



Financial Statements

Saanich Neighbourhood Place

March 31, 2021

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# Independent Practitioner's Review Engagement Report

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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, 2021, 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, 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.

## **Emphasis of matter**

We draw your attention to Note 3 of the financial statements, which explains that certain comparative information presented for the year ended March 31, 2020 has been restated. Our opinion is not modified in respect of this matter.

Victoria, Canada  
September 8, 2021



Chartered Professional Accountants

# Saanich Neighbourhood Place

## Statement of Operations

Year ended March 31

	2021	2020
Revenue		
Government funding	\$ 521,408	\$ 453,018
Full o' Beans Preschool	181,656	243,910
Grants	127,738	108,246
Government subsidies	97,242	-
Donations	57,093	32,574
Government grant forgiveness	20,000	-
Miscellaneous revenue	3,690	3,072
Rental	(127)	9,359
Program Fees	-	6,685
Interest income	19	846
	<u>1,008,719</u>	<u>857,710</u>
Expenditures		
Accounting and legal	5,812	8,702
Advertising and promotion	13,612	1,241
Amortization	6,693	5,658
Equipment lease	1,423	1,423
Insurance	5,937	5,639
Interest and bank charges	663	911
Memberships	1,127	1,084
Office and administration	27,464	10,911
Professional development	4,132	4,005
Program materials and supplies	50,115	34,054
Rent	31,631	34,643
Repairs and maintenance	459	1,261
Subscriptions, permits and licenses	960	250
Telephone and utilities	24,285	10,343
Volunteer recognition	329	130
Wages and benefits	699,878	722,464
	<u>874,520</u>	<u>842,719</u>
Excess of revenue over expenditures	<u>\$ 134,199</u>	<u>\$ 14,991</u>

## Saanich Neighbourhood Place Statement of Changes in Net Assets

Year ended March 31

	General Funds	Internally Restricted Funds	Total 2021	Total 2020
Balance, beginning of year				
As previously reported	\$ 146,782	\$ -	\$ 146,782	\$ 301,791
Prior period adjustment (Note 3)	<u>170,000</u>	<u>-</u>	<u>170,000</u>	<u>-</u>
As restated	316,782	-	316,782	301,791
Excess of revenue over expenditures	134,199	-	134,199	14,991
Interfund transfer (Note 11)	<u>(30,000)</u>	<u>30,000</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 420,981</u>	<u>\$ 30,000</u>	<u>\$ 450,981</u>	<u>\$ 316,782</u>

# Saanich Neighbourhood Place Statement of Financial Position

March 31

2021

2020  
(Note 3)

## Assets

### Current

Cash	\$ 315,801	\$ 467,014
Marketable securities	40,000	-
Receivables	9,539	12,862
Government subsidies receivable	8,195	-
Prepaid expenses	8,856	7,884
Restricted cash (Note 4)	-	836,152
Goods and services tax recoverable	<u>58,597</u>	<u>1,485</u>

**440,988**      1,325,397

Property and equipment (Note 5)

**8,729**      9,023

Building development costs (Note 6)

**3,024,897**      369,284

**\$ 3,474,614**      \$ 1,703,704

## Liabilities

### Current

Payables and accruals	\$ 310,639	\$ 18,220
Wages payable	8,982	5,895
Deferred revenue (Note 7)	249,109	157,371
Loan payable (Note 9)	781,075	-
CEBA loan payable	<u>40,000</u>	<u>-</u>

**1,389,805**      181,486

### Long-term

Deferred capital contributions (Note 8)	<u><b>1,633,828</b></u>	<u>1,205,436</u>
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**3,023,633**      1,386,922

## Net assets

General Funds

**420,981**      316,782

Internally Restricted Funds

**30,000**      -

**450,981**      316,782

**\$ 3,474,614**      \$ 1,703,704

On behalf of the board

\_\_\_\_\_ Member

\_\_\_\_\_ Member

# Saanich Neighbourhood Place

## Statement of Cash Flows

Year ended March 31

2021

2020

Increase (decrease) in cash

### Operating

Excess of revenue over expenditures	\$ 134,199	\$ 14,991
Item not affecting cash		
Amortization	<u>6,693</u>	<u>5,658</u>
	<b>140,892</b>	20,649
Change in non-cash working capital items		
Receivables	(4,872)	(6,508)
Prepaid expenses	(972)	(828)
Decrease (increase) in restricted cash	836,152	(645,163)
Goods and services tax	(57,112)	2,698
Payables and accruals	292,420	7,724
Wages payable	3,087	(13,194)
Deferred revenue	<u>91,738</u>	<u>25,186</u>
	<u><b>1,301,333</b></u>	<u>(609,436)</u>

### Financing

Loan payable	781,075	-
CEBA loan payable	60,000	-
Deferred capital contributions	428,392	977,500
Forgiveness of CEBA Loan	(20,000)	-
Repayment of deferred capital contribution	<u>-</u>	<u>(325,000)</u>
	<u><b>1,249,467</b></u>	<u>652,500</u>

### Investing

Marketable Securities	(40,000)	-
Purchase of property and equipment	(6,400)	(2,381)
Building development costs	<u>(2,655,613)</u>	<u>(7,337)</u>
	<u><b>(2,702,013)</b></u>	<u>(9,718)</u>

(Decrease) increase in cash (151,213) 33,346

### Cash

Beginning of year	<u>467,014</u>	<u>433,668</u>
End of year	<u><b>\$ 315,801</b></u>	<u><b>\$ 467,014</b></u>

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# Saanich Neighbourhood Place

## Notes to the Financial Statements

March 31, 2021

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### 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 programs to support individuals and families through parent and family resource programs and counselling. Under the provisions of the Income Tax Act, the Society is exempt from tax.

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### 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.

Preschool 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:

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.



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# Saanich Neighbourhood Place

## Notes to the Financial Statements

March 31, 2021

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### 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

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 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.

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.

#### 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.

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# Saanich Neighbourhood Place

## Notes to the Financial Statements

March 31, 2021

### 3. Prior period adjustment

During the period the Society determined the repayment of the grant related to the Child Care Hub was incorrectly recorded. The prior period adjustment corrects the overstated building development costs, overstated deferred capital contributions and understated general fund net assets.

	<u>Previously Reported</u>	<u>Adjustment</u>	<u>Restatement</u>
Building development costs	\$ 524,284	\$ (155,000)	\$ 369,284
Deferred capital contributions	(1,530,436)	325,000	(1,205,436)
Net assets - general fund	(146,782)	(170,000)	(316,782)

There was no impact on the excess of revenue over expenditures in the prior year as there was no amortization taken on the capital asset or the related deferred capital contribution.

### 4. Restricted cash

The Society has received externally restricted funds for the construction of the Saanich Neighbourhood Place Child and Family Centre (See Notes 6 and 8).

### 5. Property and equipment

			<u>2021</u>	<u>2020</u> (Note 3)
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Equipment & furniture	\$ 33,296	\$ 31,145	\$ 2,151	\$ 6,836
Leasehold improvements	24,455	24,455	-	-
Computer equipment	16,318	11,198	5,120	-
Website	3,645	2,187	1,458	2,187
	<u>\$ 77,714</u>	<u>\$ 68,985</u>	<u>\$ 8,729</u>	<u>\$ 9,023</u>

### 6. Building development costs

The Society has received funding for the construction of the Saanich Neighbourhood Place Child and Family Centre. The cost of the building under construction includes the carrying costs directly attributable to the construction. Construction of the Saanich Neighbourhood Place Child and Family Centre commenced in the Summer of 2020, and anticipated completion to be in the summer of 2021. Capitalization of carrying costs ceases when the capital asset is substantially complete and available for use. The Society has incurred a total of \$3,024,897 (2020: \$369,284) in design, architectural and other planning costs and construction to date.

# Saanich Neighbourhood Place Notes to the Financial Statements

March 31, 2021

## 7. Deferred revenue

Deferred revenue includes funds received from the following:

	2021 Ending Balance	Revenue Deferred During the Year	Revenue Recognized During the Year	2020 Ending Balance
BC Gaming Commission	\$ 76,800	\$ 76,800	\$ (76,800)	\$ 76,800
Victoria Foundation	63,500	63,500	-	-
Ministry of Children and Family Development	28,340	28,340	-	-
Community Food Centres Canada	20,000	20,000	-	-
Vancouver Island Health Authority	11,934	-	(37,792)	49,726
United Way	11,570	11,570	-	-
Municipality of Saanich	9,375	9,375	-	-
Transcare BC	9,030	9,030	(1,600)	1,600
EY Table Fund	4,699	-	(997)	5,696
Bridging the Digital Divide	4,200	4,200	-	-
Childcare Fees	3,832	1,432	(600)	3,000
Pay it Forward	3,446	-	-	3,446
Shared Assessment	1,712	-	-	1,712
Royal Oak Women's Institute	500	500	-	-
BCAPOP	171	171	(2,000)	2,000
Burnside Gorge Community Association	-	-	(12,666)	12,666
Community Action Program for Children	-	-	(725)	725
Totals	<u>\$ 249,109</u>	<u>\$ 224,918</u>	<u>\$ (133,180)</u>	<u>\$ 157,371</u>

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# Saanich Neighbourhood Place

## Notes to the Financial Statements

March 31, 2021

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### 8. Deferred Contributions

Deferred contributions include the following:

	2021 Ending Balance	Revenue Deferred During the Year	Revenue Recognized During the Year	2020 Ending Balance
Province of British Columbia	\$ 1,350,000	\$ 375,000	\$ -	\$ 975,000
Government of Canada	79,678	-	-	79,678
Municipality of Saanich	69,758	-	-	69,758
Donations	52,898	52,898	-	-
Island Savings Credit Union	50,494	494	-	50,000
Telus	20,000	-	-	20,000
McLean Foundation	5,000	-	-	5,000
Western Community Foundation	5,000	-	-	5,000
Walmart Canada	1,000	-	-	1,000
Totals	<u>\$ 1,633,828</u>	<u>\$ 428,392</u>	<u>\$ -</u>	<u>\$ 1,205,436</u>

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### 9. Loan payable

A construction loan has been obtained to finance the construction of the Child and Family Centre. There is \$781,075 outstanding at March 31, 2021 (2020: \$0). This loan has interest charged at prime + 2.00%, compounded monthly. All accumulated interest must be paid monthly with the full balance of the loan is due on November 1, 2021.

2021	2020 (Note 3)
<u>\$ 781,075</u>	<u>\$ -</u>

Estimated principal repayments are as follows:

Subsequent years	<u>\$ 781,075</u>
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A general security agreement covering all assets of the Society has been pledged as security.

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### 10. 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 63% (2020: 53%) of total revenue.

The Society received project grants from other registered charities during the year including grants from the United Way of Greater Victoria, Victoria Foundation, and the Children's Health Foundation.

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# Saanich Neighbourhood Place

## Notes to the Financial Statements

March 31, 2021

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### 11. Internally restricted funds

The Society has internally restricted funds of \$30,000 (2020 - \$0) 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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### 12. 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 as other income for \$20,000 as this amount will not have to be paid back if the loan is repaid within 12 months.

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### 13. Subsequent events

Since March 31, 2020 the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. The Covid Emergency Wage subsidy has been received by Saanich Neighbourhood Place. \$89,156 was received in the 2021 fiscal year. The Temporary Wage Subsidy was received as well for \$8,087. The preschool was closed from April to June 2021 due to Covid.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

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### 14. Comparative figures

Comparative figures have been reclassified to conform to changes related to the prior period adjustment.

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# Saanich Neighbourhood Place

## Notes to the Financial Statements

March 31, 2021

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### 15. 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 directors. In addition, the Society did not pay employees or contractors amounts greater than the remuneration disclosure threshold of \$75,000.

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