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FINANCIAL STATEMENTS

TROUT LAKE VANCOUVER COMMUNITY CENTRE ASSOCIATION

August 31, 2024

Limited Liability Partnership

Tompkins Wozny
Chartered Professional Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of
Trout Lake Vancouver Community Centre Association

Opinion

We have audited the financial statements of Trout Lake Vancouver Community Centre Association (the Association), which comprise the statement of financial position as at August 31, 2024, 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, 2024, 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.

- 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.

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INDEPENDENT AUDITOR'S REPORT

- 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, Canadian accounting standards for not-for-profit organizations, have been applied on a basis consistent with that of the preceding year.

Tompkins Wozny LLP

Vancouver, Canada
November 20, 2024

Chartered Professional Accountants

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Trout Lake Vancouver Community Centre Association

STATEMENT OF FINANCIAL POSITION

As at August 31

	2024 $	2023 $
ASSETS		
Current		
Cash	**660,037**	570,563
Term deposits *[note 4]*	**454,308**	—
Accounts and grants receivable *[note 5]*	**201,828**	202,257
Prepaid expenses	**6,168**	6,556
Total current assets	**1,322,341**	779,376
Term deposits *[note 4]*	**506,634**	931,464
Capital assets *[note 6]*	**13,912**	16,300
	1,842,887	1,727,140
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accruals *[note 7]*	**251,959**	209,429
Deferred revenue - other *[note 8]*	**364,933**	346,388
- John Hendry Park	**22,085**	22,085
Total liabilities	**638,977**	577,902
Net assets		
Invested in capital assets *[note 9]*	**13,912**	16,300
Internally restricted *[note 9]*	**675,591**	660,542
Unrestricted	**514,407**	472,396
Total net assets	**1,203,910**	1,149,238
	1,842,887	1,727,140

Joint operating agreement *[note 13]*

See accompanying notes to the financial statements

On behalf of the Board:

Signed by:
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Director

Signed by:
C192B8D11285477...
Director

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Trout Lake Vancouver Community Centre Association

STATEMENT OF CHANGES IN NET ASSETS

Year ended August 31

	Invested in Capital Assets $	Internally Restricted $	Unrestricted $	Total $
	[Note 9]	*[Note 9]*		
2024				
Balance, beginning of year	**16,300**	**660,542**	**472,396**	**1,149,238**
Revenues over (under) expenses for the year	**(9,208)**	**—**	**63,880**	**54,672**
Acquisition of furniture and equipment	**6,820**	**(6,820)**	**—**	**—**
Interfund transfers	**—**	**21,869**	**(21,869)**	**—**
Balance, end of year	**13,912**	**675,591**	**514,407**	**1,203,910**
2023				
Balance, beginning of year	19,299	657,540	439,918	1,116,757
Revenues over (under) expenses for the year	(12,989)	—	45,470	32,481
Acquisition of furniture and equipment	9,990	(9,990)	—	—
Interfund transfers	—	12,992	(12,992)	—
Balance, end of year	16,300	660,542	472,396	1,149,238

See accompanying notes to the financial statements

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Trout Lake Vancouver Community Centre Association

STATEMENT OF OPERATIONS

Year ended August 31

	2024 $	2023 $
REVENUE		
Program operations *[schedule]*	**1,695,598**	1,522,149
Facility rentals	**184,450**	149,783
Interest	**36,134**	25,875
Artist in Residence	**10,000**	4,400
Special events and other	**8,754**	10,964
Vending	**3,107**	2,965
Café rent	**3,000**	2,750
	1,941,043	1,718,886
EXPENSES		
Program operations *[schedule]*	**1,273,283**	1,162,077
Staff costs	**205,540**	192,167
Group I wages *[note 12]*	**188,677**	141,875
Facility rentals	**39,409**	35,014
Bank, credit card and online charges	**35,085**	32,732
Operation fee *[note 13]*	**31,109**	16,478
Office, supplies and other	**25,207**	22,212
Advertising and brochures	**23,642**	21,729
Subscription fees *[note 13]*	**19,778**	17,054
Board	**15,882**	13,555
Artist in Residence	**10,000**	9,400
Professional	**9,551**	9,123
Amortization of furniture and equipment	**9,208**	12,029
Loss on disposal of capital assets	**—**	960
	1,886,371	1,686,405
Revenues over expenses for the year	**54,672**	32,481

Joint operating agreement *[note 13]*

See accompanying notes to the financial statements

Tompkins Wozny
Chartered Professional Accountants

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STATEMENT OF CASH FLOWS

Year ended August 31

	2024 $	2023 $
OPERATING ACTIVITIES		
Revenues over expenses for the year	**54,672**	32,481
Items not affecting cash		
Amortization of furniture and equipment	**9,208**	12,029
Loss on disposal of capital assets	**—**	960
Changes in non-cash working capital items		
Accounts and grants receivable	**429**	(37,456)
Prepaid expenses	**388**	(337)
Accounts payable and accruals	**42,530**	13,840
Deferred revenue - other	**18,545**	59,727
Cash provided by operating activities	**125,772**	81,244
INVESTING ACTIVITIES		
Purchase of furniture and equipment	**(6,820)**	(9,990)
Purchase of term deposits, net	**(29,478)**	(230,841)
Cash used in investing activities	**(36,298)**	(240,831)
Increase (decrease) in cash during the year	**89,474**	(159,587)
Cash, beginning of year	**570,563**	730,150
Cash, end of year	**660,037**	570,563

See accompanying notes to the financial statements

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August 31, 2024

1. ORGANIZATION

The Trout Lake Vancouver Community Centre Association ("the Association") was incorporated pursuant to the Societies Act of British Columbia in 1956, was registered as a charitable organization in 1995 for income tax purposes, and is exempt from income taxes. The objectives of the Association are to provide accessible and inclusive social, cultural, recreational, and educational opportunities that strengthen individual, family and community wellbeing.

2. GOVERNANCE AND OPERATIONS

The Association carries out their objectives through the operations of the Trout Lake 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 13]* .

Use of the Trout Lake 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 ASNPO 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 expenses reported during the year. The most significant areas requiring management estimates include the determination of allowance for doubtful accounts relating to accounts receivable and the estimated useful lives of capital assets. Actual results could differ from these estimates.

Deferred Revenue - John Hendry Park

The John Hendry Park funds are to be used on expenditures to enhance the park.

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.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

Unrestricted donations are recognized as income as they are received. Restricted donations are recognized when the related expense is incurred.

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 investments in equity instruments 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 and grants receivable.

Financial liabilities measured at amortized cost include accounts payable.

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.

Capital Assets

Capital assets are recorded at cost, less accumulated amortization. Amortization is provided on a straight-line basis at the rate outlined in Note 6.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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. TERM DEPOSITS

Term deposits have interest rates varying from 3.15% to 5.0% with maturity dates ranging from May 2025 to March 2026.

5. ACCOUNTS AND GRANTS RECEIVABLE

	2024	2023
	$	$
Grants and other	**72,321**	82,132
Park Board	**106,294**	101,163
Government receivable - GST	**1,685**	1,343
Interest	**21,528**	17,619
	201,828	202,257
Allowance for doubtful accounts	**—**	—
	201,828	202,257

6. CAPITAL ASSETS

		Cost	Accumulated Amortization	Net Book Value
		$	$	$
2024				
Furniture and equipment	5 years S. L.	**155,632**	**141,720**	**13,912**
2023				
Furniture and equipment	5 years S. L.	148,812	132,512	16,300

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7. ACCOUNTS PAYABLE AND ACCRUALS

	2024	2023
	$	$
Trade and accruals	**127,372**	96,730
Government remittances - payroll	**27,995**	37,946
- WorkSafeBC	**5,418**	4,836
Park Board	**91,174**	69,917
	251,959	209,429

8. DEFERRED REVENUE - OTHER

	2024	2023
	$	$
Programs - pre-registration	**275,989**	252,743
Rentals	**19,227**	21,368
Licensed preschool fees	**20,261**	21,263
Seniors fundraising	**14,955**	13,855
Youth fundraising	**12,161**	11,346
Slo-pitch fundraising	**3,276**	2,909
Fitness centre fundraising	**2,901**	2,901
Artist in Residence	**—**	10,000
Other	**16,163**	10,003
	364,933	346,388

9. INTERNALLY RESTRICTED NET ASSETS AND CAPITAL MANAGEMENT

The Association's main objective when managing capital is to maintain financial flexibility in order to preserve its ability to meet financial commitments and unforeseen external events. To assist with this objective, the Association has made the following internal restrictions:

	2024	2023
	$	$
Equipment	**88,405**	81,557
Building	**147,186**	138,985
Contingency reserve	**440,000**	440,000
	675,591	660,542

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9. INTERNALLY RESTRICTED NET ASSETS AND CAPITAL MANAGEMENT (CONT'D)

(i) Equipment

	2024 $	2023 $
Balance, beginning of year	**81,557**	83,427
Interfund transfers	**13,668**	8,120
Furniture and equipment purchased	**(6,820)**	(9,990)
Balance, end of year	**88,405**	81,557

The Association has internally restricted $88,405 to be used for expenditures on equipment.

(ii) Building

	2024 $	2023 $
Balance, beginning of year	**138,985**	134,113
Interfund transfers	**8,201**	4,872
Balance, end of year	**147,186**	138,985

The Association has internally restricted $147,186 to be used for expenditures on building improvements.

(iii) Contingency Reserve

	2024 $	2023 $
Balance, beginning of year	**440,000**	440,000
Interfund transfers	**—**	—
Balance, end of year	**440,000**	440,000

The Association has internally restrict funds of $440,000 as a contingency reserve. The contingency reserve would cover unforeseen expenses, such as expenses incurred upon the Association ceasing operations.

Invested in Capital Assets

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

10. INTERFUND TRANSFERS

As described in the statement of changes in net assets, interfund transfers are made between internally restricted net assets and unrestricted net assets to fund capital assets purchased and amortization of capital assets.

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11. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments. The following analysis presents the Association's exposures to significant risk as at August 31, 2024.

Credit Risk

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 Association is exposed to credit risk with respect to its cash, term deposits, and accounts receivable. The Association assesses, on a continuous basis, accounts receivable on the basis of amounts it is virtually certain to receive. The Association's cash and term deposits are invested with a large financial institution.

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, financial liability maturities, and by holding assets that can be readily converted into cash.

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 term deposits in so far that the initial rate may be higher than the current interest rate obtained on maturity and renewal.

12. WAGES AND CONTRACTOR REMUNERATION

Pursuant to the British Columbia Societies Act, the Association is required to disclose contractor fees and wages and benefits of $75,000 or more paid during the fiscal year.

No employees were paid $75,000 or more. Group I wages include $188,677 [2023 - $141,875] of expense provided by a contractor. The Group I wages cover the cost of several employees.

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13. JOINT OPERATING AGREEMENT ("JOA")

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 Vancouver 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, 2018, the Association will also pay a 1% subscription fee for the ActiveNet registration system.

Due to the COVID-19 pandemic, the Park Board waived the operation fee based on prior year's 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.

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SCHEDULE OF REVENUE AND EXPENSES - PROGRAM OPERATIONS

Year ended August 31

		Expenses			
	Revenue	Wages and Contractors	Supplies and Other	Total	Net Income (Loss)
	$	$	$	$	$
2024					
School age	**437,169**	**315,035**	**4,497**	**319,532**	**117,637**
Adult	**415,848**	**287,891**	**5,345**	**293,236**	**122,612**
Early childhood	**189,161**	**134,123**	**5,025**	**139,148**	**50,013**
Licensed preschool	**152,707**	**125,345**	**7,033**	**132,378**	**20,329**
Youth	**204,841**	**126,429**	**37,493**	**163,922**	**40,919**
Summer daycamp	**174,626**	**83,635**	**29,547**	**113,182**	**61,444**
Senior	**65,255**	**20,345**	**22,241**	**42,586**	**22,669**
Slo-pitch	**18,567**	**3,567**	**14,798**	**18,365**	**202**
Birthday parties	**34,517**	**21,377**	**1,081**	**22,458**	**12,059**
Community events	**2,907**	**8,715**	**19,761**	**28,476**	**(25,569)**
	1,695,598	**1,126,462**	**146,821**	**1,273,283**	**422,315**
2023					
School age	419,053	297,173	6,834	304,007	115,046
Adult	334,077	232,702	4,493	237,195	96,882
Early childhood	174,335	121,645	2,031	123,676	50,659
Licensed preschool	158,744	124,178	6,363	130,541	28,203
Youth	199,539	117,094	39,384	156,478	43,061
Summer daycamp	132,046	75,765	27,573	103,338	28,708
Senior	62,388	16,519	20,138	36,657	25,731
Slo-pitch	15,496	5,027	6,488	11,515	3,981
Birthday parties	25,516	16,844	662	17,506	8,010
Teen	221	—	—	—	221
Community events	734	18,754	22,410	41,164	(40,430)
	1,522,149	1,025,701	136,376	1,162,077	360,072