

**DISCOVERY HOUSE FAMILY VIOLENCE  
PREVENTION SOCIETY**

**FINANCIAL STATEMENTS**

**March 31, 2010**



**DISCOVERY HOUSE FAMILY VIOLENCE PREVENTION SOCIETY**  
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March 31, 2010

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AUDITORS' REPORT

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To the Members of Discovery House Family Violence Prevention Society

We have audited the statement of financial position of Discovery House Family Violence Prevention Society as at March 31, 2010 and the statements of operations and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Society's management. 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 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 our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2010 and the results of its operations, changes in fund balances, and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

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Partners

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Calgary, Alberta  
May 31, 2010

  
Certified General Accountants

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**DISCOVERY HOUSE FAMILY VIOLENCE PREVENTION SOCIETY**  
**STATEMENT OF OPERATIONS**  
For the Year Ended March 31, 2010


	2010				2009			
	Operating Fund	Endowment Fund (Note 6)	Building Fund	Total	Operating Fund	Endowment Fund (Note 6)	Building Fund	Total
<b>Revenue</b>								
Grants (Note 7)	\$ 1,343,859	\$ -	\$ -	\$ 1,343,859	\$ 1,299,253	\$ -	\$ -	\$ 1,299,253
Donations	571,309	-	655,502	1,226,811	427,452	1,214	131,029	559,695
Gaming - bingo, casino, and raffle (net)	21,910	-	-	21,910	57,312	-	-	57,312
Special events	78,244	-	-	78,244	69,319	-	78,300	147,619
Rent	172,053	-	-	172,053	115,815	-	-	115,815
Interest revenue	1,714	3,900	-	5,614	19,091	-	-	19,091
Amortization of deferred contributions	4,201	-	-	4,201	5,251	-	-	5,251
Other revenue	10,020	-	-	10,020	15,784	-	-	15,784
Housing First Project (Note 12)	616,940	-	-	616,940	95,620	-	-	95,620
	<b>2,820,250</b>	<b>3,900</b>	<b>655,502</b>	<b>3,479,652</b>	<b>2,104,897</b>	<b>1,214</b>	<b>209,329</b>	<b>2,315,440</b>
<b>Expenses</b>								
Salaries, benefits and training	1,246,407	-	-	1,246,407	1,181,463	-	-	1,181,463
Amortization	14,301	-	224,343	238,644	17,876	-	232,504	250,380
Office, utilities and general	158,845	-	-	158,845	181,256	-	-	181,256
Security	109,940	-	-	109,940	138,797	-	-	138,797
Special events	21,027	-	-	21,027	26,861	-	46,968	73,829
Professional fees	18,043	-	-	18,043	19,094	-	-	19,094
Educational bursaries	-	50,137	-	50,137	-	56,073	-	56,073
Insurance	31,366	-	-	31,366	34,540	-	-	34,540
Non-refundable GST	8,554	-	-	8,554	11,699	-	-	11,699
Program supplies/resource	30,016	-	-	30,016	21,754	-	-	21,754
Repairs and maintenance	35,347	-	-	35,347	71,680	-	-	71,680
Advertising	4,540	-	-	4,540	11,903	-	-	11,903
Travel	16,663	-	-	16,663	18,085	-	-	18,085
Staff training and appreciation	8,706	-	-	8,706	7,127	-	-	7,127
Community relations	13,212	-	-	13,212	-	-	-	-
Housing First Project (Note 12)	616,940	-	-	616,940	95,620	-	-	95,620
	<b>2,333,907</b>	<b>50,137</b>	<b>224,343</b>	<b>2,608,387</b>	<b>1,837,755</b>	<b>56,073</b>	<b>279,472</b>	<b>2,173,300</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 486,343</b>	<b>\$ (46,237)</b>	<b>\$ 431,159</b>	<b>\$ 871,265</b>	<b>\$ 267,142</b>	<b>\$ (54,859)</b>	<b>\$ (70,143)</b>	<b>\$ 142,140</b>

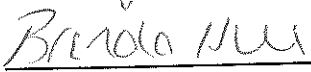


**DISCOVERY HOUSE FAMILY VIOLENCE PREVENTION SOCIETY**  
**STATEMENT OF FINANCIAL POSITION**  
**March 31, 2010**

	2010				2009			
	Operating Fund	Endowment Fund (Note 6)	Building Fund	Total	Operating Fund	Endowment Fund (Note 6)	Building Fund	Total
<b>Assets</b>								
<b>Current</b>								
Cash and cash equivalents	\$ 531,343	\$ -	\$ 204,588	\$ 735,931	\$ 459,677	\$ 48,848	\$ 100,880	\$ 609,405
Short term investments (Note 3)	1,260,753	122,611	251,794	1,635,158	1,255,644	-	250,000	1,505,644
Accounts receivable	11,491	-	-	11,491	262,862	-	-	262,862
Prepaid expenses	22,899	-	-	22,899	48,205	-	-	48,205
	<u>1,826,486</u>	<u>122,611</u>	<u>456,382</u>	<u>2,405,479</u>	<u>2,026,388</u>	<u>48,848</u>	<u>350,880</u>	<u>2,426,116</u>
Non-current investments	-	-	-	-	-	120,000	-	120,000
Property and equipment (Note 4)	57,203	-	4,759,513	4,816,716	71,504	-	4,433,856	4,505,360
	<u>\$ 1,883,689</u>	<u>\$ 122,611</u>	<u>\$ 5,215,895</u>	<u>\$ 7,222,195</u>	<u>\$ 2,097,892</u>	<u>\$ 168,848</u>	<u>\$ 4,784,736</u>	<u>\$ 7,051,476</u>
<b>Liabilities</b>								
<b>Current</b>								
Accounts payable and accruals	\$ 103,355	\$ -	\$ -	\$ 103,355	\$ 104,928	\$ -	\$ -	\$ 104,928
Unearned revenue	12,128	-	-	12,128	11,085	-	-	11,085
	<u>115,483</u>	<u>-</u>	<u>-</u>	<u>115,483</u>	<u>116,013</u>	<u>-</u>	<u>-</u>	<u>116,013</u>
Deferred contributions (Note 5)								
Related to operations	330,221	-	-	330,221	1,026,036	-	-	1,026,036
Related to property and equipment	16,802	-	-	16,802	21,003	-	-	21,003
	<u>347,023</u>	<u>-</u>	<u>-</u>	<u>347,023</u>	<u>1,047,039</u>	<u>-</u>	<u>-</u>	<u>1,047,039</u>
	<u>462,506</u>	<u>-</u>	<u>-</u>	<u>462,506</u>	<u>1,163,052</u>	<u>-</u>	<u>-</u>	<u>1,163,052</u>
<b>Fund Balances</b>								
Invested in property and equipment	40,322	-	-	40,322	50,422	-	-	50,422
Endowment fund (Note 6)	-	122,611	-	122,611	-	168,848	-	168,848
Unrestricted	1,380,861	-	-	1,380,861	884,418	-	-	884,418
Building fund	-	-	5,215,895	5,215,895	-	-	4,784,736	4,784,736
	<u>1,421,183</u>	<u>122,611</u>	<u>5,215,895</u>	<u>6,759,689</u>	<u>934,840</u>	<u>168,848</u>	<u>4,784,736</u>	<u>5,888,424</u>
	<u>\$ 1,883,689</u>	<u>\$ 122,611</u>	<u>\$ 5,215,895</u>	<u>\$ 7,222,195</u>	<u>\$ 2,097,892</u>	<u>\$ 168,848</u>	<u>\$ 4,784,736</u>	<u>\$ 7,051,476</u>

APPROVED ON BEHALF OF THE BOARD:

  
 \_\_\_\_\_, Chair  
 Lori Topp

  
 \_\_\_\_\_, Treasurer  
 Brenda Hill



**DISCOVERY HOUSE FAMILY VIOLENCE PREVENTION SOCIETY**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
For the Year Ended March 31, 2010

	Operating Fund				2010 Total	2009 Total
	Invested in Property and Equipment	Unrestricted	Endowment Fund (Note 6)	Building Fund		
Balance, beginning of the year	\$ 50,422	\$ 884,418	\$ 168,848	\$ 4,784,736	\$ 5,888,424	\$ 5,746,284
Excess (deficiency) of revenue over expenses	(10,100)	496,443	(46,237)	431,159	871,265	142,140
Balance, end of the year	\$ 40,322	\$ 1,380,861	\$ 122,611	\$ 5,215,895	\$ 6,759,689	\$ 5,888,424



**DISCOVERY HOUSE FAMILY VIOLENCE PREVENTION SOCIETY**  
**STATEMENT OF CASH FLOW**  
For the Year Ended March 31, 2010

	2010	2009
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenses	\$ 486,343	\$ 267,142
<i>Operating fund</i>	(46,237)	(54,859)
<i>Endowment fund</i>	431,159	(70,143)
<i>Building fund</i>	<u>871,265</u>	<u>142,140</u>
Items not affecting cash	238,644	250,380
Amortization	(4,201)	(5,251)
Amortization of deferred contributions related to property and equipment	(550,000)	-
Gift in kind of property		
Change in non-cash operating working capital	251,371	(171,220)
Accounts receivable	25,306	(27,051)
Prepaid expense	(1,573)	10,758
Accounts payable and accruals	1,043	9,133
Unearned revenue	(695,815)	705,211
Deferred contributions related to operations	<u>136,040</u>	<u>914,100</u>
<b>Financing activities</b>	(9,514)	(906,513)
Purchase of investments		
<b>Investing activities</b>	-	(11,854)
Purchase of property and equipment		
<b>Cash inflow (outflow)</b>	126,526	(4,267)
<b>Cash and cash equivalents, beginning of the year</b>	<u>609,405</u>	<u>613,672</u>
<b>Cash and cash equivalents, end of the year</b>	<u>\$ 735,931</u>	<u>\$ 609,405</u>



**DISCOVERY HOUSE FAMILY VIOLENCE PREVENTION SOCIETY**  
**NOTES TO THE AUDITED FINANCIAL STATEMENTS**  
For the Year Ended March 31, 2010

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**1. PURPOSE OF ORGANIZATION**

Discovery House Family Violence Prevention Society (the "Society") is a non-profit organization established under the Societies Act of Alberta. The purpose of the Society is to provide long-term shelter and support services to women and their children who are leaving abusive relationships. The Society is a registered charity under the Income Tax Act and therefore is exempt from the payment of income taxes.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles, and in management's opinion, have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

**a) Revenue Recognition**

The Society follows the restricted fund method of accounting for contributions. Contributions related to program delivery and administrative expenses are recognized as revenue of the operating fund in the year in which the related expenses are incurred. Contributions restricted for purposes related to the buildings or to the endowment are recognized as revenue in the applicable fund when received.

Unrestricted contributions are recognized as revenue of the operating fund in the year received or receivable if the amount to be received can be reasonably estimated and collection reasonably assured.

**b) Fund Accounting**

The operating fund accounts for the Society's program delivery and administrative activities. This fund reports unrestricted resources and restricted funds related to operations.

The building fund reports the assets, liabilities, receipts and disbursements related to buildings and related property and equipment.

The endowment fund reports the assets, liabilities, receipts and disbursements related to the endowment.

**c) Non-cash Donations**

Donations in kind are recorded at fair market value only when fair market value can be reasonably estimated and when the donated goods or services would otherwise have been purchased by the Society. Volunteers contribute countless hours each year to assist the Society in achieving its mission. Because of the difficulty of determining the fair value, contributed volunteer services are not recognized in these financial statements.

**d) Government Assistance**

The Society receives financial assistance from various government agencies and includes them in income in accordance with the Society's revenue recognition policies. The assistance provided is based on approved annual operating budgets prepared by management and submitted to various funding agencies. In any year that the Society has revenue in excess of expenditures for the programs funded, the Society may be required to refund the excess to the government agencies.

The amounts to be refunded (if any) are deducted from the excess of revenues over expenses in the statement of operations.

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**DISCOVERY HOUSE FAMILY VIOLENCE PREVENTION SOCIETY**  
**NOTES TO THE AUDITED FINANCIAL STATEMENTS**  
For the Year Ended March 31, 2010

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand and balances with banks. Bank borrowings are considered to be financing activities.

**f) Property and Equipment**

Property and equipment are recorded at cost. Amortization is calculated using the following methods and rates:

Building	5%	Declining balance
Furniture, fixtures and equipment	20%	Declining balance
Telephone system	20%	Declining balance

The Society performs impairment testing on property and equipment whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from use and disposal are less than the asset's carrying value. Any impairment loss is measured as the amount by which the carrying value exceeds the fair value and is charged to earnings.

**g) Financial Instruments**

The Society's financial instruments consist of cash and cash equivalents, guaranteed investment certificate's, accounts receivable, accounts payable and accruals, and a forgivable loan. Unless otherwise disclosed, it is management's opinion that the Society is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Financial assets are classified as trading and are carried at their fair value. Unrealized gains and losses on trading assets are recognized as part of the excess of revenue over expenses. Financial liabilities are carried at cost. The fair value of financial instruments reported is based on current interest rates, market values, and pricing of financial instruments with comparative terms.

The fair values of all financial instruments approximate their carrying values except as otherwise disclosed.

**h) Use of Estimates**

The preparation of the Society's financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

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**3. SHORT TERM INVESTMENTS**

In 2010, short term investments consisted of GIC investments with maturity beyond 90 days. The market value of the short term investments was \$1,635,158 on March 31, 2010, (2009: \$ 1,505,644).

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**DISCOVERY HOUSE FAMILY VIOLENCE PREVENTION SOCIETY**  
**NOTES TO THE AUDITED FINANCIAL STATEMENTS**  
For the Year Ended March 31, 2010

**4. PROPERTY AND EQUIPMENT**

	Cost		Accumulated Amortization		Net Book Value	
	2010	2009	2010	2009	2010	2009
<b><u>Operating Fund</u></b>						
Furniture, fixtures, and equipment	\$ 515,273	\$ 515,273	\$ 461,231	\$ 447,719	\$ 54,042	\$ 67,554
Telephone system	12,915	12,915	9,754	8,965	3,161	3,950
	<u>\$ 528,188</u>	<u>\$ 528,188</u>	<u>\$ 470,985</u>	<u>\$ 456,684</u>	<u>\$ 57,203</u>	<u>\$ 71,504</u>
<b><u>Building Fund</u></b>						
Land	\$ 435,000	\$ 220,000	\$ -	\$ -	\$ 435,000	\$ 220,000
Buildings	5,741,410	5,406,410	1,467,364	1,255,637	4,274,046	4,150,773
Furniture, fixtures, and equipment	175,223	175,223	124,756	112,140	50,467	63,083
	<u>\$ 6,351,633</u>	<u>\$ 5,801,633</u>	<u>\$ 1,592,120</u>	<u>\$ 1,367,777</u>	<u>\$ 4,759,513</u>	<u>\$ 4,433,856</u>
	<u>\$ 6,879,821</u>	<u>\$ 6,329,821</u>	<u>\$ 2,063,105</u>	<u>\$ 1,824,461</u>	<u>\$ 4,816,716</u>	<u>\$ 4,505,360</u>

**5. DEFERRED CONTRIBUTIONS**

**Related to Operations**

Deferred contributions reported relate to funding received in the current period for future period operations.

	2010	2009
City of Calgary Family and Community Support Services	\$ 87,933	\$ -
Calgary Herald Christmas Fund	85,341	109,403
Alberta Lotteries	74,715	77,500
Calgary Homeless Foundation - Housing First Project	73,921	615,776
Kelly Howe Foundation	8,311	10,511
Anonymous donor	-	130,000
Calgary Homeless Foundation	-	40,833
Alberta Gaming, casino receipts	-	22,361
Wild Rose Foundation	-	12,500
United Way	-	7,152
	<u>\$ 330,221</u>	<u>\$ 1,026,036</u>

**Related to Property and Equipment**

Deferred contributions related to property and equipment is made up of funding received for equipment purchases. The amount is recognized as revenue at the same rate as the property and equipment acquired is amortized in note 2.

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**DISCOVERY HOUSE FAMILY VIOLENCE PREVENTION SOCIETY**  
**NOTES TO THE AUDITED FINANCIAL STATEMENTS**  
For the Year Ended March 31, 2010

**5. DEFERRED CONTRIBUTIONS (continued)**

	2010	2009
Balance, beginning of the year	\$ 21,003	\$ 26,254
Amount added during the year	-	-
Amount utilized during the year	(4,201)	(5,251)
Balance, end of the year	<u>\$ 16,802</u>	<u>\$ 21,003</u>

**6. ENDOWMENT FUND - HANDS UP EDUCATIONAL BURSARY**

An endowment fund was established by an anonymous donor in 2008 to provide funding for the education of the Society's clients. The gift is due to a desire to make a difference in the lives of women who have experienced family violence by helping them obtain the necessary post secondary education to become self sufficient and achieve their full potential. The endowment will be built over a five year period to a goal of \$1,000,000. At that time the income from the fund will sustain the Bursary. Until the fund reaches its goal amount, up to \$50,000 can be drawn upon to fund the bursary each year.

The current fund balance of \$ 122,611 is invested in a guaranteed investment certificate bearing interest at 3.25% per annum and maturing on January 19, 2011.

**7. GRANTS**

<u>Operating Fund</u>	2010	2009
Alberta Children's Services Prevention of Family Violence and Bullying	\$ 621,300	\$ 554,121
City of Calgary Family and Community Support Services	362,255	370,991
United Way	118,368	141,449
Alberta Lotteries	77,500	46,500
Calgary and Area Child and Family Services Authority	62,144	59,554
Calgary Homeless Foundation	40,833	101,748
Canadian Womens Foundation	34,779	23,000
Alberta Culture and Community Spirit	25,000	-
Summer Temporary Employment Program	1,680	1,890
	<u>\$ 1,343,859</u>	<u>\$ 1,299,253</u>

**8. FINANCIAL INSTRUMENTS**

As disclosed in Note 2, the Society holds various forms of financial instruments. The nature of these instruments exposes the Society to interest rate risk and credit risk. Because the Society's accounts receivable are due primarily from the government credit risk is not significant.



**DISCOVERY HOUSE FAMILY VIOLENCE PREVENTION SOCIETY**  
**NOTES TO THE AUDITED FINANCIAL STATEMENTS**  
For the Year Ended March 31, 2010

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**9. COMMITMENTS**

The Society has entered into lease agreements for office equipment with monthly payments of \$1,531 required until August 2012.

Annual lease and service commitments for the following three years and in total are as follows:

2011	\$	18,372
2012		18,372
2013		<u>6,216</u>
	\$	42,960

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**10. CONTINGENT LIABILITIES**

In 2004, the Society received a forgivable loan of \$1,469,996 from Canada Mortgage and Housing Corporation ("CMHC"). The loan is non-interest bearing and is to be forgiven in equal annual principal amounts of \$98,000 until 2019 provided that the Society continues to own and use the property as a second stage women's shelter.

The loan is secured by a second charge on the building fund property and equipment and a general assignment of all present and future leases, grants, subsidies, contributions, revenues and receivables related to the property.

In accordance with generally accepted accounting principles, the full amount of the forgivable loan was recorded as government grant revenue in 2004 when the Society became entitled to receive it. At March 31, 2010, the amount not yet forgiven is \$ 881,992 (2009: \$ 979,992).

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**11. THE CHARITABLE FUND-RAISING ACT OF ALBERTA - REQUIRED DISCLOSURE**

A total amount of \$ Nil (2009: \$ Nil), was paid as remuneration to fund-raising businesses, including any expenses or fees paid by the Society to fund-raising businesses or as reimbursements to fund-raising businesses. \$ 70,018 was paid as remuneration to employees whose principal duties involve fund-raising (2009: \$ 64,336).

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**12. HOUSING FIRST PROJECT**

The Family Violence Housing First Case Management Pilot Project (Housing First Project), is a collaborative project being operated by the Society in partnership with Calgary Urban Projects Society. In the context of this project, the Society represents the Calgary Women's Shelter Directors Network (the Network), which includes the Calgary Women's Emergency Shelter, YMCA Sheriff King Home, Brenda Strafford Centre, Sonshine Centre, Awo Ta'an Native Womens Shelter, and Discovery House Family Violence Prevention Society.

As representatives, the Society is responsible for all aspects of project responsibilities including establishing, maintaining, and carrying out the monetary and client service delivery responsibilities.

The project is funded by the Calgary Homeless Foundation and intends to end homelessness for abused women and children leaving women's shelters by providing access to more permanent housing with appropriate support systems. Effective April 1, 2010 Calgary Homeless Foundation committed to funding this project on an on-going basis provided outcome and contractual commitments are met by the Society. All expenses related to this project are based on estimated square footage and/or approximate time spent. Also effective April 1, 2010 the name of the project was changed to Community Housing Program.

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**DISCOVERY HOUSE FAMILY VIOLENCE PREVENTION SOCIETY**  
**NOTES TO THE AUDITED FINANCIAL STATEMENTS**  
For the Year Ended March 31, 2010

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**14. COMPARATIVE FIGURES**

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

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