
THE CALGARY SOCIETY FOR STUDENTS

WITH LEARNING DIFFICULTIES

FINANCIAL STATEMENTS

AUGUST 31, 2003

AUDITOR'S REPORT

To the Board of Directors
The Calgary Society for Students with Learning Difficulties

I have audited the statement of financial position of The Calgary Society for Students with Learning Difficulties as at August 31, 2003 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Society's management. 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 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 my opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at August 31, 2003 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Calgary, Alberta
December 10, 2003

CHARTERED ACCOUNTANT

THE CALGARY SOCIETY FOR STUDENTS WITH LEARNING DIFFICULTIES

STATEMENT OF FINANCIAL POSITION

AUGUST 31

ASSETS

	<u>2003</u>	<u>2002</u>
CURRENT:		
Cash	\$ 510,200	\$ 365,976
Accounts receivable	80,806	54,937
Prepaid expenses	13,345	9,158
	<hr/> 604,351	<hr/> 430,071
ENDOWMENT FUND INVESTMENT (NOTE 3)	<hr/> 201,060	<hr/> -
NET CAPITAL ASSETS (NOTE 4)	<hr/> 52,598	<hr/> 22,227
	<hr/> \$ 858,009	<hr/> \$ 452,298

LIABILITIES

CURRENT:		
Accounts payable	\$ 9,437	\$ 4,919
Deferred contributions (Note 5)	444,926	249,194
	<hr/> 454,363	<hr/> 254,113
UNAMORTIZED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (NOTE 6)	<hr/> 29,195	<hr/> 5,622

NET ASSETS

NET ASSETS INVESTED IN CAPITAL ASSETS	23,403	16,605
RESTRICTED ENDOWMENT FUND (NOTE 3)	201,645	-
UNRESTRICTED NET ASSETS	<hr/> 149,403	<hr/> 175,958
	<hr/> 374,451	<hr/> 192,563
	<hr/> \$ 858,009	<hr/> \$ 452,298

APPROVED BY THE BOARD:

THE CALGARY SOCIETY FOR STUDENTS WITH LEARNING DIFFICULTIES

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED AUGUST 31

	<i>INVESTED IN CAPITAL ASSETS</i>	<i>RESTRICTED ENDOWMENT FUND</i>	<i>UNRESTRICTED</i>	<u>2003</u>	<u>TOTAL</u> <u>2002</u>
BALANCE, BEGINNING OF YEAR	\$ 16,605	\$ -	\$ 175,958	\$ 192,563	\$ 321,092
CONTRIBUTIONS DURING THE YEAR	-	201,060	-	201,060	-
EXCESS OF EXPENDITURE OVER REVENUE	(8,907)	585	(10,850)	(19,172)	(128,529)
INVESTMENT IN CAPITAL ASSETS	15,705	-	(15,705)	-	-
BALANCE, END OF YEAR	\$ 23,403	\$ 201,645	\$ 149,403	\$ 374,451	\$ 192,563

THE CALGARY SOCIETY FOR STUDENTS WITH LEARNING DIFFICULTIES**STATEMENT OF OPERATIONS
FOR THE YEAR ENDED AUGUST 31**

	<u>2003</u>	<u>2002</u>
REVENUE:		
Fees for service	\$1,185,305	\$1,017,652
Fund raising and donations	214,380	172,098
Contributions (Note 7)	78,416	104,324
Interest earned (Note 8)	15,845	13,700
Amortization of deferred capital contributions (Note 6)	8,827	2,347
	<hr/> 1,502,773	<hr/> 1,310,121
EXPENDITURE:		
Salaries and related costs	1,193,102	1,241,302
Fundraising – salaries and related costs	85,268	37,980
Client service expense	75,992	54,253
Public relations	51,758	25,978
Equipment lease and maintenance	45,203	32,298
Travel and conferences	19,035	10,947
Amortization	17,734	10,093
Workshops and teaching	12,239	3,391
Insurance	6,342	5,358
Bank and credit card charges	5,342	5,798
Professional fees	5,092	5,610
Telephone	4,838	5,642
	<hr/> 1,521,945	<hr/> 1,438,650
EXCESS OF EXPENDITURE OVER REVENUE	<hr/> \$ (19,172)	<hr/> \$ (128,529)

THE CALGARY SOCIETY FOR STUDENTS WITH LEARNING DIFFICULTIESSTATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31

	<u>2003</u>	<u>2002</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess of expenditure over revenue	\$ (19,172)	\$ (128,529)
Adjustments for:		
Amortization	17,734	10,093
Amortization of deferred capital contributions	(8,827)	(2,347)
	(10,265)	(120,783)
Changes in non-cash working capital		
(Increase) decrease in accounts receivable	(25,869)	37,275
(Increase) decrease in prepaid expenses	(4,187)	258
Increase (decrease) in accounts payable	4,518	(3,194)
Increase (decrease) in deferred contributions	195,732	108,460
Cash flows from operating activities	159,929	22,016
CASH FLOWS FROM INVESTING ACTIVITIES:		
Contributions related to capital assets	32,400	-
Purchase of capital assets	(48,105)	(1,456)
Cash flows used for investing activities	(15,705)	(1,456)
NET INCREASE IN CASH DURING THE YEAR	144,224	20,560
CASH, BEGINNING OF YEAR	365,976	345,416
CASH, END OF YEAR	\$ 510,200	\$ 365,976

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2003

NOTE 1: PURPOSE OF ORGANIZATION

The Calgary Society for Students with Learning Difficulties (the "Society") provides services to learning disabled and their families including assessment, remediation and counselling and provides workshops to teachers and other professionals on learning disabilities. The Society is a not-for-profit organization and is a registered charity under the Income Tax Act.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Society have been prepared by management in accordance with Canadian generally accepted accounting principles and incorporate the following policies.

Revenue recognition

The Society follows the deferral method of accounting for contributions, fund raising and donations. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collections are reasonably assured.

Fees for service are recognized as revenue when the services have been performed.

Long term investments

Long term investments are stated at cost unless there is a decline in value which is considered other temporary in which case they will be written down to market value.

Capital assets

Purchased capital assets are recorded at cost. Amortization is calculated at the following annual rates using the straight-line basis:

Building renovations	10%
Furniture and equipment	20%

Contributed services

Volunteers contributed 6,285 hours during the year to assist the Society in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

NOTE 3: ENDOWMENT FUND INVESTMENT

An endowment fund has been established to provide a source of income to be used for the charitable purposes of the Society. The fund is restricted in that the Society cannot encroach on the principle of the endowment. Income from the endowment shall be distributed to the Society not less often than annually. An allocation equal to 20% of the annual income from the endowment is to be made to a reserve fund until the reserve fund reaches a value at least equal to the annual average income from the fund.

THE CALGARY SOCIETY FOR STUDENTS WITH LEARNING DIFFICULTIES

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2003

NOTE 4: NET CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Capital Assets</u>	
			<u>2003</u>	<u>2002</u>
Building renovations	\$ 659,074	\$ 659,074	\$ -	\$ -
Furniture and equipment	283,218	230,620	52,598	22,227
Library	23,926	23,926	-	-
	<u>\$ 966,218</u>	<u>\$ 913,620</u>	<u>\$ 52,598</u>	<u>\$ 22,227</u>

NOTE 5: DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent restricted operating funding received in the current year that is related to the subsequent year. Changes in the deferred contributions related to operating funding are as follows:

	<u>2003</u>	<u>2002</u>
Balance, beginning of year	\$ 249,194	\$ 140,734
Less: Amount recognized as revenue in the year	(205,594)	(140,734)
Add: Amounts received related to the following year	401,326	249,194
	<u>\$ 444,926</u>	<u>\$ 249,194</u>

NOTE 6: UNAMORTIZED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Unamortized contributions related to capital assets represent restricted contributions for the purchase of capital assets. The changes in the unamortized contribution balances for the year are as follows:

	<u>2003</u>	<u>2002</u>
Balance, beginning of year	\$ 5,622	\$ 7,969
Add: Contributed equipment	32,400	-
Less: Amounts amortized to revenue	(8,827)	(2,347)
	<u>\$ 29,195</u>	<u>\$ 5,622</u>

THE CALGARY SOCIETY FOR STUDENTS WITH LEARNING DIFFICULTIES

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2003

NOTE 7: CONTRIBUTIONS

	<u>Cash</u>	<u>In Kind</u>	<u>2003</u>	<u>2002</u>
Family and Community Support Services	\$ 28,416	\$ -	\$ 28,416	\$ 28,010
Calgary Catholic Board of Education	-	50,000	50,000	50,000
Alberta Learning	-	-	-	26,314
	<u>\$ 28,416</u>	<u>\$ 50,000</u>	<u>\$ 78,416</u>	<u>\$ 104,324</u>

NOTE 8: INTEREST EARNED

The Calgary Foundation holds and administers \$159,418 on behalf of the Society. The principal amount is not available for withdrawal by the Society and as such is not included in these financial statements. However, interest in the amount of \$8,620 has been paid to the Society and is included in interest earned.

The Endowment Fund interest in the amount of \$2,925 is included in interest earned.

NOTE 9: COMMITMENTS

Under the terms of equipment lease agreements, the Society will be required to make annual rental payments as follows:

2003	\$ 17,409
2004	12,519
2005	10,392
2006	2,598
	<u>\$ 42,918</u>

NOTE 10: FINANCIAL INSTRUMENTS

The Society has estimated the fair value of its financial instruments that include cash, accounts receivable, endowment fund and accounts payable to be comparable to the carrying value. The Society has used valuation methodologies and market information available as at year end and has determined that the carrying amounts of such financial instruments approximate fair value in all cases.

