

**P.R. COMMUNITY & STUDENT ASSOCIATION
(SADLEIR HOUSE FACILITY)**

FINANCIAL STATEMENTS

AUGUST 31, 2023

**P.R. COMMUNITY & STUDENT ASSOCIATION
(SADLEIR HOUSE FACILITY)**

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

**To the Directors of
P.R. Community & Student Association
(Sadleir House Facility)**

We have reviewed the accompanying financial statements of P.R. Community & Student Association (Sadleir House Facility) that comprise the statement of financial position as at August 31, 2023 and the statements of changes in net assets, operations and cash flows for the year 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 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of P.R. Community & Student Association (Sadleir House Facility) as at August 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.



Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
February 22, 2024

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P.R. COMMUNITY & STUDENT ASSOCIATION (SADLEIR HOUSE FACILITY)

STATEMENT OF FINANCIAL POSITION As at August 31, 2023

	2023	2022
	\$	\$
ASSETS		
Current assets		
Cash	168,139	356,404
HST receivable	20,437	14,879
Accounts receivable	17,124	4,468
Prepaid expenses	2,962	2,962
Investments (note 3)	125,000	100,000
Total current assets	333,662	478,713
Other assets		
Tangible capital assets (note 4)	557,891	564,188
Total assets	891,553	1,042,901
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	17,377	14,931
Deferred revenue (note 7)	81,538	199,822
Demand loan (note 5)	184,725	208,791
Canada Business Emergency Loan (note 6)	40,000	40,000
Total current liabilities	323,640	463,544
Long-term liabilities		
Deferred capital contributions (note 8)	95,335	99,513
Total liabilities	418,975	563,057
Net assets		
Net assets invested in tangible capital assets	277,830	255,884
Unrestricted net assets	194,748	223,960
Total net assets	472,578	479,844
Total liabilities and unrestricted	891,553	1,042,901

Approved on behalf of the Board:

_____, Director

_____, Director

The accompanying notes are an integral part of these financial statements

**P.R. COMMUNITY & STUDENT ASSOCIATION
(SADLEIR HOUSE FACILITY)**

**STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended August 31, 2023**

	Net assets invested in tangible capital assets 2023 \$	Unrestricted net assets 2023 \$	Total 2023 \$	Total 2022 \$
NET ASSETS - BEGINNING OF YEAR	255,884	223,960	479,844	498,082
Excess of revenue over expenditure for the year	(17,984)	10,718	(7,266)	(18,238)
Interfund transfer - purchase of tangible capital assets	15,865	(15,865)	-	-
Interfund transfer - debt repayments	24,065	(24,065)	-	-
NET ASSETS - END OF YEAR	277,830	194,748	472,578	479,844

The accompanying notes are an integral part of these financial statements

P.R. COMMUNITY & STUDENT ASSOCIATION (SADLEIR HOUSE FACILITY)

STATEMENT OF OPERATIONS For the Year Ended August 31, 2023

	2023 \$	2022 \$
Revenue		
Student memberships	279,831	263,686
Grants and contributions	59,466	40,311
Rental	57,003	28,621
COVID supports	-	10,000
Miscellaneous	-	9,502
Amortization of deferred contributions	4,178	4,374
Journal of Undergraduate Studies at Trent program	-	1,300
Special events (net)	13,713	674
Interest	3,216	541
Total revenue	417,407	359,009
Expenditure		
Wages and benefits	283,557	236,344
Repairs and maintenance	40,226	53,776
Amortization	22,162	22,258
Utilities	20,760	16,185
Municipal taxes	9,595	9,307
Office and administration	9,658	10,413
Professional fees	12,800	7,629
Insurance	7,190	7,145
Interest on debt	5,935	6,645
Telephone	2,106	2,982
Programming	9,364	2,515
Journal of Undergraduate Studies at Trent program	-	1,300
Hospitality and reception	842	748
Interest and bank charges	478	-
Total expenditure	424,673	377,247
Excess (deficiency) of revenue over expenditure for the year	(7,266)	(18,238)

The accompanying notes are an integral part of these financial statements

**P.R. COMMUNITY & STUDENT ASSOCIATION
(SADLEIR HOUSE FACILITY)**

STATEMENT OF CASH FLOWS

For the Year Ended August 31, 2023

	2023	2022
	\$	\$
CASH PROVIDED FROM (USED FOR):		
Operating activities		
Excess (deficiency) of revenue over expenditure for the year	(7,266)	(18,238)
Items not affecting cash		
Amortization of tangible capital assets	22,162	22,258
Amortization of deferred contributions	(4,178)	(4,374)
	<u>10,718</u>	<u>(354)</u>
Changes in non-cash working capital items		
HST receivable	(5,558)	(6,979)
Accounts receivable	(12,656)	(1,883)
Accounts payable and accrued liabilities	2,445	(6,534)
Deferred revenue	(118,284)	107,557
	<u>(123,335)</u>	<u>91,807</u>
Investing activities		
Purchase of investments	(100,000)	(100,000)
Proceeds on maturity of investments	75,000	25,000
Purchase of tangible capital assets	(15,865)	(19,541)
	<u>(40,865)</u>	<u>(94,541)</u>
Financing activities		
Demand loan repayments	(24,065)	(23,355)
	<u>(24,065)</u>	<u>(23,355)</u>
Decrease in cash	(188,265)	(26,089)
Cash - beginning of year	356,404	382,493
Cash - end of year	168,139	356,404

The accompanying notes are an integral part of these financial statements

P.R. COMMUNITY & STUDENT ASSOCIATION (SADLEIR HOUSE FACILITY)

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended August 31, 2023

1. NATURE OF OPERATIONS

P.R. Community & Student Assoc. (Sadleir House Facility) was incorporated without share capital on February 19, 2004 under the laws of Ontario. Its purpose is to establish and operate a community centre to be used for workshops, programs, athletics, drama, art, music, handicrafts, hobbies and recreation for the benefit of the general public. The Association was registered for charitable status on September 1, 2004 and is accordingly exempt from income taxes.

The Association's major source of funding is annual Trent University student memberships approved by student vote.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) *Recognition of Revenues and Expenses*

Revenue on significant contracts, which provide for progress billings and payments as part of the contract, are recognized on the percentage of completion method. Deferred revenue, in current liabilities, represents billings rendered in excess of revenue earned.

Student memberships, and subsidies, including COVID supports, are recognized in the financial statements as revenues in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Ultimate reimbursement of these amounts is based upon their acceptance by the various funders.

Expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes expenses in the period the goods or services are acquired and a legal liability is incurred

(b) *Tangible Capital Assets*

Tangible capital assets are recorded at cost. The Association provides for amortization using the declining balance method at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. The annual amortization rates are as follows:

Buildings	4%
Furniture and fixtures	20%
Land improvements	4%
Computer equipment	55%

(c) *Contributed Services*

Volunteers contribute significant time to assist P.R. Community & Student Association in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

P.R. COMMUNITY & STUDENT ASSOCIATION (SADLEIR HOUSE FACILITY)

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended August 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) *Management Estimates*

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Key areas where management has made complex or subjective judgments (often as a result of matters that are inherently uncertain) include, among others, useful lives of capital assets and amortization. Actual results could differ from these and other estimates, the impact of which would be recorded in future periods.

(e) *Financial Instruments*

The Association initially measures its financial assets and financial liabilities at fair value and subsequently measures them at amortized cost.

Financial assets measured at amortized cost include cash, investments and receivables.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, Canada Emergency Business loan and demand loan.

Financial assets are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in the statement of operations.

(f) *Deferred Revenue*

Deferred revenue represents restricted funding related to expenditures of a subsequent period.

(g) *Deferred Capital Contributions*

Contributions towards financing the tangible capital asset acquisitions have been deferred and amortized into revenue at the same rate as the related assets' amortization.

3. INVESTMENTS

Investments consists of the following:

	2023	2022
	\$	\$
Redeemable GIC, interest at 0.75%, maturing December 28, 2022	-	75,000
Redeemable GIC, interest year 1 at 0.05%, year 2 at 0.10%, and year 3 at 0.45%, maturing October 28, 2024	25,000	25,000
Redeemable GIC, interest at 4.9%, due July 29, 2024	100,000	-
	125,000	100,000

The \$25,000 redeemable GIC is held as security for the Associations's credit card account.

P.R. COMMUNITY & STUDENT ASSOCIATION (SADLEIR HOUSE FACILITY)

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended August 31, 2023

4. TANGIBLE CAPITAL ASSETS

	Cost \$	Accumulated Amortization \$	2023 Net Book Value \$	2022 Net Book Value \$
Land	150,000	-	150,000	150,000
Buildings	678,381	348,440	329,940	332,509
Furniture and fixtures	75,725	47,045	28,680	30,355
Land improvements	76,586	27,315	49,271	51,324
	980,692	422,800	557,891	564,188

5. DEMAND LOAN

The Association has a demand installment loan with a fixed interest rate of 3.00% per year for a 60 month term ending August 1, 2024, with blended monthly payments of \$2,500. The balance outstanding at August 31, 2023 was \$184,725 (2022 - \$208,791).

The demand installment loan has a security agreement granting first security in all present and after acquired personal property and a collateral mortgage for \$275,000, giving the lender a first charge over Commercial Property 751 George Street North, Peterborough, Ontario.

6. CANADA EMERGENCY BUSINESS LOAN

The amount of \$40,000 represents the unforgivable balance of the \$60,000 interest-free loan received under the Government of Canada COVID response programs. 33% of the loan will be eligible for loan forgiveness, up to \$20,000, if the loan is fully repaid on or before January 18, 2024. In prior fiscal years \$20,000 has been included in revenue and represents the maximum forgivable portion of the loan. The loan has been fully repaid subsequent to the year-end date and prior to January 18, 2024.

7. DEFERRED REVENUE

The continuity of deferred revenue is as follows:

	2023 \$	2022 \$
Peterborough Foundation	2,498	2,498
Journal of Undergraduate Studies at Trent	-	110,408
Employment and Social Development Canada - Enhancing Accessibility Project	79,040	86,916
	81,538	199,822

P.R. COMMUNITY & STUDENT ASSOCIATION (SADLEIR HOUSE FACILITY)

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended August 31, 2023

7. DEFERRED REVENUE, continued

The continuity of deferred revenue is as follows:

	2023	2022
	\$	\$
Balance - beginning of year	199,822	92,265
Add amounts received:		
Employment and Social Development Canada - Enhancing Accessibility Project	-	86,916
Journal of Undergraduate Studies at Trent	11,924	21,941
	11,924	108,857
Less transfer to operations:		
Employment and Social Development Canada - Enhancing Accessibility Project	7,876	-
Less transfer to other organizations:		
Journal of Undergraduate Studies at Trent	122,332	1,300
	130,208	1,300
Balance - end of year	81,538	199,822

P.R. COMMUNITY & STUDENT ASSOCIATION (SADLEIR HOUSE FACILITY)

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended August 31, 2023

8. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions consist of grants received for acquisition of tangible capital assets

	2023	2022
	\$	\$
Balance, beginning of year	99,513	103,887
Recorded as revenue during the year	(4,178)	(4,374)
Balance, end of year	95,335	99,513

9. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The value of fixed income securities will generally rise if interest rates fall and conversely fall when rates rise.

(b) Liquidity risk

The Association would have liquidity risk if the demand loan was called before the maturity date.