

**CONNECTIONS COUNSELLING  
AND CONSULTING FOUNDATION**

**FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

*Nelson & Co. Chartered Accountants*

*Nelson & Co.*  
*Chartered Accountants*

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

\*Denotes Professional Corporation

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**INDEPENDENT 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, 2015, 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 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.

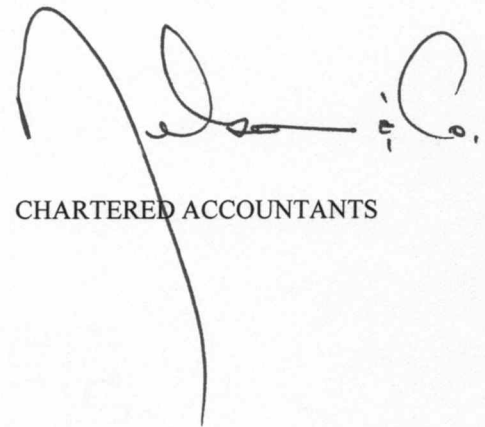
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

#### **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 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, 2015, and the result 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 17, 2016

*Nelson & Co. Chartered Accountants*

CONNECTIONS COUNSELLING AND CONSULTING FOUNDATION

STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2015

CURRENT ASSETS	2015	2014
Cash (Notes 2 and 3)	\$ 583,296	\$ 393,000
Accounts receivable (Note 4)	53,914	55,645
Employee receivable (Note 4)	-	728
Sales tax receivable	3,514	1,722
Prepaid expense	2,699	1,911
	<u>\$ 643,424</u>	<u>\$ 453,006</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 9,332	\$ 14,155
Deferred revenue (Note 5)	231,098	183,414
	<u>240,430</u>	<u>197,569</u>
NET ASSETS		
Unrestricted surplus	222,994	255,437
Internally restricted surplus (Note 6)	180,000	-
	<u>402,994</u>	<u>255,437</u>
	<u>\$ 643,424</u>	<u>\$ 453,006</u>

APPROVED BY THE BOARD:

 Director  
 Director

See Accompanying Notes.

CONNECTIONS COUNSELLING AND CONSULTING FOUNDATION

STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>2015</u>	<u>2014</u>
<b>REVENUE</b>		
Grants – United Way of Calgary	\$ 96,060	\$ 111,045
Fees for service	630,423	537,945
Donations	135,322	152,875
Casino revenue	30,144	5,299
Interest	706	384
	<u>892,655</u>	<u>807,548</u>
<b>EXPENDITURE</b>		
Accounting	10,225	5,395
Bank charges and interest	1,283	319
Communications and community outreach	18,565	20,238
Equipment purchases	251	4,170
Insurance	5,773	4,873
Office expense	10,525	14,399
Program supplies	9,906	3,510
Professional development	8,875	3,020
Professional fees	6,297	5,740
Rent	28,363	26,464
Salaries and benefits	602,987	533,018
Telephone	9,872	9,076
Travel	32,177	28,296
	<u>745,099</u>	<u>658,518</u>
<b>EXCESS OF REVENUE OVER EXPENSE</b>	147,557	149,030
Net assets, beginning of year	<u>255,437</u>	<u>106,407</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 402,994</u></u>	<u><u>\$ 255,437</u></u>

See Accompanying Notes.

*Nelson & Co. Chartered Accountants*

CONNECTIONS COUNSELLING AND CONSULTING FOUNDATION

STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>2015</u>			<u>2014</u>
	Unrestricted surplus	Internally restricted surplus	Total	
Net assets, beginning of year	\$ 255,437	\$ -	\$ 255,437	\$ 106,407
Excess of revenue over expenses	147,557	-	147,557	149,030
Transfers (Note 6)	<u>(180,000)</u>	<u>180,000</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 222,994</u>	<u>\$ 180,000</u>	<u>\$ 402,994</u>	<u>\$ 255,437</u>

See Accompanying Notes.

*Nelson & Co. Chartered Accountants*

**CONNECTIONS COUNSELLING AND CONSULTING FOUNDATION**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>2015</u>	<u>2014</u>
<b>CASH DERIVED FROM OPERATING ACTIVITIES</b>		
Excess of revenue over expense	\$ 147,557	\$ 149,030
Change in non-cash working capital related to operations:		
Accounts receivable	667	29,152
Prepaid expenses	(788)	(115)
Accounts payable and accrued liabilities	(4,823)	(133)
Casino proceeds	72,698	-
Grant proceeds	147,968	160,230
Deferred casino proceeds recognized as revenue	(30,144)	(5,299)
Deferred grant proceeds recognized as revenue	<u>(142,839)</u>	<u>(147,349)</u>
<b>INCREASE IN CASH</b>	190,296	185,516
Cash, beginning of year	<u>393,000</u>	<u>207,484</u>
<b>CASH, END OF YEAR</b>	<u><u>\$ 583,296</u></u>	<u><u>\$ 393,000</u></u>

See Accompanying Notes.

*Nelson & Co. Chartered Accountants*

## CONNECTIONS COUNSELLING AND CONSULTING FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

#### 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.

#### 1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) applied within the framework of the accounting policies summarized below.

- 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 \$1,514 in donations in kind were received.
- d) **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.
- e) **Use of Estimates**  
The preparation of the Society's financial statements requires management to make estimates and assumptions that affect 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 one year or less.
- g) **Financial Instrument Measurement**  
The Society initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.



# CONNECTIONS COUNSELLING AND CONSULTING FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

### 2. RESTRICTED CASH

Cash in the amount of \$231,098 (\$183,414 in 2014) is restricted to payment of program and certain operating costs in compliance with the Society's lottery license and commitments to grant authorities.

### 3. CASH AND TERM DEPOSITS

The cash and term deposits are reflected in the financial statements at cost and comprises:

	<u>2015</u>	<u>2014</u>
Cash	\$ 478,296	\$ 344,768
Guaranteed investment certificates bearing interest at rates of 0.65% maturing at dates up to May 2016	<u>105,000</u>	<u>48,232</u>
	<u>\$ 583,296</u>	<u>\$ 393,000</u>

### 4. RECEIVABLES

Most receivables are from government agencies under contract with little threat of impairment. During the year, \$2,240 (\$7,299 in 2014) in impairments of receivables of previously provided for accounts were recorded during the year and are recorded in office expense and wages.

### 5. DEFERRED REVENUE

Deferred revenue comprises:	<u>2015</u>	<u>2014</u>
PDD advance payments	\$ -	\$ 60,853
Casino proceeds	72,698	-
Grants	143,318	160,230
Transferred to revenue	<u>(168,332)</u>	<u>(213,501)</u>
Increase	47,684	7,582
Balance beginning of year	<u>183,414</u>	<u>175,832</u>
	<u>\$ 231,098</u>	<u>\$ 183,414</u>

Deferred revenue is held for program and operating costs.

### 6. INTERNALLY RESTRICTED SURPLUS

The Board of Directors approves all transfer of funds between the unrestricted and internally restricted funds. On February 4, 2016 the Board voted to internally restrict funds as at December 31, 2015 in the amount of \$180,000 to be set aside for emergency, program enhancement or special project as specified by the Board of Directors from time to time. Any use of these funds requires explicit approval by the Board of Directors.

### 7. DONATIONS AND FUNDRAISING

During the year the Company sponsored certain events to raise funds for general operations. Contributions reported in the statement of operations include the net revenues from these events. Gross revenue and expense related to fundraising were \$7,531 and \$2,515 (\$Nil in 2014).

## CONNECTIONS COUNSELLING AND CONSULTING FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

#### 8. 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.

#### 9. FINANCIAL INSTRUMENTS

Transacting in financial instruments exposes the Society to certain financial risk and uncertainties. These risks include:

- a) Credit Risk  
The Society is exposed to credit risk from fee for service clients who fail to honor fee assessments. As there are few individual fee for service clients billed independently of a government agency the concentration of credit risk is minimized.
- b) Interest Rate Risk  
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society's investments include fixed rate instruments with maturities of one year or less that are generally reinvested as they mature. The Society has exposure to interest rate movements that occur beyond the term of maturity of the fixed rate investments.

#### 10. 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.