

**Strong
Organizations
CREATE thriving,
engaged
communities.**

Propell^ous

Empowering organizations for over 50 years

2013 Annual Report

mission

We strengthen organizations

vision

Thriving, engaged communities

values

Courage, exploration, empowerment, adaptability and resiliency

Propellus guides, mentors and educates non-profit staff and volunteers, arming them with tools and resources to help boost organizational effectiveness in the areas of governance, leadership, fund development and people engagement. Everything we do is about helping other organizations achieve their mission.

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board chair & ceo report

Propellus makes non-profit organizations soar. And when they succeed, our communities thrive. Knowing that makes us feel like we've got the best jobs anywhere.

We've been empowering organizations for more than 50 years. In 2013, we succeeded and we failed and, most importantly we learned from both. To share our story, this Annual Report is the most comprehensive report we've published in a very long time.

Why? It's because above all things, we are a learning organization. Our work is helping the non-profit community and it's paramount for us that you know and understand how we are doing. As we've been striving for even further transparency and accountability inside and outside Propellus, we built a framework identifying the key indicators for success. We created a target for each indicator and a way to measure it. The indicators look at quality and quantity.

We are the change we make in community. So, measuring our outcomes is critical to knowing if we are fulfilling our mission to strengthen organizations. We are pleased to report that in 2013, 93 per cent of participants using our services reported an increase in learning, skills development, and access to resources after engaging with Propellus.

On the flip side, we are disappointed that we didn't achieve as many hours of service as planned. We achieved 65 per cent of our training hours target and 61 per cent of our consulting hours target. We want to learn from our successes and our failures and worked throughout the year to understand how to keep doing what works and fix what doesn't. We improved our results in the last half of the year and can see that trend continuing into 2014.

We are proud of the past year's achievements and the quality of service provided to our members. We hope you enjoy the member stories showcased here and the look into the governance, operations and future with Propellus.

It's an exciting year ahead.



Signature

Chris Dougherty
Chair, Board of Directors

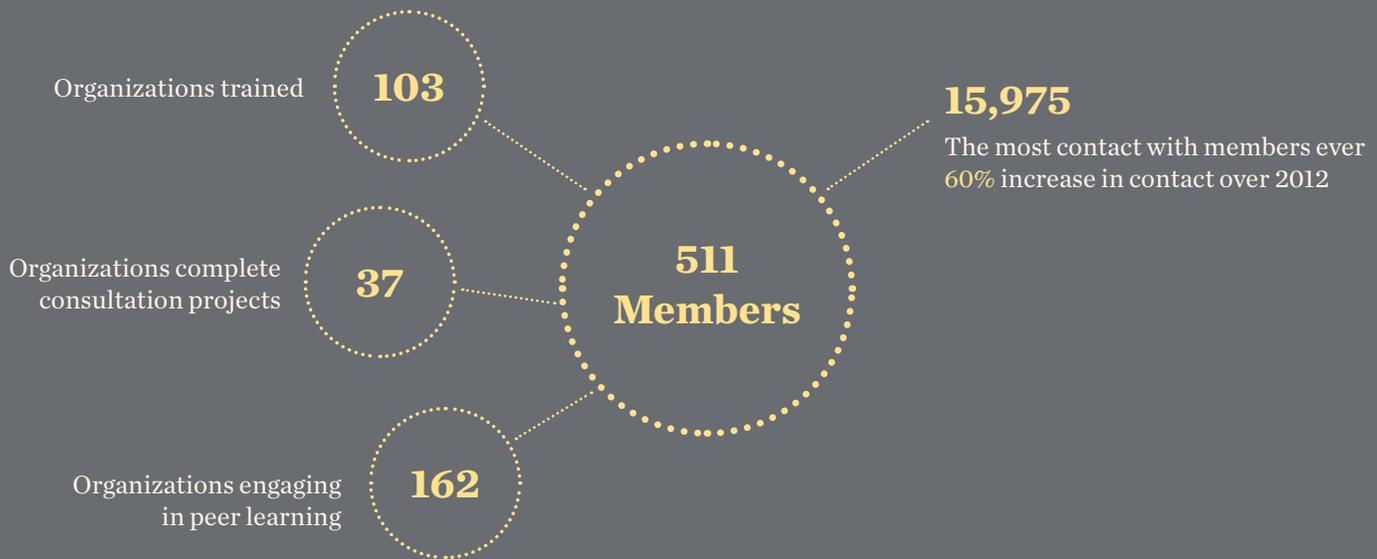


Jamie Niessen
President & CEO



impact by the numbers

Highest membership to date



Workshop feedback



6 weeks later



Connecting members to volunteers



member profile

Preparation and planning overcome funding cuts

EducationMatters is a charitable trust that funds innovative enhancement programs to help elementary and secondary students excel and enrich their learning experiences

2013 was a milestone year for EducationMatters – they were about to reach their 10-year anniversary and their executive director, Barbara Burggraf, was heading into retirement.

The board of directors at EducationMatters believed that the timing was right for a strategic planning session to evaluate their progress over the last decade and outline the future of the organization. Propellus facilitated this session and took a hard look at their organization by asking the tough questions. What difference do you make? How do you know? Does the community need you?

This session proved invaluable because it determined that EducationMatters is actually a model for other school boards across Canada. Public education needs other sources of funding beyond government to ensure students succeed. The strategy session with Propellus reinforced and validated their mission and their value.

Shortly after the session, they received some tough news – their provincial funding was being cut. “If the board hadn’t come together and talked about the hard issues at the strategic planning session, I’m not sure they would have engaged in the same way when our funding was terminated,” said Burggraf. “As a board we looked at the impact that EducationMatters was making and that discussion formed the basis of our case for continued funding.”

Armed with the knowledge from their strategic planning session, EducationMatters was able to secure its funding for the next two years. “The investment to engage Propellus was effective and was certainly less expensive than other strategic planning consultants. Because Propellus is a non-profit they really understand the sector and that is where they shine. They are part of our sector and have ample experience in engaging volunteers and working with boards.” says Burggraf. As for Barbara Burggraf she is now happily retired, knowing that she leaves behind a board that is energized and engaged.

“

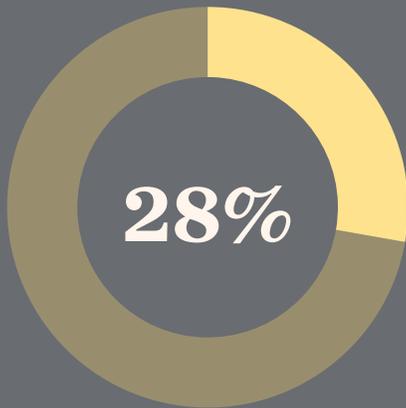
One of our very astute board members said: ‘this could have gone many ways. We could have wound up shut down if we had been asleep at the switch.’”

*Barbara Burggraf,
former executive director,
EducationMatters*

RISE to challenges and JUMP at opportunities.

Propellus helps organizations with governance by assessing current performance levels, clarifying roles, and responsibilities, and determining the legal obligations of the board.

governance



In 2013 Calgary market research of the nonprofit and charitable sector, 28% of respondents rated governance as an important issue facing their organization. Of that only 5% considered it the most important issue.

Governance support @ Propellus

- Board development, engagement and recruitment
- Governance models and board transitions
- Chair/ secretary role and responsibilities
- Bylaws and charitable objects
- Team building and conflict resolution

Propellus believes that strong organizations begin and end with strong governance. Through the support of United Way of Calgary and Area and Family & Community Support Services (FCSS) of Calgary, Propellus made it a priority to build workshops, resources and a pool of expertise in the area of governance in 2013.

“

Having a better understanding of my role as a board member will increase my capability of working with the staff and fellow board members.”

*Derek So, board member,
Calgary Chinese
Community Service
Association (CCCSA)*



Organizations strengthened their governance through Propellus in 2013

TRANSFORM your messages into compelling stories.

Propellus provides organizations with the tools and knowledge to develop customized and strategic fund development plans. In addition, we assist in identifying tactics and sources of funding.

fund development



In 2013 Calgary market research of the nonprofit and charitable sector, 80% of respondents rated funding as an important issue facing their organization. Of that 50% considered it the most important issue.

Fund Development support @ Propellus

- Storytelling
- Funding inventory and pipeline
- Stewardship
- “Meet the Funders” panel discussion
- Grant information and deadlines

Propellus believes in providing services for our members without duplicating efforts of other nonprofit organizations in our community. Through the support of an anonymous donor, we conducted research to see if there were any gaps in the area of fund development support for the sector. As a result, we designed and deliver training targeted at small organizations who do not have the resources to hire a professional fundraiser.

“

We were able to have all of the basics (and more) in a 2-day period. I found this workshop very helpful and know it will be very useful to me and my coworkers.”

*Workshop participant
October 4, 2013*



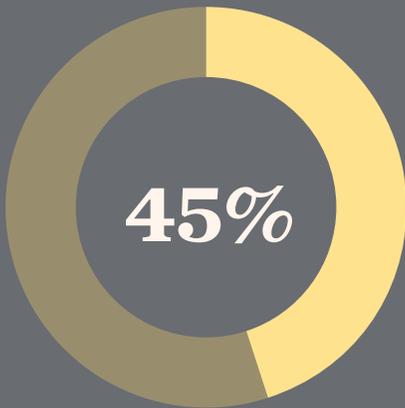
Organizations strengthened their fund development through Propellus in 2013

**Turn
the SKIP**

**in your
organization
into a LEAP of
possibility.**

Effective leaders are key to an organization's success. Propellus collaborates with leaders to identify their organization's needs, generate solutions and build a road map for achieving desired outcomes that realize their mission.

leadership



In 2013 Calgary market research of the nonprofit and charitable sector, significant percentages of respondents report relying on third-parties for strategic planning (45%), skills development (36%) and making the organization more effective (32%).

Leadership support @ Propellus

- Facilitating strategic decision-making
- Strategic planning and implementation
- How to recruit and retain talent
- Financial sustainability
- Project management methodology for nonprofits

Propellus believes in supporting organizational leaders with the right tools and skills at the right time to match the particular need of their organization. In 2013 we partnered with a variety of volunteers, staff and consultants to create a range of accessible services available for nonprofit leaders.



The strategic planning work was very helpful. We now feel we have a clear path to success and sustainable growth.”

*Kristie Schneider
Operations Manager Ghost
River Rediscovery*



Organizations strengthened their leadership through Propellus in 2013

BOOST *your team* **by strengthening** *your players.*

Propellus teaches non-profits how to develop key recruitment, retention and reward strategies for both staff and volunteers. Teaching others how to engage the talent they need to strengthen their organization is what we have been focused on since the 1970s.

people engagement



In 2013 Calgary market research of the nonprofit and charitable sector, 76% of respondents rated recruiting and retaining talent as an important issue facing their organization. Twenty-one percent reported this as the most important issue and 10% reported access to skilled volunteers as most important.

People Engagement @ Propellus

- Volunteer management
- HR challenges and solutions
- Recruitment strategies
- Performance management, motivation and retention
- Culture

Propellus believes that recruiting and retaining people with strong skills and talents is one of the biggest challenges facing any organization and in particular non-profit organizations. We also believe it is the biggest opportunity to strengthen an organization. Therefore, we continue to focus on this challenge for ourselves and our entire membership.

“

We are implementing a proper strategy to appreciate and retain volunteers and staff and we enjoy seeing the training put to use through our members in the community.”

*Melanie Taylor, Vice-Chair,
Volunteer Airdrie*



Organizations strengthened their people engagement through Propellus in 2013

It's All in Our Name

We underwent a major transformation in 2013: we changed our name to Propellus. So why did we change our name?

This was more than a name change – it was a transformation in the value we would provide to the non-profit community.

We went from an organization (Volunteer Calgary) that was focused primarily on volunteer management to an organization that would deliver a full complement of non-profit management services.

The impetus for this transformation was taking on CentrePoint's services. By acquiring these additional services we moved beyond our 50-year history in volunteer management. And we understood that we needed to re-brand our organization to represent not only our expanded service offerings but also the new value we would provide to our community.

To understand our new value proposition, we kicked off 18-months of extraordinary efforts with our board of directors, senior management and staff. We reviewed our vision, mission and organizational values. Our goal was to map out our new world as we saw it. When that was done we went out to the world to see how they saw us.

We engaged a brand consultant who conducted one-on-one interviews and focus groups with external stakeholders including donors, members, volunteers and community leaders. This process revealed both interesting insight and the need to conduct more in-depth brand and market research.

Through a donation from ConocoPhillips, we were able to engage market research firm Stone-Olafson to conduct brand and market research. The good news? The research revealed very high favourable ratings for Volunteer Calgary: people liked us. The not so good news? The research also revealed that more than 50 per cent of respondents had a poor, very poor or no understanding of what our organization actually did. The bottom line was that people 'liked' us but didn't know what we did (or the change we could make).

Learning this, our board decided to proceed not only with a brand repositioning but also with a name change. We set out to generate a name that was outcome focused, rather than a name that described our services.

We chose Propellus because it is a name that has momentum and plays on the idea of working together to help non-profit organizations soar.

“**The acquisition of many of the programs and services previously offered by CentrePoint in January 2012 meant Volunteer Calgary needed to reconsider its mission, vision, values and brand. This was an enormous undertaking and ultimately provided the new organization with the clarity of purpose it needed to better serve the sector and community at large.**”

Dan Thorburn, Vice President, Grants & Community Initiatives, The Calgary Foundation

Our Performance

2013 was a big year for us. The following is an overview of our team and a summary of our successes and failures.

key successes

Our team

Our people and our culture are our most important resource. We invest in them daily and it shows.

TEAM SATISFACTION SCORE **94%**

RETENTION RATE **89%**

A new name and a new direction

In 2012, we changed from an organization focused primarily on volunteer management to an organization that delivers a range of non-profit management support. On June 20th 2013, after an eighteen month process of stakeholder engagement and market research, we created and launched a new mission, vision, name and brand to better reflect our expanded mandate.

Increased services to the sector

111% More training workshops offered (19 in 2012, 40 in 2013)

More workshop participants (134 in 2012, 303 in 2013)

126%

37% More organizations served via workshops (94 in 2012, 129 in 2013)

A successful year in fundraising

Donors of all types have responded very favorably to Propellus, our approach and our mission. Fundraising efforts in 2013 were focused primarily on engaging investors who are attracted to our clarity of purpose and have a shared commitment to the change we make: strengthened organizations.

Raised over
\$751,532
in new funding

\$44,482
above target

Renewed
\$1,217,812
in sponsorships & donations

\$27,091
below target

Volunteer Awards
sponsorships and ticket sales
lower than expected

meet the team



**Kimberly
Wright**
Storyteller



Cyndi Cave
Manager,
Philanthropic
Partnerships



**Marlene
Mulligan**
Director, Brand
& Stakeholder
Relations



**Janet
Burstall**
Director,
Knowledge
Creation



**Katie
Dodd**
Coordinator,
Member Services



**Lori
Deluca**
Coordinator,
Cross-Sector
Projects



**Aden
Hirtle**
Coordinator,
Business
Development



**Jeff
D'Silva**
Manager,
Consulting



**Doug
Watson**
Director,
Corporate &
Member Services



**Jamie
Niessen**
President & CEO



**Helyn
Udott**
Data Steward



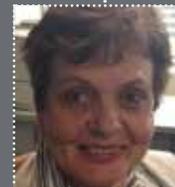
**Tracy
Merrin**
Coordinator,
Finance
& Operations



**Brett
Bergeman**
Director,
IT Services
(Volunteer)



**Sue
Luciuk**
Director, Finance



**Sandra
Penney**
Executive
Assistant



**Christopher
Dougherty**
Board Chair



**Roxann
Amyotte**
Secretary



**Owen
Chung**
Board Vice Chair



**Dianne
Liwanag**
Chair Finance
& Audit
Committee



**Lise
Blanchette**
Chair
Governance
Committee



**Serey
Sinn**
Chair Resource
Development
Committee



**Janeen
Scott**
Chair CEO
Performance
Committee



**Ian
Howieson**
Chair Strategy
Planning
Committee



**Jennifer
Gerson**
Board Member



**Nancy
Close**
Board Member

key failures

Training and consulting services below target

Participation rates in both areas were only 65 and 61 per cent of our targets respectively.

We took a look back to determine the reasons we fell short of our goals and concluded the following:

- Many member organizations didn't yet identify Propellus as a place for learning and development in areas beyond volunteer management
- Our marketing efforts for training did not give members enough lead time between the dates we promoted and the date it was then offered
- We only had one person dedicating a portion of their time to research and training development which meant it took longer than hoped to have new workshops available

Our participation rates in both training and consulting started to improve in the fourth quarter as a result of efforts in the above areas and that trend continues in 2014. However, there are a few items on our 'to-do' list that we believe will help to increase our participation rates even further.

- Continue to focus on our brand awareness and marketing functions
- Provide longer lead times on upcoming workshops, peer learning and consulting opportunities
- Conduct more face-to-face meetings with members helping them understand when Propellus services are the right option for them
- Make learning resources more accessible by building an inventory of tools, templates, skills and knowledge for our members

The good news here is that there is a great deal of opportunity for us to increase our participation rates and our impact as our brand awareness increases and members become more aware of our new services.

“

Acquiring and integrating CentrePoint's training programs has been a Pandora's box. Hearty congratulations to everyone who embraced the opportunity and took bold and daring steps to create something new and progressive that has the potential to serve the nonprofit management community well for many years to come!”

Anonymous

Management Discussion & Analysis

Core services

Propellus exists to strengthen non-profit organizations and to create thriving, engaged communities. We know we've strengthened organizations when we can track an increase in the motivation, resources, skills, and knowledge individuals take back to their organizations to make changes.

Our services are divided into three core segments:



These services address four key functions for every non-profit organization: governance, leadership, people engagement, and fund development.

Financial & non-financial performance indicators

In 2013, the Propellus board of directors team and management implemented an organizational performance dashboard establishing 30 key performance metrics for the organization. Reviewed monthly by all staff and quarterly by the board, the dashboard has been instrumental in creating clarity over performance and accountability for results.

With many new services rolled out in 2013, we were still able to exceed our outcomes targets for the year by 8 per cent. Outcomes measurement surveys show 93 per cent of participants reported an increase in motivation, resources, skills, and/or knowledge from our training and consulting services. We also exceeded our client satisfaction targets for 2013, achieving a satisfaction rate of 95 per cent in training and 100 per cent in consulting.

Training

Increase in motivation, resources, skills, knowledge



Satisfaction with workshops



Consulting

Increase in motivation, resources, skills, knowledge



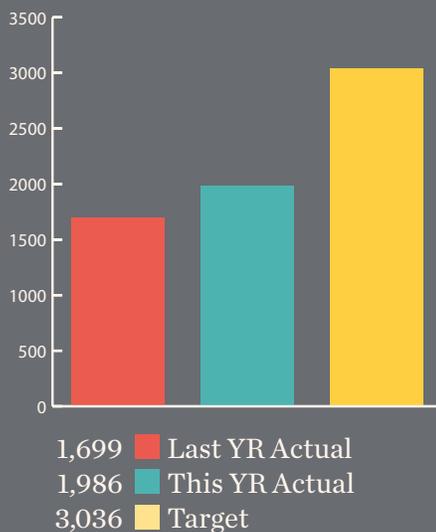
Satisfaction with workshops



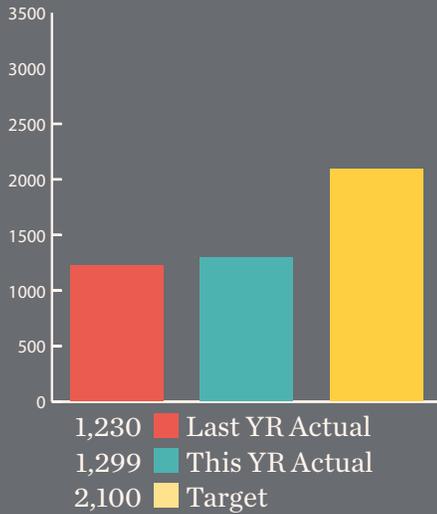
Training Hours 2013

Hours of Training Delivered

While quality was high, the numbers of hours of training and consulting were both significantly below target, achieving 65 per cent and 61 per cent of their targets respectively. Staffing constraints delayed the development of new training. This meant fewer courses available than anticipated in the budget. Low registrations in a number of newer courses led to cancellations or fewer offerings. We identified several factors affecting the number of training participants: many member organizations don't yet identify Propellus as a place for learning and development in areas beyond volunteer management, the need to better market new services, and longer lead times between when an offering is first marketed and when it is available.



Consulting Hours 2013

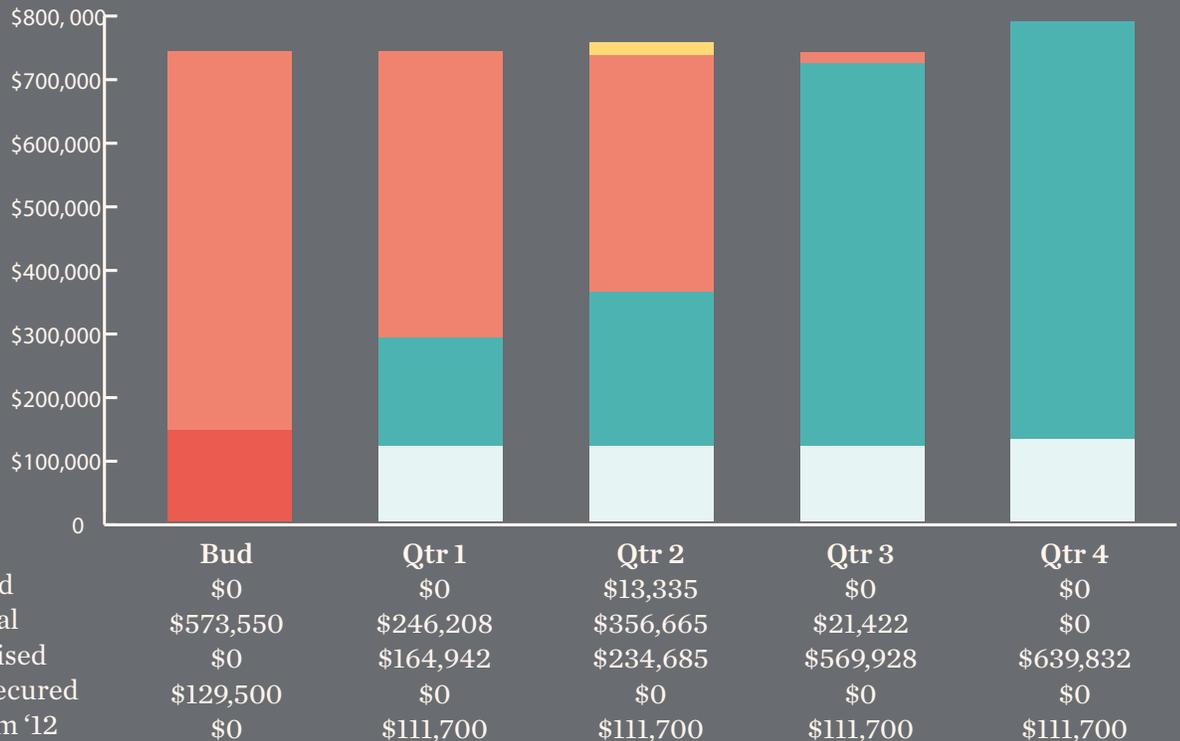


Hours of Consulting Delivered

Consulting hours were also lower than expected. We identified that face-to-face meetings with members is a key element for members to understand how and when consulting is the right option for them. Increasing our direct contact with members and several other marketing related initiatives have improved results.

Resource Development

We exceeded our resource development target in 2013, including increasing mission-focused funding. Our ability to attract funding for our mission is supported by the alignment of all services to the same four capacity building short-term outcomes as identified in the Propellus Capacity Building Charter: motivation, resources, skills and knowledge.



As a learning organization, we are committed to developing our people. Included on our dashboard is an annual target for the number professional development hours. We ended the year with 678 hours of development, just below our target of 700 hours. Our staff retention rate was 89 per cent and the overall team satisfaction, measured twice during the year, was 94 per cent.



Capability to deliver results

Our Propellus team is our brand and our most important resource to help our members achieve their desired results. We work actively and consciously to develop a culture at Propellus that serves our members and, in turn, fulfills our mission. All staff engage in the monthly review of the organizational dashboard, discussing and making meaning of the results and the work we need to do to keep good results going or correct course on undesirable results. The leadership team’s goal is to become a high-performance team so that it can better serve the organization.

Propellus’ strong board of directors supports the organization’s ability to deliver results for community. The board pushes itself to model best and inspiring practices in governance as well as develop policy and strategy that strengthen Propellus.

Governance

Board members also giving financially



Board members completing their term



Major investments in IT infrastructure in the past few years have improved the stability of service Propellus offers our members and improved the reliability and productivity of services internally. Finally, our significant capital reserve is a stabilizing force for the organization, particularly in these first few years of starting up new lines of business and learning how to achieve our targets.

Propellus ended the year with \$1,357,798 in capital reserves and cash on hand, equivalent to 7.1 months of operating budget.

Results & outlook

Propellus ended 2013 with a loss of \$19,383, largely attributable to lower than expected hours of consulting and training. Our low fixed-cost business model and prudent financial management enabled us to significantly minimize the financial impact of the lower than expected volumes.

The ongoing monitoring of our results allows our team to adapt and make changes to how they communicate and engage with members. New ideas are generated, implemented, and results measured to see the impact on performance. Performance for training improved in the first quarter of 2014 but is still below target. Additional work is underway to understand the reasons and to improve results. Consulting results improved in the last quarter of 2013 and continued to grow in the first quarter of 2014 when they exceeded targets for the first time.

Looking ahead to 2014

Propellus is continually finding new ways to strengthen organizations and we're excited to be introducing new offerings in 2014. The following is a taste of what the next year will bring.

We will be introducing a snap-shot, organization assessment free with membership in the summer. This tool will provide our members with information about their organizational strengths and weaknesses in areas such as finance, program design and planning. With this knowledge and help from our member services team, non-profit organizations can build customized development paths that will help them achieve their mission.

Propellus will also be rolling out new training courses. These courses will cover organization culture, management styles and storytelling.

One key challenge that many organizations face is funding. With this in mind, we are partnering with Chevron Canada on a new fund that will provide members financial support to access services at Propellus. In its pilot year, this fund will be directed to needs related to board transitions, strategic direction and resource development.

Risk Management

Propellus recognizes that risk is present in all its activities and that successful management of risk is a critical factor in maximizing the organization's ability to achieve its mission and long-term viability. Propellus' risk management process ensures that all foreseeable risks, which could lead to a failure to meet the organization's vision, mission, and strategy, are effectively managed.

Risk management process

After a risk has been identified, risk analysis is performed by the management team and reviewed by the Finance and Audit Committee and the board.

During risk analysis, each potential risk event is analyzed for:

- The probability that the risk will occur
- The impact of the risk if it occurs

During risk monitoring the following tasks are performed:

- Identify, analyze, and plan treatment for new risks
- Keep track of identified risks and monitor trigger conditions
- Review performance information (such as progress/status reports, issues, and corrective actions)
- Reanalyze existing risks to see if the probability, impact, or proper response plan has changed
- Review the execution of risk responses and analyze their effectiveness
- Ensure proper risk management

Summary of risks monitored 2013

Management develops comprehensive action plans for each key risk and provides regular performance tracking and status updates to the board. Propellus is confident that we have identified and have effective strategies in place to protect the financial, operational, and reputational aspects of the organization. More than forty risks have been identified in total. The accompanying table is a summary of the highest rated risks in 2013.

Risk Profile

Quarter 1 Quarter 4

Risk Universe	Description of Risk	Status	Treatment Plan	Rating	Rating
Strategic	Our market position and service offering is not understood by stakeholders. This may limit or impair business opportunity by creating confusion with organizations perceived as similar or substitutable.	Triggered	"COMPLETED: Create clear and compelling brand to support service offering. Develop service-based communications plans, identifying target market, tactics and outcomes. IN PROGRESS: Tracking brand management performance. Generating brand awareness through all available communication channels and in direct contact with Propellus team members."	12	9
Reputation	Poor quality of service negatively affects future purchase decision of members, impedes outcomes attainment affecting our ability to fulfill funding commitments and/or attract new funding	Planning Complete	"COMPLETED: Organizational charter developed to guide service development in alignment with mission and vision. Quantitative and qualitative performance targets set for services. Measurement systems in place to track service performance relative to targets. IN PROGRESS: Establishing vetting and training process for consulting, some have already been piloted. Completing logic model development for some service areas."	8	8
Reputation	Propellus contract consultants provide advice which negatively affects the member.	Planning Complete	"COMPLETED: Manager Consulting screens & matches consultants with client, works with client & consultant to monitor progress. Consultants receive Propellus orientation. Propellus contracts have received legal review. Appropriate insurance in place with annual monitoring. IN PROGRESS: Development of qualified consultants in each service area."	8	4
Human Resources	Organizational culture unsuitable to effective operations and achievement of mission and vision.	Planning Complete	"COMPLETED: Staff development of new organizational values. Updated vision, mission & brand. Culture embedded in employee recruitment and performance management. Twice annual staff surveys in place. IN PROGRESS: Culture review and re-development."	12	8

2013 Financials

treasurer's report

It is my pleasure to report on the Propellus financial results for the year ended December 31, 2013.

These financial statements are the responsibility of Propellus management and the Board of Directors. The Finance and Audit Committee, along with the Board of Directors, approved the financial statements which have been audited by CHH LLP.

Financial results

Propellus ended 2013 with a shortfall of revenue over expenses of \$19,383. We are in a strong financial position, ending the year with \$1,357,798 in capital reserves and cash on hand; equivalent to 7.1 months of operations. Propellus remains in a strong financial position due to our current business model that focuses on a low fixed-cost approach in the early years of our expanded service offering. The low fixed-cost model allows us to scale up when demand exceeds targets and to keep our costs low when demand is at or below targets.

We did not achieve our target for the volume of hours in training or consulting in 2013. A significant reason for this is the longer than forecasted time it took to develop and bring new training services to market. For consulting, the most significant reason was the time the organization required to learn how best to engage our members in this service. Because of the June rebrand, the new courses that came to market in the fall, and the implementation of new methods for engaging members in consulting, we saw results improve modestly through the last half of the year.

I am pleased to report that we also managed to exceed our overall fundraising target of \$1,951,953 by \$17,391.

To learn more about our performance and targets, please see the financial and non-financial indicators section and the full audited financial statements included in this report.

Looking ahead

In 2014, revenues are budgeted to remain at a level similar to 2013 while expenses are budgeted to decrease by \$112,000. We will continue to roll out new training services and start the year with nearly 300 hours of consulting engagements carrying over from 2013.

On behalf of the Finance and Audit Committee, I would like to express my thanks and appreciation to our members, investors, staff, and volunteers who make our continued success possible.



Dianne Liwanag
Treasurer
Chair, Finance and Audit Committee



independent auditor's report

To the Board of Directors of Volunteer Centre of Calgary (Operating as Propellus)

Report on the Financial Statements

We have audited the accompanying financial statements of Volunteer Centre of Calgary (Operating as Propellus), which comprise the statement of financial position as at December 31, 2013, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

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

Basis for Qualified Opinion

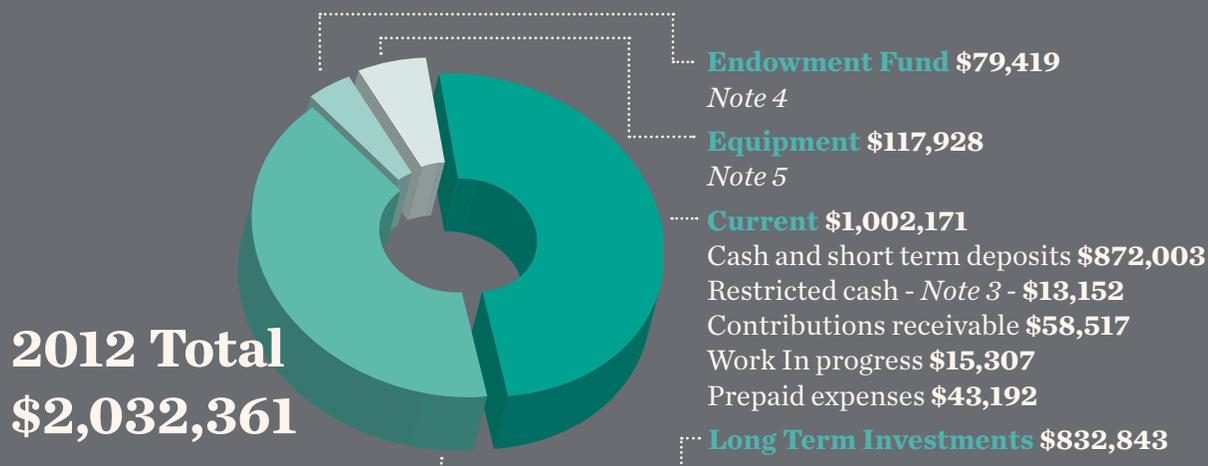
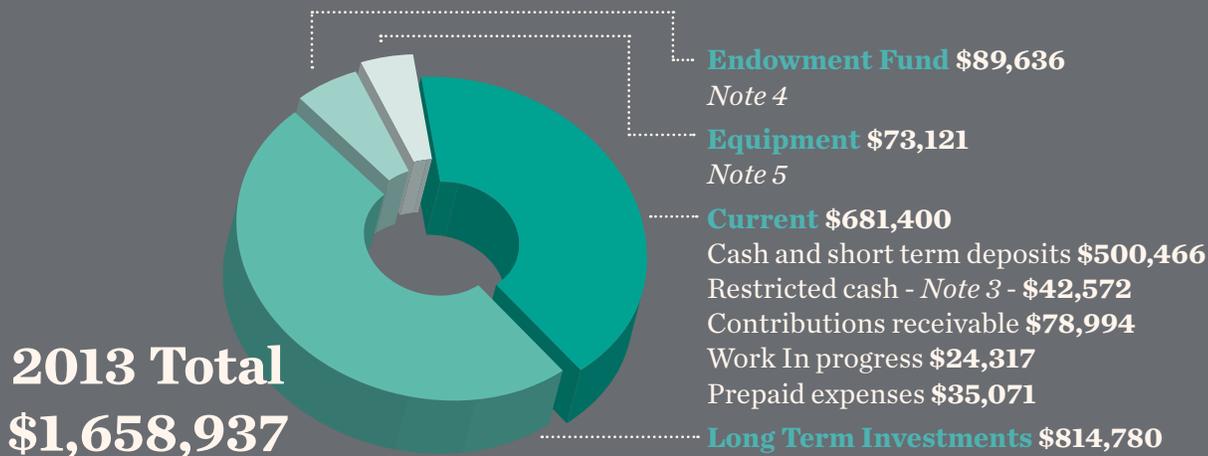
In common with many charitable organizations, the Centre derives part of its revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Centre and we were not able to determine whether any adjustments might be necessary to donations and (deficiency) excess of revenues over expenses.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph the financial statements present fairly, in all material respects, the financial position of Volunteer Centre of Calgary (Operating as Propellus) as at December 31, 2013 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

as signed by
CHH LLP
CHARTERED ACCOUNTANTS

Calgary, Alberta
February 25, 2014



Note 3 - RESTRICTED CASH

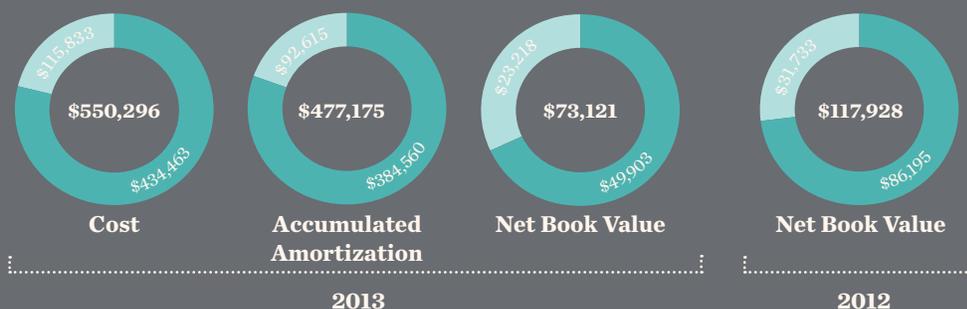
The use of some of the Centre's cash is restricted pursuant to the Casino License agreement, in accordance with the provisions of the Gaming and Liquor Act (Alberta). The Centre is permitted to use these funds for administration, promotional activities, printing, rent of premises and to purchase equipment. Under the license agreement, the Centre is expected to use these funds within 24 months of their receipt, which is May 13, 2015.

Note 4 - ENDOWMENT FUND

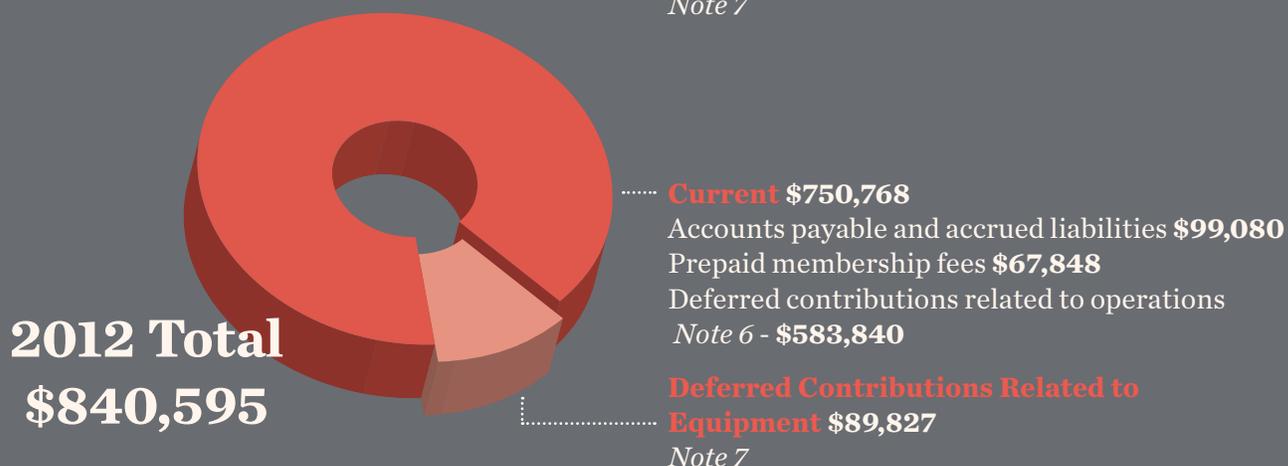
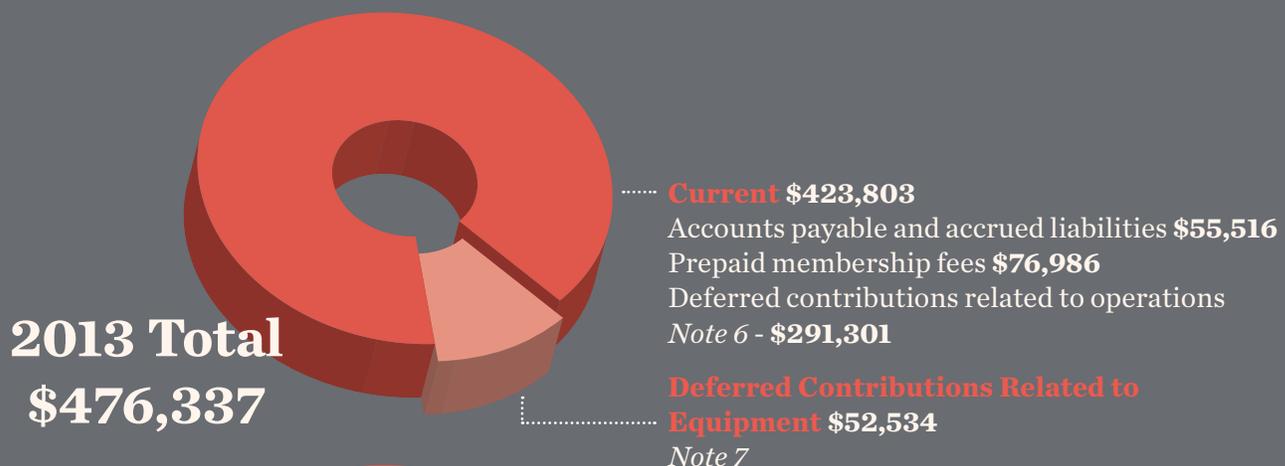
The Volunteer Centre of Calgary Endowment Fund ("Fund") was established under agreement with The Calgary Foundation ("Foundation"). Under the terms of the agreement, the Foundation retains all endowment contributions to the fund in perpetuity, the Centre is entitled to annual income distributions and the Foundation is permitted to charge for its expenses to administer the fund. During the year, the Fund received contributions of \$0 (2012 - \$0) and had earnings of \$15,029 (2012 - \$7,816), from which the Centre received income distributions in the amount of \$3,765 (2012 - \$3,601) and the Foundation charged administration fees in the amount of \$1,047 (2012 - \$974).

Note 5 - EQUIPMENT

■ Computer Equipment
■ Furniture & Fixtures



liabilities



Note 6 - DEFERRED CONTRIBUTIONS RELATED TO OPERATIONS

Deferred contributions related to operations consist of unspent resources, the use of which is restricted by the donor, statute or some other externally imposed conditions as described in Note 2. These contributions will be brought into income in the period in which the restrictions are fulfilled. The deferred contributions related to operations consists of the following:



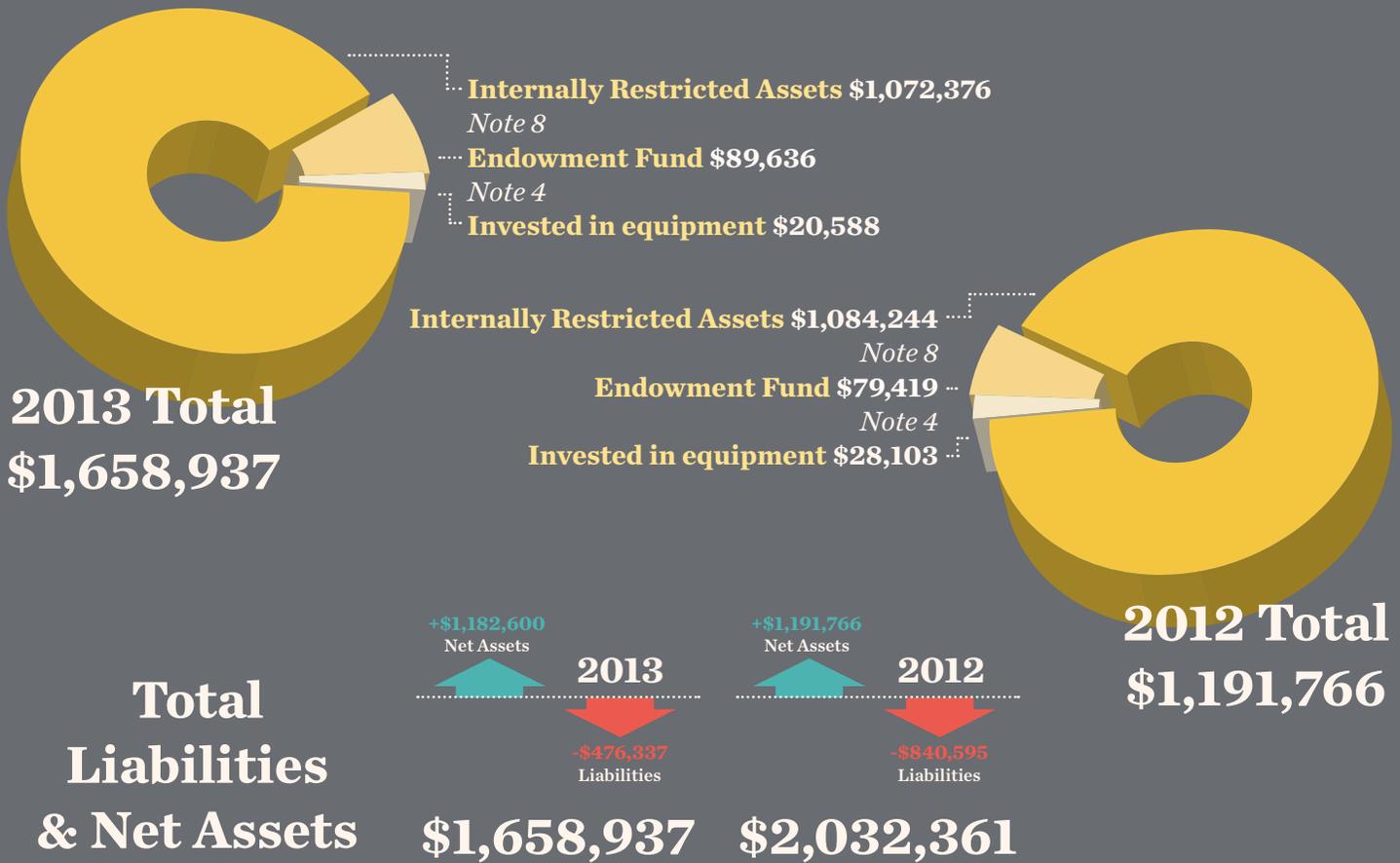
Note 7 - DEFERRED CONTRIBUTIONS RELATED TO EQUIPMENT

Restricted contributions received to purchase equipment are deferred and brought into income as the related assets are amortized. During 2013, the Centre purchased computer equipment and furniture with a fair value of \$40,468 of which \$17,620 was purchased using restricted grant funds, and \$22,848 using unrestricted funds.

During 2012, the Centre purchased computer equipment and furniture with a fair value of \$105,477 of which \$97,615 was purchased using restricted grant funds, and \$7,862 using unrestricted funds.



net assets



Note 4 - ENDOWMENT FUND

The Volunteer Centre of Calgary Endowment Fund ("Fund") was established under agreement with The Calgary Foundation ("Foundation"). Under the terms of the agreement, the Foundation retains all endowment contributions to the fund in perpetuity, the Centre is entitled to annual income distributions and the Foundation is permitted to charge for its expenses to administer the fund. During the year, the Fund received contributions of \$0 (2012 - \$0) and had earnings of \$15,029 (2012 - \$7,816), from which the Centre received income distributions in the amount of \$3,765 (2012 - \$3,601) and the Foundation charged administration fees in the amount of \$1,047 (2012 - \$974).

Note 8 - INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets consist of amounts restricted by the board of directors for the following purposes:



Pursuant to a resolution adopted by the Board of Directors, restricted capital reserves have been established for the purpose of protecting budgeted services against adverse changes in revenues or expenses. Unrestricted net assets at the end of the year are set aside for allocation to an Operating Reserve equal to three months cash flow and a Stabilization Reserve that must be between \$400,000 and \$500,000 while the operating budget is less than \$3,000,000. The anticipated annual operating expenses for 2014 are \$2,302,000. Internally Restricted Net Assets do not include any monies from Family and Community Support Services, the United Way or donations the use of which have been restricted by the donor.

Note 9 - COMMITMENTS

The Centre has annual lease and operating expense commitments for its office premises under lease expiring in March 31, 2019 with annual commitment of \$138,121.

In addition the Centre has a commitment of \$599 per quarter until January 20, 2017 for mailing equipment, and a commitment of \$1,357 per quarter until July 24, 2016 for printing equipment.

revenues



- \$1,143,082 Donations
- \$446,677 United Way of Calgary
- \$193,684 Family & Community Support Services
- \$179,371 Contracted Services & Project Management Fees
- \$141,962 Workshop and Seminar Fees
- \$81,200 Government Grants
- \$54,913 Amortization of Contributions related to Equipment
- \$53,750 Agency and Membership Fees
- \$43,165 Interest and Other Income
- \$39,789 Casino
- \$14,950 Ticket Sales
- \$1,611 Material Sales



- \$893,936 Donations
- \$440,280 United Way of Calgary
- \$197,021 Family & Community Support Services
- \$216,357 Contracted Services & Project Management Fees
- \$157,427 Workshop and Seminar Fees
- \$6,685 Government Grants
- \$57,065 Amortization of Contributions related to Equipment
- \$50,227 Agency and Membership Fees
- \$54,250 Interest and Other Income
- \$49,773 Casino
- \$18,300 Ticket Sales
- \$7,406 Material Sales

expenses



- \$1,362,706 Salaries & Benefits
- \$376,443 Contracted Services
- \$138,349 Rent
- \$95,892 Promotion & Publicity
- \$85,970 Event Costs
- \$85,275 Amortization
- \$75,452 General Office Expense
- \$58,376 Workshop Expense
- \$53,594 Training & Development
- \$21,437 GST Expense
- \$19,895 Travel
- \$18,233 Telephone & Utilities
- \$8,473 Postage & Courier
- \$6,425 Periodicals & Reference Materials
- \$5,762 Program Supplies
- \$1,255 Equipment & Maintenance



- \$1,203,462 Salaries & Benefits
- \$368,638 Contracted Services
- \$136,373 Rent
- \$60,335 Promotion & Publicity
- \$81,979 Event Costs
- \$83,653 Amortization
- \$76,747 General Office Expense
- \$40,839 Workshop Expense
- \$17,532 Training & Development
- \$18,159 GST Expense
- \$20,275 Travel
- \$16,906 Telephone & Utilities
- \$7,697 Postage & Courier
- \$5,941 Periodicals & Reference Materials
- \$7,320 Program Supplies
- \$1,417 Equipment & Maintenance

**(Deficiency) Excess
of Revenues Over
Expenses**



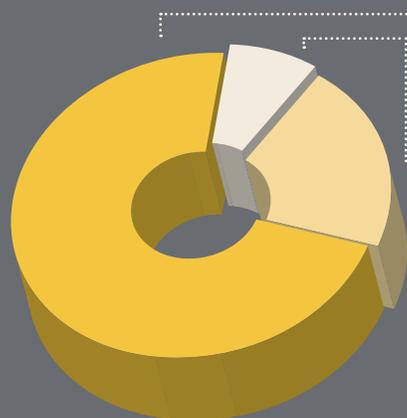
statement of cash flow

Cash provided by (used in)	2013	2012
Operating Activities		
(Deficiency) excess of revenues over expenses for the year	\$19,383	\$1,454
Items not affecting cash		
Amortization of Equipment	\$85,275	\$83,653
Amortization of Contributions related to Equipment	\$54,913	\$57,065

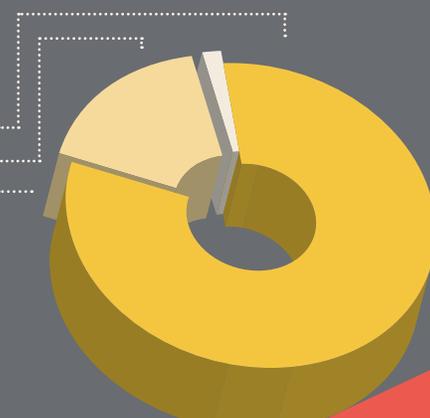
	\$10,979	\$28,042
Net change in Non-Cash Working Capital Balances		
Contributions Receivable	\$20,477	\$29,206
Work in Progress	\$9,010	\$15,307
Prepaid Expenses	\$8,121	\$11,149
Accounts Payable and Accrued Liabilities	\$43,564	\$43,421
Prepaid Membership Fees	\$9,138	\$432
Deferred Contributions related to Operations	\$292,539	\$261,835

	\$337,352	\$335,616
Financing Activity		
Contributions of Equipment	\$17,620	\$97,615
Investing Activity		
Sale (Purchase) of Equipment	\$40,468	\$105,477
Sale (Purchase) of Long Term Investments	\$18,063	\$130,249
(Decrease) Increase in Cash	\$342,137	\$197,505
Cash & Short Term Deposits	\$885,155	\$687,650
Beginning of the Year
Cash & Short Term Deposits	\$543,018	\$885,155
End of the Year		

Cash & Short Term Deposits Consist of the Following:



2013		2012
\$389,108	Cash	\$721,427
\$111,338	Short Term Deposits	\$150,576
\$42,572	Restricted Cash	\$13,152



notes

the accompanying notes are an integral part of these financial statements

Note 1 - ORGANIZATION AND PURPOSE

The Volunteer Centre of Calgary (Operating as Propellus) ("the Centre") was incorporated on August 11, 1971 under the Societies Act of Alberta and is exempt from income tax under Section 149 of the Income Tax Act. The purpose of the Centre is to recruit and refer volunteers to community organizations, provide training and consultation in volunteer and not for profit management and promote volunteerism in the community.

Note 2 - SIGNIFICANT ACCOUNTING POLICIES

Cash and Short-Term Deposits

Cash and short terms deposits consist of cash on hand, bank balances, deposits with a maturity of six-months or less and other short term highly liquid investments that are readily convertible into known amounts of cash.

Long-Term Investments

Long term investments are comprised of marketable securities with a maturity of longer than one year.

Equipment

Purchased equipment is recorded at cost. Contributed equipment is recorded at the fair value on the date of contribution. Amortization has been recorded on a straight line basis over the assets' estimated useful lives as follows:

Computer equipment	3 years
Furniture and fixtures	5 years

Revenue Recognition

The Centre follows the deferral method of accounting for contributions.

Contributions which do not have externally imposed restrictions with respect to their use are reported as revenue in the period in which they are received, or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. The Board of Directors may from time to time set aside portions of these unrestricted contributions for specific purposes. These internally restricted contributions are included in revenue and subsequently set aside as internally restricted net assets.

Contributions received whose use is restricted by donor, statute or some other externally imposed conditions, are reported as deferred contributions related to operations and are recognized as revenue in the period in which the restrictions are fulfilled.

Endowment contributions are recognized as direct increases in net assets.

Membership fees and workshop fees are recognized in revenue when earned.

Contracted services and project management fees are recognized in income using a percentage of completion method whereby total contracted hours spent on a project are accrued at the contracted hourly rate and charged to work in progress.

Unrealized gains and losses on available-for-sale financial assets are included directly in net assets or deferred contributions as appropriate, until the asset is removed from the statement of financial position. Unrealized gains and losses on held-for-trading financial assets are included in investment income and recognized as revenue in the statement of operations, deferred or reported directly in net assets, depending on the nature of any external restrictions imposed on the investment income. Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Other unrestricted investment income is recognized as revenue when earned.

Use of Estimates

The preparation of the 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are recorded in the Statement of Operations in the period in which they become known.

Contributed Services

Due to the difficulty of determining their value, the Centre does not record the value of contributed services in the financial statements.

Financial Instruments

Measurement of financial instruments

The Centre initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Centre subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments and other securities that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the Statement of Operations.

Financial assets measured at amortized cost include cash, restricted cash and contributions receivable.

Financial assets measured at fair value include short term deposits and long term investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

the accompanying notes are an integral part of these financial statements

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the Statement of Operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the Statement of Operations.

Transaction costs

The Centre recognizes its transaction costs in the Statement of Operations in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their obligation, issuance or assumption.

Note 3 - RESTRICTED CASH

The use of some of the Centre's cash is restricted pursuant to the Casino License agreement, in accordance with the provisions of the Gaming and Liquor Act (Alberta). The Centre is permitted to use these funds for administration, promotional activities, printing, rent of premises and to purchase equipment. Under the license agreement, the Centre is expected to use these funds within 24 months of their receipt, which is May 13, 2015.

Note 10 - CAPITAL DISCLOSURES

The Centre receives its principle source of capital through provincial funding, corporate sponsors and fundraising and administrative activities performed. The Centre defines capital to be net assets. In carrying out its purpose, the Centre regularly distributes its capital through administration of services provided and through program commitments.

The Centre is not subject to debt covenants or any other capital requirements with respect to operating funding. Funding received for designated purposes must be used for the purpose outlined by the funding party. The Centre has complied with the external restrictions on any external funding provided.

Note 11 - FINANCIAL INSTRUMENTS

Management does not believe that the Centre is exposed to significant interest, currency or credit risk in respect of its financial instruments.

Note 12 - SOLICITATION OF CONTRIBUTIONS

The expenses incurred for the purpose of soliciting contributions were \$180,790 (2012 - \$108,479). This total includes \$156,804 (2012 - \$96,473), which was paid as remuneration to various employees of the organization whose duties involve fundraising.

Note 13 - RELATED PARTY TRANSACTIONS

During the year \$0 (2012 - \$1,930) was paid to a company controlled by an immediate family member of the Director, Communications for promotion and publicity services.

The expenses for promotion and publicity were made in the normal course of operations under the same terms and conditions as transactions with unrelated third parties. They are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. As at December 31, 2013 there is no balance resulting from these transactions on the balance sheet.

Note 14 - TERMINATION BENEFITS

During the year the Volunteer Centre of Calgary (Operating as Propellus) paid termination benefits to former employees of \$58,631 (2012 - \$30,561).

Raising the Bar

Our mission is to strengthen organizations and Propellus is committed to leading the way in best practices and achieving standards, which push us to be better and do better.

Imagine Canada accreditation

In 2013, Propellus became an accredited organization in the Imagine Canada Standards Program.

Launched in May 2012, the Standards Program is designed to strengthen public confidence in the charitable and non-profit sector and is among the first of its kind at a national level.



To receive accreditation, Propellus had to demonstrate excellence in five key areas:

1. Board Governance
2. Financial Accountability & Transparency
3. Fundraising
4. Staff Management
5. Volunteer Involvement

We are proud to be one of the fewer than 100 organizations in the country to be accredited and to be able to demonstrate our commitment to strengthen organizations, including our own.

Accountability and transparency through reporting standards

As a learning organization, Propellus continually seeks to improve its governance and management. One way we felt we could improve on both fronts was in our annual reporting. To achieve this, we turned to best practices in voluntary sector annual reporting identified by the CPA-Queen's School of Business Centre for Governance.

Overall, the Centre recommends a strategy to annual reporting which addresses clarity, user-friendliness, impact, accessibility, and availability.

Throughout this report we endeavored to adhere to that guidance and to the more specific recommendations in the Centre's Best Practices in Charity Annual Report 2013 Guide. We tried to clearly share our work with the necessary context so that the reader understands what is presented. The result is a much more comprehensive view of our organizational performance in the last year.

For more information on the CPA-Queen's School of Business Centre for Governance and the best practices guide visit Centre for Governance at Queensu.ca.

Thank You

“

Just as a city’s physical infrastructure crumbles over time if it is not maintained, so it is with non-profit infrastructures. While the signs of erosion are rarely dramatic in one year, prolonged neglect will ultimately result in their total breakdown - and in the collapse of the programs they operate. Non-profits are essential to the well-being of our citizenry; the need to strengthen their organizational capacity cannot be ignored.”

*Joyce Bove & Lawrence Mandell,
introduction to Strengthening New
York City Non-profit Organizations: A
Blueprint for Action.*

Each and every contribution to Propellus brings us a step closer to fulfilling our mission of strengthening organizations within the non-profit sector. We are grateful for the generosity received from our valued supporters. Thank you for your investment in Propellus. We are proud to be working with you toward our vision of a more thriving, engaged Calgary.

corporate & community supporters

- AKER Process Systems
- Alberta Gaming and Liquor Commission
- An Anonymous Donor
- Boys & Girls Clubs of Calgary
- Brookfield Office Properties
- Burnet, Duckworth & Palmer LLP
- Calgary Public Library
- Calgary Reads
- Capital Power Corporation
- Cenovus Energy Inc.
- Chevron Canada Resources
- City of Calgary - Community & Neighbourhood Services (FCSS)
- Connacher Oil & Gas Ltd.
- ConocoPhillips Canada
- Devon Canada
- Dick & Lois Haskayne Fund at The Calgary Foundation
- Dunlop Family Fund at The Calgary Foundation
- Enbridge Inc.
- Encana Corporation
- First Calgary Financial
- First Energy Capital
- Government of Alberta - Culture
- Hopewell Residential Communities
- IBM Canada
- Imperial Oil Limited
- Inn From the Cold
- Nexen Energy, a CNOOC Limited company
- Penn West Exploration
- PLANiT Builders Ltd.
- RBC Foundation
- RGO Office Products Ltd.
- Ronald McDonald House, Southern Alberta
- SAP Canada Fund
- Sasges Inc.
- Shell Canada
- Suncor Energy Inc.
- Talisman Energy Inc.
- TD Canada Trust
- TELUS
- The Calgary Foundation
- The Kahanoff Foundation
- TransCanada Corporation
- United Way of Calgary and Area
- Volunteer Alberta
- Werklund Foundation

individual donors

- Roxann Amyotte
- Lise Blanchette
- Owen Chung
- Nancy Close
- Colin Cochran
- Jaro Cooper
- Malcolm Cullen
- Christopher Dougherty
- Carol Fitzsimmons
- John Fitzsimmons
- Karen Gallagher-Burt
- Jen Gerson
- Susan Healy
- Roy Hebert
- Iain Howieson
- Dianne Liwanag
- Johanna Markin
- Susan McGiveron
- Terrance Millar
- Marlene Mulligan
- Jamie Niessen
- Sue Piercey
- Janeen Scott
- Serey Sinn
- Elizabeth Soltys
- Shone Thistle

volunteers

102 volunteers contributed 817 hours of time and talent to Propellus in 2013



1170, 105-12 Ave. SE
Calgary, AB T2G 1A1

P: (403) 265-5633
F: (403) 265-8981
E: info@propellus.org
www.propellus.org

