

**VILLAGE EULOGIA FOR FAMILIES WITH SPECIAL
NEEDS**

FINANCIAL STATEMENTS
(Unaudited)

DECEMBER 31, 2022



CHAN CHOONG & CHANG
CPA PROFESSIONAL CORPORATION

VILLAGE EULOGIA FOR FAMILIES WITH SPECIAL NEEDS

DECEMBER 31, 2022

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of
Village Eulogia for Families with Special Needs

We have reviewed the accompanying financial statements of Village Eulogia for Families with Special Needs that comprise the balance sheet as at December 31, 2022, and the statements of income, retained earnings 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 (ASNPO) 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.

Basis For Qualified Conclusion

In common with many non-for-profit organizations, Village Eulogia for Families with Special Needs derives its income from the general public and specific entities in the form of free will support which are not susceptible to complete review. Accordingly, our review from this source was limited to accounting for the amounts recorded in the records of Village Eulogia for Families with Special Needs and we were not able to determine whether any adjustment might be necessary to receipts for the year ended December 31, 2022 and December 31, 2021, assets and funds balance as at December 31, 2022 and December 31, 2021.

... (Con't)



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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT (CON'T)

Qualified Conclusion

Based on our review, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to complete our review of revenue, as described in the preceding paragraph, nothing has come to our attention that causes us to believe that these financial statements are not present fairly, in all material respects, the financial position of Village Eulogia for Families with Special Needs as at December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Markham, Ontario
May 30, 2023


CHAN CHOONG & CHANG CPA PROFESSIONAL CORPORATION
Authorized to practice public accounting by
the Chartered Professional Accountants of Ontario

VILLAGE EULOGIA FOR FAMILIES WITH SPECIAL NEEDS

STATEMENT OF FINANCIAL POSITION (Unaudited) AS AT DECEMBER 31

ASSETS	2022	2021
CURRENT ASSETS		
Cash in bank (Note 3)	\$ 83,668	\$ 38,783
Short term investments (Note 4)	133,299	200,630
Accounts receivable	-	2,844
Due from taxation authorities	2,059	595
Prepaid expenses	5,016	4,270
	224,042	247,122
CAPITAL ASSETS (Note 5)	240,799	208,457
	\$ 464,841	\$ 455,579
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable & accrued liabilities	\$ 5,932	\$ 4,777
Payroll taxes payable	1,708	684
	7,640	5,461
NET ASSETS		
UNRESTRICTED FUND	457,201	450,118
	\$ 464,841	\$ 455,579

APPROVED ON BEHALF OF THE BOARD:


Director


Director

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

VILLAGE EULOGIA FOR FAMILIES WITH SPECIAL NEEDS

STATEMENT OF OPERATIONS (Unaudited) FOR THE YEAR ENDED DECEMBER 31

	2022	2021
RECEIPTS		
Donation	\$ 99,959	\$ 102,458
Camp fees	3,160	825
Government grants & subsidies (Note 6)	15,405	22,363
Other income (Note 7)	3,264	2,642
	121,788	128,288
DISBURSEMENTS		
Bank charges	753	1,173
Insurance	3,490	3,593
Office & general	8,970	3,157
Professional fees	2,200	2,000
Program expenses (Note 8)	23,341	8,329
Promotion (Note 9)	3,395	2,878
Repairs and maintenance	400	198
Salaries & wages	62,391	35,760
Utilities	1,306	1,023
Amortization	8,459	8,522
	114,705	66,633
NET SURPLUS FOR THE YEAR	7,083	61,655
NET ASSETS, Beginning of year	450,118	388,463
NET ASSETS, End of year	\$ 457,201	\$ 450,118

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

VILLAGE EULOGIA FOR FAMILIES WITH SPECIAL NEEDS

STATEMENT OF CASH FLOWS (Unaudited) FOR THE YEAR ENDED DECEMBER 31

	2022	2021
CASH FROM (TO) OPERATING ACTIVITIES		
Excess of receipts over disbursements	\$ 7,083	\$ 61,655
Add: Adjustments to reconcile excess to cash provided from operating activities		
Amortization	8,459	8,522
	15,542	70,177
CHANGES IN NON-CASH WORKING CAPITAL BALANCES		
Due from taxation authorities	(1,464)	201
Accounts receivable	2,844	(1,337)
Short term investments	67,331	(150,630)
Prepaid expenses	(746)	416
Accounts payable & accrued liabilities	1,154	(11)
Payroll taxes payable	1,024	40
	70,143	(151,321)
	85,685	(81,144)
CASH FROM (TO) INVESTING ACTIVITIES		
Addition of capital assets	(40,800)	-
NET CASH GENERATED (APPLIED) FOR THE YEAR	44,885	(81,144)
CASH POSITION, Beginning of year	38,783	119,927
CASH POSITION, End of year	\$ 83,668	\$ 38,783

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

VILLAGE EULOGIA FOR FAMILIES WITH SPECIAL NEEDS

NOTES TO THE FINANCIAL STATEMENTS (Unaudited)

FOR THE YEAR ENDED DECEMBER 31

	2022	2021
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The following notes are an integral part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Village Eulogia for Families with Special Needs (VEFSN) is incorporated under the Ontario Not-for-profit Corporations Act as a charitable organization. VEFSN is a Christian Community for families with children with special needs. It conducts programs, summer camps and informational workshops for families having children with special needs. VEFSN also provides training workshops for churches, and training to volunteers on those events. The Organization is a registered charity, which is exempt from income tax under the Income Tax Act (Canada). The financial statements of the organization present the financial position and the results of activities within the framework of Canadian accounting standards for not-for-profit organizations.

(a) Revenue Recognition

VEFSN follows the deferral method of accounting for contributions. Under this method, restricted contributions are deferred until the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received.

Camp fee and rental income are recognized on an accrual basis when the services are rendered and there is reasonable assurance with respect to measurement and collectibility.

Government grants and subsidies are recognized as revenue in the period earned when there is reasonable assurance that the subsidies will be received and all attached conditions will be complied with by VEFSN.

(b) Pledges

Pledges are not recorded as revenue until the pledged contributions are received. There was no pledge recorded as at year end.

VILLAGE EULOGIA FOR FAMILIES WITH SPECIAL NEEDS

NOTES TO THE FINANCIAL STATEMENTS (Unaudited)

FOR THE YEAR ENDED DECEMBER 31

	2022	2021
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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CON'T)

(c) Contributed materials and services

Contributions, to the extent recognized in financial statement, are recorded at fair market value at the date of contribution. The organization is also dependent upon the ongoing support of volunteers, the value of such services has not been quantified in the financial statement because of the difficulty in determining an objective fair value.

(d) Capital assets

Capital assets consist of buildings are recorded at cost. Amortization is provided at rate calculated to write-off the assets over the estimated useful life as follows:

Building - Cottages	4% diminishing balance
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(e) Use of significant accounting estimates

The preparation of financial statements required the Board to make estimates and assumptions that affect the reported amounts and other disclosures in these financial statements. Areas requiring the use of significant judgement include estimating prepaid expenses, accrued liabilities and useful life of capital assets. Actual results may differ from these estimates.

(f) Financial instruments and risk

Measurement of financial instruments

The Organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions that are measured at the carrying amount or exchange amount, as appropriate. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and short-term investments.

Financial liabilities measured at amortized cost include accounts payable & accrued liabilities.

VILLAGE EULOGIA FOR FAMILIES WITH SPECIAL NEEDS

NOTES TO THE FINANCIAL STATEMENTS (Unaudited)

FOR THE YEAR ENDED DECEMBER 31

	2022	2021
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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CON'T)

(f) Financial instruments and risk (Con't)

Impairment

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.

Transaction costs

The Organization recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

2. RISK EXPOSURE

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations at the balance sheet date on December 31, 2022.

Liquidity risk

Liquidity risk is the risk that an organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is not exposed to this risk.

VILLAGE EULOGIA FOR FAMILIES WITH SPECIAL NEEDS

NOTES TO THE FINANCIAL STATEMENTS (Unaudited)

FOR THE YEAR ENDED DECEMBER 31

	2022	2021
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2. RISK EXPOSURE (CON'T)

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 Organization is not exposed to credit risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization is not exposed to currency risk.

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 Organization mitigates interest rate risk by investing into guarantee investment certificates within 100 days period that fluctuates with market interest rate risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is exposed mainly due to investment in marketable securities, however the amount is small and the risk is low.

VILLAGE EULOGIA FOR FAMILIES WITH SPECIAL NEEDS

NOTES TO THE FINANCIAL STATEMENTS (Unaudited)

FOR THE YEAR ENDED DECEMBER 31

	2022	2021
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3. CASH IN BANK

Cash in bank includes cash in bank and cashable guarantee investment certificates that are readily convertible into cash with a 2-day notice.

4. SHORT TERM INVESTMENTS

The short term investments consist entirely of guaranteed investment certificates which are readily convertible to cash within 100 days.

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2022	Net 2021
Building - Cottages	\$ 284,871	\$ 44,072	\$ 240,799	\$ 208,457

6. GOVERNMENT GRANTS AND SUBSIDIES

Government Grants	\$ 13,500	\$ 10,260
Canada Emergency Wage Subsidy	-	11,997
Canada Recovery Hiring Program	1,905	106
	\$ 15,405	\$ 22,363

The government grants were provided as subsidies for the interns working in the summer.

In November 2021, the Government of Canada introduced the Canada Recovery Hiring Program to encourage business to hire new employees and grow as the economy recovers .

7. OTHER INCOME

Other Revenue	\$ 1,444	\$ 632
Rental Income	1,820	2,010
	\$ 3,264	\$ 2,642

VILLAGE EULOGIA FOR FAMILIES WITH SPECIAL NEEDS

NOTES TO THE FINANCIAL STATEMENTS (Unaudited)

FOR THE YEAR ENDED DECEMBER 31

	2022	2021
8. PROGRAM EXPENSES		
Camp expenses	\$ 12,002	\$ 1,160
Cottage expenses	8,768	6,323
Honorarium	450	150
Village at home expenses	2,121	696
	\$ 23,341	\$ 8,329
9. PROMOTION		
Meals & Entertainment	\$ 95	\$ 56
Fundraiser	1,458	356
General promotion for events	1,842	2,466
	\$ 3,395	\$ 2,878