

FINANCIAL STATEMENTS

**WEST POINT GREY COMMUNITY
CENTRE ASSOCIATION**

August 31, 2020



INDEPENDENT AUDITOR'S REPORT

To the Members of
West Point Grey Community Centre Association

Opinion

We have audited the financial statements of West Point Grey Community Centre Association (the Association), which comprise the statement of financial position as at August 31, 2020, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at August 31, 2020, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Societies Act, we report that, in our opinion, the accounting principles used in these financial statements, Canadian accounting standards for not-for-profit organizations, have been applied on a basis consistent with that of the preceding year.

Tompkins Wozny LLP

Vancouver, Canada
February 13, 2021

Chartered Professional Accountants



West Point Grey Community Centre Association

Incorporated under the British Columbia Societies Act

STATEMENT OF FINANCIAL POSITION

As at August 31

	2020	2019
	\$	\$
ASSETS		
Current		
Cash - operating	143,456	323,847
- gaming [note 13]	34,525	34,496
Term deposits [note 4]	1,267,000	972,842
Accounts receivable [note 5]	60,751	223,959
Prepaid expenses and supplies	2,106	15,381
Prepaid deposit - gaming - youth room renovations	—	69,067
Total current assets	1,507,838	1,639,592
Term deposits [note 4]	356,668	350,000
Tangible capital assets [note 6]	23,349	38,511
	1,887,855	2,028,103
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accruals [note 7]	58,831	88,909
Canada Emergency Business Account loan [note 16]	30,000	—
Unearned revenue - gaming [note 13]	91,950	126,483
- other [note 8]	17,880	173,526
Total liabilities	198,661	388,918
Net assets		
Invested in tangible capital assets [note 9]	23,349	38,511
Internally restricted [note 9]	1,488,695	1,488,695
Unrestricted	177,150	111,979
Total net assets	1,689,194	1,639,185
	1,887,855	2,028,103

Joint operating agreement [note 14]

COVID-19 [note 15]

See accompanying notes to the financial statements

On behalf of the Board:

Director

Director



West Point Grey Community Centre Association

Incorporated under the British Columbia Societies Act

STATEMENT OF CHANGES IN NET ASSETS

Year ended August 31

	Invested in Tangible Capital Assets	Internally Restricted	Un - restricted	Total
	\$	\$	\$	\$
2020	<i>[note 9]</i>	<i>[note 9]</i>		
Balance, beginning of year	38,511	1,488,695	111,979	1,639,185
Revenue over (under) expenses	(15,162)	—	65,171	50,009
Balance, end of year	23,349	1,488,695	177,150	1,689,194
2019				
Balance, beginning of year	31,562	1,400,059	88,636	1,520,257
Revenue over (under) expenses	(15,927)	—	134,855	118,928
Tangible capital assets purchased	22,876	—	(22,876)	—
Interfund transfers	—	88,636	(88,636)	—
Balance, end of year	38,511	1,488,695	111,979	1,639,185

See accompanying notes to the financial statements

West Point Grey Community Centre Association

Incorporated under the British Columbia Societies Act

STATEMENT OF OPERATIONS

Year ended August 31

	2020	2019
	\$	\$
REVENUE		
Activities	397,969	769,215
Rentals	143,393	283,230
Licensed preschool	71,548	89,219
Government grants <i>[note 13]</i>	70,908	67,104
Wage subsidy - government assistance <i>[note 15]</i>	45,834	—
Interest	32,484	22,461
Vending and other	363	391
	762,499	1,231,620
EXPENSES		
Accounting and audit	17,404	17,381
Activities	35,580	104,690
Advertising, newsletter and brochure	31,203	47,796
Bank, credit card charges and online charges	8,756	21,159
Board staff expenses	37,686	42,075
Contracts, wages and benefits	338,764	543,651
Education and training	238	4,502
Group I wages <i>[note 12]</i>	104,760	201,051
Legal and consulting	1,162	12,037
Non-capital equipment	431	2,517
Office, supplies, insurance and other	15,593	15,779
Operation fee <i>[note 14]</i>	18,974	7,224
Rental expenses	10,535	15,443
Repairs and maintenance	1,426	2,984
Subscription fee <i>[note 14]</i>	5,749	12,243
Youth room renovations <i>[note 13]</i>	69,067	46,233
	697,328	1,096,765
Revenue over expenses before amortization	65,171	134,855
Amortization of tangible capital assets	(15,162)	(15,927)
Revenue over expenses for the year	50,009	118,928

Joint operating agreement *[note 14]*

See accompanying notes to the financial statements

West Point Grey Community Centre Association

Incorporated under the British Columbia Societies Act

STATEMENT OF CASH FLOWS

Year ended August 31

	2020	2019
	\$	\$
OPERATING ACTIVITIES		
Revenue over expenses for the year	50,009	118,928
Item not affecting cash		
Amortization of tangible capital assets	15,162	15,927
Changes in non-cash working capital items		
Accounts receivable	163,208	(140,677)
Prepaid expenses and supplies	13,275	1,367
Prepaid deposit - gaming - youth room renovations	69,067	(69,067)
Accounts payable and accruals	(30,078)	(4,261)
Unearned revenue - gaming	(34,533)	(23,117)
- other	(155,646)	(7,808)
Cash provided by (used in) operating activities	90,464	(108,708)
INVESTING ACTIVITIES		
Acquisition of tangible capital assets	—	(22,876)
Purchase of term deposits (net)	(300,826)	(45,676)
Cash used in investing activities	(300,826)	(68,552)
FINANCING ACTIVITIES		
Proceeds from Canada Emergency Business Account loan	40,000	—
Canada Emergency Business Account loan – forgiveness of debt	(10,000)	—
Cash provided by financing activities	30,000	—
Decrease in cash during the year	(180,362)	(177,260)
Cash, beginning of year	358,343	535,603
Cash, end of year	177,981	358,343
Cash consists of:		
Operating	143,456	323,847
Gaming	34,525	34,496
Totals	177,981	358,343

See accompanying notes to the financial statements



West Point Grey Community Centre Association

Incorporated under the British Columbia Societies Act

NOTES TO FINANCIAL STATEMENTS

August 31, 2020

1. ORGANIZATION

The Association is incorporated pursuant to the British Columbia Societies Act and is a registered charity for income tax purposes. The objectives of the Association are to provide artistic, cultural, educational, health, fitness, and recreational activities within an inclusive organization that fosters wellbeing and community. The Association carries out these objectives pursuant to a joint operating agreement with the City of Vancouver Board of Parks and Recreation.

During the year, the Association changed its name from West Point Grey Community Association to West Point Grey Community Centre Association.

2. GOVERNANCE AND OPERATIONS

The Association carries out the above objectives through the operations of the West Point Grey Community Centre pursuant to a Joint Operating Agreement ("JOA") with the City of Vancouver Board of Parks and Recreation ("Park Board").

The Association signed a new JOA effective January 1, 2018 [note 14].

Use of the West Point Grey Community Centre premises as well as the providing of certain operating expenses, such as various staff costs, are provided to the Association pursuant to the JOA with the Park Board. The value of the use of the facilities as well as these additional operating expenses has not been reflected in the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies:

Use of Estimates

The preparation of financial statements in conformity with Canadian ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses reported during the year. Significant areas requiring management estimates include the estimated useful lives of capital assets. Actual results could differ from these estimates.

NOTES TO FINANCIAL STATEMENTS

August 31, 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue Recognition

The Association follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Licensed preschool fee revenue is recognized in the month to which the services relate based on enrollment rates.

Program revenue is recognized over the period the related program operates.

Rental revenue is recognized on the date the space is rented or over the period the space is rented out, if applicable.

Interest income is recognized as revenue in accordance with the terms of the underlying investment, which is generally with the passage of time.

Unrestricted donations are recognized as income as they are received. Restricted donations are recognized when the related expense is incurred.

Revenue from all other sources is recognized when the respective program or service is provided.

Gaming

Proceeds received from direct access gaming funding are recorded as revenue in the year the related expenditures are incurred.

Measurement of Financial Instruments

The Association initially measures its financial assets and financial liabilities at fair value.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, term deposits and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable.

West Point Grey Community Centre Association

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NOTES TO FINANCIAL STATEMENTS

August 31, 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement of Financial Instruments (cont'd)**

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Tangible Capital Assets

Tangible capital assets are recorded at cost, less accumulated amortization. Amortization is provided on a straight-line basis as outlined in Note 6.

Donated Services

The Association and its members benefit greatly from donated services in the form of volunteer time. Because of the difficulty in determining their fair value, the value of donated services is not recognized in these financial statements.

4. TERM DEPOSITS

Term deposits bear interest rates varying from of 0.9% to 2.75% and maturity dates ranging from October 2020 to July 2021.

5. ACCOUNTS RECEIVABLE

	2020	2019
	\$	\$
Grants	5,438	38,798
Park Board	3,213	165,815
Government receivable - Wage subsidy	34,245	—
- GST	952	272
Other	2,755	446
Interest	14,148	18,628
	60,751	223,959
Allowance for doubtful accounts	—	—
	60,751	223,959



West Point Grey Community Centre Association

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NOTES TO FINANCIAL STATEMENTS

August 31, 2020

6. TANGIBLE CAPITAL ASSETS

	Rate	Cost \$	Accumulated Amortization \$	Net Book Value \$
2020				
Furniture, equipment & improvements	5 years S. L.	75,810	52,461	23,349
2019				
Furniture, equipment & improvements	5 years S. L.	79,635	41,124	38,511

7. ACCOUNTS PAYABLE AND ACCRUALS

	2020 \$	2019 \$
Park Board	18,974	48,649
Trade and accruals	36,967	39,517
Government remittances - payroll deductions	2,890	—
- WorkSafeBC	—	743
	58,831	88,909

8. UNEARNED REVENUE - OTHER

	2020 \$	2019 \$
Programs - pre-registration	—	109,946
Rentals and deposits	2,800	46,700
Licensed preschool deposits	11,957	14,756
Government grants	3,123	2,124
	17,880	173,526

9. INTERNALLY RESTRICTED NET ASSETS AND CAPITAL MANAGEMENT

The Associations' main objective when managing capital is to maintain financial flexibility in order to preserve its ability to meet financial commitments and unforeseen external events. To assist with this objective, the Association has made the following internal restrictions:

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NOTES TO FINANCIAL STATEMENTS

August 31, 2020

9. INTERNALLY RESTRICTED NET ASSETS AND CAPITAL MANAGEMENT (CONT'D)

	2020	2019
	\$	\$
Equipment Capital Fund	66,000	640,000
Contingency Fund	300,636	300,636
Strategic Plan Initiatives Fund	874,000	300,000
Professional Services Fund	139,000	139,000
Fitness Centre Upgrade Fund	75,000	75,000
Youth Fund	34,059	34,059
	1,488,695	1,488,695

During the year, the Association renamed the Capital and Maintenance Fund to the Equipment Capital Fund and \$574,000 was transferred from the Equipment Capital Fund to the Strategic Plan Initiatives Fund.

Invested in Tangible Capital Assets

The Association has internally restricted an amount equal to the net assets invested in tangible capital assets in the amount of \$23,349 [2019 - \$38,511].

Equipment Capital Fund

The Association has internally restricted \$66,000 [2019 - \$640,000] to be used for expenditure on capital equipment.

Contingency Fund

The Association has internally restricted of \$300,636 [2019 - \$300,636] as a contingency reserve. The contingency reserve would cover unforeseen expenses, such as expenses incurred upon the Association ceasing operations.

Strategic Plan Initiatives Fund

The Association has internally restricted \$874,000 [2019 - \$300,000] to be used for expenditure on strategic plan initiatives.

Professional Services Fund

The Association has internally restricted \$139,000 [2009 - \$139,000] to be used for expenditure on professional services.

Fitness Centre Upgrade Fund

The Association has internally restricted \$75,000 [2019 - \$75,000] to be used for expenditure on fitness centre upgrades.

NOTES TO FINANCIAL STATEMENTS

August 31, 2020

9. INTERNALLY RESTRICTED NET ASSETS AND CAPITAL MANAGEMENT (CONT'D)

Youth Fund

The Association has internally restricted \$34,059 [2019 - \$34,059] to be used for expenditure on youth.

10. INTERFUND TRANSFERS

As described in the statement of changes in net assets, interfund transfers are made between internally restricted net assets and unrestricted net assets to fund tangible capital assets purchased, amortization of tangible capital assets and other expenditures.

11. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments. The following analysis presents the Association's exposures to significant risk as at August 31, 2020.

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 Association is exposed to credit risk with respect to its cash, term deposits, and accounts receivable. The Association assesses, on a continuous basis, accounts receivable on the basis of amounts it is virtually certain to receive. The Association's cash and term deposits are invested with a large financial institution.

Liquidity Risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. It stems from the possibility of a delay in realizing the fair value of financial instruments.

The Association manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Association is exposed to interest rate risk on its term deposits in so far that the initial rate may be higher than the current interest rate obtained on maturity and renewal.

West Point Grey Community Centre Association

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NOTES TO FINANCIAL STATEMENTS

August 31, 2020

12. WAGES AND CONTRACTOR REMUNERATION

Pursuant to the British Columbia Societies Act, the Association is required to disclose contractor fees and wages and benefits paid to contractors and employees who are paid \$75,000 or more during the fiscal year.

No employees were paid \$75,000 or more during the fiscal year.

Group I wages include \$104,760 [2019 - \$201,051] of expense provided by a contractor (Park Board). The Group I wages cover the cost of several employees.

13. GOVERNMENT GRANTS

	2020	2019
	\$	\$
Gaming	34,533	23,117
Summer Camp	26,375	38,730
Canada Emergency Business Account loan – forgiveness of debt <i>[note 16]</i>	10,000	—
Artist Residency	—	5,257
	70,908	67,104

For the year ending August 31, 2018, the Association received a grant from the Provincial Capital Grants Program (Gaming) in the amount of \$149,600 to be spent on the renovation of the Association's youth room. In addition, the Association committed to spend \$149,600 on the renovation.

For the year ending August 31, 2020, the Association incurred \$69,067 [2019 - \$46,233] in renovation costs of which 50% or \$34,533 [2019 - \$23,117] was funded by the Gaming grant.

As at August 31, 2020, the unearned revenue - gaming liability is as follows:

	\$
Balance, August 31, 2019	126,483
Share of 2020 renovation costs	(34,533)
Balance, August 31, 2020	91,950



NOTES TO FINANCIAL STATEMENTS

August 31, 2020

14. JOINT OPERATING AGREEMENT ("JOA")

In 2018, the Association signed a new JOA with the Park Board effective January 1, 2018 for ten (10) years with one five (5) year renewal term. Under the agreement, the Association will pay an operation fee to the Vancouver Park Board starting in year 2 for 1% of prior year's gross facility-generated revenue and in years 3-10 for 2% per year of the previous year's gross facility-generated revenue. Effective January 1, 2018, the Association will also pay a 1% subscription fee for use of the ActiveNet registration system.

15. COVID-19

In March 2020, due to COVID-19, the City of Vancouver and the Vancouver Park Board closed all Vancouver community centres including the West Point Grey Community Centre, thus forcing cancellation of all the Association's on-going programs, including Licensed Preschool. Licensed Preschool resumed operations September 14, 2020. The Centre is currently open five days a week with reduced hours to accommodate programs that can be safely delivered during the pandemic.

The Association is anticipating a reduction in revenue over expenses, which will correspond to the duration of the COVID-19 crisis, and is taking steps to reduce discretionary costs. The Association believes that with their current cash reserves and the approach they are taking with respect to managing the crisis, the Association will be able to return to normal operations once it is deemed safe to do so.

The Association applied for and received a Canada Emergency Wage Subsidy grant to cover 75% of the salaries of its employees for the period March through August 2020.

16. CANADA EMERGENCY BUSINESS ACCOUNT LOAN

The Association also applied for and received a \$40,000 loan under the Canada Emergency Business Account. The loan is non-interest bearing until December 31, 2022, and then interest accrues at the prime rate until December 31, 2025, when the loan is due. If the loan is repaid on or before December 31, 2022, \$10,000 of the loan will be forgiven.

As the Association has met and expects to continue to comply with the loan's terms and conditions and expects to repay the loan on or before December 31, 2022, the 25% forgivable portion of the loan or \$10,000, has been taken into 2020 income (see Note 13, government grants).