

BURNABY FAMILY LIFE INSTITUTE

FINANCIAL STATEMENTS

31 MARCH 2011



ROLFE, BENSON LLP
CHARTERED ACCOUNTANTS

BURNABY FAMILY LIFE INSTITUTE
Financial Statements
For the Year Ended 31 March 2011

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INDEPENDENT AUDITOR'S REPORT

To the Members,
Burnaby Family Life Institute

Report on the Financial Statements

We have audited the accompanying financial statements of Burnaby Family Life Institute, which comprise the statement of financial position as at 31 March 2011, and the statements of operations and 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 the financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the 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 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.



INDEPENDENT AUDITOR'S REPORT - continued

Basis for Qualified Opinion

In common with charitable organizations, the Society derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues 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 revenues, excess of revenue over expenses and net assets.

Qualified Opinion

In our opinion, except for the 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 Burnaby Family Life Institute as at 31 March 2011, and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Report on Other Legal and Regulatory Requirements

As required by the Society Act of British Columbia, we report that, in our opinion, these principals have been applied on a basis consistent with that of the preceding year.

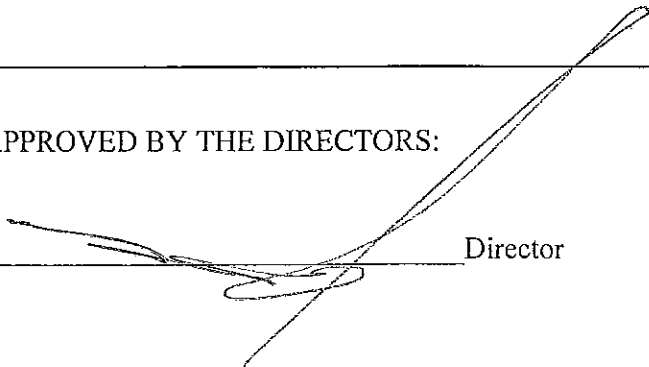
Rolfe, Benson LLP
CHARTERED ACCOUNTANTS

Vancouver, Canada
26 July 2011

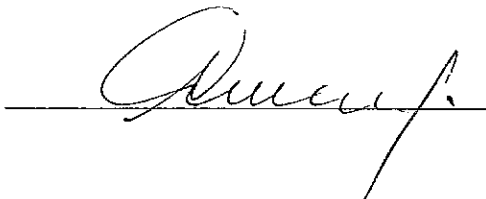
BURNABY FAMILY LIFE INSTITUTE
Statement of Financial Position
31 March 2011

| | 2011 | 2010 |
|--|--------------|--------------|
| Assets | | |
| Current | | |
| Cash | \$ 250,329 | \$ 186,619 |
| Short-term investments | 550,000 | 400,000 |
| Accounts receivable | 273,795 | 391,754 |
| Prepaid expenses | 25,743 | 14,844 |
| | 1,099,867 | 993,217 |
| Capital assets (Note 5) | 156,588 | 164,923 |
| | \$ 1,256,455 | \$ 1,158,140 |
| Liabilities | | |
| Current | | |
| Accounts payable and accrued liabilities | \$ 200,984 | \$ 121,941 |
| Accrued payroll liabilities | 93,271 | 88,699 |
| Deferred revenue (Note 7) | 480,848 | 528,520 |
| | 775,103 | 739,160 |
| Deferred capital contributions (Note 8) | 109,347 | 112,540 |
| | 884,450 | 851,700 |
| Commitments (Note 6) | | |
| Net Assets | | |
| Invested in net capital assets | 47,241 | 52,383 |
| Board restricted | 66,405 | 66,405 |
| Unrestricted | 258,359 | 187,652 |
| | 372,005 | 306,440 |
| | \$ 1,256,455 | \$ 1,158,140 |

APPROVED BY THE DIRECTORS:



Director



Director

The accompanying notes form an integral part of the financial statements.

BURNABY FAMILY LIFE INSTITUTE
Statement of Changes in Net Assets
For the Year Ended 31 March 2011

| | 2011 | | | | 2010 Total |
|---|--------------------------------------|---------------------|--------------|------------|---------------|
| | Invested in Net Capital Assets | Board Restricted | Unrestricted | Total | |
| Balance - beginning of year | \$ 52,383 | \$ 66,405 | \$ 187,652 | \$ 306,440 | \$ 267,941 |
| Excess of revenues over expenses | - | - | 65,565 | 65,565 | 38,499 |
| Capital asset additions | 33,932 | - | (33,932) | - | - |
| Contributions from deferred capital | (25,354) | - | 25,354 | - | - |
| Amortization of capital assets | (42,267) | - | 42,267 | - | - |
| Amortization of deferred capital contributions | 28,547 | - | (28,547) | - | - |
| Loss on disposal of capital assets | - | - | - | - | - |
| Balance - end of year | \$ 47,241 | \$ 66,405 | \$ 258,359 | \$ 372,005 | \$ 306,440 |

The accompanying notes form an integral part of the financial statements.

BURNABY FAMILY LIFE INSTITUTE**Statement of Operations**

For the Year Ended 31 March 2011

| | 2011 | 2010 |
|---|------------------|------------------|
| Revenues | | |
| Grants | \$ 3,127,330 | \$ 3,016,449 |
| Registrations fees | 293,562 | 236,265 |
| Direct Access Program Grant | 65,250 | 72,195 |
| Other | 35,963 | 52,699 |
| Donations and memberships | 30,153 | 16,357 |
| Fundraising | 24,901 | 7,358 |
| Interest income | 12,831 | 5,678 |
| Amortization of deferred capital contributions (Note 8) | 28,547 | 26,260 |
| | <u>3,618,537</u> | <u>3,433,261</u> |
| Expenses | | |
| Wages and benefits | 2,496,950 | 2,231,872 |
| Payments to subcontract agency | 452,136 | 567,050 |
| Office expense | 201,466 | 241,310 |
| Program expense | 136,686 | 118,301 |
| Rent and occupancy costs | 100,455 | 104,997 |
| Travel | 44,036 | 41,544 |
| Telephone | 43,642 | 42,914 |
| Miscellaneous expense | 23,838 | 8,419 |
| Fundraising expense | 11,496 | 1,090 |
| Amortization of capital assets | 42,267 | 37,265 |
| | <u>3,552,972</u> | <u>3,394,762</u> |
| Excess of revenues over expenses for the year | <u>\$ 65,565</u> | <u>\$ 38,499</u> |

The accompanying notes form an integral part of the financial statements.



BURNABY FAMILY LIFE INSTITUTE**Statement of Cash Flows**
For the Year Ended 31 March 2011

| | 2011 | 2010 |
|---|-------------------|-------------------|
| Cash provided by (used in): | | |
| Operating activities | | |
| Excess of revenues over expenses | \$ 65,565 | \$ 38,499 |
| Items not involving cash | | |
| Amortization of capital assets | 42,267 | 37,265 |
| Amortization of deferred capital contributions | (28,547) | (26,260) |
| Loss on disposal of capital assets | - | 4,221 |
| | <u>79,285</u> | <u>53,725</u> |
| Changes in non-cash working capital balance | | |
| Accounts receivable | 117,959 | (170,470) |
| Prepaid expenses | (10,899) | (4,422) |
| Accounts payable and accrued liabilities | 79,043 | 13,013 |
| Accrued payroll liabilities | 4,572 | 28,590 |
| Deferred revenue | (47,672) | 24,628 |
| | <u>222,288</u> | <u>(54,936)</u> |
| Investing activities | | |
| Increase in short-term investments | (150,000) | (100,000) |
| Purchase of capital assets | (33,932) | (120,272) |
| | <u>(183,932)</u> | <u>(220,272)</u> |
| Financing activities | | |
| Contributions received for capital asset purchase | 25,354 | 88,067 |
| | <u>25,354</u> | <u>88,067</u> |
| Net increase (decrease) in cash | 63,710 | (187,141) |
| Cash - beginning of year | 186,619 | 373,760 |
| Cash - end of year | \$ 250,329 | \$ 186,619 |
| Supplemental cash flow information: | | |
| Interest received | \$ 12,371 | \$ 10,027 |

The accompanying notes form an integral part of the financial statements.



BURNABY FAMILY LIFE INSTITUTE
Notes to the Financial Statements
For the Year Ended 31 March 2011

1. Nature of the Society

Burnaby Family Life Institute (“Society”) was incorporated on 12 February 1971 under the Society Act of British Columbia. The Society provides education and counselling in safe, non-judgmental, individual and group settings to help clients acquire understanding, effective communication skills, conflict resolution and problem solving skills. The Society is a registered charity pursuant to the Income Tax Act and is exempt from income tax.

2. Summary of Significant Accounting Policies

(a) 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 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.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

All other revenue is recognized as the related services is provided.

(b) Capital Assets

Capital assets are recorded at cost and amortized over its estimated useful life on the declining balance basis at the following annual rates:

| | |
|--------------------------------|-----|
| Office equipment and furniture | 20% |
| Library | 20% |
| Computer hardware | 30% |

Additions during the year are amortized at one-half of the above annual rates.

Leasehold improvements and playground are recorded at cost and amortized over its estimated useful life of five years on a straight line basis.

(c) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingencies at the date of the statement of financial position. Actual results could differ from those estimates.

BURNABY FAMILY LIFE INSTITUTE
Notes to the Financial Statements
For the Year Ended 31 March 2011

2. Summary of Significant Accounting Policies - Continued

(d) Deferred Capital Contributions

Contributions received for the acquisition of capital assets are deferred in the accounts and amortized over the same term and on the same basis as the related capital assets.

(e) Contributed Goods and Services

The Society receives gifts of various goods and services from volunteers that contribute their time to assist the Society in carrying out the activities. As it is difficult to determine the fair market value of their gifts and services, the donated goods and services are not recognized in the financial statements.

(f) Future Accounting Changes

Changes in Accounting Framework

The Society is classified as a not-for-profit organization. The Society will be required to adopt a new accounting framework and the options are Canadian Accounting Standards for Not-for-Profit Organizations or International Financial Reporting Standards (IFRS), effective for fiscal years beginning on or after 1 January 2012. The Society is in the process of reviewing the potential impact of these two accounting frameworks on its financial statements.

3. Management of Capital

The Society considers its capital to be its net assets invested in capital assets and its Board restricted and unrestricted net assets.

The Society's objective in managing its net assets is to remain a sustainable operation while fulfilling its overall mandate to educate and counsel in safe, non-judgmental, individual and group settings to help clients acquire and understand, effective communication skills, conflict resolution and problem solving skills. It achieves its objectives by strong day to day management of its cash flows, and by regularly monitoring revenues and expenditures against operating and capital budgets. When necessary, the Society takes appropriate action to reduce expenditures or curtail programs when actual revenues do not meet its budget or alternate sources of revenue cannot be found.

4. Financial Instruments

The Society has elected to use the exemption provided by the CICA permitting not-for-profit organizations not to apply the CICA Handbook Section 3862 "Financial Instruments - Disclosure" and Section 3863 "Financial Instruments - Presentation" which would otherwise have applied to the financial statements for the year ended 31 March 2011. The Society applies the requirements of Section 3861 of the CICA Handbook.

The Society classified its cash and short-term investments as held for trading and its accounts receivables as receivables. Accounts payable and accrued liabilities are classified as other financial liabilities.

BURNABY FAMILY LIFE INSTITUTE
Notes to the Financial Statements
For the Year Ended 31 March 2011

4. Financial Instruments - continued

(a) Fair Value

Cash, short-term investments, accounts receivable, accounts payable and accrued liabilities are measured at their carrying amounts since it is comparable to their fair value due to the approaching maturity of these financial instruments.

(b) Financial Risk

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest, currency or credit risks arising from the financial instruments.

(c) Liquidity Risk

Money market investments represent instruments in highly liquid investments that are readily converted into known amounts of cash.

5. Capital Assets

| | Cost | Accumulated Amortization | Net Book Value | |
|--------------------------------|-------------------|-----------------------------|-------------------|-------------------|
| | | | 2011 | 2010 |
| Office equipment and furniture | \$ 75,063 | \$ 24,039 | \$ 51,024 | \$ 44,966 |
| Playground | 29,392 | 29,392 | - | - |
| Library | 1,388 | 1,004 | 384 | 480 |
| Computer hardware | 52,731 | 26,954 | 25,777 | 22,276 |
| Leasehold improvements | 117,744 | 38,341 | 79,403 | 97,201 |
| | <u>\$ 276,318</u> | <u>\$ 119,730</u> | <u>\$ 156,588</u> | <u>\$ 164,923</u> |

6. Commitments

The Society is committed to payments for leased premises and equipment. The minimum annual lease payments are as follows:

| | |
|------|------------------|
| 2012 | \$ 73,455 |
| 2013 | <u>2,389</u> |
| | <u>\$ 75,844</u> |

The Society receives a grant from the City of Burnaby for their leased premises.

BURNABY FAMILY LIFE INSTITUTE
Notes to the Financial Statements
For the Year Ended 31 March 2011

7. Deferred Revenue

Deferred contributions consist of donations and grants received which may only be used for the purpose of operating costs related to specific programs. The balance in the account is comprised of the following:

| | 2011 | 2010 |
|-----------------------|------------|------------|
| Corporate | \$ 12,115 | \$ 13,540 |
| Not for Profit | 320,635 | 322,310 |
| Government | 148,098 | 192,670 |
| Balance - end of year | \$ 480,848 | \$ 528,520 |

8. Deferred Capital Contributions

Deferred capital contributions consist of grants and other donations received that are restricted for the purpose of purchasing of capital assets. The amortization of the capital contribution is recorded as revenue in the statement of operations at the same rate as amortization is recorded on the related capital assets. The change in the balance consists of the following:

| | 2011 | 2010 |
|---|------------|------------|
| Balance - beginning of year | \$ 112,540 | \$ 50,733 |
| Contributions for capital assets acquired | 25,354 | 88,067 |
| Recognized as revenue during the year | (28,547) | (26,260) |
| Balance - end of year | \$ 109,347 | \$ 112,540 |

9. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's financial statement presentation.