. Contributions paid and expensed under salaries, benefits and contract services for the year ended March 31, 2019 amounted to \$67,365 (2018 - \$69,279). These contributions do not include any voluntary personal contributions made by employees.

#### **Financial instruments**

##### *Measurement*

The Society initially measures its financial assets and liabilities at fair value, except for certain related party transactions which are measured at the carrying amount or exchange amount. The Society subsequently measures all financial assets and financial liabilities at amortized cost, except equity instruments quoted in an active market, which are reported at fair value with any unrealized gains and losses reported in excess of revenue over expenses.

Financial assets subsequently measured at amortized cost include cash, accounts receivable, GST recoverable, short-term investments, long-term investments, short-term deposits and long-term deposits.

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities, employee deductions payable, and the balance repayable to Alberta Law Foundation.

## Notes to the Financial Statements (cont'd)

For the year ended March 31, 2019, with comparative information for 2018

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### *Impairment*

Financial assets subsequently measured at amortized cost are tested for impairment when there are indications that an impairment exists. The amount of write-down is recognized as an impairment loss in excess of revenue over expenses. A previously recognized impairment loss may be reversed to the extent of an improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenue over expenses in the period the reversal occurs.

#### *Transaction costs*

The Society recognizes transaction costs on financial instruments subsequently measured at fair value in the Statement of Operations and Changes in Fund Balances in the period the costs are incurred. Financial instruments subsequently measured at amortized cost are adjusted for financing fees and transaction costs which are directly attributable to the origination and acquisition of the financial instrument.

#### **Measurement uncertainty**

The preparation of financial statements in conformity with ASNPO 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. Estimates and assumptions include the estimated useful life of tangible capital assets for amortization purposes, and the net recoverable amount of accounts receivable, tangible capital assets and the allocation of general support expenses to programs. By their nature, these estimates are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates in future periods could be significant.

### 3. INVESTMENTS

	<b>2019</b>	2018
Short Term Guaranteed Investment Certificates (GICs)	<b>21,259</b>	358,444
	<b>21,259</b>	358,444

The GIC held by the Society bears interest at 1.45% (2018 - 1.80% to 1.90%) and matures in July 2023 (2018 - November 2019).

## Notes to the Financial Statements (cont'd)

For the year ended March 31, 2019, with comparative information for 2018

### 4. CAPITAL ASSETS

	Cost	Accumulated Amortization	<b>2019 Net Book Value</b>	2018 Net Book Value
Computer Hardware	35,372	9,920	<b>25,452</b>	5,036
Computer Software	19,990	3,941	<b>16,049</b>	-
Leasehold Improvements	152,317	110,929	<b>41,388</b>	56,620
	<u>207,679</u>	<u>124,790</u>	<b><u>82,889</u></b>	<u>61,656</u>

### 5. DONATION FROM THE CALGARY FOUNDATION

The Calgary Foundation (the "Foundation") administers an Endowment fund program for the Society. All capital contributions made to the fund will be retained by the Foundation in perpetuity and will be invested in accordance with the Foundation's investment policies. At March 31, 2019, the fair market value of the fund was \$32,823 (2018 - \$33,029). The Foundation is permitted to charge the Society a fee for its expenses in administering the fund. Administration fees of \$410 (2018 - \$405) were charged to the Society during fiscal 2019. An annual allocation of 5% of the fair market value of the fund as at June 30th of each year is paid to the Society. As the Society does not control the capital fund, the balance of the fund is not reflected in these financial statements.

An allocation of \$1,321 (2018 - \$1,293) was received during the year and has been recognized in the current year's donation revenue pursuant to the Society's accounting policy for unrestricted contributions.

### 6. GOVERNMENT REMITTANCES RECEIVABLE

As at year end, Employee Deductions Receivable includes \$37,588 (2018- payable of \$33,920) in statutory Government Remittances that recoverable from Canada Revenue Agency by the Society, offset against other Employee Deductions Payable. The balance has been fully recovered by the Society subsequent to year end.

## Notes to the Financial Statements (cont'd)

For the year ended March 31, 2019, with comparative information for 2018

### 7. DEFERRED CONTRIBUTIONS

Deferred contributions related to operations are to be used for the purpose of the relevant Society program and if not, may be required to be returned to the funder.

Deferred contributions related to restricted funds are to be used for the specific purpose as designated by the funder and if not, may be required to be returned to the funder.

Changes in the deferred contributions related to both operations and restricted funds are as follows:

	Beginning Balance	Contributions	Utilization	Repayment	2019	2018
<b>Deferred Contributions</b>						
<u>Alberta Law Foundation</u>						
Core operating	-	2,263,010	2,263,010	-	-	-
<u>Other Funders</u>						
Grant from Anon. Donor	43,969	220,000	252,089	-	<b>11,880</b>	43,969
Victims of Crime Fund	150,000	-	150,000	-	-	150,000
City of Calgary, FCSS*	18,565	342,281	312,935	-	<b>47,911</b>	18,565
City of Calgary, CPIP**	-	136,000	50,430	-	<b>85,570</b>	-
Casino	-	69,944	13,506	-	<b>56,438</b>	-
Calgary Foundation- Sawhoo Mohkaak Tsi Ma Taas Program	1,731	-	1,731	-	-	1,731
United Way- Sawhoo Mohkaak Tsi Ma Taas Program	-	100,000	100,000	-	-	-
Law Foundation of Ontario	-	20,000	20,000	-	-	-
Event Donations	-	2,050	2,050	-	-	-
Event Sponsorships	-	9,850	9,850	-	-	-
	<b>214,265</b>	<b>3,163,135</b>	<b>3,175,601</b>	<b>-</b>	<b>201,799</b>	<b>214,265</b>

\* Family Community Support Services

\*\* Crime Prevention Investment Plan

As at year end, there is no amount designated as repayable to the Alberta Law Foundation (2018-\$28,400).



## Notes to the Financial Statements (cont'd)

For the year ended March 31, 2019, with comparative information for 2018

### 8. DEFERRED CAPITAL CONTRIBUTIONS

Restricted contributions received for the purchase of capital assets are deferred and amortized into income on the same basis as the amortization of the capital assets acquired.

	Beginning Balance	Contributions	Amortization	<b>2019</b>	2018
Alberta Law Foundation	30,630	-	11,376	<b>19,254</b>	30,630
Alberta Law Foundation	1,746	-	1,746	-	1,746
Alberta Law Foundation	-	27,268	6,857	<b>20,411</b>	-
Anonymous Donation	-	3,707	-	<b>3,707</b>	
Government of Alberta	9,361	-	3,856	<b>5,505</b>	9,361
	<b>41,737</b>	<b>30,975</b>	<b>23,835</b>	<b>48,877</b>	<b>41,737</b>

### 9. ALLOCATION OF EXPENSES

The allocation of certain expenses that are not directly attributable to a specific program, including administrative wages and benefits, general support expenses, and rent and utilities expenses are allocated to the following programs as follows:

	<b>% Allocation (March 2019)</b>	% Allocation (March 2018)
Legal Services	<b>63%</b>	61%
DVFL	<b>15%</b>	14%
SBAP	<b>11%</b>	10%
DAL/LRS	<b>4%</b>	7%
Sawhoo Mohkaak Tsi Ma Taas	<b>7%</b>	4%
MHLHC	<b>0%</b>	4%
	<b>100%</b>	100%

The allocations are based on approved grant budgets which are prepared by the Society and approved by the Society's major funders.

## Notes to the Financial Statements (cont'd)

For the year ended March 31, 2019, with comparative information for 2018

### 9. ALLOCATION OF EXPENSES (cont'd)

Administrative wages and benefits totaling \$692,235 (2018 - \$573,424) have been allocated to the following programs based on approved grant budgets which are decided upon by the Society's major funders.

<u>Administrative Benefits and Wages</u>	\$ Allocation 2019	\$ Allocation 2018
Legal Services	436,668	352,642
DVFL	103,783	81,395
SBAP	73,946	57,994
Sawhoo Mohkaak Tsi Ma Taas	51,892	40,697
DAL/LRS	25,946	20,348
MHLHC	-	20,348
	<b>692,235</b>	<b>573,424</b>

General support expenses totaling \$254,714 (2018 - \$229,043) including advertising and promotion, board, conference, equipment lease and maintenance, insurance, office and printing, parking, post and courier and volunteer expenses have been allocated to the following programs based on approved grant budgets which are decided upon by the Society's major funders.

<u>General Support Expenses</u>	\$ Allocation 2019	\$ Allocation 2018
Legal Services	160,676	140,856
DVFL	38,188	32,511
SBAP	27,209	23,164
Sawhoo Mohkaak Tsi Ma Taas	19,094	16,256
DAL/LRS	9,547	8,128
MHLHC	-	8,128
	<b>254,714</b>	<b>229,043</b>

Rental and utilities expenses totaling \$302,889 (2018 - \$294,230) have been allocated to the following programs based on approved grant budgets which are decided upon by the Society's major funders.

<u>Rent and Utilities</u>	\$ Allocation 2019	\$ Allocation 2018
Legal Services	191,065	180,834
DVFL	45,411	41,805
SBAP	32,355	29,786
Sawhoo Mohkaak Tsi Ma Taas	22,705	20,903
DAL/LRS	11,353	10,451
MHLHC	-	10,451
	<b>302,889</b>	<b>294,230</b>

## Notes to the Financial Statements (cont'd)

For the year ended March 31, 2019, with comparative information for 2018

### 10. INTERFUND AND PROGRAM TRANSFERS

During the year, CLG's Board of Directors internally restricted \$459,808 (2018- \$454,494) of CLG's unrestricted net assets as per the requirements of the Board's newly adopted Operating Reserve Fund policy.

During the year, \$20,082 (2018 - \$4,306) was transferred from the Programs and Infrastructure Fund to the Invested in Capital Assets Fund.

During the year, \$8,889 (2018 - \$1,895) was transferred from the Advice-A-Thon Fund to the Programs and Infrastructure fund to support CLG's programs and services.

During the year, transfers of \$64,836 (2018- \$19,092) to the Sawhoo Mohkaak Tsi Ma Taas program, \$15,674 (2018- \$46,977) to the Legal Services program, \$2,379 (2018- \$3,543) to the DAL/LRS program, \$nil (2018- \$2,713) to the DVFL program, \$nil (2018- \$2,889) to the Social Benefits Advocacy program and \$nil (2018- \$2,498) to the MHLHC program from the Programs and Infrastructure Fund within the General fund to cover the program deficits.

### 11. COMMITMENTS AND CONTINGENCIES

#### Lease commitments

The Society has a long-term lease with respect to its premises which expires February 2022. Along with basic rent the Society also has to provide for payment of utilities, property taxes and maintenance costs. Future minimum lease payments as at year end are as follows:

2020	297,675
2021	297,675
2022	272,869
	\$868,219

#### Other commitments

The Society has agreed to indemnify certain individuals who have acted at the Society's request to be an officer or director of the Society, to the extent permitted by law, against any and all damages, liabilities, costs, charges or expenses suffered by or incurred by the individual as a result of their service. The nature of the indemnification agreements prevents the Society from making a reasonable estimate of the maximum potential amount it could be required to pay to the beneficiary as a result of the indemnification. The Society has purchased various insurance policies to reduce the risks associated with such indemnification.

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## Notes to the Financial Statements (cont'd)

### For the year ended March 31, 2019, with comparative information for 2018

#### 11. COMMITMENTS AND CONTINGENCIES (cont'd)

In the ordinary course of business, the Society enters into contracts which contain indemnification provisions, such as funding agreements and leasing agreements. In such contracts, the Society may indemnify counterparties to the contracts if certain events occur. These indemnification provisions vary on an agreement by agreement basis. In some cases, there are no pre-determined amounts or limits included in the indemnification provisions and the occurrence of contingent events that will trigger payment under said provisions is difficult to predict. Therefore, the maximum potential future amount that the Society could be required to pay cannot be reliably estimated.

As at March 31, 2019, the Society is not aware of any active or pending claims.

#### 12. ECONOMIC DEPENDENCE

Of the Society's total revenues, 67% (2018 - 67%) originate from ALF. If ALF were to withdraw funding, the programs funded by ALF would be unable to continue. Funding by ALF is in the normal course of operations for many similar organizations.

#### 13. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments. The following analysis provides a measure of the entity's risk exposure and concentrations at the statement of financial position date. There has been no change in the Society's risk exposure from 2018.

##### **Credit risk**

Credit risk arises from the possibility that third parties may default on their financial obligations. The Society is exposed to credit risk on cash, short-term investments, GST recoverable, accounts receivable, employee deductions receivable and long-term investments.

The Society's accounts receivable are due from two different funders, the Law Society of Alberta and the Alberta Gaming and Liquor Commission. The Society has never experienced any bad debts with regards to either funder.

The Society's credit risk exposure on cash, short-term investments and long-term investments is minimized substantially by ensuring that the cash and investments are held with credible financial institutions.

##### **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 is comprised of currency risk, interest rate risk, and other price risk as described below.

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## Notes to the Financial Statements (cont'd)

For the year ended March 31, 2019, with comparative information for 2018

### 13. FINANCIAL INSTRUMENTS (cont'd)

#### **Currency risk**

Currency risk is the risk that the value of financial instruments denominated in currencies other than the reporting currency of the Society will fluctuate due to changes in foreign exchange rates. The Society is not currently exposed to currency risk.

#### **Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Society is exposed to interest rate risk on its short and long-term investments which carry at fixed rates of interest.

#### **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 caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Society is not currently exposed to other price risk.

#### **Liquidity risk**

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society is currently exposed to liquidity risk to the extent of its trade payables.

### 14. SUBSEQUENT EVENT

Subsequent to year end, the Society received approval from the Alberta Law Foundation for its 2019-2020 Core Operating grant. The total amount of the Grant is \$2,767,356.

### 15. COMPARATIVE INFORMATION

Some of the comparative information has been reclassified to conform to the current year's presentation.