

Financial Statements of

**FEAR IS NOT LOVE SOCIETY**

And Independent Auditor's Report thereon

Year ended March 31, 2025



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Fear Is Not Love Society

### ***Opinion***

We have audited the financial statements of Fear Is Not Love Society (the "Entity"), which comprise:

- the statement of financial position as at March 31, 2025
- the statement of operations for the year then ended
- the statement of 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 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, 2025, 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 "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity 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*

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Chartered Professional Accountants

Calgary, Canada

March 28, 2025

# FEAR IS NOT LOVE SOCIETY

## Statement of Financial Position

March 31, 2025, with comparative information for 2024

	Operating Fund	Capital Fund	2025	2024
<b>Assets</b>				
Current assets:				
Cash	\$ 2,322,832	\$ -	\$ 2,322,832	\$ 2,565,490
Restricted cash	19,375	-	19,375	17,550
Accounts receivable (note 4)	170,324	116	170,440	73,098
Prepaid expenses	300,348	-	300,348	298,544
Short-term investments (note 5)	1,444,597	-	1,444,597	1,383,696
	<u>4,257,476</u>	<u>116</u>	<u>4,257,592</u>	<u>4,338,378</u>
Tangible capital assets (note 6)	-	2,064,327	2,064,327	2,255,728
	<u>\$ 4,257,476</u>	<u>\$ 2,064,443</u>	<u>\$ 6,321,919</u>	<u>\$ 6,594,106</u>
<b>Liabilities and Fund Balances</b>				
Current liabilities:				
Accounts payable and accruals (note 4)	\$ 623,347	\$ -	\$ 623,347	\$ 615,561
Deferred revenue (note 7)	1,369,755	-	1,369,755	1,106,857
	<u>1,993,102</u>	<u>-</u>	<u>1,993,102</u>	<u>1,722,418</u>
Deferred rent	275,810	-	275,810	381,115
Deferred capital contributions (note 8)	-	1,217,977	1,217,977	1,373,572
	<u>2,268,912</u>	<u>1,217,977</u>	<u>3,486,889</u>	<u>3,477,105</u>
Fund balances:				
Internally restricted (note 9)	1,444,597	846,466	2,291,063	2,265,968
Unrestricted	543,967	-	543,967	851,033
	<u>1,988,564</u>	<u>846,466</u>	<u>2,835,030</u>	<u>3,117,001</u>
Commitments (note 12)				
	<u>\$ 4,257,476</u>	<u>\$ 2,064,443</u>	<u>\$ 6,321,919</u>	<u>\$ 6,594,106</u>

See accompanying notes to the financial statements.

On behalf of the Board:

*Jason McGonigal*

Director



Director

# FEAR IS NOT LOVE SOCIETY

## Statement of Operations

Year ended March 31, 2025, with comparative information for 2024

	Operating Fund	Capital Fund	2025	2024
<b>Revenue:</b>				
Government grants:				
Province of Alberta	\$ 4,371,529	\$ –	\$ 4,371,529	\$ 3,513,496
City of Calgary (FCSS)	822,315	–	822,315	728,566
	5,193,844	–	5,193,844	4,242,062
Donations and grants (note 3)	4,573,117	–	4,573,117	4,501,769
Fundraising events (note 10)	1,821,409	–	1,821,409	1,885,385
United Way grant	432,500	–	432,500	532,500
Amortization of deferred contributions (note 8)	–	210,070	210,070	195,904
Investment income	119,885	–	119,885	187,840
Other	10,083	–	10,083	4,546
	12,150,838	210,070	12,360,908	11,550,006
<b>Expenses:</b>				
Salaries	7,045,708	–	7,045,708	6,964,833
Employee benefits	1,315,613	–	1,315,613	1,255,131
Building occupancy	886,437	–	886,437	816,843
Client services	829,274	–	829,274	836,086
Professional services	749,849	–	749,849	873,888
Development and education	462,686	–	462,686	435,871
Fundraising	394,055	–	394,055	425,339
Amortization of tangible capital assets	–	355,172	355,172	334,165
Office	343,507	–	343,507	294,144
Promotion	173,989	–	173,989	308,629
Other	86,589	–	86,589	87,796
	12,287,707	355,172	12,642,879	12,632,725
Deficiency of revenue over expenses	\$ (136,869)	\$ (145,102)	\$ (281,971)	\$ (1,082,719)

See accompanying notes to the financial statements.

# FEAR IS NOT LOVE SOCIETY

## Statement of Changes in Fund Balances

Year ended March 31, 2025, with comparative information for 2024

	Operating Fund Unrestricted	Operating Fund Internally Restricted	Capital Fund Internally Restricted	2025	2024
Fund balance, beginning of year	\$ 851,033	\$1,383,696	\$ 882,272	\$3,117,001	\$ 4,199,720
Excess (deficiency) of revenue over expenses	(197,770)	60,901	(145,102)	(281,971)	(1,082,719)
Interfund transfer	(109,296)	–	109,296	–	–
Fund balance, end of year	\$ 543,967	\$1,444,597	\$ 846,466	\$2,835,030	\$ 3,117,001

See accompanying notes to the financial statements.

# FEAR IS NOT LOVE SOCIETY

## Statement of Cash Flows

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operations:		
Deficiency of revenue over expenses	\$ (281,971)	\$ (1,082,719)
Item not affecting cash:		
Amortization of deferred rent	(105,305)	(105,305)
Amortization of tangible capital assets	355,172	334,165
Amortization of deferred capital contributions (note 8)	(210,070)	(195,904)
Interest re-invested in investment	(60,901)	(64,713)
	(303,075)	(1,114,476)
Change in non-cash working capital:		
Accounts receivable	(97,342)	61,155
Prepaid expenses	(1,804)	(13,204)
Accounts payable and accruals	7,786	14,115
Deferred revenue	262,898	303,349
	(131,537)	(749,061)
Investing:		
Purchase of tangible capital assets	(163,771)	(250,417)
Financing:		
Contribution received for purchase of tangible capital assets	54,475	166,025
Change in cash	(240,833)	(833,453)
Cash, beginning of year	2,583,040	3,416,493
Cash, end of year	\$ 2,342,207	\$ 2,583,040
Cash consists of:		
Cash	\$ 2,322,832	\$ 2,565,490
Restricted cash	19,375	17,550
	\$ 2,342,207	\$ 2,583,040

See accompanying notes to financial statements.

# FEAR IS NOT LOVE SOCIETY

Notes to the Financial Statements

Year ended March 31, 2025, with comparative information for March 31, 2024

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## 1. Nature of the organization:

Fear Is Not Love Society (the “Society”) is a not-for-profit organization (“NPO”) whose mission is to deliver comprehensive solutions to end family violence in our community. The Society is registered as a charitable organization under the Income Tax Act and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered NPO, the Society must meet certain requirements within the Income Tax Act. In the opinion of management, these requirements have been met.

## 2. Significant accounting policies:

### (a) Basis of presentation:

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

### (b) 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 revenue and expenses during the year. Actual results could differ from these estimates.

Items subject to significant estimates include the useful lives and potential impairment of tangible capital assets.

### (c) Fund accounting:

Funds have been established within the accounting and reporting systems as follows:

#### (i) Operating Fund:

The Operating Fund reports the assets, liabilities, revenues and expenses related to program delivery and administrative activities of the Society.

#### (ii) Capital Fund:

The Capital Fund reports the assets, liabilities, revenues and expenses related to the Society’s tangible capital assets and capital campaign.

# FEAR IS NOT LOVE SOCIETY

Notes to the Financial Statements, page 2

Year ended March 31, 2025, with comparative information for March 31, 2024

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## 2. Significant accounting policies (continued):

### (d) Revenue recognition:

The Society follows the deferral method of accounting for contributions which include donations and grants. Restricted contributions are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of the accounting period are accrued if collection is reasonably assured. Unrestricted contributions are recognized as revenue in the Operating Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions restricted to the acquisition of tangible capital assets are recorded as deferred capital contributions and amortized into revenue over the useful lives of the related assets in the Capital Fund.

Realized gains and losses and investment income are recognized as revenue when earned. Revenue and qualifying related costs generated from specific events are accounted for in the period in which those events take place. Revenue from fundraising activities, including pledges and bequests, are recognized only when the contributions are received, due to the uncertainty surrounding the amounts and timing of receipts of these types of contributions.

### (e) Tangible capital assets:

Purchased tangible capital assets are recorded in the Capital Fund at cost less accumulated amortization. Contributed tangible capital assets are recorded in the Capital Fund at fair value at the date of contribution. Amortization is recorded once the assets have been placed in use in accordance with the straight-line method at the following annual rates:

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Buildings	5%
Computer equipment	33%
Furniture and fixtures	30%
Equipment	20%
Leasehold Improvements <sup>(1)</sup>	12.5%

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<sup>(1)</sup> Amortized over the lesser of useful life or lease term

Work in progress is not subject to amortization until the asset is ready for use.

# FEAR IS NOT LOVE SOCIETY

Notes to the Financial Statements, page 3

Year ended March 31, 2025, with comparative information for March 31, 2024

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## 2. Significant accounting policies (continued):

(f) Impairment of long-lived assets:

Long-lived assets may be impaired when conditions indicate that the long-lived asset no longer contributes to the Society's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the long-lived asset is less than its net carrying amount. The net carrying amount of the long-lived asset shall be written down to the asset's fair value or replacement cost and the write-downs of long-lived assets shall be accounted for as expenses in the statement of operations.

(g) Donated services and materials:

The Society records donations in kind with respect to material and services donated when the fair value can be reasonably determined and would otherwise be purchased by the Society. Services donated to the Society through volunteer work are not reflected in these financial statements as the fair value is not readily determinable.

(h) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently recorded at fair value. All other financial instruments are recorded at cost or amortized cost, unless management has elected to record at fair value. Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs. These costs are amortized using the straight-line method.

Financial assets measured at amortized cost include cash, restricted cash and accounts receivable.

Financial assets measured at fair value include short-term investments.

Financial liabilities measured at amortized cost include accounts payables and accruals.

Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the (deficiency) excess of revenue over expenses as interest income or expense.

With respect to financial assets measured at cost or amortized cost, the Society recognizes in the statement of operations an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written down asset decreases and the decrease can be related to an event occurring after the impairment of a previously written down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previous impairment loss is reversed in the (deficiency) excess of revenue over expenses in the period the reversal occurs.

# FEAR IS NOT LOVE SOCIETY

Notes to the Financial Statements, page 4

Year ended March 31, 2025, with comparative information for March 31, 2024

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## 2. Significant accounting policies (continued):

(i) Cash:

Cash includes the amounts on deposit in current accounts at its banks, and petty cash on hand maintained by the Society.

(j) Presentation of significant economic interest entity:

The Society has a significant economic interest in the Fear Is Not Love Society Endowment Fund Trust (the "Trust"), which operates under an independent Board of Trustees, and which has been established to raise funds for the Society in order to provide for the future financial security and independence of the Society. The Trust's financial accounts have not been consolidated with those of the Society. The Society has elected to disclose pertinent financial information in the notes to the financial statements.

(k) Deferred rent:

The Society is committed to an office lease which includes increases 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.

## 3. The Fear Is Not Love Society Endowment Fund Trust:

The Trust's financial accounts have not been consolidated in the Society's financial statements in accordance with the Society's accounting policies.

The Trust was formed on December 15, 1993, and includes amendments to the Trust Deed in September 1996, December 1998, June 2005, March 2015 and March 2017, in order to provide for the future financial security and independence of the Society. Income from the Trust is made available to the Society to support its operations, and such capital disbursements as may from time to time be deemed appropriate in accordance with the terms of the Trust instrument dated March 17, 2017.

The Trust is a registered charity exempt from income tax under the provisions or paragraph 149(1)(f) to the Income Tax Act (Canada). The Trust is also registered under the Charitable Fundraising Act of Alberta.

The Trust uses the deferral method of accounting for contributions. Endowment contributions which are received and are set aside in perpetuity are recognized as direct increases to net assets. Income on endowment contributions is unrestricted and recorded as revenue when earned.

Realized and unrealized gains and losses and other investment income are recognized as revenue when earned.

# FEAR IS NOT LOVE SOCIETY

Notes to the Financial Statements, page 5

Year ended March 31, 2025, with comparative information for March 31, 2024

### 3. The Fear Is Not Love Society Endowment Fund Trust (continued):

Financial summaries of the Trust as at March 31, 2025 and 2024 are as follows:

#### Financial Position

	2025	2024
Total assets	\$ 6,522,022	\$ 6,368,392
Total liabilities	\$ 41,582	\$ 17,260
Total net assets	6,480,440	6,351,132
	\$ 6,522,022	\$ 6,368,392

#### Net Assets

	2025	2024
Internally restricted	\$ 5,904,618	\$ 5,775,310
Endowments	575,822	575,822
	\$ 6,480,440	\$ 6,351,132

#### Results of Operations

	2025	2024
Total revenue	\$ 485,125	\$ 594,820
Total expenses	355,817	349,130
Excess of revenue over expenses	\$ 129,308	\$ 245,690

#### Statement of Cash Flow

	2025	2024
Cash flow used in operations	\$ (46,184)	\$ (124,960)
Cash flow provided by investments	50,004	136,542

The Society recorded revenue of \$300,204 (2024 – \$305,461) reported as donations and grants related to the amounts received from the Trust.

# FEAR IS NOT LOVE SOCIETY

Notes to the Financial Statements, page 6

Year ended March 31, 2025, with comparative information for March 31, 2024

## 4. Accounts receivable and accounts payable & accruals:

Included in accounts receivable are government remittances receivable of \$37,594 (2024 – \$42,448), which includes receivables for goods and services related taxes. Accounts payable and accruals include \$16,542 (2024 – \$19,351) due to government for payroll remittances.

The Society has a limit of the corporate credit card from a Canadian bank for \$150,000 (2024 – \$150,000). At March 31, 2025, \$3,742 (2024 – \$12,476) was outstanding on the credit card and is included in accounts payable and accruals.

## 5. Short-term investments:

	2025	2024
Cash (i)	\$ 1,445	\$ 308
Money market fund (i)	1,443,152	1,383,388
	<u>\$ 1,444,597</u>	<u>\$ 1,383,696</u>

(i) Short-term investments recorded at fair value are held in a managed fund with a Canadian chartered bank and have a cost base of \$1,444,601 (2024 – \$1,383,702). The short-term investments have been internally restricted by the Board of Directors for future operations and requires a resolution by the Board of Directors to access the funds.

## 6. Tangible capital assets:

	2025		2024	
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 125,000	\$ –	\$ 125,000	\$ 125,000
Buildings	6,940,704	5,235,987	1,704,717	1,848,489
Computer equipment	690,566	609,845	80,721	117,460
Furniture and fixtures	188,119	187,991	128	911
Equipment	706,668	584,634	122,034	63,729
Leasehold Improvements	139,100	116,504	22,596	45,192
Work in progress	9,131	–	9,131	54,947
	<u>\$ 8,799,288</u>	<u>\$ 6,734,961</u>	<u>\$ 2,064,327</u>	<u>\$ 2,255,728</u>

# FEAR IS NOT LOVE SOCIETY

Notes to the Financial Statements, page 7

Year ended March 31, 2025, with comparative information for March 31, 2024

## 7. Deferred revenue:

The deferred revenue reported in the Operating Fund relates to restricted operating funds received in the current and prior periods that are related to subsequent periods as follows:

	2025	2024
Grants from government agencies	\$ 619,215	\$ 455,601
Fundraising activities	438,362	466,195
Donations	312,178	185,061
	<u>\$ 1,369,755</u>	<u>\$ 1,106,857</u>

## 8. Deferred capital contributions:

Deferred capital contributions reported in the Capital Fund include the unamortized portion of contributed tangible capital assets, restricted contributions which have been or will be utilized to acquire tangible capital assets and unspent restricted funds related to the capital campaign.

The changes for the year in the deferred contributions balance reported in the Capital Fund are as follows:

	2025	2024
Balance, beginning of year	\$ 1,373,572	\$ 1,403,451
Amortization of capital contribution recognized during the year	(210,070)	(195,904)
Contributions received during the year	54,475	166,025
Total deferred capital contributions	<u>\$ 1,217,977</u>	<u>\$ 1,373,572</u>

## 9. Internally restricted fund balances:

Internally restricted fund balances in the Capital Fund are amounts that are restricted and available for use only by resolution of the Board of Directors.

Internally restricted fund balances in the Operating Fund are amounts that are restricted by the Board of Directors for future operations. It is reserved to ensure that programs are able to continue should unforeseen and adverse funding circumstances arise. In 2018, the Board of Directors formalized a policy that includes a target internally restricted fund balance of up to six months of typical operating costs. The policy will be reviewed on an annual basis by the Board to ensure it remains relevant to the scale of operations and risks associated with revenue streams.

# FEAR IS NOT LOVE SOCIETY

Notes to the Financial Statements, page 8

Year ended March 31, 2025, with comparative information for March 31, 2024

## 10. Fundraising events:

Fundraising events revenue consists of the following items:

	2025	2024
Mail campaign	\$ 982,690	\$ 1,015,547
Turning Points dinner	629,377	598,614
Casino & gaming	106,179	82,932
Third party events	103,163	188,292
	<u>\$ 1,821,409</u>	<u>\$ 1,885,385</u>

## 11. Fundraising expenses:

As required under Section 7(2) of the Charitable Fundraising Regulation in Alberta, the following amounts are disclosed:

	2025	2024
Amounts paid as remuneration to employees whose principal duties involve fundraising	\$ 128,800	\$ 125,680
Amounts paid as remuneration to a fundraising business	40,179	34,416
Direct expenses incurred for the purposes of soliciting contributions	396,375	399,276
	<u>\$ 565,354</u>	<u>\$ 559,372</u>

All contributions received through fundraising activities were used to fund the Society's programs.

## 12. Commitments:

The Society is committed to an office lease. The Society entered into the lease commencing on September 1, 2016 to August 31, 2027.

Future minimum payments for the Society's fiscal years are noted below:

2026	\$ 268,856
2027	282,177
2028	120,025

# FEAR IS NOT LOVE SOCIETY

Notes to the Financial Statements, page 9

Year ended March 31, 2025, with comparative information for March 31, 2024

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## 13. Financial instruments:

Discussion of risks associated with financial assets and liabilities are presented as follows:

(a) Liquidity risk:

Liquidity risk is the risk that the Society will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Society does not believe it is subject to any significant concentration of liquidity risk.

The Society manages its liquidity risk by monitoring its operating requirements. The Society prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(b) Credit risk:

Credit risk arises from cash, restricted cash and short-term investments held with financial institutions, as well as credit exposure from accounts receivable. The Society has a concentration of credit risk with respect to its cash and short-term investments. The Society's accounts receivable are primarily due from governments and are subject to normal credit risks. The Society mitigates its exposure to credit loss by placing its cash and short-term investments with reputable financial institutions.

(c) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society is exposed to interest rate risk to the extent that investments are at fixed rates of interest.

There is no significant change in the Society's risk profile compared to prior year.

Financial Statements of

**FEAR IS NOT LOVE SOCIETY  
ENDOWMENT FUND TRUST**

And Independent Auditor's Report thereon

Year ended March 31, 2025



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of Fear Is Not Love Society Endowment Fund Trust

### ***Opinion***

We have audited the financial statements of Fear Is Not Love Society Endowment Fund Trust (the Entity), which comprise:

- the statement of financial position as at March 31, 2025;
- the statement of operations for the year then ended;
- the statement of 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, 2025, 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 "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



## ***Responsibilities of Management and Those Charged With Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity 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 6, 2025

# FEAR IS NOT LOVE SOCIETY ENDOWMENT FUND TRUST

Statement of Financial Position

As at March 31, 2025, with comparative information for 2024

	2025	2024
<b>Assets</b>		
Current assets:		
Cash	\$ 21,487	\$ 17,667
Goods and services tax receivable	1,218	941
	<u>22,705</u>	<u>18,608</u>
Investments (note 4)	6,499,317	6,349,784
	<u>\$ 6,522,022</u>	<u>\$ 6,368,392</u>

## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 41,582	\$ 17,260
Fund Balances:		
Internally restricted (note 5)	5,904,618	5,775,310
Endowments	575,822	575,822
	<u>6,480,440</u>	<u>6,351,132</u>
	<u>\$ 6,522,022</u>	<u>\$ 6,368,392</u>

See accompanying notes to the financial statements.

On behalf of the Board:

  
\_\_\_\_\_  
Trustee

  
\_\_\_\_\_  
Trustee

# FEAR IS NOT LOVE SOCIETY ENDOWMENT FUND TRUST

## Statement of Operations

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Revenue:		
Investment income	\$ 283,843	\$ 222,772
Change in unrealized gain on investments	142,370	230,719
Realized gain on disposition of investments reinvested	57,167	130,938
Contributions	1,745	10,391
	<u>485,125</u>	<u>594,820</u>
Expenses:		
Donations to Fear Is Not Love Society (note 6)	300,204	305,461
Management fees	36,414	32,268
Professional fees	14,612	10,219
Bank charges and other	4,587	1,182
	<u>355,817</u>	<u>349,130</u>
Excess of revenue over expenses	<u>\$ 129,308</u>	<u>\$ 245,690</u>

See accompanying notes to the financial statements.

# FEAR IS NOT LOVE SOCIETY ENDOWMENT FUND TRUST

## Statement of Changes in Fund Balances

Year ended March 31, 2025, with comparative information for 2024

	Internally Restricted	Endowments	2025	2024
Fund balance, beginning of year	\$ 5,775,310	\$ 575,822	\$ 6,351,132	\$ 6,105,442
Excess of revenue over expenses	129,308	–	129,308	245,690
Fund balance, end of year	\$ 5,904,618	\$ 575,822	\$ 6,480,440	\$ 6,351,132

See accompanying notes to the financial statements.

# FEAR IS NOT LOVE SOCIETY ENDOWMENT FUND TRUST

## Statement of Cash Flows

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 129,308	\$ 245,690
Items not affecting cash:		
Realized gain on disposition of investments	(57,167)	(130,938)
Change in unrealized gain on investments	(142,370)	(230,719)
Change in non-cash working capital:		
Goods and services tax receivable	(277)	(233)
Accounts payable and accrued liabilities	24,322	(8,761)
	(46,184)	(124,961)
Investments:		
Change in investments, net	50,004	136,542
Increase in cash	3,820	11,581
Cash, beginning of year	17,667	6,086
Cash, end of year	\$ 21,487	\$ 17,667

See accompanying notes to the financial statements.

# FEAR IS NOT LOVE SOCIETY ENDOWMENT FUND TRUST

Notes to the Financial Statements

Year ended March 31, 2025, with comparative information for 2024

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## 1. Nature of organization:

The Fear Is Not Love Society Endowment Fund Trust (the "Trust"), was created on December 15, 1993 and includes amendments to the Trust Deed in September 1996, December 1998, June 2005, March 2015 and March 2017, in order to provide for the future financial security and independence to the Fear Is Not Love Society (the "Society"). Income from the Trust is made available to the Society to support its operations and such capital disbursements as may from time to time be deemed appropriate in accordance with the terms of the Trust Deed dated March 17, 2017.

The Trust is a registered charity exempt from income tax under the provisions of paragraph 149 (1)(f) of the Income Tax Act (Canada).

The Trust is also registered under the Charitable Fundraising Act of Alberta and has considered all required disclosure under Section 7(2) of the Act in preparing these financial statements.

## 2. Significant accounting policies:

### (a) Basis of preparation:

The financial statements of the Trust have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations ("ASNPO").

### (b) Cash:

Cash includes the amounts on deposit in current accounts at its banks, and petty cash on hand.

### (c) 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, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. A significant item subject to such estimates and assumptions is the valuation of investments. Actual results could differ from those estimates.

# FEAR IS NOT LOVE SOCIETY ENDOWMENT FUND TRUST

Notes to the Financial Statements, page 2

Year ended March 31, 2025, with comparative information for 2024

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## 2. Significant accounting policies (continued):

### (d) Revenue recognition:

The Trust uses the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions which are received from individuals and are set aside in perpetuity are recognized as a direct increase to fund balances. Income on endowment contributions is unrestricted and recorded as revenue when earned.

Realized and unrealized gains and losses and other investment income are recognized as revenue when earned.

### (e) Financial instruments:

The Trust's financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in the statement of operations in the year in which they are incurred. Equities quoted in an active market are measured at fair value. The Trust has also irrevocably elected to measure its investments in bonds at fair value. All changes in fair value of the Trust's investments in equities quoted in an active market and in bonds are recorded in the statement of operations.

With respect to financial assets measured at cost or amortized cost, the Trust recognizes in the statement of operations an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. If events and circumstances reverse in a future period an impairment loss will be reversed to the extent of the improvement, not exceeding the previously recognized impairment loss.

# FEAR IS NOT LOVE SOCIETY ENDOWMENT FUND TRUST

Notes to the Financial Statements, page 3

Year ended March 31, 2025, with comparative information for 2024

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### 3. Financial instruments:

The Trust is exposed to various risks through its financial instruments. The main risks in which the Trust is exposed are set out below.

(a) Market risk:

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Trust is mainly exposed to other price risk.

(i) 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 (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Trust is exposed to other price risk through its investments quoted in an active market.

(b) Liquidity risk:

Liquidity risk is the risk the Trust will encounter difficulties in meeting its financial liability obligations. The Trust manages its liquidity risk through cash management. The Trust works on investing its excess cash into low-risk investments, until it is needed for future use.

(c) Credit risk:

Credit risk arises from cash and investments held with financial institutions, as well as credit exposure from receivables. The Trust has a concentration of credit risk with respect to its cash and investments. The Trust mitigates its exposure to credit loss by placing its cash and investments with reputable financial institutions.

There is no significant change in risk exposures from 2024.

# FEAR IS NOT LOVE SOCIETY ENDOWMENT FUND TRUST

Notes to the Financial Statements, page 4

Year ended March 31, 2025, with comparative information for 2024

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## 4. Investments:

As March 31, the market value of the investment funds are as follows:

	2025	2024
Cash and cash equivalents	\$ 122,530	\$ 97,258
Fixed income	2,701,354	2,457,398
Equities	3,675,433	3,795,128
	<u>\$ 6,499,317</u>	<u>\$ 6,349,784</u>

Investments recorded at fair value are held in a managed pool fund with a Canadian chartered bank and have a cost base of \$5,233,096 as at March 31, 2025 (2024 – \$5,225,933).

## 5. Internally restricted net assets:

The internally restricted net assets are amounts that are restricted and available for use only by resolution of the Board. It is the Board's intention that excess of revenue over expenses always be internally restricted.

## 6. Related party transactions:

During the year, the Trust donated \$300,204 (2024 – \$305,461), all of which was funded by accumulated income, to the Society.