

**RAMSAY COMMUNITY ASSOCIATION**

**Financial Statements**

**June 30, 2020**

*Draft for discussion purposes only*

Prepared by	Reviewed by	Manager	Partner

**RAMSAY COMMUNITY ASSOCIATION**  
**Index to Financial Statements**  
**For the Ten Month Period Ended June 30, 2020**

---

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Revenues and Expenditures	5
Statement of Changes in Net Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 14
General Operations (unaudited) <i>(Schedule 1)</i>	15
Hall Operations (unaudited) <i>(Schedule 2)</i>	16
Newsletter, Website and Advertising Operations (unaudited) <i>(Schedule 3)</i>	17
Recreation Operations (unaudited) <i>(Schedule 4)</i>	18
Events Operations (unaudited) <i>(Schedule 5)</i>	19

**RAMSAY COMMUNITY ASSOCIATION**  
**Statement of Financial Position**  
**As at June 30, 2020**

	2020	2019
<b>Assets</b>		
Current		
Cash	\$ 24,095	\$ 46,995
Restricted Cash (Note 3)	2,074	49,230
Accounts receivable	1,680	4,914
Goods and services tax recoverable	13,356	9,817
Prepaid expenses	3,830	5,350
	<u>45,035</u>	116,306
Capital assets (Note 4)	4,463	4,463
	<u>\$ 49,498</u>	<u>\$ 120,769</u>
<b>Liabilities and Net assets</b>		
Current		
Accounts payable	\$ 6,921	\$ 5,999
Deferred income	10,000	11,552
Damage deposits	-	400
Restricted contributions (Note 5)	2,074	49,230
	<u>18,995</u>	67,181
Net Assets		
General fund	25,084	48,169
Restricted fund	5,419	5,419
	<u>30,503</u>	53,588
	<u>\$ 49,498</u>	<u>\$ 120,769</u>

**On behalf of the Board**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**RAMSAY COMMUNITY ASSOCIATION**  
**Statement of Revenues and Expenditures**  
**For the Ten Month Period Ended June 30, 2020**

	2020	2019
<b>Revenues</b>		
Casino Contribution Revenue (Note 3)	\$ 47,156	\$ 57,345
Rental Revenue	15,724	44,932
Government grants	13,977	-
General Revenue	2,460	1,440
Advertising Revenue	2,092	12,167
Membership Revenue	2,075	3,633
Events Revenue	605	2,530
Recreation Revenue	50	15,910
	<u>84,139</u>	<u>137,957</u>
<b>Expenses</b>		
Repairs and maintenance	47,965	46,015
Sub-contracts	24,250	37,685
Utilities	11,032	12,187
Professional fees	9,000	-
Insurance	8,439	8,454
Advertising and promotion	4,223	16,131
Recreation Expenses	760	14,506
Office and Other Expenses	736	3,200
Events Expenses	515	1,719
Interest and bank charges	304	269
GST Expense	-	1,634
Amortization	-	956
	<u>107,224</u>	<u>142,756</u>
<b>DEFICIENCY OF REVENUES OVER EXPENSES</b>	<u>\$ (23,085)</u>	<u>\$ (4,799)</u>

**RAMSAY COMMUNITY ASSOCIATION**  
**Statement of Changes in Net Assets**  
**For the Ten Month Period Ended June 30, 2020**

	General Fund	Restricted Fund	<b>June 30 2020</b>	<i>August 31 2019</i>
<b>NET ASSETS - BEGINNING OF PERIOD</b>	\$ 48,169	\$ 5,419	<b>\$ 53,588</b>	\$ 58,387
Deficiency of revenues over expenses	(23,085)	-	<b>(23,085)</b>	(4,799)
<b>NET ASSETS - END OF PERIOD</b>	<b>\$ 25,084</b>	<b>\$ 5,419</b>	<b>\$ 30,503</b>	<b>\$ 53,588</b>

Draft for discussion purposes only.

**RAMSAY COMMUNITY ASSOCIATION**  
**Statement of Cash Flows**  
**For the Ten Month Period Ended June 30, 2020**

	2020	2019
<b>Operating activities</b>		
Deficiency Of Revenues Over Expenses	\$ (23,085)	\$ (4,799)
Item not affecting cash:		
Amortization of capital assets	-	956
	<u>(23,085)</u>	<u>(3,843)</u>
Changes in non-cash working capital:		
Accounts receivable	3,234	3,868
Accounts payable	922	(4,523)
Deferred income	(1,552)	9,271
Prepaid expenses	1,520	(3,576)
Goods and services tax payable	(3,539)	(782)
Damage deposits	(400)	(50)
	<u>185</u>	<u>4,208</u>
Cash flow from operating activities	<u>(22,900)</u>	<u>365</u>
<b>Financing activity</b>		
Restricted contributions	<u>(47,156)</u>	10,359
Cash flow from (used by) financing activity	<u>(47,156)</u>	10,359
<b>Increase (decrease) in cash flow</b>	<b>(70,056)</b>	10,724
Cash - beginning of period	<u>96,225</u>	85,501
<b>Cash - end of period</b>	<b><u>26,169</u></b>	<b><u>96,225</u></b>
<b>Cash consists of:</b>		
Cash	\$ 24,095	\$ 46,995
Restricted Cash	<u>2,074</u>	<u>49,230</u>
	<b><u>\$ 26,169</u></b>	<b><u>\$ 96,225</u></b>

**RAMSAY COMMUNITY ASSOCIATION**  
**Notes to Financial Statements**  
**Ten Month Period Ended June 30, 2020**

---

**1. PURPOSE OF THE ASSOCIATION**

Ramsay Community Association (the "Association") is a not-for-profit organization incorporated provincially under the Societies Act of Province on March 21, 1956. The Association is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The mandate of the Association is to facilitate and encourage the recreational, cultural and social activities of the community of Ramsay.

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of presentation**

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

**Cash and cash equivalents**

Cash and cash equivalents consist of cash in banks less outstanding cheques plus any undeposited cheques..

**Capital assets**

Capital assets are stated at cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Furniture and fixtures	20%	declining balance method
Parking lot improvements	8%	declining balance method

The Association regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

*(continues)*

---

**RAMSAY COMMUNITY ASSOCIATION**  
**Notes to Financial Statements**  
**Ten Month Period Ended June 30, 2020**

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Goods and Services Tax**

The Association is a non-profit organization that is a GST registrant. As such, all GST paid or payable on the purchases and expenses related to its commercial activities are claimable as an ITC. GST paid or payable on property and services resold, used, or consumed in the course of its exempt activities are not claimable.

GST paid or payable on general operating and overhead expenses used in the day-to-day operations such as management, administration, utilities, and other support functions, is apportioned between commercial and exempt activities. Management uses the ratio of actual hours rented to total available rental hours for the Hall to determine the pro rata share of GST ITCs that may be claimed. In 2019, that ratio was 23% (2018 - 23%).

GST paid or payable on capital property is subject to special rules for non-profit organizations. If the commercial use is more than 50%, a full ITC is claimed. If the commercial use is 50% or less, then no ITC is claimed.

Management has also determined that the Association is a "qualifying non-profit organization" which means that the percentage of government funding is at least 40% of its total revenue for a fiscal year, or for the previous two fiscal years. As a qualifying non-profit organization, the Association qualifies to recover 50% of the GST paid or payable on its eligible purchases and expenses for which it cannot claim ITCs as a "public service bodies' rebate".

In 2019, the Association recorded \$1,705 as receivable under the public service bodies' rebate. The net unrecoverable portion of GST paid or payable is recorded as an expense.

**Government assistance**

Government assistance for acquiring fixed assets and related to expenses is recorded as deferred government assistance and is amortized on the same basis and according to the same rates as the related fixed assets or to income as eligible expenditures are incurred. Government assistance for current expenses is recorded as a reduction of the related expenditures. Government assistance for acquiring fixed assets is recorded as a reduction of the cost of related assets.

**Donated goods**

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

(continues)

---



**RAMSAY COMMUNITY ASSOCIATION**  
**Notes to Financial Statements**  
**Ten Month Period Ended June 30, 2020**

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Revenue recognition**

Ramsay Community Association follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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. Endowment contributions are recognized as direct increases in net assets.

Revenue generated through casino fundraisers are deferred until they are spent on operations, repairs, or facility costs related to the hall and rink, therefore casino cash has a matching liability for restricted contribution.

Revenue generated from hall rental, rink rental, or newsletter advertising is earned on pro-rata basis as the portion of purchased days are used. Because these services are typically prepaid this may also result in unused amounts being deferred.

**Financial instruments policy**

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets that are recorded at amortized cost include cash, accounts receivable, and GST receivable. Financial liabilities that are recorded at amortized cost include accounts payable and accrued liabilities. There are no assets or liabilities recorded at fair market value.

When the Association issues financial instruments that include both a debt and equity component, the entire proceeds are allocated to the debt component, and the equity component is assigned a measurement amount of \$nil.

---

**3. EXTERNALLY RESTRICTED ASSETS**

Casino receipts are restricted to usage according to approved expenditures by the Alberta Gaming and Liquor Commission. Grant funding is restricted by the funders according to each approved grant application.

	<i>June 30</i> <b>2020</b>	<i>August 31</i> <b>2019</b>
Casino bank account	<b>\$ 2,074</b>	<b>\$ 49,230</b>

---

**RAMSAY COMMUNITY ASSOCIATION**  
**Notes to Financial Statements**  
**Ten Month Period Ended June 30, 2020**

**4. CAPITAL ASSETS**

	Cost	Accumulated amortization	June 30 2020 Net book value	August 31 2019 Net book value
Furniture and fixtures	\$ 19,361	\$ 16,623	\$ 2,738	\$ 2,738
Parking lot improvements	3,675	1,950	1,725	1,725
	<b>\$ 23,036</b>	<b>\$ 18,573</b>	<b>\$ 4,463</b>	<b>\$ 4,463</b>

**5. CASINO CONTRIBUTIONS**

	June 30 2020	August 31 2019
Balance carried forward from prior year	\$ 49,230	\$ 38,871
Add:		
Casino event proceeds	-	67,704
Recovery of professional fees	-	9,702
Interest income	-	616
	-	78,022
Less:		
Facilities and equipment	(47,156)	(34,756)
Utilities	-	(11,259)
Insurance	-	(8,880)
Advertising	-	(7,550)
Office and operating costs	-	(5,218)
Contract services and professional fees	-	-
	(47,156)	(67,663)
	<b>\$ 2,074</b>	<b>\$ 49,230</b>

**6. PARKS FOUNDATION CALGARY**

Parks Foundation Calgary (the "Foundation") is an organization that helps communities enhance parks, amateur sport and river valleys throughout the City of Calgary. The Association has an approved project under the Foundation, the Ramsay Community Rink project, to help repair current rink and/or build a new rink. The Foundation receives donations on behalf of the project and issues tax receipts for eligible donations, processes payments for approved invoices for the project, and provides financial reports for the project. The Association made contributions of \$Nil (2019 - \$Nil) towards this project. Total funds on hand at the Foundation for this project is \$112,818 as at June 30, 2020 (2019 - \$108,091).

**RAMSAY COMMUNITY ASSOCIATION**  
**Notes to Financial Statements**  
**Ten Month Period Ended June 30, 2020**

---

**7. MEASUREMENT UNCERTAINTY**

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates include the useful life of its capital assets, allowance for doubtful accounts, and accrued payables. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future period could be significant. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

---

**8. FINANCIAL INSTRUMENTS**

The Association is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Association's risk exposure and concentration as of June 30, 2020.

**(a) Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is exposed to credit risk from customers. In order to reduce its credit risk, the Association reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Association has a significant number of customers which minimizes concentration of credit risk.

**(b) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long-term debt, obligations under capital leases, contributions to the pension plan, and accounts payable.

**(c) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk.

**(d) Currency risk**

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The association is not exposed to foreign currency exchange risk as it has no balances in a foreign currency and it only operates locally.

*(continues)*

---

**RAMSAY COMMUNITY ASSOCIATION**  
**Notes to Financial Statements**  
**Ten Month Period Ended June 30, 2020**

---

**8. FINANCIAL INSTRUMENTS (continued)**

**(e) Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The association is not exposed to interest rate risk as it has no loans subject to the market's interest rates.

**(f) Other price risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Association is not exposed to other price risk as it holds no financial instruments subject to changes in market prices.

---

**9. ECONOMIC DEPENDENCE**

The Association relies on Casino revenue and government funding to maintain its purpose. Should economic circumstances change whereby these revenue sources are no longer available, the Association's activities would be severely restricted. The Association has a confirmed 2020 Casino fundraising event and is currently receiving funding from the City of Calgary. It is the board of director's opinion that these revenue sources are not at risk.

---

**10. SUBSEQUENT EVENTS**

The following events occurred subsequent to the fiscal year end:

**Discontinued rental operation**

During the 2020 year, the Association's board of directors unanimously agreed to cease rental operations at the Ramsay Community Hall and relinquish the property lease to the City of Calgary. Yearly declines in rental demand, increasing facility operation costs and significant impending repairs were contributing factors to realized and anticipated rental losses. It was determined that the Association could not maintain sufficient cash flow to meet the Association's purpose if rental operations continued.

The board of directors is satisfied that the Association's purpose will be maintained, and improved, by the curtailment of rental losses as well as continued Casino, event, fundraising and other revenue.

**COVID-19**

Subsequent to year-end, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in worldwide emergency measures to combat the spread of the virus. These measures, which include self-quarantine periods, have caused disruption to businesses and governments globally, which are resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak is unknown at this time, including measures implemented by governments and central banks. It is not possible to reliably estimate the length or effect of these developments, including the impact on the financial results of the Association in future periods.

---

**RAMSAY COMMUNITY ASSOCIATION**  
**Notes to Financial Statements**  
**Ten Month Period Ended June 30, 2020**

---

**11. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

---

*Draft for discussion purposes only*

**RAMSAY COMMUNITY ASSOCIATION**  
**General Operations (unaudited)**  
**Ten Month Period Ended June 30, 2020**

**(Schedule 1)**

	<i>June 30</i> <b>2020</b>	<i>August 31</i> <b>2019</b>
<b>REVENUE</b>		
Casino	\$ 47,156	\$ 57,345
Memberships	2,075	3,633
Interest	746	1,391
Miscellaneous	1,714	51
	<u>51,691</u>	<u>62,420</u>
<b>EXPENSES</b>		
Licenses, memberships & fees	545	2,750
GST expense	-	1,634
Amortization	-	956
Office Supplies	191	450
Interest and bank charges	303	269
Professional fees	9,000	-
	<u>10,039</u>	<u>6,059</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 41,652</b>	<b>\$ 56,361</b>

Draft for discussion purposes only

**RAMSAY COMMUNITY ASSOCIATION**  
**Hall Operations (unaudited)**  
**Ten Month Period Ended June 30, 2020**

**(Schedule 2)**

	<i>June 30</i> <b>2020</b>	<i>August 31</i> <b>2019</b>
<b>RENTAL REVENUE</b>		
Rental revenue	\$ 15,435	\$ 43,678
Grant revenue	13,977	-
	<u>29,412</u>	<u>43,678</u>
<b>EXPENSES</b>		
Hall management	24,250	37,685
Janitorial	11,953	18,206
Grounds maintenance	13,347	17,233
Utilities	8,280	8,800
Insurance	8,439	8,454
Repairs & maintenance (recovery)	19,959	6,718
Security	389	1,718
	<u>86,617</u>	<u>98,814</u>
<b>DEFICIENCY OF RENTAL REVENUE OVER EXPENSES</b>	<b>\$ (57,205)</b>	<b>\$ (55,136)</b>

Draft for discussion purposes only

**RAMSAY COMMUNITY ASSOCIATION**  
**Newsletter, Website and Advertising Operations (unaudited)**  
**Ten Month Period Ended June 30, 2020**

**(Schedule 3)**

	<i>June 30</i> <b>2020</b>	<i>August 31</i> <b>2019</b>
<b>ADVERTISING REVENUE</b>	<b>\$ 2,092</b>	<b>\$ 12,167</b>
<b>EXPENSES</b>		
Printing	1,686	7,213
Layout	1,338	5,753
Bad debts (recovery)	-	2,265
Distribution	1,200	900
	<u>4,224</u>	<u>16,131</u>
<b>DEFICIENCY OF ADVERTISING REVENUE OVER EXPENSES</b>	<b>\$ (2,132)</b>	<b>\$ (3,964)</b>

Draft for discussion purposes only



**RAMSAY COMMUNITY ASSOCIATION**  
**Recreation Operations (unaudited)**  
**Ten Month Period Ended June 30, 2020**

**(Schedule 4)**

	<i>June 30</i> <b>2020</b>	<i>August 31</i> <b>2019</b>
<b>REVENUE</b>		
Donations	\$ -	\$ 10,750
Soccer	-	2,030
Tennis	-	1,675
T-Ball	-	1,455
Facility rent	<u>289</u>	<u>1,253</u>
	<u>289</u>	<u>17,163</u>
<b>EXPENSES</b>		
Donations	-	10,000
Utilities	2,752	3,388
Repairs & maintenance	2,317	2,140
Tennis	-	1,466
Soccer	-	1,231
T-Ball	341	1,189
Supplies	<u>419</u>	<u>620</u>
	<u>5,829</u>	<u>20,034</u>
<b>DEFICIENCY OF REVENUE OVER EXPENSES</b>	<b>\$ (5,540)</b>	<b>\$ (2,871)</b>

Draft for discussion purposes only

**RAMSAY COMMUNITY ASSOCIATION**  
**Events Operations (unaudited)**  
**Ten Month Period Ended June 30, 2020**

**(Schedule 5)**

	<i>June 30</i> <b>2020</b>	<i>August 31</i> <b>2019</b>
<b>REVENUE</b>		
Art in the Hood	\$ 605	\$ 575
Ramsay Rocks	-	1,355
Donations	<u>50</u>	<u>600</u>
	<u>655</u>	<u>2,530</u>
<b>EXPENSES</b>		
Winter festival	-	1,009
Non-reoccurring events	<u>515</u>	<u>710</u>
	<u>-</u>	<u>-</u>
	<u>515</u>	<u>1,719</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 140</b>	<b>\$ 811</b>

Draft for discussion purposes only