

CENTRE COMMUNAUTAIRE WAKEFIELD LA PECHE, COOP DE SOLIDARITE

FINANCIAL STATEMENTS

MARCH 31, 2023

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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 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, 2023, 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.

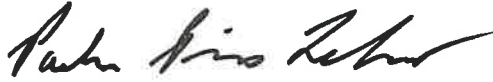
Basis for Qualified Conclusion

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 of revenue over expenses, and cash flows from operations for the years ended March 31, 2023 and March 31, 2022, and net assets as at March 31, 2023 and March 31, 2022 years.

During the fiscal year ended March 31, 2020, an accounting policy change occurred for the recognition of revenue associated with government grants for capital funding. 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, 2023 and March 31, 2022, and net assets as at March 31, 2023, March 31, 2022 and April 1, 2022. 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, 2023, 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
October 11, 2023

CENTRE COMMUNAUTAIRE WAKEFIELD LA PECHE, COOP DE SOLIDARITE
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023
(prepared without audit)

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT		
Cash	\$ 199,317	\$ 232,016
Accounts receivable	33,571	91
Sales tax receivable	-	851
Prepaid expenses	-	1,500
Inventory	-	988
	<u>232,888</u>	235,446
 PROPERTY, PLANT AND EQUIPMENT (note 4)	 <u>4,006,247</u>	 <u>4,151,187</u>
	<u>\$ 4,239,135</u>	<u>\$ 4,386,633</u>
 LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 33,439	\$ 15,520
Sales tax payable	1,629	-
Current portion of long-term debt (note 6)	<u>866,789</u>	<u>912,679</u>
	901,857	928,199
 DEFERRED REVENUE	 181,653	 294,497
 LONG-TERM DEBT (note 6)	 <u>85,896</u>	 <u>88,146</u>
	1,169,406	1,310,842
 NET ASSETS	 <u>3,069,729</u>	 <u>3,075,791</u>
	<u>\$ 4,239,135</u>	<u>\$ 4,386,633</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, 2023
(prepared without audit)

	<u>2023</u>	<u>2022</u>
INTERNALLY RESTRICTED NET ASSETS		
Balance, beginning of year	\$ 2,971,458	\$ 2,929,346
Transfer to unrestricted net assets	<u>48,141</u>	<u>42,112</u>
Balance, end of year	<u>3,019,599</u>	<u>2,971,458</u>
UNRESTRICTED NET ASSETS		
Balance, beginning of year	104,333	84,911
(Deficiency) excess of revenues over expenses for the year	(6,062)	61,534
Transfer to internally restricted net assets	<u>(48,141)</u>	<u>(42,112)</u>
Balance, end of year	<u>50,130</u>	<u>104,333</u>
NET ASSETS	<u>\$ 3,069,729</u>	<u>\$ 3,075,791</u>

CENTRE COMMUNAUTAIRE WAKEFIELD LA PECHE, COOP DE SOLIDARITE
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2023
(prepared without audit)

	2023	2022
REVENUES		
Grants (notes 5 and 7)	\$ 297,339	\$ 303,832
Bar sales	24,409	3,864
Event revenues	7,282	2,088
Membership fees	8,022	685
Programming income	60,370	6,951
Rental revenue	72,774	78,108
Summer camp revenue	4,932	-
Miscellaneous income	-	1,110
Public contributions	9,599	2,778
	484,727	399,416
EXPENSES		
Advertising and promotion	19,095	7,247
Amortization	144,940	146,035
Bad debts	723	7,354
Bar supplies	12,856	1,930
Insurance	30,739	21,651
Interest and bank charges	41,571	51,901
Meals and entertainment	318	-
Other operating expenses (note 8)	12,910	3,741
Professional fees	41,043	18,080
Programming expenses	24,877	900
Rental and event expenses	4,316	-
Repairs and maintenance	21,893	15,485
Salaries and wages	99,706	22,570
Subcontractors	11,685	24,619
Summer camp expenses	2,566	-
Utilities	23,456	17,283
	492,694	338,796
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	(7,967)	60,620
OTHER INCOME		
Dividend income	846	894
Interest income	1,059	20
	1,905	914
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	\$ (6,062)	\$ 61,534

CENTRE COMMUNAUTAIRE WAKEFIELD LA PECHE, COOP DE SOLIDARITE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2023
(prepared without audit)

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES		
(Deficiency) excess of revenues over expenses for the year	\$ (6,062)	\$ 61,534
Item not requiring an outlay of cash:		
Amortization	144,940	146,035
Net change to non-cash items related to operations:		
Accounts receivable	(33,480)	25,473
Sales tax receivable	2,480	7,218
Prepaid expenses	1,500	(1,500)
Inventory	988	117
Accounts payable and accrued liabilities	17,919	2,663
	<u>128,285</u>	<u>241,540</u>
CASH FLOWS USED FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	<u>-</u>	<u>(4,692)</u>
CASH FLOWS (USED FOR) FROM FINANCING ACTIVITIES		
Deferred grant income	(112,844)	92,761
Repayment of long-term debt	<u>(48,140)</u>	<u>(270,993)</u>
	<u>(160,984)</u>	<u>(178,232)</u>
NET (DECREASE) INCREASE IN CASH POSITION	(32,699)	58,616
CASH, BEGINNING OF YEAR	<u>232,016</u>	<u>173,400</u>
CASH, END OF YEAR	<u>\$ 199,317</u>	<u>\$ 232,016</u>

CENTRE COMMUNAUTAIRE WAKEFIELD LA PECHE, COOP DE SOLIDARITE
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023
(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 (ASNFPO) 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, 2023
(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>2023</u>		<u>2022</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Buildings	\$ 5,528,656	\$ 1,549,305	\$ 3,979,351
Equipment	<u>161,128</u>	<u>134,232</u>	<u>26,896</u>
	<u>\$ 5,689,784</u>	<u>\$ 1,683,537</u>	<u>\$ 4,006,247</u>
			<u>\$ 4,151,187</u>

5. CONTINGENT LIABILITY (CEWS and CERS)

Under the subsidy provisions administered by the Canada Revenue Agency (CRA) pertaining to the financial hardships experienced as a result of the COVID-19 pandemic, benefits were received by the Centre under the Canada Emergency Wage Subsidy (CEWS) and the Canada Emergency Rent Subsidy (CERS) programs. These programs are 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 many organizations. As a result, it is not possible to fully ascertain whether a liability exists with regard to a potential recalculation or repayment of the subsidies received.

CENTRE COMMUNAUTAIRE WAKEFIELD LA PECHE, COOP DE SOLIDARITE
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2023
(prepared without audit)

6. LONG-TERM DEBT

	<u>2023</u>	<u>2022</u>
Desjardins term loan bearing interest at 7.83% per annum, repayable in monthly blended payments of \$8,691. The loan matures on March 10, 2024 and is based on an amortization period of 185 months.	\$ 864,539	\$ 912,679
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 January 18, 2024. The loan is interest free and has no specific terms of repayment other than the aforementioned. If the loan is not repaid by January 18, 2024, 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>28,146</u>
	952,685	1,000,825
Less: Current portion	<u>866,789</u>	<u>912,679</u>
	<u>\$ 85,896</u>	<u>\$ 88,146</u>

CENTRE COMMUNAUTAIRE WAKEFIELD LA PECHE, COOP DE SOLIDARITE
NOTES TO FINANCIAL STATEMENTS (continued)
MARCH 31, 2023
(prepared without audit)

7. GRANTS

	<u>2023</u>	<u>2022</u>
Provincial grant	\$ 144,940	\$ 146,035
Municipality of La Peche grant	95,000	95,000
FAAR grant	10,612	11,377
Cactus grant	-	22,850
English language arts grant	16,000	-
Storytelling grant	4,000	-
Canadian Emergency Wage Subsidy (note 5)	1,381	4,516
Canadian Emergency Rent Subsidy (note 5)	6,263	-
Canada summer jobs grant	8,251	-
MRC loan forgiveness	-	21,854
MRC grants	7,692	-
Other	3,200	2,200
	<u>\$ 297,339</u>	<u>\$ 303,832</u>

8. OTHER OPERATING EXPENSES

	<u>2023</u>	<u>2022</u>
Cash short/over and miscellaneous	\$ 25	\$ 77
Licenses, fees and dues	1,622	1,290
Office expenses	10,463	2,374
Volunteer retention	800	-
	<u>\$ 12,910</u>	<u>\$ 3,741</u>

9. COMPARATIVE FIGURES

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