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FINANCIAL STATEMENTS

**WEST POINT GREY COMMUNITY
CENTRE ASSOCIATION**

August 31, 2022

Limited Liability Partnership _____



Tompkins Wozny
Chartered Professional Accountants

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, 2022, 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, 2022, 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
January 26, 2023

Chartered Professional Accountants



West Point Grey Community Centre Association

Incorporated under the British Columbia Societies Act

STATEMENT OF FINANCIAL POSITION

As at August 31

	2022	2021
	\$	\$
ASSETS		
Current		
Cash - operating	179,770	145,087
- gaming [note 13]	33,019	92,175
Term deposits [note 4]	1,350,000	1,717,758
Accounts receivable [note 5]	227,711	109,442
Prepaid expenses and supplies	5,227	1,134
Total current assets	1,795,727	2,065,596
Term deposits [note 4]	374,173	—
Tangible capital assets [note 6]	4,575	13,264
	2,174,475	2,078,860
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accruals [note 7]	133,284	297,840
Unearned revenue - gaming [note 13]	32,793	32,793
- other [note 8]	157,682	94,334
Total current liabilities	323,759	424,967
Canada Emergency Business Account loan [note 16]	30,000	30,000
Total liabilities	353,759	454,967
Net assets		
Invested in tangible capital assets [note 9]	4,575	13,264
Internally restricted [note 9]	1,488,695	1,488,695
Unrestricted	327,446	121,934
Total net assets	1,820,716	1,623,893
	2,174,475	2,078,860

Joint operating agreement [note 14]

COVID-19 [note 15]

See accompanying notes to the financial statements

On behalf of the Board:

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Director

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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
	\$	\$	\$	\$
2022	<i>[note 9]</i>	<i>[note 9]</i>		
Balance, beginning of year	13,264	1,488,695	121,934	1,623,893
Revenue over (under) expenses	(8,689)	—	205,512	196,823
Balance, end of year	4,575	1,488,695	327,446	1,820,716
2021				
Balance, beginning of year	23,349	1,488,695	177,150	1,689,194
Revenue under expenses	(10,085)	—	(55,216)	(65,301)
Balance, end of year	13,264	1,488,695	121,934	1,623,893

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

	2022	2021
	\$	\$
REVENUE		
Activities	742,796	306,324
Rentals	208,234	11,151
Licensed preschool	85,019	81,515
Government grants <i>[note 13]</i>	59,778	84,982
Wage subsidy - government assistance <i>[note 15]</i>	21,933	52,862
Interest	19,858	15,270
Vending and other	—	52
	1,137,618	552,156
EXPENSES		
Accounting and audit	20,055	18,211
Activities	62,452	18,527
Advertising, newsletter and brochure	7,615	1,366
Bank, credit card charges and online charges	22,474	10,869
Board staff expenses	37,730	46,559
Contracts, wages and benefits	609,437	309,802
Education and training	225	968
Group I wages <i>[note 12]</i>	104,009	11,883
Legal <i>[note 17]</i>	23,542	49,376
Non-capital equipment	—	26
Office, supplies, insurance and other	9,977	7,259
Operation fee <i>[note 14]</i>	—	4,079
Rental expenses	19,286	3,690
Repairs and maintenance	2,882	513
Subscription fee <i>[note 14]</i>	12,422	5,930
Youth room renovations <i>[note 13]</i>	—	118,314
	932,106	607,372
Revenue over (under) expenses before amortization	205,512	(55,216)
Amortization of tangible capital assets	(8,689)	(10,085)
Revenue over (under) expenses for the year	196,823	(65,301)

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

	2022 \$	2021 \$
OPERATING ACTIVITIES		
Revenue over (under) expenses for the year	196,823	(65,301)
Item not affecting cash		
Amortization of tangible capital assets	8,689	10,085
Changes in non-cash working capital items		
Accounts receivable	(118,269)	(48,691)
Prepaid expenses and supplies	(4,093)	972
Accounts payable and accruals	(164,556)	239,009
Unearned revenue - gaming	—	(59,157)
- other	63,348	76,454
Cash provided by (used in) operating activities	(18,058)	153,371
INVESTING ACTIVITIES		
Purchase of term deposits (net)	(6,415)	(94,090)
Cash used in investing activities	(6,415)	(94,090)
Increase (decrease) in cash during the year	(24,473)	59,281
Cash, beginning of year	237,262	177,981
Cash, end of year	212,789	237,262
Cash consists of:		
Operating	179,770	145,087
Gaming	33,019	92,175
Totals	212,789	237,262

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, 2022

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.

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.

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.

West Point Grey Community Centre Association

Incorporated under the British Columbia Societies Act

NOTES TO FINANCIAL STATEMENTS

August 31, 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

Government Wage Subsidies are recognized as income when the Association meets the conditions of the program and when the Association is reasonably assured of collection of the respective claims.

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.

West Point Grey Community Centre Association

Incorporated under the British Columbia Societies Act

NOTES TO FINANCIAL STATEMENTS

August 31, 2022

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

Financial liabilities measured at amortized cost include accounts payable and the Canada Emergency Business Account loan.

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 earn interest at rates varying from of 1.5% to 3.6% and have maturity dates ranging from April 2023 to June 2025.

5. ACCOUNTS RECEIVABLE

	2022	2021
	\$	\$
Grants	59,778	25,825
Park Board	108,247	68,954
Government receivable - Wage subsidy	9,941	7,947
- GST	3,677	1,411
Other	36,218	1,372
Interest	9,850	3,933
	227,711	109,442
Allowance for doubtful accounts	—	—
	227,711	109,442

West Point Grey Community Centre Association

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NOTES TO FINANCIAL STATEMENTS

August 31, 2022

6. TANGIBLE CAPITAL ASSETS

	Rate	Cost \$	Accumulated Amortization \$	Net Book Value \$
2022				
Furniture, equipment & improvements	5 years S. L.	50,425	45,850	4,575
2021				
Furniture, equipment & improvements	5 years S. L.	50,425	37,161	13,264

7. ACCOUNTS PAYABLE AND ACCRUALS

	2022 \$	2021 \$
Park Board	55,416	134,368
Trade and accruals	75,408	162,257
Government remittances - WorkSafeBC	2,460	1,215
	133,284	297,840

8. UNEARNED REVENUE - OTHER

	2022 \$	2021 \$
Programs - pre-registration	117,503	69,042
Rentals and deposits	20,133	2,800
Licensed preschool deposits	11,614	15,868
Government grants	8,432	6,624
	157,682	94,334

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:

West Point Grey Community Centre Association

Incorporated under the British Columbia Societies Act

NOTES TO FINANCIAL STATEMENTS

August 31, 2022

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

	2022	2021
	\$	\$
Equipment Capital Fund	66,000	66,000
Contingency Fund	300,636	300,636
Strategic Plan Initiatives Fund	874,000	874,000
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

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 \$4,575 [2021 - \$13,264].

Equipment Capital Fund

The Association has internally restricted \$66,000 [2021 - \$66,000] to be used for expenditure on capital equipment.

Contingency Fund

The Association has internally restricted of \$300,636 [2021 - \$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 [2021 - \$874,000] to be used for expenditure on strategic plan initiatives.

Professional Services Fund

The Association has internally restricted \$139,000 [2021 - \$139,000] to be used for expenditure on professional services.

Fitness Centre Upgrade Fund

The Association has internally restricted \$75,000 [2021 - \$75,000] to be used for expenditure on fitness centre upgrades.

Youth Fund

The Association has internally restricted \$34,059 [2021 - \$34,059] to be used for expenditure on youth.

West Point Grey Community Centre Association

Incorporated under the British Columbia Societies Act

NOTES TO FINANCIAL STATEMENTS

August 31, 2022

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, 2022.

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. The Association is also subject to interest rate risk with respect to the Canada Emergency Business Account loan.

West Point Grey Community Centre Association

Incorporated under the British Columbia Societies Act

NOTES TO FINANCIAL STATEMENTS

August 31, 2022

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 \$104,009 [2021 - \$11,883] of expense provided by a contractor (Park Board). The Group I wages cover the cost of several employees.

13. GOVERNMENT GRANTS

	2022	2021
	\$	\$
Gaming	—	59,157
Summer Camp	59,778	25,825
	59,778	84,982

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, 2021, the Association incurred \$118,314 [2020 - \$69,067] in renovation costs of which 50% or \$59,157 [2020 - \$34,533] was funded by the Gaming grant.

As at August 31, 2022, the unearned revenue - gaming liability is as follows:

	2022	2021
	\$	\$
Balance, beginning of year	32,793	91,950
Share of renovation costs	—	(59,157)
Balance, end of year	32,793	32,793

West Point Grey Community Centre Association

Incorporated under the British Columbia Societies Act

NOTES TO FINANCIAL STATEMENTS

August 31, 2022

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.

Due to the COVID-19 pandemic, the Park Board has waived the operation fee based on prior years revenues for the calendar years ending December 31, 2020 and December 31, 2021. As a result, the August 31, 2021 operation fee was only subject to the 2% fee for four months, and the August 31, 2022 operation fee was completely waived.

15. COVID-19

In September 2020, community centres across City of Vancouver reopened for programming and services but had to operate under PHO restrictions including limited capacity and types of programs offered. Licensed Preschool resumed operations as well as children's programs and low intensity group fitness classes. Programs and services including rentals, fitness centre, adult sports, special events, pottery studio and high intensity fitness classes remained suspended until August 2021. The centre continued to operate Monday to Friday with reduced hours to accommodate programs that could be safely delivered. From September 1, 2021 to August 31, 2022 the community centre moved towards full operations as best as possible with continuing but improving conditions.

During the year, the Association received wage subsidies the amount of \$21,933 [2021 - \$52,862].

16. CANADA EMERGENCY BUSINESS ACCOUNT LOAN

In 2020, 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, 2023, 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, 2023, \$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, 2023, the 25% forgivable portion of the loan or \$10,000, was taken into 2020 income.

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NOTES TO FINANCIAL STATEMENTS

August 31, 2022

17. OTHER INFORMATION – JERICHO HILL CENTRE BUILDING AND GYMNASIUM AT JERICHO HILL**Jericho Hill Centre Building (“JHCB”)**

The 2018 Joint Operating Agreement (“JOA”) with the Park Board allows the Association to use spaces that are part of jointly operated facilities, including certain spaces in the JHCB. The spaces in the JHCB have been continuously used by the Association since 1993.

The JOA permits the Association to use certain space at the JHCB as long as the Park Board leases the JHCB from the owner of the property (“lessor”), originally BC Buildings Corp. but currently MST Developments, and the property is financially feasible.

In March 2021, the Park Board advised the Association that the JHCB would be closed on August 31, 2021 due to safety issues mainly arising from deferred maintenance of a leaking roof. The closure would remove the Association’s ability to rent out certain space and operate programs in the jointly operated facilities at the JHCB.

The Association advised the Park Board that this closure constituted a multiple breach of the JOA, specifically Section 13.1 that requires the Park Board to involve the Association in maintenance decisions, and Appendix C-1 that involves the Association in lease decisions, and that the Park Board would not require the Association to vacate unless required by the lessor.

Having exhausted multiple unsuccessful attempts to resolve the matter with the Park Board, right up to the building closure deadline in August, the Association brought a legal action for an injunction against the Park Board in the Supreme Court of British Columbia to protect the future income of the Association and its rights under the JOA.

Subsequently, the Association and the Park Board entered in a settlement and amending agreement whereby the Association would retain its rights to the jointly operated facilities and the Park Board would make commercially reasonable efforts to: reach an agreement with a third party to sublease portions of the JHCB with resolution to the deferred maintenance and a new roof membrane; and enter into a lease with the lessor for a two year period to September 7, 2023 with an option for a one year extension to September 7, 2024.

With the matter resolved through settlement to protect the Association's interests in the JHCB to their satisfaction, a consent dismissal order was filed on October 25, 2021 in the Supreme Court of British Columbia where the action against the Park Board was dismissed. The Association will continue to operate programs and rentals in the JHCB as jointly operated facilities under the JOA.

Gymnasium at Jericho Hill

The Association has also extended and amended to update its 2015 Licence Agreement with the West Point Grey Academy Property Society to rent certain space at the gymnasium at Jericho Hill. The licence will now expire on June 30, 2030.