

GABRIOLA RECREATION SOCIETY

FINANCIAL STATEMENTS

(Unaudited)

DECEMBER 31, 2021

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, 2021, 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, 2021, 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 5, 2022
Nanaimo, BC

Roden & Associates
CHARTERED PROFESSIONAL ACCOUNTANTS

GABRIOLA RECREATION SOCIETY
STATEMENT OF FINANCIAL POSITION
(Unaudited)
DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT		
Unrestricted cash	\$ 33,759	\$ 38,147
Restricted cash	20,304	20,293
Accounts receivable	-	340
GST rebate receivable	576	2,710
Prepaid expenses	<u>1,787</u>	<u>2,167</u>
	<u>\$ 56,426</u>	<u>\$ 63,657</u>
LIABILITIES		
CURRENT		
Government remittances payable	\$ 2,136	\$ 2,241
Unearned revenue	<u>2,436</u>	<u>2,240</u>
	<u>4,572</u>	<u>4,481</u>
NET ASSETS		
UNRESTRICTED NET ASSETS - Statement 2	28,094	32,493
INTERNALLY RESTRICTED NET ASSETS (Note 3)	<u>23,760</u>	<u>26,683</u>
	<u>51,854</u>	<u>59,176</u>
	<u>\$ 56,426</u>	<u>\$ 63,657</u>

APPROVED ON BEHALF OF THE BOARD:

_____ Trustee

_____ Trustee

GABRIOLA RECREATION SOCIETY
STATEMENT OF REVENUE AND EXPENDITURES
(Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
REVENUE		
Regional District of Nanaimo	\$ 77,160	\$ 81,155
Program revenue	45,136	41,623
Other income	<u>13,953</u>	<u>15,074</u>
	<u>136,249</u>	<u>137,852</u>
EXPENDITURES		
Wages and benefits	71,573	55,366
Program expenses	33,305	43,766
Hall rental	8,617	5,125
Grants-in-aid	8,022	2,996
Advertising and promotion	5,547	4,189
Insurance	5,148	4,842
Professional fees	4,678	3,935
Office supplies	1,831	2,544
Telephone	1,454	1,320
Rollo McClay Park	1,022	625
Bank charges	974	1,480
Dues and licenses	630	202
Utilities	342	562
Travel	318	54
Training	<u>110</u>	<u>-</u>
	<u>143,571</u>	<u>127,006</u>
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENDITURES	(7,322)	10,846
UNRESTRICTED NET ASSETS, beginning	<u>32,493</u>	<u>26,220</u>
	25,171	37,066
TRANSFERS FROM (TO) RESTRICTED FUNDS, net	<u>2,923</u>	<u>(4,573)</u>
UNRESTRICTED NET ASSETS, ending - Statement 1	\$ <u>28,094</u>	\$ <u>32,493</u>

See accompanying notes to the financial statements

GABRIOLA RECREATION SOCIETY
STATEMENT OF CASH FLOWS
(Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
OPERATING ACTIVITIES		
Receipts from operations	\$ 136,787	\$ 133,943
Payments for operations	<u>(141,164)</u>	<u>(126,592)</u>
CASH (USED IN) PROVIDED BY OPERATIONS	(4,377)	7,351
FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
(DECREASE) INCREASE IN CASH	(4,377)	7,351
CASH, beginning	<u>58,440</u>	<u>51,089</u>
CASH, ending	<u>\$ 54,063</u>	<u>\$ 58,440</u>

CASH CONSISTS OF:

Unrestricted cash	\$ 33,759	\$ 38,147
Restricted cash	<u>20,304</u>	<u>20,293</u>
	<u>\$ 54,063</u>	<u>\$ 58,440</u>

See accompanying notes to the financial statements

GABRIOLA RECREATION SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
(Unaudited)
DECEMBER 31, 2021

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 2021 there were no asset acquisitions. All program equipment on hand is the property of the Regional District of Nanaimo. During 2021 marley flooring was disposed of with all of the proceeds going directly to 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, 2021

3. INTERNALLY RESTRICTED NET ASSETS

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

	<u>2021</u>	<u>2020</u>
Grants-in-aid	\$ 3,457	\$ 6,390
Capital asset fund	10,152	10,147
Contingency fund	<u>10,151</u>	<u>10,146</u>
	<u>\$ 23,760</u>	<u>\$ 26,683</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 programming that has been offered during the year was for children, along with limited programming for adults, and had to follow the PHO orders.

The core funding from the Regional District of Nanaimo is secure for the 2022 year and is sufficient to continue to engage the coordinator to continue to make preparations in anticipation of resuming the delivery of all of the recreation programs.

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