

**CENTRE COMMUNAUTAIRE WAKEFIELD LA PECHE, COOP DE SOLITAIRE**

**FINANCIAL STATEMENTS**

**MARCH 31, 2021**

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**PARKER PRINS LEBANO**  
**Chartered Professional Accountants**  
Professional Corporation

**INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT**

To the Board of Directors,  
**CENTRE COMMUNAUTAIRE WAKEFIELD LA PECHE, COOP DE SOLITAIRE**

We have reviewed the accompanying financial statements of the **CENTRE COMMUNAUTAIRE WAKEFIELD LA PECHE, COOP DE SOLITAIRE** that comprise the Statement of Financial Position as at March 31, 2021, and the Statements Of Changes In Net Assets, Operations, 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 organization, 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 not-for-profit organizations, the **CENTRE COMMUNAUTAIRE WAKEFIELD LA PECHE, COOP DE SOLITAIRE** derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory of our review. Accordingly, review of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, (deficiency) excess of revenue over expenditures, and cash flows from operations for the years ended March 31, 2021 and March 31, 2020, and net assets as at March 31, 2021 and March 31, 2020 years.

In the prior year an accounting policy change occurred for the recognition of revenue associated with government grants. Rather than retroactively adjusting the financial statements, only the March 31, 2020 and March 31, 2019 statements were adjusted. Therefore, we were not able to determine the full impact to deferred revenue as at March 31, 2021 and March 31, 2020, net assets as at March 31, 2021, March 31, 2020 and April 1, 2020, and grant revenue, (deficiency) excess of revenue over expenditures, and cash flows from operations for the years ended March 31, 2021 and March 31, 2020.

### **Other Matters**

There is tremendous uncertainty in regards to the negative economic impacts of the COVID-19 pandemic. It is very possible that there will be significant decreases in revenues and the ability of the organization to adjust expenditures may result in a significant negative impact on operational profit. These financial statements do not include any potential adjustments or accruals for these potential effects.

The comparative financial statements of **CENTRE COMMUNAUTAIRE WAKEFIELD LA PECHE, COOP DE SOLITAIRE** for the year ended March 31, 2020, were reviewed by another firm of public accountants who issued a qualified review engagement report dated September 19, 2020.

### **Qualified Conclusion**

Based on our review, except for the possible effects of the matters described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of the **CENTRE COMMUNAUTAIRE WAKEFIELD LA PECHE, COOP DE SOLITAIRE** 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.



Parker Prins Lebano Chartered Professional Accountants Professional Corporation  
Authorized to practice public accounting by the Chartered Professional Accountants of Ontario

Ottawa, Ontario  
September 17, 2021

**CENTRE COMMUNAUTAIRE WAKEFIELD LA PECHE, COOP DE SOLITAIRE**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2021**  
(prepared without audit)

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 173,400	\$ 60,609
Accounts receivable	25,564	39,373
Sales tax receivable	8,069	6,478
Inventory	1,105	2,671
	208,138	109,131
 PROPERTY, PLANT AND EQUIPMENT (note 4)	 4,292,530	 4,424,871
	<b>\$ 4,500,668</b>	<b>\$ 4,534,002</b>
 <b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 12,857	\$ 11,997
Current portion of long-term debt (note 6)	320,819	1,163,093
	333,676	1,175,090
 DEFERRED REVENUE	 201,736	 134,117
 LONG-TERM DEBT (note 6)	 950,999	 202,420
	1,486,411	1,511,627
 <b>NET ASSETS</b>	 3,014,257	 3,022,375
	<b>\$ 4,500,668</b>	<b>\$ 4,534,002</b>

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**CENTRE COMMUNAUTAIRE WAKEFIELD LA PECHE, COOP DE SOLITAIRE**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED MARCH 31, 2021**  
(prepared without audit)

	<u>2021</u>	<u>2020</u>
<b>INTERNALLY RESTRICTED NET ASSETS</b>		
Balance, beginning of year	\$ 3,059,358	\$ 2,974,058
Transfer to unrestricted net assets	<u>71,724</u>	<u>85,300</u>
Balance, end of year	<u>3,131,082</u>	<u>3,059,358</u>
<b>UNRESTRICTED NET ASSETS</b>		
Balance, beginning of year	(36,983)	23,528
(Deficiency) excess of revenues over expenses for the year	(8,118)	24,789
Transfer to internally restricted net assets	<u>(71,724)</u>	<u>(85,300)</u>
Balance, end of year	<u>(116,825)</u>	<u>(36,983)</u>
<b>NET ASSETS</b>	<u>\$ 3,014,257</u>	<u>\$ 3,022,375</u>

**CENTRE COMMUNAUTAIRE WAKEFIELD LA PECHE, COOP DE SOLITAIRE**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31, 2021**  
(prepared without audit)

	<b>2021</b>	<b>2020</b>
<b>REVENUES</b>		
Grants (note 7)	\$ 315,511	\$ 245,165
Bar sales	-	17,261
Event revenues	1,045	9,278
Membership fees	1,150	1,890
Programming income	10,259	53,625
Rental revenue	14,379	79,190
Summer camp revenue	-	41,029
Miscellaneous income	1,190	863
Public contributions	12,446	25,558
	<b>355,980</b>	<b>473,859</b>
<b>EXPENSES</b>		
Advertising and promotion	7,615	10,160
Amortization	145,729	145,310
Bad debts	3,946	5,000
Bar supplies	1,403	7,007
Insurance	20,909	20,909
Interest and bank charges	60,450	76,767
Other operating expenses (note 8)	2,852	3,685
Professional fees	17,943	21,090
Programming expenses	6,695	36,470
Rental and event expenses	-	27,222
Repairs and maintenance	13,953	22,605
Salaries and wages	56,497	10,322
Subcontractors	15,479	-
Summer camp expenses	1,265	29,264
Technical expenses	-	20,850
Utilities	10,413	14,003
	<b>365,149</b>	<b>450,664</b>
<b>(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<b>(9,169)</b>	<b>23,195</b>
<b>OTHER INCOME</b>		
Dividend income	1,033	1,435
Interest income	18	159
	<b>1,051</b>	<b>1,594</b>
<b>(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR</b>	<b>\$ (8,118)</b>	<b>\$ 24,789</b>

**CENTRE COMMUNAUTAIRE WAKEFIELD LA PECHE, COOP DE SOLITAIRE**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2021**  
(prepared without audit)

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES</b>		
(Deficiency) excess of revenues over expenses for the year	\$ (8,118)	\$ 24,789
Item not requiring an outlay of cash:		
Amortization	145,729	145,310
Net change to non-cash items related to operations:		
Accounts receivable	13,809	(19,700)
Sales tax receivable	(1,591)	49
Inventory	1,566	(7)
Accounts payable and accrued liabilities	860	(7,744)
	<u>152,255</u>	<u>142,697</u>
<b>CASH FLOWS USED FOR INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	<u>(13,388)</u>	<u>(4,995)</u>
<b>CASH FLOWS FROM (USED FOR) FINANCING ACTIVITIES</b>		
Deferred grant income	67,619	67,538
Repayment of long-term debt	<u>(93,695)</u>	<u>(225,616)</u>
	<u>(26,076)</u>	<u>(158,078)</u>
<b>NET INCREASE (DECREASE) IN CASH POSITION</b>	<b>112,791</b>	<b>(20,376)</b>
<b>CASH, BEGINNING OF YEAR</b>	<u>60,609</u>	<u>80,985</u>
<b>CASH, END OF YEAR</b>	<u>\$ 173,400</u>	<u>\$ 60,609</u>

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**CENTRE COMMUNAUTAIRE WAKEFIELD LA PECHE, COOP DE SOLITAIRE**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2021**  
(prepared without audit)

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**1. PURPOSE OF THE ORGANIZATION**

The Centre Communautaire Wakefield La Peche, Coop de Solitaire (the "Center") was established on August 4, 2006 under the Quebec Not-for-profit Corporations Act. The Center's objective is to create a community center and green space in the heart of Wakefield that welcomes and inspires all members of the community. The Center is a non-government, non-profit organization and is exempt from Income Tax Act (Canada) (the "Act") under the section 149(1)(1).

**2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO) and reflect the following policies:

**Accounting estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to the financial statements. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results may differ from these estimates.

**Revenue recognition**

The Center follows the deferral method of accounting for revenue. Restricted funds are recognized when the expenditure is incurred for related projects. Unrestricted funds are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Grants received from provincial government are classified as deferred grant revenue and grant revenue is to be recognized equivalent to the amortization of property, plant and equipment.

**Inventory**

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

**Property, plant and equipment**

Property, plant and equipment is stated at cost or deemed cost less accumulated amortization. Property, plant and equipment is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Buildings	1/40	straight-line method
Equipment	20%	diminishing balance method

The organization regularly reviews its property, plant and equipment to eliminate obsolete items. Government grants are treated as a reduction of property, plant and equipment cost.

The property, plant and equipment acquired during the year but not placed into use are not amortized until they are placed in use.



## **2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **Property, plant and equipment (continued)**

One-half of the above rates is applied in the year of acquisition. Grant revenue received towards property, plant and equipment either be applied against the cost of the property, plant and equipment or be deferred and amortized to income on the same basis as the related property, plant and equipment is amortized.

### **Net Assets**

Net assets invested in property and equipment represents the organization's net investment in property, plant and equipment which is comprised of the unamortized amount of property, plant and equipment purchased with restricted funds.

Internally restricted net assets are funds which have been designated for a specific purpose by the organization's Board of Directors.

Unrestricted net assets comprise the excess of revenue over expenditures accumulated by the organization each year, not transfers, and are available for general purpose.

## **3. FINANCIAL INSTRUMENTS**

The organization is exposed to various risks through its financial instruments. The following analysis provides information about organization's risk exposure and concentration as of March 31, 2021.

### ***(a) Credit risk***

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from customers. In order to reduce its credit risk, the organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The organization has a significant number of customers which minimizes concentration of credit risk.

### ***(b) Liquidity risk***

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization 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.

### ***(c) 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 type of risk: currency rate risk, interest rate risk and other price risk.

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**CENTRE COMMUNAUTAIRE WAKEFIELD LA PECHE, COOP DE SOLITAIRE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**MARCH 31, 2021**  
(prepared without audit)

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**3. FINANCIAL INSTRUMENTS (continued)**

*(d) Interest rate risk*

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 organization manages exposure through its normal operating and financing activities. The organization 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 organization is not exposed to significant other price risks arising from these financial statements.

**4. PROPERTY, PLANT AND EQUIPMENT**

	<u>2021</u>		<u>2020</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Buildings	\$ 5,528,656	\$ 1,272,872	<b>\$ 4,255,784</b>	\$ 4,394,000
Equipment	<u>156,435</u>	<u>119,689</u>	<u><b>36,746</b></u>	<u>30,871</u>
	<u><b>\$ 5,685,091</b></u>	<u><b>\$ 1,392,561</b></u>	<u><b>\$ 4,292,530</b></u>	<u><b>\$ 4,424,871</b></u>

**5. CONTINGENT LIABILITY (CEWS)**

During the fiscal year under the subsidy provisions administered by the Canada Revenue Agency (CRA) pertaining to financial hardships experienced as a result of the COVID-19 pandemic, certain benefits were received under the Canada Emergency Wage Subsidy (CEWS) program. This program allowed employers to obtain a taxable subsidy of an amount of up to 75% of eligible employee remuneration for certain periods assuming that prescribed decreases in revenues were experienced. This program is relatively complex in that different calculations are required for each period, there is no history of reassessments or CRA review and the constantly emerging information has caused some confusion for employers potentially causing incorrect subsidy applications. As a result, it is not possible to fully ascertain whether a liability exists with regard to a potential recalculation or repayment of CEWS amounts received prior to the year end.

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**CENTRE COMMUNAUTAIRE WAKEFIELD LA PECHE, COOP DE SOLITAIRE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**MARCH 31, 2021**  
(prepared without audit)

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**7. GRANTS**

	<u>2021</u>	<u>2020</u>
Provincial grant	\$ 145,729	\$ 144,810
Municipality of La Peche grant	95,000	95,000
FAAR grant	6,086	5,414
Cactus grant	21,387	-
New Horizon grant	5,000	-
Canadian Emergency Wage Subsidy	30,672	-
Canadian Emergency Rent Subsidy	10,470	-
Canada summer jobs grant	1,108	-
Other	59	(59)
	<u>\$ 315,511</u>	<u>\$ 245,165</u>

**8. OTHER OPERATING EXPENSES**

	<u>2021</u>	<u>2020</u>
Cash short/over and miscellaneous	\$ 43	\$ 203
Licenses, fees and dues	1,149	1,413
Office expenses	1,646	1,419
Volunteer retention	14	650
	<u>\$ 2,852</u>	<u>\$ 3,685</u>

**9. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified in order to conform with the current year financial statement presentation.

**CENTRE COMMUNAUTAIRE WAKEFIELD LA PECHE, COOP DE SOLITAIRE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**MARCH 31, 2021**  
(prepared without audit)

**6. LONG-TERM DEBT**

	<u>2021</u>	<u>2020</u>
Desjardins term loan bearing interest at 3.90% per annum, repayable in monthly blended payments of \$6,905. The loan matures on March 10, 2023 and is based on an amortization period of 185 months.	\$ 958,982	\$ 970,339
Desjardins term loan bearing interest at prime plus 1.85% per annum, repayable annually in a blended payment of \$212,348. The loan matures on January 19, 2022.	202,465	395,174
In response to economic effects of COVID-19, the Center was granted a Canada Emergency Business Account (CEBA). While the full amount has been recorded as payable, \$20,000 of the total outstanding can be retained by the Center if repayment of the remaining \$60,000 is completed by December 31, 2022. The loan is interest free and has no specific terms of repayment other than the aforementioned. If the loan is not repaid by December 31, 2022, it will convert to a term loan of three years carrying interest at 5%. At this time, the Center plans to repay the loan by the grant eligibility timeline.	60,000	-
In response to economic effects of COVID-19, le Municipalité régionale de comté des Collines-de-l'Outaouais (MRC) has provided the Center with a working capital loan of \$50,000 bearing interest at 3% per annum. The first four months have a moratorium on capital and interest, the interest will be capitalized, with the following three months being interest payments only. Blended payments of \$1,468 commence on July 20, 2021 in 36 equal payments. The MRC has indicated that up to \$40,000 of the loan can be forgiven if certain conditions are met.	<u>50,371</u>	-
	<b>1,271,818</b>	1,365,513
Less: Current portion	<u>320,819</u>	<u>1,163,093</u>
	<u><b>\$ 950,999</b></u>	<u><b>\$ 202,420</b></u>

Approximate principal repayments required on long-term debt for the next four years are as follows:

2022	\$ 320,819
2023	929,406
2024	17,209
2025	4,384