

VOLUNTEER CENTRE OF CALGARY

AUDITORS' REPORT AND FINANCIAL STATEMENTS

DECEMBER 31, 2009

VOLUNTEER CENTRE OF CALGARY
INDEX TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

	Page No.
Auditors' Report	1
Statement of Financial Position	2
Statement of Changes in Net Assets	3
Statement of Operations	4
Statement of Cash Flow	5
Notes to the Financial Statements	6 - 10

AUDITORS' REPORT

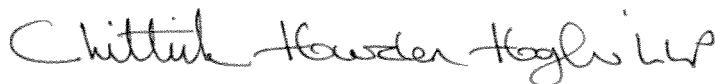
To the Board of Directors of Volunteer Centre of Calgary

We have audited the statement of financial position of Volunteer Centre of Calgary (the "Centre") as at December 31, 2009 and the statements of operations, changes in net assets and cash flow for the year then ended. These financial statements are the responsibility of the Centre's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Centre derives part of its revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Centre and we were not able to determine whether any adjustments might be necessary to donations, excess of revenues over expenses, assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the contributions referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Centre as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



CHARTERED ACCOUNTANTS

Calgary, Alberta
January 20, 2010


VOLUNTEER CENTRE OF CALGARY
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2009

	2009	2008
ASSETS		
CURRENT		
Cash and short term deposits	\$ 1,500,335	\$ 1,328,552
Restricted cash - Note 3	30,439	85,879
Contributions receivable	24,200	21,289
Prepaid expenses	<u>39,480</u>	<u>18,473</u>
	1,594,454	1,454,193
ENDOWMENT FUND - Note 4	80,177	70,110
EQUIPMENT - Note 5	29,225	30,025
TOTAL ASSETS	\$ 1,703,856	\$ 1,554,328
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 43,321	\$ 96,093
Prepaid membership fees	18,218	20,981
Deferred contributions related to operations- Note 6	<u>448,289</u>	<u>365,665</u>
	509,828	482,739
DEFERRED CONTRIBUTIONS RELATED TO EQUIPMENT- Note 7	<u>15,623</u>	<u>24,641</u>
	525,451	507,380
NET ASSETS		
INVESTED IN EQUIPMENT	13,602	5,384
INTERNALLY RESTRICTED NET ASSETS - Note 8	1,084,626	971,454
ENDOWMENT FUND - Note 4	<u>80,177</u>	<u>70,110</u>
	1,178,405	1,046,948
TOTAL LIABILITIES AND NET ASSETS	\$ 1,703,856	\$ 1,554,328

COMMITMENTS - NOTE 9

APPROVED ON BEHALF OF THE BOARD:

 Director

 Director

The accompanying notes are an integral part of these financial statements.

VOLUNTEER CENTRE OF CALGARY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Invested in Equipment	Internally Restricted	Endowment Fund	Total 2009	Total 2008
BALANCE - Beginning of year	\$ 5,384	\$ 971,454	\$ 70,110	\$ 1,046,948	\$ 961,207
EXCESS OF REVENUES OVER EXPENSES	-	121,390	-	121,390	104,726
NET INVESTMENT IN EQUIPMENT	8,218	(8,218)	-	-	-
NET ENDOWMENT CONTRIBUTION - Note 4	-	-	10,067	10,067	(18,985)
BALANCE - End of year	\$ 13,602	\$ 1,084,626	\$ 80,177	\$ 1,768,405	\$ 1,046,948

The accompanying notes are an integral part of these financial statements.

VOLUNTEER CENTRE OF CALGARY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2009

	2009	2008
REVENUES		
Donations	\$ 729,030	\$ 773,432
United Way of Calgary	409,259	552,809
Family and Community Support Services	212,021	208,158
Government grants	128,262	102,533
Workshop and seminar fees	102,760	125,835
Casino	62,669	56,965
Ticket sales	50,463	61,452
Agency and membership fees	47,360	44,990
Amortization of contributions related to equipment	15,248	22,417
Contracted Services and project management fees	14,250	32,202
Material sales	13,819	16,896
Interest and other income	12,081	39,448
	<u>1,797,222</u>	<u>2,037,137</u>
EXPENSES		
Salaries and benefits	1,028,095	1,208,502
Rent	163,186	143,753
Contracted services	99,809	87,910
General office expense	78,407	78,552
Promotion and publicity	70,717	115,089
Event costs	66,068	66,059
Travel	37,227	40,214
Workshop expense	33,781	78,340
Amortization	23,544	28,009
Training and development	18,404	23,510
GST expense	13,707	14,739
Telephone and utilities	13,496	11,990
Postage and courier	11,179	10,719
Periodicals and reference materials	10,239	11,980
Program supplies	5,582	5,909
Equipment and maintenance	2,391	3,454
Cost of materials sold	-	3,682
	<u>1,675,832</u>	<u>1,932,411</u>
EXCESS OF REVENUES OVER EXPENSES	\$ 121,390	\$ 104,726

The accompanying notes are an integral part of these financial statements.

VOLUNTEER CENTRE OF CALGARY
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2009

	2009	2008
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES:		
Excess of revenues over expenses for the year	\$ 121,390	\$ 104,726
Items not affecting cash		
Amortization of equipment	23,544	28,009
Amortization of contributions related to equipment	<u>(15,248)</u>	<u>(22,417)</u>
	129,686	110,318
Net change in non-cash working capital balances		
Contributions receivable	(2,911)	12,408
Inventory	-	731
Prepaid expenses	(21,007)	(121)
Accounts payable and accrued liabilities	(52,772)	22,678
Prepaid membership fees	(2,763)	14,431
Deferred contributions related to operations	<u>82,624</u>	<u>31,539</u>
	132,857	191,984
FINANCING ACTIVITY:		
Contributions of equipment	6,230	3,868
INVESTING ACTIVITY:		
Purchase of equipment	(22,744)	(5,360)
INCREASE IN CASH	116,343	190,492
CASH AND SHORT TERM DEPOSITS - Beginning of year	1,414,431	1,223,939
CASH AND SHORT TERM DEPOSITS - End of year	\$ 1,530,774	\$ 1,414,431
CASH AND SHORT TERM DEPOSITS CONSISTS OF THE FOLLOWING:		
Cash	\$ 365,398	\$ 298,452
Short term deposits	1,134,937	1,030,100
Restricted cash	<u>30,439</u>	<u>85,879</u>
	\$ 1,530,774	\$ 1,414,431

The accompanying notes are an integral part of these financial statements.

NOTE 1 **ORGANIZATION AND PURPOSE**

The Volunteer Centre of Calgary ("the Centre") was incorporated on August 11, 1971 under the Societies Act of Alberta and is exempt from income tax under Section 149 of the Income Tax Act. The purpose of the Centre is to recruit and refer volunteers to community organizations, provide training and consultation in volunteer and not-for-profit management and promote volunteerism in the community.

NOTE 2 **SIGNIFICANT ACCOUNTING POLICIES**

Current changes in significant accounting policies

The Canadian Institute of Chartered Accountants – Accounting Standards Board ("AcSB") has issued the following accounting standards that will apply to the Centre's current year financial statements.

Section 1535 - Capital Disclosures. Under this new standard, the Centre is required to disclose both qualitative and quantitative information that enables users of the financial statements to evaluate the Centre's objectives, policies and processes for managing capital. It also includes disclosure regarding what the Centre regards as capital, whether the Centre has complied with any external requirements and in the event of non-compliance, the consequences of not complying with these capital requirements.

Section 3064 - Goodwill and Intangible Assets. This section establishes standards for the recognition, measurement, presentation and disclosure of intangible assets. Standards relating to goodwill are unchanged from those included in section 3062. This section replaces section 3062-Goodwill and Other Intangible Assets and section 3450-Research and Development Costs.

Section 4470 - Disclosure of Allocated Expenses by Not-For-Profit Organizations. This section establishes disclosure standards for a not-for-profit organization that classifies its expenses by function and allocated its expenses to a number of functions to which the expenses relate.

Adoption of the above standards have not had a material impact on the Centre's financial statements.

Short-Term Deposits

Short-term deposits are classified as held-for-trading and are comprised of term deposits whose cost approximates their fair market value.

Equipment

Purchased equipment is recorded at cost. Contributed equipment is recorded at the fair value on the date of contribution. Amortization has been recorded on a straight-line basis over the assets' estimated useful lives as follows:

Computer equipment	3 years
Furniture and fixtures	5 years

Revenue Recognition

The Centre follows the deferral method of accounting for contributions.

Contributions which do not have externally imposed restrictions with respect to their use are reported as revenue in the period in which they are received, or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. The Board of Directors may from time to time set aside portions of these unrestricted contributions for specific purposes. These internally restricted contributions are included in revenue and subsequently set aside as internally restricted net assets.

Contributions received whose use is restricted by donor, statute or some other externally imposed conditions, are reported as deferred contributions related to operations and are recognized as revenue in the period in which the restrictions are fulfilled.

Endowment contributions are recognized as direct increases in net assets.

Membership fees and workshop fees are recognized in revenue when earned.

Unrealized gains and losses on available-for-sale financial assets are included directly in net assets or deferred contributions as appropriate, until the asset is removed from the statement of financial position. Unrealized gains and losses on held-for-trading financial assets are included in investment income and recognized as revenue in the statement of operations, deferred or reported directly in net assets, depending on the nature of any external restrictions imposed on the investment income. Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Other unrestricted investment income is recognized as revenue when earned.

Use of Estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are recorded in the Statement of Operations in the period in which they become known.

Contributed Services

Due to the difficulty of determining their value, the Centre does not record the value of contributed services in the financial statements.

Financial Instruments

The Centre indicates when and at what amount a financial instrument has to be recorded in the balance sheet as well as the disclosure of gains or losses in the financial statements. Financial assets available for sale, financial assets or liabilities held for trading and derivatives, designated or not as a hedge, have to be valued at their fair value.

NOTE 3

RESTRICTED CASH

The use of some of the Centre's cash is restricted pursuant to the Casino Licence agreement, in accordance with the provisions of the Gaming and Liquor Act (Alberta). The Centre is permitted to use these funds for administration, promotional activities, printing, rent of premises and to purchase equipment. Under the license agreement, the Centre is expected to use these funds within 24 months of their receipt, which is November 7, 2010.

NOTE 4

ENDOWMENT FUND

The Volunteer Centre of Calgary Endowment Fund ("Fund") was established under agreement with The Calgary Foundation ("Foundation"). Under the terms of the agreement, the Foundation retains all endowment contributions to the fund in perpetuity, the Centre is entitled to annual income distributions and the Foundation is permitted to charge for its expenses to administer the fund. During the year, the Fund received contributions of \$0 (2008 - \$0) and had earnings (loss) of \$14,377 (2008 - (\$13,557)), from which the Centre received income distributions in the amount of \$3,398 (2008 - \$4,380) and the Foundation charged administration fees in the amount of \$912 (2008 - \$1,048).

NOTE 5 **EQUIPMENT**

	2009			2008
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 176,174	\$ 164,741	\$ 11,433	\$ 12,155
Furniture and fixtures	72,560	54,768	17,792	17,870
	\$ 248,734	\$ 219,509	\$ 29,225	\$ 30,025

NOTE 6 **DEFERRED CONTRIBUTIONS RELATED TO OPERATIONS**

Deferred contributions related to operations consist of unspent resources, the use of which is restricted by the donor, statute or some other externally imposed conditions as described in Note 2. These contributions will be brought into income in the period in which the restrictions are fulfilled. The deferred contributions related to operations consists of the following:

	2009	2008
Information Technology project	\$ 62,632	\$ 75,000
Rural Initiative	50,000	20,000
Awards event sponsorship	50,000	40,000
Board Match program	50,000	-
Family and Community Support Services	49,255	48,290
Leadership Calgary program	40,000	-
Casino program	31,819	94,488
Sector Leadership	30,000	-
Strategic Volunteer Engagement program funding	23,333	-
Youth Volunteerism program funding	10,000	26,500
Employee Volunteerism program funding	10,000	-
Member Capacity Building	10,000	-
Social Marketing program	9,500	30,508
Library program	8,750	15,750
Ethno-cultural program funding	8,000	7,609
55 th Anniversary Celebrations	5,000	-
Integrated Human Resources funding	-	5,000
Martha Parker bursaries	-	2,520
	\$ 448,289	\$ 365,665

NOTE 7 DEFERRED CONTRIBUTIONS RELATED TO EQUIPMENT

Restricted contributions received to purchase equipment are deferred and brought into income as the related assets are amortized. During 2009, the Centre purchased computer equipment and furniture with a fair value of \$22,744 of which \$6,230 was purchased using restricted grant funds, and \$16,514 using unrestricted funds.

During 2008, the Centre purchased computer equipment with a fair value of \$5,360 of which \$3,868 was purchased using restricted casino funds, and \$1,492 using unrestricted funds.

	<u>2009</u>	<u>2008</u>
Balance, Beginning of year	\$ 24,641	\$ 43,190
Add: Restricted contributions for purchases of equipment	6,230	3,868
Less: Amounts amortized into revenue	<u>(15,248)</u>	<u>(22,417)</u>
Balance, End of year	<u>\$ 15,623</u>	<u>\$ 24,641</u>

NOTE 8 INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets consist of amounts restricted by the board of directors for the following purposes:

	<u>2009</u>	<u>2008</u>
Stabilization	<u>\$ 1,084,626</u>	<u>\$ 971,454</u>

Pursuant to a resolution adopted by the Board of Directors, a restricted stabilization fund has been established for the purpose of protecting budgeted services against adverse changes in revenues or expenses. Unrestricted net assets at the end of the year are set aside for allocation to the stabilization fund until the fund reaches a balance that is equivalent to one year's operating expenses. The anticipated annual operating expenses for 2010 are \$1,917,000. The stabilization fund does not include any monies from Family and Community Support Services, the United Way or donations the use of which have been restricted by the donor.

NOTE 9 COMMITMENTS

The Centre has annual lease and operating expense commitments for its office premises and its library under leases expiring in March 2013 as follows:

2010	\$	172,059
2011	\$	177,045
2012	\$	190,645
2013	\$	48,794
2014	\$	-

In addition the Centre has a commitment of \$837 per quarter until October 31, 2011 for mailing equipment, and a commitment of \$1,115 per quarter until March 26, 2011 for printing equipment.

NOTE 10 CAPITAL DISCLOSURES

The Centre receives its principle source of capital through provincial funding, corporate sponsors and fundraising and administrative activities performed. The Centre defines capital to be net assets. In carrying out its purpose, the Centre regularly distributes its capital through administration of services provided and through program commitments.

The Centre is not subject to debt covenants or any other capital requirements with respect to operating funding. Funding received for designated purposes must be used for the purpose outlined by the funding party. The Centre has complied with the external restrictions on any external funding provided.

NOTE 11 DISBURSEMENT QUOTA

Pursuant to Canada Revenue Agency regulations, all registered charitable organizations must spend a minimum amount on their charitable programs, including gifts to qualified donees. The purpose of the disbursement quota is to ensure that most of the charity's funds are used to further its charitable purposes and activities, to discourage charities from accumulating excessive funds and to keep other expenses at a reasonable level. At December 31, 2009, the Centre had met its disbursement quota for the year.

NOTE 12 FINANCIAL INSTRUMENTS

The Centre's financial instruments consist of cash and short term deposits, restricted cash, contributions receivable, endowment fund and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying value unless otherwise noted. Management does not believe that the Centre is exposed to significant interest, currency or credit risk.

NOTE 13 SOLICITATION OF CONTRIBUTIONS

The expenses incurred for the purpose of soliciting contributions were \$120,748. This total includes \$90,485 which was paid as remuneration to various employees of the organization whose duties involve fundraising.