

VOLUNTEER CENTRE OF CALGARY

AUDITORS' REPORT AND FINANCIAL STATEMENTS

DECEMBER 31, 2007

VOLUNTEER CENTRE OF CALGARY
INDEX TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

	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, 2007 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, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chittick Howden Hoglin LLP

CHARTERED ACCOUNTANTS

Calgary, Alberta
January 24, 2008

VOLUNTEER CENTRE OF CALGARY
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2007

	2007	2006
ASSETS		
CURRENT		
Cash and short term deposits	\$ 1,145,691	\$ 1,011,517
Restricted cash - Note 3	78,248	31,647
Contributions receivable	33,697	96,056
Prepaid expenses	18,352	20,009
Inventory	<u>731</u>	<u>1,229</u>
	1,276,719	1,160,458
ENDOWMENT FUND - Note 4	89,095	93,910
EQUIPMENT - Note 5	52,674	41,290
TOTAL ASSETS	\$ 1,418,488	\$ 1,295,658
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 73,415	\$ 56,565
Prepaid membership fees	6,550	11,435
Deferred contributions related to operations- Note 6	<u>334,126</u>	<u>429,707</u>
	414,091	497,707
DEFERRED CONTRIBUTIONS RELATED TO EQUIPMENT- Note 7	<u>43,190</u>	<u>30,465</u>
	457,281	528,172
NET ASSETS		
INVESTED IN EQUIPMENT	9,485	10,825
INTERNALLY RESTRICTED NET ASSETS - Note 8	862,627	662,751
ENDOWMENT FUND - Note 4	<u>89,095</u>	<u>93,910</u>
	961,207	767,486
TOTAL LIABILITIES AND NET ASSETS	\$ 1,418,488	\$ 1,295,658

COMMITMENT - 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, 2007

		Invested in Equipment	Internally Restricted	Endowment Fund	Total 2007	Total 2006
BALANCE - Beginning of year	\$	10,825 \$	662,751 \$	93,910 \$	767,486 \$	660,759
EXCESS OF REVENUES OVER EXPENSES		-	198,536	-	198,536	102,478
NET INVESTMENT IN EQUIPMENT		(1,340)	1,340	-	-	-
NET ENDOWMENT CONTRIBUTION - Note 4		-	-	(4,815)	(4,815)	4,249
BALANCE - End of year	\$	9,485 \$	862,627 \$	89,095 \$	961,207 \$	767,486

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

VOLUNTEER CENTRE OF CALGARY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2007

	2007	2006
REVENUES		
Donations	\$ 904,869	\$ 722,789
United Way of Calgary	574,437	504,237
Family and Community Support Services	186,626	182,966
Workshop and seminar fees	103,432	90,992
Government grants	74,633	28,008
Agency and membership fees	64,963	71,271
Ticket sales	56,496	45,414
Interest and other income	44,994	36,334
Amortization of contributions related to equipment	31,260	24,851
Contracted Services and project management fees	29,171	-
Material sales	14,647	13,065
Casino	<u>11,305</u>	<u>42,068</u>
	2,096,833	1,761,995
EXPENSES		
Salaries and benefits	1,177,738	1,075,304
Contracted services	135,998	116,952
Rent	112,743	110,201
Promotion and publicity	111,102	54,350
General office expense	88,510	75,518
Event costs	54,575	50,465
Amortization	39,811	34,948
Workshop expense	37,935	27,749
Travel	36,231	22,723
Training and development	20,541	18,603
GST expense	17,607	15,157
Postage and courier	15,330	10,226
Telephone and utilities	11,726	10,940
Equipment and maintenance	11,754	3,483
Program supplies	11,015	8,623
Periodicals and reference materials	10,148	13,640
Cost of materials sold	<u>5,533</u>	<u>10,635</u>
	1,898,297	1,659,517
EXCESS OF REVENUES OVER EXPENSES	\$ 198,536	\$ 102,478

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, 2007

	2007	2006
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES:		
Excess of revenues over expenses for the year	\$ 198,536	\$ 102,478
Items not affecting cash		
Amortization of equipment	39,811	34,948
Amortization of contributions related to equipment	<u>(31,260)</u>	<u>(24,851)</u>
	207,087	112,575
Net change in non-cash working capital balances		
Contributions receivable	62,359	(39,692)
Inventory	498	9,688
Prepaid expenses	1,657	4,518
Accounts payable and accrued liabilities	16,850	29,357
Prepaid membership fees	(4,885)	5,625
Deferred contributions related to operations	<u>(95,581)</u>	<u>(51,614)</u>
	187,985	70,457
FINANCING ACTIVITY:		
Contributions of equipment	43,985	22,998
INVESTING ACTIVITY:		
Purchase of equipment	(51,195)	(33,059)
INCREASE IN CASH	180,775	60,396
CASH AND SHORT TERM DEPOSITS - Beginning of year	1,043,164	982,768
CASH AND SHORT TERM DEPOSITS - End of year	\$ 1,223,939	\$ 1,043,164
CASH AND SHORT TERM DEPOSITS CONSISTS OF THE FOLLOWING:		
Cash	\$ 143,734	\$ 271,440
Short term deposits	1,001,957	740,077
Restricted cash	<u>78,248</u>	<u>31,647</u>
	\$ 1,223,939	\$ 1,043,164

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, 2007

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**

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.

Inventory

Inventory is stated at the lower of cost and net realizable value. Cost is determined on an average cost basis.

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
 FOR THE YEAR ENDED DECEMBER 31, 2007

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

In April 2005, the Accounting Standards Board issued new Handbook sections on financial instruments, Section 3855 and Section 4400. Section 3855 Financial Instruments – Recognition and Measurement addresses when financial instruments should be recognized and how they should be measured. Section 4400 Financial Statement Presentation by Not-for-Profit Entities provides standards for how financial instruments should be classified on financial statements and the disclosure requirements. The Association has adopted both of the sections for the fiscal year ended December 31, 2007. The adoption of these new sections had no effect on the Associations statement of financial position, changes in net assets and statement of revenues over expenditures.

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 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 16, 2009.

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 \$400 (2006 - \$500) and had earnings of \$722 (2006 - \$9,508), from which the Centre received income distributions in the amount of \$4,770 (2006 - \$4,627) and the Foundation charged administration fees in the amount of \$1,167 (2006 - \$1,132).

NOTE 5

EQUIPMENT

	2007		2006	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 156,344	\$ 129,816	\$ 26,528	\$ 28,825
Furniture and fixtures	64,286	38,140	26,146	12,465
	<u>\$ 220,630</u>	<u>\$ 167,956</u>	<u>\$ 52,674</u>	<u>\$ 41,290</u>

VOLUNTEER CENTRE OF CALGARY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2007

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>2007</u>	<u>2006</u>
Casino program	\$ 77,725	\$ 36,267
Library program	58,560	-
Family and Community Support Services	46,199	45,742
Board Match program	45,000	60,000
Awards event sponsorship	40,000	-
Social Marketing program	29,988	90,000
Training Program	25,000	-
Martha Parker bursaries	7,228	8,528
Rural Initiative	4,426	-
Community Outreach program	-	44,182
Highly Skilled Volunteer program	-	34,988
Ethno-cultural program funding	-	25,000
Volunteer Program Cultural Diversity funding	-	25,000
Youth Volunteerism program funding	-	25,000
Leadership Calgary sponsorships, bursaries and course deposits	-	15,000
Employee Volunteerism program	-	10,000
Mary and Bruce Dunlop bursaries	-	10,000
	<u>\$ 334,126</u>	<u>\$ 429,707</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 2007, the Centre purchased computer equipment and furniture with a fair value of \$51,195, of which \$2,470 was purchased using restricted grant funds and donations, \$41,515 using restricted casino funds, and \$7,212 using unrestricted funds.

During 2006, the Centre purchased computer equipment with a fair value of \$28,093 of which \$6,794 was purchased using restricted grant funds and donations, \$16,204 using restricted casino funds, and \$5,095 using unrestricted funds. In addition, during 2006 the Centre purchased furniture and fixtures with fair value of \$4,966 using unrestricted funds.

	<u>2007</u>	<u>2006</u>
Balance, Beginning of year	\$ 30,465	\$ 32,318
Add: Restricted contributions for purchases of equipment	43,985	22,998
Less: Amounts amortized into revenue	<u>(31,260)</u>	<u>(24,851)</u>
Balance, End of year	<u>\$ 43,190</u>	<u>\$ 30,465</u>

VOLUNTEER CENTRE OF CALGARY
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 8 **INTERNALLY RESTRICTED NET ASSETS**

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

	<u>2007</u>	<u>2006</u>
Stabilization	\$ 862,627	\$ 636,851
Training	-	5,000
Web Technology	-	20,900
	<u>\$ 862,627</u>	<u>\$ 662,751</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 2008 are \$2,050,000. 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.

During 2006, the board also restricted undesignated funds to be expended in 2007 for purposes of staff training and enhancements to the agency's web technology. The Web Technology funds were spent in 2007 and the Training funds were moved back into the general stabilization fund in November, 2007 pursuant to a Board resolution.

NOTE 9 **COMMITMENTS**

The Centre has annual lease and operating expenses commitments for its office premises under a lease expiring in March 2008 and a new lease expiring in March 2013 as follows:

2008	\$ 153,346
2009	\$ 164,292
2010	\$ 179,251
2011	\$ 184,238
2012	\$ 197,837

In addition the Centre has an annual commitment of \$10,000 for the next year for use of certain software, a monthly commitment of \$837 per month until October 31, 2011 for mailing equipment, and a monthly commitment of \$602 per month until Feb 25, 2008 for printing equipment.

NOTE 10 **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, 2007, the Centre had met its disbursement quota for the year.

VOLUNTEER CENTRE OF CALGARY
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2007

NOTE 11 **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 12 **COMPARATIVE FIGURES**

Certain other comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.