

**La Corporation du Centre du Sablon**  
**Financial Statements**  
**December 31, 2021**

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## Independent Auditor's Report

To the Directors of  
La Corporation du Centre du Sablon

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### Qualified opinion

We have audited the financial statements of La Corporation du Centre du Sablon (hereafter "the Organization"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies, and the schedules.

In our opinion, except for the possible effects of the matter described in the "Basis for qualified opinion" section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 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.

### Basis for qualified opinion

In common with many not-for-profit organizations, the Organization derives revenues from various activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification 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 revenues from activities, excess of revenues over expenses and cash flows from operating activities for the years ended December 31, 2021 and 2020, current assets as at December 31, 2021 and 2020 and net assets as at January 1, 2021 and 2020 and December 31, 2021 and 2020. Our opinion on the financial statements for the year ended December 31, 2020 was qualified accordingly because of the possible effects of this limitation in scope.

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 Organization in accordance with the 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 qualified 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 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.

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

- 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 Organization'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 Organization'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 Organization 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.

*Raymond Chelot Grant Thornton LLP*<sup>1</sup>

Laval  
March 31, 2022

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<sup>1</sup> CPA auditor, CA public accountancy permit no. A121364

# La Corporation du Centre du Sablon

## Operations

Year ended December 31, 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
<b>Revenues</b>		
Subsidies		
Ville de Laval (Note 3)	598,740	630,816
Federal (Note 8)	184,363	152,974
Provincial (Note 9)	175,311	231,869
Amortization of deferred subsidies related to tangible capital assets and the right to use a parking space	12,600	12,600
Government assistance	<u>10,000</u>	<u>10,000</u>
	<u>981,014</u>	<u>1,038,259</u>
Programming		
Bingo activities	31,080	25,903
Activities for young children	288,656	185,594
Aquatic activities	183,254	129,967
Sports activities	56,049	25,328
Fitness centre activities	50,494	52,966
Community and cultural activities	34,525	29,072
Financing activities	15,022	5,924
Leasing of premises	29,042	33,189
Member dues	<u>39,371</u>	<u>20,944</u>
	<u>727,493</u>	<u>508,887</u>
	<u>1,708,507</u>	<u>1,547,146</u>
<b>Expenses</b>		
Operating expenses (Schedule A)	942,615	952,125
Programming expenses (Schedule B)	70,614	64,571
Administrative expenses (Schedule C)	288,428	287,214
Interest on bank loan	60	172
Amortization of tangible capital assets	80,051	93,180
Amortization of the right to use a parking space	<u>1,600</u>	<u>1,600</u>
	<u>1,383,368</u>	<u>1,398,862</u>
<b>Excess of revenues over expenses</b>	<u>325,139</u>	<u>148,284</u>

The accompanying notes and schedules are an integral part of the financial statements.

**La Corporation du Centre du Sablon**  
**Changes in Net Assets**

Year ended December 31, 2021

	2021		2020
	Restricted for upgrades and future renovations \$	Unrestricted \$	Total \$
Balance, beginning of year	250,000	589,858	839,858
Excess of revenues over expenses	<u>325,139</u>	<u>325,139</u>	<u>148,284</u>
Balance, end of year	<u><u>250,000</u></u>	<u><u>914,997</u></u>	<u><u>1,164,997</u></u>

The accompanying notes and schedules are an integral part of the financial statements.

# La Corporation du Centre du Sablon

## Cash Flows

Year ended December 31, 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	325,139	148,284
Non-cash items		
Amortization of deferred subsidies related to tangible capital assets and the right to use a parking space	(12,600)	(12,600)
Amortization of tangible capital assets	80,051	93,180
Amortization of the right to use a parking space	1,600	1,600
Net change in working capital items	<u>(305,677)</u>	<u>(136,291)</u>
Cash flows from operating activities	<u>88,513</u>	<u>94,173</u>
<b>INVESTING ACTIVITIES</b>		
Tangible capital assets and cash flows from investing activities	<u>(9,784)</u>	<u>(5,385)</u>
<b>FINANCING ACTIVITIES</b>		
Net change in bank loan	(5,000)	
Long-term loan	10,000	30,000
Repayment of the obligation under a capital lease	<u>(1,163)</u>	<u>(1,160)</u>
Cash flows from financing activities	<u>3,837</u>	<u>28,840</u>
<b>Net increase in cash</b>	<b>82,566</b>	<b>117,628</b>
Cash, beginning of year	<u>822,957</u>	<u>705,329</u>
Cash, end of year	<u><u>905,523</u></u>	<u><u>822,957</u></u>

The accompanying notes and schedules are an integral part of the financial statements.

# La Corporation du Centre du Sablon


## Financial Position

December 31, 2021

	2021	2020
	\$	\$
<b>ASSETS</b>		
Current		
Cash	905,523	822,957
Trade and other receivables (Note 4)	353,791	88,676
Prepaid expenses	24,997	38,455
	<u>1,284,311</u>	<u>950,088</u>
Long-term		
Tangible capital assets (Note 5)	94,546	164,813
Right to use a parking space	22,400	24,000
	<u>1,401,257</u>	<u>1,138,901</u>
<b>LIABILITIES</b>		
Current		
Bank loan, prime rate plus 0.55% (3%)		5,000
Trade payables and other operating liabilities (Note 6)	34,890	56,821
Deferred revenues	122,133	111,548
Provincial subsidies received in advance (Note 9)		42,674
Current portion of the obligation under a capital lease	1,160	1,160
	<u>158,183</u>	<u>217,203</u>
Long-term		
Long-term debt (Note 10)	40,000	30,000
Obligation under a capital lease (Note 11)	677	1,840
Deferred subsidies related to tangible capital assets and the right to use a parking space (Note 12)	37,400	50,000
	<u>236,260</u>	<u>299,043</u>
<b>NET ASSETS</b>		
Restricted for upgrades and future renovations	250,000	250,000
Unrestricted	914,997	589,858
	<u>1,164,997</u>	<u>839,858</u>
	<u>1,401,257</u>	<u>1,138,901</u>

The accompanying notes and schedules are an integral part of the financial statements.

On behalf of the Board,

  
 Director

  
 Director



# La Corporation du Centre du Sablon

## Notes to Financial Statements

December 31, 2021

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### **1 - GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION**

The Organization, incorporated under Part III of the Companies Act (Quebec), operates a fitness centre and establishes, develops and operates a recreation centre for young children, teenagers, adults, seniors and families. It is a not-for-profit organization as defined in the Income Tax Act.

### **2 - SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of presentation**

The Organization's financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

#### **Accounting estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements, notes to financial statements and schedules. These estimates are based on management's knowledge of current events and actions that the Organization may undertake in the future. Actual results may differ from these estimates.

#### **Financial assets and liabilities**

##### *Initial measurement*

Upon initial measurement, the Organization's financial assets and liabilities from transactions not concluded with related parties and those from transactions with parties whose sole relationship with the entity is in the capacity of management (and members of the immediate family) are measured at fair value, which, in the case of financial assets or financial liabilities that will be measured subsequently at amortized cost, is increased or decreased by the amount of the related financing fees and transaction costs. The Organization's financial assets and liabilities from related party transactions are measured at cost.

##### *Subsequent measurement*

At each reporting date, the Organization measures its financial assets and liabilities from transactions not concluded with related parties at amortized cost (including any impairment in the case of financial assets), whereas those from related party transactions are measured using the cost method (including any impairment in the case of financial assets).

With respect to financial assets measured at amortized cost or using the cost method, the Organization assesses whether there are any indications of impairment. When there is an indication of impairment, and if the Organization determines that, during the year, there was a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it will then recognize a reduction as an impairment loss in operations. The reversal of a previously recognized impairment loss on a financial asset measured at amortized cost or using the cost method is recognized in operations in the year the reversal occurs.

# La Corporation du Centre du Sablon

## Notes to Financial Statements

December 31, 2021

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### **2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **Revenue recognition**

##### *Subsidies and government assistance*

The Organization follows the deferral method of accounting for subsidies and government assistance. Under this method, subsidies restricted for future period expenses are deferred and are recognized as revenues in the year in which the related expenses are incurred. Unrestricted subsidies are recognized as revenues when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Government assistance related to current expenses is accounted for as a reduction of the related expenses. Government assistance is accrued in the year in which the current expenses are incurred, provided that the Organization is reasonably certain that it will be received.

Since government assistance resulting from the Canada Emergency Wage Subsidy may be examined by the tax authorities, retroactive application clarifications were introduced after the program was announced and some rules may be interpreted differently by the tax authorities, it is possible that the amounts granted will differ from the amounts recorded.

The loan from a government body, which contains a clause exempting the Organization from making repayments as long as it satisfies the terms and conditions specified at the time the loan was granted, is accounted for using the previously described accounting policy. Any debt resulting from the obligation to repay this government assistance is accounted for in the year during which the terms and conditions resulting in repayment occur.

##### *Other revenues*

The Organization's programming revenues, leasing of premises and member dues from credit activities are recognized when the following criteria are met:

- Persuasive evidence of an arrangement exists;
- Services have been rendered;
- The price to the buyer is fixed or determinable;
- Collection is reasonably assured or upon receipt.

When the previously mentioned criteria are not met, amounts received or receivable are accounted for as deferred revenues.

The programming revenues, leasing of premises and member dues from cash activities are recognized when services have been rendered and events have occurred.

#### **Tangible capital assets and right to use a parking space**

Tangible capital assets and the right to use a parking space acquired are recorded at cost. When the Organization receives contributions of tangible capital assets or the right to use a parking space, their cost is equal to their fair value at the contribution date plus all costs directly attributable to the acquisition of the tangible capital assets or the right to use a parking space, or at a nominal value if fair value cannot be reasonably determined.

# La Corporation du Centre du Sablon

## Notes to Financial Statements

December 31, 2021

### 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Amortization*

Tangible capital assets are amortized on a straight-line basis over their estimated useful lives at the following annual rates:

	<u>Rates</u>
Leasehold improvements and fitness centre	10%
Computer, office, pool and fitness equipment, and fence	20%

The right to use a parking space is amortized on a straight-line basis over a period of 25 years ending in December 2035.

Deferred subsidies are amortized on the same basis as the tangible capital assets and the right to use a parking space to which they are related.

#### *Write-down*

When conditions indicate that a tangible capital asset or the right to use a parking space is impaired, the net carrying amount of the tangible capital asset or right to use a parking space is written down to their fair value or replacement cost. The write-down is accounted for in the statement of operations and cannot be reversed.

#### **Contributed supplies and services**

The Organization recognizes contributed supplies and services when the fair value of these contributions can be reasonably estimated and if it would have had to otherwise acquire these supplies and services for its normal operations.

### 3 - TRANSACTIONS WITH VILLE DE LAVAL

During the year, the Organization concluded the following transactions with Ville de Laval in the normal course of operations. The Organization received four subsidies totalling \$598,740 (five subsidies totalling \$630,816 in 2020). These transactions are measured at the exchange amount.

An agreement provides for an annual contribution of \$175,000 to manage the property. In addition, the Organization benefits free of charge from premises belonging to Ville de Laval. The amount of the lease has been recorded since it can be reasonably estimated at \$418,000. The consideration has been recorded as a subsidy for the same amount (a lease provided for an amount of \$449,298 as at December 31, 2020, including \$418,000 for the rental expense and \$31,298 representing the half of the indirect taxes related to the rent).

The Organization has an economic interest in Ville de Laval because the latter is a major contributor. Also, one member of the Organization's Board of Directors is appointed by Ville de Laval.

# La Corporation du Centre du Sablon

## Notes to Financial Statements

December 31, 2021

### 4 - TRADE AND OTHER RECEIVABLES

	<u>2021</u>	<u>2020</u>
	\$	\$
Trade accounts receivable	12,000	
Subsidies receivable		
Ville de Laval	8,841	3,523
Provincial	142,141	65,112
Government assistance receivable	186,961	16,000
Sales taxes receivable	3,848	4,041
	<u>353,791</u>	<u>88,676</u>

### 5 - TANGIBLE CAPITAL ASSETS

	<u>2021</u>		<u>2020</u>	
	Cost	Accumulated amortization	Net carrying amount	Net carrying amount
	\$	\$	\$	\$
Leasehold improvements	436,988	400,692	36,296	82,162
Fitness centre	66,328	66,328		
Computer equipment	98,225	77,428	20,797	21,768
Office equipment	79,532	75,763	3,769	8,428
Pool equipment	23,652	23,652		3,263
Fitness equipment	71,156	40,025	31,131	45,362
Fence	3,098	3,098		
Office equipment under a capital lease	6,385	3,832	2,553	3,830
	<u>785,364</u>	<u>690,818</u>	<u>94,546</u>	<u>164,813</u>

### 6 - TRADE PAYABLES AND OTHER OPERATING LIABILITIES

	<u>2021</u>	<u>2020</u>
	\$	\$
Trade accounts payable	3,334	55
Salaries payable	5,011	24,105
Vacation payable	24,384	30,500
Seniors' club (Note 7)	821	821
Preschool (Note 7)	1,340	1,340
	<u>34,890</u>	<u>56,821</u>

# La Corporation du Centre du Sablon

## Notes to Financial Statements

December 31, 2021

### 7 - PROPERTY ADMINISTERED BY THE ORGANIZATION

The Organization has been appointed as an agent to manage a project in cooperation with other organizations. Accordingly, the revenues and expenses indicated below are not included in the Organization's operations. Amounts administered by the Organization are as follows:

	<u>2021</u>	<u>2020</u>
	\$	\$
Seniors' club		
Amounts due, beginning of year	821	903
Expenses		(82)
Amounts due, end of year	<u>821</u>	<u>821</u>
Preschool		
Amounts due, beginning of year	1,340	1,679
Expenses		(339)
Amounts due, end of year	<u>1,340</u>	<u>1,340</u>

### 8 - FEDERAL SUBSIDY

During the year, the Organization received a federal subsidy to offer summer employment to 38 students (28 students in 2020).

The project was for a maximum of 24 weeks (12 weeks in 2020), which started on June 21, 2021 and ended on December 19, 2021.

### 9 - PROVINCIAL SUBSIDIES RECEIVED IN ADVANCE

The provincial subsidies received in advance represent subsidies received for the Community Recreation Centre's Financial Assistance Program which, under external restrictions, are intended to cover the operating expenses for the next year.

	<u>2021</u>	<u>2020</u>
	\$	\$
Balance, beginning of year	42,674	26,054
Amount recognized in operations	(117,674)	(154,077)
Amount received during the year		106,685
Amount receivable	<u>75,000</u>	<u>64,012</u>
Balance, end of year	<u>-</u>	<u>42,674</u>

# La Corporation du Centre du Sablon

## Notes to Financial Statements

December 31, 2021

### 10 - LONG-TERM DEBT

	<u>2021</u>	<u>2020</u>
	\$	\$
Loan, capital of \$40,000, secured by the Government of Canada, non-interest bearing until December 31, 2023	<u>40,000</u>	<u>30,000</u>

The Organization received a \$20,000 loan (\$40,000 in 2020) under the Canada Emergency Business Account program. If the Organization repays \$40,000 of the loan by December 31, 2023, no other amount will be payable. Otherwise, the loan balance will bear interest at 5% and may either be repaid in 36 monthly instalments of capital and interest or repaid on maturity on December 31, 2025.

Since \$20,000 of the government assistance are forgivable if the Organization repays \$40,000 by December 31, 2023, an amount of \$10,000 was recognized in the statement of operations at the time the government assistance was granted (\$10,000 in 2020).

### 11 - OBLIGATION UNDER A CAPITAL LEASE

	<u>2021</u>	<u>2020</u>
	\$	\$
Obligation under a capital lease related to office equipment, without interest, payable in quarterly instalments of \$290, maturing in July 2023	1,837	3,000
Current portion	<u>1,160</u>	<u>1,160</u>
	<u>677</u>	<u>1,840</u>

The minimum lease payments under the capital lease for the next years and the balance of the obligation are as follows:

	<u>\$</u>
Years ending December 31	
2022	1,160
2023	677
Balance of the obligation	<u>1,837</u>

### 12 - DEFERRED SUBSIDIES RELATED TO TANGIBLE CAPITAL ASSETS AND THE RIGHT TO USE A PARKING SPACE

	<u>2021</u>	<u>2020</u>		
	Subsidies	Accumulated amortization	Balance, end of year	Balance, end of year
	\$	\$	\$	\$
Related to leasehold improvements	134,000	119,000	15,000	26,000
Related to the right to use a parking space	<u>40,000</u>	<u>17,600</u>	<u>22,400</u>	<u>24,000</u>
	<u>174,000</u>	<u>136,600</u>	<u>37,400</u>	<u>50,000</u>

# La Corporation du Centre du Sablon

## Notes to Financial Statements

December 31, 2021

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### **13 - COMMITMENT**

The Organization has entered into an agreement which calls for payments of \$175,122 for janitorial services. This contract ends in December 2022 and is automatically renewable annually unless a party cancels the agreement by giving a 30-day written notice before the date of renewal.

### **14 - FINANCIAL RISKS**

#### **Credit risk**

The Organization is exposed to credit risk regarding the financial assets recognized in the statement of financial position. The Organization has determined that the financial assets with more credit risk exposure are trade accounts receivable, subsidies receivable and government assistance receivable since failure of any of these parties to fulfil their obligations could result in significant financial losses for the Organization.

#### **Liquidity risk**

The Organization's liquidity risk represents the risk that the Organization could encounter difficulty in meeting obligations associated with its financial liabilities. The Organization is, therefore, exposed to liquidity risk with respect to all of the financial liabilities recognized in the statement of financial position.





# La Corporation du Centre du Sablon

## Schedules

Year ended December 31, 2021

	SCHEDULE C	
	2021	2020
	\$	\$
<b>ADMINISTRATIVE EXPENSES</b>		
Salaries and employee benefits, net of government assistance of \$79,089 (\$97,401 in 2020)	160,047	161,995
Insurance	15,514	21,367
Office expenses	5,323	14,862
Telecommunications	7,827	8,955
Professional fees	27,861	26,248
Land maintenance	12,983	12,870
Office equipment maintenance	33,293	24,089
Office equipment rental	5,352	3,551
Bank charges	20,228	13,277
	<b>288,428</b>	<b>287,214</b>