

DISCOVERY HOUSE FAMILY VIOLENCE
PREVENTION SOCIETY

FINANCIAL STATEMENTS

March 31, 2009



DISCOVERY HOUSE FAMILY VIOLENCE PREVENTION SOCIETY
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March 31, 2009

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AUDITORS' REPORT

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, 2009 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, 2009 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.

Partners

Tony S. Lo, MA, FCGA, CFP, CA*

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DISCOVERY HOUSE FAMILY VIOLENCE PREVENTION SOCIETY
STATEMENT OF OPERATIONS
For the Year Ended March 31, 2009

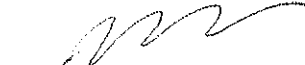
	2009				2008			
	Operating Fund	Endowment Fund (Note 6)	Building Fund	Total	Operating Fund	Endowment Fund (Note 6)	Building Fund	Total Restated (Note 12)
Revenues								
Grants (Note 7)	\$ 1,299,253	\$ -	\$ -	\$ 1,299,253	\$ 1,095,432	\$ -	\$ -	\$ 1,095,432
Donations	427,452	1,214	131,029	559,695	245,193	254,547	11,952	511,692
Gaming - bingo, casino, and raffle (net)	57,312	-	-	57,312	96,181	-	-	96,181
Special events	69,319	-	78,300	147,619	48,120	-	87,075	135,195
Rent	115,815	-	-	115,815	100,770	-	-	100,770
Interest revenue	19,091	-	-	19,091	23,748	-	-	23,748
Amortization of deferred contributions	5,251	-	-	5,251	7,414	-	-	7,414
Other revenue	15,784	-	-	15,784	22,053	-	-	22,053
Housing First Project (Note 13)	95,620	-	-	95,620	-	-	-	-
	2,104,897	1,214	209,329	2,315,440	1,638,911	254,547	99,027	1,992,485
Expenses								
Salaries, benefits and training	1,181,463	-	-	1,181,463	1,019,120	-	-	1,019,120
Amortization	17,876	-	232,504	250,380	22,345	-	246,278	268,623
Office, utilities and general	181,256	-	-	181,256	175,624	-	43	175,667
Security	138,797	-	-	138,797	139,017	-	-	139,017
Special events	26,861	-	46,968	73,829	25,771	-	49,696	75,467
Professional fees	19,094	-	-	19,094	17,192	-	-	17,192
Educational bursaries	-	56,073	-	56,073	-	30,840	-	30,840
Insurance	34,540	-	-	34,540	36,635	-	-	36,635
Non-refundable GST	11,699	-	-	11,699	12,475	-	1,413	13,888
Program supplies/resource	21,754	-	-	21,754	14,992	-	140	15,132
Repairs and maintenance	71,680	-	-	71,680	21,265	-	-	21,265
Advertising	11,903	-	-	11,903	12,177	-	-	12,177
Travel	18,085	-	-	18,085	11,320	-	-	11,320
Staff training and appreciation	7,127	-	-	7,127	6,590	-	-	6,590
Housing First Project (Note 13)	95,620	-	-	95,620	-	-	-	-
	1,837,755	56,073	279,472	2,173,300	1,514,523	30,840	297,570	1,842,933
Excess (deficiency) of revenues over expenses	\$ 267,142	\$ (54,859)	\$ (70,143)	\$ 142,140	\$ 124,388	\$ 223,707	\$ (198,543)	\$ 149,552




DISCOVERY HOUSE FAMILY VIOLENCE PREVENTION SOCIETY
STATEMENT OF FINANCIAL POSITION
 March 31, 2009

	2009				2008			
	Operating Fund	Endowment Fund (Note 6)	Building Fund	Total	Operating Fund	Endowment Fund (Note 6)	Building Fund	Total
Assets								
Current								
Cash and cash equivalents	\$ 459,677	\$ 48,848	\$ 100,880	\$ 609,405	\$ 426,566	\$ -	\$ 187,106	\$ 613,672
Short term investments (Note 3)	1,255,644	-	250,000	1,505,644	495,424	223,707	-	719,131
Accounts receivable	262,862	-	-	262,862	90,229	-	1,413	91,642
Prepaid expenses	48,205	-	-	48,205	21,154	-	-	21,154
	<u>2,026,388</u>	<u>48,848</u>	<u>350,880</u>	<u>2,426,116</u>	<u>1,033,373</u>	<u>223,707</u>	<u>188,519</u>	<u>1,445,599</u>
Non-current investments	-	120,000	-	120,000	-	-	-	-
Property and equipment (Note 4)	71,504	-	4,433,856	4,505,360	89,380	-	4,654,506	4,743,886
	<u>\$ 2,097,892</u>	<u>\$ 168,848</u>	<u>\$ 4,784,736</u>	<u>\$ 7,051,476</u>	<u>\$ 1,122,753</u>	<u>\$ 223,707</u>	<u>\$ 4,843,025</u>	<u>\$ 6,189,485</u>
Liabilities								
Current								
Accounts payable and accruals	\$ 104,928	\$ -	\$ -	\$ 104,928	\$ 94,170	\$ -	\$ -	\$ 94,170
Unearned revenue	11,085	-	-	11,085	1,952	-	-	1,952
	<u>116,013</u>	<u>-</u>	<u>-</u>	<u>116,013</u>	<u>96,122</u>	<u>-</u>	<u>-</u>	<u>96,122</u>
Deferred contributions (Note 5)								
Related to operations	1,026,036	-	-	1,026,036	320,825	-	-	320,825
Related to property and equipment	21,003	-	-	21,003	26,254	-	-	26,254
	<u>1,047,039</u>	<u>-</u>	<u>-</u>	<u>1,047,039</u>	<u>347,079</u>	<u>-</u>	<u>-</u>	<u>347,079</u>
	<u>1,163,052</u>	<u>-</u>	<u>-</u>	<u>1,163,052</u>	<u>443,201</u>	<u>-</u>	<u>-</u>	<u>443,201</u>
Fund Balances								
Invested in property and equipment	50,422	-	-	50,422	63,047	-	-	63,047
Endowment fund (Note 6)	-	168,848	-	168,848	-	223,707	-	223,707
Unrestricted	884,418	-	-	884,418	616,505	-	-	616,505
Building fund	-	-	4,784,736	4,784,736	-	-	4,843,025	4,843,025
	<u>934,840</u>	<u>168,848</u>	<u>4,784,736</u>	<u>5,888,424</u>	<u>679,552</u>	<u>223,707</u>	<u>4,843,025</u>	<u>5,746,284</u>
	<u>\$ 2,097,892</u>	<u>\$ 168,848</u>	<u>\$ 4,784,736</u>	<u>\$ 7,051,476</u>	<u>\$ 1,122,753</u>	<u>\$ 223,707</u>	<u>\$ 4,843,025</u>	<u>\$ 6,189,485</u>

APPROVED ON BEHALF OF THE BOARD:

 , President

Nigel Richardson

 , Treasurer

Don Holloway



DISCOVERY HOUSE FAMILY VIOLENCE PREVENTION SOCIETY
STATEMENT OF CHANGES IN FUND BALANCES
For the Year Ended March 31, 2009

	<u>Operating Fund</u>					2008
	Invested in	Unrestricted	Endowment	Building	2009	Total
	Property and		Fund	Fund	Total	Restated
	Equipment		(Note 6)			(Note 12)
Balance, beginning of the year	\$ 63,047	\$ 616,505	\$ 223,707	\$ 4,843,025	\$ 5,746,284	\$ 5,596,732
Excess of revenues over expenses	(12,625)	267,913	(54,859)	(58,289)	142,140	149,552
Balance, end of the year	\$ 50,422	\$ 884,418	\$ 168,848	\$ 4,784,736	\$ 5,888,424	\$ 5,746,284



DISCOVERY HOUSE FAMILY VIOLENCE PREVENTION SOCIETY
STATEMENT OF CASH FLOW
For the Year Ended March 31, 2009

	2009	2008
Operating activities		
Excess (deficiency) of revenues over expenses		
<i>Operating fund</i>	\$ 267,142	\$ 124,388
<i>Endowment fund</i>	(54,859)	223,707
<i>Building fund</i>	(70,143)	(198,543)
	<u>142,140</u>	<u>149,552</u>
Items not affecting cash		
Amortization	250,380	268,623
Amortization of deferred contributions related to property and equipment	(5,251)	(6,564)
Change in non-cash operating working capital		
Accounts receivable	(171,220)	(60,638)
Prepaid expense	(27,051)	80,993
Accounts payable and accruals	10,758	(26,203)
Unearned revenue	9,133	(18,801)
Deferred contributions related to operations	705,211	160,198
	<u>914,100</u>	<u>547,160</u>
Financing activities		
Purchase of investments	(906,513)	(241,799)
	<u>-</u>	<u>-</u>
	<u>(906,513)</u>	<u>(241,799)</u>
Investing activities		
Purchase of property and equipment	(11,854)	-
	<u>(11,854)</u>	<u>-</u>
Cash inflow (outflow)	(4,267)	305,361
Cash and cash equivalents, beginning of the year	613,672	308,311
	<u>613,672</u>	<u>308,311</u>
Cash and cash equivalents, end of the year	\$ 609,405	\$ 613,672
	<u>\$ 609,405</u>	<u>\$ 613,672</u>



DISCOVERY HOUSE FAMILY VIOLENCE PREVENTION SOCIETY
NOTES TO THE AUDITED FINANCIAL STATEMENTS
For the Year Ended March 31, 2009

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 to battered women and their children. The Society is a registered charity under the Income Tax Act and therefore is exempt from the payment of income taxes.

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 building 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 the building 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 revenues 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, 2009

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, GIC's, accounts receivable, accounts payable and accruals, and a CMHC 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.

3. SHORT TERM INVESTMENTS

In 2009, short term investments consisted of GIC investments with maturity beyond 90 days. The market value of the short term investments was \$1,505,644 on March 31, 2009, (2008: \$ 719,131).



DISCOVERY HOUSE FAMILY VIOLENCE PREVENTION SOCIETY
NOTES TO THE AUDITED FINANCIAL STATEMENTS
For the Year Ended March 31, 2009

4. PROPERTY AND EQUIPMENT

	Cost		Accumulated Amortization		Net Book Value	
	2009	2008	2009	2008	2009	2008
<u>Operating Fund</u>						
Furniture, fixtures, and equipment	\$ 515,273	\$ 515,273	\$ 447,719	\$ 430,830	\$ 67,554	\$ 84,443
Telephone system	12,915	12,915	8,965	7,978	3,950	4,937
	<u>\$ 528,188</u>	<u>\$ 528,188</u>	<u>\$ 456,684</u>	<u>\$ 438,808</u>	<u>\$ 71,504</u>	<u>\$ 89,380</u>
<u>Building Fund</u>						
Land	\$ 220,000	\$ 220,000	\$ -	\$ -	\$ 220,000	\$ 220,000
Building	5,406,410	5,406,410	1,255,637	1,037,176	4,150,773	4,369,234
Furniture, fixtures, and equipment	175,223	163,369	112,140	98,097	63,083	65,272
	<u>\$ 5,801,633</u>	<u>\$ 5,789,779</u>	<u>\$ 1,367,777</u>	<u>\$ 1,135,273</u>	<u>\$ 4,433,856</u>	<u>\$ 4,654,506</u>
	<u>\$ 6,329,821</u>	<u>\$ 6,317,967</u>	<u>\$ 1,824,461</u>	<u>\$ 1,574,081</u>	<u>\$ 4,505,360</u>	<u>\$ 4,743,886</u>

5. DEFERRED CONTRIBUTIONS

Related to Operations

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

	2009	2008
Calgary Homeless Foundation - Housing First Project	\$ 615,776	\$ -
Anonymous donor	130,000	-
Calgary Herald Christmas Fund	109,403	86,065
Alberta Lotteries	77,500	-
Calgary Homeless Foundation	40,833	39,581
Alberta Gaming, casino receipts	22,361	79,697
Wild Rose Foundation	12,500	-
Kelly Howe Foundation	10,511	11,811
United Way	7,152	27,551
City of Calgary Family and Community Support Services	-	75,050
Other	-	1,070
	<u>\$ 1,026,036</u>	<u>\$ 320,825</u>

Related to Property and Equipment

Deferred contributions related to property and equipment is funding received for the support of technology development in the organization. The amount is recognized as revenue at the same rate as 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, 2009

5. DEFERRED CONTRIBUTIONS (continued)

	2009	2008
Balance, beginning of the year	\$ 26,254	\$ 32,818
Amount added during the year	-	-
Amount utilized during the year	5,251	6,564
Balance, end of the year	<u>\$ 21,003</u>	<u>\$ 26,254</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 \$ 168,848 includes cash of \$48,848, and \$120,000 invested in a guaranteed investment certificate bearing interest at 3.25% per annum and maturing on January 19, 2011.

7. GRANTS

	2008	2007
Alberta Children's Services Prevention of Family Violence and Bullying	\$ 554,121	\$ 551,654
City of Calgary Family and Community Support Services	370,991	305,872
United Way	141,449	123,858
Calgary Homeless Foundation	101,748	55,419
Child and Family Services Authority	59,554	56,814
Alberta Lotteries	46,500	-
Canadian Womens Foundation	23,000	-
Summer Temporary Employment Program	1,890	1,815
	<u>\$ 1,299,253</u>	<u>\$ 1,095,432</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.

9. COMMITMENTS

The Society has entered into a lease agreement for office equipment with monthly payments of \$1,159 required until August 2012.

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DISCOVERY HOUSE FAMILY VIOLENCE PREVENTION SOCIETY
NOTES TO THE AUDITED FINANCIAL STATEMENTS
For the Year Ended March 31, 2009

9. COMMITMENTS (continued)

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

2010	13,908
2011	13,908
2012	<u>5,795</u>
	33,611

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, 2009, the amount not yet forgiven is \$979,992 (2008: \$1,077,992).

The Society is involved in a legal claim associated with the dismissal of an employee. Management is of the opinion that any exposure would not have a material impact on the financial position or operating results of the Society.

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

A total amount of \$ Nil (2008: \$ 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. \$ 64,336 was paid as remuneration to employees whose principal duties involve fund-raising (2008: \$ 55,640).

12. RESTATEMENT OF PRIOR YEARS

In prior years, the net proceeds from gaming events had been recorded as revenue in the operating fund as received. In accordance with the Society's revenue recognition policy, the gaming funds are to be recognized as revenue of the operating fund in the year in which the related expenses are incurred. The retroactive application of this policy had the following effects:

	<u>2008</u>
Decrease (increase) to total revenue	\$ (19,467)
Decrease (increase) to excess of revenue over expenses	(19,467)
Increase to deferred contributions related to operations	
Beginning balance	60,229
Ending balance	79,696
Increase (decrease) in operating fund balances	(79,696)



DISCOVERY HOUSE FAMILY VIOLENCE PREVENTION SOCIETY
NOTES TO THE AUDITED FINANCIAL STATEMENTS
For the Year Ended March 31, 2009

13. HOUSING FIRST PROJECT

The Family Violence Housing First Case Management Team (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 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.

The Society has been appointed and agreed to act as agent for the Network for purposes of establishing, maintaining, and carrying out the monetary and other project 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.

14. COMPARATIVE FIGURES

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



