

Financial Matters

Treasurer's Report to the North Glenora Community League
Annual General Meeting
March 13, 2012

FY 2011

Revenues and Expenditures

The books for 2011 have been sent to Jestin, Gibson, & Ollis (accountants) and are expected to be completed in time for the AGM. At the time of preparation of this report, the books were not completed so numbers may be slightly different than numbers prepared by the accountant.

For this meeting a **Profit and Loss Statement**, which provides a summary of the actual revenue and expenses for the 2011 fiscal year will be included in Appendix "B." Appendix "B" will be the report from Jestin, Gibson & Ollis if available in time for the AGM on March 13th. If not available, the Profit and Loss Statement will be based on draft numbers prepared through Quickbooks.

Summary of Budget Items

The highlights of the 2011 year are presented below and make reference to the figures presented in the Profit and Loss Statement, as well as those presented in the 2011 Budget. With reference to 2011 Budget and Actuals where for each item, its income and associated expenses are grouped together and a net balance is specified. The descriptions related to the items that follow are presented in the order in which they appear in Appendix "A" titled Annual Budget 2012.

Community Services

- The Newsletter is an essential service provided to our members and is always expected to run at a deficit, although it does take in some revenue from advertising. The deficit was \$4766.47 (\$86.47 more than expected). This is largely due to revenue being \$55.95 less than project and expenses being \$30.52 more than predicted.
- Income from Memberships was \$1098.71 higher than expected.
- Community Swim expenses were up \$315.
- Community Skating/Rink service was not offered in 2011. \$20.74 was used in 2011 as a carryover from 2010 programs.
- Casino Funds were \$12,105 more than projected. More eligible expenditures were made in 2011 than had been projected.

Community Programs

- The total budget for Community Programs was for a surplus of \$3362, while the actual came in at a deficit of \$2907.
- Playschool had an actual surplus of \$561 while it had been forecasted to break even.
- Family Activities did not have a coordinator this year which resulted in changes to the program including the cancellation of the annual turkey dinner. In addition, a port-a-potty was rented for the summer months due to the rink shack bathroom not being available. Overall, expenses were still \$320 under budget and revenues were \$1880 under budget.
- Soccer was expected to lose \$63, but instead made \$603. Part of this was due to a refund for the Tim Horton's jamboree and higher enrolment than expected.
- 45 Plus brought in a net amount of \$689 when they were budgeted to bring in \$120.
- The Adult Committee budget had a number of activities including Scrap-to-it and the Pub night. All expenses are expected to be offset by revenue. In total there was \$82 of expenses that were not offset.
- Grants: The STEP grant was \$1834 which was \$1126 lower than expected. The maintenance grant was not applied for but the budget from last year expected to earn \$1800 from it.

Support Services

- Hall Revenue (rental income) was higher than expected by \$775. We had a Hall Booking Coordinator for most of 2011 which helped to ensure consistent rentals.
- Payroll (summer): The STEP Grant was used to offset some of the costs of hiring a supervisor for the Summer Playground Programs. The payroll was budgeted at \$4,200, but was lower at \$3,654.
- Payroll (Office Manager): The community league hired an office manager in late 2010 to assist the executive positions with a variety of tasks including bookkeeping, filing, invoicing, and assorted mail work. The cost for the year was \$9,273.
- As with last year, \$30,000 was budgeted for the rink demolition which has not yet happened. As a result, the actual expenses for hall and grounds was lower than expected. Hall equipment repairs was \$1583.22 over budget because the executive approved the replacement of the toilets. Janitorial was \$210.94 under budget. At the time of preparing this report, we were in discussion with the accountant about final depreciation numbers but is approximately \$1300 more than budgeted.
- Bank charges were lower than expected by \$256. The CRA issued a penalty of \$2500 for overdue filing of 2010 financials. However; an appeal has been submitted requesting relief on this charge.

- Licenses/Fees were higher than expected because SOCAN fees were paid for two years and domain registration of the NGCL website was paid for 3 years.
- Insurance costs were \$352.50 more than expected.
- Grounds utilities were higher than expected due to a flooding incident in the rink shack.

Bank Account Balances and Investments

The balances in our various bank accounts as at December 31, 2011 are listed below. As stated previously, we are restricted in terms of what we can spend the funds of certain accounts on due to the source of those funds (e.g. AGLC). We have no investments at this time.

TD Casino Account \$ 8,806.45
TD General Account \$ 123,880.42
RBC Casino Account \$ 36,357.08

FY 2012: Proposed Budget

The 2012 budget spreadsheet is attached at the end of this report marked as Appendix "B."

Summary of Budget Items

Note: Most items for which there is both no expected revenue or expense, or for which the projected figures correspond closely to 2011 actuals are not described below; consult spreadsheet for details.

Community Services

Newsletter/Publicity/Welcoming: 10 issues including printing, carrier fees, and supplies.

Projected Revenue	3,010
Projected Expenses	(7,682)

Membership: based on historical information.

Projected Revenue	7,820
Projected Expensed	(628)

Community Swimming: As in previous years, a free Sunday swim (at specified hours) at the MacEwan pool is included with the NGCL membership. While the swim is free to the members, it is part of the League's expense in providing it.

Projected Expense	(1,600)
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Grounds: Community Skating Rink: Funds of \$30,000 will be allocated for the demolition of the rink. Other Grounds expenses are projected to be:

Gas	1,500
Power	2,500
Flower bed, repairs, Misc.,	1,250

Casino: Casino funds are recognized as revenue when qualified expenditures are made, rather than when the funds are received. Estimated qualified expenditures for 2012 will be \$35,000.

Historian: based on historic figures for film development and archival storage devices.

Projected Expenses	(400)
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Appreciation Events: This category now includes two items: The President's Recognition Event and the Volunteer Appreciation Dinner (based on historic information)

Appreciation Event Revenue	350
Appreciation Event Expenses	(2,350)

Garage/Garbage Sale:

Projected Revenue	500
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Operation Grant: based on 2011 actuals

Projected Revenue	8,830
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Community Programs

45 Plus:

Projected Revenue	1,250
Projected Expenses	(650)

NGCL Playschool: Based on 3 days a week of instruction.

Projected Revenue	16,000
Projected Expense	(16,000)

Family Committee/Activities: includes the activities proposed by the Family Programs Chair (summer programs for children, Movie Nights (i.e., free movies for young children), Coronation t-shirt subsidy and indoor playground

Projected Revenue	0
Projected Expenses	(1,860)

Adult Committee: includes pub nights, yoga and other classes.

Projected Revenue	6,600
Projected Expenses	(6,600)

Soccer: Includes projected enrolment, fees, yearend BBQ costs and expected equipment replacement costs.

Projected Revenue	5,400
Projected Expenses	(5,485)

Program Grants – STEP Grant: based on 2011 information.

Projected Revenue	1,960
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Support Services

Hall Revenue: Based on historic information.

Projected Revenue 15,000

Payroll (not including STEP Grant): Based on 2011 expenses for one summer student.

Projected Expense 4,000

Payroll (Office Manager): Based on 2011 numbers.

Projected Expense 10,000

Hall Expenses – Equipment Repairs/Upgrades: Based on 2011 numbers.

Projected Expense 7,400

Administrative – Office: Based on historical information.

Projected Expenses 1,500

Capital Expenditures: There were no capital expenditures included on any of the budget submissions.

Appendix A: 2012 Budget

		2012 Budget
Income		
	45 Plus income	1,250
	Adult Activity Income	6,600
	Advertising News Letter Income	3,010
	Appreciation Dinner Income	350
	Casino Income	35,000
	Donations income	0
	Family Activity income	0
	Garbage/Garage Sale Income	500
	Hall Rental	
		Hall Rental Damage Deposits 0
		Hall Rental Paid 15,000
	Total Hall Rental	15,000
	Interest	50
	Membership Income	7,820
	Office photo copier income	20
	Operations Grant	8,830
	STEP Grant	1,960
	Playschool income	
		Playschool Fundraising Fees 6,000
		Playschool monthly fees 9,400
		Playschool Reg fee 600
		Playschool income - Other
	Total Playschool income	16,000
	Soccer Income	5,400
	Total Income	101,790
Expense		
	45 Plus Activities	650
	Accounting Fees	3,100
	Admin - Bank Charges	100
	Admin - Depreciation	14,505
	Admin - Insurance	3,794
	Admin - Licenses/Fees	1,610
	Admin - Meeting Expenses	700
	Admin - Office Supplies	1,500
	Adult Activity Expense	6,600
	Advertising Newsletter Expense	7,682
	Appreciation Dinner Expense	2,350
	Community Swim Expense	1,600
	Family Activity Expenses	1,860
	Grounds-Equipment Repairs/Upgrd	31,250
	Grounds-Gas	1,500
	Grounds-Power	2,500
	Hall-equipment repairs/upgrades	7,400
	Hall - Gas	3,400
	Hall - Janitorial	12,000
	Hall - Kitchen Supplies	250
	Hall - Power	5,500
	Hall - security	720
	Hall - Telephone, internet	1,380
	Historian expense	400
	Hockey/Rink Program Expense	0
	Memberships expense	628
	Office Manager Payroll	10,000
	Payroll-Summer (STEP Program)	4,000
	Playschool Expenses	16,000
	Security (Neighbourhood)Committee	100
	Soccer Expenses	5,485
	Total Expense	148,563

Appendix B: Profit and Loss Statement

NORTH GLENORA COMMUNITY LEAGUE

Financial Statements

Year Ended December 31, 2011

(Unaudited)

GARRY B. OLLIS PROF. CORP.

Chartered Accountant

REVIEW ENGAGEMENT REPORT

To the Members of North Glenora Community League

We have reviewed the statement of financial position of North Glenora Community League as at December 31, 2011 and the statements of operations 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 company.

In common with many not for profit organizations, the Association derives receipts from public donations and fund raising activities, the completeness of which is not susceptible to satisfactory review. Accordingly, our review of those receipts was limited to the amounts recorded in the records of the association and we were not able to determine whether any adjustments might be necessary to these financial statements.

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.

Edmonton, Alberta
February 21, 2012



CHARTERED ACCOUNTANT

NORTH GLENORA COMMUNITY LEAGUE

Statement of Financial Position

December 31, 2011

(Unaudited)

	<u>2011</u>	<u>2010</u>
ASSETS		
CURRENT		
Cash (Note 4)	\$ 162,913	\$ 123,086
Amounts receivable	725	1,071
Prepaid expenses	<u>2,127</u>	<u>2,215</u>
	165,765	126,372
PROPERTY, PLANT AND EQUIPMENT (Note 5)	<u>217,812</u>	<u>233,222</u>
	<u>\$ 383,577</u>	<u>\$ 359,594</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 4,768	\$ 7,498
Deposits received	500	738
Deferred casino contributions (Note 6)	<u>40,910</u>	<u>16,945</u>
	46,178	25,181
NET ASSETS (Note 7)	<u>337,399</u>	<u>334,413</u>
	<u>\$ 383,577</u>	<u>\$ 359,594</u>

ON BEHALF OF THE BOARD

 _____ Director

 _____ Director

NORTH GLENORA COMMUNITY LEAGUE**Statement of Operations****Year Ended December 31, 2011***(Unaudited)*

	2011	2010
REVENUE		
Casino Income <i>(Note 6)</i>	\$ 48,105	\$ 34,203
Playschool Income	17,038	20,156
Hall rental income	15,775	11,834
Operations grant	8,830	6,334
Membership income	7,905	6,648
Soccer	5,303	4,725
Newsletter advertising	3,544	5,544
Adult activity	3,409	259
Donations	1,873	250
Programs Grant	1,834	1,960
Miscellaneous	1,339	561
45 Plus	717	475
Family activity	170	832
Interest	157	24
	<u>115,999</u>	<u>93,805</u>
PROGRAM EXPENSES		
Playschool Expenses	16,477	17,424
Newsletter expense	8,311	7,287
Soccer expenses	4,700	4,829
Children's program expenses	3,654	3,974
Adult activity expenses	3,491	284
Family activity expenses	3,110	2,849
Community swim expenses	1,575	1,260
45 Plus	28	130
	<u>41,346</u>	<u>38,037</u>
	74,653	55,768
GENERAL EXPENSES <i>(Schedule 1)</i>		
	<u>71,667</u>	<u>56,615</u>
EXCESS (DEFICIENCY) OF REVENUE OVER GENERAL EXPENSES BEFORE ASSET WRITEDOWN	2,986	(847)
WRITEDOWN OF RESIDUAL BOOK VALUE OF RINK	-	3,000
EXCESS (DEFICIENCY) OF REVENUE OVER GENERAL EXPENSES	<u>\$ 2,986</u>	<u>\$ (3,847)</u>

NORTH GLENORA COMMUNITY LEAGUE**Statement of Cash Flows****Year Ended December 31, 2011***(Unaudited)*

	<u>2011</u>	<u>2010</u>
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over general expenses	\$ 2,986	\$ (3,847)
Items not affecting cash:		
Amortization of property, plant and equipment	15,891	18,043
Writedown of rink	-	3,000
	<u>18,877</u>	<u>17,196</u>
Changes in non-cash working capital:		
Deferred casino contributions	23,965	(34,203)
Amounts receivable	346	4,547
Prepaid expenses	88	(12)
Deposits received	(238)	(187)
Accounts payable	(2,731)	3,669
	<u>21,430</u>	<u>(26,186)</u>
Cash flow from (used by) operating activities	<u>40,307</u>	<u>(8,990)</u>
INVESTING ACTIVITY		
Purchase of property, plant and equipment	<u>(480)</u>	<u>(3,621)</u>
INCREASE (DECREASE) IN CASH FLOW	39,827	(12,611)
Cash - beginning of year	<u>123,086</u>	<u>135,697</u>
CASH - END OF YEAR	<u>\$ 162,913</u>	<u>\$ 123,086</u>

NORTH GLENORA COMMUNITY LEAGUE

Notes to Financial Statements

Year Ended December 31, 2011

(Unaudited)

1. DESCRIPTION OF OPERATIONS

North Glenora Community League (the "Association") is a not-for-profit association.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

The Association 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. As membership and participation in programs is voluntary, fees are recognized when received.

Contributed Services

The donated services of volunteers assist the Association in the performance of its objectives. Because of the difficulty of determining the fair value of contributed services, they are not recognized in the financial statements.

Capital assets

Expenditures for assets that are expected to provide service to the Association's members beyond one year are capitalized and amortized as follows:

Buildings	4%	declining balance method
Playground equipment	20%	declining balance method
Rink, shack and parking lot	5%	declining balance method
Hall equipment	20%	declining balance method
Rink equipment	20%	declining balance method
Sports equipment	20%	declining balance method
Computer equipment	30%	declining balance method

Income Taxes

The association is a not-for-profit organization and is exempt from income taxes.

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 include providing for amortization of property, plant and equipment. Actual results could differ from these estimates.

NORTH GLENORA COMMUNITY LEAGUE

Notes to Financial Statements

Year Ended December 31, 2011

(Unaudited)

3. FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash, term deposits, and accounts payable. 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. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

4. RESTRICTED CASH

Included in cash in bank are casino funds of \$41,021 (2010 - \$16,945) which are restricted to expenditures approved by the Alberta Gaming and Liquor Commission pursuant to the Association's casino gaming application.

5. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2011 Net book value	2010 Net book value
Buildings	\$ 496,387	\$ 317,081	\$ 179,306	\$ 186,777
Playground equipment	162,686	147,315	15,371	19,213
Rink, shack and parking lot	72,436	66,974	5,462	5,592
Hall equipment	95,625	81,055	14,570	17,908
Rink equipment	8,222	6,926	1,296	1,620
Sports equipment	7,937	6,733	1,204	1,505
Computer equipment	1,748	1,145	603	607
	<u>\$ 845,041</u>	<u>\$ 627,229</u>	<u>\$ 217,812</u>	<u>\$ 233,222</u>

6. DEFERRED CASINO CONTRIBUTIONS

The Alberta Gaming and Liquor Commission approves and issues licences for casino events and the proceeds must be used on approved expenditures as stated in the casino application.

	2010	Funds received or receivable	Recognized as revenue during the year	2011
Casino	\$ 16,945	\$ 72,070	\$ 48,105	\$ 40,910

NORTH GLENORA COMMUNITY LEAGUE

Notes to Financial Statements

Year Ended December 31, 2011

(Unaudited)

7. NET ASSETS

Net assets consist of the following:

	<u>2011</u>	<u>2010</u>
Invested in capital assets	\$ 217,812	\$ 233,223
Unrestricted net assets	<u>119,587</u>	<u>101,190</u>
Net Assets	<u>\$ 337,399</u>	<u>\$ 334,413</u>

8. CONTINGENT LIABILITY

The league is obligated to tear down and remediate the rink area. The members (at the 2010 annual general meeting) approved expenditures of up to \$30,000 to complete this work. As the actual cost cannot be reasonably estimated, no allowance has been made for these costs in the books of the community league.

NORTH GLENORA COMMUNITY LEAGUE**General expenses***(Schedule 1)***Year Ended December 31, 2011***(Unaudited)*

	2011	2010
Amortization	\$ 15,891	\$ 18,043
Utilities	13,398	10,558
Janitorial	11,789	11,606
Salaries and wages	9,273	2,013
Landscaping and maintenance	7,224	1,368
Insurance	3,442	3,518
Professional fees	3,098	3,345
Advertising and promotion	2,088	1,904
Office	1,898	523
Telephone	1,320	971
Licenses and fees	931	998
Security	553	573
Meeting expense	542	111
Interest and bank charges	191	547
Supplies	29	537
	\$ 71,667	\$ 56,615