

**Spruce Meadows Leg Up Foundation**

Financial Statements

December 31, 2017

# Spruce Meadows Leg Up Foundation

Balance Sheet  
December 31, 2017

	2017	2016
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash	103,273	29,424
GST/HST receivable	831	601
	<u>104,104</u>	<u>30,025</u>
<b>Capital assets (note 3)</b>	<u>10,346</u>	<u>13,302</u>
	<u>114,450</u>	<u>43,327</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accruals & accounts payable	8,863	6,784
<b>Net assets</b>		
Unrestricted net assets	<u>105,587</u>	<u>36,543</u>
	<u>114,450</u>	<u>43,327</u>

Approved by the Board of Directors

Director



Director



# Spruce Meadows Leg Up Foundation

## Statement of Revenues and Expenditures

For the year ended December 31, 2017

	2017 \$	2016 \$
<b>Revenues</b>		
Contributions	202,466	144,423
50/50 Sales	23,835	72,050
	<u>226,301</u>	<u>216,473</u>
<b>Expenditures</b>		
Donations	86,931	152,531
Administration expenses:		
School tours	23,294	-
Prize costs (50/50)	15,641	34,952
General & administration	28,016	22,421
Depreciation	2,956	1,478
Interest and bank charges	419	293
	<u>70,326</u>	<u>59,144</u>
<b>Total administration expenses</b>	<u>70,326</u>	<u>59,144</u>
<b>Total expenditures</b>	<u>157,257</u>	<u>211,675</u>
<b>Excess of revenues over expenditures</b>	69,044	4,798
<b>Opening net assets</b>	<u>36,543</u>	<u>31,745</u>
<b>Closing net assets</b>	<u>105,587</u>	<u>36,543</u>

# Spruce Meadows Leg Up Foundation

## Statement of Cash Flows

For the year ended December 31, 2017

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	2017 \$	2016 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenues over expenditures	69,044	4,798
Items not affecting cash		
Depreciation	2,956	1,478
Net change from non-cash working capital	1,849	(1,771)
Net increase from operating activities	<u>4,805</u>	<u>4,505</u>
<b>Investing activities</b>		
Purchase of capital assets (note 3)	<u>-</u>	<u>(14,780)</u>
Net decrease from investing activities	<u>-</u>	<u>(14,780)</u>
<b>Increase / (decrease) in cash for the year</b>	<u><b>73,849</b></u>	<u><b>(10,275)</b></u>
<b>Cash - Beginning of year</b>	<u><b>29,424</b></u>	<u><b>39,699</b></u>
<b>Cash - End of year</b>	<u><u><b>103,273</b></u></u>	<u><u><b>29,424</b></u></u>

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

# **Spruce Meadows Leg Up Foundation**

## **Notes to Financial Statements**

**December 31, 2017**

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### **1 Nature of organization**

The 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 the sale of 50/50 tickets at various sporting events.

Events coordinated by the Foundation, such as 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.

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 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 the 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 4:00pm 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 Spruce Meadows Leg Up Foundation.

#### **Cash**

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

# Spruce Meadows Leg Up Foundation

## Notes to Financial Statements December 31, 2017

### Capital assets and amortization

Purchased capital assets are recorded at cost.

Amortization 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 Society 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 Society 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.

## 3 Capital assets

	2017		2016	
	Cost	Accumulated Amortization	Net	Net
	\$	\$	\$	\$
Computer and printing equipment	14,780	4,434	10,346	13,302
	14,780	4,434	10,346	13,302

## 4 Related party transactions

Spruce Meadows controls the Foundation by virtue of its ability to appoint all of the Foundation's Board of Directors (the "Board"). In addition to managing the Foundation's contributions, the Board also sets the strategic direction of the Foundation and makes decisions on donations to be granted. During 2017, Spruce Meadows contributed \$100,000 to the Foundation, (2016 - \$100,000).

Spruce Meadows is owned and operated by the Southern and Heathcott families. During 2017, individual contributions amounting to \$51,056 were made by the Southern and Heathcott families to the Foundation.

During 2016, Spruce Meadows provided advertising services to the Foundation totaling \$658. These transactions were completed in the normal course of operations on normal market terms and are measured at the exchange amount.

## **5 Commitments**

As at December 31, 2017, the Board of Directors had committed to a donation of \$30,000 (2016 - \$nil) to the Foothill Fire Department. Since year end, the balance has been paid in full.