

Financial Statements of

FAMILY SERVICE REGINA

Years ended March 31, 2013 and March 31, 2012

FAMILY SERVICE REGINA

Index to Financial Statements

March 31, 2013

	Page No.
Independent Auditors' Report to the Members.....	1
Statements of Financial Position.....	3
Statements of Operations and Net Assets	4
Statements of Changes in Net Assets.....	5
Statements of Cash Flows.....	6
Notes to Financial Statements	7-12
Schedule 1.....	13
Schedule 2.....	14



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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

We have audited the accompanying financial statements of Family Service Regina which comprise the statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011, the statements of operations and net assets, changes in net assets, and cash flows for the years ended March 31, 2013 and March 31, 2012, and notes comprising 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 audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an 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 our 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, we 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 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, Family Service Regina derives revenue from donations, 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 Family Service Regina.



Therefore, we were not able to determine whether, as at March 31, 2013, March 31, 2012 and April 1, 2011 and for the years ended March 31, 2013 and March 31, 2012, any adjustments might be necessary to donations and excess of revenue over expenses reported in the statements of operations and net assets, excess of revenue over expenses reported in the statements of cash flows and current assets and operating fund balances reported in the statements of financial position.

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 Family Service Regina as at March 31, 2013, March 31, 2012 and April 1, 2011, and the results of its operations and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP

Chartered Accountants

Regina, Canada

June 5, 2013

FAMILY SERVICE REGINA

Statements of Financial Position

March 31, 2013, March 31, 2012 and April 1, 2011

	2013	2012	2011
Assets			
Current assets:			
Cash	\$253,888	\$ 268,856	\$ 118,036
Accounts receivable	22,725	41,105	64,837
Prepaid expenses	27,878	16,600	14,098
	304,491	326,561	196,971
Investments (note 4)	242,533	237,750	227,218
Property, plant and equipment (note 5)	46,712	26,921	35,748
	\$593,736	\$ 591,232	\$ 459,937

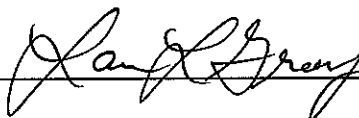
Liabilities and Net Assets

Current liabilities:			
Accounts payable and accrued liabilities (note 6)	\$ 95,847	\$ 127,568	\$ 107,124
Grants received in advance	19,744	22,192	51,859
Deferred revenue – Employee and Family Assistance Plan	58,499	41,282	23,422
	174,090	191,042	182,405
Deferred revenue – donated asset	-	1,083	3,250
Net assets:			
Unrestricted	163,569	148,109	46,799
Internally restricted (note 3 (e))	233,077	227,998	214,483
Internally restricted – development (note 3(f))	10,000	10,000	10,000
Internally restricted – staff training (note 3(g))	13,000	13,000	3,000
	419,646	399,107	274,282
Commitments (note 9)			
	\$593,736	\$ 591,232	\$ 459,937

See accompanying notes to financial statements.

On behalf of the Board:

 Director

 Director

FAMILY SERVICE REGINA

Statements of Operations and Net Assets

Years ended March 31, 2013 and 2012

	2013	2012
Revenues		
Province of Saskatchewan grants	\$ 930,308	\$ 893,228
Fees for service	367,653	348,493
United Way grant	199,834	267,500
City of Regina grant	53,500	53,500
Donations	45,561	54,597
Fundraising (note 8)	32,236	28,827
Foundation contributions	9,078	-
Interest	5,079	11,278
Other income	2,569	2,669
Government of Canada grants	-	126,897
Total revenue	1,645,818	1,786,989
Expenses		
Salaries and wages	1,045,615	1,082,881
Staff benefits	172,707	174,386
Contracted services	143,437	154,681
Rent	102,398	102,398
Office supplies and equipment	26,337	31,803
Transportation and sustenance	22,365	16,508
Telephone	20,765	14,300
Memberships and subscriptions	19,352	20,503
Amortization	17,894	13,584
Training and development	17,436	13,357
Insurance	7,993	8,632
Professional fees	6,862	7,400
Program supplies	5,717	6,190
Freight charges	3,949	4,904
Equipment rental	3,349	2,318
Repairs and maintenance	3,242	3,280
Bank charges	2,468	2,355
Bad debt	2,255	-
Advertising	1,138	2,684
Total expenses	1,625,279	1,662,164
Excess of revenue over expenses	20,539	124,825
Net assets, beginning of year	399,107	274,282
Net assets, end of year	\$ 419,646	\$ 399,107

See accompanying notes to financial statements.

FAMILY SERVICE REGINA

Statements of Changes in Net Assets

Years ended March 31, 2013 and 2012

	Unrestricted	Internally Restricted	Restricted - Development	Restricted - Staff Training	Total
Net assets, March 31, 2012	\$ 148,109	\$ 227,998	\$ 10,000	\$ 13,000	\$ 399,107
Excess of revenues over expenses	20,539	-	-	-	20,539
Transfers – restricted interest	(5,079)	5,079	-	-	-
Net change	15,460	5,079	-	-	20,539
Net assets, March 31, 2013	\$ 163,569	\$ 233,077	\$ 10,000	\$ 13,000	\$ 419,646

	Unrestricted	Internally Restricted	Internally Restricted- Development	Internally Restricted- Staff Training	Total
Net assets, April 1, 2011	\$ 46,799	\$ 214,483	\$ 10,000	\$ 3,000	\$ 274,282
Excess of revenues over expenses	124,825	-	-	-	124,825
Transfers – restricted interest	(13,515)	13,515	-	-	-
Transfer	(10,000)	-	-	10,000	-
Net change	101,310	13,515	-	10,000	124,825
Net assets, March 31, 2012	\$ 148,109	\$ 227,998	\$ 10,000	\$ 13,000	\$ 399,107

See accompanying notes to financial statements.

FAMILY SERVICE REGINA

Statements of Cash Flows

Years ended March 31, 2013 and 2012

	2013	2012
Cash used in:		
Operating activities:		
Excess of revenues over expenses	\$ 20,539	\$ 124,825
Items not involving cash:		
Amortization	17,894	13,584
Amortization of deferred revenue	(1,083)	(2,167)
Net change in non-cash operating working capital:		
Accounts receivable	18,380	23,732
Prepaid expenses	(11,278)	(2,502)
Accounts payable and accrued liabilities	(31,721)	20,444
Grants received in advance	(2,448)	(29,667)
Deferred revenue – Employee and Family Assistance Plan	17,217	17,860
	<u>27,500</u>	<u>166,109</u>
Investing activities:		
Purchase of property, plant and equipment	(37,685)	(4,757)
Net purchase of investments	(4,783)	(10,532)
	<u>(42,468)</u>	<u>(15,289)</u>
Increase (decrease) in cash	(14,968)	150,820
Cash, beginning of year	268,856	118,036
Cash, end of year	<u>\$ 253,888</u>	<u>\$ 268,856</u>

See accompanying notes to financial statements.

FAMILY SERVICE REGINA

Notes to Financial Statements

Years ended March 31, 2013 and 2012

Family Service Regina (the "Organization") is incorporated under the *Non-Profit Corporations Act of Saskatchewan* and is a community based organization serving families in Regina and surrounding area. The Organization's mission is to help families and individuals successfully meet changing needs to achieve their potential. Services include individual, couple and family counseling; programs for teenage parents; lifeskills training; family and workplace education; victims of domestic violence programming; employee and family assistance programs; and community support, consultation and development.

1. Basis of preparation:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations contained in Part III of the CICA Handbook. The Organization's financial statements were previously prepared in accordance with Canadian generally accepted accounting principles (Canadian GAAP).

Canadian GAAP differs in some respects from Canadian accounting standards for not-for-profit organizations and the comparative figures for 2012 have been restated to reflect these adjustments. Any adjustments as a result of adopting Canadian accounting standards for not-for-profit organizations have been reflected in the Organization's opening statement of financial position as at April 1, 2011, the transition date.

Certain information that is considered material to the understanding of the Organization's financial statements along with reconciliations and descriptions of how the transition from Canadian GAAP to Canadian accounting standards for not-for-profit organizations has affected the reported financial position, financial performance and cash flows are provided in note 2.

2. First-time adoption of Canadian accounting policies for not-for-profit organizations:

The Organization is required to determine its accounting policies under Canadian accounting policies for not-for-profit organizations and then apply them retrospectively to establish its opening statement of financial position.

The only adjustment upon the adoption of Canadian accounting policies for not-for-profit organizations was to combine net assets invested in property, plant and equipment with unrestricted net assets as it is no longer required to separately disclose the net assets invested in property, plant and equipment. The impact of the adjustment is to reclassify the \$32,500 of net assets invested in property, plant and equipment into unrestricted net assets as at April 1, 2011. There was no impact on excess of revenues over expenses or cash flows as a result of this adjustment for the year ending March 31, 2012.

3. Significant accounting policies:

(a) Revenue recognition:

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue of the appropriate funds in the year in which the related expenses 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. Separate revenue and expense accounts are maintained for the various programs the Organization offers (see note 7).

FAMILY SERVICE REGINA

Notes to Financial Statements

Years ended March 31, 2013 and 2012

3. Significant accounting policies (continued):

The Organization enters into contracts to provide employee assistance services. The revenue is recorded in the period in which the service is provided. Funds received in advance of the service being provided for full service contracts are deferred until the service is provided or until the contract term has expired.

(b) *Income taxes:*

The Organization is a registered charity, and as such, no income taxes are payable on reported income under paragraph 149(l)(f) of the *Income Tax Act*.

(c) *Property, plant and equipment:*

Property, plant and equipment are initially recorded at cost. Donated assets are recorded at fair value at the time of the donation. Amortization is provided for using the straight-line method over the useful life of the asset as follows:

Asset	Useful life
Computer equipment	4 years
Data management software	5 years
Video equipment	4 years
Office equipment	4 years
Furniture and fixtures	5 years
Vehicles	6 years
Leasehold improvements	Term of lease

(d) *Financial instruments*

Financial instruments are recorded at fair value on initial recognition and subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Organization has elected to carry its investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount of the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

FAMILY SERVICE REGINA

Notes to Financial Statements

Years ended March 31, 2013 and 2012

3. Significant accounting policies (continued):

(e) Internally restricted net assets:

Certain specified amounts have been restricted by the Board of Directors for unforeseen extraordinary expenses that would adversely affect the Organization or to offset reductions in other sources of funding. Any interest earned on these funds is also allocated to the restricted balance, until such time that the total value of the restricted balance exceeds the policy terms for the fund.

(f) Internally restricted net assets – development:

Certain specified amounts have been restricted by the Board of Directors for use as seed money for development opportunities. Any interest earned on these funds is not allocated to the restricted balance.

(g) Internally restricted net assets – staff training:

Certain specified amounts have been restricted by the Board of Directors for use as money for staff training opportunities. Any interest earned on these funds is not allocated to the restricted balance.

(h) Deferred revenue – donated asset:

Revenue is recognized into income over the useful life of the donated asset.

(i) Fundraising revenue:

The net proceeds for any fundraising/special event are recorded in the statement of operations and net assets in the fiscal year in which the event is held.

(j) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

FAMILY SERVICE REGINA

Notes to Financial Statements

Years ended March 31, 2013 and 2012

4. Investments:

	2013	2012
Canadian money market fund	\$ 117,625	\$ 117,165
Investors Group Fixed Income Port Series A	70,481	-
Investors Group Fixed Income Port Series C	46,400	-
Investors Cdn Bond Fund A	8,027	8,112
Investors Real Return Bond Fund C DSC	-	44,537
Investors Real Return Bond Fund A	-	42,536
Investors Income Portfolio A	-	25,400
	<u>\$ 242,533</u>	<u>\$ 237,750</u>

For bonds and bond funds, the fair values are based on quoted market values. For the money market funds, fair value approximates cost due to their immediate or short-term nature.

5. Property, plant and equipment:

	2013		
	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 76,504	\$ 66,457	\$ 10,047
Data management software	58,639	36,340	22,299
Video equipment	3,809	3,809	-
Office equipment	26,224	11,858	14,366
Furniture and fixtures	110,012	110,012	-
Vehicles	13,000	13,000	-
Leasehold improvements	9,706	9,706	-
	<u>\$ 297,894</u>	<u>\$ 251,182</u>	<u>\$ 46,712</u>

	2012		
	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 64,701	\$ 63,716	\$ 985
Data management software	46,851	26,970	19,881
Video equipment	3,809	3,809	-
Office equipment	12,129	7,157	4,972
Furniture and fixtures	110,012	110,012	-
Vehicles	13,000	11,917	1,083
Leasehold improvements	9,706	9,706	-
	<u>\$ 260,208</u>	<u>\$ 233,287</u>	<u>\$ 26,921</u>

FAMILY SERVICE REGINA

Notes to Financial Statements

Years ended March 31, 2013 and 2012

6. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$314 (2012 - \$421), which includes amounts payable for federal sales taxes.

7. Program revenue and expenses:

	2013		2012	
	Revenue	Expenses	Revenue	Expenses
Program:				
Counselling (Schedule 1)	\$ 415,584	\$ 403,525	\$ 456,685	\$ 376,720
Domestic Violence Victims Services Program	165,238	172,541	159,813	165,596
Domestic Violence Outreach Program	104,417	107,273	102,774	105,792
Prairie Action DV Stalking	8,333	7,481	-	-
Status of Women Project	-	-	122,890	128,330
Employee and Family Assistance	339,024	350,312	320,365	332,533
Family Violence Support Services	73,700	76,132	72,540	80,305
Resource Development	77,796	32,871	83,424	23,216
Teen Parent (Schedule 2)	109,027	106,337	60,060	61,897
Domestic Violence Court Case Worker Program	155,319	160,932	145,088	147,049
Choices for Change	26,578	26,469	85,244	85,240
	1,475,016	1,443,873	1,608,883	1,506,678
Administration:				
Administration	170,802	359,835	178,106	313,517
Less: Overhead recovery allocated to programs	-	178,429	-	158,031
	170,802	181,406	178,106	155,486
	\$1,645,818	\$ 1,625,279	\$1,786,989	\$1,662,164

8. Fundraising:

	2013	2012
Juke Box Mania:		
Revenue	\$ 21,482	\$ 21,964
Expenses	(10,637)	(10,455)
Friends of the Family Luncheon:		
Revenue	26,638	21,878
Expenses	(6,007)	(5,421)
Miscellaneous fundraising	760	861
Net proceeds	\$ 32,236	\$ 28,827

FAMILY SERVICE REGINA

Notes to Financial Statements

Years ended March 31, 2013 and 2012

9. Commitments:

The Organization is committed under operating lease agreements for occupancy and equipment with the following minimum annual payments over the next year:

2013	\$ 104,895
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The Organization has entered into certain employee assistance full service contracts that extend beyond March 31, 2013. The Organization is committed to providing those services set out in the contract for the remaining fee recorded as Deferred Revenue – Employee and Family Assistance Plan.

10. Risk management

The Organization, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: credit risk and interest rate risk.

Credit risk

The Organization's principal financial assets are cash, accounts receivable, and investments in bonds, bond funds and money market funds, which are subject to credit risk. The carrying amounts of financial assets on the balance sheet represent the Organization's maximum credit exposure at the balance sheet date.

The Organization's credit risk is primarily attributable to its trade receivables. The amounts disclosed in the balance sheet are net of allowance for doubtful accounts, estimated by management of the Organization based on previous experience and its assessment of the current economic environment. The Organization does not have significant exposure to any individual customer and has not incurred any significant bad debts during the year. Dealing with institutions that have strong credit ratings minimizes credit risk related to cash and investments in bonds, bond funds and money market funds.

Interest rate risk

Cash and investments in bonds, bond funds and money market funds have limited exposure to interest rate risk due to their short term maturity.

11. Economic dependence:

The Organization receives a substantial amount of its revenue (2013 – 72%, 2012 – 75%) in the form of grants from governments and the United Way of Regina. These grants must be applied for on an annual basis.

FAMILY SERVICE REGINA

Schedule 1 – Statement of Revenues and Expenditures for Counselling, Education and Support

Years ended March 31, 2013 and 2012

	2013	2012
Revenues		
Saskatchewan Ministry of Social Services	\$ 327,608	\$ 363,478
United Way of Regina	50,211	58,388
Fee for Service	27,765	24,819
City of Regina	10,000	10,000
Total revenue	415,584	456,685
Expenses		
Salaries, wages and administration	262,558	246,912
Staff benefits	46,551	41,091
Administrative/Overhead Recovery	40,864	39,854
Rent	25,651	24,518
Office supplies and equipment	7,948	2,182
Contracted services	7,284	7,341
Telephone	2,919	2,388
Memberships and subscriptions	2,118	1,918
Insurance	2,033	1,328
Transportation and sustenance	2,026	2,353
Training and development	1,501	3,014
Program supplies	747	994
Professional Fees	800	800
Repairs and maintenance	521	601
Freight charges	4	13
Advertising	-	1,413
Total expenses	403,525	376,720
Excess of revenue over expenses	\$ 12,059	\$ 79,965

FAMILY SERVICE REGINA

Schedule 2 – Statement of Revenues and Expenditures for Teen Parent Program

Years ended March 31, 2013 and 2012

	2013	2012
Revenues		
Saskatchewan Ministry of Social Services	\$ 106,527	\$ 50,060
City of Regina	2,500	10,000
Total revenue	109,027	60,060
Expenses		
Salaries, wages and administration	71,591	38,621
Staff benefits	11,944	6,428
Administrative/Overhead Recovery	9,989	7,936
Rent	5,410	3,536
Contracted services	1,985	1,664
Telephone	1,246	717
Office supplies and equipment	1,170	214
Transportation and sustenance	797	744
Training and development	615	529
Program Supplies	516	-
Professional Fees	400	400
Repairs and maintenance	307	300
Memberships and subscriptions	207	583
Insurance	98	185
Freight charges	62	40
Total expenses	106,337	61,897
Excess (deficiency) of revenue over expenses	\$ 2,690	\$ (1,837)