

Financial Statements of

**THE ROYAL ASTRONOMICAL SOCIETY  
OF CANADA, TORONTO CENTRE**

September 30, 2024

DISCUSSION DRAFT

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of  
**The Royal Astronomical Society of Canada, Toronto Centre**

We have reviewed the accompanying financial statements of The Royal Astronomical Society of Canada, Toronto Centre ("the Society"), which comprise the balance sheet as at September 30, 2024 and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

### Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted a review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of The Royal Astronomical Society of Canada, Toronto Centre as at September 30, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations

TORONTO, Ontario  
DATE

**Licensed Public Accountants**

**THE ROYAL ASTRONOMICAL SOCIETY  
OF CANADA, TORONTO CENTRE**

Balance Sheet

As at September 30	2024	2023
<b>Assets</b>		
Current		
Cash	\$ 93,132	\$ 102,235
Accounts receivable	9,046	11,875
Sales tax receivable	2,899	3,777
Prepaid expense	2,288	2,288
	<b>107,365</b>	120,175
Capital assets (note 3)	<b>280,731</b>	284,565
	<b>\$ 388,096</b>	\$ 404,740
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	\$ 9,408	\$ 10,575
Deferred membership fees (note 4)	12,827	8,995
	<b>22,235</b>	19,570
Deferred capital contributions (note 5)	<b>14,395</b>	15,966
	<b>36,630</b>	35,536
<b>Net Assets</b>		
Unrestricted	<b>331,466</b>	349,204
Internally restricted - capital reserve (note 6)	<b>20,000</b>	20,000
	<b>351,466</b>	369,204
	<b>\$ 388,096</b>	\$ 404,740

Commitments (note 7)

On behalf of the Council:

\_\_\_\_\_ President

\_\_\_\_\_ Treasurer

See accompanying notes to the financial statements.

**THE ROYAL ASTRONOMICAL SOCIETY  
OF CANADA, TORONTO CENTRE**  
Statement of Operations and Changes in Net Assets

Year ended September 30	2024	2023
<b>Revenues</b>		
Events and access fees	\$ 40,531	\$ 36,489
Membership fees (note 4)	14,184	15,781
Donations	22,252	13,297
Amortization of deferred capital contributions (note 5)	4,441	9,881
Rental fees	6,975	6,280
Other income	1,626	100
	<b>90,009</b>	<b>81,828</b>
<b>Expenses</b>		
Professional	45,891	10,332
Office and facilities	28,123	31,154
Committees	21,786	19,274
Depreciation	10,690	14,776
Product purchases	1,257	-
	<b>107,747</b>	<b>75,536</b>
Excess (deficiency) of revenues over expenses for the year	<b>(17,738)</b>	6,292
Net assets, beginning of year	<b>369,204</b>	362,912
Net assets, end of year	\$ <b>351,466</b>	\$ 369,204

See accompanying notes to the financial statements.

**THE ROYAL ASTRONOMICAL SOCIETY  
OF CANADA, TORONTO CENTRE**

Statement of Cash Flows

Year ended September 30	2024	2023
<b>Operating activities</b>		
Cash received from events and access fees	\$ 45,391	\$ 36,060
Cash received from donations	22,252	13,297
Cash received from membership fees	13,766	8,224
Cash received from rental fees	9,195	4,048
Cash received from other	1,625	102
Cash paid for operating expenses	(97,346)	(61,988)
Net cash used by operations	(5,117)	(257)
<b>Financing and investing activities</b>		
Cash paid for purchase of capital assets	(3,986)	(7,485)
Net cash provided by financing and investing activities	(3,986)	(7,485)
Decrease in cash	(9,103)	(7,742)
Cash, beginning of year	102,235	109,977
Cash, end of year	\$ 93,132	\$ 102,235

See accompanying notes to the financial statements.

# THE ROYAL ASTRONOMICAL SOCIETY OF CANADA, TORONTO CENTRE

Notes to the Financial Statements

September 30, 2024

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## 1 Organization

The Royal Astronomical Society of Canada, Toronto Centre ("the Society") is a registered charity under the Income Tax Act (Canada) and is incorporated by letters patent in the Province of Ontario as a non-profit organization without share capital. The Society is incorporated for the purpose of promoting interest in astronomy.

The Society is exempt from income taxes provided certain criteria are met.

## 2 Significant accounting policies

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

### (a) Capital assets

The Society records capital assets at cost. The cost of a capital asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use. When conditions indicate a capital asset no longer contributes to Society's ability to provide services or that the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount, its net carrying amount is written down to its fair value or replacement cost. As at September 30, 2024, no such impairment exists.

Capital assets are depreciated over their estimated useful lives using the following rates and methods:

Building	25 years straight line
Telescopes	10 years straight line
Other equipment	5 - 10 years straight line
Computer equipment	30% declining balance
Furniture and fixtures	5 years straight line

### (b) Revenue recognition

#### (i) Contributions

The Society follows the deferral method of accounting for contributions which include donations.

Unrestricted contributions and observatory access fees are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Designated donations received and restricted for the purchase of capital assets are deferred and amortized into income at the same rate as the associated capital asset is amortized.

#### (ii) Membership fees

Membership fees are valid for one year beginning from the date of payment and can be renewed annually. Membership fees received in advance are deferred and recognized in income as the year progresses.

#### (iii) Observatory events and access fees

Observatory events revenue is recognized on completion of the event to which they relate.

#### (iv) Observatory rental fees

Observatory rental fees revenue is recognized as earned over the rental period.

# THE ROYAL ASTRONOMICAL SOCIETY OF CANADA, TORONTO CENTRE

Notes to the Financial Statements

September 30, 2024

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## 2 Significant accounting policies (continued)

### (c) Contributed goods and services

The value of contributed goods and services is recorded as revenue and an expense in the financial statements when the fair value can be reasonably estimated and when the goods and services would otherwise be purchased if not donated.

Volunteers provide invaluable donated services to the Society. Since volunteer time and services are not purchased and due to the difficulty in estimating their fair market value, these contributed services are not recognized in these financial statements.

### (d) Financial instruments

#### (i) Measurement

The Society initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Society subsequently measures all its financial assets and financial liabilities at amortized cost.

#### (ii) Impairment

At the end of each reporting period, the Society assesses whether there are any indications that a financial asset measured at amortized cost may be impaired.

Objective evidence of impairment includes observable data that comes to the attention of the Society. When there is an indication of impairment, the Society determines whether an adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset. There are no indications of impairment of financial assets as at September 30, 2024.

### (e) Management estimates

The preparation of 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, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the current period. Significant estimates include the useful lives of capital assets.

All estimates are reviewed periodically and adjustments are made to the statement of operations as appropriate in the year they become known.

**THE ROYAL ASTRONOMICAL SOCIETY  
OF CANADA, TORONTO CENTRE**

Notes to the Financial Statements  
September 30, 2024

**3 Capital assets**

As at September 30	2024		2023	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land (note 7(b))	\$ 243,000	\$ -	\$ 243,000	\$ -
Building (note 7(b))	242,560	228,104	242,560	224,801
Telescopes	87,896	71,901	85,026	68,796
Other equipment	36,203	35,891	36,203	34,891
Computer equipment	40,047	33,079	36,060	30,094
Furniture and fixtures	21,404	21,404	21,404	21,106
	<b>\$ 671,110</b>	<b>\$ 390,379</b>	<b>\$ 664,253</b>	<b>\$ 379,688</b>
Net book value		<b>\$ 280,731</b>		<b>\$ 284,565</b>

**4 Deferred membership fees**

Year ended September 30				2024	2023	
	Membership fees	Access fees	Rental fees	Total fees	Total fees	
Deferred, opening	\$ 8,100	\$ 895	\$ -	\$ 8,995	\$	7,682
Received in fiscal year	13,766	8,005	9,195	30,966		29,934
Recognized in revenue	(14,184)	(5,975)	(6,975)	(27,134)		(28,621)
Deferred revenue	<b>\$ 7,682</b>	<b>\$ 2,925</b>	<b>\$ 2,220</b>	<b>\$ 12,827</b>	\$	8,995

**5 Deferred capital contributions**

Deferred capital contributions represent the unamortized amount of donations and grants received for the purchase of capital assets.

Year ended September 30	2024		2023	
Balance, beginning of year	\$ 15,966	\$	22,222	\$
Additional contributions received	2,870		3,625	
Amounts recognized in revenue	(4,441)		(9,881)	
Balance, end of year	<b>\$ 14,395</b>	<b>\$</b>	15,966	<b>\$</b>



# THE ROYAL ASTRONOMICAL SOCIETY OF CANADA, TORONTO CENTRE

Notes to the Financial Statements  
September 30, 2024

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## 6 Internally restricted net assets

Council has internally restricted \$20,000 (2023 - \$20,000) to fund certain expenditures for the repair and acquisition of buildings, furniture and fixtures as well as expenditures related to the purchase of material and equipment necessary for the effective operation of the Society and its programs.

The internally restricted funds are not available for other uses without Council approval.

## 7 Commitments

### (a) Credit facility

The Society has available a demand operating credit facility of \$100,000 CAD with interest charged at prime plus 1.00%. This credit facility is secured by a charge on the Collingwood property. As at September 30, 2024, the Society has not utilized this line of credit facility.

### (b) Land and buildings

The Society was the recipient of a donation of land and buildings. Pursuant to the agreement of December 10, 1997, the Society agreed that the property will be used as an astronomical observatory site and related purposes until at least 2037, unless written consent is obtained from the donor.

In the event that the Society no longer uses the property in accordance with the terms of the agreement, the donor shall have the right to direct the Society to transfer the lands and premises and all improvements to any alternate charitable organization.

## 8 Financial instruments

The Society is exposed to various risks through its financial instruments. The following analysis provides a measure of the Society's risk exposure and concentrations.

### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society is exposed to credit risk through its cash and accounts receivable.

Credit risk associated with cash is minimized by ensuring funds are held by a major Canadian financial institution.

Accounts receivable are unsecured and therefore pose a higher risk of default.

### Liquidity risk

Liquidity risk is the risk that the Society will not be able to meet a demand for cash or fund its obligations as they come due. The Society meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flows from operations and anticipating investing and financing activities.

### 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 is comprised of currency risk, interest rate risk and other price risk. The Society is not exposed to these risks.

### Changes in risk

There have been no significant changes in the Society's risk exposures from the prior year.