

GABRIOLA RECREATION SOCIETY

FINANCIAL STATEMENTS

DECEMBER 31, 2019

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Trustees of
Gabriola Recreation Society

We have reviewed the accompanying financial statements of Gabriola Recreation Society that comprise the statement of financial position as at December 31, 2019, and the statements of revenues and expenditures, and cash flows for the year then ended, as well as a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for not-for-profit organizations, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for not-for-profit organizations 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 causing us to believe that the financial statements do not present fairly, in all material respects, the financial position of Gabriola Recreation Society as at December 31, 2019, 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.



April 16, 2020
Nanaimo, BC

CHARTERED PROFESSIONAL ACCOUNTANTS

GABRIOLA RECREATION SOCIETY
STATEMENT OF FINANCIAL POSITION
(Unaudited)
DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT		
Unrestricted cash	\$ 30,828	\$ 17,599
Restricted cash	20,261	20,170
Accounts receivable	-	1,531
GST rebate receivable	2,219	1,393
Prepaid expenses	<u>3,984</u>	<u>3,114</u>
	<u>\$ 57,292</u>	<u>\$ 43,807</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 1,127	\$ -
Government remittances payable	2,029	1,130
Unearned revenue	<u>5,806</u>	<u>420</u>
	<u>8,962</u>	<u>1,550</u>
NET ASSETS		
UNRESTRICTED NET ASSETS - Statement 2	26,220	20,112
INTERNALLY RESTRICTED NET ASSETS (Note 3)	<u>22,110</u>	<u>22,145</u>
	<u>48,330</u>	<u>42,257</u>
	<u>\$ 57,292</u>	<u>\$ 43,807</u>

APPROVED ON BEHALF OF THE BOARD:

_____ Trustee

_____ Trustee

GABRIOLA RECREATION SOCIETY
STATEMENT OF REVENUE AND EXPENDITURES
(Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
REVENUE		
Regional District of Nanaimo	\$ 79,173	\$ 77,160
Program revenue	47,591	47,301
Other income	<u>11,916</u>	<u>4,960</u>
	<u>138,680</u>	<u>129,421</u>
EXPENDITURES		
Wages and benefits	49,660	40,584
Program expenses	41,504	44,376
Hall rental	8,700	8,700
Advertising and promotion	6,218	6,009
Insurance	5,358	5,559
Grants-in-aid	4,802	3,685
Equipment purchases	4,566	829
Professional fees	3,620	3,975
Telephone	2,495	2,412
Rollo McClay Park	2,219	1,761
Office supplies	2,128	2,564
Utilities	533	755
Bank charges	505	855
Dues and licenses	209	306
Travel	89	322
Training	<u>-</u>	<u>524</u>
	<u>132,606</u>	<u>123,216</u>
EXCESS OF REVENUE OVER EXPENDITURES	6,074	6,205
UNRESTRICTED NET ASSETS, beginning	<u>20,112</u>	<u>14,171</u>
	26,186	20,376
TRANSFERS TO (FROM) RESTRICTED FUNDS (NET)	<u>34</u>	<u>(264)</u>
UNRESTRICTED NET ASSETS, ending - Statement 1	<u>\$ 26,220</u>	<u>\$ 20,112</u>

GABRIOLA RECREATION SOCIETY
STATEMENT OF CASH FLOWS
(Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
OPERATING ACTIVITIES		
Receipts from operations	\$ 145,597	\$ 114,779
Payments for operations	<u>(132,277)</u>	<u>(111,753)</u>
CASH PROVIDED BY OPERATIONS	13,320	3,026
FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
INCREASE IN CASH	13,320	3,026
CASH, beginning	<u>37,769</u>	<u>34,743</u>
CASH, ending	<u>\$ 51,089</u>	<u>\$ 37,769</u>

CASH CONSISTS OF:

Unrestricted cash	\$ 30,828	\$ 17,599
Restricted cash	<u>20,261</u>	<u>20,170</u>
	<u>\$ 51,089</u>	<u>\$ 37,769</u>

GABRIOLA RECREATION SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
(Unaudited)
DECEMBER 31, 2019

1. PURPOSE OF THE SOCIETY

The Gabriola Recreation Society was incorporated as a not-for-profit entity under the Society Act of British Columbia on February 14, 2002 and is exempt from income tax. The purpose of the Society is to plan, administer, and provide recreational programs and services to the residents of Gabriola Island.

2. SIGNIFICANT ACCOUNTING POLICIES

The Gabriola Recreation Society follows accounting policies generally accepted for not-for-profit organizations.

(a) Tangible Capital Assets

Tangible capital assets are expensed when acquired. During 2019 asset acquisitions totalled \$4,566. All program equipment on hand is the property of the Regional District of Nanaimo.

(b) Revenue Recognition

The Gabriola Recreation Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses 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. Services revenues are recorded when they occur and the collection is probable. Amounts received for future services are deferred until the service is provided. Grant revenues are recorded in the period to which they are designated.

(c) Financial Instruments

- i) The Society's interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Society's financial instruments consist of cash, accounts receivable, and accounts payable and are recorded at amortized cost. It is the Directors' opinion that the Society is not exposed to significant interest rate risk arising from these financial instruments and that the carrying values approximate fair values.
- ii) The Society's liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk in respect of its accounts payable. It is the Directors' opinion that the Society will satisfy all current accounts payable within the next fiscal year.
- iii) The Society's 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's main credit risks relate to its accounts receivable. It is the Directors' opinion that the accounts receivable are collectible.

(d) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of deferred costs and contributions, accrued liabilities, and amortization at the date of the financial statements and revenues and expenses for the year reported. Actual results could differ from those estimates.

GABRIOLA RECREATION SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
(Unaudited)
DECEMBER 31, 2019

3. INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets are funds designated by the Board of Directors for specific purposes.

Grants-in-aid	\$	1,850
Capital asset fund		10,130
Contingency fund		<u>10,130</u>
	\$	<u>22,110</u>

4. ECONOMIC DEPENDENCE

The Society is economically dependent on the Regional District of Nanaimo.

5. SUBSEQUENT EVENTS

Due to the Covid-19 pandemic the local government has mandated, effective March 16, 2020, the closure of all recreation programs for the foreseeable future. Therefore, Gabriola Recreation Society ceased offering programs effective March 16, 2020.

The core funding from the Regional District of Nanaimo is secure for the 2020 year and is sufficient to continue to engage the Co-Ordinator to continue to make preparations for programs in anticipation of reopening and resuming the delivery of recreation programs.

At this time, there is no going concern issue surrounding the Covid-19 pandemic.