
CALGARY FAMILY SERVICES SOCIETY

Financial Statements

For the year ended March 31, 2011



CHARTERED ACCOUNTANTS
dedicated comprehensive service

AUDITORS' REPORT

To the Directors of Calgary Family Services Society:

We have audited the accompanying financial statements of Calgary Family Services Society, which comprise the statement of financial position as at March 31, 2011, and the statements of operations, changes in fund balances and cash flows for the year then ended, and 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 generally accepted accounting principles, 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.

Auditor's 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 the 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 the auditor's 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, the auditor considers 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 Family Services Society as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Calgary, Alberta
June 3, 2011

DCS Chartered Accountants

CALGARY FAMILY SERVICES SOCIETY

Statement of Financial Position

As at March 31, 2011 and 2010

	Operating Fund	Program Technology Fund	Capital Reserve Fund	Total 2011	Total 2010
Assets					
Current					
Cash and cash equivalents	\$ 913,240	\$ -	\$ -	\$ 913,240	\$ 761,756
Investments	1,286,121	967,392	246,487	2,500,000	2,800,000
Accounts receivable (Note 3)	380,315	-	-	380,315	191,064
Prepays	119,951	-	-	119,951	115,270
	2,699,627	967,392	246,487	3,913,506	3,868,090
Property and equipment (Note 4)	-	-	79,569	79,569	135,613
	\$ 2,699,627	\$ 967,392	\$ 326,056	\$ 3,993,075	\$ 4,003,703
Liabilities					
Current					
Accounts payable and accrued liabilities	\$ 601,342	\$ -	-	\$ 601,342	\$ 544,340
Grants received in advance (Note 5)	1,724,858	-	-	1,724,858	1,416,343
Deferred revenue (Note 6)	312,856	-	-	312,856	347,507
Deferred contributions related to property and equipment (Note 7)	-	-	79,569	79,569	135,613
	2,639,056	-	79,569	2,718,625	2,443,803
Commitments (Note 8)					
Fund Balances					
Fund balances (Note 10)	60,571	967,392	246,487	1,274,450	1,559,900
	\$ 2,699,627	\$ 967,392	\$ 326,056	\$ 3,993,075	\$ 4,003,703

Approved by the Board:

_____, Director

_____, Director

See accompanying notes

CALGARY FAMILY SERVICES SOCIETY

Statement of Operations

For the year ended March 31, 2011

	Operating Fund <i>(Schedule)</i>	Program Technology Fund	Capital Reserve Fund	Total 2011	Total 2010
Revenues					
United Way Grant	\$ 1,750,499	\$ -	\$ -	\$ 1,750,499	\$ 1,513,568
United Way Donor Designation	8,052	-	-	8,052	4,807
Federal Government	317,445	-	-	317,445	315,686
Provincial Government	97,055	-	-	97,055	47,302
FCSS contribution	4,318,796	-	-	4,318,796	4,266,767
CFSA	553,355	-	-	553,355	553,355
Alberta Health Services	6,748,953	-	-	6,748,953	6,024,589
Client fees	339,138	-	-	339,138	393,547
Society fees – memberships	210	-	-	210	390
Charitable donations	18,417	5,245	-	23,662	68,955
Casino and CIP	75,000	-	-	75,000	267,076
Other	543,842	16,998	-	560,840	529,821
Interest	-	8,567	-	8,567	35,752
Deferred revenue	(61,304)	-	56,044	(5,260)	231,996
	14,709,458	30,810	56,044	14,796,312	14,253,611
Expenditures					
Amortization	-	-	56,044	56,044	49,444
Benefits	1,475,937	4,888	-	1,480,825	1,392,261
Building occupancy	713,170	-	-	713,170	710,847
Community relations	61,714	-	-	61,714	49,165
Contracted services	574,664	125,447	-	700,111	549,207
Membership services	5,000	-	-	5,000	2,702
Office expenses	196,614	-	-	196,614	212,896
Program expenses	246,242	144	-	246,386	242,887
Recruitment	20,682	-	-	20,682	13,754
Salaries and wages	10,790,250	57,705	-	10,847,955	10,185,270
Staff development	181,355	-	-	181,355	139,447
Travel	591,760	146	-	591,906	535,818
	14,857,388	188,330	56,044	15,101,762	14,083,698
Excess (deficiency) of revenues over expenditures before allocations	(147,930)	(157,520)	-	(305,450)	169,913
Allocation to Program Technology and Capital Reserve Fund	147,930	(147,930)	-	-	-
Excess (deficiency) of revenue over expenditures	\$ -	\$ (305,450)	\$ -	\$ (305,450)	\$ 169,913

See accompanying notes

CALGARY FAMILY SERVICES SOCIETY

Statement of Changes in Fund Balances

For the year ended March 31, 2011

	Operating Fund	Program Technology Fund	Capital Reserve Fund	Total 2011	Total 2010
Balance, beginning of year	\$ 60,571	\$ 1,252,842	\$ 246,487	\$ 1,559,900	\$ 1,389,987
Excess (deficiency) of revenue over expenditures	-	(305,450)	-	(305,450)	169,913
Prior year adjustment <i>(Note 10)</i>	-	20,000	-	20,000	-
Balance, end of year	\$ 60,571	\$ 967,392	\$ 246,487	\$ 1,274,450	\$ 1,559,900

See accompanying notes

CALGARY FAMILY SERVICES SOCIETY

Statement of Cash Flows

For the year ended March 31, 2011

	Operating Fund	Program Technology Fund	Capital Reserve Fund	Total 2011	Total 2010
Operating activities					
Excess (deficiency) of revenue over expenditures	\$ -	\$ (305,450)	\$ -	\$ (305,450)	\$ 169,913
Amortization	-	-	56,044	56,044	49,444
Deferred contributions	-	-	(56,044)	(56,044)	(4,454)
Changes in non-cash operating working capital	171,585	20,000	-	191,585	1,636,956
	171,585	(285,450)	-	(113,865)	1,851,859
Financing activities					
Deferred revenue allocation	(34,651)	-	-	(34,651)	(137,236)
Investing activities					
Purchase of property and equipment	-	-	-	-	(44,990)
Sales (purchase) of investments	14,550	285,450	-	300,000	(1,602,700)
	14,550	285,450	-	300,000	(1,647,690)
Increase (decrease) in cash	151,484	-	-	151,484	66,933
Cash, beginning of year	761,756	-	-	761,756	694,823
Cash, end of year	\$ 913,240	\$ -	\$ -	\$ 913,240	\$ 761,756

See accompanying notes

CALGARY FAMILY SERVICES SOCIETY

Statement of Operations – Operating Fund
For the year ended March 31, 2011

	Statement of Revenues and Expenses											Total			
	Home Care Program			Older Adults			Counselling and Supplementary Programs								
	Home Care	Care giver Education	Urgent Family	Senior's Program	APC	Counselling Services	CFSA	Starburst	Volunteer Coordinator	Early Literacy	Spirit	Critical Hours	Family Connectors	Misc.	
Revenue	-	52,332	99,632	-	-	-	993,468	122,136	-	323,000	32,000	-	95,931	32,000	1,750,499
United Way Grant	-	-	-	-	-	-	8,052	-	-	-	-	-	-	-	8,052
United Way Donor	-	-	-	-	-	-	-	-	-	-	317,445	-	-	-	317,445
Federal government	-	-	-	42,590	-	-	-	-	-	40,000	-	-	-	14,465	97,055
Provincial government	-	-	-	2,983,466	1,042,641	-	-	56,962	67,056	-	-	138,156	-	30,515	4,318,796
FCSS contribution	-	-	-	-	-	-	553,355	-	-	-	-	-	-	-	553,355
CFSA	6,748,953	-	-	-	-	-	-	-	-	-	-	-	-	-	6,748,953
Alberta Health Services	4,087	-	6,934	249,766	16,153	43,578	-	-	-	-	-	-	-	18,620	339,138
Client fees	-	-	-	-	-	210	-	-	-	-	-	-	-	-	210
Society fees	-	-	-	7,200	650	-	-	1,000	-	5,312	-	-	-	4,255	18,417
Charitable donation	-	-	-	-	-	75,000	-	-	-	-	-	-	-	-	75,000
Casino and CIP	54,951	-	-	117,408	3,557	152,463	-	3,191	-	2,970	15,877	-	-	193,425	543,842
Other	-	-	-	(40,905)	7,717	10,500	-	35,000	-	(70,106)	(15,877)	-	-	12,367	(61,304)
Deferred revenue	6,807,991	52,332	106,566	3,359,525	1,070,718	1,283,271	553,355	218,289	67,056	301,176	349,445	138,156	95,931	305,647	14,709,458
Expenses	5,250,629	47,987	95,571	2,415,210	671,573	872,899	420,813	167,392	53,841	145,289	274,922	102,663	80,275	191,186	10,790,250
Salaries and wages	637,727	4,345	7,441	374,098	122,907	135,342	60,976	17,046	8,422	18,675	43,050	13,857	10,601	21,450	1,475,937
Benefits	11,027	-	-	4,155	2,235	2,280	343	-	-	90	-	-	500	52	20,682
Recruitment	349,126	-	2,625	120,731	34,504	50,201	15,536	4,885	755	2,362	7,361	1,218	674	1,782	591,760
Travel	76,815	-	571	51,333	19,512	16,904	3,922	2,359	320	6,983	-	178	595	1,861	181,355
Staff development	196,443	-	-	179,842	159,792	114,070	47,257	15,766	-	-	-	-	-	-	713,170
Building occupancy	104,299	-	-	100,252	17,876	117,434	611	2,601	-	91,682	9,104	7,601	2,924	123,204	574,664
Contracted services	62,931	-	358	43,447	8,640	15,296	1,442	7,437	3,333	35,944	15,008	12,616	2,924	36,946	246,242
Program expenses	10,982	-	-	12,487	4,554	4,507	151	120	365	-	-	23	78	28,447	61,714
Community relations	79,598	-	-	56,690	28,375	28,151	2,304	683	-	149	-	-	284	380	196,614
Office expenses	2,185	-	-	1,280	750	785	-	-	-	-	-	-	-	-	5,000
Membership services	6,781,762	52,332	106,566	3,359,525	1,070,718	1,357,869	553,355	218,289	67,056	301,176	349,445	138,156	95,931	405,208	14,837,388
Total Expenses	26,229	-	-	-	-	(74,598)	-	-	-	-	-	-	-	(99,561)	(147,930)
Excess (deficiency) of revenues over expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

CALGARY FAMILY SERVICES SOCIETY

Notes to Financial Statements

For the year ended March 31, 2011

Note 1 - Purpose of Organization

Calgary Family Services Society is a regional organization operating programs to provide Calgary's diverse population with high quality, innovative counseling and caregiving services. The Society is a not-for-profit organization incorporated under the Societies Act of the Province of Alberta and is a registered charity under the Income Tax Act. Programs aim to enhance individual and family relationships, help children reach their full potential, engage older adults in their communities, and assist vulnerable citizens in maintaining dignity and respect. Individuals, families and communities turn to Calgary Family Services Society for support and solutions through childhood, adulthood and elderhood. Funding comes from various donors who include other not-for-profit organizations, the Federal Government, Provincial Government, the City of Calgary and charitable donations.

Note 2 - Significant Accounting Policies

The financial statements of the Society have been prepared by management in accordance with accounting standards for not-for-profit organizations published by The Canadian Institute of Chartered Accountants, using the fund method of reporting restricted contributions. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximation. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

(a) Fund accounting

The Operating Fund reports revenue and expenses related to program delivery and administrative activities.

Program Technology Fund reports on funds that have been restricted for the purpose of non funded agency programs and for acquiring and upgrading operating systems and related technical support.

The Capital Reserve Fund shows resources allocated for future expansions.

(b) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances with banks, and short term investments with maturities of three months or less from date of purchase.

(c) Investments

Investments consist of term deposits and accrued interest with maturities in excess of three months from date of purchase.

CALGARY FAMILY SERVICES SOCIETY

Notes to Financial Statements

For the year ended March 31, 2011

Note 2 - Significant Accounting Policies (Continued)

(d) Revenue recognition

Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Fees for services rendered is recorded on an accrual basis. Such revenue is recorded in the accounts during the period in which the service is rendered by the Society and the corresponding account receivable is also recorded at that time.

(e) Deferred revenue

Revenue is deferred in the operating fund when it relates to externally restricted operating funding received in the current period but related to a future period.

(f) Property and equipment

Purchased property and equipment is recorded in the Capital Reserve Fund at cost. Contributed property and equipment is recorded in the Capital Reserve Fund at fair value at the date of contribution. Property and equipment are amortized using the following schedule:

Computers	45% straight line
Office furniture and equipment	20% straight line
Vehicle	30% straight line
Leasehold improvements	7 years straight line

(g) Financial instruments

The Society's financial instruments consist of cash investments, accounts receivable, and accounts payable and accruals. It is management's opinion that the Society is not exposed to significant interest, currency, or credit risks arising from these financial instruments. As at the Society's year end, the fair values of these financial instruments approximate their carrying value.

(h) Donated services

Volunteers contribute a significant amount of their time each year to the Society's activities. Because of the difficulty of determining the fair value, contributed services of this nature are not recognized in the financial statements.

CALGARY FAMILY SERVICES SOCIETY

Notes to Financial Statements

For the year ended March 31, 2011

Note 3 - Accounts Receivable

Accounts receivable consist of:

	2011	2010
Alberta Health Services	112,144	21,681
Third party caregiving and counselling	220,869	120,468
Other	76	-
Refundable GST	47,226	48,915
	\$ 380,315	\$ 191,064

Third party caregiving and counselling receivables are net of allowance for doubtful accounts of \$9,280 (2010 - \$15,575).

Note 4 - Property and Equipment

	2011			2010
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computers	\$ 38,772	\$ 36,056	\$ 2,716	\$ 20,163
Office equipment	86,821	37,774	49,047	66,411
Vehicle	37,372	28,030	9,342	20,554
Leasehold improvements	70,148	51,684	18,464	28,485
	\$ 233,113	\$ 153,544	\$ 79,569	\$ 135,613

Note 5 - Grants Received in Advance

Grants received in advance represents funds received prior to the balance sheet date which are designated for use in the subsequent period's operations.

CALGARY FAMILY SERVICES SOCIETY

Notes to Financial Statements

For the year ended March 31, 2011

Note 6 - Deferred Revenue

Deferred revenue represents funding for specified programs for which related expenses have not been incurred as at the balance sheet date.

Changes in deferred revenue are as follows:

	2011	2010
Balance, beginning of year	\$ 347,507	\$ 484,743
Deferred contributions	30,933	133,151
Transferred to revenue	(65,584)	(270,387)
	\$ 312,856	\$ 347,507

Deferred revenue summarized by programs are as follows:

	2011	2010
Operating Programs:		
WCB Dividend	54,678	75,054
Casino	902	902
Donation from Inner City	4,841	9,000
Early literacy	104,156	30,218
Starburst	-	35,000
Primetime	-	75,000
Outreach	66,585	35,000
United Way - Widow	7,689	6,699
United Way - Scholarship	500	1,500
City - Counselling	-	3,558
City - Senior Support	46,660	10,100
FCSS Sustainability Project	1,468	-
CIP - Spirit	15,877	14,404
CIP FLIF	9,500	23,832
Get up and Go	-	27,240
	\$ 312,856	\$ 347,507

CALGARY FAMILY SERVICES SOCIETY

Notes to Financial Statements

For the year ended March 31, 2011

Note 7 - Deferred Contributions Related to Property and Equipment

	<u>2011</u>	<u>2010</u>
Opening balance		
Deferred contributions related to property and equipment received	\$ 135,613	\$ 140,067
Recognized in current year	(56,044)	(4,454)
	<u>\$ 79,569</u>	<u>\$ 135,613</u>

The deferred contributions related to property and equipment represents the purchase of assets for the new office building. Assets are being amortized on a straight line basis.

Note 8 - Commitments

The Society entered into an agreement on December 8, 2008 to lease its administration office premises until March 31, 2016. The schedule of annual rent payments is as follows:

2012	\$ 410,124
2013	\$ 447,408
2014	\$ 447,408
2015	\$ 447,408

In order to more effectively deliver better services, the Society operates several "field offices" throughout the Calgary area. The Society rents these facilities on a month to month basis.

Note 9 - Financial Instruments

The Society has elected to follow the presentation and disclosure requirements of CICA Handbook Section 3856. Management has elected that financial instruments held for trading include investments carried at fair market value with differences recorded in net income. The investments classified as held for trading purposes consist of Guaranteed Investment Certificates with interest at 1.25% maturing on September 15, 2011. As at March 31, 2011, the carrying values of the Guaranteed Investment Certificate approximate its fair market value therefore no unrealized gains or losses have been recorded in net income. Other financial instruments held at year end that are not classified as held for trading include: accounts receivable, which include trade receivables and GST receivables and are carried at amortized cost; prepaids, which include prepaid expenses and are carried at amortized cost; and accounts payable and accrued liabilities, which include trade accounts payable and are recorded at amortized cost. The carrying values of these financial instruments also approximate their fair market values at March 31, 2011.

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest, currency or credit risk arising from these financial instruments.

CALGARY FAMILY SERVICES SOCIETY

Notes to Financial Statements

For the year ended March 31, 2011

Note 10 - Prior Year Adjustment

During the year, a prior year adjustment of \$20,000 was recorded. This adjustment was for a possible legal claim that was accrued in 2008 – 2009. The accrual was reversed in the current year, as the employee did not take legal action against The Society.