

**West Parry Sound Recreation and Cultural Centre Board
Open Meeting Agenda – February 14, 2024**

Date: February 14, 2024

Time: 7:00 PM

Location: Town of Parry Sound Council Chambers, 52 Seguin St. (Gibson St. entrance) (Virtual meeting option for participants)

1. Agenda:

1.1 Move to Closed Meeting

Prior to the scheduled open meeting, the Board will move to a meeting closed to the public per the resolution below.

1.1a Additions to Closed Agenda

Resolution

THAT pursuant to Section 239(2) and (3) of the Municipal Act, S.O. 2001, c.25, as amended, the West Parry Sound Recreation and Cultural Centre Board moves to a meeting closed to the public in order to address matters pertaining to:

f) advice that is subject to solicitor-client privilege, including communications necessary for that purpose, **(solicitor opinion on Board Agreement terms; Board ownership; tender issuance)**.

1.2 Additions to Open Agenda

1.3 Approval of Agenda

That the Agenda for the February 14, 2024 West Parry Sound Recreation and Cultural Centre Board is hereby approved as circulated.

1.4 Declaration of Pecuniary Interest

1.5 Approval of Minutes

That the Minutes of the January 17, 2024 West Parry Sound Recreation and Cultural Centre Board are hereby approved as circulated

2. Delegations/Correspondence

2.1 Jen Reynolds – Letter of concern regarding gym size

2.2 Chair's Report – Verbal Update

3. Business

3.1 Matters Referred from Closed Meeting

3.2 Project Status Update

Project Manager Andy Gordon, GGGI
See attached presentation

**West Parry Sound Recreation and Cultural Centre Board
Open Meeting Agenda – February 14, 2024**

3.3 December 31, 2023 Monthly Financial Reports

Submitted by: Steering Committee

Resolution

That the December 31, 2023 financial reports for the West Parry Sound Recreation & Cultural Centre Board be received for information.

3.4 2022 Audited Financial Statements

Submitted by: Director of Finance

Resolution

That the 2022 audited Financial Statements be approved substantially in the form attached.

3.5 Fundraising Team Report – Verbal Update

4. Adjournment

From: [Jen Reynolds](#)
To: [Rebecca Johnson](#)
Subject: New gym facility
Date: February 9, 2024 8:37:24 AM

Hi Rebecca,

I have been conversing with Jane Culverwell and she has informed me to email you in regards to our concerns over the new gym being built.

I am the president of the Parry Sound Stingers basketball club. We have a few concerns.

1. They plan on building the court 2.5m short of regulation size. If this happens we will not be able to host teams here for games.

2. There is not adequate seating in the gym to accommodate us to host games or tournaments here. We recently had a home tournament and have a picture of the stand's completely full and standing room only. About 90+ people in the gym watching.

3. Rubber floor. A proper wood floor needs to be installed. If we have a rubber floor no teams will want to come play in our facility. I had spoke with the contractor who is to build this facility and he said it would cost approximately 70,000 to do a wood floor. My suggestion for this is if we can get a sponsor for that maybe they could have their name on the gym floor.

These are my 3 top concerns about the new facility and I'm worried if we push forward with the current plan then it will be a total waste as our club will not be able to utilize the space to our needs.

If we could be included in any future meetings in regards to the gym we could help voice our needs for this.

Kind regards,
Jen Reynolds - President of the Parry Sound Stingers basketball club

Sent from my iPhone

WEST PARRY SOUND RECREATION AND CULTURAL CENTRE (WPSRCC)



PROJECT STATUS UPDATE
MSB MEETING FEBRUARY 14, 2024

Performance Built on a Foundation of Integrity

Overall Project Budget

- MSB approved a Project Budget of \$36,373,842 to complete the WPSRCC facility on December 14, 2022
- The Budget to construct this facility at 44 Joseph Street, Parry Sound remains at \$36,373,842 - February 2024
- GGGI has submitted a Viewing Gallery Pre Construction Fee Proposal for this Scope Change

Project Site Update

- No update to report on the land purchased at 44 Joseph Street- a conditional closing is scheduled for March 2024
- No update to report on the ICIP approval of the WPSRCC location at 44 Joseph Street
- Site Plan Application - Currently Under Review
- Building Permit Application – Scheduled to commence in the Winter of 2024

Procurement Schedule

- Procurement process adhering to Delegated Authority guidelines directed by the MSB (February 2023)
- Tender Package 1 closed on December 21, 2023
 - GGGI requires direction to award packages
- Tender Package 2 is scheduled to close in mid-February 2024
- Tender Package 3 (Finishes) to be issued last week of February 2024

ICIP Funding

- The Steering Committee is in communication with ICIP seeking approval for the WPSRCC location at 44 Joseph Street
- Project Signage updated reflective of ICIP feedback February 2024
 - Federal Signage approved-Value \$31.9M
 - Province Signage to be ratified-Value \$10.632M

Project Risk

- MSB to provide direction to proceed with the Pre Construction proposal for the addition of a Viewing Gallery
 - Implementing this significant scope change at this stage of the Project will impact all procured Work Packages
 - Will increase the approved budget value, and extend the project's duration

West Parry Sound Recreation and Cultural Centre Board Open Meeting Report

Meeting Date: February 14, 2024

Report Title: December 31, 2023 Monthly Financial Reports

Submitted by: Steering Committee

Purpose of Report:

To provide the Board with the December 31, 2023 financial reports.

Resolution

That the December 31, 2023 financial reports for the West Parry Sound Recreation & Cultural Centre Board be received for information.

Background:

The financial reports reflect the Board's financial position for the period being reported. The monthly financial reports are prepared on a cash basis. Funds received or expenses paid by the end of the reporting period are reflected in the financial reports. Some revenues and expenses not received or paid may not yet be accrued for the purposes of monthly reporting.

Balance Sheet as at December 31, 2023

The balance sheet, Attachment 1 illustrates that the Board has received all the financial contributions from the funding partners, \$8,112,511. Interest is being earned on the partner contributions and is credited to the Board as shown on the Statement of Operations, Attachment 2.

As monies are spent towards the construction of the recreation centre they are recorded as an asset referred to as Work in Progress (WIP) until the project is complete. As at December 31st, 2023, \$1,552,864 has been paid out and recorded as WIP.

Statement of Operations January 1 to December 31, 2023

The Board receives revenues and incurs expenses that are not related to the construction of the facility. These items are recorded in the Statement of Operations, Attachment 2. This statement covers the period January 1, 2023, to December 31, 2023. In 2023, highlights include revenue to the Board of \$11,929 in miscellaneous donations and \$5,933 in T-Shirt sales, and \$3,520 in Event revenues totalling \$21,382.

Also shown as revenue are the municipal partner contributions received in 2023. Some municipal contributions had been received in prior years. All municipal contributions as set out in the Partnership Agreement have been submitted to the Board.

Funds on hand are earning interest, \$350,057 to-date in 2023.

West Parry Sound Recreation and Cultural Centre Board Open Meeting Report

\$477,665 in ICIP Community Culture Grant Revenues have been submitted for reimbursement. \$354,172 are awaiting review and reimbursement.

West Parry Sound Area Recreation and Cultural Centre Board Meeting Report Fundraising Report for 2022 and up to December 31, 2023

Over this period the statement identifies total donations, T-Shirt sales and other revenue of \$79,333 has been received and expenses of \$56,264 paid. The fundraising activities show a surplus of \$23,070. The Fundraising Report reflects financial contributions received. The report does not include financial commitments made, but not received.

The report identifies donations to the “WPS Rec & Cultural Centre” and donations under “C/O Town of Parry Sound”. The Board applied to the Canada Revenue Agency (CRA) for charitable status. CRA declined to provide charitable status. Funds accepted are segregated and charitable receipts issued. The report indicates that \$52,615 has been received by the Town for which charitable receipts have been issued including those received in the Trellis system. \$3,950 in silent auction earnings are also reported with tax receipts applicable for those items donated.

Financial Impact:

This is an information report. There is no financial impact.

Attachments

Attachment 1 - Balance Sheet as at December 31, 2023

Attachment 2 - Statement of Operations January 1 to December 31, 2023

Attachment 3 - Fundraising Report for 2022 up to December 31, 2023

West Parry Sound Recreation and Cultural Centre

Balance Sheet

As of December 31, 2023

	TOTAL
Assets	
Current Assets	
Cash and Cash Equivalent	
WPSRC General Account	7,132,800.31
Total Cash and Cash Equivalent	\$7,132,800.31
Accounts Receivable (A/R)	
Accounts Receivable (A/R)	359,236.72
Total Accounts Receivable (A/R)	\$359,236.72
Inventory Asset	0.00
Total Current Assets	\$7,492,037.03
Non-current Assets	
Property, plant and equipment	
Building	
WIP - Architectural	341,986.35
WIP - Construction	32,890.00
WIP - Engineering	867,282.75
WIP - Planning and Design Other	6,265.00
WIP - Project Management	304,439.90
Total Building	1,552,864.00
Total Property, plant and equipment	\$1,552,864.00
Total Non Current Assets	\$1,552,864.00
Total Assets	\$9,044,901.03
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable (A/P)	
Accounts Payable (A/P)	19,283.45
Accounts Payable (A/P) Accrual	128,627.45
Total Accounts Payable (A/P)	\$147,910.90
GST/HST Payable	-186,046.84
GST/HST Suspense	174.03
Holdbacks	3,289.00
Municipal Cash Deposits	0.00
Total Current Liabilities	\$ -34,672.91
Total Liabilities	\$ -34,672.91
Equity	
Opening Balance Equity	-1,878,910.66
Reserves for WPS Cultural Centre ICIP Project	8,093,785.86
Transfer from Reserves	391,472.69
Trsf to Reserves	-6,606,347.89
Retained Earnings	1,953,916.61
Surplus/(Deficit) for the Year	7,125,657.33
Total Equity	\$9,079,573.94
Total Liabilities and Equity	\$9,044,901.03

West Parry Sound Recreation and Cultural Centre

Statement of Operations

January - December 2023

	TOTAL
REVENUES	
Donations	11,929.19
Event Ticket Sales	3,520.03
ICIP Comm Cult Grant Revenues	477,664.62
Municipal Contributions	6,606,347.89
T-shirt Sales	5,933.37
Total REVENUES	\$7,105,395.10
TOTAL REVENUES	\$7,105,395.10
EXPENSES	
Administrative Charge	40,000.00
Bank charges	207.52
Insurance	15,000.00
Legal and professional fees	
Appraisal - Due Diligence	6,311.60
Architectural - Due Diligence	13,000.00
Audit Fees	2,140.00
Consulting	13,137.00
Engineering Due Diligence	165,070.00
Environmental - Due Diligence	7,899.00
Legal	10,452.20
Total Legal and professional fees	218,009.80
Meals and entertainment	313.80
Office expenses	
Computer & Software	6,437.00
Total Office expenses	6,437.00
Promotional	48,204.09
T-Shirt Supplies	1,623.00
Total Expenses	\$329,795.21
INTEREST EARNINGS	
Interest earned	350,057.44
Total INTEREST EARNINGS	\$350,057.44
Annual Surplus/(Deficit)	\$7,125,657.33

West Parry Sound Recreation and Cultural Centre Fundraising Committee
Reported as of Dec 31, 2023

Fundraising Summary

Revenues

Misc Donations (not tax receipted)

T-Shirt Sales

Trellis Donations

Silent Auction

Stockey Event Settlement

Official tax receipted donations

Official tax receipted donations (cash/cheque)

Interest Earned in Charity bank account

Total contributions received

Expenses

Net Fundraising Balance - Surplus/(Deficit)

WPS Rec & Cultural Centre		C/O Town of Parry Sound	Total
2022	2023	2023	To Date
	11,929.19		
	5,933.37		
	-30.61		
		8,485.00	
		8,530.00	
		3,950.00	
	3,520.03		
		5,100.00	
		30,500.00	
		1,416.22	
0.00	21,351.98	57,981.22	79,333.20
(\$1,834.00)	(\$49,827.09)	(\$4,602.47)	(\$56,263.56)
(\$1,834.00)	(\$28,475.11)	\$53,378.75	\$23,069.64

Notes

t-shirts, misc donations not tax receipted

trellis invoice includes non-refundable hst

Detailed List of Expenses

Expense Details Supplier	Description	Invoice Number	Date	WPS Rec & Cultural Centre		C/O Town of Parry Sound	Total
				2022	2023	2023	To Date
North of Muskoka Embroidery Inc.	T-shirts	7367	13-12-2022	1,834.00			
North of Muskoka Embroidery Inc.	T-shirts	7418	14-04-2023		1,170.00		
North of Muskoka Embroidery Inc.	T-shirts	7520	05-05-2023		453.00		
Trellis Social Enterprise Inc.	annual subscription to donation software	INV-0491	28-04-2023			3,612.29	
Amazon	tap device for square	MAY-visa SP	01-05-2023			71.21	
Performance Sponsorship Group Inc.	Completion/approval of valuation report/prospect list	22/23-35	14-04-2023		13,125.00		
Performance Sponsorship Group Inc.	1st month of sales (\$5k per month)	22/23-35	14-04-2023		5,000.00		
Performance Sponsorship Group Inc.	Sponsorship and Facility Naming Rights	22/23-33	14-04-2023		13,125.00		
Township of Seguin	pool fundraising postcards	2023-091	05-05-2023		231.28		
Township of Seguin		2023-084	05/05/2023		72.5		
Performance Sponsorship Group Inc.	Canva Printing - Pool 2nd month per Letter of agreement	22/23-41	19/05/2023		5,000.00		
Performance Sponsorship Group Inc.	3rd month per Letter of agreement	22/23-45	22/06/2023		5,000.00		
Performance Sponsorship Group Inc.	4th month per Letter of agreement	22/24-02	21/07/2023		5,000.00		
Minuteman Press	Postcards	19954	21/07/2023		254.00		
Minuteman Press	Postcards	20069	27/07/2023		216.50		
Telephone usage for debit	June - Dec					154.46	
Bank fees & Trellis Processing	March - Dec					764.51	
Aqua Graphis	Promotional Winter Sound Waves	2023-9743	02/12/2023		285.00		
L.Walker	Expense reimbursement Winter Sound Waves		21/12/2023		351.65		
L.Walker	Food Expense reimbursement Winter Sound Waves		21/12/2023		543.16		
Total Expenses Incurred as of December 31, 2023				1,834.00	49,827.09	4,602.47	56,263.56

West Parry Recreation and Cultural Centre Board Open Meeting Report

Meeting Date: February 14, 2024

Report Title: 2022 Audited Financial Statements

Submitted by: Director of Finance

Purpose of Report:

To present the 2022 Audited Financial Statements to the Board for approval.

Resolution:

That the 2022 audited Financial Statements be approved substantially in the form attached.

Background:

The Board was incorporated on September 10, 2021 with very little activity during the balance of 2021. The 2022 financial statements are for the first full year of the Board's operation. The primary focus of the Board was to issue an RFP for the services of a project manager and subsequently another RFP for the services of an architect. The project manager was engaged in mid year and the architect towards the year end. The other significant transaction was the collection of a portion of the municipal contributions, \$1.7m shown on the Statement of Operations in order to fund expenditures.

Financial Impact: N/A

Attachments

Attachment 1 – 2022 Draft Financial Statements

West Parry Sound Recreation and Cultural Centre
Financial Statements
For the year ended 2022

Contents

Independent Auditor's Report	2 - 3
Financial Statements	
Statement of Financial Position	4
Statement of Operations and Accumulated Surplus	5
Statement of Change in Net Financial Assets (Debt)	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 11

Draft - Management review

Independent Auditor's Report

To the Joint Municipal Service Board of West Parry Sound Recreation and Cultural Centre

Opinion

We have audited the financial statements of The West Parry Sound Recreation and Cultural Centre (the "Centre"), which comprise the statement of financial position as at December 31, 2022, the statement of operations and accumulated surplus, the statement of change in net financial assets (debt) and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Centre as at December 31, 2022, and its results of operations, its change in net financial assets and, its cash flows for the year then ended in accordance Canadian public sector accounting standards.

Basis for Opinion

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 Centre 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 opinion.

First-time Adoption

We draw your attention to Note 2 of the financial statements which describes that the Centre adopted Canadian public sector accounting standards on January 1, 2022 with a transition date of September 10, 2021. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statement of financial position as at December 31, 2021 and the statement of operations and changes in net assets and cash flows for the year ended December 31, 2021 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is neither audited nor reviewed.

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 public sector accounting standards, 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 Centre'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 Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre'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 Centre'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 Centre'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 Centre 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.

Chartered Professional Accountants, Licensed Public Accountants
TBD
Barrie, Ontario

West Parry Sound Recreation and Cultural Centre
Statement of Financial Position

December 31	2022	2021 (Unaudited)
Financial assets		
Cash	\$ 1,832,443	\$ -
HST receivable	9,819	-
Accounts receivable	62,349	200,000
	<u>1,904,611</u>	<u>200,000</u>
Liabilities		
Accounts payable and accrued liabilities	39,669	49
Net financial assets	<u>1,864,942</u>	<u>199,951</u>
Non-financial assets		
Tangible capital assets (note 3)	85,025	-
Prepaid expenses	8,100	-
	<u>93,125</u>	<u>-</u>
Accumulated surplus (note 5)	<u>\$ 1,958,067</u>	<u>\$ 199,951</u>

Commitments (note 4)

Approved by the Board

_____ Board Chair

_____ Treasurer

West Parry Sound Recreation and Cultural Centre
Statement of Operations and Accumulated Surplus

For the year ended December 31	Budget 2022	2022	2021
Revenue			
Municipal contributions	\$ -	\$ 1,701,587	\$ 200,000
Government grants - Federal	-	62,349	-
Interest income	800	35,780	-
Other	40,737	-	-
	<u>41,537</u>	<u>1,799,716</u>	<u>200,000</u>
Expenses			
Administrative charge	20,000	20,000	-
Bank charges	200	437	49
Insurance	20,000	8,100	-
Office expense	2,260	2,329	-
Professional fees	54,400	10,734	-
Other expenses	15,000	-	-
	<u>111,860</u>	<u>41,600</u>	<u>49</u>
Annual surplus (deficit)	<u>(70,323)</u>	<u>1,758,116</u>	<u>199,951</u>
Accumulated surplus, beginning of year	199,951	199,951	-
Accumulated surplus, end of year	\$ 129,628	\$ 1,958,067	\$ 199,951

West Parry Sound Recreation and Cultural Centre
Statement of Change in Net Financial Assets (Debt)

For the year ended December 31	Budget 2022	2022	2021 (Unaudited)
Annual surplus (deficit)	\$ (70,323)	\$ 1,758,116	\$ 199,951
Acquisition of tangible capital assets	(7,337,177)	(85,025)	-
	(7,407,500)	1,673,091	199,951
Acquisition of prepaid expenses	-	(8,100)	-
Net change in net financial assets	(7,407,500)	1,664,991	199,951
Net financial assets, beginning of year	199,951	199,951	-
Net financial assets, end of year	\$ (7,207,549)	\$ 1,864,942	\$ 199,951

West Parry Sound Recreation and Cultural Centre
Statement of Cash Flows

For the year ended December 31	2022	2021
		(Unaudited)
Operating transactions		
Annual surplus	\$ 1,758,116	\$ 199,951
Changes in non-cash operating working capital:		
HST receivable	(9,819)	-
Accounts receivable	137,651	(200,000)
Prepaid expenses	(8,100)	-
Accounts payable, accrued liabilities	39,620	49
Deferred revenue	-	-
Total Operating Transactions	<u>1,917,468</u>	-
Capital transactions		
Acquisition of tangible capital assets	<u>(85,025)</u>	-
Increase in cash	1,832,443	-
Cash, beginning of year	<u>-</u>	-
Cash, end of year	<u>\$ 1,832,443</u>	<u>\$ -</u>

West Parry Sound Recreation and Cultural Centre

Notes to the Consolidated Financial Statements

December 31, 2022

1. Significant Accounting Policies

Management's Responsibility for the Financial Statements

The financial statements of West Parry Sound Recreation and Cultural Centre (the "Centre") are the responsibility of management. They have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Nature of Operations

The Centre is a Joint Municipal Service Board ("Board") established by the following Municipalities:

- The Corporation of The Township of the Archipelago
- The Corporation of the Township of Carling
- The Corporation of the Municipality of McDougall
- Corporation of the the Township of McKellar
- The Corporation of the Town of Parry Sound
- The Corporation of the Township of Seguin

The Centre is currently in it's design phase. The Centre's primary role will be to provide pool and recreation services to the general public. The Centre is a not-for-profit organization and as such, is exempt from income tax under the Canadian Income Tax Act.

Reserves and Reserve Funds

Certain amounts, as approved by the Board, are set aside in reserves and reserve funds for future operations and capital purposes. Further disclosure of the amounts are part of accumulated surplus in Note 5 of the financial statements.

Financial Instruments

Financial instruments are classified into three categories: fair value, amortized cost or cost. The following chart shows the measurement method for each type of financial instrument held by the Centre.

Financial Instrument	Measurement Method
Cash	Cost
Accounts receivable	Cost
Accounts payable and accrued liabilities	Cost

Tangible Capital Assets Under Construction

Tangible capital assets under construction are recorded at cost. When construction is completed, the tangible capital asset under construction will be transferred to tangible capital assets and amortized based on its classification.

West Parry Sound Recreation and Cultural Centre
Notes to the Consolidated Financial Statements

December 31, 2022

1. Significant Accounting Policies (continued)

Government Transfers

Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Revenue Recognition

Interest income is recognized in the period it is earned.

Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The principal estimates used in the preparation of these financial statements include the valuation of tangible capital assets, valuation of accounts receivable and significant accruals. Actual results could differ from management's best estimates as additional information becomes available in the future.

Draft - Management Comment Review

West Parry Sound Recreation and Cultural Centre
Notes to the Consolidated Financial Statements

December 31, 2022

2. First-time Adoption

Effective January 1, 2022, the Centre adopted the requirements of the accounting framework, Canadian public sector accounting standards. These are the Centre's first financial statements prepared in accordance with this framework. First-time adoption of this basis of accounting had no impact on the Centre's annual surplus for the year ended December 31, 2021 or on accumulated surplus as at September 10, 2021, the date of transition. The opening statement of financial position has not been presented as the Centre was not formed until September 10, 2021.

3. Tangible Capital Assets

	2022		2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Assets under construction	\$ 85,025	\$ -	\$ -	\$ -
Net book value		\$ 85,025		\$ -

During the year, the Centre purchased capital assets with a total cost of \$85,025 (2021 - \$NIL) by means of cash.

During the year, the Centre continued planning for the construction of the new building in Parry Sound. The total budgeted costs for this project are estimated to be \$31,900,000. During the year, capital assets related to this project were acquired, but the building was not ready for use as of December 31, 2022. These assets have been included in assets under construction above and have not been amortized in the period.

West Parry Sound Recreation and Cultural Centre
Notes to the Consolidated Financial Statements

December 31, 2022

4. Commitments

During the year, the Centre entered into a contract with CS & P Architects Inc. for architect services relating to the design of the Centre for total estimated costs of \$2,256,610 (inclusive of HST).

The Centre has also entered into a contract with a project manager for an estimated cost of \$612,000.

Subsequent to year end, the Centre entered into a contract with Ball Construction Ltd. for construction services. Total estimated construction costs are \$23,865,361 (inclusive of HST). Substantial completion is estimated to be the middle of 2026.

5. Accumulated Surplus

The Centre's accumulated surplus balance at year end consists of the following:

	2022	2021
Invested in tangible capital assets	\$ 85,025	\$ -
Reserves:		
General capital reserve	1,877,042	199,951
	<u>\$ 1,962,067</u>	<u>\$ 199,951</u>
