

WEDGEWOOD RAVINE HOME OWNERS ASSOCIATION
FINANCIAL STATEMENTS
APRIL 30, 2013

	Page#
Auditors' Report	1
Statement of Financial Position	2
Statement of Operating Fund	3
Statement of Cash Flows	4
Notes to Financial Statements	5-6

G. Ruhl Professional Corporation

Chartered Accountant

Garry Ruhl, B.Ed., C.A.

Telephone (780) 463-8425

Fax (780) 462-6165

305, 4209 - 99 street

Edmonton, Alberta

T6E 5V7

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WEDGEWOOD RAVINE HOME OWNERS ASSOCIATION

I have audited the accompanying financial statements of Wedgewood Ravine Home Owners Association which comprise the statements of financial position as at April 30, 2013, and April 30, 2012 and opening statement of financial position as of May 1, 2011 and the statements of operations and changes in net assets for the operating fund and cash flows for the years ended April 30, 2013 and April 30, 2012, and the related notes, which comprise 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audits 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.

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

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Wedgewood Ravine Home Owners Association as at April 30, 2013 and April 30, 2012 and opening statement of financial position as of May 1, 2011 and the results of its operations and changes in net assets and cash flows for the years ended April 30, 2013 and April 30, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.



G. RUHL PROFESSIONAL CORPORATION
Chartered Accountant

EDMONTON, Alberta
November 14, 2013

WEDGEWOOD RAVINE HOME OWNERS ASSOCIATION
STATEMENT OF FINANCIAL POSITION
APRIL 30, 2013

ASSETS

	<u>April 30,</u> <u>2013</u>	<u>April 30,</u> <u>2012</u>	<u>May 1,</u> <u>2011</u>
CURRENT			
Cash and cash equivalents (Note 4)	\$ 163,063	\$ 170,052	\$ 146,061
Membership levies receivable	1,500	2,184	2,124
Other accounts receivable	732	-	-
Prepaid expenses	<u>446</u>	<u>-</u>	<u>-</u>
	<u>\$ 165,741</u>	<u>\$ 172,236</u>	<u>\$ 148,185</u>

LIABILITIES AND NET ASSETS

CURRENT			
Accounts payable	\$ 10,315	\$ 1,785	\$ 1,769
Deferred revenue	<u>-</u>	<u>14,800</u>	<u>15,800</u>
	<u>10,315</u>	<u>16,585</u>	<u>17,569</u>
NET ASSETS			
Unrestricted operating fund (Page 3)	<u>155,426</u>	<u>155,651</u>	<u>130,616</u>
	<u>155,426</u>	<u>155,651</u>	<u>130,616</u>
	<u>\$ 165,741</u>	<u>\$ 172,236</u>	<u>\$ 148,185</u>

(See accompanying notes)

APPROVED BY THE BOARD:


 _____ Director

**WEDGEWOOD RAVINE HOME OWNERS ASSOCIATION
STATEMENT OF OPERATING FUND OPERATIONS AND
CHANGE IN OPERATING FUND BALANCE
FOR THE YEAR ENDED APRIL 30, 2013**

	2014 Budget (Unaudited) (Note 8)	2013 Total	2012 Total
REVENUE			
Members levies	\$ 124,250	\$ 98,485	\$ 96,165
Community league maintenance grant	20,000	20,000	20,000
Investment interest	1,500	1,282	1,378
Other income	<u>-</u>	<u>900</u>	<u>-</u>
	<u>145,750</u>	<u>120,667</u>	<u>117,543</u>
EXPENSES			
General and administrative:			
Professional fees	14,600	13,159	7,064
Other administrative expenses	5,400	1,556	2,784
Insurance and appraisal	2,700	2,228	2,674
Property taxes	120	150	104
Maintenance:			
Landscaping	54,380	49,037	44,509
Fences	5,300	8,453	3,686
Fountain	1,300	5,316	3,074
Garbage removal	4,000	3,826	3,583
Snow removal	2,500	2,802	1,181
Park and recreational facilities:			
Community league maintenance	20,000	20,000	20,000
Light up Wedgewood	5,350	5,051	1,171
Utilities	<u>1,800</u>	<u>1,922</u>	<u>2,678</u>
	<u>117,450</u>	<u>113,500</u>	<u>92,508</u>
EXCESS OF REVENUES OVER EXPENSES	28,300	7,167	25,035
LESS: MAJOR CAPITAL EXPENSES			
Signage	<u>20,000</u>	<u>7,392</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 8,300</u>	(225)	25,035
OPERATING FUND BALANCE BEGINNING OF YEAR		<u>155,651</u>	<u>130,616</u>
OPERATING FUND BALANCE END OF YEAR		<u>\$ 155,426</u>	<u>\$ 155,651</u>

(See accompanying notes)

**WEDGEWOOD RAVINE HOME OWNERS ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30, 2013**

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from members levies	\$ 83,085	\$ 95,165
Cash received from maintenance grant	20,000	20,000
Interest and other income received	2,734	1,318
Cash paid to suppliers	<u>(112,808)</u>	<u>(92,492)</u>
	<u>(6,989)</u>	<u>23,991</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE YEAR	 (6,989)	 23,991
 CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	 <u>170,052</u>	 <u>146,061</u>
 CASH AND CASH EQUIVALENTS END OF YEAR	 <u>\$ 163,063</u>	 <u>\$ 170,052</u>
 REPRESENTED BY:		
Cash and cash equivalents (Note 4)	<u>\$ 163,063</u>	<u>\$ 170,052</u>

(See accompanying notes)

**WEDGEWOOD RAVINE HOME OWNERS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2013**

1. NATURE OF OPERATIONS

The Wedgewood Ravine Home Owners Association was incorporated on March 17, 1994 under the Societies Act of Alberta without share capital. The objective of the association is to own, repair and maintain the common property within the residential development.

2. ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

Effective May 1, 2011, the Association adopted the requirements of the Canadian Institute of Chartered Accountants (CICA) Handbook - Accounting, electing to adopt the new accounting framework: Canadian accounting standards for not-for-profit organizations. These are the Association's first financial statements prepared in accordance with these accounting standards for not-for-profit organizations which have been applied retrospectively. The accounting principles set out in the following significant accounting policy note have been applied in preparing financial statements for the year ended April 30, 2013, the comparative information presented in these financial statements for the year ended April 30, 2012 and in the preparation of an opening statement of financial position May 1, 2011 (the Association's date of transition).

The Association issued financial statements for the year ended April 30, 2012 using generally accepted accounting principles prescribed by the CICA Handbook - Accounting XFI. The adoption of accounting standards for not-for-profit organizations had no impact on the previously reported assets and liabilities of the Association, and accordingly, no adjustments have been recorded in the comparative statement of financial position, statements of operations and changes in net assets of the operating fund. Certain of the Association's disclosures included in these financial statements reflect the new disclosure requirements of Canadian accounting standards for not-for-profit organizations.

3. SIGNIFICANT ACCOUNTING POLICIES

Wedgewood Ravine Home Owners Association follows the Canadian accounting standards for not-for-profit organizations.

a) Revenue recognition:

Association levies related to general operations are recognized as revenue of the operating fund as billed to the members by the Association. Billings for the association levies consist of estimates of yearly charges based on an approved budget. All expenses are recognized as incurred.

b) Contributed services:

Volunteer services contributed on behalf of the Association in carrying out its operating activities are not recognized in these financial statements due to the difficulty of determining their fair value.

c) Use of estimates:

The preparation of the financial statements of the Association are in conformity with generally accepted accounting principles that 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. Actual results could differ from those estimates.

WEDGEWOOD RAVINE HOME OWNERS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2013

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Financial instruments:

The Association's financial instruments consist of cash and cash equivalents, membership levies receivable, other accounts receivable and accounts payable. It is management's opinion that the Association is not exposed to significant interest or credit risks arising from these financial statements. The carrying values of these financial instruments, due to their short term nature, approximate their fair values, unless otherwise noted.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of the following:

Cash held in current bank accounts	\$ 27,598
Term deposits	134,575
Accrued interest	<u>890</u>
	<u>\$ 163,063</u>

5. BUDGET FIGURES

While not forming part of the audited financial statements, subsequent year budget figures are included for information purposes.

6. CAPITAL MANAGEMENT

The Association's objectives when managing capital are to protect its ability as a going concern and maintain sufficient capital to pay its monthly operating costs and provide for future replacements of capital expenditures. The Association's capital is comprised of its operating fund unrestricted net assets.

The Association prepares an annual budget of operating costs and repairs with expected funding sources. This budget is approved by the Board of Directors.

In order to maintain sufficient capital for operations, the association may increase membership levies.

7. COMPARATIVE FIGURES

- a) Certain 2012 figures have been reclassified to conform to the presentation adopted in the current year.
- b) The 2012 figures presented in these financial statements for comparative purposes were audited by accountants other than G. Ruhl Professional Corporation.