



Annual Report

Ritchie Community League
For the period ended March 31, 2023

Prepared by
Nigel Greenways - Treasurer

Prepared on
May 25, 2023

Note to Reader

The Societies Act of Alberta states that an incorporated society must present, at its annual general meeting, a financial statement of income, disbursements assets and liabilities, signed by the society's auditor. In addition, a society will make an annual return to the Registrar that includes the audited financial statement presented at the last annual general meeting of the society. The audited financial statements that must accompany the annual return need not be audited by a professional accountant unless a) the bylaws of the society so require, or b) a fee is being charged to perform the audit.

Per the League's bylaws "The books, accounts, and records of the Treasurer will be audited once per year by a duly qualified accountant or by two members of the League not currently serving on the executive, elected for that purpose at the Annual General Meeting. A complete and proper statement of the standing of the books will be presented by the Auditor / Members of the league at each Annual General Meeting."

Members *Erika Heiberg* and *Nicole Ritchie* have volunteered to audit this year's report. Their comments have been included below.

Auditor's Letter

May 22, 2023

We (E. Heiberg and N. Ritchie) audited the Ritchie Community League (RCL) Financial Statements prepared for the year ending March 31, 2023. This audit included an in-depth discussion with the Treasurer of accounting processes, accounts and transaction categorization, and reporting methods. A sampling of bank transactions was also reviewed and compared to accounting records for completeness and accuracy.

There were some discrepancies noted between this year and last, in particular around the Centennial and were deemed reasonably explainable. There appeared to be a drop in league memberships, which we encourage the Board to consider.

In addition, the following adjustments and/or recommendations have been made:

Servus Accounts – could be considered to close out these accounts to simplify accounting, as they are no longer being used.

Uncategorized Asset – this line item was associated with Casino and should be recategorized to accurately reflect this.

Depreciation - Appraisal of assets could be considered, as this remains to be an area that has not been modified in recent reports.

Liabilities – 2110 Accrued Payroll Taxes to be adjusted to reflect that these have been paid out accurately.

Liabilities – CEBA loan – this should be repaid to remove as a liability and to reflect more accurately in our General Account.

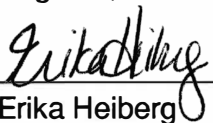
Sales of Merchandise – it could be helpful to split out beer and concession sales from other merchandise to readily understand the contributions of various events and sale categories.

Hall Damage Deposits – could be recategorized as a liability given the nature of these funds typically not being deposited fully into an account and then being redispersed afterwards.

Automated payment systems – to create a more efficient and easy system moving forward, it could be considered to set up auto draft for as many bills as possible to both remove the need for collecting signatures, and to reduce the bills and services that are paid out of pocket and then reimbursed to league members. This would allow for a more concise collection of bills and invoices for expenses.

We hope this provides understanding of the scope of our audit, and can lead to improved clarity and ease of accounting with the RCL financial reporting going forward.

Regards,




Erika Heiberg
League Member



Nicole Ritchie
Director-at-Large

Reviewed and Accepted By:



Nigel Greenways,
Treasurer

Statement of Financial Position / Balance Sheet (Annual Report Accrual Basis)

As of March 31, 2023

| | Apr. 2021 - Mar. 2022 | Apr. 2022 - Mar. 2023 |
|--|--------------------------|--------------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and Cash Equivalent | | |
| 1010 General Account (3879) | 85,185 | 26,420 |
| 1030 Casino Account (7879) | 584,095 | 627,937 |
| 1040 Soccer Account (8979) | 13,127 | 11,552 |
| 1091 Canadian Emergency Business Account (CEBA) - ATB | 40,000 | 40,000 |
| 1095 Servus Common Share Account (8021453) | 627 | 652 |
| 1096 Servus Rewards #8 | 33 | 33 |
| Total Cash and Cash Equivalent | 723,066 | 706,593 |
| Accounts Receivable (A/R) | | |
| 1210 Accounts Receivable (A/R) | -185 | 4,971 |
| Total Accounts Receivable (A/R) | -185 | 4,971 |
| Total Current Assets | 722,881 | 711,564 |
| Non-current Assets | | |
| Property, plant and equipment | | |
| 1800 Building | 387,792 | 387,792 |
| 1810 Rink & Equipment | 141,507 | 141,507 |
| 1830 Parking Lot | 10,000 | 10,000 |
| 1850 Furniture and Fixtures | 28,387 | 28,387 |
| Total Property, plant and equipment | 567,686 | 567,686 |
| 1110 Investments | 0 | 0 |
| Total Non Current Assets | 567,686 | 567,686 |
| Total Assets | \$1,290,566 | \$1,279,250 |
| LIABILITIES AND EQUITY | | |
| Liabilities | | |
| Current Liabilities | | |
| Accounts Payable (A/P) | | |
| 2010 Accounts Payable (A/P) | 6,718 | 48,028 |
| Total Accounts Payable (A/P) | 6,718 | 48,028 |
| 2110 Accrued Payroll Taxes | 374 | 208 |
| Total Current Liabilities | 7,093 | 48,236 |
| Non-current Liabilities | | |
| 2091 Canadian Emergency Business Account (CEBA) - Liability | 30,000 | 30,000 |
| Total Non-current Liabilities | 30,000 | 30,000 |
| Total Liabilities | 37,093 | 78,236 |
| Equity | | |
| 3001 Opening Balance Equity | 1,248,381 | 1,248,381 |
| Retained Earnings | 4,248 | 5,093 |

| | Apr. 2021 - Mar. 2022 | Apr. 2022 - Mar. 2023 |
|-------------------------------------|----------------------------------|----------------------------------|
| Profit for the year | 844 | -52,459 |
| Total Equity | 1,253,473 | 1,201,014 |
| Total Liabilities and Equity | \$1,290,566 | \$1,279,250 |

Statement of Operations / Profit and Loss (Annual Report, Accrual)

April 2021 - March 2023

| | Apr. 2021 - Mar. 2022 | Apr. 2022 - Mar. 2023 | Total |
|---|-----------------------|-----------------------|-------------------|
| INCOME | | | |
| 4010 Donations and Grants - Individual | 7,825.00 | 1,764.70 | 9,589.70 |
| 4015 Donations and Grants - Subscription Program | 21,958.00 | 21,360.02 | 43,318.02 |
| 4020 Donations and Grants - Government | 17,100.00 | 1,500.00 | 18,600.00 |
| 4021 Donations and Grants - City of Edmonton CLOG | 13,602.00 | 13,613.00 | 27,215.00 |
| 4023 Donations and Grants - Canada Summer Jobs | 4,200.00 | 10,774.00 | 14,974.00 |
| 4029 Donations and Grants - Centennial | 26,449.00 | 7,281.60 | 33,730.60 |
| 4030 Donations and Grants - Bingo / Casino | 4,427.20 | 90,577.13 | 95,004.33 |
| 4040 Donations and Grants - Organization | 2,300.00 | 3,600.26 | 5,900.26 |
| 4110 Programs Revenue | 2,021.10 | 3,951.50 | 5,972.60 |
| 4120 Events Revenue | 1,033.75 | 5,981.76 | 7,015.51 |
| 4300 Sales of Merchandise | 3,059.00 | 6,373.61 | 9,432.61 |
| 4305 Sales of Concession | | 5,751.75 | 5,751.75 |
| 4310 Discounts given | -200.00 | -94.50 | -294.50 |
| 4400 Hall Revenue | 12,941.00 | 18,239.00 | 31,180.00 |
| 4500 Membership Dues | 4,104.40 | 2,665.00 | 6,769.40 |
| Total Income | 120,820.45 | 193,338.83 | 314,159.28 |
| GROSS PROFIT | 120,820.45 | 193,338.83 | 314,159.28 |
| EXPENSES | | | |
| 5000 Salaries and Wages | 15,253.82 | 41,283.01 | 56,536.83 |
| 5001 Salaries and Wages - Centennial | 17,305.60 | 19,069.20 | 36,374.80 |
| 5110 Labour/Honorariums - Programming | 1,540.00 | 3,708.75 | 5,248.75 |
| 5120 Labour/Honorariums - Events | 750.00 | 2,144.65 | 2,894.65 |
| 8015 Subscription Program Expenses & Fundraising Expenses | 10,276.11 | 11,506.10 | 21,782.21 |
| 8210 Supplies - Programming | 4,325.65 | 4,152.14 | 8,477.79 |
| 8220 Supplies - Events | 576.69 | 10,487.08 | 11,063.77 |
| 8251 Projects - Centennial | 1,852.99 | 18,191.06 | 20,044.05 |
| 8252 Projects - Community Garden | 4,988.13 | | 4,988.13 |

| | Apr. 2021 - Mar. 2022 | Apr. 2022 - Mar. 2023 | Total |
|---|-----------------------|-----------------------|----------------------|
| 8300 Communications | 379.92 | 2,224.66 | 2,604.58 |
| 8310 Newsletter | 1,730.97 | 2,056.47 | 3,787.44 |
| 8320 Website | 662.27 | 817.14 | 1,479.41 |
| 8520 Utilities | 9,801.57 | 14,390.61 | 24,192.18 |
| 8530 Repair and maintenance | 2,100.00 | 7,415.88 | 9,515.88 |
| 8532 Repair and maintenance - Rink | 130.81 | 384.44 | 515.25 |
| 8535 Hall Cleaning | 5,331.90 | 4,385.17 | 9,717.07 |
| 8540 Hall Supplies | 1,535.77 | 2,822.69 | 4,358.46 |
| 8550 Software | 472.50 | 671.98 | 1,144.48 |
| 8610 Bank/Transaction charges | 1,216.21 | 1,268.56 | 2,484.77 |
| 8700 Donations/Contributions | 98.00 | 1,011.92 | 1,109.92 |
| 8800 Insurance | 4,172.00 | 5,194.00 | 9,366.00 |
| 8810 Board Expenses | 2,415.81 | 1,021.00 | 3,436.81 |
| 8920 Membership Expenses | 655.07 | 662.73 | 1,317.80 |
| Total Expenses | 87,571.79 | 154,869.24 | 242,441.03 |
| OTHER INCOME | | | |
| 4900 Interest Income | 2,123.96 | 315.73 | 2,439.69 |
| 4910 Dividend Income | 15.84 | 25.01 | 40.85 |
| Total Other Income | 2,139.80 | 340.74 | 2,480.54 |
| OTHER EXPENSES | | | |
| 8410 Professional Expense - Ritchie Hall Revitalization | 35,344.14 | 90,469.69 | 125,813.83 |
| 8910 Undeposited Transfers | -800.00 | 800.00 | 0.00 |
| Total Other Expenses | 34,544.14 | 91,269.69 | 125,813.83 |
| PROFIT | \$844.32 | \$ -52,459.36 | \$ -51,615.04 |

Notes to the Financial Statements

Organization

Ritchie Community League (RCL) strives to be responsive to our community's individual and collective needs through advocacy, entertainment, and initiatives, resulting in a safe, vibrant, and accepting neighbourhood for all. We seek to build interpersonal connections through our neighbourhood's unique offerings while looking towards a future that celebrates inclusivity, diversity, and community. The Ritchie Community League is registered under the Societies Act of Alberta.

Basis of Preparation

As of April 1 2021, Ritchie Community League has transitioned to an Accrual basis of preparation. Previously all financial reports and updates to the Board of Directors were prepared on a Cash basis. Accrual accounting provides a more accurate record of financial activities because it records the economic substance of transactions, whether or not cash has been received or paid.

Unutilized Accounts

It should be noted that both Servus bank accounts have not been utilized since the transition to Alberta Treasury Board (ATB) as the primary bank of RCL. Closure of these accounts and transfer of funds to General accounts will be explored in future.

Property Assets

Property assets have been included with the Statement of Financial Position, consistent with past years financial reports. It is the opinion of the Treasurer that the depreciation applied in previous financial reports, dating back at least to 2013, have been done incorrectly or without sufficient documentation of methodology. This was noted in the audit the last two years. It is recommended that the capturing of RCL's long-term assets be evaluated by an accountant knowledgeable in the area.

Canada Emergency Business Account (CEBA)

As part of the Government of Canada's response to the COVID-19 pandemic, the CEBA program offered interest-free loans to small businesses and not-for-profits. RCL received \$40,000 in this account, and is eligible for loan forgiveness of 25 percent (up to \$10,000) if the outstanding balance of the loan (other than the amount available to be forgiven) is repaid on or before December 31, 2023. RCL has not been forced

to utilize any of the funds in the account and plans to repay the required amount before the deadline (to avoid applicable interest).

Grants

RCL receives a portion of its operating funds from government grants. The major grants RCL received for this year included the Summer Jobs grant (\$10,774, Gov. Alberta), and the Community League Operating Grant (\$13,613, City of Edmonton).

Ritchie Hall Revitalization

Started in December 2014, the Ritchie Hall Revitaliation Committee (RHRC) has engaged with the community and explored options and opportunities to pursue a new or renovated community hall to replace the existing building (1961). Given the expanding needs, rental consumer expectations, and ongoing maintenance of the current hall, this work has evolved and continues to this day. Large grant applications have been submitted in the past two years, but have not been successful to date; this work will continue into 2023/24.

As part of this committee's work and grant requirements, professional services (totalling \$90,469) were acquired from ReImagine Architectures for design development and construction drawings, respectively.

While the Hall rental income has increased over last fiscal year, utilities and repair expenses also increased. The overall rental income ceiling will continue to be impacted as the hall continues to age and desirability decreases.

Subscription Program

Established in January 2021, RCL's innovative fundraising subscription program, "Ritchie Crew", continues to provide the league with a reliable fundraising stream, while connecting residents to the league with merchandise, events, local business discount card, and a family community league membership. This financial report represents the second reporting of a complete cycle (expenses are concentrated at the beginning of the calendar year). Revenue from the program in the fiscal year totaled \$21,360, with subscription program fundraising expenses totaling \$8,966. While, this represents a slight decline in gross income from previous year primarily due to increased expenses; RCL intends to continue the program into 2024.

Centennial Project

In the last fiscal year, Ritchie celebrated its 100th anniversary of existence as a league with a Centennial event in September, as well as year long historical and cultural projects/collaborations. This was approved by the board of directors, with a budgeted spend of \$20,000, prior to proceeding, and was funded in part by grants.

Including project staff and expenses, the project total spend as of fiscal year ended is \$56,418, with \$31,109 in grants funding the project. The project has not yet been closed-out, with grant reporting items pending. No further significant expenses are expected.

Casino Funds

RCL was once again able to receive a portion of the pooled gaming funds from the Alberta Gaming, Liquor & Cannabis commission (AGLC) for the casino worked June 14-15, 2022. This year, the total proceeds received by the League equaled \$88,094. Special thanks to all those that contributed their time to this, in particular David Woo for organizing and acting as our representative to the AGLC.

The opportunity to work a Casino is typically offered to the League once every two years, and is a key factor to financial sustainability for the League. Funds are required to be stored in a designated, separate account, with use of proceeds requiring AGLC approval and a limited time frame. A request has been made to the AGLC to transfer funds from our Casino account to the General account based on the last two years of AGLC eligible expenses. In addition, a request will be made to proceed with spending the currently retained funds on the RHRC project development. Both requests are still pending AGLC approval.

Auditor Comments

Based on the results of the audit performed on May 18th, several bookkeeping changes were made to address comments. These include corrections to liabilities (including Payroll taxes and "Tips"), separation of Sales of Merchandise from Sales of Concession. Changes to Hall Damage Deposit account will be reflected for this line item going forward.