

CENTRE COMMUNAUTAIRE WAKEFIELD LA PECHE, COOP DE SOLIDARITE

FINANCIAL STATEMENTS

MARCH 31, 2022

CONTENTS

INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF CHANGES IN NET ASSETS	4
STATEMENT OF OPERATIONS	5
STATEMENT OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7



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 SOLIDARITE

We have reviewed the accompanying financial statements of the **CENTRE COMMUNAUTAIRE WAKEFIELD LA PECHE, COOP DE SOLIDARITE** that comprise the Statement of Financial Position as at March 31, 2022, 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 many not-for-profit organizations, the **CENTRE COMMUNAUTAIRE WAKEFIELD LA PECHE, COOP DE SOLIDARITE** derives revenue from donations and fundraising activities, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained 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, excess (deficiency) of revenue over expenses, and cash flows from operations for the years ended March 31, 2022 and March 31, 2021, and net assets as at March 31, 2022 and March 31, 2021 years.

During the fiscal year ended March 31, 2020, 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, 2022 and March 31, 2021, and net assets as at March 31, 2022, March 31, 2021 and April 1, 2021. Consequently, we were unable to perform the procedures we considered necessary.

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 SOLIDARITE** as at March 31, 2022, 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.

Other Matter

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.



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

Ottawa, Ontario
August 3, 2022

CENTRE COMMUNAUTAIRE WAKEFIELD LA PECHE, COOP DE SOLIDARITE
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022
(prepared without audit)

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT		
Cash	\$ 232,016	\$ 173,400
Accounts receivable	91	25,564
Sales tax receivable	851	8,069
Prepaid expenses	1,500	-
Inventory	<u>988</u>	<u>1,105</u>
	235,446	208,138
 PROPERTY, PLANT AND EQUIPMENT (note 4)	 <u>4,151,187</u>	 <u>4,292,530</u>
	<u>\$ 4,386,633</u>	<u>\$ 4,500,668</u>
 LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 15,520	\$ 12,857
Current portion of long-term debt (note 6)	<u>912,679</u>	<u>320,819</u>
	928,199	333,676
 DEFERRED REVENUE	 294,497	 201,736
 LONG-TERM DEBT (note 6)	 <u>88,146</u>	 <u>950,999</u>
	1,310,842	1,486,411
 NET ASSETS	 <u>3,075,791</u>	 <u>3,014,257</u>
	<u>\$ 4,386,633</u>	<u>\$ 4,500,668</u>

On behalf of the Board:

_____ Director

_____ Director

CENTRE COMMUNAUTAIRE WAKEFIELD LA PECHE, COOP DE SOLIDARITE
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2022
(prepared without audit)

	<u>2022</u>	<u>2021</u>
INTERNALLY RESTRICTED NET ASSETS		
Balance, beginning of year	\$ 3,131,082	\$ 3,059,358
Transfer to unrestricted net assets	<u>107,426</u>	<u>71,724</u>
Balance, end of year	<u>3,238,508</u>	<u>3,131,082</u>
UNRESTRICTED NET ASSETS		
Balance, beginning of year	(116,825)	(36,983)
Excess (deficiency) of revenues over expenses for the year	61,534	(8,118)
Transfer to internally restricted net assets	<u>(107,426)</u>	<u>(71,724)</u>
Balance, end of year	<u>(162,717)</u>	<u>(116,825)</u>
NET ASSETS	<u><u>\$ 3,075,791</u></u>	<u><u>\$ 3,014,257</u></u>

CENTRE COMMUNAUTAIRE WAKEFIELD LA PECHE, COOP DE SOLIDARITE
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2022
(prepared without audit)

	2022	2021
REVENUES		
Grants (note 7)	\$ 303,832	\$ 315,511
Bar sales	3,864	-
Event revenues	2,088	1,045
Membership fees	685	1,150
Programming income	6,951	10,259
Rental revenue	78,108	14,379
Miscellaneous income	1,110	1,190
Public contributions	2,778	12,446
	399,416	355,980
EXPENSES		
Advertising and promotion	7,247	7,615
Amortization	146,035	145,729
Bad debts	7,354	3,946
Bar supplies	1,930	1,403
Insurance	21,651	20,909
Interest and bank charges	51,901	60,450
Other operating expenses (note 8)	3,741	2,852
Professional fees	18,080	17,943
Programming expenses	900	6,695
Repairs and maintenance	15,485	13,953
Salaries and wages	22,570	56,497
Subcontractors	24,619	15,479
Summer camp expenses	-	1,265
Utilities	17,283	10,413
	338,796	365,149
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	60,620	(9,169)
OTHER INCOME		
Dividend income	894	1,033
Interest income	20	18
	914	1,051
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FOR THE YEAR	\$ 61,534	\$ (8,118)

CENTRE COMMUNAUTAIRE WAKEFIELD LA PECHE, COOP DE SOLIDARITE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2022
(prepared without audit)

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses for the year	\$ 61,534	\$ (8,118)
Item not requiring an outlay of cash:		
Amortization	146,035	145,729
Net change to non-cash items related to operations:		
Accounts receivable	25,473	13,809
Sales tax receivable	7,218	(1,591)
Prepaid expenses	(1,500)	-
Inventory	117	1,566
Accounts payable and accrued liabilities	<u>2,663</u>	<u>860</u>
	<u>241,540</u>	<u>152,255</u>
CASH FLOWS USED FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	<u>(4,692)</u>	<u>(13,388)</u>
CASH FLOWS (USED FOR) FROM FINANCING ACTIVITIES		
Deferred grant income	92,761	67,619
Repayment of long-term debt	<u>(270,993)</u>	<u>(93,695)</u>
	<u>(178,232)</u>	<u>(26,076)</u>
NET INCREASE IN CASH POSITION	58,616	112,791
CASH, BEGINNING OF YEAR	<u>173,400</u>	<u>60,609</u>
CASH, END OF YEAR	<u><u>\$ 232,016</u></u>	<u><u>\$ 173,400</u></u>

CENTRE COMMUNAUTAIRE WAKEFIELD LA PECHE, COOP DE SOLIDARITE
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2022
(prepared without audit)

1. PURPOSE OF THE ORGANIZATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFP) 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 Centre 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.

CENTRE COMMUNAUTAIRE WAKEFIELD LA PECHE, COOP DE SOLIDARITE
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2022
(prepared without audit)

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>2022</u>		<u>2021</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Buildings	\$ 5,528,656	\$ 1,411,089	\$ 4,117,567	\$ 4,255,784
Equipment	<u>161,128</u>	<u>127,508</u>	<u>33,620</u>	<u>36,746</u>
	<u>\$ 5,689,784</u>	<u>\$ 1,538,597</u>	<u>\$ 4,151,187</u>	<u>\$ 4,292,530</u>

5. CONTINGENT LIABILITY (CEWS)

During the current and previous 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.

CENTRE COMMUNAUTAIRE WAKEFIELD LA PECHE, COOP DE SOLIDARITE
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2022
(prepared without audit)

6. LONG-TERM DEBT

	<u>2022</u>	<u>2021</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.	\$ 912,679	\$ 958,982
Desjardins term loan bearing interest at prime plus 1.85% per annum, repayable annually in a blended payment of \$212,348. The loan matured on January 19, 2022.	-	202,465
In response to economic effects of COVID-19, the Centre 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 Centre if repayment of the remaining \$40,000 is completed by December 31, 2023. 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, 2023, it will convert to a term loan of two years carrying interest at 5%. At this time, the Centre plans to repay the loan by the grant eligibility timeline.	60,000	60,000
In response to economic effects of COVID-19, le Municipalité régionale de comté des Collines-de-l'Outaouais (MRC) has provided the Centre with a working capital loan of \$50,000 bearing interest at 3% per annum. Of this, \$21,854 was forgiven in the 2022 fiscal year. Interest only payments commence on July 21, 2022. Blended payments of \$818.52 commence on July 21, 2023 in 36 equal payments.	<u>28,146</u>	<u>50,371</u>
	1,000,825	1,271,818
Less: Current portion	<u>912,679</u>	<u>320,819</u>
	<u>\$ 88,146</u>	<u>\$ 950,999</u>

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

2023	\$ 912,679
2024	66,801
2025	9,309
2026	9,592
2027	2,444

CENTRE COMMUNAUTAIRE WAKEFIELD LA PECHE, COOP DE SOLIDARITE
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2022
(prepared without audit)

7. GRANTS

	<u>2022</u>	<u>2021</u>
Provincial grant	\$ 146,035	\$ 145,729
Municipality of La Peche grant	95,000	95,000
FAAR grant	11,377	6,086
Cactus grant	22,850	21,387
New Horizon grant	-	5,000
Canadian Emergency Wage Subsidy	4,516	30,672
Canadian Emergency Rent Subsidy	-	10,470
Canada summer jobs grant	-	1,108
MRC loan forgiveness	21,854	-
Other	2,200	59
	<u>\$ 303,832</u>	<u>\$ 315,511</u>

8. OTHER OPERATING EXPENSES

	<u>2022</u>	<u>2021</u>
Cash short/over and miscellaneous	\$ 77	\$ 43
Licenses, fees and dues	1,290	1,149
Office expenses	2,374	1,646
Volunteer retention	-	14
	<u>\$ 3,741</u>	<u>\$ 2,852</u>

9. COMPARATIVE FIGURES

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