

**Rotary Club of Edmonton Urban Spirits
Financial Statements
For the year ended June 30, 2013
(Unaudited)**

November 28, 2013

To the members of the Rotary Club of Edmonton Urban Spirits

The statement enclosed, with comparative figures, represents the activity of the club for the year ended June 30, 2013. These statements have been produced in accordance with Canadian Generally Accepted Accounting Principles (GAAP).

To the best of the Executive Committee's knowledge, these statements present fairly, in all material respects, the true financial position of the Rotary Club of Edmonton Urban Spirits for the year ended June 30, 2013.



Aaron Gregson, CA
Treasurer
2012-2013




Statement of Financial Position

As at June 30, 2013, with comparative figures for 2012
(Unaudited)

	<u>Club Operations</u>		<u>Fundraising</u>		<u>Casino</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Assets						
Cash	6,630	8,369	25,735	16,423	7,489	59,397
Accounts Receivable	250	898	-	-	-	-
Inter Bank Accounts Receivable	-	-	2,450	3,711	-	-
Total Assets	6,880	9,267	28,185	20,134	7,489	59,397
Liabilities						
Donations Payable	-	-	-	-	-	6,000
Foundation Payable	-	41	-	-	-	-
Accounts Payable	-	710	-	-	-	-
Inter Bank Accounts Payable	2,450	3,711	-	-	-	-
Total Liabilities	2,450	4,462	-	-	-	6,000
Net Assets						
Unrestricted Net Assets	4,430	4,806	-	-	-	-
Net Assets Restricted for Projects	-	-	28,185	20,134	-	-
Externally Restricted	-	-	-	-	7,489	53,397
Total Net Assets	4,430	4,806	28,185	20,134	7,489	53,397
Total Liabilities and Net Assets	6,880	9,267	28,185	20,134	7,489	59,397

see accompanying notes

President 
Cole Nychka

Treasurer 
Aaron Gregson, CA



Statement of Operations

Year ended June 30, 2013, with comparative figures for 2012

(Unaudited)

	<u>Club Operations</u>		<u>Fundraising</u>		<u>Casino</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Campaign						
Income (Note 3)	-	-	12,488	18,419	-	74,783
Expense (Note 3)	-	-	(1,433)	(5,419)	-	(2,057)
Disbursements of Funds Raised (Note 4)	-	-	(3,003)	(4,839)	(45,858)	(19,192)
	-	-	8,051	8,162	(45,858)	53,534
Venue Costs / Meals						
Special Event Dinner Revenue	760	150	-	-	-	-
Special Event Dinner Expense	(1,292)	(150)	-	-	-	-
Venue Expense	(5,403)	(6,930)	-	-	-	-
Regular	-	400	-	-	-	-
Meals Expense	-	(90)	-	-	-	-
	(5,935)	(6,620)	-	-	-	-
Member Dues						
Collected	12,679	13,083	-	-	-	-
Rotary International	(1,758)	(2,162)	-	-	-	-
District	(2,079)	(2,926)	-	-	-	-
	8,842	7,995	-	-	-	-
Rotary Foundation						
Collected	75	41	-	-	-	-
To Foundation	(1,095)	(1,071)	-	-	-	-
	(1,020)	(1,030)	-	-	-	-
Other Income/(Expense)						
Fines, 50/50 and Miscellaneous	843	903	-	-	-	-
Rotary Day Sponsorship	(750)	-	-	-	-	-
Supplies	(1,472)	(552)	-	-	-	-
Training	(450)	(1,450)	-	-	-	-
Bank Charges	(433)	(436)	-	-	(50)	(137)
	(2,262)	(1,534)	-	-	(50)	(137)
Excess (Deficiency)						
of Revenue over Expenditures	(376)	(1,190)	8,051	8,162	(45,908)	53,397

see accompanying notes



Statement of Changes in Net Assets

Year ended June 30, 2013, with comparative figures for 2012
(Unaudited)

	<u>Club Operations</u>		<u>Fundraising</u>		<u>Casino</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Balance, beginning of the period	4,806	5,996	20,134	11,973	53,397	-
Excess of revenue over expenditures	(376)	(1,190)	8,051	8,162	(45,908)	53,397
Balance, end of the period	<u>4,430</u>	<u>4,806</u>	<u>28,185</u>	<u>20,134</u>	<u>7,489</u>	<u>53,397</u>

see accompanying notes



Statement of Cash Flows

Year ended June 30, 2013, with comparative figures for 2012

(Unaudited)

	<u>Club Operations</u>		<u>Fundraising</u>		<u>Casino</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Operating Activities						
Excess of revenue over expenditures	(376)	(1,190)	8,051	8,162	(45,908)	53,397
Accounts Receivable	648	246	-	-	-	-
Donations Payable	-	-	-	-	(6,000)	6,000
Accounts Payable	(710)	710	-	(73)	-	-
Inter Bank Accounts Receivable	-	-	1,261	(3,711)	-	-
Inter Bank Accounts Payable	(1,261)	3,711	-	-	-	-
Member Prepays - dues, meals	-	(715)	-	-	-	-
Foundation Payable	(41)	41	-	-	-	-
Increase (Decrease) in cash	(1,739)	2,803	9,312	4,378	(51,908)	59,397
Cash, beginning of the period	8,369	5,566	16,423	12,046	59,397	-
Cash, end of the period	6,630	8,369	25,735	16,423	7,489	59,397

see accompanying notes



Notes to the Financial Statements

Note 1 – Purpose of the Organization

The Rotary Club of Edmonton Urban Spirits' mission is to support kids at risk both in the Edmonton area, as well as through several international projects that serve to enhance and improve the quality of life of children in developing nations. The club has chosen to focus support on charities that function and fundraise at the grassroots level instead of charities that have well developed and established fundraising activities.

Note 2 – Significant Accounting Policies

(a) Fund Accounting:

The Rotary Club of Edmonton Urban Spirits follows Canadian Generally Accepted Accounting Principle as set out for not-for-profit organizations. The club follows the *CICA Handbook* Section 4400 and accounts for its transactions using the Restricted Fund Method. The restricted fund method accounts for contributions as Club Operations (General Fund), Fundraising (Restricted Fund), Casino (Restricted Fund) and presents the financial statement elements by these distinctions.

Club Operations reports all unrestricted revenue and restricted contributions for which no corresponding restricted fund is presented. An example of restricted contributions held by Club Operations would be 50/50 winnings where by the winner donates to the proceeds to the Rotary Foundation. The primary purpose of Club Operations is to account for the club's operating and administrative activities.

Fundraising reports all funds raised for the purpose of supporting the three other avenues of service undertaken by the club (Community, Vocational, and International). These funds are internally restricted and disbursements must fall within one of the three avenues of service. The projects committee has full discretion in deciding which organization and by what amount funds are disbursed to.

Casino reports all funds raised for the purpose of supporting the three other avenues of service undertaken by the club (Community, Vocational, and International). These funds are considered externally restricted as the Alberta Gaming and Liquor Commission (AGLC) provides thresholds for which pre-approval is required before the funds can be disbursed.

Avenues of Service

Club Services

The Avenue of Club Service covers strengthening fellowship and all activities associated with the effective operation of the club.

Community Services

The Avenue of Community Service covers projects and activities our club undertakes to improve the lives of children at risk in our community.

Vocational Services

The Avenue of Vocational Service covers projects and activities our club undertakes to promote professional development and mentoring in our community.

International Services

The Avenue of International Service offers a broad range of humanitarian, intercultural, and educational programs and opportunities designed to improve the human condition and advance Rotary's ultimate goal of world understanding and peace.



Notes to the Financial Statements – Continued

New Generation Services

The Avenue of New Generation Service includes all projects that support youth locally. The club is required by Rotary International to have a New Generation component, but the club's youth-at-risk mandate ensures all projects have a youth component, so this category is omitted when categorizing projects.

(b) Revenue Recognition

Members' contributions are recorded as revenue in the period to which they relate. Amounts approved but not received at the end of an accounting period are accrued. Where a portion of a contribution relates to a future period, it is deferred and recognized in the subsequent period.

Fundraising revenue is recognized in the period to which they relate. Amounts approved but not received at the end of an accounting period are accrued. Where a portion of a contribution relates to a future period, it is deferred and recognized in the subsequent period.

(c) Donated Goods/Services

Club members donate a significant amount of time each year in support of operation and fundraising activities. The value of such contributed goods and services is not quantified in the financial statements.

(d) Capital Assets

The club from time to time acquires capital assets for the operation of the club. Examples of acquired capital assets: Canada Flag, Storage Locker, and Projector. The club follows the *CICA Handbook* Section 4430, which allows small not-for-profit organizations to expense capital assets in the year incurred if their gross revenues are below \$500,000 in the current and prior periods.

The club has taken the position that its members are more interested in tracking the total value of assets acquired in the year of purchase rather than the proportion of the assets value consumed in the year. Based on this, the club has elected to expense capital assets in the year that they are acquired.

(e) Foreign Currency Transactions

The club is exposed to foreign exchange gains/losses due to the fluctuation of the Canadian Dollar against the US Dollar. Member dues are collected at the beginning of each fiscal year. The Rotary International (RI) portion of dues collected is payable in US Dollars and is payable in two installments later in the year.

The club recognizes that there is foreign exchange exposure. The club has taken the position that the exposure is limited to the portion of member dues that are payable to RI. Any gains/loss attributable to foreign exchange has been determined to be immaterial.



Notes to the Financial Statements – Continued

(f) Project Committee Budget

For Fundraising, the club restricts the projects committee budget to the level of fundraising achieved in the prior year. This policy has been implemented to ensure that the projects committee budget, in any given year, is not dependent on the current years fundraising.

For Casino, the club directs the projects committee to disburse funds within 2 years from the time the funds are received in compliance with AGLC spending timelines and required approvals.

Note 3 – Campaign (Fundraising Activates)

During the year, the fundraising committee undertook the following activities to raise funds for the purpose of supporting three of the avenues of service (Community, Vocational, and International). Disbursements of funds raised are provided in note 4.

The club makes a concerted effort to minimize the amount of fundraising dollars that are used for the operations of the club. During the year the operations committee did not require any funds from the fundraising committee for the operation of the club (2012 - \$0). To maximize the funds that are available for the projects committee, the operations committee covers all the fundraising committee's bank charges, including credit card processing fees.

	<u>Fundraising</u>		<u>Casino</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Casino (AGLC)				
Revenue	-	-	-	74,783
Expense	-	-	-	(2,057)
	-	-	-	72,726
Beer Tasting				
Revenue	9,454	10,317	-	-
Expense	(1,433)	(5,371)	-	-
	8,021	4,946	-	-
Sweat Equity				
Revenue	3,034	6,102	-	-
Expense	-	(48)	-	-
	3,034	6,054	-	-
Grant Income (1)	-	2,000	-	-
Total Fundraising	12,488	18,419	-	74,783
Total Expense	(1,433)	(5,419)	-	(2,057)
Total Fundraising over Expenditures	11,055	13,000	-	72,726

(1) Grant income from Rotary District 5370

The prior year financial statement showed the grant income as a decrease in expenses in note 4



Notes to the Financial Statements – Continued

Note 4 - Campaign (Disbursements of Funds Raised)

During the year, the projects committee disbursed funds in support of three of the avenues of service (Community, Vocational, and International). Funds have been used to provide financial support for the organizations designated by the projects committee. In addition to financial support, funds were used by the club to run the Prince Charles School Spaghetti Dinner, and the Rocky Mountain experience for youth .

	<u>Fundraising</u>		<u>Casino</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Community Services				
Zebra Child Protection Centre - Court Dog Program	-	-	40,000	-
Wings of Providence	-	-	2,000	-
Camp fYrefly	-	-	1,500	5,000
Terra Centre	-	-	1,000	-
Rotary Employment Partnership	-	-	500	-
Prince Charles School Music Program (1)	-	-	(142)	4,608
Prince Charles School Spaghetti Dinner	882	663	-	-
Rocky Mountain experience for youth	862	-	-	-
SPOKE	-	1,851	-	3,584
	1,743	2,514	44,858	13,192
International Services				
Bolivian Clean Water Network	-	-	1,000	-
The Agape Orphanage Foundation	-	-	-	5,000
Belize Literacy Project (District Project)	-	-	-	1,000
Mobile Dental Clinic - Thailand	-	-	-	-
	-	-	1,000	6,000
Vocational Services				
Rotaract Club Sponsorship	1,260	1,260	-	-
GSE	-	1,065	-	-
	1,260	2,325	-	-
Total Disbursement of Funds Raised	3,003	4,839	45,858	19,192
Total Fundraising over Expenditures (Note 3)	11,055	13,000	-	72,726
Excess (Deficiency) of Fundraising over Expenditures and Donations	8,051	8,162	(45,858)	53,534

(1) refund for musical instruments on back order that could not be delivered

- End of Notes to the Financial Statements -

