

**HR COUNCIL FOR THE VOLUNTARY/NON-PROFIT SECTOR**

**FINANCIAL STATEMENTS**

**MARCH 31, 2010**

## HR COUNCIL FOR THE VOLUNTARY/NON-PROFIT SECTOR

### TABLE OF CONTENTS

	PAGE
Auditors' Report	1
Financial Statements	
Statement of Operations and Changes in Net Assets	2
Statement of Financial Position	3
Notes to the Financial Statements	4
Additional Information	8
Auditors' Comments regarding the Supplementary Financial Information	9
Supplementary Financial Information	
Schedule of Project Summary	10

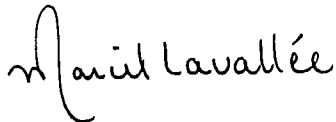
## AUDITORS' REPORT

To the Directors  
HR Council for the Voluntary/Non-profit Sector

We have audited the statement of financial position of HR Council for the Voluntary/Non-profit Sector as at March 31, 2010 and the statement of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the Organization's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants, Licensed Public Accountants

Ottawa, Ontario  
May 17, 2010

# HR COUNCIL FOR THE VOLUNTARY/NON-PROFIT SECTOR

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2010

2

	2010	2009
<b>REVENUE</b>		
Grants and contributions from HRSDC	\$ 1,338,494	\$ 1,250,036
Other	31,421	18,131
	<b>1,369,915</b>	<b>1,268,167</b>
<b>EXPENSES</b>		
Salaries and benefits	582,601	508,700
Capital costs (Schedule A)	15,693	4,035
Professional fees (Schedule B)	337,255	317,567
Travel expenses (Schedule C)	198,498	217,828
General project costs (Schedule D)	236,728	215,402
	<b>1,370,775</b>	<b>1,263,532</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>(860)</b>	<b>4,635</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>5,235</b>	<b>600</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 4,375</b>	<b>\$ 5,235</b>

# HR COUNCIL FOR THE VOLUNTARY/NON-PROFIT SECTOR

## STATEMENT OF FINANCIAL POSITION

MARCH 31, 2010

3

	2010	2009
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 55,069	\$ 19,353
Accounts and goods and services tax receivable	34,244	19,037
Contributions receivable (note 4)	20,230	158,246
Prepaid expenses	5,221	-
	<b>\$ 114,764</b>	<b>\$ 196,636</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 63,208	\$ 124,968
Deferred contributions and grants (note 5)	47,181	66,433
	<b>110,389</b>	<b>191,401</b>
<b>NET ASSETS</b>		
<b>UNRESTRICTED</b>	<b>4,375</b>	<b>5,235</b>
	<b>\$ 114,764</b>	<b>\$ 196,636</b>

ON BEHALF OF THE BOARD

\_\_\_\_\_, Director

\_\_\_\_\_, Director

# HR COUNCIL FOR THE VOLUNTARY/NON-PROFIT SECTOR

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010

4

### 1. STATUTE AND NATURE OF OPERATIONS

The Organization, incorporated without share capital under the Canada Corporations Act, was established to provide leadership in addressing issues relevant to the paid labour force in the voluntary/non-profit sector and to bring stakeholders together in the development of that sector's paid labour force. The Organization is exempt from income taxes.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### Use of estimates

The preparation of financial statements in compliance with Canadian generally accepted accounting principles 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 amounts could differ from these estimates.

#### Revenue recognition

The Organization follows the deferral method of accounting for grants and contributions. Under this method, contributions restricted for future period expenses are deferred and are recognized as revenue in the year in which the related expenses are incurred. These contributions may be repayable if not utilized within their respective programs. Unrestricted grants and contributions are recognized as revenue, when received or receivable, provided that the amount to be received can be reasonably estimated and collection reasonably assured.

#### Capital assets

Capital assets purchased with program funding are recorded as expenses in the year of acquisition.

#### Capital disclosures

The Organization's main objective with respect to capital management is to maintain a sufficient level of net assets, thereby ensuring the continuity of the Organization and the ongoing fulfillment of its mission.

#### Contributed services

The Organization would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Because of the inherent difficulty in compiling these hours and determining their fair value, contributed services are not recognized in the financial statements.

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### Financial instruments - disclosure and presentation

The Organization has elected to take advantage of the choice to apply the Canadian Institute of Chartered Accountants (CICA) Handbook Section 3861, "Financial instruments - disclosure and presentation" in place of Sections 3862, "Financial instruments - disclosures" and 3863, "Financial instruments - presentation".

### Financial instruments

The Organization has elected to classify its financial assets and liabilities in the following manner:

#### *Held-for-trading financial assets and liabilities*

Cash is measured at fair value using the market price method. Gains and losses are recognized in the statement of operations in the period in which they arise.

#### *Loans and receivables*

Accounts and goods and services tax receivable as well as contributions receivable are measured at amortized cost using the effective interest method. Gains and losses related to derecognition of these financial assets are recognized in the statement of operations in the period in which they arise.

#### *Other financial liabilities*

Accounts payable and accrued liabilities are measured at amortized cost using the effective interest method. Gains and losses related to derecognition of these financial liabilities are recognized in the statement of operations in the period in which they arise.

## 3. NEW ACCOUNTING STANDARDS

### International financial reporting standards

The Accounting Standards Board (AcSB) has announced that all publicly accountable enterprises, subject to some exceptions including not-for-profit organizations, must adopt International Financial Reporting Standards (IFRS) as Canadian generally accepted accounting principles for fiscal years beginning on or after January 1, 2011. The Organization may elect to adopt IFRS. Management is currently assessing the impact of adopting the new standards.

# HR COUNCIL FOR THE VOLUNTARY/NON-PROFIT SECTOR

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010

6

### 4. CONTRIBUTIONS RECEIVABLE

	2010	2009
Human Resources and Skills Development Canada (HRSDC)		
- Infrastructure	\$ 5,894	\$ 45,245
- Tapping Into the Talents of Early and Late Career Employees	7,283	13,381
- Development of Workforce Strategies	7,053	27,469
- Sector Study	-	60,847
- Core Competencies for Small Organizations	-	7,638
- Developing Standards or Guidelines for HR Management	-	3,666
	\$ 20,230	\$ 158,246

### 5. DEFERRED CONTRIBUTIONS AND GRANTS

	2010	2009
Human Resources and Skills Development Canada (HRSDC)		
<i>Contributions</i>		
- Developing Labour Force Information	\$ 2,838	\$ -
- Marketing and Outreach	555	-
- Training Resources for more Effective HR Management	8,553	-
- Core Competencies for Small Organizations	12,259	4,386
- Infrastructure	-	38,919
- Developing Standards or Guidelines for HR Management	-	2,739
- Sector Study	-	15,015
- Development of Workforce Strategies	-	5,374
<i>Grant</i>		
- Baby Boomers	22,976	-
	\$ 47,181	\$ 66,433

### 6. CASH FLOWS

A cash flow statement has not been prepared because it would not provide any additional useful information in understanding the cash flows for the year.

# HR COUNCIL FOR THE VOLUNTARY/NON-PROFIT SECTOR

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010

7

### 7. FINANCIAL INSTRUMENTS

#### Fair value

The carrying value of cash, accounts and goods and services tax receivable and contributions receivable, as well as accounts payable and accrued liabilities approximates their fair value, given their short-term maturities.

### 8. COMMITMENTS

The commitments entered into by the Organization under two leases agreements total \$38,560. Payments for the next two years are the following:

2011	35,640
2012	2,920

### 9. CONTINGENCIES

#### Other indemnification agreements

In the normal course of operations, the Organization signs agreements whereby funds are provided for the execution of projects which are subject to restrictions as to the use of the funds. The sponsors of these projects can execute an audit of the financial records of the Organization to ensure compliance with the project requirements. In the event that amounts to be reimbursed to the government sponsor of a project are identified, the necessary adjustment will be recognized in the year they are identified.

# HR COUNCIL FOR THE VOLUNTARY/NON-PROFIT SECTOR

## ADDITIONAL INFORMATION

FOR THE YEAR ENDED MARCH 31, 2010

8

	2010	2009
<b>SCHEDULE A - CAPITAL COSTS</b>		
Office furniture	\$ 6,972	\$ 2,740
Computer equipment	5,494	1,295
Office equipment	3,227	-
	\$ 15,693	\$ 4,035

### SCHEDULE B - PROFESSIONAL FEES

Audit and legal fees	\$ 8,113	\$ 8,120
Consulting fees	318,746	307,873
Network and website fees	10,396	1,574
	\$ 337,255	\$ 317,567

### SCHEDULE C - TRAVEL EXPENSES

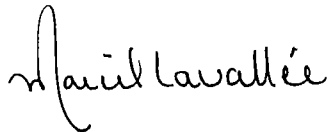
Board travel and meetings	\$ 37,632	\$ 45,846
Staff travel and meetings	61,440	69,404
Consultants and volunteer travel and meetings	99,426	102,578
	\$ 198,498	\$ 217,828

### SCHEDULE D - GENERAL PROJECT COSTS

Rent	\$ 28,170	\$ 24,566
Telecommunications	13,447	13,811
Office expenses	35,506	35,711
Insurance	2,463	2,456
Staff training	657	4,030
Translation and communications	105,499	92,351
Hospitality and meetings	32,508	41,623
Service charges and fees	1,200	854
Unrecovered portion of GST paid on expenses	17,278	-
	\$ 236,728	\$ 215,402

**AUDITORS' COMMENTS REGARDING  
THE SUPPLEMENTARY FINANCIAL INFORMATION**

The audited financial statements of HR Council for the Voluntary/Non-profit Sector and our audit report thereon are presented in the preceding section of this document. The following information has been prepared based on the information provided by the organization's management. This information is presented for purposes of supplementary information and is not required for a fair presentation of the financial position of the Organization or the results of its operations and its cash flows according to Canadian generally accepted accounting principles. Such supplementary information, taken from the accounting records, has been subjected to the auditing procedures applied in our examination of the financial statements taken as a whole.



Chartered Accountants, Licensed Public Accountants

Ottawa, Ontario  
May 17, 2010

# HR COUNCIL FOR THE VOLUNTARY/NON-PROFIT SECTOR

## SCHEDULE OF PROJECT SUMMARY

FOR THE YEAR ENDED MARCH 31, 2010

10

In accordance with Human Resources and Skills Development Canada (HRSDC) requirements, the revenue and expenses incurred for each of the projects are as follows:

	INFRA- STRUCTURE	SECTOR STUDY	DEVELOPING LABOUR FORCE INFORMATION	MARKETING AND OUTREACH	DEVELOPING STANDARDS OR GUIDELINES FOR HR MANAGEMENT	SUBTOTAL
<b>REVENUE</b>						
Contributions from HRSDC	\$ 487,479	\$ 54,855	\$ 98,388	\$ 94,429	\$ 58,768	\$ 793,919
Grant from SDPP	-	-	-	-	-	-
Other	-	-	-	-	-	-
	<b>487,479</b>	<b>54,855</b>	<b>98,388</b>	<b>94,429</b>	<b>58,768</b>	<b>793,919</b>
<b>EXPENSES</b>						
Salaries and benefits	254,275	22,311	55,814	41,539	26,019	399,958
Capital costs	13,173	-	-	2,520	-	15,693
Professional fees	33,976	14,286	25,130	13,138	5,000	91,530
Travel expenses	70,025	2,451	8,845	6,464	12,502	100,287
General project costs	116,030	15,807	8,599	30,768	15,247	186,451
	<b>487,479</b>	<b>54,855</b>	<b>98,388</b>	<b>94,429</b>	<b>58,768</b>	<b>793,919</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>						
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

# HR COUNCIL FOR THE VOLUNTARY/NON-PROFIT SECTOR

## SCHEDULE OF PROJECT SUMMARY

FOR THE YEAR ENDED MARCH 31, 2010

11

In accordance with Human Resources and Skills Development Canada (HRSDC) requirements, the revenue and expenses incurred for each of the projects are as follows:

	SUBTOTAL (from previous page)	TAPPING INTO THE TALENTS OF EARLY AND LATE CAREER EMPLOYEES	DEVELOP- MENT OF WORKFORCE STRATEGIES	CORE COMPETENCIES FOR SMALL ORGANIZATIONS	TRAINING RESOURCES FOR MORE EFFECTIVE HR MANAGEMENT	ATTRACTING HIGH-SKILLS BABY BOOMERS	OTHER	TOTAL 2010	TOTAL 2009
<b>REVENUE</b>									
Contributions from HRSDC	\$ 793,919	\$ 140,337	\$ 159,823	\$ 147,553	\$ 66,333	\$ -	\$ -	\$ 1,307,965	\$ 1,250,036
Grant from SDPP	-	-	-	-	-	30,529	-	30,529	-
Other	-	-	-	-	-	-	31,421	31,421	18,131
	<b>793,919</b>	<b>140,337</b>	<b>159,823</b>	<b>147,553</b>	<b>66,333</b>	<b>30,529</b>	<b>31,421</b>	<b>1,369,915</b>	<b>1,268,167</b>
<b>EXPENSES</b>									
Salaries and benefits	399,958	41,438	51,873	57,158	32,174	-	-	582,601	508,700
Capital costs	15,693	-	-	-	-	-	-	15,693	4,035
Professional fees	91,530	71,510	53,417	53,340	18,787	20,600	28,071	337,255	317,561
Travel expenses	100,287	14,184	36,925	27,046	10,747	7,678	1,631	198,498	217,828
General project costs	186,451	13,205	17,608	10,009	4,625	2,251	2,579	236,728	215,402
	<b>793,919</b>	<b>140,337</b>	<b>159,823</b>	<b>147,553</b>	<b>66,333</b>	<b>30,529</b>	<b>32,281</b>	<b>1,370,775</b>	<b>1,263,532</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>									
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (860)	(860)	\$ 4,635