

Spruce Meadows Leg Up Foundation

Financial Statements
December 31, 2019

Spruce Meadows Leg Up Foundation

Statement of Financial Position

As at December 31, 2019

	2019 \$	2018 \$
Assets		
Current assets		
Cash	98,780	36,220
GST/HST receivable	1,575	1,561
	<hr/> 100,355	<hr/> 37,781
Capital assets (note 3)	5,315	8,381
	<hr/> 105,670	<hr/> 46,162
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	6,800	23,168
Net assets		
Unrestricted net assets	98,870	22,994
	<hr/> 105,670	<hr/> 46,162

Approved by the Board of Directors

_____ Director _____ Director

The accompanying notes are an integral part of these financial statements.

Spruce Meadows Leg Up Foundation

Statement of Revenue and Expenditures

For the year ended December 31, 2019

	2019 \$	2018 \$
Fundraising activities		
Contribution revenue	269,049	113,025
Donations	(166,564)	(179,489)
	<hr/> 102,485	<hr/> (66,464)
50/50 sales	136,241	82,728
50/50 prize costs	(63,723)	(35,408)
50/50 honorariums	(9,875)	(3,675)
50/50 operating costs	(5,883)	(7,305)
	<hr/> 56,760	<hr/> 36,340
Auction sales	90,000	-
Auctions costs	(34,250)	-
	<hr/> 55,750	<hr/> -
Net fundraising revenue before administrative expenses	<hr/> 214,995	<hr/> (30,124)
Administration expenses		
School tours	22,540	22,400
General and administration	52,505	15,001
Salaries and benefits	58,296	11,138
Depreciation	3,066	3,066
Interest and bank charges	2,712	864
	<hr/> 139,119	<hr/> 52,469
Excess (deficiency) of revenue over expenditures for the year	<hr/> 75,876	<hr/> (82,593)
Net assets – Beginning of year	<hr/> 22,994	<hr/> 105,587
Net assets – End of year	<hr/> <hr/> 98,870	<hr/> <hr/> 22,994

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Spruce Meadows Leg Up Foundation

Statement of Cash Flows

For the year ended December 31, 2019

	2019	2018
	\$	\$
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenditures for the year	75,876	(82,593)
Items not affecting cash		
Depreciation	3,066	3,066
Net change from non-cash working capital	(16,382)	13,575
	<u>62,560</u>	<u>(65,952)</u>
Investing activities		
Purchase of capital assets (note 3)	-	(1,101)
	<u>62,560</u>	<u>(67,053)</u>
Increase (decrease) in cash during the year	62,560	(67,053)
Cash – Beginning of year	<u>36,220</u>	<u>103,273</u>
Cash – End of year	<u>98,780</u>	<u>36,220</u>

The accompanying notes are an integral part of these financial statements.

1 Nature of organization

Spruce Meadows Leg Up Foundation (the Foundation) is a non-profit organization formed for the purpose of supporting charities and organizations, whose goals are focused on promoting education, health, wellness, amateur and grassroots sports. The Foundation relies upon income from corporate and individual contributions and supplements income through hosting charity auctions and the sale of 50/50 tickets at various sporting events.

Events coordinated by the Foundation, such as charity auctions and 50/50 ticket sales, are operated by volunteers from various organizations and charities, while the administration of the Foundation is managed by accounting staff from Spruce Meadows, who volunteer their time free of charge. In the year ended December 31, 2018, an employee was hired to help coordinate the 50/50 raffles, charity auctions and related activities.

The Foundation is a registered charity under the Income Tax Act and is therefore not subject to income tax.

The Foundation is also registered under the Charitable Fundraising Act of Alberta and has considered all required disclosures under section 7 (2) of the Act in preparing these financial statements.

2 Summary of significant accounting policies

Basis of accounting

The financial statements of the Foundation have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) as issued by the Canadian Accounting Standards Board.

Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Revenue recognition

The Foundation follows the deferral method of accounting for contributions. 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.

Restricted contributions relating to operations are recognized as revenue in the period in which the related expenses are incurred.

Income generated from 50/50 ticket sales is recorded as revenue on a gross basis when the sale is made, while a payable amount equal to fifty percent of the ticket price is recorded as a liability. Once the winning 50/50 ticket has been selected, the owner of the ticket has until 4:00 p.m. of the following day to redeem the prize winnings. Should the prize winnings not be collected by the ticket holder, they remain the property of the Foundation.

Uncollected prize winnings are sometimes donated by the Foundation to the organization that assisted in running the 50/50 raffle, which is classified as honorarium expense.

Income generated from charity auctions is recorded once the auction has been finalized and cash proceeds have been collected from the buyer.

Cash

Cash is composed of cash on hand and deposits held at banks.

Capital assets and depreciation

Purchased capital assets are recorded at cost.

Depreciation is provided over the estimated useful lives of the assets using the straight-line method at the following annual rates:

Computer and printing equipment	20%
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Donated services

A portion of the Foundation's work is dependent on voluntary services. As a result of the difficulty in determining their value, these contributed services are not recognized in the financial statements.

Financial instruments

The Foundation initially measures financial assets and financial liabilities at fair value. It subsequently measures its financial assets and liabilities at amortized cost. The financial assets subsequently measured at amortized cost include cash. The financial liabilities subsequently recorded at amortized cost include accounts payable and accrued liabilities.

It is the opinion of management that the Foundation is not subject to significant credit, interest rate, price, liquidity or currency risk related to these financial instruments. The assessment is consistent with prior year.

Change in accounting standards

On January 1, 2019, three new standards issued by the Accounting Standards Board (AcSB), became active, including Section 4433 – Tangible Capital Assets Held by Not-for-Profit Organizations, Section 4434 – Intangible Assets Held by Not-for-Profit Organizations and Section 4441 – Collections, which were all adopted by the Foundation. The new standards did not have any significant effect on the financial statements.

3 Capital assets

			2019	2018
	Cost \$	Accumulated depreciation \$	Net \$	Net \$
Computer and printing equipment	15,881	10,566	5,315	8,381

4 Related party transactions

The Foundation and Spruce Meadows are affiliated entities through common board membership. During 2019, Spruce Meadows contributed \$121,365 to the Foundation (2018 – \$100,000). In addition, during the year, Spruce Meadows paid salary and benefits costs of \$58,295 on behalf of the Foundation and were subsequently reimbursed for these expenses.