

**NORWOOD CHILD & FAMILY RESOURCE CENTRE**  
**Financial Statements**  
**Year Ended December 31, 2015**

**NORWOOD CHILD & FAMILY RESOURCE CENTRE**

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**Year Ended December 31, 2015**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Norwood Child & Family Resource Centre

We have audited the accompanying financial statements of Norwood Child & Family Resource Centre, which comprise the statement of financial position as at December 31, 2015 and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Basis for Qualified Opinion

In common with many not-for-profit organizations, Norwood Child & Family Resource Centre derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Norwood Child & Family Resource Centre. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2015, current assets and net assets as at December 31, 2015.

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Independent Auditor's Report to the Members of Norwood Child & Family Resource Centre *(continued)*

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Norwood Child & Family Resource Centre as at December 31, 2015 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Edmonton, Alberta  
February 24, 2016

*Coyle & Company*  
CHARTERED ACCOUNTANTS

**NORWOOD CHILD & FAMILY RESOURCE CENTRE**

**Statement of Financial Position**

**December 31, 2015**

	2015	2014
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash (Note 2)	\$ 414,531	\$ 376,116
Short term investment (Note 3)	152,988	188,876
Accounts receivable	57,689	114,605
Prepaid expenses	7,346	3,981
	<u>632,554</u>	683,578
LONG TERM INVESTMENTS (Note 4)	504,114	150,550
TANGIBLE CAPITAL ASSETS (Note 5)	37,086	11,267
	<u>\$ 1,173,754</u>	\$ 845,395
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 296,331	\$ 173,738
Deferred contributions (Note 6)	680,025	502,936
	<u>976,356</u>	676,674
DEFERRED CAPITAL CONTRIBUTIONS (Note 7)	30,433	-
	<u>1,006,789</u>	676,674
<b>NET ASSETS</b>		
Unrestricted	63,495	65,251
Internally restricted	103,470	103,470
	<u>166,965</u>	168,721
	<u>\$ 1,173,754</u>	\$ 845,395

ON BEHALF OF THE BOARD

 Director

 Director

See notes to financial statements

**NORWOOD CHILD & FAMILY RESOURCE CENTRE**

**Statement of Revenues and Expenditures**

**For the Year Ended December 31, 2015**

	2015	2014
<b>REVENUE</b>		
Private and public grants	\$ 3,132,363	\$ 2,417,922
Family and Community Support Services	572,615	530,199
Other	129,126	56,354
Casino	36,794	18,704
Interest	11,514	12,361
Donations and fundraising	11,506	12,322
Amortization of deferred capital contribution	3,381	-
	<u>3,897,299</u>	<u>3,047,862</u>
<b>EXPENSES</b>		
Salaries and wages	2,687,698	2,072,448
Employee benefits	427,606	345,375
Consulting fees	163,275	113,821
Program expense	104,831	69,348
Conferences, seminars and staff development	85,320	69,228
Repairs and maintenance	79,819	95,817
Transportation costs	58,541	43,062
Rental	54,000	-
Office supplies	52,333	36,245
Telephone and utilities	51,282	42,107
Equipment purchases	36,604	54,832
Travel	33,082	25,151
Professional services	25,302	39,455
Professional fees	16,138	14,089
Insurance	9,531	9,510
Amortization	7,996	2,984
Volunteer	5,417	8,937
Fundraising	280	-
	<u>3,899,055</u>	<u>3,042,409</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>\$ (1,756)</u>	<u>\$ 5,453</u>

**NORWOOD CHILD & FAMILY RESOURCE CENTRE**

**Statement of Changes in Net Assets**

**Year Ended December 31, 2015**

	Unrestricted	Internally Restricted	2015	2014
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 65,251	\$ 103,470	\$ 168,721	\$ 163,268
Excess (deficiency) of revenue over expenses	(1,756)	-	(1,756)	5,453
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 63,495</u>	<u>\$ 103,470</u>	<u>\$ 166,965</u>	<u>\$ 168,721</u>

**NORWOOD CHILD & FAMILY RESOURCE CENTRE**

**Statement of Cash Flow**

**Year Ended December 31, 2015**

	2015	2014
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ (1,756)	\$ 5,453
Item not affecting cash:		
Amortization of tangible capital assets	7,996	2,984
	<u>6,240</u>	<u>8,437</u>
Changes in non-cash working capital:		
Accounts receivable	56,916	(83,114)
Prepaid expenses	(3,365)	2,210
Accounts payable	122,593	16,528
Deferred contributions	177,089	64,076
Deferred capital contribution	30,433	-
	<u>383,666</u>	<u>(300)</u>
Cash flow from operating activities	<u>389,906</u>	<u>8,137</u>
<b>INVESTING ACTIVITY</b>		
Purchase of tangible capital assets	<u>(33,815)</u>	<u>(10,872)</u>
<b>FINANCING ACTIVITY</b>		
Purchase of (proceeds from) investments, net	<u>(317,676)</u>	148,104
<b>INCREASE IN CASH FLOW</b>	<b>38,415</b>	<b>145,369</b>
Cash - beginning of year	<u>376,116</u>	<u>230,747</u>
<b>CASH - END OF YEAR</b>	<u><b>\$ 414,531</b></u>	<u><b>\$ 376,116</b></u>
<b>CASH FLOW SUPPLEMENTARY INFORMATION</b>		
Interest received	<u>\$ 11,514</u>	<u>\$ 12,361</u>



# NORWOOD CHILD & FAMILY RESOURCE CENTRE

## Notes to Financial Statements

Year Ended December 31, 2015

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### ORGANIZATION PURPOSE

Norwood Child and Family Resource Centre (The Centre) is located in Edmonton, Alberta and operates to strengthen families by providing quality, affordable and accessible services to those within the geographical boundaries of the City of Edmonton. The Centre is incorporated under *The Societies Act of Alberta* and is a Registered Charity. As a not for profit organization, the Centre is exempt for income taxes under *The Income Tax Act (Canada)*.

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

The Centre follows the deferral method of accounting for contributions.

#### Revenue recognition

- (a) Restricted contributions are recognized as revenue in the year in which the restriction is fulfilled and related expenses are incurred. Restricted contributions for the purchase of tangible capital assets are deferred and amortized into revenue on the same basis as the related tangible asset.
- (b) 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) Interest earned on restricted funds is recognized as revenue in the year in which the related expenses are incurred. Unrestricted interest is recognized as revenue when it is earned.
- (d) Donations and fundraising income are recognized as revenue when received or when collectibility is assured.

#### Cash

Cash includes bank balances and term deposits with maturities of 90 days or less.

#### Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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# NORWOOD CHILD & FAMILY RESOURCE CENTRE

## Notes to Financial Statements

Year Ended December 31, 2015

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates and method:

Leasehold improvements	10%	straight-line method
Computer equipment	30%	straight-line method
Equipment	20%	straight-line method

The Centre regularly reviews its tangible capital assets to eliminate obsolete items.

Amortization is calculated at one half in the year of acquisition. The Centre only capitalizes tangible capital asset purchases with a cost in excess of \$5,000 or in the case of contributed tangible capital assets with a fair value in excess of \$5,000.

#### Internally restricted net assets

This amount was established by the Board to provide for the Centre's future operational resources.

#### Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. Donated materials and services are not reflected in these financial statements.

#### Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates, which include the useful lives of tangible capital assets, are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

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### 2. CASH

Included in cash is \$45,704 (2014 - \$36,247) in casino funds restricted by the Alberta Gaming and Liquor Commission.

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### 3. SHORT TERM INVESTMENT

Short term investment, comprised of a term deposit, earns interest at a fixed rate of 2.50% and matures September 2016.

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### 4. LONG TERM INVESTMENTS

Long term investments, comprised of term deposits, earn interest at fixed rates of 1.05% - 1.10% in year 1 and 2.1% - 2.2% in year 2, maturing February to April 2017.

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**NORWOOD CHILD & FAMILY RESOURCE CENTRE**

**Notes to Financial Statements**

**Year Ended December 31, 2015**

**5. TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Leasehold improvements	\$ 33,815	\$ 3,381	\$ 30,434	\$ -
Computer equipment	10,872	4,893	5,979	9,241
Equipment	6,765	6,092	673	2,026
	<u>\$ 51,452</u>	<u>\$ 14,366</u>	<u>\$ 37,086</u>	<u>\$ 11,267</u>

**6. DEFERRED CONTRIBUTIONS**

	Beginning of year	Received/ Receivable	Recognized/ Transferred	End of year
Province of Alberta	\$ 242,854	\$ 3,118,941	\$ 2,804,511	\$ 557,284
Alberta Gaming and Liquor Commission	106,247	10,066	70,608	45,705
Foundation grants	107,437	149,337	231,774	25,000
Family and Community Support Services	44,183	576,150	572,615	47,718
Private and corporate grants	371	122,199	122,570	-
Other	1,844	2,998	1,844	2,998
McDougall Park Play Group	-	4,225	2,905	1,320
	<u>\$ 502,936</u>	<u>\$ 3,983,916</u>	<u>\$ 3,806,827</u>	<u>\$ 680,025</u>

An amount of \$33,814 from Alberta Gaming and Liquor Commission was transferred to deferred capital contributions.

**7. DEFERRED CAPITAL CONTRIBUTIONS**

Beginning of year	\$ -	\$ -
Alberta Gaming and Liquor Commission	33,814	-
Amortized to revenue	(3,381)	-
	<u>\$ 30,433</u>	<u>\$ -</u>

Contribution restricted by Alberta Gaming and Liquor Commission for the purchase of leasehold improvements.

NORWOOD CHILD & FAMILY RESOURCE CENTRE

Notes to Financial Statements

Year Ended December 31, 2015

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8. COMMITMENTS

The Centre has a long term lease with respect to its premises that expires August 2020, along with leases for office equipment expiring May 2016 and June 2019. Future minimum lease payments become due as follows:

2016	\$	34,119
2017		34,039
2018		34,039
2019		31,873
2020		19,804
		<hr/>
	\$	153,874

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9. FINANCIAL INSTRUMENTS

The Centre is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Centre's risk exposure and concentration as of December 31, 2015.

*Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Centre is exposed to this risk mainly in respect of its receipt of funds from its funders and accounts payable.

*Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Centre manages exposure through its normal operating and financing activities. The Centre is exposed to interest rate risk primarily through its investments which earn interest at fixed rates.

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10. ECONOMIC DEPENDENCE

The Centre is economically dependent upon its funders for the continued operation of its programs.

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