

BROADWAY NEIGHBOURHOOD CENTRE INC.
Financial Statements
Year Ended March 31, 2023

BROADWAY NEIGHBOURHOOD CENTRE INC.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Broadway Neighbourhood Centre Inc.

Opinion

We have audited the financial statements of Broadway Neighbourhood Centre Inc. (the company), which comprise the balance sheet as at March 31, 2023, and the statements of loss, retained earnings 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 company as at March 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises (ASPE).

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 company in accordance with 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 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 ASPE, 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 company'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 company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company'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:

(continues)

Independent Auditor's Report to the Shareholders of Broadway Neighbourhood Centre Inc. (*continued*)

- 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 company'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 company'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 company 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.

Winnipeg, MB
November 23, 2023



CHARTERED PROFESSIONAL ACCOUNTANTS

BROADWAY NEIGHBOURHOOD CENTRE INC.**Balance Sheet****March 31, 2023**

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 392,557	\$ 770,147
Accounts receivable	29,641	-
Goods and services tax recoverable	1,311	4,795
Prepaid expenses	2,806	2,931
	426,315	777,873
PROPERTY, PLANT AND EQUIPMENT <i>(Net of accumulated amortization)</i>	67,333	87,446
	\$ 493,648	\$ 865,319
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT		
Accounts payable	\$ 9,088	\$ 6,908
Wages payable	7,481	5,403
Deferred income	243,236	420,311
	259,805	432,622
DEFERRED CAPITAL CONTRIBUTION	67,333	87,446
	327,138	520,068
RETAINED EARNINGS	166,510	345,251
	\$ 493,648	\$ 865,319

ON BEHALF OF THE BOARD_____
*Director*_____
Director

See notes to financial statements

BROADWAY NEIGHBOURHOOD CENTRE INC.**Statement of Loss****Year Ended March 31, 2023**

	2023	2022
REVENUES		
City of Winnipeg	\$ 314,571	\$ 299,312
Province of Manitoba	139,636	116,534
Rental revenue	111,456	112,418
Multi media workshop revenue	103,908	98,829
Program Administration	28,360	69,042
Source	23,222	-
Revenue from deferred capital contributions	20,113	17,219
Manitoba Metis Federation - Summer student	19,301	-
Winnipeg Foundation - Nourishing Potential	15,281	15,691
Parking revenue	10,800	8,275
CEWS Rebate	10,774	12,767
Southern Chiefs - Admin	9,460	-
Revenue - Other	7,504	3,645
Core	7,430	1,300
Donations	7,059	25,240
Fundraising	3,152	2,469
Rotary Circle	2,700	9,393
Vending machine revenue	2,013	927
Interest income	1,112	1,366
WBCD	142	-
Art for Social Change	-	500
Source	-	10,500
Apprenticeship	-	1,000
Winnipeg Foundation	-	163,270
YAA Art Show	-	1,300
Investment income	(1,261)	4,642
	836,733	975,639
EXPENSES		
Accounting fees	7,152	6,653
Administration	44,111	32,539
Advertising and promotion	7,659	1,232
Amortization	20,113	17,682
Apprenticeship	300	5,190
Audit	5,910	5,516
Canada Summer Games	-	7,113
Cleaning supplies	8,087	6,583
Contractors	58,762	38,466
Dues and subscriptions	570	701
Equipment	3,264	5,737
Equipment rentals	1,051	738
Food	16,281	15,342
Fundraising	1,000	2,292
Honorariums	20,274	9,726
Insurance	25,769	22,004
Internet	1,780	2,065
Manitoba Justice	18,405	6,677
Meals and entertainment	3,985	2,410

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BROADWAY NEIGHBOURHOOD CENTRE INC.**Statement of Loss** *(continued)***Year Ended March 31, 2023**

	2023	2022
Miscellaneous	4,776	20,051
Office	16,931	12,390
Program costs	113,694	100,354
Repairs and maintenance	28,964	22,788
Salaries and wages	499,521	507,520
Security	1,208	3,249
Skateboard Park	2,425	-
Special Events	8,182	5,486
Staff training	1,000	1,000
Stipends	2,000	9,018
Supplies	21,903	13,782
Sustainability Grant	882	35,150
Telephone	3,912	3,602
Transportation	10,121	5,296
Utilities	41,380	35,104
Vending machine expenses	1,959	689
Youth wages	12,143	1,109
	<u>1,015,474</u>	<u>965,254</u>
NET INCOME (LOSS)	<u>\$ (178,741)</u>	<u>\$ 10,385</u>

BROADWAY NEIGHBOURHOOD CENTRE INC.
Statement of Retained Earnings
Year Ended March 31, 2023

	2023	2022
RETAINED EARNINGS - BEGINNING OF YEAR	\$ 345,251	\$ 334,866
NET INCOME (LOSS)	<u>(178,741)</u>	10,385
RETAINED EARNINGS - END OF YEAR	<u>\$ 166,510</u>	\$ 345,251

BROADWAY NEIGHBOURHOOD CENTRE INC.**Statement of Cash Flows
Year Ended March 31, 2023**

	2023	2022
OPERATING ACTIVITIES		
Net income (loss)	\$ (178,741)	\$ 10,385
Items not affecting cash:		
Amortization of property, plant and equipment	20,113	17,682
Recognition of deferred capital contributions	(20,113)	(17,682)
	<u>(178,741)</u>	10,385
Changes in non-cash working capital:		
Accounts receivable	(29,641)	1,100
Accounts payable	2,180	(9,623)
Deferred income	(177,075)	182,095
Prepaid expenses	125	(1,243)
Goods and services tax payable	3,484	(2,671)
Wages payable	2,078	380
	<u>(198,849)</u>	170,038
Cash flow from (used by) operating activities	<u>(377,590)</u>	180,423
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(47,469)
Proceeds from deferred capital contributions	-	47,469
Cash flow from investing activities	<u>-</u>	-
INCREASE (DECREASE) IN CASH FLOW	(377,590)	180,423
CASH - BEGINNING OF YEAR	<u>770,147</u>	589,724
CASH - END OF YEAR	<u>\$ 392,557</u>	\$ 770,147
CASH CONSISTS OF:		
Cash	<u>\$ 392,557</u>	\$ 770,147

BROADWAY NEIGHBOURHOOD CENTRE INC.

Notes to Financial Statements

Year Ended March 31, 2023

1. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP.

2. DESCRIPTION OF OPERATIONS

Broadway Neighbourhood Centre Inc. is a not-for-profit organization under the name of Broadway Neighbourhood Centre and is exempt from income tax under the Income Tax Act of Canada. The centre receives the majority of its funding from The City of Winnipeg and its purpose is to administer the facility, programs and activities in the building located at 185 Young Street, Winnipeg, Manitoba.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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.

Contributed services

The operations of the organization 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.

Revenue recognition

Broadway Neighbourhood Centre Inc. follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses 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.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

4. FINANCIAL INSTRUMENTS

The company 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 company's risk exposure and concentration as of March 31, 2023.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long term debt, obligations under capital leases, contributions to the pension plan, and accounts payable.

Interest rate risk

(continues)

BROADWAY NEIGHBOURHOOD CENTRE INC.

Notes to Financial Statements

Year Ended March 31, 2023

4. FINANCIAL INSTRUMENTS (continued)

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the company manages exposure through its normal operating and financing activities. The company is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Unless otherwise noted, it is management's opinion that the company is not exposed to significant other price risks arising from these financial instruments.

5. DEFERRED REVENUE

	<u>2023</u>	<u>2022</u>
Deferred revenue consists of :		
Aboriginal Youth Strategy	\$ 3,448	\$ -
After school leaders	9,268	26,599
Core Funding	10,042	130,542
Govt of Canada	24,154	-
Greenspace	97,648	97,648
Just TV	-	135,000
Manitoba Justice - SNC Source	11,778	-
Province of MB -Girls Group and Youth Programs	11,243	8,543
Social Enterprise - Multimedia	4,962	-
Social Enterprise projects	4,870	21,979
Winnipeg foundation	65,823	-
	<u>\$ 243,236</u>	<u>\$ 420,311</u>

6. COMPARATIVE FIGURES

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

7. STATEMENT OF OPERATIONS - COMBINED REVENUES AND EXPENSES

	Revenues	Expenses	<u>2023</u>	<u>2022</u>
Core	\$ 359,261	\$ 497,071	\$ (137,810)	\$ 10,565
Girls Group	13,500	13,500	-	(1,446)
Just TV	183,810	192,377	(8,567)	1,037
Lighthouse	12,000	12,000	-	-
Nourishing Potential	15,281	15,281	-	-
Rotary Circle	2,700	2,700	-	-
Social Enterprise	103,908	103,908	-	229
Source	23,222	23,656	(434)	-
Youth Program	15,720	47,650	(31,930)	-
After School Leaders	107,331	107,331	-	-
	<u>\$ 836,733</u>	<u>\$ 1,015,474</u>	<u>\$ (178,741)</u>	<u>\$ 10,385</u>

BROADWAY NEIGHBOURHOOD CENTRE INC.

Core

(Schedule 1)

Year Ended March 31, 2023

	2023	2022
REVENUES		
City of Winnipeg	\$ 122,471	\$ 120,500
Rental revenue	111,456	112,418
Revenue from deferred capital contributions	20,113	17,219
Manitoba Metis Federation - Summer student	19,301	-
Just TV - Admin	14,000	14,000
Parking revenue	10,800	8,275
Camada Summer Jobs	10,774	12,767
Southern Chiefs - Admin	9,460	-
Plug-In Art Gallery	7,700	1,850
Revenue - Other	7,503	3,645
Donations	7,059	25,240
Province of Manitoba	6,805	-
MB Justice - Source	5,250	17,823
Fundraising	3,153	2,469
Vending machine revenue	2,013	927
Unity gathering	1,410	-
Interest income	1,112	1,366
WBCD	142	-
CCPA - State of the Inner City	-	1,805
YAA Green Action initiative	-	1,895
YAA Art Show	-	1,300
First Nations Health MB	-	1,108
RRC	-	2,910
Art for Social Change	-	500
PROGRAM ADMINISTRATION		
Safe At Home	-	6,649
Winnipeg Foundation	-	163,270
CPA MB Foundation	-	1,920
Summer Jobs Funding	-	19,082
Investment income	(1,261)	4,642
	359,261	543,580
EXPENSES		
Accounting fees	7,152	6,653
Advertising and promotion	5,777	-
Amortization	20,113	17,219
Audit	5,910	5,516
Cleaning supplies	8,087	6,583
Dues and subscriptions	570	701
Equipment rentals	1,051	738
Fundraising	-	1,292
Honorariums	19,353	7,972
Insurance	25,769	22,004
Internet	1,780	2,065
Miscellaneous	990	20,051
Office	15,123	8,633
Repairs and maintenance	28,964	22,790
Salaries and wages	297,101	330,278

(continues)

See notes to financial statements

BROADWAY NEIGHBOURHOOD CENTRE INC.*Core (continued)***(Schedule 1)****Year Ended March 31, 2023**

	2023	2022
Security	1,208	3,249
Skateboard Park	2,425	-
Special Events	6,362	4,114
Sustainability Grant	882	35,150
Telephone	3,912	3,267
Transportation	7,203	4,949
Utilities	35,380	29,104
Vending machine expenses	1,959	689
	497,071	533,017
INCOME (LOSS) FROM OPERATIONS	\$ (137,810)	\$ 10,563

BROADWAY NEIGHBOURHOOD CENTRE INC.**Girls Group****(Schedule 2)****Year Ended March 31, 2023**

	2023	2022
REVENUE	\$ 13,500	\$ 10,125
EXPENSES		
Program costs	8,171	10,026
Salaries and wages	5,329	1,545
	13,500	11,571
LOSS FROM OPERATIONS	\$ -	\$ (1,446)

BROADWAY NEIGHBOURHOOD CENTRE INC.**Just TV****(Schedule 3)****Year Ended March 31, 2023**

	2023	2022
REVENUE		
City of Winnipeg	\$ 176,380	\$ 176,380
Apprenticeship	-	1,000
Core	7,430	1,300
Source	-	10,500
	183,810	189,180
EXPENSES		
Administration	14,000	14,000
Advertising and promotion	1,882	1,232
Equipment	3,264	4,394
Honorariums	150	-
Miscellaneous	525	-
Office	498	2,745
Salaries and wages	156,847	148,387
Supplies	9,200	11,386
Transportation	11	-
Utilities	6,000	6,000
	192,377	188,144
INCOME (LOSS) FROM OPERATIONS	\$ (8,567)	\$ 1,036

BROADWAY NEIGHBOURHOOD CENTRE INC.**Lighthouse Project****(Schedule 4)****Year Ended March 31, 2023**

	2023	2022
REVENUE	\$ 12,000	\$ 13,000
EXPENSES		
Food	2,000	2,045
Program costs	2,706	1,673
Salaries and wages	7,294	9,282
	12,000	13,000
INCOME FROM OPERATIONS	\$ -	\$ -

BROADWAY NEIGHBOURHOOD CENTRE INC.**Nourishing Potential****(Schedule 5)****Year Ended March 31, 2023**

	2023	2022
REVENUE	\$ 15,281	\$ 15,691
EXPENSES		
Equipment	-	931
Food	14,281	13,298
Staff training	1,000	1,000
Amortization	-	462
	15,281	15,691
INCOME FROM OPERATIONS	\$ -	\$ -

BROADWAY NEIGHBOURHOOD CENTRE INC.

Rotary Circle

(Schedule 6)

Year Ended March 31, 2023

	2023	2022
REVENUE	\$ 2,700	\$ 9,393
EXPENSES		
Program costs	700	375
Stipends	2,000	9,018
	2,700	9,393
INCOME FROM OPERATIONS	\$ -	\$ -

BROADWAY NEIGHBOURHOOD CENTRE INC.**Social Enterprise****(Schedule 7)****Year Ended March 31, 2023**

	2023	2022
REVENUE		
Multi media workshop	\$ 103,908	\$ 98,829
EXPENSES		
Contractors	58,762	38,466
Administration	24,861	13,288
Youth wages	12,143	1,109
Canada Summer Games	-	7,113
Salaries and wages	2,200	17,919
Fundraising	1,000	1,000
Supplies	610	421
Honorariums	771	1,754
Apprenticeship	300	5,190
Equipment	-	413
Miscellaneous	3,261	-
	103,908	86,673
INCOME FROM OPERATIONS	\$ -	\$ 12,156

BROADWAY NEIGHBOURHOOD CENTRE INC.

Source

(Schedule 8)

Year Ended March 31, 2023

	2023	2022
REVENUE	\$ 23,222	\$ -
EXPENSES		
Manitoba Justice	18,406	6,677
Administration	5,250	5,250
	23,656	11,927
LOSS FROM OPERATIONS	\$ (434)	\$ (11,927)

BROADWAY NEIGHBOURHOOD CENTRE INC.**Youth Programs****(Schedule 9)****Year Ended March 31, 2023**

	2023	2022
REVENUE	\$ 15,720	\$ 2,431
EXPENSES		
Program costs	1,902	-
Salaries and wages	30,751	112
Supplies	12,090	1,973
Transportation	2,907	346
	47,650	2,431
LOSS FROM OPERATIONS	\$ (31,930)	\$ -

BROADWAY NEIGHBOURHOOD CENTRE INC.**After School Leaders****(Schedule 10)****Year Ended March 31, 2023**

	2023	2022
REVENUE		
Donations	\$ -	\$ -
Province of Manitoba	<u>107,331</u>	<u>93,409</u>
	<u>107,331</u>	<u>93,409</u>
EXPENSES		
Meals and entertainment	3,985	2,410
Program costs	100,215	88,280
Telephone	-	335
Special Events	1,820	1,372
Office	<u>1,311</u>	<u>1,012</u>
	<u>107,331</u>	<u>93,409</u>
INCOME FROM OPERATIONS	<u>\$ -</u>	<u>\$ -</u>