

# **ST ANDREWS HEIGHTS COMMUNITY ASSOCIATION**

## **FINANCIAL STATEMENTS** (Audited)

**March 31, 2011**

# ST ANDREWS HEIGHTS COMMUNITY ASSOCIATION

March 31, 2011

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## Independent Auditor's Report

To the Members of the  
St Andrews Heights Community Association

I have audited the financial statements of the St Andrews Heights Community Association as at March 31, 2011 which include the Statement of Funds and the Statements of Operations, Changes in Fund Balances, Cash Flows and a summary of significant accounting policies and other explanatory notes for the year then ended.

### Management's Responsibility

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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 judgement, 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

### **Basis for Qualified Opinion**

In common with many not for profit organizations, the St Andrews Heights Community Association derives revenue from certain fund raising activities, the completeness of which is not subject to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the St Andrews Heights Community Association and I was not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, assets and net assets.

### **Qualified Opinion**

In my opinion, except for the effects of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself of the completeness of fundraising activities, these financial statements present fairly, in all material respects, the financial position of the St Andrews Heights Community Association as at March 31, 2011 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Calgary, Alberta  
May 30, 2011

Nancy Murdoch  
Chartered Accountant



**ST ANDREWS HEIGHTS COMMUNITY ASSOCIATION**  
**STATEMENT OF FUNDS**  
(Audited)

**As at March 31, 2011**

	Operating Fund	Building Replacement Fund	Total 2011	Total 2010
<b>CURRENT ASSETS</b>				
Cash - Unrestricted	\$ 11,465	\$ 1	\$ 11,466	\$ 5,840
Externally Restricted Cash	2,476	-	2,476	2,829
Short Term Investment (Note 3)	-	86,626	86,626	-
Accounts Receivable	742	-	742	620
Prepaid Expenses	1,757	-	1,757	1,757
	<u>16,440</u>	<u>86,627</u>	<u>103,067</u>	<u>11,046</u>
Long Term Investments (Note 6)	9,670	156,858	166,528	243,780
	<u>26,110</u>	<u>243,485</u>	<u>269,595</u>	<u>254,826</u>
<b>TOTAL ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts Payable	\$ 3,870	\$ -	\$ 3,870	\$ 1,431
Deferred Cash Contribution	2,476	-	2,476	2,829
Deferred Revenue	180	-	180	355
Deposits on Hall Rentals	-	-	-	250
	<u>6,526</u>	<u>-</u>	<u>6,526</u>	<u>4,865</u>
<b>FUND BALANCES</b>				
Internally Restricted	9,670	166,529	176,199	243,918
Unrestricted	9,914	76,956	86,870	6,043
	<u>19,584</u>	<u>243,485</u>	<u>263,069</u>	<u>249,961</u>
<b>TOTAL CURRENT LIABILITIES AND FUND BALANCES</b>				
	<u>\$ 26,110</u>	<u>\$ 243,485</u>	<u>\$ 269,595</u>	<u>\$ 254,826</u>

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

\_\_\_\_\_ Director

\_\_\_\_\_ Director

See Notes to the Financial Statements

**ST ANDREWS HEIGHTS COMMUNITY ASSOCIATION**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
(Audited)

**For the Year Ended March 31, 2011**

	<b>Operating Fund</b>	<b>Building Replacement Fund</b>	<b>Total 2011</b>	<b>Total 2010</b>
Fund Balances, Beginning of the Year	\$ 6,043	243,918	249,961	238,492
Increase / (Decrease)	4,230	8,879	13,109	11,469
Fund Balances, End of the Year	<u>\$ 19,584</u>	<u>243,485</u>	<u>263,069</u>	<u>249,961</u>

See Notes to the Financial Statements

**ST ANDREWS HEIGHTS COMMUNITY ASSOCIATION**  
**STATEMENT OF OPERATIONS**  
(Audited)

**For the Year Ended March 31, 2011**

	Operating Fund	Building Replacement Fund	Totals 2011	Totals 2010
<b>REVENUE</b>				
Advertising	\$ 2,192	\$ -	\$ 2,192	\$ 2,580
Government Grants	5,708	-	5,708	16,391
Hall Rental	17,135	-	17,135	16,888
Investment Income	407	8,879	9,286	10,201
Membership	6,610	-	6,610	6,591
Paper Bins	-	-	-	37
Skating	140	-	140	-
Soccer	2,725	-	2,725	2,870
Tennis	740	-	740	835
	<b>35,657</b>	<b>8,879</b>	<b>44,536</b>	<b>56,393</b>
<b>EXPENDITURES</b>				
Audit	3,595	-	3,595	2,209
Hall Maintenance	8,095	-	8,095	7,369
Insurance	2,355	-	2,355	2,345
Life Cycle	-	-	-	5,584
New Horizons Seniors Program	353	-	353	16,391
Newsletter	2,500	-	2,500	2,396
Office	882	-	882	383
Other Activities	1,204	-	1,204	439
Rink Maintenance	1,098	-	1,098	-
Skating	278	-	278	-
Soccer	4,487	-	4,487	1,785
Bad Debts	195	-	195	-
Utilities	6,385	-	6,385	6,022
	<b>31,427</b>	<b>-</b>	<b>31,427</b>	<b>44,924</b>
<b>EXCESS OF REVENUE</b>	<b>\$ 4,230</b>	<b>\$ 8,879</b>	<b>\$ 13,109</b>	<b>\$ 11,469</b>

See Notes to the Financial Statements

**ST. ANDREWS HEIGHTS COMMUNITY ASSOCIATION**  
**STATEMENT OF CASH FLOWS - OPERATING FUND**  
(Audited)

**For the Year Ended March 31, 2011**

	<b>2011</b>	<b>2010</b>
<b>CASH GENERATED BY OR (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Excess of Revenue (Deficit)	\$ 13,109	\$ 11,469
Changes in non-cash operating working capital:		
Accounts Receivable	(122)	(350)
Accrued Interest Receivable	(6,668)	(9,864)
Prepaid Expenses	-	10
Accounts Payable and Accrued Liabilities	2,438	(893)
Deferred Revenue	(175)	355
Deposits on Hall Rentals	(250)	250
	<b>8,332</b>	<b>977</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of Short Term Investment	(86,126)	-
Maturation of Long Term Investments	83,420	(10,000)
	<b>(2,706)</b>	<b>(10,000)</b>
<b>FINANCING ACTIVITIES</b>		
Deferred Cash Contribution	(353)	2,829
<b>INCREASE/(DECREASE) IN CASH</b>	<b>5,273</b>	<b>(6,194)</b>
<b>CASH , BEGINNING OF YEAR</b>	<b>8,668</b>	<b>14,862</b>
<b>CASH, END OF YEAR</b>	<b>\$ 13,941</b>	<b>\$ 8,668</b>
 <b>Consisting of:</b>		
Cash - Unrestricted	\$ 11,465	\$ 5,839
Externally Restricted Cash	2,476	2,829
	<b>\$ 13,941</b>	<b>\$ 8,668</b>

See Notes to the Financial Statements



**ST ANDREWS HEIGHTS COMMUNITY ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Audited)

**March 31, 2011**

**1. NATURE OF THE ASSOCIATION**

St Andrews Heights Community Association (the "Association") was incorporated April 18, 1955 under the Societies Act of Alberta as a not for profit organization. The Association is exempt from income tax under Section 149 (1) (l) of the Income Tax Act of Canada.

The purpose of the Association is to promote recreational, educational, athletic and social facilities within the St Andrews Heights community.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared according to Canadian generally accepted accounting principles of which the most significant policies are:

**Fund Accounting**

The Association follows the restricted fund method of accounting for contributions.

- i) The Operating Fund accounts for the Association's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.
- ii) The Building Replacement Fund reports the assets, liabilities, revenues and expenses related to the Association's future building replacement in 2016.

**Revenue Recognition**

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. Restricted contributions related to the building replacement are recognized as revenue of the Building Replacement Fund.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

**Investments**

Investments are recorded at the lower of cost and market value. The Association intends to hold its investments to maturity. Interest is recognized on a daily basis out of the purchase discount amount and added to the original purchase cost of the investments for presentation in the financial statements. Investment income is recognized as revenue in the appropriate fund in the year in which it is earned. Gains and losses are booked to income as realized. Unrealized losses would only be recognized if a decline in market value was considered to be other than temporary.

**Property and Equipment**

Small not for profit organizations can opt to not capitalize purchases of a capital nature. During the year there were no expenditures of a capital nature (2010- \$nil).

**Financial Instruments**

The Association applies Sections 3855 "Financial Instruments – Recognition and Measurement", and 3861 "Financial Instruments – Disclosure and Presentation" of the Canadian Institute of Chartered Accountants (CICA) Handbook. As permitted by the CICA, the Association has elected not to adopt the new standards 3862 and 3863, and continues to apply Section 3861 on disclosure and presentation of the financial statements.

**ST ANDREWS HEIGHTS COMMUNITY ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Audited)

March 31, 2011

**3. SHORT TERM INVESTMENT**

	2011			2010		
	Cost	Carrying	Market	Cost	Carrying	Market
<b><u>Building Replacement Fund</u></b>						
Vancity Credit Union, Annual GIC bearing interest at 1.75% maturing December 3 2011.	\$ 86,126	86,626	86,613	-	-	-

**4. LONG TERM INVESTMENTS**

	2011			2010		
	Cost	Carrying	Market	Cost	Carrying	Market
<b><u>Operating Fund</u></b>						
Government of Province of Ontario Coupon Bond bearing interest at 4.43%, maturing January 13, 2016, face value \$11,621.	\$ 7,500	9,670	9,927	\$ 7,500	9,263	9,326
<b><u>Building Replacement Fund</u></b>						
Government of Canada Coupon Bond, bearing interest at 4.92%, matured December 1, 2010, face value \$85,714	-	-	-	58,500	83,420	85,294
Canada Saving Bond, bearing interest at .65%, maturing November 1 2018, face value \$10,000.	10,000	10,027	10,000	10,000	10,083	10,000
Royal Bank of Canada, bearing interest at 2.75%, maturing April 7, 2014, face value \$10,000.	10,000	10,000	10,152	10,000	10,132	10,061
Government of Province of Ontario Coupon Bond bearing interest at 5.22%, maturing June 2, 2014, face value \$144,759.	87,000	127,161	133,251	87,000	121,619	126,244
Government of Province of Ontario Coupon Bond bearing interest at 4.43%, maturing January 13, 2016, face value \$11,621.	7,500	9,670	9,927	7,500	9,263	9,326
	<b>114,500</b>	<b>156,858</b>	<b>163,330</b>	<b>173,000</b>	<b>234,517</b>	<b>240,925</b>
<b>Long Term Investments</b>	<b>\$ 122,000</b>	<b>166,528</b>	<b>173,257</b>	<b>\$ 180,500</b>	<b>243,780</b>	<b>250,251</b>

The Association intends to hold its investments to maturity.  
Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest, currency or credit risks arising from these financial instruments.

**ST ANDREWS HEIGHTS COMMUNITY ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Audited)

**March 31, 2011**

**5. GOVERNMENT GRANTS**

	<u>2011</u>	<u>2010</u>
<b>New Horizons Senior Program Grant</b>	\$ -	\$ 19,220
Carried forward from previous year	<b>2,829</b>	-
Contributed to Operations	<u>(353)</u>	<u>(16,391)</u>
Balance carried forward	<u><b>2,476</b></u>	<u>2,829</u>
<b>City of Calgary Life Cycle Grant</b>	<b>5,355</b>	-
Contributed to Operations	<u>(5,355)</u>	<u>-</u>
<b>Total Grants spent on Operations</b>	<u><b>\$ 5,708</b></u>	<u>\$ 16,391</u>

**6. MEASUREMENT UNCERTAINTY**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

**7. LINE OF CREDIT**

The Association has a line of credit of \$10,000 at 2.5% plus prime with First Calgary Savings. There was no outstanding liability at March 31, 2011 (Nil - 2010). The line of credit is secured by a \$10,000 Canada Savings Bond.

**8. CONTRIBUTED GOODS AND SERVICES**

Contributed services and donated items are recognized in the financial statements when the fair value can reasonable be estimated and when the services are used in the normal course of the Association's operations and would otherwise have been purchased.

A number of volunteers have made significant contributions of their time to the Association. The value of this contributed time is not reflected in these financial statements.

**ST ANDREWS HEIGHTS COMMUNITY ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Audited)

**March 31, 2011**

**9. FINANCIAL INSTRUMENTS**

Under the standards for recognizing and measuring financial instruments, all financial assets are classified into one of the following four categories: held for trading, held to maturity, loans and receivables or available for sale. All financial liabilities are classified into one of the following two categories: held for trading or other financial liabilities.

The Association's financial assets and financial liabilities are classified and measured as follows:

**Held for trading**

Cash is designated as held for trading at fair value with any subsequent changes in fair value as a charge to the statement of operations.

**Held to maturity**

Investments are designated as held to maturity and are initially recognized at fair value. Subsequently they are carried at amortized cost base based on their effective interest rates. They have fixed terms and fixed cash flows.

**Loans and receivables**

Accounts receivable are recorded at amortized cost less any impairment losses recognized and approximate their fair values due to the relatively short periods to maturity.

**Other financial liabilities**

Accounts payable and accrued liabilities are recorded at amortized cost and approximate their fair values due to the relatively short periods to maturity.

Other amounts noted on the Statement of Financial Position are not financial instruments.

The Association has not entered into any derivative transactions. In addition, the Association's contractual arrangements do not have any embedded features.

It is management's opinion, that the Association is not exposed to significant interest, currency, price or credit risks arising from these financial instruments.

**10. MANAGEMENT OF CAPITAL**

The Association defines its capital as the amounts included in its fund balances, which includes both restricted and unrestricted amounts. Restricted amounts include contributions whose use has been specified by an outside party. Management believes it is in compliance with the restrictions on these funds.

The Association's objective when managing its capital is to safeguard the Association's ability to continue as a going concern so that it can continue to provide the appropriate level of service to its members and community.