

**CONFEDERATION PARK 55+ ACTIVITY CENTRE**  
**Financial Statements**  
**Year Ended December 31, 2012**



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## INDEPENDENT AUDITORS' REPORT

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To the Members of Confederation Park 55+ Activity Centre

We have audited the accompanying financial statements of Confederation Park 55+ Activity Centre, which comprise the statement of financial position as at December 31, 2012, and the statements of operations 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.

### *Auditors' 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 of Qualified Opinion*

In common with many not-for-profit organizations, Confederation Park 55+ Activity Centre derives revenue from donations and various functions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Confederation Park 55+ Activity Centre. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2012, current assets and net assets as at December 31, 2012.

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Independent Auditors' Report to the Members of Confederation Park 55+ Activity Centre (continued)

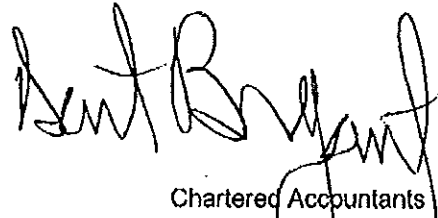
*Qualified Opinion*

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 Confederation Park 55+ Activity Centre as at December 31, 2012 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Comparative Information*

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes that Confederation Park 55+ Activity Centre adopted Canadian accounting standards for not-for-profit organizations on January 1, 2012 with a transition date of January 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including related disclosures. We were not engaged to report on the comparative information, and as such, it is unaudited.

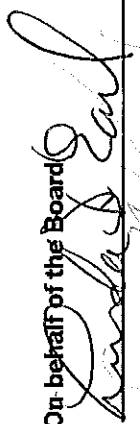

February 19, 2013



Chartered Accountants

**CONFEDERATION PARK 55+ ACTIVITY CENTRE**  
**Statement of Financial Position**  
**for the year ended December 31, 2012**

	Operating Fund 2012	Sustainability & Capital Fund 2012	Taxi Fund 2012	Total 2012	Total 2011	Total 2010
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and term deposits (Note 3)	\$ 51,896	\$ 172,824	\$ 9,074	\$ 233,794	\$ 304,023	\$ 302,552
Accounts receivable	5,904	-	-	5,904	7,497	1,035
Prepaid expenses	-	-	-	-	912	1,066
GST payable (receivable)	1,638	-	-	1,638	1,987	2,222
	59,438	172,824	9,074	241,336	314,419	306,875
<b>LIABILITIES AND FUND BALANCES</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable	4,668	-	-	4,668	2,203	6,994
Deferred Revenue - Memberships - Classes	12,302	-	-	12,302	11,350	12,130
Deferred Contributions - FCSS	-	-	-	-	14,195	14,518
Deferred Contributions - Casino	42,468	-	-	42,468	42,468	42,468
	-	-	9,074	9,074	84,165	77,049
	59,438	-	9,074	68,512	154,381	153,159
<b>FUND BALANCES</b>						
	-	172,824	-	172,824	160,038	153,715
	59,438	\$ 172,824	\$ 9,074	\$ 241,336	\$ 314,419	\$ 306,874

On behalf of the Board  Director  
 Director

Please see Notes

**CONFEDERATION PARK 55+ ACTIVITY CENTRE**  
**Statement of Revenues, Expenses and Fund Balances**  
**Year Ended December 31, 2012**

	Operating Fund 2012	Sustainability & Capital Fund 2012	Taxi Fund 2012	Total 2012	Total 2011
<b>REVENUES</b>					
Government grants	\$ 174,870	\$ -	\$ -	\$ 174,870	\$ 169,872
Memberships	19,953	-	-	19,953	20,115
President's appeal	10,406	-	-	10,406	11,202
Copier Income	253	-	-	253	232
Gazette	924	-	-	924	1,018
Fundraising and other functions	51,750	-	80,339	132,089	114,519
Class registrations	53,934	-	-	53,934	51,483
Donations and contributions	22,028	-	-	22,028	25,470
Interest and investment income	518	-	-	518	1,600
Facility rental	26,913	-	-	26,913	20,567
	<b>361,549</b>	<b>-</b>	<b>80,339</b>	<b>441,888</b>	<b>416,078</b>
<b>EXPENSES</b>					
Salaries and benefits	114,122	-	46,567	160,689	156,712
Transportation	1,059	-	18,151	19,210	19,801
Office	17,913	-	14,140	32,053	24,462
Copier and supplies	8,612	-	-	8,612	6,237
Janitorial	2,712	-	-	2,712	2,841
Fundraising and other functions	20,077	-	-	20,077	17,754
Class instruction	52,648	-	-	52,648	52,287
Telephone	3,791	-	-	3,791	4,176
Utilities & rent	69,413	-	-	69,413	67,462
Repairs and maintenance	47,201	-	-	47,201	44,520
Insurance	5,891	-	-	5,891	6,698
Audit	6,805	-	-	6,805	6,805

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Please see Notes

**CONFEDERATION PARK 55+ ACTIVITY CENTRE**  
**Statement of Revenues, Expenses and Fund Balances (continued)**  
**Year Ended December 31, 2012**

	Operating Fund 2012	Sustainability & Capital Fund 2012	Taxi Fund 2012	Total 2012	Total 2011
<b>EXPENSES (continued)</b>	350,244	-	78,858	429,102	409,755
<b>OPERATING EXCESS (DEFICIENCY)</b>	11,305	-	1,481	12,786	6,323
Interfund transfers	(11,305)	16,421	(5,116)	-	-
<b>EXCESS (DEFICIENCY) OF REVENUE</b>	-	16,421	(3,635)	12,786	6,323
FUND BALANCES, beginning of year	-	156,403	3,635	160,038	153,715
<b>FUND BALANCES, end of year</b>	\$ -	\$ 172,824	\$ -	\$ 172,824	\$ 160,038

Please see Notes

**CONFEDERATION PARK 55+ ACTIVITY CENTRE**

**Statement of Cash Flows**

**Year Ended December 31, 2012**

	Operating Fund 2012	Sustainability & Capital Fund 2012	Taxi Fund 2012	Total 2012	Total 2011
<b>OPERATING ACTIVITIES</b>					
Excess (deficiency) of revenue	\$ -	\$ 16,421	\$ (3,635)	\$ 12,786	\$ 6,323
Changes in non-cash working capital					
- Accounts receivable	1,593	-	-	1,593	(6,461)
- Accounts payable	2,465	-	-	2,465	(4,792)
- Prepaid expenses	912	-	-	912	154
- GST Payable (receivable)	349	-	-	349	235
Deferred Revenue					
- Memberships	952	-	-	952	(780)
- Classes	(14,195)	-	-	(14,195)	(323)
- Tea & conversation	-	-	9,074	(75,091)	7,116
Cash flow from operating activities	<u>(7,924)</u>	<u>16,421</u>	<u>5,439</u>	<u>(70,229)</u>	<u>1,472</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(7,924)</b>	<b>16,421</b>	<b>5,439</b>	<b>(70,229)</b>	<b>1,472</b>
CASH - beginning of year	59,820	156,403	3,635	304,022	302,551
<b>CASH - end of year</b>	<b>\$ 51,896</b>	<b>\$ 172,824</b>	<b>\$ 9,074</b>	<b>\$ 233,793</b>	<b>\$ 304,023</b>

Please see Notes

# CONFEDERATION PARK 55+ ACTIVITY CENTRE

## Notes to Financial Statements

Year Ended December 31, 2012

### 1. OVERVIEW

Confederation Park 55+ Activity Centre is a registered society and charity formed to provide educational, recreational, outreach support programs and special services to members of the community 55 years of age and older to help them maintain an independent life style.

These financial statements include the operations and resources of the Operating, Sustainability & Capital and Taxi Funds only and do not include the operations and resources of any self sufficient but directly controlled Clubs or Committees of the Centre, except for contributions received from these clubs. See Note 4 for a summary of these clubs and their activities.

### 2. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

During the year the society adopted Canadian accounting standards for not-for-profit organizations. These financial statements are the first prepared in accordance with these standards. The adoption of ASPE had no impact on net assets as at January 1, 2011 or revenues and expenditures for the year ended December 31, 2011 as previously reported in accordance with pre-changeover Canadian generally accepted accounting principles.

a) The statement of financial position at January 1, 2011 has been restated as follows:

	<i>January 1</i> 2011	Adjustment	Restated
Casino cash	\$ -	\$ 77,049	\$ 77,049
Deferred contributions- Casino	-	(77,049)	(77,049)

The adjustment reflects recording the casino bank account and activity as it is deemed to be a part of the entity under the new standards.

b) Excess of revenues over expenses for the year ended December 31, 2011 which was previously reported using Canadian generally accepted accounting principles, has been restated as follows:

	<i>December 31</i> 2011	Adjustment	Restated
Revenue	\$ 383,794	\$ 32,284	\$ 416,078
Expenses	(377,471)	(32,284)	(409,755)
Income before amortization and taxes	6,323	-	6,323
Excess of revenues over expenses	\$ 6,323	\$ -	\$ 6,323

These revenues and expenses relate to the casino net activity not previously recorded in these financial statements.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The society follows Canadian accounting standards for not for profit organizations the more significant being:

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**CONFEDERATION PARK 55+ ACTIVITY CENTRE**

**Notes to Financial Statements**

**Year Ended December 31, 2012**

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)***

Going Concern

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. The continued operation of the Centre is dependent on the continued support of government and interested individuals and groups.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Cash and Term Deposits

Term deposits are initially recorded at fair value (being cost plus accrued interest) when purchased with no subsequent adjustment.

Property and Equipment

Property and Equipment are expensed as purchased.

Deferred Revenue

Class registration fees and membership fees received in advance are recorded as deferred revenue until the class or term is completed.

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# CONFEDERATION PARK 55+ ACTIVITY CENTRE

## Notes to Financial Statements

Year Ended December 31, 2012

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Fund Accounting

Fund accounting is used to ensure the observance of the purposes, limitations, and restrictions on the use of resources made available to the organization as specified by the donors, contributors, and the Board.

The funds are summarized for reporting as follows:

#### Operating Fund

- to handle all general fund raising events, general Centre functions, class instruction and support of all other committees and clubs which are in place. It includes government grants relating to budgeted salaries, benefits, rent and utilities. Any deficits are funded by the Sustainability & Capital Fund.

#### Sustainability & Capital Fund

- to record all funds received and disbursed for property, plant and equipment acquisition and is used to fund any Operating Fund deficits. The Sustainability & Capital Fund is limited to \$500,000.

#### Taxi Fund

- to record all funds received and disbursed relating to the tea and conversation events and related travel.

#### Revenue Recognition

The Centre follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Until then, they are recorded as deferred contributions. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Fund raising and other function revenue is recorded as received. Investment income is accrued as earned. Government grants are recorded when there is a reasonable assurance that the organization had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

Contributions from the following clubs are reported net as contributions when received as opposed to consolidation of the clubs activities as the individual club activity is not considered material to these statements; Camera Club, Choir Club, Jerito! Jiver Club, Old Tyme Gliders Club and Library Club

#### Contributed Goods & Services

Management estimates that 319 (2011: 352) volunteers contribute about 24,030 (2011: 38,760) hours per year to assist the Centre in carrying out its service delivery and support activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

The society received \$2,000 gifts in kind for office expenses which are recorded at estimated fair value.

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CONFEDERATION PARK 55+ ACTIVITY CENTRE

Notes to Financial Statements

Year Ended December 31, 2012

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Fundraising Activities

Fundraising revenues and expenses are recorded specifically in the General Fund. No salary costs have been allocated to the fundraising costs.

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4. DEFERRED CONTRIBUTIONS

Certain contributions received are externally restricted and are recorded as deferred contributions until funds are expended at which time they are transferred to revenue to match the expense. A summary of the activity follows.

	Opening balances	Restricted contributions	To revenue to match expense	Ending balances
Deferred contributions- FCSS	\$ 42,468	\$ 174,870	\$ (174,870)	\$ 42,468
Deferred contributions- Casino	84,165	-	(75,091)	9,074
	<u>\$ 126,633</u>	<u>\$ 174,870</u>	<u>\$ (249,961)</u>	<u>\$ 51,542</u>

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