

**The Hamilton Association
for the Advancement of Literature, Science and Art
(HAALSA)**

Financial Statements

**(Unaudited)
For the Fiscal Year**

1 July 2022 to 30 June 2023

Updated 25 Aug 2023

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Hamilton, Ontario, Canada
www.haalsa.org

Canada Revenue Agency BN 11923 6651 RR0001

Financial statements (Unaudited)

Introduction

Please Note

HAALSA follows the "cash" method of accounting, which recognizes a financial transaction only when cash (or its equivalent) is received or paid out. (Cash equivalents include cheques, e-deposits and e-transfers.)

This method prescribes how financial activity is recorded in financial records and what may be included in the principal tables in annual financial statements. Since fiscal 2021-2022 the principal tables in this report have been prepared with a stricter regard than in previous years for the conventions of the cash method of reporting.

The basic rules are: All cash revenue (income) must be reported in the fiscal year received and all cash out-flows (expenses) must be reported in the fiscal year paid out. No portion of revenue or expenses may be assigned to a future fiscal year. No portion of anticipated revenue, traditionally reported as Accounts Receivable, or anticipated expenses, traditionally reported as Accounts Payable, may be reported in the principal tables.

Thus for example, there is no line item under "Assets" reporting the cost of retained tangible or intangible property, such as a computer or software that was purchased or, in the case of gifts-in-kind was donated, in a prior fiscal period. The former have been reported under "Expenses" in the period in which they were acquired. Non-cash gifts were reported as such in an end-note, also in the period in which they were acquired. Similarly there is no line item reporting the depreciated value of retained tangible and intangible property, regardless of how it was acquired in some previous fiscal period. (Depreciation (also called amortization) is the annual reduction in the estimated market value of an asset due to, primarily, wear and tear through use or functional obsolescence. In addition, the current value of tangible property that is traditionally labelled Inventory and reported as such under Assets — property acquired before or during a given fiscal period for use in charitable activities in that or future fiscal periods — is also excluded from the principal tables, although an end-note reports the value of gifts purchased in a previous period but given out during the fiscal periods detailed in the given statement.

Readers who are only familiar with the "accrual" method of accounting may be surprised by some of the omissions from the principal tables in this report. Some of these omissions are, as noted above, addressed in line items in the end-notes provided below some of the tables.

For more information about HAALSA's accounting and reporting practices, see the Additional Notes section in this report.

Financial statements (Unaudited)**Statement of Financial Position**

For the fiscal year ending 30 June	2023	2022
Assets ^a		
Cash and cheques on hand ^b	\$ 30.00	\$ 30.00
Cash deposits (TD Bank, Meridian Credit Union) ^c	4,387.66	4,695.33
	<u>4,417.66</u>	<u>4,725.33</u>
Investments		
Short term	24,425.14	24,026.93
Long term	2,179.27	2,117.85
	<u>26,604.41</u>	<u>26,144.78</u>
	<u>31,022.07</u>	<u>30,870.11</u>
Liabilities ^d		
Assets subject to restrictions on their use		
Award funds	1,208.45	1,273.25
	<u>1,208.45</u>	<u>1,273.25</u>
Net Assets ^e	<u>29,813.62</u>	<u>29,596.86</u>

Notes

a Excludes receivables (amounts owing to HAALSA)

b Includes Cash Box float 30.00 30.00

c Cash deposits at:

 TD Canada Trust (chequing) 4,924.02 4,945.33

 Less cheques outstanding -536.36 -250.00

 Meridian Credit Union (savings) 0.00 0.00

d Excludes all other liabilities (amounts owing to persons and organizations for which no payment has been issued:

 Owing to non-arms-length persons 0.00 0.00

 Owing to other persons and/or organizations 0.00 0.00

e Assets less Liabilities (ie, the "Unrestricted Surplus").

Financial statements (Unaudited)**Statement of Revenue ^a**

For the fiscal year ending 30 June	2023	2022
Tax-Receiptable Gifts ^{b, c}		
For membership ^d		
Individual	\$ 640.16	\$ 541.12
Household	569.76	599.28
Life	200.00	601.60
	<u>1,409.92</u>	<u>1,742.00</u>
For an award fund		
Maitland Banting Silver Quill fund	151.40	71.48
Science (da Vinci) fund	329.40	217.60
Young Musician fund	254.40	224.76
Young Poet fund	131.40	62.60
	<u>866.60</u>	<u>576.44</u>
For other uses ("Other (Unrestricted)")	763.64	597.24
	<u>3,040.16</u>	<u>2,915.68</u>
Non-Tax-Receiptable Gifts and Other Income		
Attendees (excluding guests) at the annual tour/dinner	0.00	0.00
Sales tax rebates ^e	104.48	146.25
Other	0.00	224.87 ^f
	<u>104.48</u>	<u>371.12</u>
Interest	459.63	286.60
	<u>3,604.27</u>	<u>3,573.40</u>

Notes

a Excludes accounts receivable: Sales tax rebate (estimated)	112.08	54.58
Also excludes: Tax-receiptable non-cash donations	438.00	515.00
b Indirect donations: donor is a Qualified Donee	236.16	631.68
c Direct donations: the donor is not a Qualified Donee	2,804.00	2,284.00
d For memberships	n	n
Individual	32	26
Household	19	20
Life	1	3
	<u>52</u>	<u>49</u>
e For 1 Jan to 30 June in the previous fiscal year (P2)	54.04	53.42
For 1 Jul to 31 Dec in the reported fiscal year (P1)	50.44	92.83
Total rebates received in the reported fiscal year	104.48	146.25
For 1 Jan to 30 Jun in the reported fiscal year: To be claimed	112.08	54.58
f McMaster Womens Club: For technical assistance re. Zoom		

See also "Additional Notes"

Financial statements (Unaudited)**Statement of Expenses ^a**

For the fiscal year ending 30 June

2023

2022

Administration

Banking & related charges	\$ 0.00	\$ 1.50
Postage	0.00	10.40
Printing and photocopying	104.18	0.00
Software	38.25	236.19
Supplies	33.60	55.92
Office equipment	0.00	372.78
Other	37.74	0.00
	<u>213.77</u>	<u>676.79</u>

Annual Dinner

Payment to restaurant ^b	973.32	0.00
Less cost assigned to "Lectures/Honoraria" ^c	-973.32	0.00
Less funds received from those who were not guests ^d	<u>0.00</u>	<u>0.00</u>
	0.00 ^e	0.00 ^e

Notes

a Expenses are reported at 100% of their total after-tax cost.

b The cost incurred by the Association for all food and beverages ordered by attendees.

c The cost for food and beverages incurred on behalf of those who attended as guests of the Association. All speakers in the period's lectures series are invited to attend along with a guest of their choosing.

d Payments received from attendees who were not guests, including members of Council, for the cost of all food ordered. All such persons are required to provide the Treasurer or the restaurant with payment at the advertised rate before leaving the event. Except for guests, all attendees pay the restaurant directly for any alcoholic beverages ordered.

e A net cost is incurred when:

- the advertised dinner rate proves to be less than the actual per-person cost due to unanticipated fees or other charges; or
- additional incidental charges are approved by the President during the dinner; or
- the number of attendees (n) is less than the minimum number (N) specified in the Association's contract with the restaurant, in which case the restaurant charges an additional amount, usually equal to the advertised per-person fee multiplied by the number of non-attendees (N minus n).

See also "Additional Notes"

Financial statements (Unaudited)**Statement of Expenses (continued) ^a**

For the fiscal year ending 30 June

2023

2022

Charitable Works

Annual tour

Payment to host	\$	0.00	\$	0.00
Less cost assigned to "..\Lectures\Honoraria"		0.00		0.00
Less funds received from those who were not guests ^b		0.00		0.00
		0.00		0.00

Awards and gifts

Awards to individuals

Maitland Banting Silver Quill Award	250.00	250.00
Young Musician Award	250.00	250.00
Young Poet Award	250.00	250.00
	750.00	750.00

Gifts to qualified donees ^c

BASEF (administration cost and Science award) ^d	300.00	300.00
Hamilton Philharmonic Orchestra (joint event)	0.00	0.00
	300.00	300.00

Other (photocopying and supplies)

11.62	0.00
1,061.62	1,050.00

Lecture series

Brochure

Postage	282.69	0.00
Printing	206.25	0.00

Honoraria for speakers

Post-lecture gifts ^e	0.00	1,100.00 ⁱ
Year-end tour and/or dinner ^f	973.32	0.00

Notices (printing)

50.18	0.00
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Refreshments

11.99	0.00
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Room rental and equipment

0.00	1,161.64 ^j
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Software ^g

29.37	0.00
-------	------

Supplies

14.13	0.00
-------	------

Travel, food and accommodation ^h

608.99	0.00
2,176.92	2,261.64

Internet Services (website, email)

0.00	0.00
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3,238.54	3,311.64
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Notes

See page 5.

See also "Additional Notes"

Financial statements (Unaudited)**Statement of Expenses (continued) ^a**

For the fiscal year ending 30 June	2023	2022
Total Expenses ^t		
Administration	213.77	676.79
Annual Dinner	0.00	0.00
Charitable Works	<u>3,238.54</u>	<u>3,311.64</u>
	<u>3,452.31</u>	<u>3,988.43</u>
Administration costs as a percentage of Total Expenses:	6.2%	17.0%

Notes

- a Expenses are reported at 100% of their total after-tax cost.
- b At Council's discretion persons who are not the Association's guests may be asked to reimburse the Association for the amount paid to the tour host on their behalf.
- c Qualified Donee: An organization, including registered Canadian charities that can, under the Income Tax Act, issue official receipts for tax purposes for cash and non-cash gifts donated to the organization. A QD can also donate to another qualified donee if doing so is consistent with the donor's charitable mandate; examples: CanadaHelps.org donates to HAALSA from time to time; HAALSA donates to BASEF once annually.
- d BASEF: Bay Area Science and Engineering Fair. At the donee's request, \$50 of our \$300 donation is applied to BASEF's administrative costs. BASEF provides the Science Award recipient with a cheque for the amount specified by HAALSA, \$250. However, due to the impact of COVID-19 restrictions on judging procedures, Council decided not to identify a recipient for the 2020, 2021, and 2022 fairs. Council supported BASEF in those years by donating our usual amount, \$300.
- e Excludes gift items, such as books, purchased (and reported at their full after-tax cost) in a previous fiscal period but given to speakers and others during the given fiscal period. These excluded amounts are:
- | | | |
|--|--------|------|
| | 175.00 | 0.00 |
|--|--------|------|
- f Costs incurred by the Association's guests (the season's speakers and others) who attended the Association's annual end-of-season tour and dinner.
- g For editing recordings of the lectures.
- h Costs incurred by or on behalf of the Association's guests (speakers and others) coming from out of town, for any of the following: a) mileage (return); b) meals on route; c) pre-lecture dinner; d) local accommodation for one night, including breakfast; and e) parking (on-campus and/or other sites).
- i Gift certificates for presenters in fiscal 2019-2020, 2020-2021, and 2021-2022, in which, due to COVID-19 restrictions, HAALSA hosted no annual dinners or tours.
- j Monthly Zoom licences for meetings and webinars (www.zoom.us). These account for 100% of the amount reported for this category for the given period.
- t Excludes the after-tax cost of goods and services for which payment has not yet been made (ie, Liabilities).
- | | | |
|--|------|-------|
| | 0.00 | 27.34 |
|--|------|-------|

Financial statements (Unaudited)**Statement of Net Revenue**

For the fiscal year ending 30 June	2023	2022
Net Revenue (Loss)		
Total revenue including flow-throughs (Page 2)	\$ 3,604.27	\$ 3,573.40
Less fees paid to HAALSA by tour/dinner attendees	0.00	0.00
	3,604.27	3,573.40
Less Total Expenses (Page 5)	-3,452.31	-3,988.43
	151.96	(415.03)
Change in Net Assets (the Unrestricted Surplus)		
Balance at start of fiscal year (from 2022 from 2021)	29,596.86	29,835.47
Additions during the fiscal year		
Total revenue including flow-throughs (Page 2)	3,604.27	3,573.40
	33,201.13	33,408.87
Less deductions during the fiscal year		
Revenue assigned to the award funds	-866.60	-576.44
Amount transferred to the awards funds	-118.60	-269.80
Payment of previous fiscal year's unpaid expenses	0.00	-27.34
Total expenses (Page 5)	-3,452.31	-3,988.43
Excude expenses paid from the award funds	1,050.00	1,050.00
	-3,387.51	-3,812.01
	29,813.62	29,596.86

See also "Additional Notes"

Financial statements (Unaudited)**Statement of Restricted Funds ^a**

For the fiscal year ending 30 June	2023	2022
Maitland Banting Silver Quill Award		
Balance at start of year	\$ 1,241.69	\$ 1,420.21
Additions		
Tax-receipted gifts	151.40	71.48
From the Unrestricted Surplus	0.00	0.00
Less Expenditures		
Award(s) to individuals	<u>-250.00</u>	<u>-250.00</u>
Balance at end of year	1,143.09	1,241.69
Science (da Vinci) Award		
Balance at start of year	0.00	0.00
Additions		
Tax-receipted gifts	329.40	217.60
From the Unrestricted Surplus	0.00	82.40
Less Expenditures		
Gift(s) to BASEF ^c	<u>-300.00</u>	<u>-300.00</u>
Balance at end of year	29.40	0.00
Young Musician Award		
Balance at start of year	31.56	56.80
Additions		
Tax-receipted gifts	254.40	224.76
From the Unrestricted Surplus	0.00	0.00
Less Expenditures		
Award(s) to individuals	<u>-250.00</u>	<u>-250.00</u>
Balance at end of year	35.96	31.56
Young Poet Award		
Balance at start of year	0.00	0.00
Additions		
Tax-receipted gifts	131.40	62.60
From the Unrestricted Surplus	118.60	187.40
Less Expenditures		
Award(s) to individuals	<u>-250.00</u>	<u>-250.00</u>
Balance at end of year	0.00	0.00
	<u>1,208.45</u>	<u>1,273.25</u>
Total transferred in from the Unrestricted Surplus	118.60	269.80
Total paid out to individuals and qualified donees	1,050.00	1,050.00

See also "Additional Notes"

Financial statements (Unaudited)**Statement of Reserve Fund** ^{a,b}

For the fiscal year ending 30 June

2023

2022

Purchased	Matures	Instn Term Type (#)	Annual Rate	Principal	Principal
Term Deposits: Short Term					
07-Jul-21	07-Jul-22	MCU 1-Yr (40)	1.00%	\$	\$ 2,343.84
04-Aug-21	04-Aug-22	MCU 1-Yr (31)	1.00%		1,944.46
04-Sep-21	04-Sep-22	MCU 1-Yr (32)	1.00%		1,946.33
04-Oct-21	04-Oct-22	MCU 1-Yr (42)	1.00%		1,895.27
15-Nov-21	15-Nov-22	MCU 1-Yr (35)	1.00%		1,884.09
15-Dec-21	15-Dec-22	MCU 1-Yr (36)	1.40%		1,875.85
15-Jan-22	15-Jan-23	MCU 1-Yr (37)	1.40%		1,877.49
04-Feb-22	04-Feb-23	MCU 1-Yr (38)	1.65%		1,865.63
04-Mar-22	04-Mar-23	MCU 1-Yr (39)	2.00%		1,850.16
04-Apr-22	04-Apr-23	MCU 1-Yr (27)	2.00%		1,858.21
04-May-22	04-May-23	MCU 1-Yr (28)	2.75%		2,334.69
04-Jun-22	04-Jun-23	MCU 1-Yr (29)	3.25%		2,350.91
07-Jul-22	07-Jul-23	MCU 1-Yr (40)	4.00%	2,367.28	
04-Aug-22	04-Aug-23	MCU 1-Yr (31)	4.10%	1,963.90	
04-Sep-22	04-Sep-23	MCU 1-Yr (32)	4.10%	1,965.79	
04-Oct-22	04-Oct-23	MCU 1-Yr (42)	4.30%	1,914.22	
15-Nov-22	15-Nov-23	MCU 1-Yr (35)	4.70%	1,902.93	
15-Dec-22	15-Dec-23	MCU 1-Yr (36)	4.90%	1,902.11	
15-Jan-23	15-Jan-24	MCU 1-Yr (37)	4.90%	1,903.77	
04-Feb-23	04-Feb-24	MCU 1-Yr (38)	4.90%	1,896.41	
04-Mar-23	04-Mar-24	MCU 1-Yr (39)	4.75%	1,887.16	
04-Apr-23	04-Apr-24	MCU 1-Yr (27)	4.75%	1,895.37	
04-May-23	04-May-24	MCU 1-Yr (28)	4.65%	2,398.89	
04-Jun-23	04-Jun-24	MCU 1-Yr (44)	4.45%	2,427.31	
				<u>24,425.14</u>	<u>24,026.93</u>

Purchased	Matures	Instn Term Type (#)	Mean Annual Rate ^d	Principal + interest to date	Principal + interest to date
Term Deposits: Long Term ^c					
18-Oct-19	18-Oct-22	MCU 3-Yr BCTD (34)	2.90%		2,117.85
18-Oct-22	18-Oct-25	MCU 3-Yr Rdm (34)	3.75%	2,179.27	
				<u>26,604.41</u>	<u>26,144.78</u>

See also "Additional Notes"

Financial statements (Unaudited)**Statement of Reserve Fund (continues)** ^{a,b}

For the fiscal year ending 30 June	2023	2022
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Notes

- a This section was titled "Investments (Term Deposits)" prior to the report for FY 2021–2022.
- b Principal and interest are guaranteed by the Deposit Insurance Corporation of Ontario.
- c Value of Long Term investments maturing in the next 12 months, excluding final interest payments: 2,179.27 2,117.85
- d Annual rates vary within and across long-term deposits.
Mean Annual Rate ('n`-year term):
 $(\text{Year-1 rate} + \text{Year-2 rate} + \dots) / n$.

Abbreviations

- MCU Meridian Credit Union.
- 3-Yr Esc 3-Year Escalator. Fully cashable on each anniversary date. Interest compounded annually.
- 3-Yr BCTD 3-Year Business Cashable Term Deposit. Redeemable after 90 days. Reduced rate if redeemed before maturity date.
- 3-Yr Rdm 3-Year Redeemable Term Deposit.

Financial statements (Unaudited)**Additional Notes**

1. Organization

The Hamilton Association for the Advancement of Literature, Science, and Art (HAALSA), is an unincorporated, not-for-profit organization based in Hamilton, Ontario. HAALSA is a registered Canadian charity under the Income Tax Act (Canada) and, as such, is generally exempt from income taxes and able to issue donation receipts for income tax purposes.

HAALSA fosters public education in the Hamilton region across a range of subjects within the fields of literature, science and art, all broadly defined. We do this by providing an annual series of free public lectures from September to April. We also encourage, by means of cash awards, talented high school students' efforts in the fields of fiction writing in the short story and poetry formats, the physical sciences, and music (performance and composition). Our current partners in these endeavours are the Hamilton Public Library, the Bay Area Science and Engineering Fair, and the Dundas Valley Orchestra. In recent years we have also co-hosted with the Hamilton Philharmonic Orchestra a presentation, including short performances, focussed on the life and works of a major classical composer.

The Association is governed by an all-volunteer Executive Council (the Council), which is chaired by its President. The other senior officers are the Vice President, the Past President, the Treasurer, and the Corresponding Secretary.

2. Definitions**Capital and Intangible Assets**

Tangible and intangible property that is both expected to be of use to the Association for two or more years following its purchase or donation and not considered "inventory".

CRA

Canada Revenue Agency. Charities are regulated by the Charities Directorate, a division of the CRA.

Depreciation

The loss over time in the value of property due to wear and tear, increasing obsolescence, or both. In Canada depreciation is generally synonymous with amortization.

Inventory

Tangible property acquired for current or later use in carrying out the Association's charitable works.

Net Cost of Acquisition (NCA)

A property's pre-tax cost plus the non-rebatable portion of any sales tax paid on the purchase price and any associated legal or other costs incurred in its acquisition.

Term Deposits | Guaranteed Investment Certificates (GICs)

Interest-earning instruments that are insured against loss of the principal amount of the investment.

Financial statements (Unaudited)**Additional Notes**

3. Significant Accounting Policies

The annual financial statements are prepared by the Treasurer and presented to Council for review and approval. The statements are not audited by a professional auditor because the cost of a professional audit would, in Council's view, consume an unacceptably high proportion of the Association's annual income.

Net Assets | The Unrestricted Surplus

The unrestricted surplus is the cumulative excess of revenue over expenses that is not restricted in its use and is thus available for general use by the Association.

Most of the surplus is invested in GICs. These are reported under 'Reserve Fund'.

The remainder of the surplus is held as cash in the Association's bank accounts and is used to pay annual cash expenses. In addition, the surplus is drawn on annually at year-end, via a non-cash transfer, to off-set a negative net balance in any award fund.

Fund Accounting**Restricted Funds**

Amounts reported in this section must be used to fund the Association's annual awards programs. Donors may assign any portion of their donation to any of the award funds. Such funds are not included among the (external) liabilities that the Association reports annually to the Canada Revenue Agency.

Funds assigned to an award fund are held, unsegregated, as cash in one of the Association's bank accounts.

Reserve Fund

The fund was established by Council to facilitate modest no-risk growth in the portion of the unrestricted surplus that does not need to be held in the Association's bank accounts.

The fund consists of GICs. The principal and earned interest of a GIC are normally re-invested in a new GIC.

Investments: Short- and Long-Term Deposits

Short-term GICs mature within one year of purchase. They are reported at their initial cost (the "principal"). Longer-term GICs are reported at their year-end net value, which includes interest added to the principal amount during the life of the deposit. At maturity GICs are normally renewed for a like term.

Financial statements (Unaudited)**Additional Notes**

3. Significant Accounting Policies (continues)**Inventory**

Tangible property, such as books and gift certificates, to be given immediately post-lecture to a speaker or other guest of the Association, are reported under 'Expenses > Lecture Series > Honoraria' only if the property is gifted in the fiscal year in which it was purchased. Inventory purchased in an earlier fiscal period, having already been reported as an expense in that period's annual statement, is not reported in the statement of expenses for any subsequent fiscal year.

Government of Canada Sales Tax Rebates

Registered Canadian charities may request a refund (rebate) of a portion of federal and provincial sales tax paid on their purchases. HAALSA requests an HST rebate in July for tax paid in the second half of the previous fiscal year (1 January to 30 June). A second request is submitted in January for tax paid on purchases in the first half of the current fiscal year (1 July to 31 December). The CRA requires charities to report a sales tax rebate as revenue when the charity's statement of expenses includes 100% of sales tax paid.

Rebates received are reported under 'Revenue > Non-Tax-Receiptable Gifts and Other Income'. For the reader's convenience, the rebate that HAALSA expects to receive in the /next/ fiscal period for tax paid in the last half of the fiscal year covered by the current report, is listed in an endnote on the Revenue page.

4. Comparative Figures

The names displayed in this report for some accounts, income categories, and expense categories may differ from those used in some previous reports. Some accounts and categories may have been added to or omitted from this report compared to some previous reports. In most instances sub-accounts and sub-categories for which both fiscal periods in this report have balances of \$0.00 have been omitted. Some amounts pertaining to the comparison (previous) fiscal period may have been recalculated to accord with the names of the accounts and categories used in this report. In such instances the amounts shown in this report have precedence over those reported in the annual financial statements for that earlier period.

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