

Distress Centre Calgary

Financial Statements

December 31, 2017



Independent Auditors' Report

To: The Members of **Distress Centre Calgary**

We have audited the accompanying financial statements of Distress Centre Calgary, which comprise the statement of financial position as at December 31, 2017, and the statements of operations, changes in net assets and cash flows 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.

Auditors' 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 auditors' 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 auditors consider 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 controls. 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 audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Distress Centre Calgary as at December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Kenway Mack Slusarchuk Stewart LLP

February 28, 2018
Calgary, Alberta


Chartered Professional Accountants,
Chartered Accountants

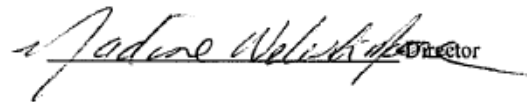
Distress Centre Calgary
Statement of Financial Position

As at December 31,

				2017		2016
	Operating Fund	Sustainability Fund	Subtotal	Capital Fund	Total	Total
Assets						
Current assets						
Cash and cash equivalents (note 4)	\$ 587,612	\$ 927,487	\$ 1,515,099	\$ 80,513	\$ 1,595,612	\$ 1,357,668
Accounts receivable	38,469	-	38,469	1,785	40,254	42,876
Prepaid expenses	18,738	-	18,738	-	18,738	29,986
Investment (note 5)	-	-	-	-	-	327,005
Interfund balances	-	-	-	26,829	26,829	321,000
	<u>644,819</u>	<u>927,487</u>	<u>1,572,306</u>	<u>109,127</u>	<u>1,681,433</u>	<u>2,078,535</u>
Non-current assets						
Capital assets (note 6)	-	-	-	115,646	115,646	38,991
	<u>\$ 644,819</u>	<u>\$ 927,487</u>	<u>\$ 1,572,306</u>	<u>\$ 224,773</u>	<u>\$ 1,797,079</u>	<u>\$ 2,117,526</u>
Liabilities						
Current liabilities						
Accounts payable (note 7)	\$ 125,573	\$ -	\$ 125,573	\$ 75,000	\$ 200,573	\$ 136,430
Deferred contributions (note 8)	513,314	-	513,314	-	513,314	694,373
Interfund balances	5,932	20,897	26,829	-	26,829	321,000
	<u>644,819</u>	<u>20,897</u>	<u>665,716</u>	<u>75,000</u>	<u>740,716</u>	<u>1,151,803</u>
Net assets						
Invested in capital assets	-	-	-	115,646	115,646	38,991
Externally restricted	-	-	-	34,127	34,127	4,850
Unrestricted	-	906,590	906,590	-	906,590	921,882
	<u>-</u>	<u>906,590</u>	<u>906,590</u>	<u>149,773</u>	<u>1,056,363</u>	<u>965,723</u>
	<u>\$ 644,819</u>	<u>\$ 927,487</u>	<u>\$ 1,572,306</u>	<u>\$ 224,773</u>	<u>\$ 1,797,079</u>	<u>\$ 2,117,526</u>

Approved by the Board

 Director

 Director

Distress Centre Calgary
Statement of Operations

Year ended December 31,

					2017	2016
	Operating Fund	Sustainability Fund	Subtotal	Capital Fund	Total	Total
Revenue						
United Way of Calgary and Area	\$ 1,121,185	\$ -	\$ 1,121,185	\$ -	\$ 1,121,185	\$ 1,115,171
City of Calgary, Family and Community Support Services	1,008,875	-	1,008,875	-	1,008,875	1,130,243
Other donations and fundraising	861,436	-	861,436	106,859	968,295	1,041,600
Calgary Homeless Foundation	475,959	-	475,959	-	475,959	534,500
Alberta Health Services - Addictions and Mental Health	422,748	-	422,748	-	422,748	450,223
Alberta Human Services	175,000	-	175,000	-	175,000	175,000
Calgary and Area Child and Family Services Authority	129,209	-	129,209	-	129,209	129,209
Red Deer 211	55,190	-	55,190	-	55,190	56,764
Casino proceeds utilized	44,929	-	44,929	-	44,929	45,919
Carya - Senior 211	32,525	-	32,525	-	32,525	-
United Way Alberta - Capital Region	12,270	-	12,270	-	12,270	-
CCASA	12,000	-	12,000	-	12,000	12,000
Bow Valley 211	11,660	-	11,660	-	11,660	11,660
Interest Income	63	9,915	9,978	-	9,978	9,081
	<u>4,363,049</u>	<u>9,915</u>	<u>4,372,964</u>	<u>106,859</u>	<u>4,479,823</u>	<u>4,711,370</u>
Expenses						
Personnel costs	3,531,679	-	3,531,679	-	3,531,679	3,580,075
Office and administration	697,265	-	697,265	32	697,297	710,557
Instrumental needs	134,133	-	134,133	-	134,133	89,108
Amortization	-	-	-	26,074	26,074	95,495
	<u>4,363,077</u>	<u>-</u>	<u>4,363,077</u>	<u>26,106</u>	<u>4,389,183</u>	<u>4,475,235</u>
Excess (deficiency) of revenue over expenses	<u>\$ (28)</u>	<u>\$ 9,915</u>	<u>\$ 9,887</u>	<u>\$ 80,753</u>	<u>\$ 90,640</u>	<u>\$ 236,135</u>

See accompanying notes to the financial statements

Distress Centre Calgary
Statement of Changes in Net Assets

As at December 31,

					2017	2016
	Operating Fund	Sustainability Fund	Subtotal	Capital Fund	Total	Total
Balance, beginning of year,	\$ 4,310	\$ 917,572	\$ 921,882	\$ 43,841	\$ 965,723	\$ 729,588
Excess (deficiency) of revenues over expenses	(28)	9,915	9,887	80,753	90,640	236,135
Interfund transfers	(4,282)	(20,897)	(25,179)	25,179	-	-
Balance, end of year	\$ -	\$ 906,590	\$ 906,590	\$ 149,773	\$ 1,056,363	\$ 965,723

See accompanying notes to the financial statements

Distress Centre Calgary
Statement of Cash Flows

Year ended December 31,	2017	2016
Operating activities:		
Excess of revenue over expenses	\$ 90,640	\$ 236,135
Items not affecting cash:		
Amortization	26,074	95,495
Interest income accrual	-	(6,355)
	<u>116,714</u>	<u>325,275</u>
Changes in non cash working capital items		
Accounts receivable	2,622	(12,069)
Prepaid expenses	11,249	(2,494)
Accounts payable	64,144	10,031
Deferred contributions	(181,061)	2,084
	<u>13,668</u>	<u>322,827</u>
Financing activities		
Proceeds on maturity of investment	327,005	-
Investing activities		
Capital expenditures	(102,729)	(31,498)
Increase in cash and cash equivalents	237,944	291,329
Cash and cash equivalents, beginning of year	1,357,668	1,066,339
Cash and cash equivalents, end of year	<u>\$ 1,595,612</u>	<u>\$ 1,357,668</u>
Cash and cash equivalents consists of:		
Cash	\$ 668,125	\$ 1,095,047
Guaranteed investment certificates	927,487	262,621
	<u>\$ 1,595,612</u>	<u>\$ 1,357,668</u>

See accompanying notes to the financial statements

Distress Centre Calgary

Notes to the Financial Statements

December 31, 2017

1. Nature of operations

Distress Centre Calgary (the “Centre”) provides immediate crisis support to anyone in crisis through its 24 hour crisis line, online crisis services, professional counselling and also provides referrals incorporated under the Societies Act (Alberta). The Centre is dependent on its contributors to continue as a going concern.

The Centre is a registered charity under the Income Tax Act and as such is exempt from income taxes.

2. Basis of presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles, specifically Canadian accounting standards for not-for-profit organizations (“ASNFPO”).

3. Significant accounting policies

(a) Fund accounting

General funds

The Operating fund accounts for program delivery and administrative activities. This fund reports restricted grants, restricted donations and certain unrestricted contributions as designated by the Centre’s Board of Directors (the “Board”).

The Sustainability fund accounts for unrestricted resources. The fund was established to sustain the existence and ensure the continuing activities of the Centre. The funds will be utilized to fund operating deficits and future projects at the Board’s discretion.

Capital fund

This fund accounts for capital assets and any related capital funding.

(b) Measurement of financial instruments

Financial assets and financial liabilities are initially measured at fair value and subsequently at amortized cost.

Financial assets measured at amortized cost include cash and cash equivalents, accounts receivable and investment.

Financial liabilities measured at amortized cost include accounts payable.

December 31, 2017

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations for the applicable fund. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations for the applicable fund.

(c) Cash and cash equivalents

All investments that are readily convertible into cash are considered to be cash equivalents.

(d) Capital assets

Purchased capital assets are recorded in the Capital fund account at cost. Contributed capital assets are recorded in the Capital fund at fair value at the date of contribution. The Centre provides for amortization at rates designed to amortize the cost of capital assets over their estimated useful lives. One half of the normal amortization is recorded in the year of acquisition. Amortization expense is reported in the Capital fund and the annual amortization rates are as follows:

<u>Capital Asset</u>	<u>Method</u>	<u>Rate</u>
Phone system	Declining balance	20%
Furniture and fixtures	Declining balance	20%
Website	Straight-line	2 years
Computer equipment	Declining balance	30%
Leasehold improvements	Straight-line	Remaining term of the lease
Computer software	Declining balance	100%

The Centre records a write-down when equipment no longer has any long-term service potential to the Centre and its net carrying amount exceeds its residual value. The excess net carrying amount over residual value is recognized as an expense in the statement of operations for the applicable fund. Previous write-downs are not reversed.

(e) Revenue recognition

Restricted contributions related to the Operating and Sustainability funds are recognized as revenue using the deferred contribution method whereby revenue is recognized in the year in which related costs are incurred. Restricted contributions related to the Capital fund are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions are recorded in the year received, or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Distress Centre Calgary
Notes to the Financial Statements

December 31, 2017

(f) Contributed materials and services

The value of contributed materials and services is recorded when the fair value can be reasonably estimated and when the material and services are used in the normal course of operations and would otherwise have been purchased.

4. Cash and cash equivalents

Cash and cash equivalents consists of seven (2016 - two) redeemable guaranteed investment certificates and one (2016 – none) non-redeemable guaranteed investment certificate that matures January 2018. These investments bear interest from 1.10% to 1.33% (2016 - 0.90% to 1.05%) and have maturities of January, May, and October 2018. Included in cash and cash equivalents are restricted amounts equal to the amount of restricted contributions deferred as described in note 8 of \$513,314 (2016 - \$694,373) and externally restricted net assets held for capital asset purchases of \$34,127 (2016 - \$4,850).

5. Investment

In the prior year, investment consisted of a non-redeemable guaranteed investment certificate which bore interest at a rate of 1.35% that matured in May 2017.

6. Capital assets

			2017			2016
	Cost	Accumulated Amortization	Net Book Value	Net Book Value	Net Book Value	Net Book Value
Phone system	\$ 175,328	\$ 171,597	\$ 3,731	\$	4,663	\$
Furniture & fixtures	136,558	136,558	-	-	9,801	-
Website	30,082	19,804	10,278	-	2,420	-
Computer equipment	264,576	162,939	101,637	-	22,107	-
Leasehold improvements	579,561	579,561	-	-	-	-
Computer software	401,970	401,970	-	-	-	-
	\$ 1,588,075	\$ 1,472,429	\$ 115,646	\$	38,991	\$

7. Accounts payable

Included in accounts payable are \$2,402 (2016 - \$3,504) of government remittances payable.

Distress Centre Calgary
Notes to the Financial Statements

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8. Deferred contributions

Deferred contributions reported in the operating fund relate to contributions received from funding agencies that are related to the activities of a subsequent period or are externally restricted amounts received for which no restricted fund exists and expenses have not yet been incurred. Changes for the year in the deferred contributions balance are as follows:

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 694,373	\$ 692,289
Contributions received in the year	4,288,756	4,701,385
Amounts recognized as revenue in year	<u>(4,469,815)</u>	<u>(4,699,301)</u>
Balance, end of year	<u>\$ 513,314</u>	<u>\$ 694,373</u>

Deferred contributions relate to:

	<u>2017</u>	<u>2016</u>
City of Calgary, Family and Community Support Services	\$ 249,146	\$ 261,657
United Way of Calgary and Area	93,308	90,388
Other donations and fundraising	63,297	231,959
Casino proceeds	46,924	91,853
Calgary Homeless Foundation	38,506	10,183
United Way Alberta – Capital Region	13,800	-
Red Deer 211	<u>8,333</u>	<u>8,333</u>
Total	<u>\$ 513,314</u>	<u>\$ 694,373</u>

9. Contractual obligations

Total obligations under a lease for premises (exclusive of operating costs) and leases for equipment are as follows:

2018	153,425
2019	153,060
2020	<u>25,288</u>
Total	<u>\$ 331,773</u>

Distress Centre Calgary

Notes to the Financial Statements

December 31, 2017

10. Volunteer hours

Volunteers contributed approximately 54,813 (2016 - 48,652) hours in the year to assist the Centre in facilitating its delivery of services. Because of the difficulty of determining the fair values, these services are not recognized in these financial statements. The volunteer hours have not been audited.

11. Related party transactions

During the year, the members of the Board of Directors contributed \$22,084 (2016 - \$22,425) to the Centre.

12. Expenses incurred for fundraising

Expenses incurred for soliciting contributions were \$241,160 (2016 - \$227,968) including \$176,561 (2016 - \$155,054) paid to employees involved in securing contributions including fundraising. These expenses are reflected in office and administrative expenses and personnel costs.

13. Financial instruments

The Centre's use of financial instruments and its exposure to risks associated with such instruments arises out of its normal course of operations and investing activities. Operations are located in Calgary. The Centre is not exposed to significant credit or market risk.