

**FINANCIAL STATEMENTS**

**MARPOLE-OAKRIDGE**

**COMMUNITY ASSOCIATION**

**August 31, 2023**



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# INDEPENDENT AUDITOR'S REPORT

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To the Members of  
**Marpole-Oakridge Community Association**

## ***Opinion***

We have audited the financial statements of Marpole-Oakridge Community Association (the Association), which comprise the statement of financial position as at August 31, 2023, 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, 2023, 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.



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## INDEPENDENT AUDITOR'S REPORT

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- 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 have been applied on a basis consistent with that of the preceding year.

*Tompkins Wozny LLP*

Vancouver, Canada  
November 12, 2023

Chartered Professional Accountants

**STATEMENT OF FINANCIAL POSITION**

As at August 31

	2023	2022
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash	139,577	301,221
Guaranteed investment certificates and term deposits [note 4]	1,263,650	619,975
Accounts receivable [note 5]	73,629	37,369
Prepaid expenses	5,527	6,051
<b>Total current assets</b>	<b>1,482,383</b>	<b>964,616</b>
Guaranteed investment certificates and term deposits - long-term [note 4]	—	319,846
Capital assets [note 6]	9,013	5,005
	<b>1,491,396</b>	<b>1,289,467</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accruals [note 7]	175,374	109,493
Canada Emergency Business Account loan [note 10]	30,000	30,000
Deferred revenue	120,870	102,516
<b>Total current liabilities</b>	<b>326,244</b>	<b>242,009</b>
<b>Net assets</b>		
Invested in capital assets [note 8]	9,013	5,005
Internally restricted [note 8]	718,779	718,779
Unrestricted	437,360	323,674
<b>Total net assets</b>	<b>1,165,152</b>	<b>1,047,458</b>
	<b>1,491,396</b>	<b>1,289,467</b>

Commitment [note 12]

See accompanying notes to the financial statements

On behalf of the Board:

*Albert Leung*

Director

*Mike Burdick*

Director

**STATEMENT OF CHANGES IN NET ASSETS**

Year ended August 31

	Invested in Capital Assets \$	Internally Restricted \$	Un- restricted \$	Total \$
<b>2023</b>	<i>[note 8]</i>	<i>[note 8]</i>		
<b>Balance, beginning of year</b>	5,005	718,779	323,674	1,047,458
Revenue over (under) expenses	(2,541)	—	120,235	117,694
Acquisition of capital assets	6,549	—	(6,549)	—
<b>Balance, end of year</b>	<b>9,013</b>	<b>718,779</b>	<b>437,360</b>	<b>1,165,152</b>
<b>2022</b>				
<b>Balance, beginning of year</b>	4,778	718,946	226,440	950,164
Revenue over (under) expenses	(2,537)	—	99,831	97,294
Acquisition of capital assets	2,764	—	(2,764)	—
Interfund transfers	—	(167)	167	—
<b>Balance, end of year</b>	<b>5,005</b>	<b>718,779</b>	<b>323,674</b>	<b>1,047,458</b>

*See accompanying notes to the financial statements*

**STATEMENT OF OPERATIONS**

Year ended August 31

	2023	2022
	\$	\$
<b>REVENUE</b>		
Program operations <i>[schedule]</i>	748,891	544,981
Facility use	94,602	98,534
Interest	26,233	13,207
Other	2,754	965
	<b>872,480</b>	<b>657,687</b>
<b>EXPENSES</b>		
Program operations <i>[schedule]</i>	501,632	360,410
Staffing <i>[note 11]</i>	98,237	89,249
Leisure Access	33,933	16,326
Facility rental supervisors	27,498	26,931
Office and other	17,245	9,515
Bank, credit card charges and online fees <i>[note 12]</i>	16,048	12,629
Brochure	11,637	10,944
Bookkeeping	10,952	10,294
Professional fees	9,556	5,856
Subscription fee <i>[note 12]</i>	8,844	7,108
Operation fee <i>[note 12]</i>	7,717	—
Repairs and maintenance	6,926	6,594
Amortization of capital assets	2,541	2,537
Donations and scholarships	2,020	2,000
	<b>754,786</b>	<b>560,393</b>
<b>Revenue over expenses for the year</b>	<b>117,694</b>	<b>97,294</b>

*See accompanying notes to the financial statements*

STATEMENT OF CASH FLOWS

Year ended August 31

	2023	2022
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Revenue over expenses for the year	117,694	97,294
Items not affecting cash		
Amortization of capital assets	2,541	2,537
Changes in non-cash working capital items		
Accounts receivable	(36,260)	71,207
Prepaid expenses	524	(1,821)
Accounts payable and accruals	65,881	26,955
Deferred revenue	18,354	45,903
<b>Cash provided by operating activities</b>	<b>168,734</b>	<b>242,075</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(6,549)	(2,763)
Purchase of GIC's and term deposits	(323,829)	(12,643)
<b>Cash used in investing activities</b>	<b>(330,378)</b>	<b>(15,406)</b>
<b>Increase (decrease) in cash during the year</b>	<b>(161,644)</b>	<b>226,669</b>
Cash, beginning of year	301,221	74,552
<b>Cash, end of year</b>	<b>139,577</b>	<b>301,221</b>

See accompanying notes to the financial statements

## NOTES TO FINANCIAL STATEMENTS

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August 31, 2023

### 1. ORGANIZATION

The Association is incorporated pursuant to the British Columbia Societies Act, is a not-for-profit organization and is exempt from income taxes. The objectives of the Association are to provide affordable and quality facilities and programming to meet the diverse needs of the people of the Marpole-Oakridge community and to encourage community use and participation of the Marpole-Oakridge Community Centre.

### 2. GOVERNANCE AND OPERATIONS

The Association carries out the above objectives through the operations of the Marpole-Oakridge 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 12].

Use of the Marpole-Oakridge 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 accounting standards for not-for-profit organizations 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 expenditures reported during the year. Significant areas requiring the use of management estimates relate to the determination of net recoverable value of assets, in particular as it relates to the determination of allowance for doubtful accounts relating to accounts receivable and determination of the estimated useful lives of capital assets. Actual results could differ from these estimates.



**NOTES TO FINANCIAL STATEMENTS**

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August 31, 2023

**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.

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

Facility rentals 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.

Deferred contributions related to capital assets are amortized into income at the same rate as the related capital asset is amortized into expense.

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

**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 GICs investments 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. GICs are recorded at market.

Financial liabilities measured at amortized cost include accounts payable and 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.

**NOTES TO FINANCIAL STATEMENTS**

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August 31, 2023

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Capital Assets**

Capital assets are recorded at cost and are amortized on a straight-line basis over their estimated useful lives at the rates described 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. GUARANTEED INVESTMENT CERTIFICATES ("GIC") AND TERM DEPOSITS**

GICs and term deposits bear interest at rates varying from 1.48% to 5.35% and have maturity dates ranging from October 2023 to July 2024.

Term deposits and GICs are comprised of the following:

	Market Value	Cost
	\$	\$
<hr/>		
<b>2023</b>		
<b>Current</b>		
Term deposits carried at cost	340,644	340,644
GICs carried at market	923,006	895,545
	<b>1,263,650</b>	<b>1,236,189</b>
<hr/>		
<b>2022</b>		
<b>Current</b>		
Term deposits carried at cost	104,969	104,969
GICs carried at market	515,006	508,808
	619,975	613,777
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<b>Non - Current</b>		
GICs carried at market	319,846	316,090
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**NOTES TO FINANCIAL STATEMENTS**

August 31, 2023

**5. ACCOUNTS RECEIVABLE**

	2023	2022
	\$	\$
Park Board	31,998	27,722
Grants	38,196	8,239
Other	523	872
Interest	2,912	536
	<b>73,629</b>	<b>37,369</b>
Allowance for doubtful accounts	—	—
	<b>73,629</b>	<b>37,369</b>

**6. CAPITAL ASSETS**

	Rate	Cost \$	Accumulated Amortization \$	Net Book Value \$
<b>2023</b>				
Computer equipment	4 years S.L.	1,659	1,659	—
Furniture and equipment	5 years S.L.	62,399	53,386	9,013
		<b>64,058</b>	<b>55,045</b>	<b>9,013</b>
<b>2022</b>				
Computer equipment	4 years S.L.	1,659	1,476	183
Furniture and equipment	5 years S.L.	55,850	51,028	4,822
		<b>57,509</b>	<b>52,504</b>	<b>5,005</b>

**7. ACCOUNTS PAYABLE AND ACCRUALS**

	2023	2022
	\$	\$
Trade and accruals	117,564	73,160
Park Board	43,792	29,178
Government remittances - GST	4,727	3,781
- WorkSafeBC	3,620	1,961
- payroll tax deductions	2,784	—
Wages payable	2,887	1,413
	<b>175,374</b>	<b>109,493</b>

## NOTES TO FINANCIAL STATEMENTS

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August 31, 2023

### 8. 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. To assist with this objective, the Association has made the following internal restrictions:

The following amounts have been internally restricted for the following purposes:

	2023	2022
	\$	\$
Building	700,000	700,000
Marpole Day	18,779	18,779
	<b>718,779</b>	<b>718,779</b>

#### Invested in Capital Assets and Intangible

The Association has internally restricted an amount equal to the net assets invested in capital and intangible assets.

#### Building

The Association has internally restricted funds to be used for the development of a new community centre building.

#### Marpole Day

In 2019, the Board internally restricted the surplus funds earned from the Marpole Day community event to be spent on future Marpole Day community events. Any surplus revenue earned from future Marpole Day community events will also be internally restricted for Marpole Day community events.

### 9. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments. The following analysis presents the Association's exposures to significant risks as at August 31, 2023:

#### Credit Risk

Credit risk is the risk that one party to the financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

## **NOTES TO FINANCIAL STATEMENTS**

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August 31, 2023

### **9. FINANCIAL INSTRUMENTS (CONT'D)**

The Association is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. The Association assesses, on a continuous basis, accounts receivable on the basis of amounts it is virtually certain to receive. The Association is also exposed to credit risk with respect to its cash and investments in GIC's and term deposits. The Association limits its exposure to credit loss by placing its cash and investments in GIC's and term deposits with chartered Canadian financial institutions and a licensed investment firm.

#### **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 cash, GICs and term deposits that earn interest at both variable and fixed rates. The Association is also exposed to interest rate risk on the Canada Emergency Business Account loan.

#### **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.

### **10. CANADA EMERGENCY BUSINESS ACCOUNT LOAN**

In fiscal year 2021, the Association received the \$40,000 Canada Emergency Business Account loan. The loan is non-interest bearing until January 18, 2024, and then interest accrues at the rate of 5% until December 31, 2026, when the loan is due. If the loan is repaid on or before January 18, 2024, \$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 January 18, 2024, the 25% forgivable portion of the loan or \$10,000, was taken into 2021 income.

Subsequent to the year end, the loan was fully repaid.

## NOTES TO FINANCIAL STATEMENTS

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August 31, 2023

### 11. 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.

In 2022, contractors, wages and benefits include \$98,237 [2022 - \$89,249] of expense provided by a contractor for Group I wages. The Group I wages cover the costs of several employees.

### 12. COMMITMENT - JOINT OPERATING AGREEMENT

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 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, 2020, the Association pays a 2% subscription fee for 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, 2022 operating fee was completely waived and the August 31, 2023 fee was only subject to the 2% fee for eight months.

## SCHEDULE OF REVENUE AND EXPENSES - PROGRAM OPERATIONS

August 31, 2023

	Revenue	Expenses			Net Income (Loss)
		Wages and Contractors	Supplies	Total	
	\$	\$	\$	\$	\$
<b>2023</b>					
Action Camp	87,436	50,928	19,997	70,925	16,511
Artist in Community	—	535	—	535	(535)
Preschool	61,949	45,429	—	45,429	16,520
Children	196,212	124,439	946	125,385	70,827
Teen	39,405	16,783	21,353	38,136	1,269
Adult	109,717	41,105	899	42,004	67,713
Senior	18,617	1,882	3,388	5,270	13,347
Music	84,050	64,307	—	64,307	19,743
Special Needs Youth	1,571	—	—	—	1,571
Aerobics	34,893	20,649	721	21,370	13,523
Fitness and wellness	12,280	584	154	738	11,542
Festival and special events	20,277	—	27,299	27,299	(7,022)
Martial arts	82,484	60,234	—	60,234	22,250
	<b>748,891</b>	<b>426,875</b>	<b>74,757</b>	<b>501,632</b>	<b>247,259</b>
<b>2022</b>					
Action Camp	92,377	51,539	7,282	58,821	33,556
Artist in Community	10,500	16,013	—	16,013	(5,513)
Preschool	61,085	39,357	—	39,357	21,728
Children	123,252	78,714	479	79,193	44,059
Teen	26,491	5,097	22,522	27,619	(1,128)
Adult	78,445	18,932	828	19,760	58,685
Senior	14,153	7,409	2,121	9,530	4,623
Music	55,406	42,795	6	42,801	12,605
Special Needs Youth	845	—	—	—	845
Aerobics	24,403	17,454	125	17,579	6,824
Fitness and wellness	6,042	1,618	279	1,897	4,145
Festival and special events	2,000	—	12,935	12,935	(10,935)
Martial arts	49,982	34,905	—	34,905	15,077
	<b>544,981</b>	<b>313,833</b>	<b>46,577</b>	<b>360,410</b>	<b>184,571</b>