# THE VANIER INSTITUTE OF THE FAMILY

## FINANCIAL STATEMENTS

## DECEMBER 31, 2011

McCAY DUFF LLP, CHARTERED ACCOUNTANTS

**THE VANIER INSTITUTE OF THE FAMILY**

**INDEX TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2011**

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## INDEPENDENT AUDITORS' REPORT

To the Members of
The Vanier Institute of the Family

Report on the Financial Statements

We have audited the accompanying financial statements of The Vanier Institute of the Family, which comprise the balance sheet as at December 31, 2011, the statements of financial activities, fund balances 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 these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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.

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**INDEPENDENT AUDITORS' REPORT**

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the Institute derives revenue from the general public in the form of donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Institute. Therefore, we were not able to determine whether any adjustments might be necessary to revenue from donations, net revenue and cash flows from operations for the years ended December 31, 2011 and December 31, 2010, and current assets and fund balance as at December 31, 2011 and December 31, 2010. Our audit opinion on the financial statements for the year ended December 31, 2010 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of The Vanier Institute of the Family as at December 31, 2011, and its results of operations and its 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 Canada Corporations Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

McCay Duff LLP

McCay Duff LLP,
Licensed Public Accountants.

Ottawa, Ontario,
March 21, 2012.

# THE VANIER INSTITUTE OF THE FAMILY

## BALANCE SHEET

## AS AT DECEMBER 31, 2011

| | Operating Fund | Endowment Fund | 2011 Total | 2010 Total |
|---|---|---|---|---|
| **NON-RESTRICTED ASSETS** | | | | |
| Cash | $ 140,513 | $ 52,420 | $ 192,933 | $ 3,511 |
| Short-term investments | 331,068 | 4,367 | 335,435 | 645,819 |
| Accounts receivable | 28,670 | - | 28,670 | 29,827 |
| Prepaid expenses | 11,586 | - | 11,586 | 2,105 |
| Due to/from interfund | 23,931 | ( 23,931) | - | - |
| Marketable investments (notes 2 (e) and 5) | - | 13,500,752 | 13,500,752 | 13,929,890 |
| Capital assets (note 6) | 45,295 | - | 45,295 | 35,441 |
| Investment - Headquarters Property (note 7) | - | 299,680 | 299,680 | 307,920 |
| | 581,063 | 13,833,288 | 14,414,351 | 14,954,513 |
| Restricted assets - Special Projects | ( 418,979) | - | ( 418,979) | ( 467,010) |
| | 162,084 | 13,833,288 | 13,995,372 | 14,487,503 |
| **RESTRICTED ASSETS** | | | | |
| Special Projects | 418,979 | - | 418,979 | 467,010 |
| | $ 581,063 | $ 13,833,288 | $ 14,414,351 | $ 14,954,513 |
| **LIABILITIES** | | | | |
| Bank overdraft | $ - | $ - | $ - | $ 9,743 |
| Line of credit (note 10) | - | - | - | 7,500 |
| Accounts payable and accrued liabilities | 68,810 | - | 68,810 | 53,824 |
| Accrued benefit liability (note 9) | 23,714 | - | 23,714 | 21,366 |
| | 92,524 | - | 92,524 | 92,433 |
| **FUND BALANCES** | | | | |
| Basic Support | 24,265 | 13,535,638 | 13,559,903 | 14,061,979 |
| Invested in Capital Assets | 45,295 | - | 45,295 | 35,441 |
| Endowment Fund Projects | - | 196,325 | 196,325 | 196,325 |
| Headquarters Property Improvement Fund (note 8) | - | 101,325 | 101,325 | 101,325 |
| | 69,560 | 13,833,288 | 13,902,848 | 14,395,070 |
| Special Projects | 418,979 | - | 418,979 | 467,010 |
| | 488,539 | 13,833,288 | 14,321,827 | 14,862,080 |
| | $ 581,063 | $ 13,833,288 | $ 14,414,351 | $ 14,954,513 |

**Approved on behalf of the Board:**

____________________ Director

____________________ Director

# THE VANIER INSTITUTE OF THE FAMILY

## STATEMENT OF FUND BALANCES

## FOR THE YEAR ENDED DECEMBER 31, 2011

| | Operating Fund | | | Endowment Fund | | | | |
|---|---|---|---|---|---|---|---|---|
| | Basic Support | Invested in Capital Assets | Special Projects | Basic Support | Endowment Fund Projects | Headquarters Property Improvement Fund | 2011 Total | 2010 Total |
| **BALANCE - BEGINNING OF YEAR** | $ 99,467 | $ 35,441 | $ 467,010 | $ 13,962,512 | $ 196,325 | $ 101,325 | $ 14,862,080 | $ 14,533,027 |
| Net revenue (expense) for the year | ( 817,422) | - | ( 8,457) | 285,626 | - | - | ( 540,253) | 329,053 |
| Allocations - Endowment Fund | 703,452 | - | 9,048 | ( 712,500) | - | - | - | - |
| Inter-fund transfers | 48,622 | - | ( 48,622) | - | - | - | - | - |
| Purchase of capital assets | ( 25,160) | 25,160 | - | - | - | - | - | - |
| Amortization | 15,306 | ( 15,306) | - | - | - | - | - | - |
| **BALANCE - END OF YEAR** | $ 24,265 | $ 45,295 | $ 418,979 | $ 13,535,638 | $ 196,325 | $ 101,325 | $ 14,321,827 | $ 14,862,080 |

# THE VANIER INSTITUTE OF THE FAMILY

## STATEMENT OF FINANCIAL ACTIVITIES

## FOR THE YEAR ENDED DECEMBER 31, 2011

| | Operating Fund | Special Projects | Endowment Fund | 2011 Total | 2010 Total |
|---|---|---|---|---|---|
| **REVENUE** | | | | | |
| Bond and other interest | $ 3,964 | $ - | $ 230,910 | $ 234,874 | $ 250,323 |
| Dividends and income trust income | - | - | 268,379 | 268,379 | 230,242 |
| Donations - corporate and individual | 8,671 | - | - | 8,671 | 16,283 |
| Donations to Family Legacy Fund | - | - | 5,000 | 5,000 | - |
| Gain (loss) on foreign exchange and on marketable investments (note 5) | - | - | ( 210,423) | ( 210,423) | 707,584 |
| Membership fees | 12,748 | - | - | 12,748 | 13,532 |
| Miscellaneous | 2,132 | - | - | 2,132 | 1,768 |
| Publications - sales and royalties | 1,024 | 7,160 | - | 8,184 | 21,329 |
| Speaking engagements | 50,475 | - | - | 50,475 | - |
| Grants | - | - | - | - | 5,000 |
| | 79,014 | 7,160 | 293,866 | 380,040 | 1,246,061 |
| **EXPENSES** | | | | | |
| Program | | | | | |
| Projects | 36,247 | - | - | 36,247 | 43,072 |
| Professional services | 5,325 | 6,638 | - | 11,963 | 15,710 |
| Printing | 7,734 | 1,135 | - | 8,869 | 26,478 |
| Distribution | - | - | - | - | 2,272 |
| Library | 394 | - | - | 394 | 824 |
| Communication | - | - | - | - | 22,878 |
| Promotion | - | 928 | - | 928 | 6,980 |
| Travel - Program staff | 11,774 | - | - | 11,774 | 2,294 |
| Translation | 13,557 | - | - | 13,557 | 36,010 |
| Salaries and benefits | 230,203 | - | - | 230,203 | 284,696 |
| Administration | | | | | |
| Amortization | | | | | |
| - capital assets | 8,390 | 6,916 | - | 15,306 | 11,457 |
| - headquarters property | - | - | 8,240 | 8,240 | 8,240 |
| Board governance | 39,412 | - | - | 39,412 | 52,635 |
| Investment management fees | 80,455 | - | - | 80,455 | 78,439 |
| Professional services | 96,697 | - | - | 96,697 | 45,328 |
| Computer training and maintenance | 15,613 | - | - | 15,613 | 6,508 |
| **SUBTOTAL TO CARRY FORWARD** | $ 545,801 | $ 15,617 | $ 8,240 | $ 569,658 | $ 643,821 |

# THE VANIER INSTITUTE OF THE FAMILY

## STATEMENT OF FINANCIAL ACTIVITIES

## FOR THE YEAR ENDED DECEMBER 31, 2011

| | Operating Fund | Special Projects | Endowment Fund | 2011 Total | 2010 Total |
|---|---|---|---|---|---|
| **SUBTOTAL - CARRIED FORWARD** | $ 545,801 | $ 15,617 | $ 8,240 | $ 569,658 | $ 643,821 |
| General Administration | | | | | |
| Memberships | 847 | - | - | 847 | 354 |
| Postage and telephone | 12,565 | - | - | 12,565 | 24,896 |
| Building operation | 35,452 | - | - | 35,452 | 41,905 |
| Salaries and benefits | 210,444 | - | - | 210,444 | 174,160 |
| Employee future benefits (note 9) | 2,348 | - | - | 2,348 | 1,750 |
| Language training | 254 | - | - | 254 | 4,074 |
| Recruitment | 56,994 | - | - | 56,994 | 816 |
| Travel - administration staff | 1,332 | - | - | 1,332 | 1,533 |
| Office expenses | 30,399 | - | - | 30,399 | 23,699 |
| | 896,436 | 15,617 | 8,240 | 920,293 | 917,008 |
| **NET REVENUE (EXPENSE) FOR THE YEAR** | $( 817,422) | $( 8,457) | $ 285,626 | $( 540,253) | $ 329,053 |

# THE VANIER INSTITUTE OF THE FAMILY

## STATEMENT OF FINANCIAL ACTIVITIES - SPECIAL PROJECTS

## FOR THE YEAR ENDED DECEMBER 31, 2011

| | Endowment Fund Projects | Internally Restricted Funds | IT | Total |
|---|---|---|---|---|
| **REVENUE** | | | | |
| Allocated revenue | | | | |
| Publications - sales | $ - | $ 7,160 | $ - | $ 7,160 |
| **EXPENSES** | | | | |
| Amortization | - | - | 6,916 | 6,916 |
| Distribution | - | 1,135 | - | 1,135 |
| Promotion | - | 928 | - | 928 |
| Professional services | - | 6,638 | - | 6,638 |
| | - | 8,701 | 6,916 | 15,617 |
| **NET REVENUE (EXPENSE) FOR THE YEAR** | - | ( 1,541) | ( 6,916) | ( 8,457) |
| **BALANCE - BEGINNING OF YEAR** | 103,848 | 335,399 | 27,763 | 467,010 |
| Transfer to Operating fund - Basic Support | - | ( 48,622) | - | ( 48,622) |
| Allocation from Endowment Fund | 9,048 | - | - | 9,048 |
| **BALANCE - END OF YEAR** | $ 112,896 | $ 285,236 | $ 20,847 | $ 418,979 |
| | | | (Note 6) | |

# THE VANIER INSTITUTE OF THE FAMILY

## STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED DECEMBER 31, 2011

| | 2011 | 2010 |
|---|---|---|
| **CASH PROVIDED BY (USED FOR)** | | |
| **OPERATING ACTIVITIES** | | |
| Net revenue (expense) for the year | $( 540,253) | $ 329,053 |
| Items not involving cash | | |
| - amortization | 23,546 | 19,697 |
| - unrealized (gain) loss on marketable investments | 115,532 | ( 767,604) |
| | 139,078 | ( 747,907) |
| | ( 401,175) | ( 418,854) |
| Change in non-cash working capital | | |
| - accounts receivable | 1,157 | ( 23,204) |
| - prepaid expenses | ( 9,481) | ( 2,105) |
| - accounts payable and accrued liabilities | 14,986 | ( 676) |
| - accrued benefit liability | 2,348 | 1,750 |
| | 9,010 | ( 24,235) |
| | ( 392,165) | ( 443,089) |
| **INVESTING ACTIVITIES** | | |
| Change in marketable investments - net | 313,606 | 235,777 |
| Purchase of capital assets | ( 25,160) | ( 28,048) |
| | 288,446 | 207,729 |
| **CHANGE IN CASH AND SHORT-TERM INVESTMENTS DURING THE YEAR** | ( 103,719) | ( 235,360) |
| Cash and short-term investments - beginning of year | 632,087 | 867,447 |
| **CASH AND SHORT-TERM INVESTMENTS - END OF YEAR** | $ 528,368 | $ 632,087 |
| **CASH AND SHORT-TERM INVESTMENTS - END OF YEAR** | | |
| Cash | $ 192,933 | $ 3,511 |
| Short-term investments | 335,435 | 645,819 |
| Bank overdraft | - | ( 9,743) |
| Line of credit | - | ( 7,500) |
| | $ 528,368 | $ 632,087 |

**THE VANIER INSTITUTE OF THE FAMILY**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2011**

## 1. PURPOSE OF THE ORGANIZATION

The primary purpose of The Vanier Institute of the Family, as stated in the Letters Patent, is:

To promote the spiritual and material well-being of Canadian families and in furtherance thereof and without limiting the generality of the foregoing, to study their social, physical, mental, moral and financial environment and characteristics; and in implementing the foregoing:

(a) to foster the creation of means designed to identify and provide for the needs and aspirations of the family;

(b) to encourage and promote the inherent capacity of families to help themselves;

(c) to work with and encourage co-operation among charitable, religious, education, welfare, cultural and other organizations; and

(d) to seek the support of the various faiths in Canada and to further their joint endeavours for family betterment.

The Institute is incorporated without share capital under the Canada Corporations Act and is exempt from tax as a registered charity under the Income Tax Act (Canada).

In October of 2011, at a Special Meeting of the Members, the Institute revised the organization's Bylaws in accordance with the new Canada Non-Profit Corporations Act. The new Bylaws have been submitted to Industry Canada and at the time of the annual audit, the Institute is awaiting final approval by the Minister. Copies of the new Bylaws are available from the Institute, upon request.

## 2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

The Institute has adopted the fund accounting basis for reporting its activities.

(b) Accrual Basis of Accounting

Revenue and expenses are recorded on the accrual basis, whereby they are reflected in the accounts in the period in which they have been earned and incurred respectively, whether or not such transactions have been finally settled by the receipt or payment of money.

(c) Short-term Investments

Short-term investments, consisting of guaranteed investment certificates, classified as held for trading, are recorded at market value. Market value is determined by reference to published price quotations in an active market at year end.

(d) Foreign Currency Translation

Assets denominated in foreign currencies have been translated into Canadian dollars at the rate of exchange prevailing at the year end for cash and short-term investments and at the prevailing rate of exchange at the transaction date for marketable investments.

**THE VANIER INSTITUTE OF THE FAMILY**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2011**

## 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

(e) Marketable Investments

Marketable investments, classified as held-for-trading, are recorded at market value. Market value is determined by reference to public price quotations in an active market at year end.

(f) Capital Assets and Amortization

(i) Capital Assets

The Institute follows the policy of recording capital assets at cost, less accumulated amortization. Amortization is provided on a straight line basis as follows:

| | |
|---|---|
| Computer equipment | 30% |
| Computer software | 100% |
| Furniture and equipment | 20% |
| Website | 20% |
| Keystone Project | |
| Equipment | 20% |
| Computer equipment | 30% |
| IT Fund | |
| Computer equipment | 30% |

One-half of the above rates are used in the year of acquisition.

(ii) Investment - Headquarters Property

The investment in the Headquarters Property consists of land and building and is stated at cost, less accumulated amortization. The building, less its estimated residual value, is amortized on a straight line basis over 40 years.

(g) Special Project Contributions - Endowment Fund Projects

Certain contributions received are subject to specific terms and conditions regarding the expenditure of the funds. The Institute's accounting records are subject to audit by the contributor to identify instances, if any, in which amounts charged against contributions have not complied with the agreed terms and conditions and which therefore would be refundable to the contributor.

(h) Special Project Comparative Figures

Special projects by their nature vary significantly from year to year and therefore Page 7 is not presented on a comparative basis.

(i) Employee Benefit Plans

The Institute has a defined contribution pension plan managed by a third party carrier. It also has a self funded defined retirement allowance plan. It accrues its obligation and the related costs under these plans.

THE VANIER INSTITUTE OF THE FAMILY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

## 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

(j) Internally Restricted Project Funds

Internally Restricted Project Funds are established from time to time, by the Board, each with specific purposes related to the Institute's program. Restricted project funds in 2011 include the Vanier 50th Anniversary Fund for celebrations in 2015, Jean T. Fournier Fund for program innovation, the Georges P. Vanier Fund (G.P.V.), for program expenses and Fund Development for revenue generation. Restricted funds are also established for occasional publications such as Families Count: Profiling Canada's Family IV.

(k) Inter-fund Transfers

The Board determines the allocation of undesignated donations of $1,000 or more, between the Endowment Fund and G.P.V. Fund, based on the nature of the request of the donor.

(l) Allocations

By Board policy, the annual allocation of revenue from the Endowment Fund to the Operating Fund is calculated on a five-year average of the market value of the Endowment Fund. Currently, the equivalent of 5% of the average market value is taken into the Operating Fund and that amount is distributed 98.73% to Basic Support and 1.27% to Endowment Fund Projects.

(m) 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 and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the periods in which they become known.

(n) Revenue Recognition

Revenue includes dividend and interest income and realized and unrealized investment gains and losses. Unrealized gains and losses on held for trading financial assets are included in gain loss on foreign exchange and on marketable investments. Other revenues are recorded on the accrual basis.

## 3. FINANCIAL INSTRUMENTS

The Institute's financial instruments consist of cash, short-term investments, accounts receivable, marketable investments, accounts payable and accrued liabilities and accrued benefit liability. The fair values of these financial instruments approximate their carrying values, unless otherwise stated.

### Interest Rate Risk

Interest rate risk is the exposure of the Institute's earnings that arises from fluctuations in interest rates. The Institute is exposed to interest rate risk on its short-term investments and marketable investments.

### Market Risk

Market risk arises from the volatility inherent in the capital markets. The Institute is exposed to market risk through its investments in the capital markets, however, it limits the exposure through portfolio diversification. The Institute contracts with investment experts to monitor the investment portfolio and make adjustments as determined in an effort to balance the risk and the return on the marketable investments.

### Credit Risk

It is management's opinion that the Institute is not exposed to significant credit risk arising from its financial instruments.

### Currency Risk

Currency risk is the exposure of the Institute's earnings that arises from fluctuations in foreign exchange rates. The Institute is exposed to currency risk on its marketable investments which are denominated in foreign currencies.

## 4. CAPITAL MANAGEMENT

The Institute considers its Capital to be the balances maintained in its Fund balances. The primary objective of the Institute is to invest its Capital in a manner that will allow it to continue as a going concern and comply with its stated objectives. Capital is invested under the direction of the external portfolio managers, the Investment Committee and the Board of Directors of the Institute with the objective of providing a reasonable rate of return, minimizing risk and ensuring adequate liquid investments are on hand for current cash flow requirements. The Institute is not subject to externally imposed requirements on its Capital other than certain contributions to the Endowment Fund Projects which are restricted to uses specified by the donor.

THE VANIER INSTITUTE OF THE FAMILY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

## 5. MARKETABLE INVESTMENTS

(a) Marketable investments consists of:

| | 2011 | |
|---|---|---|
| | Market Value | Cost |
| Stocks and income trusts | $ 8,395,583 | $ 7,256,270 |
| Fixed income securities | 5,105,169 | 4,766,947 |
| | $ 13,500,752 | $ 12,023,217 |

| | 2010 | |
|---|---|---|
| | Market Value | Cost |
| Stocks and income trusts | $ 8,846,652 | $ 7,537,236 |
| Fixed income securities | 5,083,238 | 4,799,587 |
| | $ 13,929,890 | $ 12,336,823 |

(b) The gain (loss) on foreign exchange and realized and unrealized gain (loss) of marketable investments consists of:

| | 2011 | 2010 |
|---|---|---|
| Gain (loss) on foreign exchange | $ 1,144 | $( 5,573) |
| Realized and unrealized gain (loss) on marketable investments | ( 211,567) | 713,157 |
| | $( 210,423) | $ 707,584 |

## 6. CAPITAL ASSETS

| | 2011 | | | 2010 |
|---|---|---|---|---|
| | Cost | Accumulated Amortization | Net | Net |
| Computer equipment | $ 77,612 | $ 77,612 | $ - | $ - |
| Computer software | 8,747 | 8,747 | - | - |
| Furniture and equipment | 25,362 | 14,821 | 10,541 | 7,355 |
| Website | 26,674 | 8,002 | 18,672 | 24,007 |
| | 138,395 | 109,182 | 29,213 | 31,362 |
| Keystone Project | | | | |
| Equipment | 29,500 | 29,500 | - | - |
| Computer equipment | 4,454 | 4,454 | - | - |
| | 33,954 | 33,954 | - | - |
| IT Fund | | | | |
| Computer equipment | 35,234 | 19,152 | 16,082 | 4,079 |
| | $ 207,583 | $ 162,288 | $ 45,295 | $ 35,441 |

## THE VANIER INSTITUTE OF THE FAMILY

## NOTES TO FINANCIAL STATEMENTS

## DECEMBER 31, 2011

### 6. CAPITAL ASSETS (Cont'd.)

The $20,847 reported in special projects IT represents the unamortized balance of capital assets acquired by the fund of $16,082 and undisbursed funding of $4,765.

The Institute owns donated and gifted artwork with a value of $46,625 based on an appraisal dated April 20, 2011, which is not reflected in these financial statements.

### 7. INVESTMENT - HEADQUARTERS PROPERTY

| | 2011 | 2010 |
|---|---|---|
| Cost | $ 445,545 | $ 445,545 |
| Accumulated amortization | 145,865 | 137,625 |
| | $ 299,680 | $ 307,920 |

### 8. HEADQUARTERS PROPERTY IMPROVEMENT FUND

Commencing in 1999, the Institute established a Headquarters Property Improvement Fund and determined that amounts equal to the rent revenue plus a proportionate share of revenue earned from marketable investments will be transferred to this Fund from the Endowment Fund - Basic Support.

In 2005, the Board approved to cap the Fund at $100,000. Effective in 2006 the monthly rent from the Operating Fund and the proportionate share of revenue earned was suspended. If the Fund should be used in the future and the Fund balance falls below $100,000, these payments to the Fund would resume.

### 9. EMPLOYEE BENEFIT PLANS

The Institute has defined benefit plans providing pension and retirement benefits to its employees as follows:

Pension Plan

A defined contribution pension plan, which covers substantially all of its employees, providing pensions based on contributions. This plan requires contributions of 5% by the employee and 6% by the employer, calculated on the employee's monthly earnings. The employer's expense for 2011 of $19,012 (2010 - $24,772) is included in salaries and benefits.

Retirement Allowance Plan

A defined retirement allowance plan, where an employee will receive a retirement allowance determined by multiplying half of the employee's actual weekly rate of pay upon retirement by the number of completed years of continuous employment to a maximum of twenty-six weeks.

THE VANIER INSTITUTE OF THE FAMILY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

## 9. EMPLOYEE BENEFIT PLANS (Cont'd.)

Information about the Institute's defined retirement allowance plan:

| | |
|---|---|
| Accrued benefit liability - beginning of year | $ 21,366 |
| Current service cost | 2,348 |
| Accrued benefit liability - end of year | $ 23,714 |

## 10. LINE OF CREDIT

The Institute has use of a line of credit for $75,000, which is secured by a short-term investment. As at December 31, 2011 this line of credit was not utilized.

## 11. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current financial statement presentation.