

VALLEY GARDENS COMMUNITY CENTRE INC.
Financial Statements
Year Ended December 31, 2022

VALLEY GARDENS COMMUNITY CENTRE INC.

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Year Ended December 31, 2022

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INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

To the Directors of Valley Gardens Community Centre Inc.

We have reviewed the accompanying financial statements of Valley Gardens Community Centre Inc. which comprise the statement of financial position as at December 31, 2022 and the statements of operations, changes in net assets and cash flow for the year then ended, and 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 for the Financial Statements

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 review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements 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 that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Valley Gardens Community Centre Inc. as at December 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.

Exchange

Chartered Professional Accountants LLP
Winnipeg, Manitoba
October 27, 2023

VALLEY GARDENS COMMUNITY CENTRE INC.

Statement of Financial Position

December 31, 2022

	2022	2021 <i>(Revised)</i>
ASSETS		
CURRENT		
Cash	\$ 186,306	\$ 176,327
Accounts receivable <i>(Note 8)</i>	14,356	31,290
Inventory	-	1,000
Goods and services tax recoverable	-	2,568
Prepaid expenses	5	-
	200,667	211,185
PROPERTY AND EQUIPMENT <i>(Note 4)</i>	326,934	367,865
	\$ 527,601	\$ 579,050
LIABILITIES		
CURRENT		
Accounts payable	\$ 21,388	\$ 23,589
Goods and services tax payable	529	-
Wages payable	10,323	6,942
Deferred income	60,020	6,207
	92,260	36,738
CANADA EMERGENCY BUSINESS ACCOUNT LOAN <i>(Note 5)</i>	-	40,000
DEFERRED CAPITAL CONTRIBUTIONS <i>(Note 6)</i>	233,156	259,063
	325,416	335,801
NET ASSETS	202,185	243,249
	\$ 527,601	\$ 579,050

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

See notes to financial statements

VALLEY GARDENS COMMUNITY CENTRE INC.

Statement of Operations

Year Ended December 31, 2022

	2022	2021 <i>(Revised)</i>
REVENUES		
City of Winnipeg - Operating grant	\$ 90,991	\$ 84,958
Hall rentals	66,280	38,239
Sports programs <i>(Note 7)</i>	40,785	18,543
Recognition of deferred contributions	25,906	37,696
General and administration	10,340	8,607
Other grants	8,901	2,668
General Council of Winnipeg Community Centres	7,150	8,100
Province of Manitoba - Urban Green Team	2,567	4,697
City of Winnipeg - Community Incentive Grant Program	-	28,367
Province of Manitoba - COVID Bridge Grant	-	15,000
Canada Emergency Business Account loan forgiveness <i>(Note 5)</i>	-	10,000
COVID subsidies <i>(Note 8)</i>	-	53,606
Non-sports programs	-	1,400
	252,920	311,881
EXPENSES		
Advertising and promotion	-	492
Amortization	46,628	53,448
Bad debts	34	3,983
Interest and bank charges	2,792	2,521
Office and administrative	10,597	10,785
Other	1,067	1,300
Rental	6,134	11
Repairs and maintenance	42,663	80,706
Salaries and benefits	131,815	104,561
Sports expenses <i>(Note 7)</i>	16,842	10,565
Utilities	35,412	27,945
	293,984	296,317
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (41,064)	\$ 15,564

VALLEY GARDENS COMMUNITY CENTRE INC.

Statement of Changes in Net Assets

Year Ended December 31, 2022

	2022	2021
		<i>(Revised)</i>
NET ASSETS - BEGINNING OF YEAR		
As previously reported	\$ 228,862	\$ 227,685
Correction of error <i>(Note 8)</i>	<u>14,387</u>	<u>-</u>
As restated	243,249	227,685
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>(41,064)</u>	15,564
NET ASSETS - END OF YEAR	<u>\$ 202,185</u>	<u>\$ 243,249</u>

VALLEY GARDENS COMMUNITY CENTRE INC.

Statement of Cash Flow

Year Ended December 31, 2022

	2022	2021 <i>(Revised)</i>
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (41,064)	\$ 15,564
Items not affecting cash:		
Amortization of property and equipment	46,628	53,448
Recognition of deferred contributions	(25,906)	(37,696)
Canada Emergency Business Account loan forgiveness	-	(10,000)
	(20,342)	21,316
Changes in non-cash working capital:		
Accounts receivable	16,934	(28,489)
Accounts payable	(2,201)	12,180
Deferred income	53,813	5,158
Prepaid expenses	(5)	-
Goods and services tax recoverable	3,097	(2,946)
Wages payable	3,381	515
Inventory	1,000	-
	76,019	(13,582)
Cash flow from operating activities	55,677	7,734
INVESTING ACTIVITY		
Purchase of property and equipment	(5,698)	-
FINANCING ACTIVITIES		
Proceeds from Canada Emergency Business Account Loan	-	20,000
Repayment of Canada Emergency Business Account Loan	(40,000)	-
Cash flow from (used by) financing activities	(40,000)	20,000
INCREASE IN CASH	9,979	27,734
CASH - BEGINNING OF YEAR	176,327	148,593
CASH - END OF YEAR	\$ 186,306	\$ 176,327

See notes to financial statements

VALLEY GARDENS COMMUNITY CENTRE INC.

Notes to Financial Statements

Year Ended December 31, 2022

1. DESCRIPTION OF OPERATIONS

Valley Gardens Community Centre Inc. is a non-profit organization and is exempt under the Income Tax Act of Canada. The organization receives primary funding from the City of Winnipeg and secondary funding from other levels of government. The purpose of the Community Centre is to provide sports, recreational and social programs for the benefit of the surrounding community.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgment. The financial statements have, in management's opinion, been properly prepared within the reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Inventory

Inventory is valued at purchase cost and consists of canteen goods for resale.

Property and Equipment

Property and equipment are stated at cost less accumulated amortization. Property and equipment are amortized over their estimated useful lives at the following rates and methods:

Buildings	10%	declining balance method
Tractor	30%	declining balance method
Computer equipment	30% & 55%	declining balance method
Furniture and fixtures	20%	declining balance method

The Centre regularly reviews its property and equipment to eliminate obsolete items.

Revenue Recognition

The Centre uses the deferral method of accounting for contributions. Revenue is recognized as income when earned and collection is reasonably assured.

Contributed services

The operations of the Centre depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

VALLEY GARDENS COMMUNITY CENTRE INC.

Notes to Financial Statements

Year Ended December 31, 2022

3. FINANCIAL INSTRUMENTS

The Centre is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Centre's risk exposure and concentration as of December 31, 2022.

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. Receivables generally arise from user fees or from government grants. The Centre has a significant number of users, and considers credit risk to be low.

4. PROPERTY AND EQUIPMENT

	2022		2021	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Buildings	\$ 522,349	\$ 271,615	\$ 522,349	\$ 243,755
Furniture and fixtures	377,180	302,671	372,900	284,579
Tractor	43,171	42,511	43,171	42,228
Computer equipment	7,691	6,660	6,273	6,266
	<u>\$ 950,391</u>	<u>\$ 623,457</u>	<u>\$ 944,693</u>	<u>\$ 576,828</u>
Net book value	<u>\$ 326,934</u>		<u>\$ 367,865</u>	

5. CANADA EMERGENCY BUSINESS ACCOUNT LOAN

The Canada Emergency Business Account (CEBA) provides interest-free loans of up to \$60,000 to small businesses to help cover their operating costs during a period where their revenues have been temporarily reduced. This program has been implemented by banks and credit unions in collaboration with Export Development Canada.

Repaying the balance of the loan on or before December 31, 2023 could result in loan forgiveness up to \$20,000.

The loan was repaid in full during the 2022 fiscal year.

6. DEFERRED CAPITAL CONTRIBUTIONS

Capital contributions have been received to offset the purchase of property and equipment. The amounts are being amortized into income on the same basis of the related assets.

	2022	2021
Deferred capital contributions, received	\$ 470,495	\$ 470,495
Amortization of deferred contributions	(237,339)	(211,432)
	<u>\$ 233,156</u>	<u>\$ 259,063</u>

VALLEY GARDENS COMMUNITY CENTRE INC.

Notes to Financial Statements

Year Ended December 31, 2022

7. SPORTS PROGRAMS

Details in support of sports programs are as follows:

	Revenue	Expenses	2022 Surplus (Deficiency)
Baseball	\$ 6,419	\$ 2,070	\$ 4,349
Basketball	5,397	2,493	2,904
Hockey	13,527	3,103	10,424
Ringette	698	155	543
Soccer	13,424	8,621	4,803
Softball	1,320	400	920
	<u>\$ 40,785</u>	<u>\$ 16,842</u>	<u>\$ 23,943</u>

8. CORRECTION OF ERROR

During the course of the review, it was determined that COVID subsidies received during the 2022 actually related to 2021. As a result, the previously presented figures for the year ended December 31, 2021 have changed by the following:

- Accounts receivable have increased by \$14,387
- COVID subsidies revenue has increased by \$14,387

9. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.
