

# **Spruce Meadows Leg Up Foundation**

Financial Statements  
**December 31, 2024**



## Independent auditor's report

To the Board of Directors of Spruce Meadows Leg Up Foundation

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### Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Spruce Meadows Leg Up Foundation (the Foundation) as at December 31, 2024 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### What we have audited

The Foundation's financial statements comprise:

- the statement of financial position as at December 31, 2024;
- the statement of revenue and expenditures and changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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### Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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### Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the 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.

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\*PwC\* refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

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### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants

Calgary, Alberta  
May 5, 2025

# Spruce Meadows Leg Up Foundation

## Statement of Financial Position

As at December 31, 2024

	2024 \$	2023 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash	225,667	87,807
Other assets and receivables	1,819	642
	227,486	88,449
<b>Investments</b> (note 5)	527,003	-
<b>Capital assets</b> (note 3)	2,125	2,975
	756,614	91,424
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	50,748	15,423
<b>Net Assets</b>		
<b>Internally restricted net assets</b> (note 6)	500,000	-
<b>Unrestricted</b>	205,866	76,001
	705,866	76,001
	756,614	91,424

Approved by the Board of Directors

BTM

Director

R. Thompson

Director

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

# Spruce Meadows Leg Up Foundation

## Statement of Revenue and Expenditures and Changes in Net Assets

For the year ended December 31, 2024

	2024 \$	2023 \$
<b>Fundraising activities</b>		
Contribution revenue	1,111,801	336,595
School tour	(32,360)	(26,470)
Lucy Tries Soccer activation costs	(24,543)	(21,209)
Donations	(477,333)	(436,000)
	577,565	(147,084)
50/50 sales	125,815	101,634
50/50 prize costs	(66,436)	(45,721)
50/50 operating costs	(15,241)	(12,422)
	44,138	43,491
Auction sales	109,680	57,900
Auction costs	(150,205)	(2,739)
	(40,525)	55,161
Dinner sales	48,747	69,620
Dinner costs	(23,314)	(15,920)
	25,433	53,700
Golf Tournament revenue	29,287	28,655
Golf Tournament expenses	-	(4,004)
	29,287	24,651
Raffle sales	-	24,100
Raffle costs	-	(8,745)
	-	15,355
Miscellaneous revenue	6,853	16,543
Miscellaneous costs	-	(3,095)
	6,853	13,448
<b>Net fundraising excess of revenue before administrative expenses and investment income and change in fair value</b>	<b>642,751</b>	<b>58,722</b>
<b>Administrative expenses</b>		
General and administration	18,707	18,682
Salaries and benefits	20,000	20,000
Depreciation	850	850
Interest and bank charges	332	602
	39,889	40,134
<b>Investment income and change in fair value of internally restricted net assets</b>		
Dividend income	(9,845)	-
Management fees expense	2,102	-
Realized gain	(59)	-
Unrealized gain	(19,201)	-
	(27,003)	-
<b>Excess of revenue over expenditures for the year</b>	<b>629,865</b>	<b>18,589</b>
<b>Net assets – Beginning of year</b>	<b>76,001</b>	<b>57,412</b>
<b>Net assets – End of year</b>	<b>705,866</b>	<b>76,001</b>

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

# Spruce Meadows Leg Up Foundation

## Statement of Cash Flows

For the year ended December 31, 2024

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	2024 \$	2023 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue over expenditures for the year	629,865	18,589
Items not affecting cash		
Depreciation	850	850
Unrealized gain on investment	(19,201)	-
Realized gain on investment	(59)	-
Change in non-cash working capital	34,149	48,136
	645,604	67,575
<b>Investing activities</b>		
Purchase of investments	(1,009,967)	-
Sale of investments	502,223	-
	(507,744)	-
<b>Increase in cash during the year</b>	137,860	67,575
<b>Cash – Beginning of year</b>	87,807	20,232
<b>Cash – End of year</b>	225,667	87,807

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

# Spruce Meadows Leg Up Foundation

## Notes to Financial Statements

December 31, 2024

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### 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 and amateur and grassroots sports. The Foundation relies on 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 Spruce Meadows staff.

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

The Foundation is also registered under the Charitable Fundraising Act of Alberta (the Act) 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. Items requiring the use of management estimates include recognition of accrued liabilities, amortization periods and rates related to capital assets and recoverability of accounts receivable.

#### 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 50% 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.



# **Spruce Meadows Leg Up Foundation**

## **Notes to Financial Statements**

**December 31, 2024**

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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 an honorarium expense.

Income generated from dinner sales and the golf tournament are recorded when tickets are sold and cash is received.

Merchandise sales relate to various items sold at Spruce Meadows market events throughout year and include face masks, candles and other items. Income is recognized at the point of sale when the goods have been provided.

Income generated from charity auctions is recorded once the auction has been finalized and cash proceeds have been collected from the buyer. Income generated from raffle sales is recorded when items are donated.

### **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 rate:

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 financial assets include cash, investments and other assets and receivables. The financial liabilities include accounts payable and accrued liabilities.

The Foundation initially measures financial assets and financial liabilities at fair value. It subsequently measures its financial assets and liabilities at amortized cost, with the exception of investments, which are subsequently measured at fair value.

Financial assets originated or acquired and financial liabilities issued or assumed in a related party transaction are initially measured at cost. For financial instruments with repayments terms, cost is determined as the sum of undiscounted cash flows less any impairment losses previously recognized by the transferor. For financial instruments with no repayment terms, cost is determined by reference to the consideration transferred or received by the Foundation in the transaction.

# Spruce Meadows Leg Up Foundation

## Notes to Financial Statements

December 31, 2024

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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.

### Investments

Investments consist of amounts invested pooled fund units.

Investment income comprises the Foundation's share of interest, dividends and realized and unrealized gains/losses on the underlying assets.

All investments are carried at market value. Changes in market value are included in the statement of revenue and expenditures and changes in net assets, as appropriate.

Investments with initial terms to maturity of over 90 days and under one year are classified as short-term investments and those with initial maturity terms under 90 days are classified as cash equivalents.

### 3 Capital assets

	2024		2023
	Cost \$	Accumulated depreciation \$	Net \$
Computer and printing equipment	4,250	2,125	2,125
			2,975

### 4 Related party transactions

The Foundation and Spruce Meadows are affiliated entities through common board membership. During the year, Spruce Meadows contributed \$100,000 to the Foundation (2023 – \$100,000). In addition, Spruce Meadows paid salary and benefit costs of \$20,000 (2023 – \$20,000) on behalf of the Foundation and was subsequently reimbursed for these expenses. During the year, the Foundation also received a donation from a member of \$500,000 (2023 – \$nil), which was internally restricted by the Board of Directors. There are no balances owing to or from related parties as at year-end (2023 – \$nil).

### 5 Investments

Investments include pooled fund units of Global Fund-Mawer Global Balanced Fund Series O with initial terms to maturity of over 90 days. All long-term investments are externally managed by investment advisers.

Interest and dividend income recognized amounted to \$9,845 (2023 – \$nil) and was fully reinvested during the year.

# **Spruce Meadows Leg Up Foundation**

## **Notes to Financial Statements**

**December 31, 2024**

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### **6 Internally restricted net assets**

In 2024, the Board of Directors approved the creation of an internally restricted net assets fund by designating an amount of \$500,000 (2023 – \$nil) to be invested with the purpose of generating unrestricted income in the future. Under the Board-approved policy, a minimum of 3.5% of the fund's average annual value will be used each year to support the Foundation's operations and strategic initiatives.

### **7 Comparative figures**

Certain prior year's figures have been reclassified to conform to the current year's presentation. These reclassifications had no effect on the reported results of operations. An adjustment has been made for the classification of school tour expense and Lucy Tries Soccer activation costs from administrative activities to fundraising activities.