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AUDITOR'S REPORT

To the members of Sri Murugan Society of Alberta

I have audited the Balance Sheet of Sri Murugan Society of Alberta as on April 30, 2010 and the Statements of Revenue and Expenses for the year then ended. These financial statements are the responsibility of the Sri Murugan Society of Alberta and my responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. These standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall statement presentation.

In common with many non-profit organizations, the Society derives revenues from various sources, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification was limited to the amounts recorded in the books of the Society and I was not able to determine whether any adjustments might be necessary to revenues, net income, assets and members equity

In my opinion, except for the effect of adjustments, if any, which I might have decided necessary, had I been able to satisfy myself on the completeness of revenues referred to above, these financial statements present fairly in all material respects, in accordance with generally accepted accounting principles, the financial position of Sri Murugan Society of Alberta as on April 30, 2010 and the results of its activities for the year then ended.

Calgary

June 5, 2010

Original signed by Mukesh Shah, CMA

Sri Murugan Society of Alberta

Balance Sheet as at April 30, 2010

	<u>Note</u>	<u>2010</u>	<u>2009</u>
ASSETS			
<u>Current Assets:</u>			
Cash at Bank - General Account		27,393	24,812
Cash at Bank - Casino Account		<u>2,422</u>	<u>3,936</u>
		29,815	
Short Term Investments - Guaranteed Investment Certificate	1	470,075	456,800
Short Term Investments - Canadian Government Bonds	1	-	4,360
Current Account with SMS_INCA_Bengali-Vedanta	2	5,936	4,929
Accounts Receivable	3	<u>2,892</u>	<u>6,732</u>
		478,903	
<u>Long Term Investments</u>			
Common Shares in First Calgary Bank	4	1,103	833
Equity in common land	5	<u>182,939</u>	<u>175,295</u>
		184,042	
		<u>692,760</u>	<u>677,697</u>
TOTAL ASSETS			
<u>LIABILITIES & EQUITY</u>			
<u>LIABILITIES</u>			
Advance from Sai Centre towards land purchase	6	51,693	51,693
		51,693	
<u>EQUITY</u>			
Retained earnings b/f		626,004	528,322
Retained earnings for this period		<u>15,063</u>	<u>97,682</u>
		641,067	
		<u>692,760</u>	<u>677,697</u>
TOTAL LIABILITIES AND EQUITY			

On behalf of the Board

Original signed by President

Original signed by Treasurer

Sri Murugan Society of Alberta

Statement of Revenue & Expenses

For the 12 month period May 1, 2009 to April 30, 2010

<u>2009</u>	<u>Revenue</u>	<u>2010</u>	<u>Note</u>
240	Memberships	500	
9,870	Donations	7,393	
3,405	Till collections	3,152	
13,212	Bank interest	9,070	
78,631	Income from casino pool	2,090	
-	Fund raising activity - Isai Thendral III	3,390	7
<u>105,358</u>	Total Revenue	<u>25,595</u>	
83	<u>Expenses</u>		
695	Bank charges	96	
250	Administrative Expenses	502	
1,618	Service Activities	266	8
1,300	Special functions / festivals	2,489	9
2,040	Hall rent	1,300	
-	Casino Expenses	2,158	
1,690	Fund raising activity expenses	2,134	7
7,676	Land Upkeep & Maintenance	1,587	10
	Total Expenses	<u>10,532</u>	
<u>97,682</u>	Excess of Revenue over Expenses	<u>15,063</u>	

Sri Murugan Society of Alberta

**Notes to the Financial Statements
April 30, 2010**

Last year's numbers have been reclassified where necessary, to make comparisons meaningful.

Note 1 Short Term Investments
a) Guaranteed Investment Certificates

SI. No.	Balance 1-May-09	Interest Received	Utilized in the year	Invested in the year	Balance 30-Apr-10	Maturity Date	Interest Rate	Interest accrued
1	\$ 83,527	\$ 2,717	\$ -	\$ -	\$ 86,244	30-Sep-10	1.00%	\$ 287
2	\$ 35,294	\$ 1,147	\$ -	\$ -	\$ 36,441	1-Oct-10	1.00%	\$ 120
3	\$ 104,259	\$ 3,388	\$ -	\$ -	\$ 107,647	10-Oct-10	1.00%	\$ 327
4	\$ 32,285	\$ 1,049	\$ -	\$ -	\$ 33,334	14-Oct-10	1.00%	\$ 98
5	\$ 83,139	\$ 2,497	\$ -	\$ -	\$ 85,636	1-Nov-10	1.00%	\$ 211
6	\$ 76,541	\$ 1,147	\$ -	\$ -	\$ 77,688	3-Mar-11	0.50%	\$ 62
7	\$ 20,000	\$ 650	\$ -	\$ -	\$ 20,650	3-Oct-10	1.00%	\$ 67
8	\$ 11,146	\$ 362	\$ -	\$ -	\$ 11,508	15-Nov-10	0.50%	\$ 26
9	\$ 10,609	\$ 318	\$ -	\$ -	\$ 10,927	19-Dec-10	0.50%	\$ 20
	\$ 456,800	\$ 13,275	\$ -	\$ -	\$ 470,075			\$ 1,218

b) Canada Government Bonds

Investments in Canada Government Premium Bonds matured on April 1, 2010 and was encashed. The interest earned on it till maturity was \$1,487.

Note 2 Current Account with SMS_INCA_Bengali_Vedanta A/c
This refers to the balance in the account that SMS has with SMS_INCA_Bengali_Vedanta Society of Calgary, created by the three main principals, for the sole purpose of subdividing the common land.

Note 3 Accounts Receivable

	2009-10	2008-09
Sai Centre*	\$ 1,577	\$ 813
Interest Receivable - Interest earned on the term	\$ 1,217	\$ 5,851
GST Receivable	\$ 98	\$ 68
	<u>\$ 2,892</u>	<u>\$ 6,732</u>

*Amount to be recovered from Sai Centre with interest, once the land is sold.

Note 4 Common Shares
Common shares of First Calgary Savings & Credit Union Ltd. Held by SMS.

Note 5 Equity in common land
This is SMS's share of equity in the common land held in the name of the three main principals, SMS, INCA and Bengali_Vedanta Society. This corresponds to SMS's share of approximately 13.33 acres out of the total parcel of 40 acres. A breakdown of the SMS costs incurred on subdivision in this fiscal year is as follows:

	2009-10	2008-09
D.A. Watt Consulting	\$ 386	\$ 2,708
Arup Datta Consulting	\$ 7,017	-
Open House Rent & Expenses	\$ 241	\$ (48)
Site Clearing Expenses	\$ -	\$ 10,500
Lawyer Fee	\$ -	\$ 33
	<u>\$ 7,644</u>	<u>\$ 13,193</u>

Decision to sell the land will be made in the Annual General Meeting, since the re-zoning application was rejected by the Municipal District of Rocky View for the second time.

Note 6 Advance from Sai Centre

This represents payment received in advance from the Sai Centre towards its purchase of approximately 4 acres of land from SMS. It does not include additional amounts incurred during the year 2008-09 and 2009-10 towards their share of capital costs. Once SMS sells its share of the land, it will transfer the amount due to Sai centre after deducting their share of unpaid capital costs with interest.

Note 7 Fund raising activities

This year we had one fund raising event sponsored by SMS. In Sep 2009, local artists performed a Musical night at Eckhardt-Gramatte Hall, University of Calgary.

	<u>2009-10</u>	<u>2008-09</u>
	\$ 3,390	\$ -
	\$ (2,134)	\$ -
	<u>\$ 1,256</u>	<u>\$ -</u>

Note 8 Service Activities

Service activities carried out by the Society, such as making and delivering sandwiches to the Calgary Drop-in Centre.

Note 9 Special Functions / Festivals

This refers to the Kantha Shasty Pooja, Saraswathy Pooja and Ganesha Abisheka pooja.

Note 10 Land Upkeep & Maintenance Expenses.

The expenses incurred by SMS in the upkeep and maintenance of the land.

	<u>2009-10</u>	<u>2008-09</u>
Property Taxes	\$ 1,369	\$ 1,360
Insurance	\$ 223	\$ 165
Maintenance	\$ -	\$ 133
Postage Expenses	\$ (5)	\$ 32
	<u>\$ 1,587</u>	<u>\$ 1,690</u>