

GABRIOLA RECREATION SOCIETY

FINANCIAL STATEMENTS

DECEMBER 31, 2020

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, 2020, 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, 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.



March 18, 2021
Nanaimo, BC

CHARTERED PROFESSIONAL ACCOUNTANTS

GABRIOLA RECREATION SOCIETY
STATEMENT OF FINANCIAL POSITION
(Unaudited)
DECEMBER 31, 2020

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT		
Unrestricted cash	\$ 38,147	\$ 30,828
Restricted cash	20,293	20,261
Accounts receivable	340	-
GST rebate receivable	2,710	2,219
Prepaid expenses	<u>2,167</u>	<u>3,984</u>
	<u>\$ 63,657</u>	<u>\$ 57,292</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ -	\$ 1,124
Government remittances payable	2,242	2,030
Unearned revenue	<u>2,238</u>	<u>5,808</u>
	<u>4,480</u>	<u>8,962</u>
NET ASSETS		
UNRESTRICTED NET ASSETS - Statement 2	32,493	26,220
INTERNALLY RESTRICTED NET ASSETS (Note 3)	<u>26,684</u>	<u>22,110</u>
	<u>59,177</u>	<u>48,330</u>
	<u>\$ 63,657</u>	<u>\$ 57,292</u>

APPROVED ON BEHALF OF THE BOARD:

_____ Trustee

_____ Trustee

See accompanying notes to the financial statements

GABRIOLA RECREATION SOCIETY
STATEMENT OF REVENUE AND EXPENDITURES
(Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>2020</u>	<u>2019</u>
REVENUE		
Regional District of Nanaimo	\$ 81,155	\$ 79,173
Program revenue	41,623	47,591
Other income	<u>15,074</u>	<u>11,916</u>
	<u>137,852</u>	<u>138,680</u>
EXPENDITURES		
Wages and benefits	55,365	49,661
Program expenses	43,766	41,504
Hall rental	5,125	8,700
Insurance	4,842	5,358
Advertising and promotion	4,189	6,218
Professional fees	3,935	3,620
Grants-in-aid	2,996	4,802
Office supplies	2,545	2,127
Bank charges	1,480	505
Telephone	1,320	2,495
Rollo McClay Park	625	2,219
Utilities	562	533
Dues and licenses	202	209
Travel	54	89
Equipment purchases	<u>-</u>	<u>4,566</u>
	<u>127,006</u>	<u>132,606</u>
EXCESS OF REVENUE OVER EXPENDITURES	10,846	6,074
UNRESTRICTED NET ASSETS, beginning	<u>26,220</u>	<u>20,112</u>
	37,066	26,186
TRANSFERS (TO) FROM RESTRICTED FUNDS (NET)	<u>(4,573)</u>	<u>34</u>
UNRESTRICTED NET ASSETS, ending - Statement 1	<u>\$ 32,493</u>	<u>\$ 26,220</u>

See accompanying notes to the financial statements

GABRIOLA RECREATION SOCIETY
STATEMENT OF CASH FLOWS
(Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>2020</u>	<u>2019</u>
OPERATING ACTIVITIES		
Receipts from operations	\$ 133,943	\$ 145,597
Payments for operations	<u>(126,592)</u>	<u>(132,277)</u>
CASH PROVIDED BY (USED IN) OPERATIONS	7,351	13,320
FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
INCREASE IN CASH	7,351	13,320
CASH, beginning	<u>51,089</u>	<u>37,769</u>
CASH, ending	<u><u>\$ 58,440</u></u>	<u><u>\$ 51,089</u></u>

CASH CONSISTS OF:

Unrestricted cash	\$ 38,147	\$ 30,828
Restricted cash	<u>20,293</u>	<u>20,261</u>
	<u><u>\$ 58,440</u></u>	<u><u>\$ 51,089</u></u>

See accompanying notes to the financial statements

GABRIOLA RECREATION SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
(Unaudited)
DECEMBER 31, 2020

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 financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(a) Tangible Capital Assets

Tangible capital assets are expensed when acquired. During 2020 asset acquisitions totalled \$- (2019 - \$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, 2020

3. INTERNALLY RESTRICTED NET ASSETS

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

Grants-in-aid	\$ 6,390
Capital asset fund	10,147
Contingency fund	<u>10,147</u>
	<u>\$ 26,684</u>

4. ECONOMIC DEPENDENCE

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

5. COVID-19 PANDEMIC

Due to the Covid-19 pandemic, the British Columbia government has issued province wide restrictions to help stop the spread of Covid-19. These restrictions are made by the Provincial Health Officer and have varied from time to time throughout the year. The office of the Gabriola Recreation Society has remained open during the pandemic, but the only programming that has been offered during the year was for children and had to follow the PHO orders.

The core funding from the Regional District of Nanaimo is secure for the 2021 year and is sufficient to continue to engage the coordinator to continue to make preparations for the programs in anticipation of re-opening and resuming the delivery of all of the recreation programs.

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