

**CONNECTIONS COUNSELLING
AND CONSULTING FOUNDATION**

**FINANCIAL STATEMENTS
DECEMBER 31, 2011**

Nelson & Co.
Chartered Accountants

WILLIAM D. NELSON, B.Comm., C.A. *

*Denotes Professional Corporation

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AUDITORS' REPORT

Members of
Connections Counselling and Consulting Foundation

We have audited the accompanying financial statements of Connections Counselling and Consulting Foundation, which comprise the statement of financial position as at December 31, 2011, and the statements of operations and 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 generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

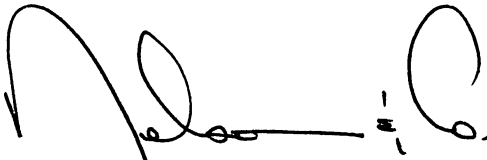
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, Connections Counselling and Consulting Foundation derives revenue from donations, grants, and gaming activities 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 Foundation and we were not able to determine whether any adjustments might be necessary to revenues, excess (deficiency) of revenue over expense, assets and net assets.

Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Connections Counselling and Consulting Foundation as at December 31, 2011, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



CHARTERED ACCOUNTANTS

Calgary, Alberta
March 29, 2012

CONNECTIONS COUNSELLING AND CONSULTING FOUNDATION

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2011

	<u>2011</u>	<u>2010</u>
CURRENT ASSETS		
Cash (Note 3)	\$ 293,101	\$ 215,697
Accounts receivable	26,281	18,911
Taxes receivable	3,041	1,508
Prepaid expense and deposit	<u>5,378</u>	<u>2,271</u>
	<u>\$ 327,801</u>	<u>\$ 238,387</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 22,149	\$ 21,459
Deferred revenue (Note 4)	<u>175,737</u>	<u>120,054</u>
	<u>197,886</u>	<u>141,513</u>
NET ASSETS		
Unrestricted surplus	<u>129,915</u>	<u>96,874</u>
	<u>\$ 327,801</u>	<u>\$ 238,387</u>
		Commitment (Note 6)

APPROVED BY THE BOARD:

_____ Director

_____ Director

See Accompanying Notes.

CONNECTIONS COUNSELLING AND CONSULTING FOUNDATION

**STATEMENT OF OPERATIONS AND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>2011</u>	<u>2010</u>
REVENUE		
Grants – United Way of Calgary	\$ 85,931	\$ 99,743
Fees for service	251,303	191,284
Donations	102,227	136,957
Casino revenue	51,911	48,493
Interest	<u>673</u>	<u>755</u>
	<u>492,045</u>	<u>477,232</u>
 EXPENDITURE		
Accounting	12,685	8,533
Advertising	1,400	9,948
Bank charges and interest	163	398
Computer consulting	1,566	2,066
Equipment purchases	1,824	-
Insurance	4,808	3,725
Office expense	6,314	10,045
Program supplies	4,272	2,888
Professional development	650	3,833
Professional fees	4,982	4,961
Rent	25,364	28,419
Salaries and benefits	368,012	376,908
Telephone	7,011	8,196
Travel	19,953	19,210
Volunteer appreciation	<u>-</u>	<u>235</u>
	<u>459,004</u>	<u>479,365</u>
 EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSE	33,041	(2,133)
Net assets, beginning of year	<u>96,874</u>	<u>99,007</u>
 NET ASSETS, END OF YEAR	<u>\$ 129,915</u>	<u>\$ 96,874</u>

See Accompanying Notes.

CONNECTIONS COUNSELLING AND CONSULTING FOUNDATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>2011</u>	<u>2010</u>
CASH DERIVED FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expense	\$ 33,041	\$ (2,133)
Change in non-cash working capital related to operations	(11,320)	5,253
Casino proceeds	-	67,713
Grant proceeds	167,842	72,414
Casino recognized as revenue	(51,911)	(48,493)
Grant recognized as revenue	<u>(60,248)</u>	<u>(91,328)</u>
INCREASE IN CASH	77,404	3,426
Cash, beginning of year	<u>215,697</u>	<u>212,271</u>
CASH, END OF YEAR	<u>\$ 293,101</u>	<u>\$ 215,697</u>

See Accompanying Notes.

CONNECTIONS COUNSELLING AND CONSULTING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011

1. PURPOSE OF THE ORGANIZATION

Connections Counselling and Consulting Foundation was incorporated under the Societies Act of Alberta on April 9, 1992.

The Society operates as a non-profit organization formed for the purpose of providing counseling services to members of families to help them collectively overcome the challenges that arise from the developmental disability of someone they live with.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Revenue Recognition

The Society follows the deferral method of accounting for donations and grant contributions. 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 collection is reasonably assured.

Unrestricted fundraising and investment earnings are recorded as revenue when earned.

b) Equipment

Expenditures for furniture and equipment are expensed against current operations as incurred.

c) Donations in Kind

Significant contributions in kind relating to equipment and materials or supplies are recorded at the estimated fair market value of such contributions as received. During the year no significant donations in kind were received.

Contributed Services

Volunteers contribute their time to assist the Society in carrying out its operating activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

d) Income Taxes

The Society maintains a registration under the Income Tax Act (Canada) as a charitable organization and is exempt from Federal and Provincial income taxes. This status is maintained by complying with regulations concerning disbursements of contribution raised.

e) Use of Estimates

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

f) Cash and Cash Equivalents

Cash consists of bank balances and term certificates with maturities or redemption privileges of three months or less.

CONNECTIONS COUNSELLING AND CONSULTING FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

3. **RESTRICTED CASH**

Cash in the amount of \$175,737 (\$120,054 in 2010) is restricted to payment of program and certain operating costs in compliance with the Society's lottery license and commitments to grant authorities.

4. **DEFERRED REVENUE**

Deferred revenue comprises:

	<u>2011</u>	<u>2010</u>
PDD advance payments	\$ 33,044	\$ 30,914
Casino proceeds	-	69,802
Grants	167,842	41,500
Transferred to revenue	<u>(145,203)</u>	<u>(141,906)</u>
Increase(Decrease)	55,683	310
Balance beginning of year	<u>120,054</u>	<u>119,744</u>
Balance end of year	<u>\$ 175,737</u>	<u>\$ 120,054</u>

Deferred revenue is held for program and operating costs.

5. **FINANCIAL INSTRUMENTS**

The Society's financial instruments consist of cash, accounts receivable and accounts payable. Unless otherwise indicated, it is management's opinion that the Society is not exposed to significant interest or credit risks arising from these financial statements. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

6. **COMMITMENT**

The society has a commitment for the lease of the office premises until August 31, 2013 at rents approximating \$29,056 annually.

7. **ECONOMIC DEPENDENCE**

The Society provides services to families with special needs. Substantially all revenue is earned under renewable contracts with departments of the Province of Alberta and United Way of Calgary.