

annual report

2022

WOOD'S HOMES



WOOD'S HOMES
Serving Children And Their Families Since 1914





Report from the Chief Executive Officer Jane Matheson

- To laugh is to risk appearing the fool;*
- To weep is to risk appearing sentimental.*
- To reach out for another is to risk involvement;*
- To expose feeling is to risk exposing ourselves.*
- To place our ideas, our dreams before the crowd, is to risk loss.*
- To love is to risk not being loved in return.*
- To live is to risk dying.*
- To hope is to risk despair;*
- To try is to risk failure.*
- But risk we must, for the greatest hazard in life is to risk nothing.*
- The man or woman who risks nothing, does nothing, has nothing and is nothing.*
- (Anonymous but with thanks to R. Radulski and ADR)*

It was a roller-coaster ride of a year. Up one minute; down the next. Six months of riding high on a financial wave followed by another six of crashing into shore before we even had a chance to see what happened. Of course, this ride did not happen just to Wood's Homes. Many, many others suffered, despaired, struggled through these upheavals and lost painful battles. These have been difficult times. If risk management was not in your nonprofit vocabulary in April – it certainly was by the time September rolled around!

There is probably not one annual report written over these past few months that does not mention the still-lingering effects of September 11 or the turning point that was created by that

event, financially or otherwise. This cannot be minimized or ignored. And like so many other organizations and groups, the clients, volunteers and employees of Wood's were all indelibly affected by that experience as well. Many things may have been in a process of change before that time but September 11 is now a marker for the change that needed to be recognized and then calmly acted upon.

This was the year that cost containment and risk management joined the descriptors of quality improvement, outcome measures, partnerships and governance to be the buzz words of the year. All of these – spoken within the language of managing organizational change – became systems of investigation that captured the attentions of many as we all struggled to understand these very complex concepts and act upon them. Out of necessity we learned a lot about managing our “risky business” with confidence and aplomb. And we also learned that while the importance of vigilance cannot be over estimated, the benefits of change and challenge carry significant weight as well.

An annual report message usually tells a story about the accomplishments of the year – a celebration of events and successes. And it is very true that even in the face of much adversity and countless challenges that seemed at the time to be almost insurmountable, there are a great many things to be celebrated – new partnerships created, new programs born, new people brought on board. Only some of these are:

The newly-developing national presence of the Catalytic Program.

Eagle Moon and Lone Pipe winning the Donner award for the second time.

Winning a SSHRC grant in partnership with the Faculty of Social Work.

Loosing the Community Living Network Programs in Medicine Hat and Lethbridge and then gaining two new programs back in those regions – in less than six months!

The development of the new Research Department and the many tasks it undertook to encourage better organization and understanding of outcomes and evaluation. (Sometimes dragging us kicking and screaming towards this!)

The slowly developing strength of the Foundation and our volunteer department.

Being part of history-making at the Governor's Council first annual soiree!

The remarkable difference a brand new school building makes.

The very good writing and teaching that occurred both within the agency and external to it.

And who could forget the Canadian Council on Health Services Accreditation process and all of the hard work that accompanied the certification, equivalency, balanced scorecard, indicator and target accoutrements leading to a resounding success!

The list could go on for many pages and I am very proud of everyone who contributed to these accomplishments – small or large.

But it strikes me that this is really a time for celebrating others and counting our blessings - thanking those who make it possible for Wood's Homes to be so resilient, capable and well-able to manage the risks of this work no matter what the lay of the land be or what lies ahead.

To all the young people at Wood's Homes and their families/caregivers and guardians – thanks for "real-life" teaching about the work we were trained to do - every day. And demanding that we be the best we can be!

To the staff of the agency in each and every program and department – thanks for taking it on – the everyday challenges compounded by outcome measures, cost containments, staff changes and greater responsibilities.

To the managers at every level - many thanks for new ideas, hanging on tight while we lost programs and then gained them back, maintaining a standard of excellence through some tough times, looking through new lenses and maintaining your sense of humor.

To the boards of both the Foundation and Wood's Homes – we send you a strong message of appreciation for taking giant steps towards advocacy and humbly setting a high standard of governance for boards of directors across the province. We are proud to be associated with all of you.

To our funders, partners, community advocates and friends – thanks to you as well for such a strong message of support through our national accreditation process and for both demanding excellence from us and working with us to provide great services to children and their families, year round.

I doubt that the roller-coaster ride is over. But with such fortunate company, we look forward to tackling the challenges of the year ahead.



Message from the Chairman John Stankiewicz

As I prepare this year-end message, the staff, volunteers and partners of Wood's Homes are being highly commended by independent surveyors who will obviously be recommending continued national recognition of the operation by the Canadian Council on Health Services Accreditation.

The agency achieved high marks in being nationally accredited three years ago in an initial survey by the CCHSA which delved into every aspect of several of its programs and services, including general organization and value to the community and clients.

This huge undertaking is repeated every three years to maintain accreditation and I am proud to say the just completed examination indicated what surveyors described as an agency "functioning very highly." They described us as inclusive with a good client focus throughout and a high degree of commitment to best practices and leadership in further development of the care and treatment of youth.

As chair of the Board of Directors, I am particularly proud the investigators found a committed governing body with synergy between our board and management unusual in other non-profit or charitable organizations.

Our board members are, in fact, a group committed to governance consistent with the pillars of our five-year Strategic Plan. This past year we addressed risk management at Wood's and elevated our advocacy of youth issues. We also moved to fully support the Governors' Council a group of senior officials and volunteers from youth agencies throughout the Calgary area.

Surveyors commended the support for this council which they said was unique in Canada with great potential for furthering the cause of disadvantaged young people, and advocating for further development of practices in their care and treatment.

Although financial risk is always a concern in social care, we did experience the results of government cuts over the past year but, as outlined by Chief Executive Officer Jane Matheson and Finance Director Candace Dart in their reports, we managed to end the year with a modest surplus.

This, I believe, is a measure of our resiliency. I am also proud of our foresight in that our school programs, also commended by accreditation surveyors, were based in the first full year of operation in the newly developed George Wood Learning Centre at Bowness.

Feedback indicates the school, constructed through the successful completion of a capital fund development program, has been positive and its effects on teachers, pupils and administration has been well worth the redevelopment efforts.

This year, we welcome several new members to our board. I know they will distinguish themselves as all of our board members have. I thank my fellow directors for a year well done and I know they join with me in giving thanks to our staff and volunteers, and to those representatives of other organizations with whom we work.



Finance & Administration Candace J. Dart, Director

In an external environment of financial uncertainty and governmental cost containment, Wood's Homes challenge this past year was to maintain stable financial operations while continuing to provide quality services to our clients and staff. I am pleased to report that through careful management of significant change and "sticking to our knitting" we were able to meet this challenge.

Total revenues for the year ended March 31, 2002 increased 9 per cent to \$13,879,955 (2001 - \$12,694,470) through a combination of higher contract revenues, increased fee for service program capacities and new operating grant partnerships. This continues to reflect our focus on increasing diversified types of income including fundraising and donations through The Wood's Homes Foundation. Careful cost control and timely review and analysis of financial information allowed us to meet budget projections in all areas and we have forecast a stable budget for the upcoming year.

Wood's Homes Human Resources department focused this year on tracking and reporting all of the various employment conditions necessary for each staff member to meet and exceed standards in our industry. This enabled us to further enhance training and professional development opportunities for our 230 employees and progress along the path of being an "employer of choice". As well, our operations continue to follow the direction of our strategic plan. Based on the four pillars of Service Excellence, Human & Knowledge Resources, Responsible Financial & Facility Management and Community Development & Public Relations, each program and department creates

its own unique business plan and over 78 per cent of the goals and objectives were achieved during the year. Congratulations to our management and staff for a job well done in turbulent times.

Last year's Annual General Meeting was a combined celebration of completing the final project of our capital campaign and the grand re-opening of our George Wood Learning Centre at Bowness. To ensure the long life of this and all the other building renovations financed by the campaign, we have been carefully reserving funds and following a five-year preventative maintenance plan. Never ones to stand still for long, our board Facilities Committee and management team have created a long-range plan to further develop our facilities on both the Parkdale and Bowness campuses.

Information Technology has long been a key area of development for Wood's Homes. Our ability to deliver strong resources in this part of the information management spectrum supports programs in providing services to their clients. During the year our focus was on developing a long-term plan to prepare for the organization's future technology needs and offering enhanced training opportunities for staff to increase their skills.

Our team's collective strength in managing change and providing quality services to young people and their families was tested during the past year of uncertainty. Thank you to every one of our board members, staff, volunteers, funders and partners for stepping up to the plate and helping us successfully meet this challenge.

Board of Directors 2002

John Stankiewicz, *B. Comm., F.C.A., Chair**
Partner, Ernst & Young LLP

Brian Gieni, *B. Comm., C.M.A., Past Chair**
President & CEO Ultima Energy Trust

Carla Campbell*
Community Volunteer
Governance Task Force

Dennis Chorney, *P.Eng.*
Community Volunteer

Terry Cotton
Manager, Treasurer, Macleod Dixon
Foundation/Agency Communications

Scott Doupe
Partner, Conroy Partners Limited

Ken Johnston
Manager, Bank of Nova Scotia
Parkland Youth Homes, Red Deer, Chair

Sandra Mah, *B.Comm., LLB*
Lawyer, Miller Thomson LLP
Strategic Initiatives Committee

Sharon Miller, *B.Ed*
President, Pro-Image Promotional Products

David Olson
VP Finance & CFO, Mullen Transportation Inc.
Finance & Planning Committee, Chair

George Perry, *B. Comm., C.A.*
Partner, Collins Barrow, Red Deer
Parkland Youth Homes, Red Deer, Chair

Dr. Peggy Rodway, Ph.D., *C. Psych., R.S.W.*
Psychologist, Social Worker
Quality Improvement Committee

A. Douglas Rogan, *M.Sc., P. Eng.*
Community Volunteer
Facilities Committee

Duncan Truscott, *C.H.R.P.**
Executive Director, Human Resources
Calgary Health Region
Human Resources Committee

Linda Tuer
Community Volunteer

SENIOR ADMINISTRATION

Jane Matheson, *Ph.D, RSW**
Chief Executive Officer

Teri Basi, *MA*
Associate Director, Programs

Candace J. Dart, *CMA*
Director, Finance & Administration

Susan Gardiner, *M.Sc., C. Psych*
Director, Programs

David Horricks, *M.S.W., R.S.W.*
Executive Director, Parkland Youth Homes

Ann Lawson, *MA., C.Psych.*
Associate Director, Research

Nancy McElheran, *RN, MN*
Director, Programs

Bill Roberts*
Executive Director, The Wood's Homes
Foundation

Peter Wittig, *BSc., MA*
Director, Programs

**Executive Committee*

Wood's Homes Donor List 2002

Donors (\$500+)

Andy Papadopolous
Arc Financial
Edith Blackett
BIS Technologies
Brian Borich
Burnet Duckworth & Palmer
Canadian Freightways
Canadian Western Bank
Canamara United Supply
Centrex Consulting
Checker Cabs
Roy Dakin

Gary Dickson, QC
Engineered Air
Field Atkinson Perraton
Freehold Resources
Janet Janzen
Stephen G. Kennedy
R.B. Lowry
Nancy McElheran
Dr. Gisele Microys
Moore's Industrial Service
Nusco Manufacturing & Supply
Gerry Patwell

Sector Professional Corp
Self Connections Books
ShawCor
David Shepard
John Stankiewicz
Nancy Lynn Stevenson
Rene Thibeault
Donald R. Thompson
Uptown Resources
Steve Valetta
Vangool Design + Typography
Viking Management

One Star (\$1,000 +)

Aon Read Stenhouse
Sue Brown
Fort Calgary Lions Club
Canadian Cuesta Charitable Foundation
Martin Chambers
Frank Vetsch
Franklin & Lori Cockshutt
Conroy Partners
Dril-Away Directional Services
Wayne Duke
Earth Tech Consulting
Enbridge
Fidelity Investments
First Energy Capital
Tony Fisher
Foothills Pipe Lines

Gibson Petroleum
Jim Gray
Gulf Canada Resources
Elliott Horner
Ikea
IPEC
Anthony J. Jordan QC
John Kantelberg
Peter H. Kinash
Ann Lawson
Greg Longo
Ernie Love
Jane Matheson
Marathon Canada
Susanne McAndless
Metafore Corporation

Murphy Oil
PricewaterhouseCoopers
Bill Roberts
Rotary Club of Calary
Chuck Schultz
Smed International
Stavro Melathopoulos Architect
Dr. Gary Swanson
Talisman Energy
TD Canada Trust
Antoine Vanden Brink
Michael Vass
Waddell & Associates
Wal-Mart
James Weitmann
Jan Wittig

Two Stars (\$2,500+)

Husky Oil
Kemp Consulting
Larry Petropoulos

Lethbridge Community Foundation
Mullen Transportation

Telus
Frank Vetsch

Three Stars (\$5,000+)

Bank Of Montreal
Calgary Real Estate Board
Charitable Foundation
Calgary Transportation Club
Canadian Hunter Exploration Ltd.
Canadian Pacific Charitable Foundation

CIBC Charitable Foundation
William A. Cummings
Franklin Templeton Investments
Ron & Kathy Gagnon
Bob Gustavson
JAS Industrial Service and Repair

Judith & Gary Lee
Plains Marketing Canada
Royal Bank Financial Group
Skene Investments
TD Canada Trust
Neil & Colette Vanderkley

Four Stars (\$10,000+)

Anonymous
Anderson Exploration
Canadian Hunter Exploration

Garry Edwards
Al Markin
Newalta Corporation

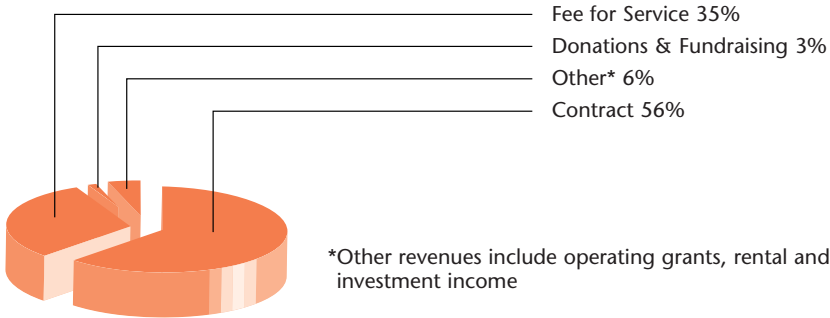
Petro Canada
TD Securities
Gerry Zakus

Five Stars (\$50,000+)

Ronald P. Mathison

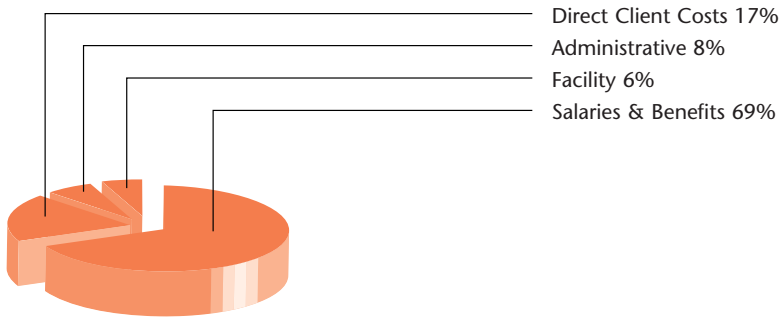
Wood's Christian Homes

OPERATING REVENUES



Wood's Christian Homes

OPERATING EXPENSES BY CATEGORY



WOOD'S HOMES SERVING THE COMMUNITY

Total number of clients last year – 14,994

Some examples ...

498 young people went through the Youth Shelter

357 young people went to one of our schools

300 young people came in to Stabilization

2,732 young people visited the EXIT program for street services

We provided family support services to 500 families in Calgary, Banff, Canmore, Cochrane

3,548 people visited the Family Centres - Eastside and Westside

And there were 6,215 people who called the Community Resource team for help with a family crisis. 3,001 home visits were made because of these calls.

Financial Statements

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The management of Wood's Christian Homes is responsible for the preparation of all information included in this annual report. The financial statements have been prepared in accordance with generally accepted accounting principles and necessarily include amounts based on management's informed judgement and estimates. The more significant accounting principles are described in note 2 to the financial statements. Financial information included elsewhere in this annual report is consistent with the financial statements.

To assist management in fulfilling its responsibilities, a system of internal controls has been established. Management believes that these have operated effectively for the year ended March 31, 2002.

PricewaterhouseCoopers LLP, Chartered Accountants, have audited the financial statements and their report is presented separately.

The Board of Directors, through its Finance and Planning Committee, is responsible for assuring that management fulfills its financial reporting responsibilities.



Jane Matheson, Ph. D.
Chief Executive Officer



Candace J. Dart, CMA
Director, Finance and Administration

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS WOOD'S CHRISTIAN HOMES

We have audited the statement of financial position of **Wood's Christian Homes** as at March 31, 2002 and 2001 and the statements of operations and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Society's management. 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 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 Society as at March 31, 2002 and 2001 and the results of its operations and its cash flows for each of the years then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants
Calgary, Alberta
May 24, 2002

Wood's Christian Homes

STATEMENT OF FINANCIAL POSITION

As at March 31, 2002 and 2001

	\$ Operating	\$ Capital	\$ Restricted	2002 \$ Total	2001 \$ Total
ASSETS					
Current assets					
Cash and short-term deposits	47,757	1,731	–	49,488	155,055
Accounts receivable	970,503	–	–	970,503	905,077
Other receivables (note 11)	168,460	–	–	168,460	338,157
Prepaid expenses	18,269	–	–	18,269	25,978
	1,204,989	1,731	–	1,206,720	1,424,267
Capital assets – net (note 3)	–	9,354,006	–	9,354,006	9,236,353
Restricted funds (note 4)	–	–	235,451	235,451	239,321
Total assets	1,204,989	9,355,737	235,451	10,796,177	10,899,941
LIABILITIES					
Current liabilities					
Line of credit (note 5)	408,000	–	–	408,000	165,000
Accounts payable and accrued liabilities	1,339,366	–	–	1,339,366	1,260,788
Due to (from) other fund	(542,838)	542,838	–	–	–
Deferred revenue	60,413	–	–	60,413	154,294
Current portion of long-term debt (note 6)	–	24,302	–	24,302	24,302
	1,264,941	567,140	–	1,832,081	1,604,384
Long-term debt (note 6)	–	364,872	–	364,872	469,173
Deferred contributions (note 7)	29,306	6,933,311	–	6,962,617	7,113,542
Total liabilities	1,294,247	7,865,323	–	9,159,570	9,187,099
NET ASSETS					
Net assets invested in capital assets	–	1,490,414	–	1,490,414	1,497,959
Restricted net assets (note 4)	–	–	235,451	235,451	239,321
Internally restricted net assets (note 8)	5,592	–	–	5,592	14,512
Unrestricted net deficit	(94,850)	–	–	(94,850)	(38,950)
Total net assets	(89,258)	1,490,414	235,451	1,636,607	1,712,842
Total liabilities and net assets	1,204,989	9,355,737	235,451	10,796,177	10,899,941

Approved by the Board of Directors



Chair, Finance Committee



Chair, Board of Directors

Wood's Christian Homes

STATEMENT OF OPERATIONS & CHANGES IN NET ASSETS

As at March 31, 2002 and 2001

	\$ Operating	\$ Capital	\$ Restricted	2002 \$ Total	2001 \$ Total
Revenue					
Contract	7,530,709	–	–	7,530,709	7,009,866
Fee for service	4,813,468	–	–	4,813,468	4,418,076
Operating grants	666,170	–	–	666,170	548,401
Investment and other income	197,796	78,835	11,569	288,200	328,187
Amortization of deferred contributions	–	167,790	–	167,790	170,129
Donations	57,151	–	2,000	59,151	136,291
Proceeds from charitable events	158,687	–	–	158,687	83,520
The Wood's Homes Foundation (note 11 (a))	193,780	2,000	–	195,780	–
	<u>13,617,761</u>	<u>248,625</u>	<u>13,569</u>	<u>13,879,955</u>	<u>12,694,470</u>
Expenses					
Salaries and benefits	9,236,865	–	–	9,236,865	8,281,696
Direct client	2,233,237	–	–	2,233,237	2,110,825
Administrative	1,095,233	10,242	17,439	1,122,914	1,184,025
Facility	798,869	–	–	798,869	763,220
Amortization of capital assets	–	245,928	–	245,928	237,571
Grant to The Wood's Homes Foundation (note 11 (a))	135,000	–	–	135,000	–
	<u>13,499,204</u>	<u>256,170</u>	<u>17,439</u>	<u>13,772,813</u>	<u>12,577,337</u>
Excess (deficiency) of revenue over expenses	118,557	(7,545)	(3,870)	107,142	117,133
Net assets – Beginning of year	(24,438)	1,497,959	239,321	1,712,842	1,733,367
Refund of contract revenues (note 9)	(183,377)	–	–	(183,377)	(137,658)
Net assets – End of year	(89,258)	1,490,414	235,451	1,636,607	1,712,842

Wood's Christian Homes

STATEMENT OF CASH FLOWS

As At March 31, 2002 and 2001

	2002	2001
CASH PROVIDED BY (USED IN)		
Operating activities		
Excess of revenue over expenses	107,142	117,133
Items not affecting cash		
Amortization of capital assets	245,928	237,571
Loss (gain) on sale of capital assets	(65,425)	3,918
Forgiveness of debt (note 7)	(13,502)	(13,502)
Amortization of deferred contributions	(167,790)	(170,129)
	<hr/> 106,353	<hr/> 174,991
Net changes in non-cash working capital affecting operations	89,371	(52,663)
	<hr/> 195,724	<hr/> 122,328
Financing and investing activities		
Deferred contributions	16,865	1,643,445
Proceeds from debt	–	106,526
Decrease (Increase) in restricted funds	11,176	(5,489)
Refund of contract revenues	(183,377)	(137,658)
Long-term debt principal repayments	(90,799)	(210,799)
Increase (decrease) in line of credit	243,000	(299,000)
Purchase of capital assets	(482,126)	(1,603,513)
Proceeds from disposal of capital assets	183,970	–
	<hr/> (301,291)	<hr/> (506,488)
Decrease in cash	(105,567)	(384,160)
Cash – Beginning of year	155,055	539,215
Cash – End of year	<hr/> 49,488	<hr/> 155,055

Wood's Christian Homes

NOTES TO FINANCIAL STATEMENTS

As At March 31, 2002 and 2001

1 NATURE OF OPERATIONS

Wood's Christian Homes ("Wood's" or the "Society") is incorporated under the Societies Act (Alberta) and is registered as a charity under the Income Tax Act and accordingly is exempt from income tax. Wood's mission is to promote and assist the development and well-being of children, youth and families within the community. Various government ministries and other funders have contracted with Wood's to deliver such services. Additional revenues are provided by The Wood's Homes Foundation (note 11(a)), charitable activities and donations.

2 SIGNIFICANT ACCOUNTING POLICIES

Fund accounting

The Operating Fund accounts for the Society's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Capital Fund reports the assets, liabilities, revenue and expenses related to the Society's capital assets.

The Restricted Fund reports the assets, liabilities, revenue and expenses related to the Society's internally and externally restricted funds.

Revenue recognition

The Society follows the deferral method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. Restricted contributions related to the Capital Fund are recognized as revenue as the related capital assets are amortized. Restricted contributions relating to the Society's internally and externally restricted funds are recognized as revenue of the restricted fund in the year in which the related expenses are incurred.

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

Contract and fee for service revenues are recognized when the related service is provided.

Donated materials and services

Donated materials and services are recorded in the financial statements at fair market value when fair market value can be reasonably estimated and when the Society would otherwise have purchased these items.

Capital assets

Capital assets are recorded at cost. Donated capital assets are recorded at fair value at the date of contribution to the extent that fair value can be reasonably estimated. Amortization is recorded using the straight-line method over the following estimated useful lives:

Buildings	40 years
Building improvements	40 years
Infrastructure	40 years
Equipment	10 years
Vehicles	3 years
Computers	3 years

Investments

Investments, presented as restricted funds, are recorded at cost. If there is a decline in value which is considered to be other than temporary, the investment is written down to its net recoverable value.

Financial instruments

The Society's financial instruments consist of cash and short-term deposits, accounts receivable, other receivables, restricted funds, line of credit, accounts payable and accrued liabilities and long-term debt.

3 CAPITAL ASSETS

	Cost	Accumulated Amortization	2002 Net	2001 Net
	\$	\$	\$	\$
Land	1,342,127	–	1,342,127	1,418,947
Buildings	5,714,996	1,298,486	4,416,510	4,471,007
Building improvement	1,732,611	140,922	1,591,689	1,554,254
Infrastructure	1,908,012	52,005	1,856,007	222,165
Equipment	220,428	84,717	135,711	91,896
Vehicles	77,422	77,422	–	–
Computers	226,940	226,940	–	1,209
Construction in progress	11,962	–	11,962	1,476,875
	11,234,498	1,880,492	9,354,006	9,236,353

4 RESTRICTED FUNDS

	2002	2001
	\$	\$
Taylor Educational Fund	211,262	212,366
Perry Crisis / Opportunity Fund	24,189	26,955
	235,451	239,321

The Taylor Educational Fund is an externally restricted fund administered by the Board of Directors of Wood's. Under the terms of the will of the late William Taylor, the principal and revenues of the Fund are to be used for the further education of past and present residents of Wood's.

The Dr. Philip Perry Crisis/Opportunity Fund is an internally restricted fund administered by the Board of Directors of Wood's. The Fund is a resource for individuals closely associated with Wood's who find themselves in critical economic circumstances that threaten their career stability or continuation in a treatment program.

During the year, these funds distributed \$17,418 (2001 – \$7,815).

Included in restricted funds at March 31, 2002 are investments of \$173,686 (2001 – \$194,686), the market value of which is \$185,682 (2001 – \$206,130).

5 LINE OF CREDIT

The Society has a revolving credit facility of \$550,000 (2001 – \$550,000) of which \$408,000 was drawn at March 31, 2002 (2001 – \$165,000). The facility bears interest at prime plus 1/2% and is collateralized by book accounts receivable. Subsequent to year end, the line of credit facility was increased to \$1,000,000.

6 LONG-TERM DEBT

	2002	2001
	\$	\$
Mortgages payable (a)	168,750	248,750
Loans (b)	220,424	244,725
	<u>389,174</u>	<u>493,475</u>
Less: Current portion	(24,302)	(24,302)
	<u>364,872</u>	<u>469,173</u>

a) Mortgage payable of \$168,750 (2001 – \$248,750) is due to the Foundation (note 11(a)). The mortgage bears interest at 8.25%. Interest payments only are due on a monthly basis. The principal amount is due January 1, 2005 and the Society has pledged as collateral the related land and buildings.

b) The Society has the following loans all of which are collateralized by the associated properties:

- i) A bank term loan of \$51,300 (2001 – \$62,100) bearing interest at prime. Monthly principal repayments of \$900 are required through to December 21, 2006.
- ii) A loan from CMHC of \$76,800 (2001 – \$83,200) which is non-interest bearing. The principal will be forgiven in equal amounts over 15 years until 2014.
- iii) A loan from CMHC of \$92,324 (2001 – \$99,424) which is non-interest bearing. The principal will be forgiven in equal amounts over 15 years until 2015.

The minimum amounts of principal which will be repaid or forgiven are as follows:

	\$
2003	24,302
2004	24,302
2005	193,052
2006	24,302
2007	21,602
Thereafter	101,614
	<u>389,174</u>

7 DEFERRED CONTRIBUTIONS

a) Operating fund

Deferred contributions of \$29,306 (2001 – \$67,211) in the operating fund relate to restricted operating funding received in the current year that is related to subsequent years. The balance outstanding at March 31, 2001 of \$67,211 was recognized in revenue in the year ended March 31, 2002.

b) Capital fund

Deferred contributions in the capital fund represent the unamortized portion of restricted contributions which have been expended or are expendable on the Society's capital assets.

Changes in deferred contributions are as follows:

	2002	2001
	\$	\$
Balance–Beginning of year	7,046,331	5,578,003
Add		
Contributions – capital campaign	54,770	1,557,457
Contributions – capital fund	–	81,000
Less		
Amounts amortized to revenue	(167,790)	(170,129)
Balance – End of year	6,933,311	7,046,331

8 INTERNALLY RESTRICTED NET ASSETS

The Board of Directors has internally restricted net assets as a maintenance reserve. The change in this reserve is as follows:

	2002	2001
	\$	\$
Balance – Beginning of year	14,512	50,000
Allocations to reserve	50,000	50,000
Expenditures	(58,920)	(85,488)
Balance – End of year	5,592	14,512

9 CONTRACT REVENUES

Under the terms of the contracts with the various funding agencies, excess funds received over specific operating expenditures as budgeted in the Society's funding applications may be refundable during the following year. The calculation of excess funds is carried out by the funders subsequent to year-end. The funders may approve the retention of these funds for specified purposes. Any refunded amounts are recorded as a reduction of operating net assets in the year repaid. During the year, the Society refunded \$183,377 related to fiscal 2001 (2001 – \$137,658 related to fiscal 2000).

10 COMMITMENTS

The Society is committed to the following future payments under lease agreements:

	\$
2003	247,881
2004	205,447
2005	111,748
2006	47,880

11 RELATED PARTIES

a) The Wood's Homes Foundation

On November 6, 2000, the former Wood's Christian Homes Endowment Fund Trust was restructured as a not-for-profit corporation under the name The Wood's Homes Foundation. The purpose of the Foundation is to advance the mission, goals and objectives of the Society. The Foundation may contribute an annual amount to Wood's on approval by the Foundation's Board of Directors.

During the year ended March 31, 2002, the Society recorded revenues of \$195,780 (2001 – \$nil) from the Foundation. In addition, Wood's contributed a \$135,000 operating grant (2001 – \$nil) to the Foundation.

Included in other receivables is an amount due from the Foundation of \$42,745 (2001 – \$42,189) which is non-interest bearing and has no fixed terms of repayment.

b) Parkland Youth Homes Society

Parkland Youth Homes Society ("Parkland") is incorporated under the Societies Act (Alberta) and is registered as a charity under the Income Tax Act and accordingly is exempt from income tax. Parkland's mission is to promote and restore the development and well-being of children and their families within the community. The bylaws of Parkland indicate that Parkland's Board of Directors is ultimately accountable to Wood's Board of Directors.

In the year ended March 31, 2002, Parkland paid \$62,107 (2001 – \$53,167) to Wood's for accounting and management services and \$35,000 (2001 – \$35,000) for rent.

Included in other receivables is an amount due from Parkland of \$20,858 (2001 – \$89,835), which is non-interest bearing and has no fixed terms of repayment.

These transactions are in the normal course of operations and are measured at the exchange amount.



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WOOD'S HOMES
Serving Children And Their Families Since 1914

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