

FAMILY CENTRE SOCIETY OF SOUTHERN ALBERTA

FINANCIAL STATEMENTS

For the year ended March 31, 2010

FAMILY CENTRE SOCIETY OF SOUTHERN ALBERTA
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Young Parkyn McNab LLP

CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To: The Board of Directors of
Family Centre Society of Southern Alberta

We have audited the statement of financial position of Family Centre Society of Southern Alberta as at March 31, 2010 and the statements of operations, changes in net assets 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.

Except as noted 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 societies of this type, the Society derives part of its revenue from donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of revenue from these sources was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditures, 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 revenue referred to in the preceding paragraph, 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 and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Young Parkyn McNab LLP

Lethbridge, Alberta

May 12, 2010

Chartered Accountants

FAMILY CENTRE SOCIETY OF SOUTHERN ALBERTA
STATEMENT OF FINANCIAL POSITION
As at March 31, 2010

	2010	2009
ASSETS		
Current		
Cash (note 3)	\$ 440,706	\$ 258,710
Accounts receivable	12,791	12,066
Accounts receivable - capital campaign	-	1,767
Grant receivable - capital campaign	20,000	200,000
Pledges receivable - capital campaign	127,000	46,500
Prepaid expenses	135,112	29,319
	735,609	548,362
Trust funds (note 4)	108,347	111,494
Capital assets (note 5)	264,223	90,987
	\$ 1,108,179	\$ 750,843

LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	\$ 9,113	\$ 18,785
Accounts payable - capital campaign	108,454	2,518
Deferred revenue - capital campaign (note 6)	394,457	387,978
Deferred revenue (note 7)	43,025	50,462
	555,049	459,743
Trust funds (note 4)	108,347	111,494
Unamortized deferred capital contributions (note 8)	197,160	22,840
	860,556	594,077
Net assets		
Unrestricted	169,150	59,710
Invested in capital assets	67,063	68,147
Internally restricted - capital campaign	11,410	28,909
	247,623	156,766
	\$ 1,108,179	\$ 750,843

Approved on behalf of the Board:

Director _____

Director _____

FAMILY CENTRE SOCIETY OF SOUTHERN ALBERTA
STATEMENT OF OPERATIONS
For the year ended March 31, 2010

	2010 Budget (Unaudited)	2010 Actual	2009 Actual
Revenue			
Southwest Alberta Child and Family Services	\$ 455,792	\$ 431,601	\$ 408,859
City of Lethbridge	370,700	373,475	339,603
Parent Link Centre	334,750	336,149	304,022
Chinook Regional Health Authority	44,684	70,775	58,864
Alberta Justice	16,700	16,652	16,052
Lethbridge School District #51	15,000	15,000	15,000
Programs and projects	10,000	10,855	11,140
Holy Spirit Catholic Regional Division #4	5,000	5,000	5,000
Memberships	3,100	6,877	4,395
Chinook Health Region	3,000	3,000	2,244
Other grants	1,853	2,933	5,263
Wild Rose Foundation	-	-	30,030
Amortization of deferred contributions	-	10,000	5,720
Capital campaign (note 9)	-	35,024	12,014
	1,260,579	1,317,341	1,218,206
Expenditures			
Wages and employee benefits	950,853	991,918	989,181
Rent, telephone and utilities	160,108	60,573	56,385
Programs and projects	29,241	31,662	25,872
Advertising and promotion	26,697	27,107	29,869
Insurance	19,750	7,764	7,525
Repairs and maintenance	18,164	3,801	2,828
Training	15,814	12,372	18,411
Professional fees	9,600	1,950	10,370
Automotive and travel	7,939	3,937	6,931
Office and postage	7,877	7,715	8,623
Food	7,400	4,094	6,920
GST expense	3,947	3,460	3,200
Association dues	3,189	3,073	3,213
Interest and bank charges	3,000	2,529	2,973
Capital expenditures	2,000	2,335	936
Repayment of surplus	-	5,213	-
Amortization	-	11,084	6,642
Capital campaign (note 9)	-	52,522	19,393
	1,265,579	1,233,109	1,199,272
(Deficiency) excess of revenue over expenditures from operations	(5,000)	84,232	18,934
Other income (expense)			
Donations	5,000	8,433	6,564
Donations in kind	-	(1,808)	(3,631)
	5,000	6,625	2,933
Excess of revenue over expenditures	\$ -	\$ 90,857	\$ 21,867

FAMILY CENTRE SOCIETY OF SOUTHERN ALBERTA
STATEMENT OF CHANGES IN NET ASSETS
For the year ended March 31, 2010

	Unrestricted	Invested in	internally restricted - capital campaign	Total 2010	Total 2009
	capital assets	capital assets			
Balance, beginning of year	\$ 59,710	\$ 68,147	\$ 28,909	\$ 156,766	\$ 134,899
Excess (deficiency) of revenue over expenditures	90,857	-	-	90,857	21,867
Purchase of capital assets	(184,320)	184,320	-	-	-
Capital contributions received	184,320	(184,320)	-	-	-
Amortization of capital assets	11,084	(11,084)	-	-	-
Amortization of deferred contributions	(10,000)	10,000	-	-	-
Capital campaign expenses funded by operations (note 9)	17,499	-	(17,499)	-	-
Balance, end of year	\$ 169,150	\$ 67,063	\$ 11,410	\$ 247,623	\$ 156,766

FAMILY CENTRE SOCIETY OF SOUTHERN ALBERTA**STATEMENT OF CASH FLOWS**

For the year ended March 31, 2010

	2010	2009
Cash flows from operating activities		
Excess of revenue over expenditures	\$ 90,857	\$ 21,867
Adjustments for items which do not affect cash		
Amortization	11,084	6,642
Amortization of deferred contributions	(10,000)	(5,720)
	91,941	22,789
Change in non-cash working capital items		
Accounts receivable	(725)	277
Accounts receivable - capital campaign	1,767	(1,767)
Grant receivable - capital campaign	180,000	(200,000)
Pledges receivable - capital campaign	(80,500)	(46,500)
Prepaid expenses	(105,793)	636
Accounts payable and accrued liabilities	(9,672)	(151,689)
Accounts payable - capital campaign	105,936	2,518
Deferred revenue - capital campaign (note 6)	6,479	385,700
Deferred revenue	(7,437)	(26,778)
	181,996	(14,814)
Cash flows from investing activities		
Purchase of capital assets	(184,320)	(34,640)
Capital contributions received	184,320	-
	-	(34,640)
Net increase (decrease) in cash	181,996	(49,454)
Cash, beginning of year	258,710	308,164
Cash, end of year	\$ 440,706	\$ 258,710

FAMILY CENTRE SOCIETY OF SOUTHERN ALBERTA
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2010

1. Nature of operations

Family Centre Society of Southern Alberta is a non-profit organization, incorporated under the Societies Act of Alberta, whose objective is to provide family support and resources which will strengthen and empower families, enhance the capacities of parents and foster the optimal development of children and youth.

2. Significant accounting policies

(a) Financial instruments

Cash and term deposits have been classified as held-for-trading and are recorded at estimated fair value.

Accounts receivable have been classified as loans and receivables and are reported at amortized cost using the effective interest method.

Accounts payable and accrued liabilities have been classified as other financial liabilities and are reported at amortized cost using the effective interest method.

The carrying amount of accounts receivable and accounts payable and accrued liabilities is comparable to fair value due to the approaching maturity of these financial instruments.

(b) Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(c) Capital assets

Capital assets are recorded at cost. The Society provides for amortization using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Computer equipment	4years
Office equipment	10 years

Amortization of leasehold improvements is recorded over the remaining term of the lease plus the first renewal option, and will begin at the start of the first lease term.

(d) Donated services

The Society receives a substantial amount of services donated by citizens interested in the Society's programs. The kinds of services provided generally involve the contribution of time, the value of which is not readily determinable. Because of the difficulty in assigning value for such services, these items have not been given recognition in the financial statements.

(e) Income taxes

The Society is a registered charitable organization and no income taxes are applicable to income earned in the normal course of operations pursuant to Section 149(1)(l) of the Income Tax Act.

FAMILY CENTRE SOCIETY OF SOUTHERN ALBERTA
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2010

2. Significant accounting policies, continued

(f) Capital disclosures

The Society's objective when managing capital is to safeguard its ability to continue as a going concern, in order that it can continue to meet the purpose for which it was formed.

The Society sets the amount of capital in proportion to risk, and manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk of characteristics of the underlying assets. In order to maintain or adjust the capital structure, the organization monitors and may adjust amounts spent.

(g) Net assets invested in capital assets

The Association has chosen to continue to treat net assets invested in capital assets as a separate component of net assets.

(h) Measurement uncertainty

The preparation of 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 and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

3. Cash

	2010	2009
Cash - operations	\$ 66,101	\$ 88,712
Cash - capital campaign	374,605	169,998
	\$ 440,706	\$ 258,710

4. Trust funds

These amounts are held by the Family Centre Society of Southern Alberta on behalf of other organizations, as follows:

	2010	2009
Fetal Alcohol Spectrum Disorder Coordinating Committee	\$ 105,444	\$ 103,909
Community Substance Abuse Response Team	2,903	7,585
	\$ 108,347	\$ 111,494

FAMILY CENTRE SOCIETY OF SOUTHERN ALBERTA
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2010

5. **Capital assets**

	2010		2009	
	Cost	Accumulated amortization	Net	Net
Leasehold improvements	\$ 239,647	\$ -	\$ 239,647	\$ 55,327
Computer equipment	41,506	28,183	13,323	23,700
Office equipment	14,080	2,827	11,253	11,960
	\$ 295,233	\$ 31,010	\$ 264,223	\$ 90,987

6. **Deferred revenue - capital campaign**

	2010		2009	
Donations	\$ 340,641	\$ 187,978		
City of Lethbridge community grant	15,680	200,000		
City of Lethbridge family and community support	37,329	-		
Ronald McDonald charity	807	-		
	\$ 394,457	\$ 387,978		

7. **Deferred revenue**

The Society has received funds which are to be expended for specific purposes as follows:

	2010		2009	
Southwest Alberta Child and Family Services - prepaid lease	\$ 22,500	\$ 22,500		
Surplus from current year funding	14,470	-		
Restricted contributions	4,847	-		
Program and project income	1,208	1,320		
Grow Along with Me program	-	25,756		
Other grants	-	886		
	\$ 43,025	\$ 50,462		

FAMILY CENTRE SOCIETY OF SOUTHERN ALBERTA
NOTES TO THE FINANCIAL STATEMENTS
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8. Unamortized deferred capital contributions

This amount represents resources received from donors that were used for the cost of the new computer hardware, software, network, and leasehold improvements. The contributions will be amortized into revenue on the same basis as the amortization of the related assets.

	2010	2009
Balance, beginning of year	\$ 22,840	\$ 28,560
Contributions received - capital campaign	184,320	-
Amortized to revenue	(10,000)	(5,720)
Balance, end of year	\$ 197,160	\$ 22,840

9. Capital Campaign summary

The Society continued its fundraising campaign in order to facilitate obtaining a new usable space for its programs and operations. The results of the campaign during the year are as follows:

	2010
Community donations, not including multi-year pledges	\$ 30,662
Ronald McDonald charity	30,000
City of Lethbridge family and community support	37,329
Multi year pledges	122,000
In-kind donations	503
Fundraising projects	4,353
Events	960
Interest	14
Total revenues	225,821
Less:	
Amount deferred for future costs	(190,798)
Recognized as revenue	35,023
Expenses for the capital campaign are as follows:	
Event costs, promotional items and donor recognition	7,207
Building, consulting and rental fees	15,223
Donation in-kind expense	503
GST expense	396
Ronald McDonald charity	29,193
Total expenses	52,522
Deficiency of revenues over expenditures, funded from internally restricted Family Centre funding	\$ (17,499)

FAMILY CENTRE SOCIETY OF SOUTHERN ALBERTA
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For the year ended March 31, 2010

10. Commitments

The Society has entered into a new leasing agreement for the lease of commercial space with LethCentre Inc. This lease is expected to commence on July 1, 2010. The future commitment under this lease is as follows:

2011	\$	62,625
2012		83,500
2013		87,707
2014		106,766
2015		112,651
Subsequent years		1,250,938
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		\$ 1,704,187

The Society has future leasehold improvement costs under this leasing agreement of \$284,560.