

ALBERTA COUNCIL OF DISABILITY SERVICES

FINANCIAL STATEMENTS

MARCH 31, 2013

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management has the responsibility for preparing the accompanying financial statements and ensuring that all information in the Annual Report is consistent with these statements. This responsibility includes selecting appropriate accounting principles and making objective judgments and estimates in accordance with those accounting principles.

In discharging its responsibility for the integrity and fairness of the financial statements, as well as for the accounting systems from which they are derived, management maintains the necessary systems of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded and proper records maintained.

The ultimate responsibility to members for the financial statements lies with the Board of Directors. The Membership appoints external auditors to audit the financial statements and to review their findings. The external auditors report directly to the members; their report follows. The external auditors have full and free access to the Board to discuss their audit, as well as their findings concerning the integrity of the Alberta Council of Disability Services' financial reporting and the adequacy of its system of internal controls.

Calgary, Alberta
July 17, 2013

PRESIDENT

DIRECTOR

K.R. VICKARYOUS PROFESSIONAL CORPORATIONChartered Accountant

INDEPENDENT AUDITOR'S REPORT

To the Members of:
Alberta Council of Disability Services

I have audited the accompanying financial statements of Alberta Council of Disability Services, which comprise the statement of financial position as at March 31, 2012, and the statement of receipts and disbursements, statement of reserves and cash flow statement 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 accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 auditor's 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Alberta Council of Disability Services as at March 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for profit organizations.

Calgary, Alberta
July 17, 2013

K R Vickaryous Professional Corporation

CHARTERED ACCOUNTANT

ALBERTA COUNCIL OF DISABILITY SERVICES

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2013

	<u>2013</u>	<u>2012</u>	<u>Apr 1, 2011</u>
ASSETS			
CURRENT			
Cash	\$ 607,133	\$ 616,609	\$ 439,401
Accounts receivable	446,794	247,866	130,125
Prepaid expenses	<u>22,745</u>	<u>27,508</u>	<u>21,999</u>
	<u>1,076,672</u>	<u>891,983</u>	<u>591,525</u>
PROPERTY AND EQUIPMENT (Note 3)	<u>1,011</u>	<u>3,732</u>	<u>30,566</u>
	<u>\$ 1,077,683</u>	<u>\$ 895,715</u>	<u>\$ 622,091</u>
LIABILITIES			
CURRENT			
Accounts payable	\$ 268,951	\$ 138,588	\$ 73,032
Deferred revenue (Note 4)	<u>200,950</u>	<u>294,714</u>	<u>210,248</u>
	<u>\$ 469,901</u>	<u>\$ 433,302</u>	<u>\$ 283,280</u>
NET ASSETS			
Invested in property and equipment	\$ 1,011	\$ 3,732	\$ 30,566
Unrestricted	<u>606,771</u>	<u>458,681</u>	<u>308,245</u>
End of the year	<u>607,782</u>	<u>462,413</u>	<u>338,811</u>
	<u>\$ 1,077,683</u>	<u>\$ 895,715</u>	<u>\$ 622,091</u>

APPROVED BY THE BOARD:

_____ Director

_____ Director

ALBERTA COUNCIL OF DISABILITY SERVICES

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2013

	Invested in Capital Assets	Unrestricted	2013	2012	Apr 1 2011
Net assets, beginning of year	\$ <u>3,732</u>	\$ <u>458,682</u>	\$ <u>462,414</u>	\$ <u>338,811</u>	\$ <u>364,360</u>
Surpluses(Deficiency) of revenue over expenses					
Membership operations	-	16,067	16,067	34,414	4,848
Standards & Accreditation operations	-	53,747	53,747	(13,544)	(10,373)
Professional Development operations	-	71,464	71,464	90,775	(25,447)
Workforce HR Strategy operations	<u>-</u>	<u>4,090</u>	<u>4,090</u>	<u>11,959</u>	<u>5,423</u>
	-	145,368	145,368	123,603	(25,549)
Amortization of property and equipment	<u>(2,735)</u>	<u>2,721</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, end of year	\$ <u><u>997</u></u>	\$ <u><u>606,771</u></u>	\$ <u><u>607,782</u></u>	\$ <u><u>462,414</u></u>	\$ <u><u>338,811</u></u>

ALBERTA COUNCIL OF DISABILITY SERVICES

CONSOLIDATED STATEMENT OF REVENUE AND EXPENSE

FOR THE YEAR ENDED MARCH 31, 2013

	<u>Budget</u>	<u>2013</u>	<u>2012</u>
REVENUE			
Accreditation	\$ 66,200	\$ 59,458	\$ 32,703
Contracts & Consultation	1,178,668	1,471,633	1,295,513
Membership Dues & Industry Support	185,000	192,200	193,000
Other Income & interest received	-	3,734	10,259
Sales & Training	<u>310,500</u>	<u>340,045</u>	<u>316,008</u>
	<u>1,740,368</u>	<u>2,067,070</u>	<u>1,847,483</u>
EXPENSE			
Administration	70,050	62,498	86,037
Contracts & Consultation	140,268	331,378	246,604
Events & Training	186,255	224,533	182,449
Manpower	926,705	921,936	870,737
Physical Plant	110,700	98,868	103,670
Print, Advertising & Production	6,700	4,299	3,183
Professional Fees	22,800	23,876	18,798
Program Development & Committees	42,900	37,655	39,633
Surveys	201,815	189,455	149,323
Travel	<u>32,175</u>	<u>27,204</u>	<u>23,445</u>
	<u>1,740,368</u>	<u>1,921,702</u>	<u>1,723,879</u>
 SURPLUS OF REVENUES OVER EXPENSES	 <u>\$ -</u>	 <u>\$ 145,368</u>	 <u>\$ 123,604</u>

ALBERTA COUNCIL OF DISABILITY SERVICES

SCHEDULE OF MEMBERSHIP OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2013

	<u>Budget</u>	<u>2013</u>	<u>2012</u>
REVENUE			
Contracts & Consultation	\$ 200,000	\$ 200,000	\$ 209,500
Membership Dues & Industry Support	185,000	192,200	193,000
Other Income	-	3,734	10,259
Sales & Training	<u>1,500</u>	<u>1,940</u>	<u>1,452</u>
	<u>386,500</u>	<u>397,874</u>	<u>414,211</u>
EXPENSE			
Administration	16,600	15,630	13,740
Contracts & Consultation	-	12,000	14,894
Events & Training	3,775	3,698	2,023
Manpower	271,100	258,060	254,255
Physical Plant	27,500	25,372	30,348
Print, Advertising & Production	1,200	1,207	827
Professional Fees	7,500	7,723	3,023
Program Development & Committees	32,900	32,623	29,313
Travel	<u>25,925</u>	<u>24,923</u>	<u>20,931</u>
	<u>386,500</u>	<u>381,236</u>	<u>369,354</u>
SURPLUS BEFORE AMORTIZATION	-	16,638	44,857
Amortization	<u>-</u>	<u>(571)</u>	<u>(10,444)</u>
SURPLUS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ 16,067</u>	<u>\$ 34,413</u>

ALBERTA COUNCIL OF DISABILITY SERVICES

SCHEDULE OF STANDARDS & ACCREDITATION OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2013

	<u>Budget</u>	<u>2013</u>	<u>2012</u>
REVENUE			
Accreditation Surveys	\$ 66,200	\$ 44,628	\$ 32,702
Contracts & Consultation	611,545	735,690	559,691
Sales & Training	<u>2,000</u>	<u>5,723</u>	<u>3,750</u>
	<u>679,745</u>	<u>786,041</u>	<u>596,143</u>
EXPENSES			
Administration	35,020	30,419	26,532
Contracts & Consultations	5,000	65,200	22,842
Events & Training	18,000	25,454	2,827
Manpower	341,410	361,044	329,488
Surveys	201,815	189,455	149,323
Professional Fees	10,000	10,480	9,014
Program Development & Committees	10,000	3,755	4,003
Physical Plant	48,300	42,174	50,579
Print, Advertising & Production	5,000	1,591	2,356
Travel	<u>5,200</u>	<u>1,529</u>	<u>1,479</u>
	<u>679,745</u>	<u>731,101</u>	<u>598,443</u>
SURPLUS BEFORE AMORTIZATION	-	54,940	(2,300)
Amortization	<u>-</u>	<u>(1,193)</u>	<u>(11,244)</u>
SURPLUS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ 53,747</u>	<u>\$ (13,544)</u>

ALBERTA COUNCIL OF DISABILITY SERVICES

SCHEDULE OF PROFESSIONAL DEVELOPMENT OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2013

	<u>Budget</u>	<u>2013</u>	<u>2012</u>
REVENUE			
Conference	\$ 154,000	\$ 171,414	\$ 152,588
Contracts & Consultation	2,148	161,640	208,300
In-Service Training	133,000	157,000	140,577
Sales & Training	<u>20,000</u>	<u>34,475</u>	<u>17,641</u>
	<u>309,148</u>	<u>524,529</u>	<u>519,106</u>
EXPENSES			
Administration	11,360	11,470	12,099
Conference	150,880	110,954	118,570
Contracts & Consultation	2,488	74,962	82,328
In-Service Training	1,600	71,952	45,372
Sales & Training	12,000	26,129	13,657
Manpower	111,070	137,007	133,350
Physical Plant	16,100	14,412	15,185
Print, Advertising & Production	500	500	-
Professional Fees	2,100	2,326	5,811
Program Development & Committees	-	2,178	39
Travel	<u>1,050</u>	<u>752</u>	<u>784</u>
	<u>309,148</u>	<u>452,642</u>	<u>427,195</u>
SURPLUS BEFORE AMORTIZATION	-	71,887	\$ 91,911
Amortization	<u>-</u>	<u>(423)</u>	<u>(1,136)</u>
SURPLUS OF REVENUE OVER EXPENSES	<u>\$ -</u>	<u>\$ 71,464</u>	<u>\$ 90,775</u>

ALBERTA COUNCIL OF DISABILITY SERVICES

SCHEDULE OF WORKFORCE HR STRATEGY OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2013

	<u>Budget</u>	<u>2013</u>	<u>2012</u>
REVENUE			
Contracts & Consultation	\$ <u>364,975</u>	\$ <u>358,625</u>	\$ <u>318,022</u>
EXPENSES			
Administration	7,070	5,209	5,397
Contracts & Consultation	132,780	161,711	126,539
Manpower	203,125	165,826	153,645
Physical Plant	18,800	16,909	7,559
Print, Advertising & Production	-	1,000	-
Professional Fees	3,200	3,346	950
Program Development & Committees	-	-	6,277
Travel	<u>-</u>	<u>-</u>	<u>252</u>
	<u>364,975</u>	<u>354,001</u>	<u>300,619</u>
SURPLUS BEFORE AMORTIZATION	-	4,624	17,403
Amortization	<u>-</u>	<u>(534)</u>	<u>(5,444)</u>
SURPLUS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ 4,090</u>	<u>\$ 11,959</u>

ALBERTA COUNCIL OF DISABILITY SERVICES

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2013

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from Government funding	\$ 1,151,255	\$1,305,513
Cash received from members sales and service	623,122	508,694
Cash payments to suppliers and employees	<u>(1,783,853)</u>	<u>(1,635,564)</u>
	<u>(9,476)</u>	<u>178,643</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	<u>-</u>	<u>(1,435)</u>
INCREASE (DECREASE) IN CASH	(9,476)	177,208
CASH, beginning of year	<u>616,609</u>	<u>439,401</u>
CASH, end of year	<u>\$ 607,133</u>	<u>\$ 616,609</u>

ALBERTA COUNCIL OF DISABILITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2013

ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

Effective April 1, 2011, CDS adopted the requirements of the Canadian Institute of Chartered Accountant (CIA) Handbook - Accounting, electing to adopt the new accounting framework: Canadian accounting for Not-For-Profit Organizations. These are CDS' first statements prepared in accordance with these accounting standards for Not-For-Profit Organizations (INFO) which has been applied retrospectively. The adoption of INFO had no impact on previously reported assets, liabilities and equity of CDS, and accordingly, no adjustments have been recorded in the comparative statement of financial position, receipts and disbursements, reserves and the cash flow statement.

1. NATURE OF OPERATIONS

The Alberta Council of Disability Services (CDS) supports its members and the field of community disability services to provide quality services to people with disabilities. CDS is a non-for-profit organization and is therefore exempt from income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i) CDS' accounting policies and the standards of its disclosure are in accordance with the recommendations of the Canadian Institute of Chartered Accountants.

ii) Property and equipment are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Leaseholds	5 year straight line
Office furniture & equipment	5 year straight line
Computer hardware & software	3 year straight line

iii) The budget figures are unaudited and are included for information purposes only.

iv) Revenue Recognition:

CDS records contract revenue when received as deferred revenue, until the actual period to which the revenue applies. At that point the deferred revenue becomes earned revenue. Fee for service revenue is recognized when clients are invoiced for services.

v) Cash and cash equivalents are comprised of cash.

3. PROPERTY AND EQUIPMENT

	<u>Cost</u>	<u>Accumulated Amortization</u>	Net 2013	Net 2012
Office Furniture & Equipment	\$ 26,807	\$ 26,804	\$ -	\$ 388
Computer hardware	47,315	46,307	1,011	3,344
Computer software	<u>92,830</u>	<u>92,830</u>	<u>-</u>	<u>-</u>
	<u>\$ 166,952</u>	<u>\$ 165,941</u>	<u>\$ 1,011</u>	<u>\$ 3,732</u>

ALBERTA COUNCIL OF DISABILITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2013

4. DEFERRED REVENUE

	<u>2013</u>	<u>2012</u>
Memberships	\$ 191,950	\$ 187,400
Standards and Accreditation	9,000	13,000
Professional Development	-	27,148
Workforce HR Strategy	-	67,166
	<u>\$ 200,950</u>	<u>\$ 294,714</u>

5. COMMITMENTS

CDS has entered into various long-term lease agreements for office equipment. The annual payments for the current year are \$14,972.

CDS has entered into a lease for office space for a 10 year period commencing August 1, 2006. The annual base rent for the first five years is \$55,728. and for the second five years is \$64,800.

7. MEASUREMENT UNCERTAINTY

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

8. CONTRIBUTED SERVICES

A significant portion of ACDS' work is dependent upon the contribution of volunteers, in particular the Board and committees. These services are not normally purchased by ACDS and due to the difficulty in determining their fair value, volunteer services are not recognized in these financial statements.

9. ECONOMIC DEPENDENCE

ACDS is dependent upon receiving government funding through grants and contracts for various programs. ACDS has agreements in principle for the following fiscal year.

10. MANAGEMENT OF CAPITAL

ACDS's objective when managing capital is to ensure it has adequate cash flow to maintain operations which meet the short and long-term objectives. ACDS manages its capital structure and makes adjustments due to changes in economic conditions and the risk characteristics of the underlying assets. ACDS has no externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2013

11. FINANCIAL INSTRUMENTS

1) Measurement of financial instruments

Financial assets measured at amortized cost include cash, accounts receivable and fixed income investments. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

2) Impairment

The carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of reduction is recognized as an impairment loss in the statement of operations.

3) Transaction costs

Transactions costs are recognized in the statement of operations in the period incurred, except for financial instruments that will be subsequently measured at amortized cost.

CDS is exposed to various risks through its financial instruments. The exposure to the risks associated with financial instruments that have the potential to affect its operating and financial performance are managed in accordance with the Risk Management Policy. The objective of the policy is to reduce volatility in cash flow and earnings. The Board of Directors monitors compliance with risk management policies and reviews risk management policies on an annual basis.

a) Credit risk

CDS is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, or if there is a concentration of transactions carried on with the same party. Management follows a program of credit evaluation of customers and a limit of the amount of credit extended.

B) Liquidity risk

Liquidity risk is the risk that CDS will not be able to meet a demand for cash or fund its obligations as they come due. Liquidity requirements are met by preparing and monitoring forecasts of cash flows from operations and maintaining a line of credit.

ac) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk and interest rate risk.

d) Currency risk

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. CDS does not deal in foreign currency.

e) Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

bf) Changes in risk

There have been no changes in CDS' risk exposure from the prior year.

