

YMCA OF CENTRAL EAST ONTARIO

FINANCIAL STATEMENTS

December 31, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of
YMCA OF CENTRAL EAST ONTARIO

Qualified Opinion

We have audited the financial statements of **YMCA OF CENTRAL EAST ONTARIO**, which comprise the statement of financial position as at December 31, 2022, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 **YMCA OF CENTRAL EAST ONTARIO** as at December 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Corporation derives revenue from fundraising 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 Corporation. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2022 and 2021, current assets as at December 31, 2022 and 2021, and net assets as at January 1 and December 31 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ended December 31, 2021 was modified 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 Corporation 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (continued)

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 Corporation'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 Corporation'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 Corporation 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.



Belleville, Ontario
April 26, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

Welch LLP[®]

An Independent Member of BKR International

YMCA OF CENTRAL EAST ONTARIO
(Incorporated without share capital under the laws of Ontario)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

ASSETS

	2022	2021
CURRENT ASSETS		
Cash	\$ 1,030,322	\$ 330,342
Short-term investments - note 4	2,406,106	2,506,524
Accounts receivable	460,772	698,106
Government remittances recoverable	30,777	5,014
Prepaid expenses	24,032	79,971
	3,952,009	3,619,957
TANGIBLE CAPITAL ASSETS - note 5	9,952,195	10,208,317
INTANGIBLE CAPITAL ASSETS - note 6	19,384	38,357
	\$ 13,923,588	\$ 13,866,631

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 1,136,611	\$ 821,786
Deferred revenue - note 7	1,720,059	676,749
Current portion of long-term debt	371,962	360,731
	3,228,632	1,859,266
LONG-TERM DEBT - note 8	1,152,363	1,524,326
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS - note 11	4,812,309	4,920,720
	9,193,304	8,304,312
NET ASSETS		
Invested in tangible and intangible capital assets - internally restricted	3,634,944	3,440,898
Internally restricted reserve - debt repayment, capital development and catastrophic emergency - note 9	-	1,204,208
Unrestricted - note 9	1,095,340	917,213
	4,730,284	5,562,319
	\$ 13,923,588	\$ 13,866,631

Approved by the Board

_____ Director

_____ Director

(See accompanying notes)

YMCA OF CENTRAL EAST ONTARIO
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2022

	2022	2021
REVENUE		
Membership fees	\$ 2,861,890	\$ 955,958
Program fees	5,246,947	3,199,281
Grants and subsidies	709,070	2,423,017
Donations and fundraising	323,287	388,432
Rental and other	451,832	264,783
Amortization of deferred contributions related to capital assets	221,011	213,174
Capital campaign operating revenues - note 17	323,833	-
	10,137,870	7,444,645
EXPENSES		
Salaries, wages and benefits	6,945,706	4,836,214
Program	741,908	465,536
Administrative and support services	828,523	633,662
Building maintenance	1,384,079	802,181
Allocations to YMCA Canada	116,284	81,137
Amortization of tangible capital assets	558,465	569,415
Amortization of intangible capital assets	18,973	18,749
Interest on long-term debt	52,134	62,697
Capital campaign operating expenses - note 17	323,833	-
	10,969,905	7,469,591
DEFICIENCY OF REVENUE OVER EXPENSES	(832,035)	(24,946)
NET ASSETS, beginning of year	5,562,319	5,587,265
NET ASSETS, end of year	\$ 4,730,284	\$ 5,562,319

(See accompanying notes)

**YMCA OF CENTRAL EAST ONTARIO
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022**

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (832,035)	\$ (24,946)
Adjustments for:		
Amortization of tangible capital assets	558,465	569,415
Amortization of intangible capital assets	18,973	18,749
Amortization of deferred contributions related to capital assets	(221,011)	(213,174)
Gain on disposal of capital assets	(844)	(1,681)
	(476,452)	348,363
Change in non-cash working capital components:		
Accounts receivable	237,334	405,819
Government remittances recoverable	(25,763)	(47,394)
Prepaid expenses	55,939	(41,257)
Accounts payable and accrued liabilities	314,825	49,910
Deferred revenue	1,043,310	200,956
	1,149,193	916,397
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on sale/maturity of investments	200,000	-
Purchase of investments	(99,582)	(521,000)
Purchase of tangible capital assets	(302,343)	(297,063)
Proceeds from sale of tangible capital assets	844	1,681
Purchase of intangible capital assets	-	(1,060)
	(201,081)	(817,442)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term debt	(360,732)	(349,838)
Contributions received related to tangible capital assets	112,600	50,862
	(248,132)	(298,976)
INCREASE (DECREASE) IN CASH	699,980	(200,021)
CASH, beginning of year	330,342	530,363
CASH, end of year	\$ 1,030,322	\$ 330,342

(See accompanying notes)

**YMCA OF CENTRAL EAST ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

1. NATURE OF THE ORGANIZATION

The YMCA of Central East Ontario is an independent charitable association of volunteers and staff dedicated to promoting well-being within the community.

The Corporation has been granted tax-exempt status as a registered charity under the Income Tax Act (Canada) and, as such, is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Short-term investments

The purchase and sale of investments are accounted for using settlement date accounting. Transaction costs associated with the acquisition of investments and investment management fees are expensed as incurred.

Tangible capital assets

Land is carried at cost. Purchased tangible capital assets are recorded at acquisition cost. Contributed tangible capital assets are recorded at fair value at the date of contribution. Amortization is provided for on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	25-40 years
Parking lot	10 years
Office equipment	10 years
Program and fitness equipment	5 years
Computer equipment	3 years

Construction in progress is not amortized until the asset is available for productive use.

Intangible capital assets

The costs of intangible capital assets are capitalized upon meeting the criteria for recognition as an intangible asset; otherwise, costs are expensed as incurred. Intangible assets, consisting of computer software are measured at cost less accumulated amortization. Amortization of computer software is provided for on a straight-line basis over the estimated useful life of three years.

**YMCA OF CENTRAL EAST ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

The Corporation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions for depreciable capital assets are deferred and amortized over the life of the related capital asset. Externally restricted capital asset contributions that have not been expended are recorded as part of deferred contributions related to capital assets on the statement of financial position.

Government assistance

Government and other related grants related to operating expenses are recorded as a reduction to the related expenditures in the period for which eligible expenditures are incurred.

Government assistance related to the Government of Canada economic recovery programs are recorded as revenue the period for which eligible expenditures are incurred and is included Grants and subsidies revenue on the Statement of Operations and Net Assets.

Use of estimates

The preparation of financial statements in conformity 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 amount of revenues and expenses during the reporting period. Management makes accounting estimates when determining the estimated useful life of the Corporation's tangible capital assets and intangible assets, its allowance for doubtful accounts, accrued liabilities and deferred revenues. Actual results could differ from those estimates.

Contributed services

Volunteers contribute an indeterminable number of hours each year to assist the Corporation in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

**YMCA OF CENTRAL EAST ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

The Corporation initially measures its financial assets and financial liabilities at fair value adjusted by transaction costs in the case where a financial asset or financial liability is subsequently measured at amortized cost.

The Corporation subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash, short-term investments and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and government remittances payable.

3. FINANCIAL INSTRUMENTS

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Corporation is exposed to credit risk from customers. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Corporation has a significant number of customers which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that the Corporation cannot meet its commitments when they become due. Liquidity risk also includes the risk of the Corporation not being able to liquidate assets in a timely manner. The Corporation's management manages this risk by reviewing expected future cash flow requirements, anticipating investing and financing activities and holding assets that can be readily converted to cash.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Corporation is not exposed to other price risk.

**YMCA OF CENTRAL EAST ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

3. FINANCIAL INSTRUMENTS (continued)

Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments and future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

The Corporation's exposure to interest rate risk arises from its interest bearing assets and its long-term debt. The Corporation manages interest rate risk exposure by investing in guaranteed investment certificates.

Change in risk

There were no changes in the risk exposure of the Corporation during the year related to the above risks.

4. SHORT-TERM INVESTMENTS

	2022	2021
Guaranteed Investment Certificates	\$ 100,000	\$ -
High interest savings funds	2,306,106	2,506,524
	\$ 2,406,106	\$ 2,506,524

Investments are managed by the Corporation in consultation with the Corporation's financial advisor. The Corporation limits its investments to Guaranteed Investment Certificates, high interest savings funds, Ontario Savings Bonds and minimal equities to ensure the capital is preserved and to provide access to the funds when needed.

During the year, the Corporation received donations of investments with a fair value of \$69,043.

**YMCA OF CENTRAL EAST ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

5. TANGIBLE CAPITAL ASSETS

Tangible capital assets consist of the following:

	2022		2021	
	Cost	Accumulated amortization	Net	Net
Land	\$ 532,028	\$ -	\$ 532,028	\$ 532,028
Buildings	15,720,674	6,944,560	8,776,114	8,749,253
Parking lot	79,662	67,760	11,902	13,733
Office equipment	911,433	491,963	419,470	490,423
Program and fitness equipment	2,393,279	2,242,193	151,086	219,900
Computer equipment	389,343	371,398	17,945	40,165
Assets under construction	43,650	-	43,650	162,815
	<u>\$ 20,070,069</u>	<u>\$ 10,117,874</u>	<u>\$ 9,952,195</u>	<u>\$ 10,208,317</u>

Assets under construction consists of planning costs related to a new building site. In 2021, assets under construction also included a roofing project in progress, that was completed in 2022 and has been capitalized as part of the building cost.

6. INTANGIBLE CAPITAL ASSETS

Intangible capital assets consist of the following:

	2022		2021	
	Cost	Accumulated amortization	Net	Net
Computer software	\$ 152,617	\$ 133,233	\$ 19,384	\$ 38,357

**YMCA OF CENTRAL EAST ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

7. DEFERRED REVENUE

Deferred revenue consists of the following:

	<u>2022</u>	<u>2021</u>
Membership/program fees	\$ 270,956	\$ 97,447
Grants	275,811	372,701
Capital campaign contributions	<u>1,173,292</u>	<u>206,601</u>
	<u>\$ 1,720,059</u>	<u>\$ 676,749</u>

8. LONG-TERM DEBT

Long-term debt consists of:

	<u>2022</u>	<u>2021</u>
Fixed rate term loan of Banker Acceptances, revolve monthly, interest at 3.07%, repayable in monthly blended payments of approximately \$31,000, due November 30, 2026	\$ 1,524,325	\$ 1,885,057
Less current portion	<u>371,962</u>	<u>360,731</u>
	<u>\$ 1,152,363</u>	<u>\$ 1,524,326</u>

The debt is secured by a General Security Agreement representing a first charge on all of the Corporation's assets and an assignment of all risk insurance. Under the terms of the agreement, there are certain covenants that the Corporation must maintain. At the year end, the Corporation was not in compliance with the debt service coverage ratio. The lender has agreed to a waiver of this covenant, therefore, the loan is presented with the current and long-term amounts.

Principal repayments on Banker Acceptances under the renegotiated agreement are estimated to be as follows:

2023	\$ 371,962
2024	383,543
2025	395,485
2026	<u>373,335</u>
	<u>\$ 1,524,325</u>

**YMCA OF CENTRAL EAST ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

9. INTERNALLY RESTRICTED FUNDS

The Board maintains an internally restricted reserve for the purpose of debt repayment, capital development and catastrophic emergency. The Board maintains an amount equal to sixty days of operating expenses in unrestricted net assets and apportions the remaining amount to the internally restricted debt repayment and capital development reserve. At December 31, 2022, the Board has restricted \$Nil (2021 - \$1,204,208) for this purpose.

10. OPERATING LINE OF CREDIT

The Corporation has an operating line of credit with an authorized limit of \$250,000, of which \$Nil was utilized at year-end. The line of credit bears interest at bank prime rate, and is secured by a general security agreement covering all of the assets of the Corporation.

11. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred contributions related to capital assets represent the unamortized amount of donations received for the purchase of capital assets. The amortization of contributions related to capital assets is recorded as revenue in the statement of operations and changes in net assets. The changes in the deferred contributions related to capital assets balance are as follows:

	2022	2021
BALANCE, beginning of year	\$ 4,920,720	\$ 5,039,632
Deferred contributions received	112,600	94,262
Amortization of deferred contributions related to capital assets	(221,011)	(213,174)
BALANCE, end of year	\$ 4,812,309	\$ 4,920,720

12. CONTRACTUAL OBLIGATIONS

The Corporation has entered into an agreement with The Corporation of the City of Quinte West (Quinte West) to operate and manage a recreational facility at 50 Monogram Place, Trenton for a period of 20 years. The agreement acknowledges that Quinte West remains the sole owner of the facility and provides that the Corporation will manage health and fitness, aquatics, child minding, family and related recreational programs and such other programs for which there may be public demand.

**YMCA OF CENTRAL EAST ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

13. CHILD CARE AND OTHER WAGE SUBSIDIES

The Corporation has reported fee subsidy as revenue in the statement of operations and changes in net assets. Wage subsidies and other funding of \$786,160, excluding wage grants specific to child care, have been included with salaries, wages and benefits and various other expenses as a reduction to the expenditure in the statement of operations and changes in net assets.

Child care subsidies earned during 2022, which have been reflected in the financial statements, are as follows:

	<u>Belleville</u>	<u>Peterborough</u>	<u>Lakefield</u>	<u>Total</u>
Purchase of service fee subsidy \$	444,540	\$ 192,414	\$ 130,548	\$ 767,502

Other subsidies:

	<u>Belleville</u>	<u>Balsillie</u>	<u>Total</u>
General operating grant	\$ 221,685	\$ 356,645	\$ 578,330
Play based material & equipment	33,196	-	33,196
Repairs & maintenance	-	995	995
Capacity building	9,837	-	9,837
Emergency Childcare	19,320	5,715	25,035
COVID fee assist	4,222	-	4,222
CWELCC	115,063	251,385	366,448
	<u>\$ 403,323</u>	<u>\$ 614,740</u>	<u>\$ 1,018,063</u>

**YMCA OF CENTRAL EAST ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

14. PROVINCIAL WAGE ENHANCEMENT GRANT

In January 2015, the Ministry of Education implemented a new initiative to provide a wage enhancement grant up to \$1 per hour plus up to 17.5% benefits for eligible staff working in licensed child care programs, and up to \$10 per day to home child care providers providing care through a licensed home child care agency. In January 2016, the Ministry increased the wage enhancement grant to \$2 per hour. The Corporation, as the operator, received and disbursed the Wage Enhancement grant to eligible employees in 2022, as follows:

	<u>Funding Approved</u>	<u>Disbursed Funds</u>	<u>Unspent Funds Repayable</u>
Lakefield YMCA Child Care Centre and School			
Age Program	\$ 62,366	\$ 46,510	\$ 15,856
Peterborough Child Care Centre	45,909	36,092	9,817
St. Paul's School Age Program	1,432	1,037	395
Highland Heights	2,387	1,649	738
Hastings County - Belleville Child Care	120,603	87,933	32,670
Lennox and Addington - Belleville Child Care	<u>4,651</u>	<u>3,433</u>	<u>1,218</u>
	<u>\$ 237,348</u>	<u>\$ 176,654</u>	<u>\$ 60,694</u>

Unspent wage enhancement grants are to be returned to the appropriate funder.

Wage enhancement grants have been included with salaries, wages and benefits as a reduction to the expense in the statement of operations and changes in net assets.

15. ENERGY REBATES

During the year, the Corporation received \$142,507 from the Ontario Trillium Foundation (2021 - \$446,235 from the Ontario Trillium Foundation and the City of Quinte West) in energy rebates. These amounts have been included with building maintenance as a reduction to the expenditure in the statement of operations and changes in net assets.

**YMCA OF CENTRAL EAST ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

16. GOVERNMENT ASSISTANCE - COVID RELATED

During the year, the Corporation applied for assistance under the Government of Canada's Tourism and Hospitality Recovery Program (THRP), Canada Recovery Hiring Program (CRHP) and Canada Emergency Rent Subsidy (CERS). Amounts recognized in grants and subsidies revenue are as follows:

	2022
THRP	\$ 588,811
CERS	590
CRHP	44,675
	\$ 634,076

Included in accounts receivable at December 31, 2022 is \$44,675 related to the CRHP program recognized as revenue in 2022 related to 2022 expenditures and \$54,964 related to the CRHP program recognized as revenue in 2021 related to 2021 expenditures.

17. COMMITMENTS

The Corporation has been approved to construct a multi-purpose sports and recreation facility in Belleville, Ontario. The total cost of the project is budgeted at \$22,492,620. In 2022, the Corporation entered into an agreement with the Province of Ontario, which committed to contribute up to \$7,496,790. The federal government has committed to contribute up to \$8,997,048.

In 2021, the Corporation entered into a contract for capital campaign service for the project. The estimated cost of the contract is \$506,000 to \$580,500 plus HST and project related expenses. \$297,808 plus HST has been paid during the year.

In 2022, the Corporation entered into a contract with a construction manager for the project. The estimated cost of the contract is \$675,000 plus HST and a percentage of the construction cost and project related expenses. \$Nil has been paid during the year.

18. COMPARATIVE FIGURES

The comparative figures have been reclassified to reflect the financial statement presentation adopted in the current year. The changes do not affect prior year earnings.