

MARCH 2007

TREASURER'S UPDATE

BY: HEIDI BRAUER, CMA

NEW.... GRANT WORKSHOP

Presenters are:

- Wild Rose Foundation
- The Calgary Foundation
- Alberta Sports & Wildlife

**MARCH 22, 2007
7:00 PM
@ FCC
\$20.00 per person**

Treasurer's Workshop

**APRIL 26, 2007
7:00 PM
@ FCC
\$30.00—Members
\$40.00—Non-members**

**See Registration Flyers for these workshops elsewhere in this mailing, or on our website at:
www.calgarycommunities.com**



Federation of Calgary Communities.
#301, 1609—14 Street SW, Calgary, AB T3C 1E4
Ph: 244-4111, ext 209 Fax: 244-4129
Email: heidi.brauer@calgarycommunities.com
Website: www.calgarycommunities.com

GST – Not-for-Profit Associations

On February 22, 2007 Stuart Rowe from GST conducted an informative workshop for GST for Not-for-Profit Associations. No matter how many times I attend these workshops, there are always some new rules and regulations I learn about, and this is what the other people in attendance thought too.

Many of you may have set up only the taxable income on the GST claim forms in box # 101, but actually the Canada Revenue Agency wants you to set up your total income in this box, which includes your exempt income like gaming income and income from exempt activities.

Please watch for our other upcoming workshops:

March 27, 2007	Grant Workshop
April 26, 2007	Treasurer's Workshop

Dependency on Gaming Funds

Many of you may have read the article in Friday's Herald (Friday, February 23/07) by Joel Kom "Jones rallies bailout for local groups".

We all know, that it is getting more difficult all the time to make ends meet running a community association.

When I discuss the audit draft with you, I always point out the dependency on the gaming funds. Very few can survive without these additional funds. Many treasurers are shocked to realize, how dependent they are on their bingo and casino funds.

These funds also allow you to apply for the CFEP and CIP grants, which need matching funds. Your gaming funds will qualify for these matching portions.

Now, let's take the situation you would not have these funds or these funds are diminished drastically: To show how it will affect your organization, look at your last year end's financial statements. Take out the gaming revenues from the revenue and look at the bottom line. It is scary to realize, how large the deficit would be without these funds.

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Some of you have purchased capital assets like furniture and equipment or renovated the hall. These funds do not even show up in the income statement, as they are capital assets showing in the Statement of Financial Position. You probably would not have been able to renovate or purchase capital assets without these funds.

The end effect would be, that your hall is “falling to pieces” without these much needed renovations or replacements.

The City of Calgary has been supportive, if a life cycle repair needed matching funds, but what if there were no gaming funds to pay for some of these expenses?

How do you budget for bingo funds? Many community associations will take a rough estimate based on last year’s receipts. The payments from these funds are usually utilities and maintenance. These are fixed expenses. If you should not receive the bingo funds as budgeted, you will have to pay for these expenses from your operating funds, which are already stretched to the limit.

I often read in the minutes of the board of directors “Bingos are down and gas and electricity expenses are up”. Sounds familiar?

You will have to monitor your budget very closely to possibly free up operating funds for your fixed expenses if bingo funds do not come in as budgeted.

Doing the audits for many community associations, I can see a direct relationship between how much efforts the volunteers are able to put in to run the organizations. As I had mentioned in one of my previous Treasurer’s Updates, many of the volunteers are not able to spend much time for the community association, as they have a job and family commitments. They offered to volunteer, as they don’t want the community association to fault.

The answer here is, to employ someone to run the community association, but this requires funding. It seems like a vicious circle. Very few communities are able to generate enough funds to run the association without gaming and grant funding.

If the Gaming Funds in the future are to decline drastically due to the smoking ban, as Ald. Ray Jones mentioned, many of you will have difficulty running your organizations. Already some organizations are wondering, whether it is worth their while recruiting volunteers for bingos, which don’t bring in a reasonable “take” for the day of volunteering. It is wise to be pro-active and find new funding sources before community associations give the keys back to the City.

Heidi Brauer, CMA

Phone: (403) 244-4111, ext 209

Email: heidi.brauer@calgarycommunities.com