



**Financial Statements  
And Independent Auditors' Report thereon  
For the year ended March 31, 2022**

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KPMG LLP  
205 5th Avenue SW  
Suite 3100  
Calgary AB  
T2P 4B9  
Telephone (403) 691-8000  
Fax (403) 691-8008  
www.kpmg.ca

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Calgary Legal Guidance Society

### ***Opinion***

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

- the statement of financial position as at March 31, 2022
- 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, 2022, 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 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 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, Canada

June 22, 2022

## Statement of Financial Position

As at March 31, 2022, with comparative information for 2021

### ASSETS

	2022	2021
<b>Current</b>		
Cash	\$ 968,157	\$ 867,453
Accounts Receivable	57,649	37,752
Goods and Services Tax Recoverable	2,698	12,368
Short-term Deposits	3,833	8,245
Prepaid Expenses	77,114	68,851
	<b>1,109,451</b>	994,669
<b>Capital Assets (Note 4)</b>	<b>67,880</b>	91,991
<b>Long-term Investments (Note 3)</b>	<b>23,608</b>	21,259
<b>Long-term Deposit</b>	<b>52,017</b>	52,017
	<b>1,252,956</b>	1,159,936

### LIABILITIES

<b>Current</b>		
Accounts Payable and Accrued Liabilities	53,537	17,690
Accrued Restructuring Costs (Note 14)	-	107,500
Employee Deductions Payable (Note 6)	38,084	46,094
Deferred Contributions (Note 7)	275,600	183,579
Payable to Alberta Law Foundation (Note 7)	86,189	-
	<b>453,410</b>	354,863
<b>Deferred Capital Contributions (Note 8)</b>	-	6,696
<b>Long Term Rent Liability</b>	<b>198,864</b>	90,115
	<b>652,274</b>	451,674

### FUND BALANCES

<b>Programs and Funds</b>	<b>144,011</b>	251,591
<b>Operating Reserve Fund</b>	<b>456,671</b>	456,671
	<b>600,682</b>	708,262
	<b>1,252,956</b>	1,159,936

**COMMITMENTS AND CONTINGENCIES (Note 11)**

**ECONOMIC DEPENDENCE (Note 12)**

**SUBSEQUENT EVENT (Notes 2, 6 & 14)**

**APPROVED ON BEHALF OF THE BOARD**



Director



Director

## Statement of Operations and Changes in Fund Balances

### For the year ended March 31, 2022, with comparative information for 2021

	Legal Services	CWPA	DVFL	SBAP	At Home with Law	Sawhoo Mohkaak Tsi Ma Taas	SSACJP	Invested in Capital Assets 2022	Programs & Infra. Fund	Total General Fund 2022	Op. Reserve Fund 2022	Total 2022	Total 2021
<b>REVENUE</b>													
Grants													
Alberta Law Foundation (Note 7)	\$ 2,138,942	\$ -	\$ 390,445	\$ 50,778	\$ -	\$ 133,646	\$ -	-	\$ -	\$ 2,713,811	\$ -	\$ 2,713,811	\$ 2,990,000
United Way (Note 7)	-	-	-	-	-	61,600	-	-	-	61,600	-	61,600	81,401
City of Calgary (Note 7)	12,000	-	-	273,828	52,615	146,720	-	-	-	485,163	-	485,163	443,591
Solicitor General, Victims of Crime Fund (Note 7)	-	-	150,000	-	-	-	-	-	-	150,000	-	150,000	150,000
Canada Summer Jobs	-	-	-	-	-	-	-	-	-	-	-	-	4,694
Anonymous Donor (Note 7)	-	48,616	-	-	-	-	-	-	-	48,616	-	48,616	-
Law Foundation of Ontario (Note 7)	-	-	-	-	-	10,000	-	-	-	10,000	-	10,000	20,000
The Calgary Foundation	-	-	-	-	-	-	-	-	-	-	-	-	25,375
Government of Canada (7)	-	-	28,000	-	-	-	-	-	25,000	68,775	-	68,775	-
COVID-19 Grants and Subsidies	-	-	-	-	-	-	15,775	-	-	-	-	-	21,663
Donations (Note 5)	-	-	-	-	-	-	-	-	22,056	22,056	-	22,056	42,347
Event Sponsorships	-	-	-	-	-	-	-	-	-	-	-	-	-
Casino (Note 7)	29,057	-	7,749	4,591	-	5,037	-	-	-	46,434	-	46,434	-
Gladue Reports, Admin. Fees and Cost Reimbursements	50	-	-	-	-	-	-	-	13,200	13,250	-	13,250	14,991
Interest Income	-	-	-	-	-	-	-	-	3,144	3,144	-	3,144	11,542
Recognition of Deferred Contributions Related to Capital Assets (Note 8)	-	-	-	-	-	-	-	6,696	-	6,696	-	6,696	16,385
<b>TOTAL REVENUE</b>	<b>2,180,049</b>	<b>48,616</b>	<b>576,194</b>	<b>329,197</b>	<b>52,615</b>	<b>357,003</b>	<b>15,775</b>	<b>6,696</b>	<b>63,400</b>	<b>3,629,545</b>	<b>-</b>	<b>3,629,545</b>	<b>3,821,989</b>
<b>EXPENSES (Note 9)</b>													
Advertising and Promotion	2,761	-	238	348	-	-	-	-	-	3,347	-	3,310	7,977
Amortization	-	-	-	-	-	-	-	35,794	-	35,794	-	35,794	45,681
Audit Fees	11,264	-	3,004	5,930	3,400	5,352	3,400	-	-	32,350	-	32,350	32,632
Board Expenses	-	-	-	-	-	-	-	-	7,411	7,411	-	7,411	35,445
Casino	1,446	-	386	229	-	251	-	-	-	2,312	-	2,312	-
Client Service Costs and Program Supplies	2,777	-	269	676	-	85	-	-	-	3,807	-	3,807	661
Dues, Fees, Licenses and Memberships	37,041	1,199	8,289	4,144	-	7,555	-	-	-	58,228	-	58,228	57,878
Equipment Lease	4,752	-	1,267	751	-	824	-	-	-	7,594	-	7,594	10,006
Computer Expenses	35,831	1,660	9,429	5,587	5,000	6,129	-	-	-	63,636	-	63,636	112,313
COVID-19 Safety Costs	51	-	14	8	-	9	-	-	-	82	-	82	4,393
CRM Software	13,250	-	3,533	2,093	-	2,297	-	-	-	21,173	-	21,173	22,487
Repairs and Maintenance	21,273	-	5,673	3,361	-	3,687	-	-	-	33,994	-	33,994	702
Human Resource Costs	1,755,638	44,417	474,682	268,033	41,533	267,837	5,625	-	15,845	2,873,610	-	2,873,610	2,978,084
Insurance	27,293	1,340	7,652	3,625	2,682	3,595	-	-	-	46,187	-	46,187	47,199
Interest and Bank Charges	1,780	-	474	281	-	308	-	-	-	2,843	-	2,843	3,224
Interpreters	1,097	-	-	-	-	-	-	-	-	1,097	-	1,097	564
Meeting Costs	6,524	-	2,373	1,005	-	3,154	-	-	26	13,082	-	13,082	4,862
Moving Costs	-	-	-	-	-	-	-	-	-	-	-	-	22,534
Office Supplies	13,166	-	3,521	2,017	-	3,756	-	-	54	22,514	-	22,551	11,542
Parking	15,196	-	4,054	2,400	-	2,644	-	-	-	24,294	-	24,294	25,114
Postage and Courier	1,151	-	239	142	-	155	-	-	-	1,687	-	1,687	1,469
Printing	727	-	194	395	-	126	-	-	-	1,442	-	1,442	3,074
Rent and Utilities	250,870	-	66,899	39,637	-	43,484	6,750	-	-	407,640	-	407,640	384,865
Restructuring Costs	-	-	-	-	-	-	-	-	-	-	-	-	107,500
Professional Development	8,091	-	389	231	-	253	-	-	-	8,964	-	8,964	12,903
Program Evaluation	10,250	-	-	-	-	-	-	-	-	10,250	-	10,250	-
Statues and Books	4,536	-	1,210	717	-	786	-	-	-	7,249	-	7,249	5,884
Telephone and Internet	15,943	-	4,252	2,519	-	2,815	-	-	-	25,529	-	25,529	22,355
Travel	4,087	-	626	152	-	326	-	-	-	5,191	-	5,191	9,112
Volunteer	8,595	-	2,377	1,371	-	1,482	-	-	-	13,825	-	13,825	15,617
Website Development	1,247	-	333	197	-	216	-	-	-	1,993	-	1,993	5,440
<b>TOTAL EXPENSES</b>	<b>2,256,637</b>	<b>48,616</b>	<b>601,377</b>	<b>345,849</b>	<b>52,615</b>	<b>357,126</b>	<b>15,775</b>	<b>35,794</b>	<b>23,336</b>	<b>3,737,125</b>	<b>-</b>	<b>3,737,125</b>	<b>3,991,517</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>(76,588)</b>	<b>-</b>	<b>(25,183)</b>	<b>(16,652)</b>	<b>-</b>	<b>(123)</b>	<b>-</b>	<b>(29,098)</b>	<b>40,064</b>	<b>(107,580)</b>	<b>-</b>	<b>(107,580)</b>	<b>(169,528)</b>
Fund Balances, Beginning of Year	-	-	-	-	-	-	-	-	251,591	251,591	456,671	708,262	877,790
Program Transfers (Note 10)	76,588	-	25,183	16,652	-	123	-	29,098	(147,644)	-	-	-	-
<b>FUND BALANCES, END OF YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>144,011</b>	<b>144,011</b>	<b>456,671</b>	<b>600,682</b>	<b>708,262</b>

## Statement of Cash Flows

For the year ended March 31, 2022, with comparative information for 2021

	2022	2021
<b><u>OPERATING ACTIVITIES</u></b>		
Deficiency of Revenues Over Expenditures	\$ (107,580)	\$ (169,528)
Items Not Affecting Cash		
Amortization of Capital Assets	35,794	45,681
Interest Accrued and Reinvested on Investments	(2,349)	(11,542)
Recognition of Grants Towards Capital Assets	(6,696)	(16,385)
	<b>(80,831)</b>	<b>(151,774)</b>
Changes in Non-cash Working Capital		
Accounts Receivable	(19,897)	18,203
Goods and Services Tax Recoverable	9,670	(1,127)
Short Term Deposits	4,412	41,180
Prepaid Expenses	(8,263)	66,661
Accounts Payable and Accrued Liabilities	35,847	9,030
Restructuring Costs	(107,500)	107,500
Employee Deductions Payable	(8,010)	6,207
Repayable to ALF	86,189	-
Deferred Contributions	92,021	(5,767)
	<b>84,469</b>	<b>241,887</b>
	<b>3,638</b>	<b>90,113</b>
<b><u>INVESTING ACTIVITIES</u></b>		
Proceeds from Sale of Short Term Investments	-	714,970
Purchase of Capital Assets	(11,683)	(79,069)
	<b>(11,683)</b>	<b>635,901</b>
<b><u>FINANCING ACTIVITIES</u></b>		
Change in Long Term Rent Liability	108,749	90,115
	<b>108,749</b>	<b>90,115</b>
<b>INCREASE IN CASH</b>	<b>100,704</b>	<b>816,129</b>
<b>CASH – BEGINNING OF YEAR</b>	<b>867,453</b>	<b>51,324</b>
<b>CASH – END OF YEAR</b>	<b>\$ 968,157</b>	<b>\$ 867,453</b>



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## Notes to Financial Statements

For the year ended March 31, 2022, with comparative information for 2021

### 1. DESCRIPTION OF ORGANIZATION

The Calgary Legal Guidance Society (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 2.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of 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

Cash consists of cash on hand and bank deposits.

#### 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
Computer software	4
Furniture and fixtures	4
Leasehold improvements	10

Contributed capital assets are recorded at fair value (or nominal value if fair value cannot be reasonably determined) 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, 2022, with comparative information for 2021

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

#### **Deferred Contributions**

Deferred contributions include unexpended grants, donations and other contributions received prior to the year-end, which have a restriction on the use of the funds. Such restrictions are imposed by the contributor. These will be recorded as revenue in the year the Society complies with the restrictions.

#### **Deferred Rent**

The Society is committed to an office lease which includes increase in base rent. Base rent cost, including rent free periods and inducements, is amortized on a straight-line basis over the life of the lease. Deferred rent liability represents the difference between amount paid and amount expensed.

#### **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.

#### **Government Assistance**

Government assistance related to current expenses and revenues is included in the determination of excess (deficiency) of revenues over expenses for the period. The Society has elected to account for such assistance as a contribution to revenue where applicable.

#### **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, audit fees, dues, fees, licenses and memberships, equipment lease, computer, CRM software, repairs and maintenance, insurance, interest and bank charges, meeting costs, office, parking, post and courier, printing, professional development, statutes and books, telephone and internet, travel, volunteer and website development costs.

#### **Long-term Contracts**

The Society recognizes the expenses related to the provision of services to the Society under long-term contracts (contracts with a term greater than one year) on a straight-line basis over the life of the contract.

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

For the year ended March 31, 2022, with comparative information for 2021

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

#### **Fund Presentation**

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

#### **Programs and 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.

##### *Dial-A-Law / Lawyer Referral Service ("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.

Effective April 1, 2022, the Society will be transferring the operations of the DAL/LRS program to other organizations. The Society will no longer be involved in any further operations of the DAL/LRS program after the current fiscal year-end.

##### *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.

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

For the year ended March 31, 2022, with comparative information for 2021

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

#### *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.

#### *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.

#### *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.

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

For the year ended March 31, 2022, with comparative information for 2021

### 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 respective program or fund when received or receivable.
- b) Restricted contributions are recognized as revenue of the related respective program or fund in the year in which the related expenses are incurred.
- c) Fees for services are recognized as revenue within the respective program or fund when such services are delivered.
- d) Interest is recognized as revenue within the respective program or 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 human resource costs for the year ended March 31, 2022 amounted to \$92,573 (2021 - \$91,528). 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, deposits and long-term investments.

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

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

For the year ended March 31, 2022, with comparative information for 2021

### 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 (deficiency) 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 (deficiency) 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.

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

For the year ended March 31, 2022, with comparative information for 2021

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

#### COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the Coronavirus COVID-19 (“COVID-19”) outbreak a pandemic. This has resulted in governments worldwide, including the Canadian and Alberta governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods, closures of non-essential businesses, and physical distancing, have caused material disruption to businesses in Calgary resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and magnitude of the impact on the overall economy related to the COVID-19 pandemic is not known at this time.

As at the reporting date, the Society has not experienced any temporary declines in the fair value of investments and related investment income, declines in fundraising income, or declines in grants or other funding etc. in relation to the COVID-19 pandemic.

As at the reporting date, the Society has determined that COVID-19 has had no impact on its contracts or lease agreements, the assessment of provisions and contingent liabilities, or the timing of revenue recognition on its financial statements as at March 31, 2022.

The Society also cancelled several fundraising events, including the Advice-A-Thon, during the year due to the pandemic. It is not currently known when the Society will restart the event.

The Society continues to use its tangible capital assets and management has not assessed any impairment that needs to be recognized on these assets as at March 31, 2022. The Society also continues to manage liquidity risk by forecasting and assessing cash flow requirements on an ongoing basis. As at March 31, 2022, The Society continues to meet its contractual financial obligations within normal payment terms and the Society’s exposure to credit risk remains largely unchanged.

### 3. INVESTMENTS

	<b>2022</b>	<b>2021</b>
Long-Term Guaranteed Investment Certificates (GICs)	<b>\$ 23,608</b>	<b>\$ 21,259</b>
	<b>23,608</b>	<b>21,259</b>

The GICs held by the Society bear interest at 2.4% per annum (2021 –2.1%) and mature in July 2023.

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

For the year ended March 31, 2022, with comparative information for 2021

### 4. CAPITAL ASSETS

	Cost	Accumulated Amortization	<b>2022 Net Book Value</b>	2021 Net Book Value
Computer Hardware	\$ 98,444	\$ 66,178	\$ <b>32,266</b>	\$ 46,497
Computer Software	19,990	18,933	<b>1,057</b>	6,055
Furniture and Fixtures	26,141	5,228	<b>20,913</b>	23,527
Leasehold Improvements	160,239	146,595	<b>13,644</b>	15,912
	<b>304,814</b>	<b>236,934</b>	<b>67,880</b>	<b>91,991</b>

### 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 endowment fund will be retained by the Foundation in perpetuity and will be invested in accordance with the Foundation's investment policies. At March 31, 2022, the fair market value of the endowment fund was \$37,190 (2021 - \$36,018). The Foundation is permitted to charge the Society a fee for its expenses in administering the endowment fund. Administration fees of \$466 (2021 - \$423) were charged to the Society during fiscal 2022. An annual allocation of 5% of the fair market value of the endowment fund as at June 30th of each year is paid to the Society. As the Society does not control the endowment fund, the balance of the endowment fund is not reflected in these financial statements.

An allocation of \$1,410 (2021 - \$1,375) 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 AND PAYABLE

As at year end, Employee Deductions Payable includes \$38,084 (2021 - \$38,028) in statutory Government Remittances payable to Canada Revenue Agency. The balance payable has been paid subsequent to the Society's year end.



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

For the year ended March 31, 2022, with comparative information for 2021

### 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	2022	2021
<b>Deferred Contributions</b>						
<u>Alberta Law Foundation</u>						
Core operating	-	2,800,000	2,713,811	86,189	-	-
<u>Other Funders</u>						
Victims of Crime Fund	112,500	150,000	150,000	-	<b>112,500</b>	112,500
City of Calgary, FCSS* - Social Benefits Advocacy Program	-	273,828	273,828	-	-	-
City of Calgary, CPIP** - Sawhoo Mohkaak Tsi Ma Taas Program	71,079	151,000	146,720	-	<b>75,359</b>	71,079
City of Calgary, FCSS* - Program Evaluation	-	12,000	12,000	-	-	-
City of Calgary Housing – At Home With Law Program	-	110,000	52,615	-	<b>57,385</b>	-
Casino	-	64,406	46,434	-	<b>17,972</b>	-
Upcoming Events	-	9,500	-	-	<b>9,500</b>	-
United Way- Sawhoo Mohkaak Tsi Ma Taas Program	-	61,600	61,600	-	-	-
Law Foundation of Ontario	-	10,000	10,000	-	-	-
Government of Canada- Domestic Violence Family Law	-	28,000	28,000	-	-	-
Grant from Anon. Donor	-	51,500	48,616	-	<b>2,884</b>	-
	<b>183,579</b>	<b>3,721,834</b>	<b>3,543,624</b>	<b>86,189</b>	<b>275,600</b>	<b>183,579</b>

\* Family Community Support Services

\*\* Crime Prevention Investment Plan

As at year end, there is \$86,189 designated as repayable to the Alberta Law Foundation (2021- \$nil).

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

For the year ended March 31, 2022, with comparative information for 2021

### 8. DEFERRED CAPITAL CONTRIBUTIONS

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

	Beginning Balance	Contributions	Amortization	<b>2022</b>	2021
Alberta Law Foundation	\$ 6,696	-	\$ 6,696	-	\$ 6,696
	<u>6,696</u>	<u>-</u>	<u>6,696</u>	<u>-</u>	<u>6,696</u>

### 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 2022)</b>	% Allocation (March 2021)
Legal Services	<b>64%</b>	66%
DVFL	<b>16%</b>	13%
SBAP	<b>10%</b>	8%
Sawhoo Mohkaak Tsi Ma Taas	<b>10%</b>	13%
	<u><b>100%</b></u>	<u>100%</u>

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, 2022, with comparative information for 2021

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

Administrative wages and benefits totaling \$675,719 (2021 - \$697,083) included in human resources costs 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>	<u>\$ Allocation 2022</u>	<u>\$ Allocation 2021</u>
Legal Services	<b>422,853</b>	461,619
DVFL	<b>112,761</b>	90,825
SBAP	<b>66,811</b>	53,814
Sawhoo Mohkaak Tsi Ma Taas	<b>73,294</b>	90,825
	<b>675,719</b>	697,083

General support expenses totaling \$357,828 (2021 - \$286,532) for various purposes such as advertising and promotion, audit fees, dues, fees, licenses and memberships, equipment lease, computer, CRM software, repairs and maintenance, insurance, interest and bank charges, meeting costs, office, parking, post and courier, printing, professional development, statutes and books, telephone and internet, travel, volunteer and website development costs 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>	<u>\$ Allocation 2022</u>	<u>\$ Allocation 2021</u>
Legal Services	<b>223,922</b>	189,746
DVFL	<b>59,713</b>	37,333
SBAP	<b>35,380</b>	22,120
Sawhoo Mohkaak Tsi Ma Taas	<b>38,813</b>	37,333
	<b>357,828</b>	286,532

Rental and utilities expenses, net of a fixed amount of \$6,750 (2021 - \$nil) allocated directly to the Survivors of Sexual Assault Criminal Justice Project ("SSACJP), in the sum of \$400,890 (2021 - \$384,865) 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>	<u>\$ Allocation 2022</u>	<u>\$ Allocation 2021</u>
Legal Services	<b>250,870</b>	254,864
DVFL	<b>66,899</b>	50,145
SBAP	<b>39,637</b>	29,711
Sawhoo Mohkaak Tsi Ma Taas	<b>43,484</b>	50,145
	<b>400,890</b>	384,865

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

For the year ended March 31, 2022, with comparative information for 2021

### 10. INTERFUND AND PROGRAM TRANSFERS

During the year, CLG's Board of Directors internally restricted \$nil (2021 - \$456,671) of CLG's unrestricted net assets as per the requirements of the Board's newly adopted Operating Reserve Fund policy.

During the year, transfers of \$123 (2021 - \$nil) to the Sawhoo Mohkaak Tsi Ma Taas program, \$76,589 (2021 - \$47,282) to the Legal Services program, \$25,183 (2021 - \$22,791) to the DVFL program, and \$16,651 (2021 - \$7,667) to the Social Benefits Advocacy program, \$29,098 (2021 - \$29,296) to the Invested in Capital Assets fund 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 2032. 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:

	<b>\$ Amount</b>
2023	255,853
2024	255,853
2025	255,853
2026	255,853
2027	255,853
Thereafter	1,496,742
	2,776,007

The Society's utilities, property taxes and maintenance costs are estimated by the Society's landlord each calendar year. As they cannot be reasonably estimated, they are not included as part of the future minimum lease payments noted in the table above.

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**Notes to the Financial Statements (cont'd)**  
**For the year ended March 31, 2022, with comparative information for 2021**

11. COMMITMENTS AND CONTINGENCIES (cont'd)

**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, 2022, the Society is not aware of any active or pending claims.

12. ECONOMIC DEPENDENCE

Of the Society's total revenues, 75% (2021 - 78%) originate from the Alberta Law Foundation ("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 2021.

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

For the year ended March 31, 2022, with comparative information for 2021

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

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

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

The Society's credit risk exposure on cash, 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 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.

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.

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

For the year ended March 31, 2022, with comparative information for 2021

### 14. SUBSEQUENT EVENTS

Subsequent to year end, the Society received its first quarterly payment of \$712,500 from the Alberta Law Foundation ALF under the Society's 2022-2023 Core Operating grant.

### 15. COMPARATIVE INFORMATION

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