

**CONNECTIONS COUNSELLING  
AND CONSULTING FOUNDATION**

**FINANCIAL STATEMENTS  
DECEMBER 31, 2010**

*Nelson & Co.*  
*Chartered Accountants*

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

\*Denotes Professional Corporation

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**AUDITORS' REPORT**

To the Members of:  
Connections Counselling and Consulting Foundation

We have audited the statement of financial position of Connections Counselling And Consulting Foundation as at December 31, 2010 and the statements of operations and in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Society derives revenue from grants and donations, 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 Society and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenue over expenditures, assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we may have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



CHARTERED ACCOUNTANTS

Calgary, Alberta  
May 3, 2011

CONNECTIONS COUNSELLING AND CONSULTING FOUNDATION

STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2010

	<u>2010</u>	<u>2009</u>
<b>CURRENT ASSETS</b>		
Cash (Note 3)	\$ 215,697	\$ 212,271
Accounts receivable	20,419	19,321
Prepaid expense and deposit	<u>2,271</u>	<u>1,796</u>
	<u>\$ 238,387</u>	<u>\$ 233,388</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 21,459	\$ 14,637
Deferred revenue (Note 4)	<u>120,054</u>	<u>119,744</u>
	<u>141,513</u>	<u>134,381</u>
<b>NET ASSETS</b>		
Unrestricted surplus	<u>96,874</u>	<u>99,007</u>
	<u>\$ 238,387</u>	<u>\$ 233,388</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, 2010**

	<u>2010</u>	<u>2009</u>
<b>REVENUE</b>		
Grants – United Way of Calgary	\$ 91,430	\$ 91,430
– Wild Rose Foundation	8,313	25,020
Fees for service	191,284	208,085
Donations	136,957	118,997
Casino revenue	48,493	50,234
Interest	<u>755</u>	<u>1,687</u>
	<u>477,232</u>	<u>495,453</u>
 <b>EXPENDITURE</b>		
Accounting	8,533	5,055
Advertising	9,948	3,563
Bank charges and interest	398	267
Computer consulting	2,066	8,116
Equipment purchases	-	3,369
Insurance	3,725	5,188
Office expense	10,045	5,143
Program supplies	2,888	3,767
Professional development	3,833	6,460
Professional fees	4,961	4,736
Rent	28,419	27,214
Salaries and benefits	376,908	365,146
Telephone	8,196	6,526
Travel	19,210	17,868
Volunteer appreciation	<u>235</u>	<u>100</u>
	<u>479,365</u>	<u>462,518</u>
 <b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSE</b>	 (2,133)	 32,935
Net assets, beginning of year	<u>99,007</u>	<u>66,072</u>
 <b>NET ASSETS, END OF YEAR</b>	 <u>\$ 96,874</u>	 <u>\$ 99,007</u>

See Accompanying Notes.

CONNECTIONS COUNSELLING AND CONSULTING FOUNDATION

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>2010</u>	<u>2009</u>
<b>CASH DERIVED FROM OPERATING ACTIVITIES</b>		
Excess ( deficiency) of revenue over expense	\$ (2,133)	\$ 32,935
Change in non-cash working capital related to operations	5,253	(3,038)
Casino proceeds	67,713	77,203
Grant proceeds	72,414	71,566
Casino recognized as revenue	(48,493)	(48,143)
Grant recognized as revenue	<u>(91,328)</u>	<u>(83,798)</u>
<b>INCREASE IN CASH</b>	3,426	46,725
Cash, beginning of year	<u>212,271</u>	<u>165,546</u>
<b>CASH, END OF YEAR</b>	<u>\$ 215,697</u>	<u>\$ 212,271</u>

See Accompanying Notes.

## CONNECTIONS COUNSELLING AND CONSULTING FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

#### 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, 2010

3. RESTRICTED CASH

Cash in the amount of \$120,054 (\$119,301 in 2009) 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>2010</u>	<u>2009</u>
PDD advance payments	\$ 30,914	\$ 31,566
Casino proceeds	69,802	77,203
Grants	41,500	40,000
Transferred to revenue	<u>(141,906)</u>	<u>(131,941)</u>
Increase(Decrease)	310	16,828
Balance beginning of year	<u>119,744</u>	<u>102,916</u>
Balance end of year	<u>\$ 120,054</u>	<u>\$ 119,744</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.