



Financial Statements

Saanich Neighbourhood Place

March 31, 2023

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Independent Practitioner's Review Engagement Report

To the Members of
[Saanich Neighbourhood Place](#)

We have reviewed the accompanying financial statements of Saanich Neighbourhood Place that comprise the statement of financial position as at March 31, 2023 and the statements of operations, changes in net assets and cash flows 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

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 the financial statements do not present fairly, in all material respects, the financial position of Saanich Neighbourhood Place as at March 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.

Victoria, Canada
September 14, 2023



Chartered Professional Accountants

Saanich Neighbourhood Place

Statement of Operations

Year ended March 31

	2023	2022
Revenue		
Government funding	\$ 574,914	\$ 581,327
Licenced Childcare	1,120,137	538,410
Grants	77,920	227,050
Donations	86,318	87,312
Capital contribution recognized (Note 5)	73,245	73,245
Miscellaneous revenue	5,247	2,177
Rental	35,470	6,498
Interest income	2,273	2,048
	<u>1,975,524</u>	<u>1,518,067</u>
Expenditures		
Accounting and legal	7,458	8,856
Advertising and promotion	1,506	6,177
Amortization	126,204	125,757
Equipment lease	2,330	2,028
Insurance	15,262	11,857
Interest and bank charges	1,800	1,402
Interest on long-term debt	40,771	21,139
Memberships	954	1,579
Office and administration	4,161	20,811
Professional development	11,608	4,906
Program materials and supplies	77,419	65,662
Rent	35,780	40,645
Repairs and maintenance	11,564	2,794
Subscriptions, permits and licenses	1,372	975
Telephone and utilities	38,187	34,730
Volunteer recognition	290	581
Wages and benefits	1,589,689	1,193,182
	<u>1,966,355</u>	<u>1,543,081</u>
Excess (deficiency) of revenue over expenditures	<u>\$ 9,169</u>	<u>\$ (25,014)</u>

Saanich Neighbourhood Place Statement of Changes in Net Assets

Year ended March 31

	General Funds	Internally Restricted Funds	Total 2023	Total 2022
Balance, beginning of year	\$ 395,967	\$ 30,000	\$ 425,967	\$ 450,981
Excess (deficiency) of revenue over expenditures	<u>9,169</u>	<u>-</u>	<u>9,169</u>	<u>(25,014)</u>
Balance, end of year	<u>\$ 405,136</u>	<u>\$ 30,000</u>	<u>\$ 435,136</u>	<u>\$ 425,967</u>

Saanich Neighbourhood Place Statement of Financial Position

March 31

2023

2022

Assets

Current

Cash	\$ 633,996	\$ 493,744
Term deposit	42,168	42,000
Receivables	25,688	37,656
Prepaid expenses	13,499	16,769
Goods and services tax recoverable	<u>2,816</u>	<u>18,004</u>
	718,167	608,173

Property and equipment (Note 3)	<u>3,205,015</u>	<u>3,324,462</u>
	<u>\$ 3,923,182</u>	<u>\$ 3,932,635</u>

Liabilities

Current

Payables and accruals	\$ 33,689	\$ 16,776
Wages payable	28,698	19,889
Deferred revenue (Note 4)	186,390	120,593
CEBA loan payable	40,000	40,000
Current portion of mortgages loans (Note 7)	<u>38,058</u>	<u>36,898</u>
	<u>326,835</u>	<u>234,156</u>

Long-term

Mortgages loans (Note 7)	1,256,852	1,294,908
Deferred capital contributions (Note 5)	<u>1,904,359</u>	<u>1,977,604</u>
	<u>3,161,211</u>	<u>3,272,512</u>
	<u>3,488,046</u>	<u>3,506,668</u>

Net assets

General Funds	405,136	395,967
Internally Restricted Funds	<u>30,000</u>	<u>30,000</u>
	<u>435,136</u>	<u>425,967</u>
	<u>\$ 3,923,182</u>	<u>\$ 3,932,635</u>

On behalf of the Board

_____ Member

_____ Member

Saanich Neighbourhood Place

Statement of Cash Flows

Year ended March 31

2023

2022

Increase (decrease) in cash

Operating

Excess (deficiency) of revenue over expenditures	\$ 9,169	\$ (25,014)
Items not affecting cash		
Amortization	126,204	125,757
Capital contribution recognized (Note 5)	<u>(73,245)</u>	<u>(73,245)</u>
	62,128	27,498
Change in non-cash working capital items		
Receivables	11,968	(19,922)
Prepaid expenses	3,270	(7,913)
Goods and services tax	15,188	40,593
Payables and accruals	16,912	(293,862)
Wages payable	8,809	10,907
Deferred revenue	<u>65,797</u>	<u>(128,516)</u>
	<u>184,072</u>	<u>(371,215)</u>

Financing

Loan payable	-	(781,075)
(Decrease) increase in mortgages loans	(36,896)	1,331,806
Deferred capital contributions	<u>-</u>	<u>417,020</u>
	<u>(36,896)</u>	<u>967,751</u>

Investing

Marketable securities	(168)	(2,000)
Purchase of property and equipment	(6,756)	(3,441,490)
Building development costs	<u>-</u>	<u>3,024,897</u>
	<u>(6,924)</u>	<u>(418,593)</u>

Increase in cash 140,252 177,943

Cash

Beginning of year	<u>493,744</u>	<u>315,801</u>
End of year	<u>\$ 633,996</u>	<u>\$ 493,744</u>

Saanich Neighbourhood Place

Notes to the Financial Statements

March 31, 2023

1. Nature of operations

Saanich Neighbourhood Place was incorporated under the Canada Corporations Act as a not-for-profit organization on January 27, 1997. The Society is a community-based Society and a registered charity (Charitable Taxation No. 886149236 RR0001). The Society operates as a family resource centre providing programs and support services for families, children and youth. Under the provisions of the Income Tax Act, the Society is exempt from tax.

2. Basis of accounting and significant accounting policies

Basis of presentation

The Society has elected to apply the standards of Part III of the CPA Handbook in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

Revenue recognition

Saanich Neighbourhood Place follows the deferral method of accounting for contributions. Restricted contributions, by designated funders, are recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a basis consistent with the amortization rate of the related capital assets.

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 childcare and other course fees are recognized into revenue as the related services are fulfilled.

Property and equipment

Each class of capital assets is carried at cost less, where applicable, any accumulated amortization and impairment losses.

Property and equipment are amortized on the basis of their useful life using straight line amortization at the following rates:

Leasehold building	28 years	Straight-line
Equipment & furniture	5 years	
Leasehold improvements	5 years	
Computer equipment	5 years	
Website	5 years	

Impairment of long-lived assets

The Society tests long-lived assets for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Saanich Neighbourhood Place

Notes to the Financial Statements

March 31, 2023

2. Basis of accounting and significant accounting policies (continued)

Financial instruments

The Society considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Society accounts for the following as financial instruments:

- cash
- receivables
- payables and accruals
- loans and mortgages

A financial asset or liability is recognized when the Society becomes party to contractual provisions of the instrument.

Financial assets or liabilities obtained in arm's length transactions are initially measured at their fair value. In the case of a financial asset or liability not being subsequently measured at fair value, the initial fair value will be adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption.

Financial assets are tested for impairment when there are indicators of impairment. The Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset.

Financial instruments in related party transactions

Financial assets or liabilities obtained in related party transactions are measured in accordance with the accounting policy for related party transactions except for those transactions that are with a person or entity whose sole relationship with the Society is in the capacity of management in which case they are accounted for in accordance with financial instruments.

Use of estimates

In preparing the Society's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Estimates used in these financial statements relate to amortization and the estimated useful lives of capital assets. Actual results could differ from these estimates.

Saanich Neighbourhood Place Notes to the Financial Statements

March 31, 2023

3. Property and equipment

			<u>2023</u>	<u>2022</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Leasehold building	\$ 3,447,038	\$ 246,026	\$ 3,201,012	\$ 3,318,580
Equipment & furniture	33,296	32,820	476	1,313
Leasehold improvements	24,455	24,455	-	-
Computer equipment	17,526	13,999	3,527	3,840
Website	<u>3,645</u>	<u>3,645</u>	<u>-</u>	<u>729</u>
	<u>\$ 3,525,960</u>	<u>\$ 320,945</u>	<u>\$ 3,205,015</u>	<u>\$ 3,324,462</u>

4. Deferred revenue

Deferred revenue includes funds received from the following:

	<u>2022 Ending Balance</u>	<u>Revenue Recognized During the Year</u>	<u>Revenue Deferred During the Year</u>	<u>2023 Ending Balance</u>
BC Gaming Commission	\$ 76,800	\$ (76,800)	\$ 76,800	\$ 76,800
Ministry of Children and Family Development	14,240	(14,240)	50,182	50,182
Vancouver Island Health Authority	-	-	5,400	5,400
Municipality of Saanich	5,408	-	-	5,408
Trans Care BC	6,000	(2,000)	1,000	5,000
VIHA - Apr lease	1,500	(1,500)	-	-
Attendant fees	396	(396)	539	539
Telus future friendly	-	-	2,500	2,500
Sovereign Order of St John of Jerusalem	-	-	11,000	11,000
Charitable impact	-	-	5,000	5,000
CanadaHelps	-	-	100	100
Western Communities Foundation	-	-	5,000	5,000
BC Council for Families	-	-	1,000	1,000
Pay it Forward	3,446	-	-	3,446
Childcare Fees	7,171	(7,171)	10,264	10,264
Shared Assessment	1,453	(386)	-	1,067
EY Table Fund	<u>4,179</u>	<u>(495)</u>	<u>-</u>	<u>3,684</u>
Totals	<u>\$ 120,593</u>	<u>\$ (102,988)</u>	<u>\$ 168,785</u>	<u>\$ 186,390</u>

Saanich Neighbourhood Place

Notes to the Financial Statements

March 31, 2023

5. Deferred Contributions

Deferred contributions include the following:

	2022 Ending Balance	Revenue Deferred During the Year	Revenue Recognized During the Year	2023 Ending Balance
Province of British Columbia	\$ 1,446,429	\$ -	\$ (53,571)	\$ 1,392,858
Government of Canada	76,832	-	(2,846)	73,986
Municipality of Saanich	243,970	-	(9,036)	234,934
Donations	52,933	-	(1,961)	50,972
Island Savings Credit Union	48,691	-	(1,803)	46,888
Telus	19,286	-	(714)	18,572
McLean Foundation	4,821	-	(179)	4,642
Western Community Foundation	4,821	-	(179)	4,642
Walmart	964	-	(36)	928
Hamber Foundation	1,929	-	(71)	1,858
Agriculture and Agri-Foods Canada	<u>76,928</u>	<u>-</u>	<u>(2,849)</u>	<u>74,079</u>
	<u>\$ 1,977,604</u>	<u>\$ -</u>	<u>\$ (73,245)</u>	<u>\$ 1,904,359</u>

6. Government and grant funding

The Society receives funding from government sources which include the Government of Canada, Province of British Columbia, Vancouver Island Health Authority and the BC Gaming Commission. Government funding accounted for 29% (2022: 41%) of total revenue.

The Society received project grants from other registered charities during the year including grants from the United Way of Greater Victoria, Trans Care BC, Rotary Club of Victoria - Harbourside and Sovereign Order of St John of Jerusalem.

Saanich Neighbourhood Place Notes to the Financial Statements

March 31, 2023

7. Mortgages loans	<u>2023</u>	<u>2022</u>
First West Credit Union commercial mortgage for \$1,350,000, with a fixed interest rate of 3.1%, repayable with monthly principal payments of \$6,472.29, maturing on September 1 2026	\$ 1,294,910	\$ 1,331,806
Less current portion	<u>38,058</u>	<u>36,898</u>
Due beyond one year	<u>\$ 1,256,852</u>	<u>\$ 1,294,908</u>
Estimated principal repayments are as follows:		
2024	\$ 38,058	
2025	39,254	
2026	40,489	
2027	<u>1,177,109</u>	
	<u>\$ 1,294,910</u>	

A general security agreement covering all assets of the Society has been pledged as security.

8. Internally restricted funds

The Society has internally restricted funds of \$30,000 (2022 - \$30,000) earmarked for future extraordinary operations. Spending from these funds must be approved in advance by the Board of Directors.

Internal restrictions were made by Board of Director motions as follows:

April 2020	<u>\$ 30,000</u>
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9. CEBA Loan

The Canada Emergency Business Account was received by the Saanich Neighbourhood Place for \$60,000. The forgivable portion of this loan was recorded in the 2021 year as other income for \$20,000 as this amount will not have to be paid back if the loan is repaid in full by December 31, 2023.

10. Credit facilities

The Society has an authorized line of credit of \$100,000 with First West Credit Union bearing interest at prime plus 1%, of which \$Nil was used at year end. This facility is secured by a general security agreement, a security agreement over the operating loan and all present and future indebtedness of the Society.

Saanich Neighbourhood Place

Notes to the Financial Statements

March 31, 2023

11. Operating lease commitments

The Society's total future minimum lease payments for equipment under operating lease commitments over the next five years are as follows:

2024	\$	2,128
2025		1,153
2026		828
2027		<u>690</u>
	\$	<u>4,799</u>

12. Employee remuneration

On November 28, 2016 the British Columbia Societies Act came into force. Included in the new Act is a requirement to disclose remuneration paid to all directors, the ten highest paid employees and all contractors who are paid at least \$75,000 annually.

During the year, the Society paid no remuneration to board directors.

There was one employee earning over \$75,000 for a total of \$79,787 (2022: nil employees earned over \$75,000).

There were no contractors whose remuneration was at least \$75,000.

13. Comparative figures

Certain comparative figures have been reclassified from those previously presented to conform to the presentation of the 2023 financial statements. The changes do not affect prior year earnings.
