

**CENTRAL ALBERTA PREGNANCY  
CARE CENTRE SOCIETY**

**Financial Statements**

**Year Ended December 31, 2010**

*(Unaudited)*



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## REVIEW ENGAGEMENT REPORT

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To the Members of Central Alberta Pregnancy Care Centre Society

We have reviewed the statement of financial position of Central Alberta Pregnancy Care Centre Society as at December 31, 2010 and the statements of operations, changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the society.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

Red Deer, Alberta  
March 2, 2011

*BDO Canada LLP*

Chartered Accountants

**CENTRAL ALBERTA PREGNANCY CARE CENTRE SOCIETY**

**Statement of Financial Position**

**December 31, 2010**

*(Unaudited)*

	2010	2009
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	\$ 116,279	\$ 171,883
Petty cash accounts	250	250
Goods and services tax recoverable	2,042	2,242
Deposit on building	-	178,312
	<u>118,571</u>	352,687
CASH - KEYS (RESTRICTED)	3,647	7,716
PROPERTY AND EQUIPMENT <i>(Note 4)</i>	<u>569,184</u>	3,576
	<u>\$ 691,402</u>	\$ 363,979
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable	\$ 3,808	\$ 2,500
Current portion of long term debt <i>(Note 8)</i>	9,414	-
Deferred revenue	3,647	7,716
Deferred capital contributions	<u>175,237</u>	169,629
	192,106	179,845
NOTES PAYABLE <i>(Note 7)</i>	51,780	-
LONG TERM DEBT <i>(Note 8)</i>	<u>277,002</u>	-
	<u>520,888</u>	179,845
<b>NET ASSETS</b>		
Investment in capital assets	230,989	3,576
Unrestricted	<u>(60,475)</u>	180,558
	<u>170,514</u>	184,134
	<u>\$ 691,402</u>	\$ 363,979

**CENTRAL ALBERTA PREGNANCY CARE CENTRE SOCIETY**

**Statement of Operations**

**Year Ended December 31, 2010**

*(Unaudited)*

	2010	2009
<b>REVENUE</b>		
Amortized capital contributions	\$ 18,458	\$ -
Community raised funds	3,434	7,688
Designated revenue	1,069	1,146
Donations - general	117,476	120,482
Fundraising Operations <i>(Schedule 2)</i>	69,909	88,878
Keys Program Operations <i>(Schedule 3)</i>	202	(800)
Keys - rent	2,600	-
Teen Ed - rent	350	600
Training revenue	495	690
	<u>213,993</u>	218,684
<b>EXPENSES <i>(Schedule 1)</i></b>	<u>228,099</u>	204,419
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	<b>(14,106)</b>	14,265
OTHER INCOME	486	-
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>\$ (13,620)</b>	<b>\$ 14,265</b>

**CENTRAL ALBERTA PREGNANCY CARE CENTRE SOCIETY**

**Expenses**

**(Schedule 1)**

**Year Ended December 31, 2010**

*(Unaudited)*

	2010	2009
Advertising and promotion	\$ 12,423	\$ 11,448
Amortization	19,242	904
Benevolent	300	420
Books and literature	730	934
Client support	265	59
Computer expenses	3,177	1,392
Designated expense	1,047	1,121
Donations	1,500	1,500
Equipment rentals	2,952	2,522
Insurance	1,699	2,595
Interest and bank charges	1,082	1,496
Interest on long term debt	17,216	-
Memberships and licenses	725	840
Office	2,463	2,229
Postage	10,740	8,543
Pregnancy tests	78	9
Printing and copying	6,690	7,079
Professional fees	6,674	7,605
Rental	-	21,858
Repairs and maintenance	7,741	2,433
Retreat	130	240
Salaries and wages	117,878	113,600
Scholarship fund	-	774
Supplies	991	1,316
Telephone	4,535	4,502
Training	2,415	4,355
Utilities	2,689	2,712
Vehicle	718	-
Volunteer appreciation and gifts	379	621
Workers compensation	1,620	1,312
	<b>\$ 228,099</b>	<b>\$ 204,419</b>

CENTRAL ALBERTA PREGNANCY CARE CENTRE SOCIETY

Fundraising Operations

(Schedule 2)

Year Ended December 31, 2010

(Unaudited)

	2010	2009
<b>REVENUE</b>		
Baby bottle campaign income	\$ 40,029	\$ 43,558
Fall fundraising	40,384	55,506
Spring fundraising	3,217	5,830
	<u>83,630</u>	<u>104,894</u>
<b>EXPENSES</b>		
Baby bottle campaign supplies	915	1,654
Fall fundraising	10,637	12,145
Spring fundraising	2,169	2,217
	<u>13,721</u>	<u>16,016</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ 69,909</u>	<u>\$ 88,878</u>

CENTRAL ALBERTA PREGNANCY CARE CENTRE SOCIETY

Keys Program Operations

(Schedule 3)

Year Ended December 31, 2010

(Unaudited)

	2010	2009
<b>GRANT REVENUE</b>	<b>\$ 67,683</b>	<b>\$ 57,396</b>
<b>EXPENSES</b>		
Client support	3,818	2,393
Client travel	2,119	1,527
Course Binder	280	209
Course luncheon	1,685	1,482
Honorarium	975	700
Insurance	474	481
Office	571	181
Professional development	1,210	275
Rent	2,600	2,600
Salaries	51,502	47,942
Telephone and utilities	1,170	230
Vehicle	1,077	176
	<b>67,481</b>	<b>58,196</b>
<b>EXCESS (DEFICIENCY) OF EXPENSES OVER GRANT REVENUE</b>	<b>\$ 202</b>	<b>\$ (800)</b>

**CENTRAL ALBERTA PREGNANCY CARE CENTRE SOCIETY**

**Statement of Changes in Net Assets**

**Year Ended December 31, 2010**

*(Unaudited)*

	Investment in capital assets	Unrestricted	2010	2009
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 3,576	\$ 180,558	\$ <b>184,134</b>	\$ 169,869
Deficiency of revenue over expenses	1	(13,621)	<b>(13,620)</b>	14,265
Amortization	(19,242)	19,242	-	-
Capital asset additions	584,900	(584,900)	-	-
Capital asset disposals	(50)	50	-	-
Proceeds from long term debt	(294,570)	294,570	-	-
Proceeds from notes payable	(112,580)	112,580	-	-
Repayment of long term debt	8,154	(8,154)	-	-
Repayment of notes payable	60,800	(60,800)	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 230,989</b>	<b>\$ (60,475)</b>	<b>\$ 170,514</b>	<b>\$ 184,134</b>

**CENTRAL ALBERTA PREGNANCY CARE CENTRE SOCIETY**

**Statement of Cash Flows**

**Year Ended December 31, 2010**

*(Unaudited)*

	2010	2009
<b>OPERATING ACTIVITIES</b>		
Cash receipts from clients, donations, fundraising and grants	\$ 305,076	\$ 257,830
Cash paid to suppliers and employees	(278,790)	(198,312)
Interest received	486	-
Interest paid	(18,301)	(1,503)
Goods and services tax	199	423
Cash flow from operating activities	<u>8,670</u>	<u>58,438</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(584,901)	(1,044)
Proceeds on disposal of property and equipment	50	-
Deposit on building	178,312	(20,168)
Cash flow used by investing activities	<u>(406,539)</u>	<u>(21,212)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from long term financing	294,570	-
Proceeds from note financing	112,580	-
Repayment of long term debt	(8,154)	-
Repayment of note financing	(60,800)	-
Cash flow from financing activities	<u>338,196</u>	<u>-</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(59,673)</b>	<b>37,226</b>
Cash - beginning of year	<u>179,849</u>	<u>142,623</u>
<b>CASH - END OF YEAR</b>	<b>\$ 120,176</b>	<b>\$ 179,849</b>
<b>CASH CONSISTS OF:</b>		
Cash and cash equivalents	\$ 116,279	\$ 171,883
Cash - Keys (restricted)	3,647	7,716
Petty cash accounts	250	250
	<u>\$ 120,176</u>	<u>\$ 179,849</u>

# CENTRAL ALBERTA PREGNANCY CARE CENTRE SOCIETY

## Notes to Financial Statements

Year Ended December 31, 2010

(Unaudited)

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### 1. STATEMENT OF PURPOSE

The Central Alberta Pregnancy Care Centre Society offers support and education in a loving Christian environment to individuals and families impacted by pregnancy in the Central Alberta area. The Society is incorporated under the Society's Act of Alberta and registered as a charity with the Canada Revenue Agency and as such is exempt from income tax.

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Capital contributions

Capital contributions are deferred and amortized over the life of the capital assets purchased with them.

#### Revenue recognition

The Central Alberta Pregnancy Care Centre Society follows the deferral method of accounting for 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. Contributions of supplies and materials that are used in the normal course of operations are recorded if they would have been purchased and fair market value can be reasonably determined. Contributions of services are not recognized in the financial statements. Grants are recognized in the period to which they pertain. Restricted capital contributions will be brought into income as related assets are amortized.

#### Financial instruments

The Society utilizes various financial instruments. Unless otherwise noted, it is management's opinion that the company is not exposed to significant interest, currency or credit risks arising from these financial instruments and the carrying amounts approximate fair values.

All transactions related to financial instruments are recorded on a trade date basis.

The Society classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired. The company's accounting policy for each category is as follows:

#### Held-for-trading

This category is comprised of cash balances. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of revenue and expenditures. Transaction costs related to instruments classified as held-for-trading are expensed as incurred.

#### Other financial liabilities

Other financial liabilities includes all financial liabilities other than those classified as held-for-trading and comprises trade payables. These liabilities are initially recognized at fair value and subsequently carried at amortized cost using the effective interest rate method. Transaction costs related to other financial liabilities are expensed as incurred.

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# CENTRAL ALBERTA PREGNANCY CARE CENTRE SOCIETY

## Notes to Financial Statements

Year Ended December 31, 2010

(Unaudited)

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

#### Property and equipment

Property and equipment are stated at cost less accumulated amortization. Property and equipment are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Land		non-depreciable
Buildings	4%	declining balance method
Equipment	20%	declining balance method
Computer equipment	30%	declining balance method

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

#### 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.

#### Cash equivalents

Highly liquid investments with maturities of one year or less at date of purchase are classified as cash equivalents.

#### Cash equivalents

The Society considers its capital to be its net assets, restricted and unrestricted. Its net assets consist of unrestricted funds and investment in equipment (Note 4). The Society's objectives when managing its capital are to safeguard its ability to continue as a going concern so it can continue to provide its services to individuals and families.

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### 3. FINANCIAL INSTRUMENTS

The Society adopted CICA Handbook Section 1530, Comprehensive Income, CICA Handbook Section 3855, Financial Instruments – Recognition and Measurement. Under these new standards, all financial instruments are included on the statement of financial position and are measured either at fair value or, in limited circumstances, at cost or amortized cost.

#### Carrying amounts

Amounts recorded in the statement of financial position are referred to as "carrying amounts."

#### Fair values

The fair values of cash and cash equivalents and accounts payable approximate their carrying amounts because of the short-term maturity of these instruments.

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**CENTRAL ALBERTA PREGNANCY CARE CENTRE SOCIETY**

**Notes to Financial Statements**

**Year Ended December 31, 2010**

*(Unaudited)*

**4. PROPERTY AND EQUIPMENT**

	Cost	Accumulated amortization	2010 Net book value	2009 Net book value
Land	\$ 100,000	\$ -	\$ 100,000	\$ -
Buildings	510,263	43,821	466,442	-
Equipment	22,574	20,381	2,193	2,791
Computer equipment	10,223	9,674	549	785
	<u>\$ 643,060</u>	<u>\$ 73,876</u>	<u>\$ 569,184</u>	<u>\$ 3,576</u>

**5. LEASE COMMITMENTS**

The Society has a long term lease with respect to a photocopier. Future minimum lease payments as at December 31, 2010, are as follows:

2011	\$ 2,952
2012	1,722
	<u>\$ 4,674</u>

**6. DEFERRED CAPITAL CONTRIBUTIONS**

The Society has received donations for the purchase of a building.

	2010	2009
Opening balance	\$ 169,629	\$ 138,077
Donations received	24,067	31,552
Amortized capital contributions	(18,458)	-
	<u>\$ 175,238</u>	<u>\$ 169,629</u>

**7. NOTES PAYABLE**

	2010	2009
Note payable	\$ 11,780	\$ -
Note payable	20,000	-
Note payable	20,000	-
	<u>\$ 51,780</u>	<u>\$ -</u>

All notes are interest free, due on demand and have no set repayment terms. All parties have waived demand for repayment of the notes.

**CENTRAL ALBERTA PREGNANCY CARE CENTRE SOCIETY**

**Notes to Financial Statements**

**Year Ended December 31, 2010**

*(Unaudited)*

**8. LONG TERM DEBT**

Private mortgage repaid in blended monthly instalments of \$2,177 bearing interest of 6% and matures May 1, 2034. The loan is secured by the land and building of the organization.

Principle due in one year

	<b>2010</b>	2009
	<b>\$ 286,416</b>	\$ -
	<b>(9,414)</b>	-
	<b>\$ 277,002</b>	\$ -

Principal repayment terms are approximately:

2011	\$ 9,414
2012	9,987
2013	10,595
2014	11,240
2015	11,925
Thereafter	233,255
	<b>\$ 286,416</b>

