

Date: November 29, 2011  
From: Susan Duncan, Treasurer HCA  
To: Hawkwood Community Association Members  
Subject: Summary of Financial Position for the Year ended July 31, 2011

The Hawkwood Community Association's (HCA) financial position as of July 31, 2011 has continued to remain strong. Unrestricted cash at the end of the year amounted to \$46,840 down slightly from \$48,900 at the end of the prior fiscal year end. Current liabilities (excluding deferred cash contributions) amounted to \$3,250. As a result, the Association's working capital balance (current assets less current liabilities) remains abundantly sufficient to fund regular community activities for the foreseeable future.

Externally restricted cash on the balance sheet totaled \$458,479 up from \$452,230 at the end of the prior fiscal year due to interest earned on these funds. These funds represent the unspent portion of casino and grant funding. Spending from these restricted accounts must be directed to pre-approved projects currently being executed or planned by the HCA. As of July 31, 2011, all of the restricted funds on the balance sheet are ear-marked to fund HCA's planned infrastructure improvements at the Hawkstone fields which currently envision skating rinks and tennis courts. Subsequent to the year end, HCA was required to repay a grant from the Alberta Lottery Fund in the amount of \$28,813 as our application to extend the deadline to spend these funds was denied.

For the fiscal year ended July 31, 2011, the HCA's operations resulted in an excess of revenue over expenses totaling \$4,114 up from \$1,934 in the prior fiscal year.

Total revenue was down over 49% in the year totaling \$32,843 compared to \$63,931 in the previous fiscal year. The significant decrease in revenue for the current fiscal year is due mainly to grants received from the Alberta Gaming and Liquor Control Board to fund the playground in Hawkville Close (\$27,339) and well as a grant from the City of Calgary (\$1,700) in 2010. Membership fees were down from \$9,655 in 2010 to \$7,268 in the current year due primarily to our lower memberships sold in conjunction with sports registration (soccer, skating, basketball etc). Sports and recreation revenues were also down from \$12,305 in 2010 to \$11,395 in 2011 due to decreased soccer enrollment.

Total expenditures for the fiscal year ended July 31, 2011 totaled \$28,719 down up 54% from the prior year. Again the main reason for the increase is due to the Hawkville playground in 2010 which was constructed in the year for a total cost of \$29,737. Sports and recreation expenses decreased due to the decreased soccer enrollment while amortization costs increased due to the construction of a new shed at the end of the prior fiscal year. Other significant variances include a reduction in storage fees due to construction of our shed, reduction in community events due to increased sponsorship and an increase in administration costs due to website hosting fees, bank charges to allow payment of soccer and membership fees by EFT and software fees for community databases.