



KNOWLES CENTRE INC.

Helping Youth Find Their Path: Yesterday, Today, and Tomorrow

**Annual Report
April 1, 2008 - March 31, 2009**

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Knowles Centre provides professional services to children, youth and their families who are experiencing difficulties by helping them discover their strengths and fulfill their potential, through a variety of therapeutic and culturally sensitive programs.

That everyone receiving services through Knowles Centre leave with a greater capacity to meet the world.

Knowles Centre employs a variety of approaches and, through consultation with clients and their families, makes every effort to deliver services that are sensitive to their cultural, environmental and developmental needs. Those approaches used will be the safest possible and the least intrusive necessary.

Knowles Centre is a non-profit treatment centre for children and adolescents with emotional and behavioural difficulties. It began as a home for boys in 1907, and today provides treatment foster care, group care, day treatment, sexual abuse treatment, and independent living programs to boys and girls from Manitoba, Northwestern Ontario and Nunavut.

We are governed by an elected Board of Directors made up of dedicated members of the community who contribute their knowledge and insight to making Knowles Centre a welcoming and respected place of healing.

MISSION STATEMENT

VISION STATEMENT

PHILOSOPHICAL STATEMENT

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As I write this report, I realize that I have completed half of my tenure as the President of the Board of Directors for Knowles Centre. It seems like such a short time ago that I was honoured with this position – but as the old saying goes – time flies when you're having fun!

The past year has been a busy and exciting time at Knowles. In addition to continuing to provide our community with the services that we have historically provided – Group Care, Sexual Abuse Treatment, and Day Treatment – Knowles Centre commenced the new SAIL (Supported Advancement to Independent Living) Program and witnessed our Treatment Foster Care Program surpass estimations for growth in its first two years. These programs allow us to not only serve more clients, but to help keep young people living in the community in either a nurturing family environment or a home of their own, as appropriate. These two programs are areas of service that were previously lacking at the Centre and we are extremely pleased to begin filling these gaps as our new programs grow.

Of course two successful new programs meant hiring more staff, and it wasn't long before we realized that we were bursting at the seams! Thankfully, we had a second floor space that wasn't being used, and are currently in the process of developing it into office space that we so desperately need for our professional staff.

The past year brought some change to the composition of our Board, as well. We were saddened to accept the resignation of Bev Wiebe, a long-serving member, and wish her the best in all future endeavours she pursues. We recently welcomed Sheri Gowler to our Board and look forward to working with her in the coming years. I am proud to say that the current Board at Knowles Centre is comprised of some of the most dedicated, interested and professional people that I have ever

had the pleasure of working with. We are a diverse bunch, and I am confident that our unique perspectives, mutual respect, and common interest in furthering the vision of Knowles Centre make us effective and diligent in our role.

My four years at Knowles Centre, first as a board member, then as Vice President, and now as President, have been challenging yet truly rewarding. I have learned so much, and look forward to continuing to grow and learn as my time here goes on.

Knowles Centre owes its success to more people than can be mentioned by name. Still, I believe the best way to conclude my report is to say THANK YOU. First, to the management and staff of Knowles – you go above and beyond the call of duty every day; the evidence of your skill and commitment is evident everywhere at the

Centre. To the volunteers (who are often staff members) who dedicate their time and energy to Knowles fund raisers and functions – your efforts are truly appreciated. And finally, to those who contribute to our fund raising campaigns – we couldn't provide the level of service that we do without your support.

As we go forward into another year at Knowles Centre we are filled with hope and excitement. Challenges will arise and obstacles will present themselves, yet we are confident, motivated, prepared, and equipped to meet the future and continue to provide the very best services possible to the young people and their families in our community.

Gerri Wiebe
President

Knowles Centre is proud to be the only child and youth group care treatment centre in Manitoba accredited by the Council on Accreditation



CREDIBILITY • INTEGRITY • ACHIEVEMENT

Accreditation is an objective and reliable verification that provides confidence and support to our organization's service recipients, board members, staff and community partners.

The standards assure Knowles Centre's services are accessible, appropriate, culturally responsive, evidence-based, and outcomes-oriented. In addition, these standards confirm that Knowles Centre's services are provided by a skilled and supported workforce and that all individuals are treated with dignity and respect.

COA reviews and reaccredits the entire organization, not just specific programs. The community we serve can be confident in the credibility, integrity and achievement of our entire organization.

BOARD OF DIRECTORS

April 1, 2008 – March 31, 2009

EXECUTIVE COMMITTEE

Gerri Wiebe ----- PRESIDENT
----- Chair, Personnel Committee

Jennifer Dundas 1st VICE-PRESIDENT
----- Board Nominating Committee

Terry Lazark ----- TREASURER
----- Chairperson, Finance/Property Committee
----- Chairperson, Prior Scholarship Committee

Richard Petri ----- SECRETARY

Wayne Benson ----- PAST PRESIDENT
----- Chairperson, Services Committee
----- Board Representative -
Critical Incident Stress Debriefing

MEMBERS OF THE BOARD

Brian Born ----- Member, Finance/Property Committee

Brett Carter ----- Member, Finance/Property Committee

Todd Cowley ----- Member

Bruce Gammon ----- Member, Fund Raising Committee
----- Member, Services Committee

Mark Lubosch ----- Chair, Fund Raising Committee
----- Chair, Nominating Committee

Sherri Gowler ----- Member



The approach that I have taken with previous AGM reports and the present report is to address three key areas: 1) the accomplishments achieved during the past year, 2) the challenges identified for the upcoming fiscal year, and 3) the likely unfolding of events expected during the new fiscal year.

Among the most significant accomplishments during the past year were the following highlights:

- The Treatment Foster Care Program has continued to grow and is now the largest program at Knowles Centre, which was accomplished in approximately three years;
- The SAIL (Supported Advancement to Independent Living) Program was developed and implemented, including the hiring and training of staff, and the admission of the first clients into the program;
- The above mentioned growth has resulted in the creation of new positions and the hiring of staff to fill these positions;
- Knowles Centre has stabilized its financial position;
- Student attendance at John G. Stewart School has been very good, according to Principal Kevin MacKay;
- Knowles Centre has had a great deal of success with fundraising for various projects;
- Knowles Centre has been re-accredited for another four years by the Council on Accreditation.

There are two major issues that Knowles Centre will be addressing in the new fiscal year: 1) a pension liability issue and 2) union negotiations. Concerning the former, Knowles Centre is similar to many other organizations

(whether in the private sector, the public sector, or non-profit sector) in that it is monitoring and addressing a pension liability issue. Concerning the latter, the MGEU/Knowles Centre Collective Bargaining Agreement expired on April 1, 2009, and negotiations will commence on reaching a new agreement.

There will be many new developments occurring in the new fiscal year, including:

- the commencement and completion of a capital project to create much-needed office space;
- the implementation of Knowles Centre's new strategic plan;
- the implementation of Knowles Centre's new performance quality improvement (PQI) plan, led by our new PQI Coordinator;
- the continued growth of the Treatment Foster Care Program and SAIL;
- the further diversification of programming at Knowles Centre to address both the unmet needs of our present clients and the unmet needs of clients within the larger child welfare system;
- The anticipated doubling in size of Knowles Centre (number of clients and size of budget) by March 31, 2010, which will have been accomplished in a three-year period.

In closing, I would like to thank the Board of Directors, the senior management team, the frontline staff, and the support staff for their respective contributions toward achieving the above stated accomplishments and creating an exciting environment of opportunities at Knowles Centre.

Michael Burdz, Ph. D., C. Psych.
Chief Executive Officer



At Knowles Centre's John G. Stewart Outdoor Education Camp at the Big Whiteshell clients and staff enjoy fishing, hiking, canoeing, swimming and the beauty of nature.

**BOARD
STANDING
COMMITTEE
REPORTS**

Finance & Property Committee

This year Knowles Centre will end the fiscal year with a deficit of \$11,409 in the operating fund. It was two years ago that the Centre reported a deficit of approximately \$109,000. This turnaround can be directly attributed to the growth the Centre has experienced in the Treatment Foster Care Program, which now accounts for 30% of the Centre's revenue. Total revenues for the operating fund went up by approximately \$1.2 million of which 86% is directly attributed to this program. With the addition of the SAIL Program (Supported Advancement to Independent Living) in 2009-2010, the Centre's financial position will be further strengthened.

Operating fund expenses increased to \$5,084,604 for a 30% increase over the prior year. Sixty-five percent of this increase is due to the growth of the Treatment Foster Care Program. Salary remuneration continues to be the largest operating expense, representing 87% of total expenditures. Factoring out inflationary increases, operating fund expenditures remained relatively low with an increase of approximately \$73,000, this is important as it highlights the fact that discretionary expenses make up a very small part of the total operations.

The capital fund statements show that the capital fund balance declined by \$9,608 for the fiscal period to \$1,802,339. Although a conservative investment approach is used, we were able to generate \$25,982 in investment income. It is through our fund raising efforts and conservative investments that we have been able to expand and upgrade our facilities on a consistent basis.

I would like to thank the finance committee (Brett Carter, Brian Born, and Grant Obirek) for their hard and dedicated work, the entire board for their support and trust, and management as a whole for their effort at fiscal management.

Terry Lazark
Chair, Finance & Property Committee

Fundraising Committee and Major Gift Report

It has been a remarkable year for Knowles Centre. The agency met or exceeded expectations within several programs and initiatives as noted elsewhere in this annual report. More importantly, Knowles Centre has positioned itself to take on the future challenges and opportunities of providing services to children and youth and their families who are experiencing difficult times.

We are fortunate to have in place a committed and knowledgeable Board of Directors and management team to lead the agency through an era of growth and evolution while maintaining the high standards of care that has been its hallmark for over a century. But we have not achieved success alone. Knowles Centre works closely with a number of partners, including other social service agencies, suppliers, professionals, and funders to provide its programs.

Our core services as supported by the **Governments of Manitoba and Canada** (Group Care and Treatment Foster Care Programs), the **United Way of Winnipeg** (Sexual Abuse Treatment Program), and a partnership with the **River East Transcona School Division** (Day Treatment Program).

We are especially grateful to many individuals, businesses, foundations, and community groups for providing financial support for our support programs, special projects and equipment and facility costs. Over the past year, we earned support from over 125 individuals and organizations.

In the past year, **The Winnipeg Foundation** invested in our new SAIL (Support Advancement to Independent Living) Program by providing a grant for the start-up costs. Now established, the SAIL Program is helping youth in care to prepare for the transition to living as successful, empowered young adults in the community. Going forward, the SAIL Program will be funded through per diem fees paid by referring CFS agencies.

We were privileged to receive annual support from **The Graham C. Lount Family Foundation** again in the past year. The Lount Foundation has been a long-time supporter of the Biimautaziiwin Cultural Program that helps youth to learn about Aboriginal culture and to develop pride in their heritage through participation in traditional and modern ceremonies and activities.

Camp is another important support program at Knowles Centre, but it comes at a high price. In fact, it costs almost twice as much for a child to attend camp for one week than we receive to treat a child in the city. To help meet this cost, Knowles Centre focused its 2008 annual appeal on raising funds for camp. We were overwhelmed with support from several organizations, including **The Paterson Foundation, Manitoba Community Services Council and Manitoba Lotteries Corporation, Wawanesa Insurance, The Winnipeg Foundation's Youth in Philanthropy Program, Soeurs du Sauveur, E.H.**

Price, the Kiwanis Club of East Kildonan and its Ladies Auxiliary, the Winnipeg West Rotary Club, and several other businesses, community groups and many individuals.

Accessing safe and healthy recreation opportunities year-round is important for the young people at Knowles Centre. With generous support from the **Manitoba Moose Yearling Foundation** we were able to re-outfit the popular on-site Recreation Room. As well, a special grant from the **Winnipeg Goldeyes Field of Dreams Foundation** provided extra funding for each of our core programs to purchase recreation supplies to meet the needs of their clients. And we are always grateful to the many local businesses that donated gifts-in-kind in the form of passes to special events and attractions as well as recreation equipment for use by our clients.

Looking forward, Knowles Centre made a fundraising commitment to raise the funds needed to replace aging and worn bedroom furniture and some common area furniture in each of its four Group Care Treatment units. This effort began in 2008/2009 with a generous donation from the **Pollard Family Foundation** and is continuing into the new fiscal year.

Finally, Knowles Centre also made its biggest fundraising commitment in over a decade to raise a portion of the funds needed to redevelop existing unused space in its services building to accommodate the growing number of staff in our Treatment Foster Care and new SAIL Programs. We look forward to reporting more on our progress of this special project in our next annual report.

Maureen Britton
Community Relations Coordinator

Arthur E. Prior Memorial Scholarship Fund Committee

The Board of Directors established the Fund in 1987 with a bequest of approximately \$70,000 received from the estate of the late Arthur E. Prior. Subsequent donations and unused interest income have increased the size of the Fund over the years.

The Fund uses interest income to support former clients of Knowles Centre in the pursuit of their further education. Fund activity for the year is detailed in the annual financial statements.

Scholarship applications are accepted throughout the year, and are available by calling Tiffany Waite or Stewart Halper at 339-1951.

Terry Lazark
Chair



Nominating Committee Report

The Nominating Committee screens candidates for the Board of Directors, and makes recommendations to the full Board as to suitability of those candidates as Board members. The full Board then votes on accepting or declining those nominees as Board members.

Board members undergo an intensive orientation to their responsibilities and the Centre's policies, programs and services.

Under the provisions of the Centre's by-laws, directors' first terms commence on the first day of July immediately following their election.

I would like to thank the members of the Board for their commitment to Knowles Centre's mission, vision and values. My deep thanks to committee members Jennifer Dundas and Michael Burdz (CEO) for their support through the Candidate Recruitment Process.

On behalf of the Board of Directors, I would like to extend our gratitude to Bev Wiebe who retired from the Board after serving seven years. We wish Bev much success in her future endeavours.

Mark Lubosch
Chair

BOARD MEMBER	DATE ELECTED	YEARS SERVED TO JUNE 30, 2009
Wayne Benson	October 4, 2001	7 th year
Brian Born.....	January 25, 2007	2 nd year
Brett Carter.....	April 28, 2005	4 th year
Todd Cowley.....	May 22, 2008	new member
Jennifer Dundas.....	April 28, 2005	4 th year
Bruce Gammon	October 26, 2000	8 th year
Sherri Gowler	October 23, 2008	new member
Terry Lazark.....	October 23, 2003	5 th year
Mark Lubosch	May 15, 1997	12 th year
Richard Petri	January 25, 2007	2 nd year
Gerri Wiebe.....	April 28, 2005	4 th year

Services Committee

It is quite flattering to think that I am the one to sign my name to the Services Committee Report for the Knowles Centre Annual Report. It is without question that the credit for the work done by Services Committee must go to the staff at Knowles Centre who spend countless hours reviewing and amending the essential services policies which guide the way Knowles Centre conducts business. Our front line staff are very much in tune with the trends and environment in which we do business. Given that our hope is to review each and every policy once every two years, as well as new policies where warranted, the task can sometimes be overwhelming. Following the work of staff, committee meets to review final drafts, offer suggestions, ask the previously omitted and sometimes awkward questions, and send the completed documents to the Board of Directors for final approval in the case of policy change or new policy, or for information in the case of a procedural alteration.

With the recent retirement of Rik Skelton, leadership on Services Committee at Knowles Centre this past year came from Dave Purpur, with assistance from Lauren Hershfield, Juana Schoch, and fellow Board Member Bruce Gammon.

On behalf of the Board of Directors, to all staff at Knowles Centre, a sincere thank you for your commitment to such a high standard of excellence. Please know that you are admired and that your efforts are appreciated.

*Wayne Benson
Past President*



Knowles Centre Clients and Staff of John G. Stewart School help our neighbours sandbag on Bonner Avenue during the 2009 Flood

DEPARTMENT /PROGRAM REPORTS

Administration Department

Knowles Centre's administration and maintenance staff take pride in providing quality support to Knowles Centre's programs and the upkeep of Knowles' facilities.

Gerry Nytepchuk is our Executive Assistant and is the person that keeps both the Senior Management and Board of Directors organized and on task. This year was a very challenging but fulfilling and successful year in view of the fact that Gerry was responsible for organizing and putting together all the materials for the Accreditation process. Cathy Gamble is the accountant for Knowles Centre. This year the Centre started the year with new accounting software which Cathy did an excellent job in the conversion and implementation of the data. With the Centre's exceptional growth in the year came a greater workload for Cathy. Cathy handled this workload in a timely and efficient manner. Cathy had help from another team member Marge Richards. Marge, our receptionist, provides support to the accounting function especially the accounts payable and receivables.

The Maintenance Department consists of supervisor, Felice Pingitore and maintenance workers Lee Thomas and Elfren Raquin. This group is very dedicated and hard working and is responsible for the excellent condition of our facilities in the city and at our camp. One of the major projects this year was the renovations done to the service building. Not only were all the offices and halls repainted but they also accomplished the task of coordinating the removal of office furniture to make way for new flooring with the least disruption to the clinical staff. Their skills are invaluable to the Centre and they are always willing to go above and beyond the call of duty.

A huge thank you to the administration and maintenance staff who make my job a whole lot easier. We look forward to another growth year filled with many challenges.

Grant Obirek
Director of Finance & Administration

Group Care Treatment Program

As this is my very first Annual Report as Group Care Director, I sit here and think, what shall I say? How do I make this interesting to read? Does anyone really care what I think or write?

Since I started the position in December 2008, I have slowly become accustomed to the daily routine, which is forever changing.

I have enjoyed the support of our fabulous administrative assistant Tiffany Waite, who has gently guided me in the right direction. Having someone so efficient is a blessing. Her willingness to go the extra mile has been great.

I could not ask for a better group of staff to supervise, including, but not limited to, the four unit supervisors. This group has all risen up the ranks from being on the front line working directly with the kids we care for, to become unit supervisors. They all run very efficient units, which is not surprising considering the combined years of experience totals over 80 years at Knowles Centre! WOW!

We have two new supervisors in both secure units. Paul Clarke and Lesley Gosselin have taken over the boys' and girls' units respectively. With almost a 100% turnover of clients, the units have had tremendous success working with all the new kids, and the new supervisors. Veterans Marshall Gardner and Juana Schoch continue to manage both community units.

John. G. Stewart School has been very busy this year. Attendance has broken all previous records with ease, with the most kids ever coming to school on a regular basis. The kids helped the community by sandbagging on Bonner Avenue trying to prevent flooding in the area. They also participated in a ski trip to Holiday Mountain in February, which all the kids enjoyed.

The therapists in our program are all amazing, headed up by the tireless Lauren Hershfield. The positive attitudes they all have are an added benefit to the program. The group has very eclectic styles when dealing with the clientele at Knowles Centre. I feel we currently have some of the strongest therapists in the field.

The youth care staff are an amazing bunch of people. Day in and day out, they work with kids who are facing some of the greatest challenges. I have always said it is the most difficult job at Knowles. These staff are a very special, talented, and caring group, and it shows on the faces of the kids they work with. When kids leave the Centre, they always remember their favorite worker and how they were treated during their time at Knowles.

We are taking on some new initiatives in the Group Care program this year, including the development of a Healthy Foods Policy. This started with the removal of our soft drink machine, and

will continue with a new menu, updating the current dinning hall, and starting a wellness program for both clients and staff in all programs at the Centre. Together with Michelle Zimmer, our Kitchen Coordinator, and our internal Healthy Living Committee, we will adjust our menu to reflect the movement of the Province's schools to provide healthy choices for our clients.

Another major goal of the Group Care Program is to reduce the number of clients going "on the run," or as we refer to as AWOL. In conjunction with the Winnipeg Police and our Outreach Worker Brad Esslinger, we have started a plan to work together, identifying kids who are considered "high risk" when they go AWOL. Police are now starting

to work hand-in-hand with Knowles, to get the clients back to the Centre safely.

I am very excited for the future of Knowles Centre, as we are growing every day. New staff seems to be popping up daily, and office space is getting harder and harder to find. However, this is a great problem to have, as it proves that we are meeting our goal of diversifying the programs at the Centre, which means, more jobs, more opportunity for current staff, and a new stream of income for the Centre. Bravo everyone!

Dave Purpur
Group Care Program Director



Biimautaziiwin Cultural Program

Another year has gone by so quickly. Looking back at the year it was filled with ceremonies, gatherings, festivals, feasts and celebrations.

Beginning a year ago in July, youth involved in the Biimautaziiwin Program attended a Sun Dance in Selkirk, Manitoba where they witnessed one of the most sacred ceremonies of the Anishnabe. Later in the summer they participated in the 3rd Annual Igniting the Fire Gathering in the Whiteshell where they had the opportunity to learn from the elders. In October they went to the Turtle Lodge in Sagkeeng for the Ancestor Ceremony. Later in the fall they took part in the Manito Ahbee Festival of All Nations in Winnipeg where youth attended the Education Days, Music Awards and the International PowWow. In middle of winter they were back at the Turtle Lodge for the Contrary Ceremony and again in May for the Warrior Ceremony.

When the youth weren't participating in ceremonies in the community they were involved in ceremonies at the Knowles Centre like the sweat lodge, ancestor fires and seasonal feasts. There were other feasts like the 2nd Annual Wilfred Knowles Feast and another for the traditional drums we have for the Biimautaziiwin Program.

In April for Earth Day Knowles Centre and John G. Stewart School planned a two-day celebration. Anishnabe elder Dave Courchene from

Sagkeeng spoke to the youth about the importance of Mother Earth and how to respect her for everything she provides, a traditional Hoop Dancer performed plus a feast and a sweat took place. An afternoon was dedicated to cleaning the Knowles Centre grounds along with Bunn's Creek and the community. Over twenty five bags of garbage were picked up in a few hours by the students and staff of John G. Stewart School. On the last day Troy Westwood formerly of the Blue Bombers paid a visit and was challenged to a kicking contest by the staff of John G. Stewart School. A lucky Day Treatment student won the draw for an autographed football signed by Troy Westwood by participating in a milk jug kicking contest.

Throughout the year the Biimautaziiwin Program provided cultural and spiritual services to groups outside of the Knowles Centre as well. Youth and adults from other organizations and schools like the Winnipeg Boys & Girls Club, Red River College, River East Transcona School Division and the Snorri West – Cultural Exchange Program from Iceland came to the Knowles Centre for sweat lodge ceremonies and cultural awareness training. Knowles Centre Treatment Foster Care parents received cultural awareness training last winter as well.

Although the fiscal year end is March 31st I am excited to mention that during the first week of June 2009 some youth participated in two Pow Wows. One girl danced at the Marymound Family and Culture Day and three girls danced at the

Henry Shingoose Memorial Pow Wow at the Selkirk Healing Centre.

These girls appeared to be very happy and proud to dance amongst their people in celebration of life. It was an honor to see them reflecting their true identity and being so excited to dance.

Some upcoming events and ceremonies include National Aboriginal Day, Summer Solstice and the Sun Dance. A group of youth ages 18 & up from the Snorri West Cultural Exchange Program are coming for the fourth time for another sweat lodge ceremony in the first week of July.

Overall it has been an excellent year and we are looking to the future with optimism. I give my gratitude to the Great Spirit for the support received. I would like to give a special thanks to the

Graham C. Lount Family Foundation for their generous support of this program. Their generosity made this year possible. The Graham C. Lount Family Foundation provided tobacco, firewood, feasts, travel, craft supplies, honorariums and the programming at the Turtle Lodge.

On behalf of the youth in the program I wish to give thanks to all the people at the Knowles Centre and people in the community who made it possible for them to experience their Aboriginal way of life.

Miigwech!

*Troy Fontaine
Aboriginal Culture and Spiritual Advisor*



Troy Fontaine, Aboriginal Culture and Spiritual Advisor



Drumming & Singing Workshop

Day Treatment Program (DTP)

The Day Treatment Program (DTP), a joint venture of Knowles Centre and the River East Transcona School Division, was established in 1984. The program provides individualized educational and treatment services to students who are experiencing a variety of personal and/or family challenges that make it difficult for them to succeed in a traditional classroom setting. Students and their families are referred to the DTP through the Divisional Screening Committee, which meets every three weeks, and is comprised of members from the School Division, the Child Guidance Clinic, and Knowles Centre.

Over the past year, a total of 13 students received academic programming and therapeutic services through the Day Treatment Program. It is anticipated that approximately seven of these students will be rejoining the program in September when school resumes. We are very pleased that two of our Day students have returned to their catchment schools. We have been pleased this year to see the high level of parental engagement in the therapeutic process and look forward to continuing these partnerships with families in the fall.

I have been particularly impressed with the skill, commitment, and compassion that the Day Treatment staff members bring to their work each day. I would like to thank Stewart Halper, Karen Friesen and Art Shaw, as well as Trevor Holroyd and all the staff at John G. Stewart School for their daily contributions to improving the lives of our students.

Kevin Mackay

Principal

John G. Stewart School

Sexual Abuse Treatment Program (SATP)



The Sexual Abuse Treatment Program (SATP) is an accredited program which has been in existence since 1989 and is funded by the United Way. The program provides treatment services at no cost to clients referred by the four Child and Family Service Authorities (i.e., General, Northern, Southern, and Métis) and accepts direct referrals from the community (Child Guidance Clinic, schools, doctors, clergy, self-referrals, etc.).

The SATP provides treatment services to males and females, aged 4 to 21 years, who have previously made a disclosure of sexual abuse by a family member or third party, or have a sibling who has made such a disclosure. Non-offending parent(s)/ caregiver(s)/guardian(s) may be referred to the program if they are caring for, or have cared for, a child who has made such a disclosure.

This writer returned from maternity and parental leave beginning October 2008. Since this writer's return, the SATP has received significantly more referrals for service than it has in the past two years. Currently, the SATP is full with a healthy waiting list. As well, the clients referred to SATP have been slightly younger, a trend we saw several years ago.

The SATP continues to receive referrals for older clients presenting for therapy with more complex mental health and addiction issues and fewer family and community supports.

In addition to providing services to these clients, a major emphasis in the program has been on making revisions to policies.

The SATP has moved to a new space to accommodate many of the changes taking place within all the programs. The move offers many benefits for clients and staff in the program, including:

- The new space is closer to the washroom, which is especially helpful for younger clients who often need to go to the bathroom during session or need to wash their hands following an art activity.
- Clients also appreciate the quieter space, since the SATP Room is no longer located next to the bustling Recreation Room.
- Finally, the new room places this writer closer to colleagues' offices, and away from the often cold and cluttered hallway of the former location.

The following is a poem provided to me by an individual in the SATP who gave me permission to share it. The poem describes some of her own pain and hurt about her experiences.

This young woman like many others took the step to begin her healing journey and is doing much better. Through the help

offered to her through the SATP, she has regained control of her life and now draws upon her strengths. This is just one of the success stories the SATP celebrated this past year.

*Kristi Venton, M.A.
Sexual Abuse Treatment Program
Coordinator/Therapist*

Daddy, do you remember me?

**Daddy, do you remember me?
You used to bounce me on your knee
You called me Princess, and held me tight
You tucked me in most every night**

**Daddy do you remember me?
Daddy, remember my big blue eyes
The ones you said could hypnotize
Those eyes you said, could melt your heart
Did they make my safe world fall apart?
Daddy, do you remember me?**

**Daddy, what made you act so strange?
Did I do something to make you change?
Why did you start to hold so tight
When in my room late at night
Daddy, do you remember me?**

**Daddy, why was I scared to feel your touch
You were the one I loved so much
You didn't stop when you heard me scream
Was it real, or just a dream
Daddy, do you remember me?**

**Daddy, you stole my life, you stole my pride
You made me numb deep down inside
For five years I've born this pain
Yet still I sing the same refrain
Daddy, do you remember me?
I know I'll always remember you.**

Treatment Foster Care Program (TFCP)

The Treatment Foster Care Program at Knowles Centre has been expanding rapidly, growing from 23 children/youth placed at this time last year, to our current number of 35 children/youth placed. We are lucky to continue to attract lots of people interested in providing care to children, and consider ourselves blessed to be able to work with the professional foster care providers in our program. They continue to attend our regular monthly training sessions with enthusiasm, and their dedication to the children we are serving is admirable.

During my short time as Acting Coordinator of the Treatment Foster Care Program, I have enjoyed getting to know many of the foster care providers and the children they are serving. Foster families are faced with a very challenging task in providing care to children in need within a sometimes complex and difficult system, however our foster care providers do so with vigor. Not just meeting children's basic needs of food, shelter, and clothing, but going above and beyond and advocating for children to experience the best life has to offer.

Due to our rapid growth, we have found the need to hire an additional clinical case manager to join the team (Tiffany Krueger, Karen Cinq-Mars, Nikki Spigelman, and Trudi Tinant) as well as administrative

support to help us in maintaining an organized and well-run program (Tina Case). Another exciting change for the Treatment Foster Care Team is the development of additional office space so that the team can be housed together. The office space should be ready in the fall of 2009, at which time people will be able to stop by and visit the team in its entirety. I will be leaving the TFC team for the next year so that I can focus on my new baby, but Nikki Spigelman will be stepping up as Acting Coordinator until Andrea McKenzie returns in the fall. There is plenty of change and growth taking place within the TFC team and we are excited to be able to continue to offer a high level of service to the children and families that we serve.

One of the youth in our program has agreed to share a poem that she wrote about her involvement with Knowles Centre Treatment Foster Care Program. Dezeraja is a very talented and bright individual and her caregivers, Deborah and Randy have thoroughly enjoyed being able to care for her.

Thank you for sharing Dezeraja!

*Heather Chandler
Acting Coordinator
Treatment Foster Care Program*

I Have a Feeling

**I have a feeling that you're holding my heart,
And I know that it is true.
You wouldn't let it be broken apart,
Because you know what to do.**

**Forever we'll be together,
No one could break us apart.
For our love will truly be
A wonderful smile in your heart.**

**I'm always dreamin of being loved,
But now know that this is true.
Since you came into my life,
I have found true love, and that is you.**

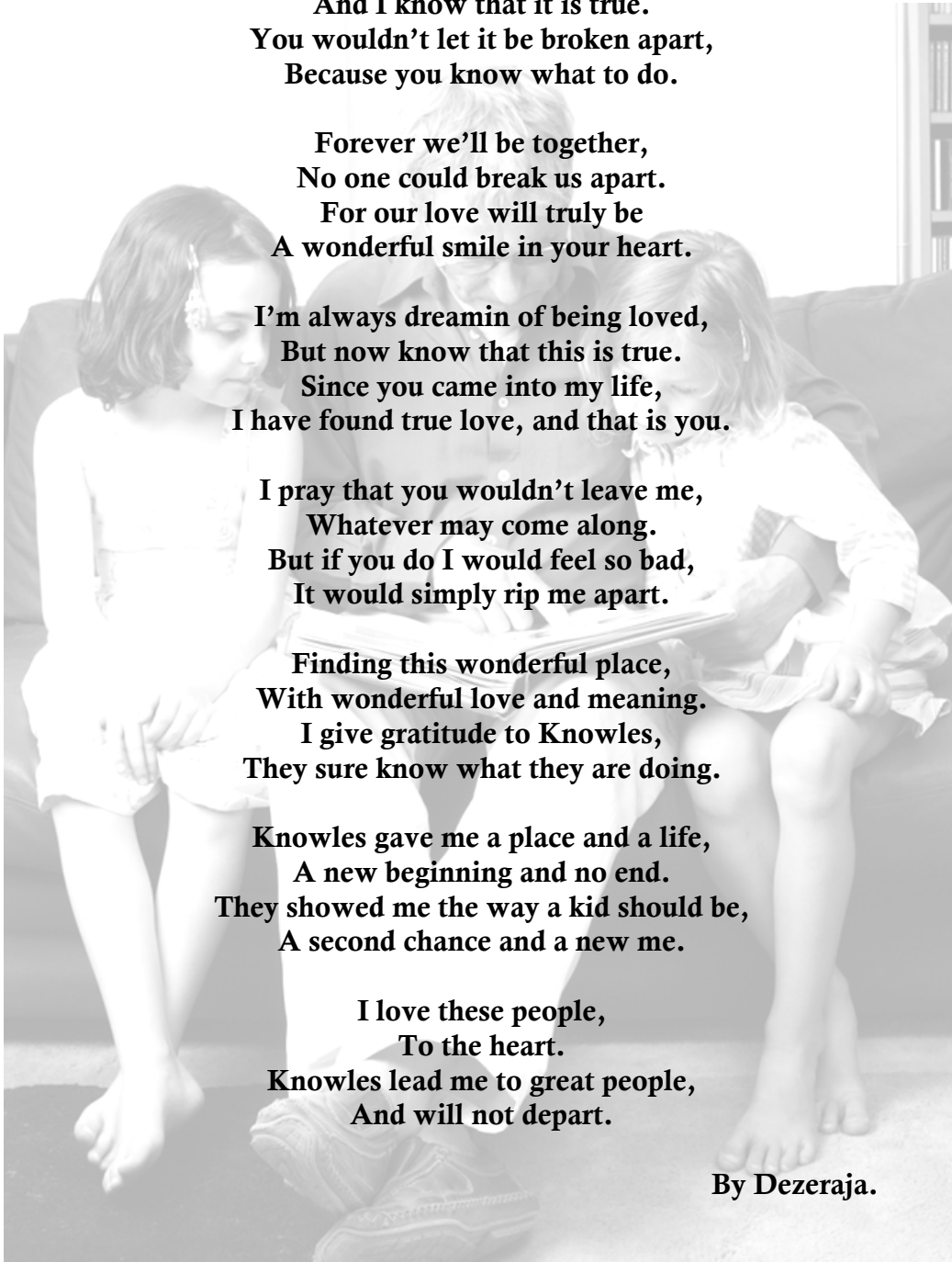
**I pray that you wouldn't leave me,
Whatever may come along.
But if you do I would feel so bad,
It would simply rip me apart.**

**Finding this wonderful place,
With wonderful love and meaning.
I give gratitude to Knowles,
They sure know what they are doing.**

**Knowles gave me a place and a life,
A new beginning and no end.
They showed me the way a kid should be,
A second chance and a new me.**

**I love these people,
To the heart.
Knowles lead me to great people,
And will not depart.**

By Dezeraja.



AWARDS

Vicki Whitehead Memorial Award

Vicki Whitehead was the supervisor of Unit I. Vicki passed away in February 1997 while an employee of the Centre. Vicki was an adamant supporter of Aboriginal Cultural programming at the Centre. In honour of Vicki's memory an annual award was established in 1998 for a deserving participant in Knowles Centre's Aboriginal Cultural Program. There was no recipient this year.

The Justice Jim Smith Memorial Award

The Knowles Centre Board of Directors established the Justice Jim Smith Memorial Award in 2001. Jim Smith was not only a long-time member of the Board but a well-respected and caring individual in the community. The award is presented once a year to a graduating Child and Youth Care student at Red River College who has demonstrated a commitment to the profession through volunteering in a school, agency or organization that provides services for at-risk children and youth. The recipient of this year's award was Monika Greniuk. The award was presented at the graduating ceremony in April 2009.

Public School Award

Over the years, Knowles Centre has found that one of the most difficult transitions that our clients make is going from Knowles Centre to public school. This usually means less support, higher expectations, new peer group, new teachers, and more.

To recognize those students who take on this responsibility, and succeed, Knowles Centre established the Public School Award.

Eligible students must attend at least one semester in a community school and earn at least one credit. They will receive a gift certificate for \$50 for attending a semester and receiving one credit and \$10 for every additional credit.

Three Group Care clients were recipients of the Public School Award for the 2008/09 school year. The first, a boy from our Clyde Road Group Care Unit, is attending River East Collegiate and currently has seven credits. This is the second year he won the award. As well, a girl from our Respect House Group Care Unit, has been attending Kildonan-East Collegiate since September 2007. She will be graduating in May 2009. This is the second year she has won this award. The final award winner, a boy from our Clyde Road Group Care Unit, has been attending SHARP, an alternative high school program offered through Miles Macdonell Collegiate, and has obtained one credit so far. Congratulations to all!

**KNOWLES
CENTRE
STAFF**

**(from April 1, 2008
to March 31, 2009)**

STAFF SERVICE AWARDS

Every year at the Annual General Meeting, Knowles Centre is pleased to recognize staff who have served the organization for 10 years or more.

10 years service:

Cynthia Brown
Cathy Gamble
Christine Samborski
Shelley Thomas
Bev Lee
Carol Watson

15 years service:

Tiffany Waite

25 years service:

Gerry Nytepchuk
Art Shaw

30 years service:

Marshall Gardner

Chief Executive Officer
Dr. Michael Burdz, C. Psych.

Psychiatric Consultant Mark Koltek, M.D., FRCPC
Psychological Consultant Bailey Rayter, Ph.D., C. Psych.

ADMINISTRATION

Director of Finance & Administration Grant Obirek, C.M.A.
Clinical Coordinator Lauren Hershfield, M.S.W.
Community Relations Coordinator (.75 EFT) Maureen Britton
Executive Assistant (.8 EFT) Gerry Nytepchuk
Accounting Administrative Assistant..(as of Mar. 23/09) Tina Case
Accountant (.9 EFT) Cathy Gamble
Receptionist Marge Richards
Maintenance Coordinator Felice Pingitore
Maintenance Worker Elfren Raquin
Maintenance Worker Lee Thomas

GROUP CARE TREATMENT PROGRAM

Director.....(as of Dec. 22/09) Dave Purpur, B.A.
Group Care Program Assistant Tiffany Waite
Biimautaziwin Cultural Coordinator Troy Fontaine
Outreach Worker Brad Esslinger
Night Grounds Weekends..... (as of Dec. 29/08) Danny Purpur
Kitchen CoordinatorMichelle Zimmer
Cook Adrien Clairmont

GROUP CARE PROGRAM THERAPISTS

.....Raul Dimaculangan, M.S.W., R.S.W.
..... (as of Aug. 11/08) Sandra Franz, M.M.F.T.
.....(.5 EFT) Karen Friesen, M.S.W.
..... (.5 EFT) Stewart Halper, M.A.

GROUP CARE TREATMENT PROGRAM (ON-SITE)

UNIT I

Unit Supervisor..... Dawn Vandal (to Dec. 7/08)
Unit Supervisor..... Lesley Gosselin (as of Dec. 8/08)

Youth Care Workers:

Randy Carr
Paula Dacosta, CYCD (LOA to Feb./09)
Christine Samborski, CYCD
Jason Krestanowich, B.A.
Bev Lee (.68 EFT) (LOA)
Kim Sawchuk, CYCC
Shannon Shell, B.Sc. Bus. Admin.
Marilyn Penner

Night Staff

UNIT II

Unit Supervisor..... Dave Purpur, B.A., CYCD (to Dec. 22/08)
Unit Supervisor..... Paul Clarke, Dip. Business Admin (as of Dec. 8/08)

Youth Care Workers:

Darcie Field
Lesley Gosselin, CYCD (to Dec. 7/08)
Jeff Hanz, CYCD
Justin Hicock
Cletus Joseph (term to Aug. 31/09)
Shelley Lavallee
Cindy Penner, CYCD (.5 EFT) (maternity leave to Aug./09)
Alan Taylor, B.A. (.5 EFT)
Phil Wozney, Applied Counselling Cert. (LOA to Sept. 1/09)
Norm Vawryk

Night Staff

CYCC designation for Child & Youth Care Certificate
CYCD designation for Child & Youth Care Diploma

**COMMUNITY-BASED
GROUP CARE TREATMENT PROGRAM**

CLYDE ROAD

Unit SupervisorMarshall Gardner, CYCD, Social Services

Youth Care Workers:

Kirby Bater, CYCC
Michelle Bazinet (LOA to Sept. 25/09)
Jenna Buchanan (.75 EFT)
Ben Gammon (.75 EFT)
Colleen Keating

Night Staff

Vern Strutinsky (to Oct. 12/08)

Night Staff

Tammi Neumann (as of Oct. 20/08)

RESPECT HOUSE

Unit SupervisorJuana Schoch, CYCD, Bus. Dip.

Youth Care Workers:

Cynthia Brown, CYCC (.6 EFT)
Paul Clarke, Dip. Bus. Admin. (to Dec. 7/08)
Ray Forest, CYCC (as of Dec. 10/08)
Danny Purpur (.4 EFT) (as of Dec. 29/08)
Keran Storm, Applied Counselling Certificate
Vern Strutinsky (.75 as of Oct. 15/08)
Carol Watson, B.A.

Night Staff

Ray Forest, CYCC (to Dec. 10/08)

Night Staff

Gail DeChateauvert (as of Dec. 15/08)

CYCC designation for Child & Youth Care Certificate
CYCD designation for Child & Youth Care Diploma

COMMUNITY-BASED TREATMENT SERVICES

Day Treatment Program

Therapist (.5 EFT)..... Stewart Halper, M.A.
Therapist (.5 EFT)..... Karen Friesen, M.S.W.
Support Worker..... Art Shaw

Sexual Abuse Treatment Program

Coordinator/Therapist..... Kristi Venton, M.A.

Treatment Foster Care Program

Coordinator(maternity leave to Sept./09) Andrea McKenzie, M.S.W.
Acting CoordinatorHeather Chandler, M.S.W.
Clinical Case Manager .5 EFT..... Karen Cinq-Mars, B.A., B.S.W.
Clinical Case Manager..... Tiffany Krueger, M.S.W.
Clinical Case Manager.....(as of May 8/08) Nikki Spigelman, B.S.W.

New Program as of December 2008

SAIL (Supported Advancement to Independent Living)

Coordinator Dawn Vandal

FAREWELL AND GOOD LUCK

Rik Skelton Group Care Program Director
..... Retired on December 12, 2009

Deidra Gibson..... Youth Care Worker
..... January 18, 2006 to September 12, 2008

Roger Rieu..... Youth Care Worker/Night Grounds Weekends
..... October 23, 2007 to November 2, 2008

Robert Toner..... Night Grounds
..... April 15, 1996 to January 30, 2009

FINANCIAL STATEMENTS
Knowles Centre Inc.
March 31, 2009

KNOWLES CENTRE INC.
FINANCIAL STATEMENTS

MARCH 31, 2009

AUDITORS' REPORT

To the Directors of
Knowles Centre Inc.

We have audited the statement of financial position of Knowles Centre Inc. as at March 31, 2009 and the statements of changes in fund balances, revenues and expenditures and cash flows for the year then ended. These financial statements are the responsibility of the Centre's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, 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 common with many charitable organizations, the Centre derives revenue from donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Centre and we were not able to determine whether any adjustments might be necessary to donations and fundraising revenues, excess of revenues over expenses, current assets and net assets. In addition, the Centre does not accrue vacation pay in their year-end payables. The accounting policy for vacation pay is not in accordance with Canadian generally accepted accounting principles. If vacation pay were accrued annually, accounts payable would have been increased and operating net assets decreased as described in Note 3.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the contributions and the effect of the failure to accrue vacation pay as referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2009 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

Winnipeg, Manitoba
June 11, 2009

KNOWLES CENTRE INC.

STATEMENT 1

STATEMENT OF FINANCIAL POSITION

MARCH 31

	Operating Fund	Capital Fund	Scholarship Fund	2009	TOTAL 2008
ASSETS					
CURRENT					
Cash	\$	\$ 127,897	\$	\$ 127,897	\$ 87,510
Investments		469,965		469,965	475,309
Accounts receivable	465,036	6,838		471,874	316,426
Prepaid expenses	7,200			7,200	1,235
Interfund balances	<u>-</u>	<u>-</u>	<u>99,767</u>	<u>99,767</u>	<u>99,278</u>
	472,236	604,700	99,767	1,176,703	979,758
CAPITAL ASSETS (Note 3)	<u>-</u>	<u>1,291,144</u>	<u>-</u>	<u>1,291,144</u>	<u>1,259,667</u>
	<u>\$ 472,236</u>	<u>\$ 1,895,844</u>	<u>\$ 99,767</u>	<u>\$ 2,467,847</u>	<u>\$ 2,239,425</u>
LIABILITIES					
CURRENT					
Bank indebtedness	\$ 366,865	\$	\$	\$ 366,865	\$ 198,879
Accounts payable	208,243	10,000		218,243	213,089
Deferred revenue	166,087	1,802		167,889	87,122
Interfund balances	<u>17,963</u>	<u>81,803</u>	<u>-</u>	<u>99,766</u>	<u>99,278</u>
	759,158	93,605	-	852,763	598,368
FUND BALANCES					
FUND BALANCES (Statement 2)	<u>(286,922)</u>	<u>1,802,239</u>	<u>99,767</u>	<u>1,615,084</u>	<u>1,641,057</u>
	<u>\$ 472,236</u>	<u>\$ 1,895,844</u>	<u>\$ 99,767</u>	<u>\$ 2,467,847</u>	<u>\$ 2,239,425</u>

Approved on behalf of the Board

.....
Director

.....
Director

KNOWLES CENTRE INC.

STATEMENT 2

STATEMENT OF CHANGES IN FUND BALANCES

YEAR ENDED MARCH 31

	2009	2008
OPERATING FUND		
BALANCE, <i>beginning of year</i>	\$(275,513)	\$(240,508)
Excess of expenditures over revenue <i>(Statement 3)</i>	(11,409)	(35,005)
BALANCE, <i>end of year</i>	<u>\$(286,922)</u>	<u>\$(275,513)</u>
CAPITAL FUND		
BALANCE, <i>beginning of year</i>	\$ 1,817,291	\$ 1,776,556
Excess of expenditures over revenue <i>(Statement 3)</i>	(9,708)	4,701
Change in accounting policy <i>(Note 2)</i>		67,940
Transfer of realized gains to investment income		(31,331)
Net change in unrealized fair value of investments	(5,344)	(575)
BALANCE, <i>end of year</i>	<u>\$ 1,802,239</u>	<u>\$ 1,817,291</u>
SCHOLARSHIP FUND		
BALANCE, <i>beginning of year</i>	\$ 99,279	\$ 97,807
Excess of revenues over expenditures <i>(Statement 3)</i>	<u>488</u>	<u>1,472</u>
BALANCE, <i>end of year</i>	<u>\$ 99,767</u>	<u>\$ 99,279</u>
TOTAL FUND BALANCES	<u>\$ 1,615,084</u>	<u>\$ 1,641,057</u>

KNOWLES CENTRE INC.

STATEMENT 3

STATEMENT OF REVENUE AND EXPENDITURES

YEAR ENDED MARCH 31

	Operating Fund	Capital Fund	Scholarship Fund	2 0 0 9	2 0 0 8
REVENUE					
Group care treatment	\$ 3,207,797	\$	\$	\$ 3,207,797	\$ 3,096,610
Other income	1,865,398			1,865,398	767,756
Thomas and Beatrice Gilroy Trust		5,579		5,579	6,000
A.R. McNichol Fund		2,263		2,263	2,211
C.H. Bowie, C.A. Bowie, and A.W. Gibson Memorial Fund		4,679		4,679	4,511
Investment income		21,865	4,117	25,982	33,623
Realized gains on disposal of investments					26,397
Fundraising		8,767		8,767	8,405
Miscellaneous income					2,939
Donations	-	451	-	451	563
	<u>5,073,195</u>	<u>43,604</u>	<u>4,117</u>	<u>5,120,916</u>	<u>3,949,015</u>
EXPENDITURES					
Staff remuneration (<i>Schedule 1</i>)	4,425,207			4,425,207	3,313,430
Maintenance and repairs (<i>Schedule 1</i>)	214,242			214,242	194,080
Administration and general (<i>Schedule 1</i>)	135,334			135,334	119,033
Food, clothing, welfare and activities (<i>Schedule 2</i>)	309,821			309,821	272,825
Amortization		42,278		42,278	40,130
Miscellaneous		4,336		4,336	15,857
Fundraising and public relations		1,711		1,711	3,551
Repairs and maintenance		4,987		4,987	15,026
Scholarships	-	-	3,629	3,629	4,011
	<u>5,084,604</u>	<u>53,312</u>	<u>3,629</u>	<u>5,141,545</u>	<u>3,977,943</u>
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)					
	<u>\$ (11,409)</u>	<u>\$ (9,708)</u>	<u>\$ 488</u>	<u>\$ (20,629)</u>	<u>\$ (28,928)</u>

STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31

	Operating Fund	Capital Fund	Scholarship Fund	2 0 0 9	2 0 0 8
CASH FLOW FROM					
OPERATING ACTIVITIES					
Excess of revenue over expenditures (expenditures over revenue)	\$(11,409)	\$(9,708)	\$ 488	\$(20,629)	\$(28,832)
Items not affecting cash					
Amortization of deferred revenue					563
Amortization of capital assets		42,278		42,278	40,130
Changes in non-cash working capital items					
Accounts receivable	(152,737)	(2,711)		(155,448)	(43,998)
Prepaid expenses	(5,965)			(5,965)	11,689
Accounts payable	(4,846)	10,000		5,154	87,915
Deferred revenue	79,008	1,760		80,768	1,455
Interfund transfers	(72,037)	72,525	(488)	-	-
	(167,986)	114,144	-	(53,842)	68,922
INVESTING ACTIVITIES					
Purchase of capital assets		(73,756)		(73,756)	(10,963)
Decrease (increase) in investments	-	-	-	-	128,424
	-	(73,756)	-	(73,756)	117,461
NET INCREASE (DECREASE) IN CASH	(167,986)	40,388		(127,598)	186,383
CASH, <i>beginning of year</i>	(198,879)	87,509	-	(111,370)	(297,753)
CASH, <i>end of year</i>	\$(366,865)	\$ 127,897	\$ -	\$(238,968)	\$(111,370)

CASH AND CASH EQUIVALENTS CONSISTS OF:

Cash on deposit	\$ 12,050	\$ 248
Bank indebtedness	(366,865)	(198,879)
Short term investments	115,847	87,261
	\$(238,968)	\$(111,370)

KNOWLES CENTRE INC.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2009

1. DESCRIPTION OF OPERATIONS

Knowles Centre Inc. is a private, not-for-profit agency established in 1907 and incorporated in 1910. The Centre is a registered charity under the provisions of the Income Tax Act, Canada. The Centre serves as a community resource for children and families in Manitoba and Northwestern Ontario who require intensive therapeutic intervention in order to reach their personal and social potential.

2. CHANGES IN ACCOUNTING POLICIES

Financial Instruments

The Centre adopted the following recommendations of CICA Handbook:

- a) Section 3855, Financial Instruments - Recognition and Measurement. This section describes the standards for recognizing and measuring financial instruments in the balance sheet and the standards for reporting gains and losses in the financial statements. Under the new standard, financial assets and liabilities are initially recorded at fair value. Subsequently, financial instruments designated as held for trading are carried on the balance sheet at fair value and all periodic changes in fair value are recorded in income. Financial assets designated as available for sale are carried on the balance sheet at fair value and all unrealized periodic changes in fair value are recorded directly in the Statement of Changes in Fund Balances and reclassified to net income when realized. Other financial instruments are measured at amortized cost using the effective interest method.
- b) Section 3861, Financial Instruments - Disclosure and Presentation. This Section establishes standards for presentation of financial instruments and non-financial derivatives, and identifies the information that should be disclosed about them.
- c) Section 3251, Equity - This Section establishes standards for the presentation of equity and changes in equity during the reporting period.

The Centre has classified its financial assets and liabilities as described in Note 3.

These new standards were applied retroactively as of April 1, 2007 without restatement of the prior year's amounts. The adjustment made to the balance sheet as of April 1, 2007, upon the adoption of the new standards, resulted in an increase of \$67,940 in the carrying value of investments.

Future accounting changes

On December 1, 2006, the Canadian Institute of Chartered Accountants issued Section 3862, Financial Instruments - Disclosures; Section 3863, Financial Instruments - Presentation; and Section 1535 - Capital Disclosures. All three Sections will be applicable to financial statements relating to fiscal years beginning on or after October 1, 2007.

The Centre does not expect that the adoption of these new standards will have a material impact on its financial statements.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose, for which the financial instruments were acquired or issued, their characteristics and the Centre's designation of such instruments. Settlement date accounting is used.

Classification

Cash	Held for trading
Investment in money market funds	Available-for-sale
Investment in bonds	Available-for-sale
Accounts receivable	Loans and receivables
Bank indebtedness	Other liabilities
Accounts payable	Other liabilities

Held for trading

Held for trading financial assets are measure at fair value at the balance sheet date. Fair value fluctuations including interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in investment income.

Available-for-sale

Available-for-sale financial assets are carried at fair value with unrealized gains and losses recorded directly in the Statement of Changes in Fund Balances until realized when the cumulative gain or loss is transferred to investment income.

Interest on interest-bearing available-for-sale financial assets is calculated using the effective interest method.

Loans and receivables

Loans and receivables are accounted for at amortized cost using the effective interest method.

Other liabilities

Other liabilities are recorded at amortized cost using the effective interest method and include all financial liabilities, other than derivative instruments.

NOTES TO FINANCIAL STATEMENTS**MARCH 31, 2009**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)****FUND ACCOUNTING***

The accounts for the Centre are maintained in accordance with the principles of "fund accounting". Fund accounting is a procedure whereby a self balancing group of accounts is provided for each accounting fund established by the Centre.

For financial reporting purposes, the accounts have been classified into three funds. The activities carried out by each fund are as follows;

Operating fund

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

Capital fund

The Capital Fund is utilized by the Centre as a building fund. All capital expenditures, including facility construction and expansion, and vehicle purchases are funded through this fund.

Scholarship fund

The Arthur Prior Estate Scholarship Fund was established as a result of a bequest. This fund is to be used as a scholarship fund for the further education of graduates or students of the Centre.

REVENUE RECOGNITION

Restricted contributions on account of group care treatment and other income are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred.

Capital Fund revenue is recognized as follows:

Interest and investment income are recorded on an accrual basis. Fundraising and donations are recorded as revenue when received. Restricted contributions are recorded as revenue in the same period as the related expenses.

Interest income is recorded on the accrual basis in the Arthur Prior Estate Scholarship Fund.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

CAPITAL ASSETS

Replacement of furnishings and equipment and ground improvements are recognized as operating expenses. New additions of fixed assets are capitalized and are funded by the capital fund at cost less government assistance.

Amortization of fixed assets is not recognized as an operating expense item that is recoverable from government agencies. It is provided for by a reduction in the capital fund as follows:

Buildings	2-1/2%	declining balance method
Program building	5%	declining balance method
Campsite conservation	10%	declining balance method
Ground improvements	2-1/2%	declining balance method
Furniture, equipment, vehicles	20%	declining balance method

DONATED MATERIALS AND SERVICES

During the year, the Centre received a significant amount of donated materials and services from volunteers, for which there has been no amount recorded in the financial statements.

FINANCIAL INSTRUMENTS

Interest rate risk

Financial risk is the risk to the Centre's earnings that arise from fluctuations in interest rates and the degree of volatility of those rates. The Centre does not use derivative instruments to reduce its exposure to interest rate risk.

Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. However, due to the nature of the receivables and the composition of its investment portfolio, this risk is minimized.

Fair value

The fair value of cash, accounts receivable, bank indebtedness, and accounts payable is approximately equal to their carrying values due to their short-term maturity.

VACATION PAY

The Centre does not accrue for vacation pay but rather expenses these costs as incurred. Limitations are placed on the number of vacation days that staff are allowed to carry-forward to the following fiscal year, and these vacation days are included in that year's budget which is approved by the Board of Directors. Management estimates that the unaccrued vacation pay liability at March 31, 2009 would approximate \$165,000 (2008 - \$173,000). Had the vacation pay liability been accrued, accounts payable would have increased by \$165,000 (2008 - \$173,000) and the ending balance in net assets would have decreased by \$165,000 (2008 - \$173,000).

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009
3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value	
			2 0 0 9	2 0 0 8
Land	\$ 17,719	\$	\$ 17,719	\$ 17,719
Buildings	2,145,466	943,151	1,202,315	1,171,325
Ground improvements	26,042	16,610	9,432	9,674
Campsite conservation	179,869	163,992	15,877	17,641
Furniture and equipment	267,046	264,674	2,372	2,965
Tractor	15,824	15,681	143	179
Tractor loader	14,695	10,110	4,585	9,405
Camp equipment	33,745	33,354	391	489
Vans	176,639	138,329	38,310	30,271
	<u>\$ 2,877,045</u>	<u>\$ 1,585,901</u>	<u>\$ 1,291,144</u>	<u>\$ 1,259,668</u>

Land was revalued by directors' resolution in 1955. The stated amount of \$17,719 consists of \$7,650 cost and \$10,069 appraisal increase.

5. BANK INDEBTEDNESS

The Centre has available a maximum credit facility of \$275,000. The credit facility bears interest at prime plus 0.75% and is secured by investments.

6. GOVERNMENT ASSISTANCE

- a) During the year, the Centre received operating grants of \$631,840 (2008 - \$637,700) from the Province of Manitoba - Department of Family Services which is included in operating fund revenue.
- b) During the year, the Centre received Government of Canada employment grants of \$1,572 (2008 - \$1,855) which is included in operating fund revenue.

7. PENSION PLAN

The employees of Knowles Centre Inc. are members of the United Way Agencies Pension Plan, a multi-employer, defined benefit pension plan, which is accounted for as a defined contribution plan. Knowles Centre Inc.'s pension expense for the year was \$128,385 (2008 - \$98,806).

NOTES TO FINANCIAL STATEMENTS**MARCH 31, 2009**

8. COMPARATIVE FIGURES FOR THE PRIOR YEAR

The financial statements for the year ended March 31, 2008 were audited by another firm of public accountants. Certain 2008 comparative figures have been reclassified in order to conform with the financial statement presentation adopted for 2009.

KNOWLES CENTRE INC.

SCHEDULE 1

SCHEDULE OF OPERATING FUND EXPENSES

YEAR ENDED MARCH 31

	2009	2008
STAFF REMUNERATION		
Salaries	\$ 2,892,150	\$ 2,576,692
Foster Care	1,066,885	299,559
Canada Pension Plan	113,287	106,793
United Way pension fund	128,385	98,805
United Way pension fund plan deficit		(5,971)
Employee group insurance benefits	64,886	96,306
Employee insurance	70,650	61,855
Manitoba payroll tax	57,778	56,104
Workers compensation	<u>31,186</u>	<u>23,287</u>
	<u>\$ 4,425,207</u>	<u>\$ 3,313,430</u>
MAINTENANCE AND REPAIRS		
Autopac and insurance	\$ 50,524	\$ 47,468
Building repairs	55,058	39,926
Equipment repairs and replacement	17,451	9,350
Heating fuel	28,692	27,202
Hydro and electrical	22,407	21,377
Maintenance and household supplies	27,541	37,919
Municipal taxes	5,877	5,817
Water	<u>6,692</u>	<u>5,021</u>
	<u>\$ 214,242</u>	<u>\$ 194,080</u>
ADMINISTRATION AND GENERAL		
Advertising and miscellaneous	\$ 12,936	\$ 16,112
Accreditation	167	4,200
Bank charges and interest	7,908	11,179
Dues and subscriptions	11,182	5,320
Meetings	7,709	9,380
Office supplies	26,062	20,755
Payroll service charge	1,277	5,607
Postage	4,920	4,684
Professional fees	19,833	7,711
Public relations	3,669	2,279
Staff development	11,165	6,185
Telephone	<u>28,506</u>	<u>25,621</u>
	<u>\$ 135,334</u>	<u>\$ 119,033</u>

KNOWLES CENTRE INC.

SCHEDULE 2

SCHEDULE OF OPERATING FUND EXPENSES

YEAR ENDED MARCH 31

	2 0 0 9	2 0 0 8
FOOD, CLOTHING, WELFARE AND ACTIVITIES		
Bedding and clothing	\$ 25,066	\$ 29,034
Food	132,343	121,003
Medical, dental and optical	6,565	3,771
Personal supplies	850	1,535
Program activities	32,241	14,643
Program supplies	19,685	17,239
Residents' gifts	3,439	4,972
Residents' transportation	13,213	16,208
School supplies	1,396	1,111
Spending allowances	16,266	16,112
Summer outdoor education program	3,863	5,028
Transportation - general	53,262	40,548
Volunteer activities	<u>1,632</u>	<u>1,621</u>
	\$ <u>309,821</u>	\$ <u>272,825</u>