



**Financial Statements**  
**For the year ended March 31, 2018**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Calgary Legal Guidance Society

We have audited the accompanying financial statements of Calgary Legal Guidance Society (the "Society"), which comprise the statement of financial position as at March 31, 2018 and the statements of operations and changes in fund balances and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Calgary Legal Guidance Society as at March 31, 2018 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.

KPMG LLP

Chartered Professional Accountants


June 27, 2018  
Calgary, Canada

## Statement of Financial Position

As at March 31, 2018, with comparative information for 2017

<b>ASSETS</b>		
	<b>2018</b>	<b>2017</b>
<b>Current</b>		
Cash	\$ 720,625	\$ 510,012
Short-term Investments (Note 3)	358,444	336,090
Accounts Receivable	19,057	75,414
Goods and Services Tax Recoverable	17,493	6,917
Short-term Deposits	18,228	-
Prepaid Expenses	70,725	34,852
	<b>1,204,572</b>	963,285
<b>Long-term Investments (Note 3)</b>	-	352,357
<b>Capital Assets (Note 4)</b>	61,656	77,926
<b>Long-term Deposit</b>	23,734	23,734
	<b>1,289,962</b>	1,417,302
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts Payable and Accrued Liabilities	68,299	94,643
Employee Deductions Payable (Note 14)	40,550	37,633
Repayable to Alberta Law Foundation (Note 5)	28,400	81,261
Deferred Contributions (Note 5)	214,265	220,672
	<b>351,514</b>	434,209
<b>Deferred Capital Contributions (Note 6)</b>	41,737	60,603
	<b>393,251</b>	494,812
<b>FUND BALANCES</b>		
<b>Programs and Infrastructure (General) Fund</b>	422,298	905,168
<b>Operating Reserve Fund</b>	454,494	-
<b>Invested in Capital Assets</b>	19,919	17,323
	<b>896,711</b>	922,491
	<b>1,289,962</b>	1,417,303
<b>COMMITMENTS AND CONTINGENCIES (Note 10)</b>		
<b>SUBSEQUENT EVENTS (Note 11)</b>		

APPROVED ON BEHALF OF THE BOARD

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Director

Director

## Statement of Operations and Changes in Fund Balances

### For the year ended March 31, 2018, with comparative information for 2017

	Legal Services	DVFL	SBAP	DAL/LRS	Sawhoo Mohkaak Tsi Ma Taas	MHLHC	Advice-A-Thon	Programs & Infra. Fund	Total General Fund 2018	Op. Reserve Fund 2018	Invested in Capital Assets 2018	Total 2018	Total 2017
<b>REVENUE</b>													
Grants													
Alberta Law Foundation (Note 5)	\$ 1,844,096	\$ 156,618	\$ 38,747	\$ 11,934	\$ 6,500	\$ 75,706	\$ -	\$ -	\$ 2,133,601	\$ -	\$ -	\$ 2,133,601	\$ 2,237,049
United Way (Note 5)	-	-	-	-	75,000	-	-	-	75,000	-	-	75,000	116,253
City of Calgary, FCSS (Note 5)	-	-	289,200	-	-	-	-	-	289,200	-	-	289,200	226,314
Solicitor General, Victims of Crime Fund (Note 5)	-	150,000	-	-	-	-	-	-	150,000	-	-	150,000	65,000
Calgary Foundation (Notes 5 & 8)	1,600	-	-	-	95,000	-	-	-	96,600	-	-	96,600	24,467
Alberta Lotteries Comm. Invest. Program	-	-	-	-	-	-	-	-	-	-	-	-	45,000
Canada Summer Jobs	15,238	-	-	-	-	-	-	-	15,238	-	-	15,238	10,526
Anonymous Donor	-	176,031	-	-	-	-	-	-	176,031	-	-	176,031	-
Law Foundation of Ontario	-	-	-	-	20,000	-	-	-	20,000	-	-	20,000	-
Alberta Student Temp. Employment Prog.	-	-	-	-	-	-	-	-	-	-	-	-	8,365
Law Society of Alberta	-	-	-	76,229	-	-	-	-	76,229	-	-	76,229	76,228
Donations	-	-	-	-	-	-	3,990	53,180	57,170	-	-	57,170	61,504
Event Sponsorships	-	-	-	-	-	-	8,000	-	8,000	-	-	8,000	-
Casino (Note 5)	41,098	9,486	6,759	2,372	4,743	2,371	-	-	66,829	-	-	66,829	46,472
Admin. Fees and Cost Reimbursements	1,185	50	-	-	-	-	-	-	1,235	-	-	1,235	17,727
Interest Income	-	-	-	-	-	-	-	10,092	10,092	-	-	10,092	17,259
Recognition of Deferred Contributions Related to Capital Assets (Note 6)	-	-	-	-	-	-	-	-	-	-	18,866	18,866	17,519
<b>TOTAL REVENUE</b>	<b>1,903,217</b>	<b>492,185</b>	<b>334,706</b>	<b>90,535</b>	<b>201,243</b>	<b>78,077</b>	<b>11,990</b>	<b>63,272</b>	<b>3,175,225</b>	<b>-</b>	<b>18,866</b>	<b>3,194,091</b>	<b>2,969,683</b>
<b>EXPENSES</b>													
Advertising and Promotion	5,593	1,401	693	12,716	1,045	193	1,829	-	23,470	-	-	23,470	30,776
Amortization	-	-	-	-	-	-	-	-	-	-	20,576	20,576	19,498
Audit Fees	11,708	2,555	4,820	639	1,278	-	-	-	21,000	-	-	21,000	16,499
Board Expenses	-	-	-	-	-	-	-	4,923	4,923	-	-	4,923	1,175
Casino Disbursements	1,335	308	219	77	154	77	-	-	2,170	-	-	2,170	-
Client Service Costs and Program Supplies	2,665	281	1,334	-	-	-	-	-	4,280	-	-	4,280	7,933
Dues, Fees, Licenses and Memberships	28,800	7,514	3,249	96	3,647	52	-	-	43,358	-	-	43,358	36,808
Equipment Lease	4,873	1,125	801	281	562	281	-	-	7,923	-	-	7,923	6,119
Computer Expenses	38,414	10,226	9,566	2,126	4,252	2,126	-	-	66,710	-	-	66,710	54,583
CRM Software	1,603	-	-	-	-	-	-	-	1,603	-	-	1,603	2,563
Furniture and Equipment Purchases	1,644	264	188	66	132	66	122	-	2,482	-	-	2,482	4,997
Human Resource Costs	1,538,010	385,490	267,092	63,348	173,799	62,086	6,287	5,706	2,501,818	-	-	2,501,818	2,467,198
Insurance	19,143	10,671	4,703	66	131	-	-	-	34,714	-	-	34,714	37,141
Interest and Bank Charges	2,113	481	343	120	240	120	-	-	3,417	-	-	3,417	3,064
Interpreters	958	-	-	-	-	-	-	-	958	-	-	958	2,724
Meeting Costs	14,253	2,830	1,680	524	3,216	566	-	733	23,802	-	-	23,802	20,720
Office Supplies	11,494	1,872	1,215	334	889	333	1,525	-	17,662	-	-	17,662	15,978
Parking	14,113	3,193	2,241	786	2,571	803	45	9	23,761	-	-	23,761	22,884
Postage and Courier	5,838	680	245	81	162	81	34	-	7,121	-	-	7,121	7,634
Printing	6,819	1,272	906	318	636	318	-	-	10,269	-	-	10,269	6,763
Rent and Utilities	180,945	41,765	29,757	10,441	20,882	10,441	-	-	294,231	-	-	294,231	279,797
Professional Development	12,924	5,457	804	282	1,641	-	-	-	21,108	-	-	21,108	32,867
Program Evaluation	-	-	2,028	-	-	-	-	-	2,028	-	-	2,028	-
Statues and Books	6,839	174	124	44	112	44	-	-	7,337	-	-	7,337	10,803
Telephone and Internet	11,574	2,671	1,903	668	1,336	668	-	-	18,820	-	-	18,820	18,944
Travel	8,902	11,233	886	312	2,146	1,465	-	4	24,948	-	-	24,948	18,825
Uncollectible Debts	642	-	-	-	-	-	-	-	642	-	-	642	-
Volunteer	17,680	3,132	2,582	677	1,353	677	253	150	26,504	-	-	26,504	22,193
Website Development	1,312	303	216	76	151	178	-	-	2,236	-	-	2,236	1,540
<b>TOTAL EXPENSES</b>	<b>1,950,194</b>	<b>494,898</b>	<b>337,595</b>	<b>94,078</b>	<b>220,335</b>	<b>80,575</b>	<b>10,095</b>	<b>11,525</b>	<b>3,199,295</b>	<b>-</b>	<b>20,576</b>	<b>3,219,871</b>	<b>3,150,026</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>(46,977)</b>	<b>(2,713)</b>	<b>(2,889)</b>	<b>(3,543)</b>	<b>(19,092)</b>	<b>(2,498)</b>	<b>1,895</b>	<b>51,747</b>	<b>(24,070)</b>	<b>-</b>	<b>(1,710)</b>	<b>(25,780)</b>	<b>(180,343)</b>
Fund Balances, Beginning of Year	-	-	-	-	-	-	-	905,168	905,168	-	17,323	922,491	1,102,834
Interfund Transfers (Note 9)	-	-	-	-	-	-	-	(458,800)	(458,800)	454,494	4,306	-	-
Program Transfers (Note 9)	46,977	2,713	2,889	3,543	19,092	2,498	(1,895)	(75,817)	-	-	-	-	
<b>FUND BALANCES, END OF YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>422,298</b>	<b>422,298</b>	<b>454,494</b>	<b>19,919</b>	<b>896,711</b>	<b>922,491</b>

## Statement of Cash Flows

For the year ended March 31, 2018, with comparative information for 2017

	2018	2017
<b>OPERATING ACTIVITIES</b>		
Deficiency of Revenues Over Expenditures	\$ (25,780)	\$ (180,343)
Items Not Affecting Cash		
Amortization of Capital Assets	20,576	19,498
Interest Accrued and Reinvested on Investments	(10,092)	(17,259)
Recognition of Grants Towards Capital Assets	(18,866)	(17,519)
	<u>(34,162)</u>	<u>(195,623)</u>
Changes in Non-cash Working Capital		
Accounts Receivable	56,357	9,967
Goods and Services Tax Recoverable	(10,576)	10,380
Short-term Deposits	(18,228)	-
Prepaid Expenses	(35,873)	47,819
Accounts Payable and Accrued Liabilities	(26,344)	(25,667)
Employee Deductions Payable	2,917	1,270
Repayable to Alberta Law Foundation	(52,861)	81,261
Deferred Contributions	(6,407)	104,708
	<u>(91,015)</u>	<u>229,738</u>
	<u>(125,177)</u>	<u>34,115</u>
<b>INVESTING ACTIVITIES</b>		
Proceeds from Sale of Short Term Investments	340,095	332,534
Purchase of Capital Assets	(4,305)	-
	<u>335,790</u>	<u>332,534</u>
<b>INCREASE IN CASH</b>	<b>210,613</b>	<b>366,649</b>
<b>CASH – BEGINNING OF YEAR</b>	<b>510,012</b>	<b>143,363</b>
<b>CASH – END OF YEAR</b>	<b><u>720,625</u></b>	<b><u>510,012</u></b>

## Notes to Financial Statements

For the year ended March 31, 2018, with comparative information for 2017

### 1. 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.

#### Contributed services

Volunteers contributed approximately 7,040 hours (2017 - 8,000 hours) 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.



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

For the year ended March 31, 2018, with comparative information for 2017

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

#### **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 approximately 183 subjects to residents of the Province of Alberta; Lawyer Referral Services; and the delivery of public presentations to respond to public enquiries.

##### *Social Benefits Advocacy Program 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.

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

For the year ended March 31, 2018, with comparative information for 2017

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

#### *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.

#### *Medicine Hat Project Fund*

The Medicine Hat Project Fund accounts for the activities of the Medicine Hat Intake Project. The purpose of the project is to develop the Medicine Hat Legal Help Centre program within the community of Medicine Hat and surrounding area. Activities of the program include dedicated program delivery support and file management. CLG's involvement with the project ended on December 31, 2017 and the activities of the program have been transferred to another organization.

#### *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.

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

For the year ended March 31, 2018, with comparative information for 2017

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

#### **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.

##### **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, 2018 amounted to \$69,276 (2017 - \$68,598). These contributions do not include any voluntary personal contributions made by employees.

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

For the year ended March 31, 2018, with comparative information for 2017

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

#### **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.

##### *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 excess of revenue over expenses in the period 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.

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

For the year ended March 31, 2018, with comparative information for 2017

### 2. 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.

### 3. INVESTMENTS

	<b>2018</b>	<b>2017</b>
Short Term Guaranteed Investment Certificates (GICs)	<b>358,444</b>	336,090
Long Term Guaranteed Investment Certificates (GICs)	-	352,357
	<b>358,444</b>	688,447

The GIC's held by the Society bear interest at rates ranging from 1.80% to 1.90% (2017 - 1.80% to 2.05%) and mature between November 2018 and January 2019 (2017 - between October 2017 and October 2018).

### 4. CAPITAL ASSETS

	Cost	Accumulated Amortization	<b>2018 Net Book Value</b>	2017 Net Book Value
Computer Hardware	83,985	78,949	<b>5,036</b>	5,443
Computer Software	5,268	5,268	-	631
Leasehold Improvements	152,317	95,697	<b>56,620</b>	71,852
	241,570	179,914	<b>61,656</b>	77,926

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

For the year ended March 31, 2018, with comparative information for 2017

### 5. 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	2018	2017
<b>Deferred Contributions</b>						
<u>Alberta Law Foundation</u>						
Core operating	-	2,106,000	2,079,112	26,888	-	-
Sawhoo Mohkaak Tsi Ma Taas Program Program	-	6,500	6,500	-	-	-
Medicine Hat Intake Project	-	49,500	47,988	1,512	-	-
<u>Other Funders</u>						
Grant from Anon. Donor	-	220,000	176,031	-	<b>43,969</b>	-
Victims of Crime Fund	150,000	150,000	150,000	-	<b>150,000</b>	150,000
City of Calgary, FCSS*	33,941	273,824	289,200	-	<b>18,565</b>	33,941
Casino	-	66,829	66,829	-	-	-
Calgary Foundation- Sawhoo Mohkaak Tsi Ma Taas Program	36,731	60,000	95,000	-	<b>1,731</b>	36,731
Law Foundation of Ontario	-	20,000	20,000	-	-	-
Event Donations	-	930	930	-	-	-
Event Sponsorships	-	8,000	8,000	-	-	-
	<b>220,672</b>	<b>2,961,583</b>	<b>2,939,590</b>	<b>28,400</b>	<b>214,265</b>	<b>220,672</b>

\* Family Community Support Services

As at year end, \$28,400 (2017- \$81,261) that was not used by the organization in its operations (designated to be returned to the Alberta Law Foundation) is currently an account payable owing to the Alberta Law Foundation. The amount has been disclosed separately on the face of the balance sheet.

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

For the year ended March 31, 2018, with comparative information for 2017

### 6. 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>2018</b>	2017
Alberta Law Foundation	42,006	-	11,376	<b>30,630</b>	42,006
Alberta Law Foundation	5,380	-	3,634	<b>1,746</b>	5,380
Government of Alberta	13,217	-	3,856	<b>9,361</b>	13,217
	<b>60,603</b>	-	<b>18,866</b>	<b>41,737</b>	<b>60,603</b>

### 7. 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 2018)</b>	% Allocation (March 2017)
Legal Services	61%	65%
DVFL	14%	15%
SBAP	10%	8%
DAL/LRS	7%	8%
Sawhoo Mohkaak Tsi Ma Taas	4%	-
MHLHC	4%	4%
	<b>100%</b>	<b>100%</b>

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, 2018, with comparative information for 2017

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

Administrative wages and benefits totaling \$573,424 (2017 - \$502,132) 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>	<b>\$ Allocation 2018</b>	\$ Allocation 2017
Legal Services	<b>352,642</b>	339,481
DVFL	<b>81,395</b>	79,878
SBAP	<b>57,994</b>	39,939
Sawhoo Mohkaak Tsi Ma Taas	<b>40,697</b>	-
DAL/LRS	<b>20,348</b>	39,939
MHLHC	<b>20,348</b>	2,895
	<b>573,424</b>	502,132

General support expenses totaling \$229,043 (2017 - \$223,961) 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>	<b>\$ Allocation 2018</b>	\$ Allocation 2017
Legal Services	<b>140,856</b>	150,550
DVFL	<b>32,511</b>	35,424
SBAP	<b>23,164</b>	17,712
Sawhoo Mohkaak Tsi Ma Taas	<b>16,256</b>	-
DAL/LRS	<b>8,128</b>	17,712
MHLHC	<b>8,128</b>	2,563
	<b>229,043</b>	223,961

Rental and utilities expenses totaling \$294,230 (2017 - \$279,797) 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>	<b>\$ Allocation 2018</b>	\$ Allocation 2017
Legal Services	<b>180,834</b>	188,427
DVFL	<b>41,805</b>	44,336
SBAP	<b>29,786</b>	22,168
Sawhoo Mohkaak Tsi Ma Taas	<b>20,903</b>	-
DAL/LRS	<b>10,451</b>	22,168
MHLHC	<b>10,451</b>	2,698
	<b>294,230</b>	279,797



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

For the year ended March 31, 2018, with comparative information for 2017

### 8. 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, 2018, the fair market value of the fund was \$33,029 (2017 - \$32,330). The Foundation is permitted to charge the Society a fee for its expenses in administering the fund. Administration fees of \$405 (2017 - \$381) were charged to the Society during fiscal 2018. 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 \$1,293 (2017 - \$1,198) 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.

### 9. INTERFUND AND PROGRAM TRANSFERS

During the year, CLG's Board of Directors internally restricted \$454,494 (2017- \$nil) of CLG's unrestricted net assets as per the requirements of the Board's newly adopted Operating Reserve Fund policy.

During the year, \$4,306 (2017 - \$nil) was transferred from the Programs and Infrastructure Fund to the Invested in Capital Assets Fund.

During the year, \$1,895 (2017 - \$nil) 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 \$19,092 (2017- \$19,897) to the Sawhoo Mohkaak Tsi Ma Taas program, \$46,977 (2017- \$133,555) to the Legal Services program, \$3,543 (2017- \$11,278) to the DAL/LRS program, \$2,713 (2017- \$59,222) to the DVFL program, \$2,889 (2017- \$nil) to the Social Benefits Advocacy program and \$2,498 (2017- \$3,615) to the MHLHC program from the Programs and Infrastructure Fund within the General fund to cover the program deficits.

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

For the year ended March 31, 2018, with comparative information for 2017

### 10. 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:

2019	289,644
2020	289,644
2021	289,644
2022	265,506
	\$1,134,438

#### 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.

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, 2018, the Society is not aware of any active or pending claims.

### 11. ECONOMIC DEPENDENCE

Of the Society's total revenues, 67% (2017 - 75%) 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.

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

For the year ended March 31, 2018, with comparative information for 2017

### 12. 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 2017.

#### **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 and long-term investments.

The Society's accounts receivable are due from one funder, the Law Society of Alberta. The Society has never experienced any bad debts with regards to this 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.

#### **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.

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

**For the year ended March 31, 2018, with comparative information for 2017**

### 13. GOVERNMENT REMITTANCES PAYABLE

As at year end, Employee Deductions Payable includes \$33,920 (2017- \$29,527) in statutory Government Remittances Payable. The balance has been paid subsequent to year end.

### 14. SUBSEQUENT EVENT

Subsequent to year end, the Society received approval from the Alberta Law Foundation for its 2018-2019 Core Operating grant. The total amount of the Grant is \$2,263,000.

### 15. COMPARATIVE INFORMATION

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