



## Financial Statements

Discovery House Family Violence Prevention  
Society

March 31, 2022

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# Independent Auditor's Report

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To the Members of  
**Discovery House Family Violence Prevention Society**

## Opinion

We have audited the financial statements of **Discovery House Family Violence Prevention Society** (the "Society"), which comprise the statement of financial position as at March 31, 2022, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Discovery House Family Violence Prevention Society** as at March 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other matter

The financial statements for the year ended March 31, 2021 were audited by another firm of chartered professional accountants who expressed an unmodified opinion on those financial statements on June 16, 2021.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the 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.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Calgary, Canada

June 16, 2022



Chartered Professional Accountants

Discovery House Family Violence Prevention Society  
Statement of Financial Position  
As at March 31, 2022

	Operating Fund	Bursary Fund	Building Fund	2022	2021
<b>Assets</b>					
Current assets					
Cash and cash equivalents	\$ 943,244	\$ 14,666	\$ 365,957	\$ 1,323,867	\$ 1,388,371
Short-term investments (Note 3)	1,405,006	1,127,102	918,030	3,450,138	2,464,123
Accounts receivable	149,276	-	-	149,276	309,380
Goods and services tax recoverable	16,399	-	-	16,399	12,831
Prepaid expenses	93,475	-	-	93,475	89,866
	2,607,400	1,141,768	1,283,987	5,033,155	4,264,571
Long-term investments (Note 4)	-	-	-	-	553,369
Capital assets (Note 5)	94,216	-	2,868,421	2,962,637	3,109,880
<b>Total assets</b>	<b>\$ 2,701,616</b>	<b>\$ 1,141,768</b>	<b>\$ 4,152,408</b>	<b>\$ 7,995,792</b>	<b>\$ 7,927,820</b>
<b>Liabilities</b>					
Current liabilities					
Accounts payable and accrued liabilities (Note 6)	\$ 526,047	\$ -	\$ -	\$ 526,047	\$ 288,279
Security deposits (Note 7)	11,625	-	-	11,625	12,650
Unearned revenue (Note 8)	3,272	-	-	3,272	624
	540,944	-	-	540,944	301,553
Deferred contributions (Note 9)					
Related to operations	499,343	23,428	110,777	633,548	757,423
Related to capital assets	78,398	-	2,407,190	2,485,588	2,710,042
<b>Total liabilities</b>	<b>1,118,685</b>	<b>23,428</b>	<b>2,517,967</b>	<b>3,660,080</b>	<b>3,769,018</b>
<b>Fund balances</b>					
Invested in capital assets	\$ 15,818	\$ -	\$ 461,231	\$ 477,049	\$ 399,838
Endowment (Note 11)	-	1,000,000	-	1,000,000	1,000,000
Internally restricted (Notes 10 and 12)	-	-	1,000,000	1,000,000	1,000,000
Unrestricted	1,567,113	118,340	173,210	1,858,663	1,758,964
<b>Total fund balances</b>	<b>1,582,931</b>	<b>1,118,340</b>	<b>1,634,441</b>	<b>4,335,712</b>	<b>4,158,802</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,701,616</b>	<b>\$ 1,141,768</b>	<b>\$ 4,152,408</b>	<b>\$ 7,995,792</b>	<b>\$ 7,927,820</b>

The accompanying notes are an integral part of these financial statements.

Approved by the Board of Directors

DocuSigned by:  
*Simon Scott*  
Director

DocuSigned by:  
*Pamela Wicks*  
Director

Discovery House Family Violence Prevention Society  
**Statement of operations**  
**Year ended March 31, 2022**

	Operating Fund	Bursary Fund	Building Fund	2022	2021
<b>Revenue</b>					
Grants (Note 13)	\$ 3,360,721	\$ -	\$ -	\$ 3,360,721	\$ 3,457,845
Donations	1,429,642	-	-	1,429,642	983,119
Amortization of deferred contributions	37,752	-	281,311	319,063	314,602
Special events	68,450	-	-	68,450	147,459
Facility	147,222	-	-	147,222	153,414
Gaming	7,189	-	-	7,189	52,225
Other	68,042	-	-	68,042	104,574
Bursary	-	40,000	-	40,000	33,061
Interest	2,070	-	27,681	29,751	24,793
<b>Total revenue</b>	<b>5,121,088</b>	<b>40,000</b>	<b>308,992</b>	<b>5,470,080</b>	<b>5,271,092</b>
<b>Expenses</b>					
Salaries and benefits	3,549,404	-	-	3,549,404	3,607,205
Facility	526,174	-	-	526,174	330,993
Direct client	501,270	-	-	501,270	452,538
Amortization	44,914	-	289,449	334,363	319,066
Administrative	187,431	-	-	187,431	171,813
Bursary	-	40,000	-	40,000	33,061
Professional fees	70,440	-	-	70,440	71,076
Fundraising and community development	52,428	-	-	52,428	47,994
Unrealized loss on investments	-	31,660	-	31,660	-
	<b>4,932,061</b>	<b>71,660</b>	<b>289,449</b>	<b>5,293,170</b>	<b>5,033,746</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 189,027</b>	<b>\$ (31,660)</b>	<b>\$ 19,543</b>	<b>\$ 176,910</b>	<b>\$ 237,346</b>

The accompanying notes are an integral part of these financial statements.

Discovery House Family Violence Prevention Society  
**Statement of Changes in Fund balances**

For the year ended March 31, 2022

	Operating fund			Bursary fund			Building fund			2022	2021
	Invested in capital assets	Internally restricted (Note 10)	Unrestricted	Endowment	Unrestricted (Note 11)	Invested in capital assets	Internally restricted (Note 12)	Unrestricted	Total	Total	
<b>Balance - beginning of year</b>	\$ 10,411	\$ -	\$ 1,383,493	\$ 1,000,000	\$ 150,000	\$ 389,427	\$ 1,000,000	\$ 225,471	\$ 4,158,802	\$ 3,921,456	
Reclassification of funds	12,569	-	(12,569)	-	-	79,942		(79,942)	\$ -	-	
Excess (deficiency) of revenue over expenses	(7,162)	-	196,189	-	(31,660)	(8,138)		27,681	176,910	237,346	
Balance - End of year	<b>\$ 15,818</b>	<b>\$ -</b>	<b>\$ 1,567,113</b>	<b>\$ 1,000,000</b>	<b>\$ 118,340</b>	<b>\$ 461,231</b>	<b>\$ 1,000,000</b>	<b>\$ 173,210</b>	<b>\$ 4,335,712</b>	<b>\$ 4,158,802</b>	

The accompanying notes are an integral part of these financial statements.

**Discovery House Family Violence Prevention Society**  
**Statement of Cash Flows**  
**Year ended March 31, 2022**

	2022	2021
<b>Cash and cash equivalents provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue over expenses for the year		
Operating fund	\$ 189,027	\$ 221,962
Building fund	19,543	\$ 15,384
Bursary fund	(31,660)	\$ -
	<u>176,910</u>	<u>237,346</u>
Items not affecting cash		
Unrealized loss on investments	31,660	-
Amortization	334,363	319,066
Amortization of deferred contributions related to capital assets	(319,063)	(298,829)
	<u>223,870</u>	<u>257,583</u>
Changes in non-cash working capital		
Accounts receivable	160,104	(125,759)
Goods and services tax recoverable	(3,568)	(839)
Prepaid expenses	(3,609)	(11,979)
Accounts payable and accrued liabilities	237,768	35,152
Security deposits	(1,025)	1,811
Unearned revenue	2,648	(153)
Deferred contributions related to operations	(84,902)	379,885
Deferred contributions related to endowment	(38,973)	763
	<u>492,313</u>	<u>536,464</u>
<b>Investing activities</b>		
Purchase of capital assets	(187,120)	(186,962)
Deferred contributions received related to capital assets	94,608	31,488
Proceeds from redemption of investments	2,458,952	1,208,253
Purchase of investments	(2,923,257)	(2,440,000)
	<u>(556,817)</u>	<u>(1,387,221)</u>
<b>Decrease in cash and cash equivalents during the year</b>	<b>(64,504)</b>	<b>(850,757)</b>
Cash and cash equivalents - Beginning of year	<u>1,388,371</u>	<u>2,239,128</u>
<b>Cash and cash equivalents - End of year</b>	<b>\$ 1,323,867</b>	<b>\$ 1,388,371</b>

The accompanying notes are an integral part of these financial statements.

# Discovery House Family Violence Prevention Society

## Notes to the Financial Statements

### March 31, 2022

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#### 1. Purpose of the organization

Discovery House Family Violence Prevention Society (the "Society") is a not-for-profit organization established under the Societies Act of Alberta. The purpose of the Society is to provide long-term shelter and support services to women and their children who are leaving abusive relationships. The Society is a registered charity under Section 149(1) of the Income Tax Act of Canada and therefore is exempt from the payment of income taxes.

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#### 2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) in Part III of the CPA Canada Handbook. The Society's significant accounting policies are summarized below:

##### Fund Accounting

The Operating Fund accounts for the Society's program delivery and administrative activities. This fund reports unrestricted resources and restricted funds related to operations.

The Bursary Fund reports the assets, liabilities, receipts and disbursements related to the endowment and bursaries. This fund reports unrestricted resources and restricted funds related to the endowment agreement.

The Building Fund reports the assets, liabilities, receipts and disbursements related to buildings and related capital assets. This fund reports unrestricted resources and restricted funds related to the building.

##### Revenue recognition

The Society follows the deferral method of accounting for contributions.

Restricted contributions related to program delivery and administrative expenses are recognized as revenue in the Operating Fund in the year in which the related expenses are incurred. These funds are grants received from government agencies and independent donors.

Contributions restricted for capital are deferred and amortized to revenue in the Building Fund on the same basis as the related asset. Contributions related to bursaries are recognized as revenue in the year in which the related expense is incurred in the Bursary Fund.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest income is recognized as revenue when earned and is recorded in the statement of operations and changes in fund balances in the appropriate fund.

Special events, facility, gaming and other revenue is recognized as services are provided or the related expense is incurred.

# Discovery House Family Violence Prevention Society

## Notes to the Financial Statements

### March 31, 2022

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#### 2. Summary of significant accounting policies (continued)

##### Donations in kind

Donations in kind are recorded at fair market value only when fair market value can be reasonably estimated and when the donated goods or services would otherwise have been purchased by the Society. Volunteers contribute their time each year to assist the Society in achieving its mission. Because of the difficulty of determining the fair value, contributed volunteer services are not recognized in these financial statements. During the year, donations in kind received were valued at \$11,692 (2021 - \$26,452).

##### Government assistance

The Society receives financial assistance from various government agencies. These grant monies are received and recognized as revenue in the Operating Fund in the year in which the related expenses are incurred. Contributions for capital assets are deferred and amortized to revenue on the same basis as the related capital asset.

The assistance provided is based on approved annual operating budgets prepared by management and submitted to various funding agencies. In any year that the Society has revenue in excess of expenses for the programs funded, the Society may be required to refund the excess to the government agencies.

##### Cash and cash equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, with original maturities of three months or less and that are subject to an insignificant risk of change in value.

##### Goods and services tax

Goods and services tax is recoverable at 50% as a rebate. The unrecoverable portion is recorded as an expense with the rebate treated as a receivable.

##### Capital assets

Capital assets are recorded at cost less accumulated amortization and any provision for impairment. The cost for contributed capital assets is considered to be fair value at the date of contribution. The cost of capital assets made up of significant separable component parts is allocated to the component parts when practical and significant and when estimates can be made of the estimated useful lives of the separate components.

Amortization is calculated on a straight line basis over the asset's estimated useful lives as follows:

Buildings	20-40 years
Furniture, fixtures and equipment	5 years
Telephone system	3 years
Vehicle	5 years

The Society performs impairment testing when conditions indicate that a capital asset no longer contributes to the Society's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount. When conditions indicate that a capital asset is impaired, the net carrying amount of the capital asset is written down to the asset's fair value or replacement cost. The write-downs of capital assets are recognized as expenses in the statement of operations. Write-downs are not subsequently reversed should conditions change that created the original impairment.

# Discovery House Family Violence Prevention Society

## Notes to the Financial Statements

### March 31, 2022

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#### 2. Summary of significant accounting policies (continued)

##### Financial instruments

The Society initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions, if any, which are measured at cost or fair value, depending on the nature of the transaction. It subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in equity instruments and mutual funds that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized as unrealized gains or losses in the statement of operations.

The financial assets measured at amortized cost include cash and cash equivalents, non-equity investments and accounts receivable. The financial liabilities measured at amortized cost include accounts payables and accrued liabilities. The Society has no non-arm's length transactions recorded at fair value.

Transaction costs related to financial instruments measured at fair value are expensed as incurred. For all other financial instruments, the transaction costs are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the statement of operations.

With respect to financial assets measured at cost or amortized cost, the Society recognizes in the statement of operations an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed in the statement of operations in the period the reversal occurs.

##### Use of estimates

The preparation of the Society's financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the year. By their nature, these amounts are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. Actual results could differ from these estimates.

Assumptions are used in estimating the collectability of accounts receivable, fair value of certain investments, useful life and potential impairment of capital assets and accrued liabilities. Management reviews its estimates annually based on current information available.

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## Discovery House Family Violence Prevention Society

### Notes to the Financial Statements

#### March 31, 2022

#### 3. Short-term investments

	Operating Fund	Bursary Fund	Building Fund	2022 Total	2021 Total
Mutual fund	\$ 5,878	\$ 1,127,102	\$ -	\$ 1,132,980	\$ 590,000
GIC maturing May 12, 2022, bearing interest at 1.47% per annum	-	-	565,227	565,227	-
GIC maturing December 7, 2022, bearing interest at 0.65% per annum	550,287	-	-	550,287	-
GIC maturing September 9, 2022, bearing interest at 0.35% per annum	450,394	-	-	450,394	-
GIC maturing January 23, 2023, bearing interest at 1.00% per annum	398,447	-	352,803	751,250	-
GIC matured November 27, 2021, bearing interest at 2.24% per annum	-	-	-	-	566,573
GIC matured January 25, 2022, bearing interest at 0.65% per annum	-	-	-	-	750,812
GIC matured May 12, 2021 bearing interest at prime minus 1.47% per annum	-	-	-	-	556,738
	<u>\$ 1,405,006</u>	<u>\$ 1,127,102</u>	<u>\$ 918,030</u>	<u>\$ 3,450,138</u>	<u>\$ 2,464,123</u>

#### 4. Long-term investments

In fiscal 2021, the long-term investment held in the bursary fund was a GIC aggregating \$553,369, bearing interest at 2.24% per annum, that matured November 29, 2021. Upon maturity the funds were re-invested in short-term investments (Note 3).

#### 5. Capital assets

	Cost	Accumulated Amortization	2022	2021
<b>Operating Fund</b>				
Furniture, fixtures and equipment	\$ 722,786	\$ 628,570	\$ 94,216	\$ 68,271
Telephone system	15,679	15,679	-	-
Vehicles	29,685	29,685	-	8,411
	<u>\$ 768,150</u>	<u>\$ 673,934</u>	<u>\$ 94,216</u>	<u>\$ 76,682</u>
<b>Building Fund</b>				
Land	\$ 270,000	\$ -	\$ 270,000	\$ 270,000
Buildings	6,142,992	3,812,575	2,330,417	2,593,764
Furniture, fixtures and equipment	490,156	222,152	268,004	169,434
	<u>\$ 6,903,148</u>	<u>\$ 4,034,727</u>	<u>\$ 2,868,421</u>	<u>\$ 3,033,198</u>
<b>Total</b>	<u>\$ 7,671,298</u>	<u>\$ 4,708,661</u>	<u>\$ 2,962,637</u>	<u>\$ 3,109,880</u>

## Discovery House Family Violence Prevention Society

### Notes to the Financial Statements

#### March 31, 2022

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#### 5. Capital assets (continued)

As at March 31, 2022 assets not subject to amortization, as they were not available for use, were \$nil (2021 - \$7,303) included in furniture, fixtures and equipment in the Operating Fund; \$244,217 (2021 - \$129,404) included in furniture, fixtures and equipment in the Building Fund; and \$9,861 (2021 - \$nil) included in buildings in the Building Fund.

Subsequent to year end, the Society sold a piece of land and a building for gross proceeds of \$410,000.

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#### 6. Government remittances

Payroll source deductions amounting to \$3,907 (2021 - \$18,186) are owed to the Federal government as at March 31, 2022 and are included in accounts payable and accrued liabilities in the statement of financial position.

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#### 7. Security deposits

These amounts relate to security deposits received from clients.

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#### 8. Unearned revenue

These amounts relate to loaded gift cards from various vendors.

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#### 9. Deferred contributions

##### Related to operations

Deferred contributions reported relate to funding received in the current period for future period operations.

	Operating Fund	Bursary Fund	Building Fund	2022 Total	2021 Total
Balance - beginning of year	\$ 584,721	\$ 62,401	\$ 110,301	\$ 757,423	\$ 395,959
Amount added during the year	2,081,504	1,027	548	2,083,079	3,501,142
Amount utilized/transferred during the year	(2,166,882)	(40,000)	(72)	(2,206,954)	(3,139,678)
Balance - end of year	<u>\$ 499,343</u>	<u>\$ 23,428</u>	<u>\$ 110,777</u>	<u>\$ 633,548</u>	<u>\$ 757,423</u>

##### Related to capital assets

Deferred contributions related to capital assets are made up of funding received for capital asset purchases. The amounts are recognized as revenue at the same rate as the capital assets acquired are amortized. As at March 31, 2022, there were \$nil of unspent contributions restricted for the purchase of capital assets (2021 - \$33,000).

	Operating Fund	Building Fund	2022 Total	2021 Total
Balance - beginning of year	\$ 66,271	\$ 2,643,771	\$ 2,710,042	\$ 2,958,199
Amount added during the year	61,274	44,692	105,966	73,246
Amount utilized/transferred during the year	(49,147)	(281,273)	(330,420)	(321,403)
Balance - end of year	<u>\$ 78,398</u>	<u>\$ 2,407,190</u>	<u>\$ 2,485,588</u>	<u>\$ 2,710,042</u>

## Discovery House Family Violence Prevention Society

### Notes to the Financial Statements

#### March 31, 2022

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#### 10. Operating Fund - internally restricted funds

The Society established an Operational Funding Reserve to ensure that programs are able to continue should unforeseen circumstances arise. During fiscal 2020, the Board of Directors removed the internal restriction on this fund. However, management's goal continues to maintain a target reserve balance of three to nine months of budgeted operating expenditures in the Operating Fund. The target reserve balance may be reviewed on an annual basis to ensure it remains relevant as the scale of the Society's operations changes.

#### 11. Bursary Fund

The Society established a Bursary Fund in 2008 related to donations received from an anonymous donor to fund certain educational programs for the Society's clients. The gifts reflect the donor's desire to make a difference in the lives of women who have experienced family violence by helping them obtain the necessary post secondary education to become self-sufficient and achieve their full potential. During the current year, the Society received further contributions of \$nil (2021 - \$10,000) from the anonymous donor in support of this program.

In accordance with the donor's wishes, \$1,000,000 of the funds have been designated as an endowment, with the balance designated for utilization in accordance with the Bursary Fund mandate. The interest earned and realized gains on the endowment investments is deferred until certain educational programs are funded during the year.

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 14,666	\$ 52,422
Short-term investments	-	569,979
Mutual fund investments	1,127,102	590,000
	<u>\$ 1,141,768</u>	<u>\$ 1,212,401</u>
Deferred contributions	\$ 23,428	\$ 62,401
Endowment	1,000,000	1,000,000
Unrestricted	118,340	150,000
Total Bursary Fund Balance	<u>\$ 1,141,768</u>	<u>\$ 1,212,401</u>

#### 12. Building Fund - internally restricted funds

The Society currently operates a primary facility that houses its administration and secure living arrangements for up to 19 client families. In addition, the Society owns and operates a single dwelling home within the city of Calgary. The Society has established a Facility Maintenance and Replacement Reserve to ensure that adequate funds are available for capital maintenance, improvements and replacements. The Society periodically conducts a thorough inspection of the structures and their systems, which is used to determine the capital reserve requirements. Management recommends the appropriate facility reserve amount based on Board approved formulas linked to estimated costs to be incurred over the life cycle of the related assets. The Board may also approve additional reserve amounts. During the year, the Board approved \$nil (2021 - \$nil) to be transferred to this internally restricted fund. The target reserve balance and the internally restricted amount may be reviewed on an annual basis to ensure they remain relevant as the scale of the Society's operations changes.

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## Discovery House Family Violence Prevention Society

### Notes to the Financial Statements

#### March 31, 2022

#### 13. Grants

<b>Operating Fund</b>	<b>2022</b>	<b>2021</b>
Calgary Homeless Foundation - Community Housing	\$ 937,030	\$ 937,030
Ministry of Community and Social Services, Housing and Homeless Support Branch	863,529	913,529
City of Calgary Family and Community Support Services	487,063	492,856
Adaptive Case Management (CHF fee for service)	279,460	339,645
Anonymous donor	175,243	255,621
Children's Services	70,701	70,701
Other	547,695	448,463
	<b>\$ 3,360,721</b>	<b>\$ 3,457,845</b>
<b>Calgary Homeless Foundation funded project</b>		
	<b>Actual</b>	<b>Budget</b>
Funds received		
Calgary Homeless Foundation per agreement	\$ 937,030	\$ 937,030
Expenditures		
Staff costs	622,498	637,996
Client costs	220,850	205,467
Administration costs	93,682	93,708
	<b>\$ 937,030</b>	<b>\$ 937,171</b>
Excess (funds recorded as deferred contributions)	<b>\$ -</b>	<b>\$ (141)</b>

#### 14. Financial instruments

It is the opinion of management that the Society is not subject to significant currency risks related to these financial statements but has the following risks:

##### Interest rate and price risk

Interest rate risk is the risk that the fair value of the Society's interest bearing investments will fluctuate due to changes in prevailing market interest rates. Generally, the value of these securities increases if interest rates fall and decreases if interest rates rise. The Society has mitigated this risk by having its investments managed professionally by a fund manager.

##### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failure to discharge an obligation. The Society has a concentration of credit risk pertaining to its cash and cash equivalents, investments and accounts receivable.

The Society mitigates its exposure to credit loss pertaining to cash by placing its cash and cash equivalents and investments with reputable financial institutions.

The Society is exposed to credit risk to the extent that its customers may experience financial difficulty and would be unable to meet their obligations. However, the Society does not have a concentration of credit risk exposure on its accounts receivable with any one creditor, which minimizes its concentration of credit risk in this regard.

##### Liquidity risk

Liquidity risk is the risk that the Society will not be able to meet a demand for cash or fund its obligations as they come due. The Society manages its liquidity risk by monitoring cash flows from operations and monitoring and reviewing actual and forecasted cash flows to ensure there is available cash resources to meet these needs.

# **Discovery House Family Violence Prevention Society**

## **Notes to the Financial Statements**

### **March 31, 2022**

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**15. Fundraising expenses**

As required to be disclosed under section 7(2) of the Alberta Charitable Fundraising Regulations, amounts paid as remuneration to employees whose principal duties involve fundraising were \$343,567 ( 2021 - \$322,079).

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**16. Prior year balances**

Certain of the prior year fund balances were reclassified to conform with the current year's financial statement presentation.

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