

VOLUNTEER CENTRE OF CALGARY

AUDITORS' REPORT AND FINANCIAL STATEMENTS

DECEMBER 31, 2010

VOLUNTEER CENTRE OF CALGARY
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DECEMBER 31, 2010

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Volunteer Centre of Calgary

Report on the Financial Statements

We have audited the accompanying financial statements of Volunteer Centre of Calgary, which comprise the statement of financial position as at December 31, 2010, and the statements of operations, changes in net assets 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.

Basis for Qualified Opinion

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 and excess of revenues over expenses.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph the financial statements present fairly, in all material respects, the financial position of Volunteer Centre of Calgary as at December 31, 2010 and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



CHARTERED ACCOUNTANTS

Calgary, Alberta
February 15, 2011

VOLUNTEER CENTRE OF CALGARY
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2010

	2010	2009
ASSETS		
CURRENT		
Cash and short term deposits	\$ 1,349,320	\$ 1,500,335
Restricted cash - Note 3	45,115	30,439
Contributions receivable	33,742	24,200
Prepaid expenses	<u>31,985</u>	<u>39,480</u>
	1,460,162	1,595,454
ENDOWMENT FUND - Note 4	81,627	80,177
EQUIPMENT - Note 5	43,861	29,225
TOTAL ASSETS	\$ 1,585,650	\$ 1,703,856
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 64,285	\$ 43,321
Prepaid membership fees	25,232	18,218
Deferred contributions related to operations- Note 6	<u>266,864</u>	<u>448,289</u>
	356,381	509,828
DEFERRED CONTRIBUTIONS RELATED TO EQUIPMENT- Note 7	<u>23,052</u>	<u>15,623</u>
	379,433	525,451
NET ASSETS		
INVESTED IN EQUIPMENT	20,810	13,602
INTERNALLY RESTRICTED NET ASSETS - Note 8	1,103,780	1,084,626
ENDOWMENT FUND - Note 4	<u>81,627</u>	<u>80,177</u>
	1,206,217	1,178,405
TOTAL LIABILITIES AND NET ASSETS	\$ 1,585,650	\$ 1,703,856

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, 2010

	Invested in Equipment	Internally Restricted	Endowment Fund	Total 2010	Total 2009
BALANCE - Beginning of year	\$ 13,602	\$ 1,084,626	\$ 80,177	\$ 1,178,405	\$ 1,046,948
EXCESS OF REVENUES OVER EXPENSES	-	26,362	-	26,362	121,390
NET INVESTMENT IN EQUIPMENT	7,208	(7,208)	-	-	-
NET ENDOWMENT CONTRIBUTION -- Note 4	-	-	1,450	1,450	10,067
BALANCE - End of year	\$ 20,810	\$ 1,103,780	\$ 81,627	\$ 1,206,217	\$ 1,178,405

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

VOLUNTEER CENTRE OF CALGARY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2010

	2010	2009
REVENUES		
Donations	\$ 799,815	\$ 729,030
United Way of Calgary	479,259	409,259
Family and Community Support Services	197,021	212,021
Workshop and seminar fees	113,764	102,760
Ticket sales	62,668	50,463
Casino	50,228	62,669
Government grants	46,659	128,262
Agency and membership fees	41,679	47,360
Amortization of contributions related to equipment	16,399	15,248
Interest and other income	13,670	12,081
Material sales	13,127	13,819
Contracted Services and project management fees	9,979	14,250
	<u>1,844,268</u>	<u>1,797,222</u>
EXPENSES		
Salaries and benefits	1,132,826	1,028,095
Rent	158,761	163,186
Contracted services	108,944	99,809
Promotion and publicity	82,265	70,717
Event costs	72,377	66,068
General office expense	72,131	78,407
Workshop expense	38,909	33,781
Travel	30,024	37,227
Training and development	29,949	18,404
Amortization	27,408	23,544
Telephone and utilities	14,512	13,496
GST expense	14,433	13,707
Program supplies	11,298	5,582
Postage and courier	10,016	11,179
Periodicals and reference materials	8,979	10,239
Equipment and maintenance	5,074	2,391
	<u>1,817,906</u>	<u>1,675,832</u>
EXCESS OF REVENUES OVER EXPENSES	\$ 26,362	\$ 121,390

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, 2010

	2010	2009
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES:		
Excess of revenues over expenses for the year	\$ 26,362	\$ 121,390
Items not affecting cash		
Amortization of equipment	27,408	23,544
Amortization of contributions related to equipment	<u>(16,399)</u>	<u>(15,248)</u>
	37,371	129,686
Net change in non-cash working capital balances		
Contributions receivable	(9,542)	(2,911)
Prepaid expenses	7,495	(21,007)
Accounts payable and accrued liabilities	20,964	(52,772)
Prepaid membership fees	7,014	(2,763)
Deferred contributions related to operations	<u>(181,425)</u>	<u>82,624</u>
	(118,123)	132,857
FINANCING ACTIVITY:		
Contributions of equipment	23,828	6,230
INVESTING ACTIVITY:		
Purchase of equipment	(42,044)	(22,744)
(DECREASE) INCREASE IN CASH	(136,339)	116,343
CASH AND SHORT TERM DEPOSITS - Beginning of year	1,530,774	1,414,431
CASH AND SHORT TERM DEPOSITS - End of year	\$ 1,394,435	\$ 1,530,774
CASH AND SHORT TERM DEPOSITS CONSISTS OF THE FOLLOWING:		
Cash	\$ 207,626	\$ 365,398
Short term deposits	1,141,694	1,134,937
Restricted cash	<u>45,115</u>	<u>30,439</u>
	\$ 1,394,435	\$ 1,530,774

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

VOLUNTEER CENTRE OF CALGARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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**

Future changes in accounting standards

The Accounting Standards Board ("AcSB") has decided to transition Canadian generally accepted accounting principles ("GAAP") for publicly accountable entities to International Financial Reporting Standards effective for year ends beginning on or after January 1, 2011. The Centre is currently classified as a non-profit organization. In March 2010, the AcSB issued the exposure draft for Accounting Standards for Non-Profit Organizations with mandatory adoption for year ends beginning on or after January 1, 2012. The Centre is in the process of reviewing the impact of these options on its reporting framework and 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.

VOLUNTEER CENTRE OF CALGARY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2010

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 May 10, 2012.

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 (2009 - \$0) and had earnings of \$6,500 (2009 - (\$14,377)), from which the Centre received income distributions in the amount of \$4,064 (2009 - \$3,398) and the Foundation charged administration fees in the amount of \$986 (2009 - \$912).

NOTE 5 **EQUIPMENT**

	2010		2009	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 211,061	\$ 182,980	\$ 28,081	\$ 11,433
Furniture and fixtures	79,717	63,937	15,780	17,792
	\$ 290,778	\$ 246,917	\$ 43,861	\$ 29,225

VOLUNTEER CENTRE OF CALGARY
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 FOR THE YEAR ENDED DECEMBER 31, 2010

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:

	<u>2010</u>	<u>2009</u>
Leadership Calgary program	\$ 77,500	\$ 40,000
Awards event sponsorship	65,000	50,000
Family and Community Support Services	49,255	49,255
Casino program	46,359	31,819
Employee Volunteerism program funding	15,000	10,000
Library program	8,750	8,750
Member Capacity Building	5,000	10,000
Information Technology project	-	62,632
Rural Initiative	-	50,000
Board Match program	-	50,000
Sector Leadership	-	30,000
Strategic Volunteer Engagement program funding	-	23,333
Youth Volunteerism program funding	-	10,000
Social Marketing program	-	9,500
Ethno-cultural program funding	-	8,000
55 th Anniversary Celebrations	-	5,000
	<u>\$ 266,864</u>	<u>\$ 448,289</u>

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 2010, the Centre purchased computer equipment and furniture with a fair value of \$42,044 of which \$23,828 was purchased using restricted grant funds, and \$18,216 using unrestricted funds.

During 2009, the Centre purchased computer equipment and furniture with a fair value of \$22,744 of which \$6,230 was purchased using restricted casino funds, and \$16,514 using unrestricted funds.

	<u>2010</u>	<u>2009</u>
Balance, Beginning of year	\$ 15,623	\$ 24,641
Add: Restricted contributions for purchases of equipment	23,828	6,230
Less: Amounts amortized into revenue	<u>(16,399)</u>	<u>(15,248)</u>
Balance, End of year	<u>\$ 23,052</u>	<u>\$ 15,623</u>

VOLUNTEER CENTRE OF CALGARY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 8 INTERNALLY RESTRICTED NET ASSETS

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

	<u>2010</u>	<u>2009</u>
Stabilization	\$ <u>1,103,780</u>	\$ <u>1,084,626</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 2011 are \$1,930,000. 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 31 2019 with annual commitment of \$152,168.

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 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 \$77,116 (2009 - \$120,748). This total includes \$68,808 (2009 - \$90,485) which was paid as remuneration to various employees of the organization whose duties involve fundraising.