

VOLUNTEER CENTRE OF CALGARY

AUDITORS' REPORT AND FINANCIAL STATEMENTS

DECEMBER 31, 2008

VOLUNTEER CENTRE OF CALGARY
INDEX TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008

	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, 2008 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, 2008 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 28, 2009

VOLUNTEER CENTRE OF CALGARY
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2008

	2008	2007
ASSETS		
CURRENT		
Cash and short term deposits	\$ 1,328,552	\$ 1,145,691
Restricted cash - Note 3	85,879	78,248
Contributions receivable	21,289	33,697
Prepaid expenses	18,473	18,352
Inventory	<u>-</u>	<u>731</u>
	1,454,193	1,276,719
ENDOWMENT FUND - Note 4	70,110	89,095
EQUIPMENT - Note 5	30,025	52,674
TOTAL ASSETS	\$ 1,554,328	\$ 1,418,488
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 96,093	\$ 73,415
Prepaid membership fees	20,981	6,550
Deferred contributions related to operations- Note 6	<u>365,665</u>	<u>334,126</u>
	482,739	414,091
DEFERRED CONTRIBUTIONS RELATED TO EQUIPMENT- Note 7	<u>24,641</u>	<u>43,190</u>
	507,380	457,281
NET ASSETS		
INVESTED IN EQUIPMENT	5,384	9,485
INTERNALLY RESTRICTED NET ASSETS - Note 8	971,454	862,627
ENDOWMENT FUND - Note 4	<u>70,110</u>	<u>89,095</u>
	1,046,948	961,207
TOTAL LIABILITIES AND NET ASSETS	\$ 1,554,328	\$ 1,418,488

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, 2008

	Invested in Equipment	Internally Restricted	Endowment Fund	Total 2008	Total 2007
BALANCE - Beginning of year	\$ 9,485	\$ 862,627	\$ 89,095	\$ 961,207	\$ 767,486
EXCESS OF REVENUES OVER EXPENSES	-	104,726	-	104,725	198,536
NET INVESTMENT IN EQUIPMENT	(4,101)	4,101	-	-	-
NET ENDOWMENT CONTRIBUTION – Note 4	-	-	(18,985)	(18,985)	(4,815)
BALANCE - End of year	\$ 5,384	\$ 971,454	\$ 70,110	\$ 1,046,948	\$ 961,207

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

VOLUNTEER CENTRE OF CALGARY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2008

	2008	2007
REVENUES		
Donations	\$ 773,432	\$ 904,869
United Way of Calgary	552,809	574,437
Family and Community Support Services	208,158	186,626
Workshop and seminar fees	125,835	103,432
Government grants	102,533	74,633
Ticket sales	61,452	56,496
Casino	56,965	11,305
Agency and membership fees	44,990	64,963
Interest and other income	39,448	44,994
Contracted Services and project management fees	32,202	29,171
Amortization of contributions related to equipment	22,417	31,260
Material sales	16,896	14,647
	<u>2,037,137</u>	<u>2,096,833</u>
EXPENSES		
Salaries and benefits	1,208,502	1,177,738
Rent	143,753	112,743
Promotion and publicity	115,089	111,102
Contracted services	87,910	135,998
General office expense	78,552	88,510
Workshop expense	78,340	37,935
Event costs	66,059	54,575
Travel	40,214	36,231
Amortization	28,009	39,811
Training and development	23,510	20,541
GST expense	14,739	17,607
Telephone and utilities	11,990	11,726
Periodicals and reference materials	11,980	10,148
Postage and courier	10,719	15,330
Program supplies	5,909	11,015
Cost of materials sold	3,682	5,533
Equipment and maintenance	3,454	11,754
	<u>1,932,411</u>	<u>1,898,297</u>
EXCESS OF REVENUES OVER EXPENSES	\$ 104,726	\$ 198,536

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, 2008

	2008	2007
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES:		
Excess of revenues over expenses for the year	\$ 104,726	\$ 198,536
Items not affecting cash		
Amortization of equipment	28,009	39,811
Amortization of contributions related to equipment	<u>(22,417)</u>	<u>(31,260)</u>
	110,318	207,087
Net change in non-cash working capital balances		
Contributions receivable	12,408	62,359
Inventory	731	498
Prepaid expenses	(121)	1,657
Accounts payable and accrued liabilities	22,678	16,850
Prepaid membership fees	14,431	(4,885)
Deferred contributions related to operations	<u>31,539</u>	<u>(95,581)</u>
	191,984	187,985
FINANCING ACTIVITY:		
Contributions of equipment	3,868	43,985
INVESTING ACTIVITY:		
Purchase of equipment	(5,360)	(51,195)
INCREASE IN CASH	190,492	180,775
CASH AND SHORT TERM DEPOSITS - Beginning of year	1,223,939	1,043,164
CASH AND SHORT TERM DEPOSITS - End of year	\$ 1,414,431	\$ 1,223,939
CASH AND SHORT TERM DEPOSITS CONSISTS OF THE FOLLOWING:		
Cash	\$ 298,452	\$ 143,734
Short term deposits	1,030,100	1,001,957
Restricted cash	<u>85,879</u>	<u>78,248</u>
	\$ 1,414,431	\$ 1,223,939

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

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 following accounting standard has been issued by the CICA and effects the Centre's current year financial statements.

Section 1400-General Standards of Financial Statement Presentation. This section now includes requirements to assess and disclose the Centre's ability to continue as a going concern.

Future changes in significant accounting policies

The following accounting standard has been issued by the CICA but is not yet effective. The Centre is currently evaluating the effect of adopting this standard on their financial statements.

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 is effective for years beginning on or after January 1, 2009, and replaces section 3062-Goodwill and Other Intangible Assets and section 3450-Research and Development Costs.

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.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2008

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 adopted the new requirements of the CICA Handbook relating to the recognition and measurement of financial instruments. This section 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 16, 2009 (\$8,186) and November 7, 2010 (\$77,693).

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 (2007 - \$400) and had a (loss) earnings of \$(13,557) (2007 - \$722), from which the Centre received income distributions in the amount of \$4,380 (2007 - \$4,770) and the Foundation charged administration fees in the amount of \$1,048 (2007 - \$1,167).

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED DECEMBER 31, 2008

NOTE 5 **EQUIPMENT**

	<u>2008</u>		<u>2007</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer equipment	\$ 161,704	\$ 149,549	\$ 12,155	\$ 26,528
Furniture and fixtures	64,286	46,416	17,870	26,146
	<u>\$ 225,990</u>	<u>\$ 195,965</u>	<u>\$ 30,025</u>	<u>\$ 52,674</u>

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>2008</u>	<u>2007</u>
Casino program	\$ 94,488	\$ 77,725
Information Technology project	75,000	-
Rural Initiative	20,000	4,426
Family and Community Support Services	48,290	46,199
Awards event sponsorship	40,000	40,000
Social Marketing program	30,508	29,988
Youth Volunteerism program funding	26,500	-
Library program	15,750	58,560
Ethno-cultural program funding	7,609	-
Integrated Human Resources funding	5,000	-
Martha Parker bursaries	2,520	7,228
Board Match program	-	45,000
Training Program	-	25,000
	<u>\$ 365,665</u>	<u>\$ 334,126</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2008

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 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.

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 \$7,210 using unrestricted funds.

	<u>2008</u>	<u>2007</u>
Balance, Beginning of year	\$ 43,190	\$ 30,465
Add: Restricted contributions for purchases of equipment	3,868	43,985
Less: Amounts amortized into revenue	<u>(22,417)</u>	<u>(31,260)</u>
Balance, End of year	<u>\$ 24,641</u>	<u>\$ 43,190</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>2008</u>	<u>2007</u>
Stabilization	<u>\$ 971,454</u>	<u>\$ 862,627</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 2009 are \$1,997,000. 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:

2009	\$ 157,535
2010	\$ 172,494
2011	\$ 177,481
2012	\$ 191,080
2013	\$ 48,903

In addition the Centre has an annual commitment of \$7,500 for the next year for use of certain software, 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.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2008

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, 2008, the Centre had met its disbursement quota for the year.

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.