

**CANADIAN WORKER CO-OPERATIVE FEDERATION**  
**Financial Statements**  
**Year Ended August 31, 2022**

**CANADIAN WORKER CO-OPERATIVE FEDERATION**

**Index to Financial Statements**

**Year Ended August 31, 2022**

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	Page
INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues and Expenditures	4
Statement of General Reserve	5
Statement of Cash Flow	6
Notes to Financial Statements	7 - 15

## INDEPENDENT AUDITORS' REPORT

To the Members of Canadian Worker Co-operative Federation

### *Opinion*

We have audited the financial statements of Canadian Worker Co-operative Federation (the Federation), which comprise the statement of financial position as at August 31, 2022, and the statements of revenues and expenditures, general reserve and cash flow 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 Federation as at August 31, 2022, and the results of its operations and cash flow for the year then ended in accordance with Canadian accounting standards for Not-for-Profit Organizations (ASNPO).

### *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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Federation in accordance with 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.

### *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 ASNPO, 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 Federation'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 Federation or to cease operations, or has no realistic alternative but to do so.

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

### *Auditors' 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 auditors' 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:

(continues)

Independent Auditors' Report to the Members of Canadian Worker Co-operative Federation *(continued)*

- 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 Federation'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 Federation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Federation 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.

*Bishop & Company*

CHARTERED PROFESSIONAL ACCOUNTANTS

Wolfville, NS  
November 7, 2022

# CANADIAN WORKER CO-OPERATIVE FEDERATION

## Statement of Financial Position

August 31, 2022

	Federation Operations 2022	Tenacity Works Fund 2022	Total 2022	Total 2021
<b>ASSETS</b>				
<b>CURRENT</b>				
Cash	\$ 453,456	\$ 290,153	\$ 743,609	\$ 724,070
Accounts receivable (Note 4)	12,419	488	12,907	7,184
Prepaid expenses	580	-	580	579
Interfund balances (Note 5)	8,697	(8,697)	-	-
	475,152	281,944	757,096	731,833
<b>LONG TERM</b>				
INVESTMENTS (Note 6)	20,261	72,922	93,183	33,585
LOAN RECEIVABLE (Note 7)	-	30,228	30,228	16,386
RESTRICTED CASH (Note 8)	6,465,014	-	6,465,014	5,808,462
LOANS TO WORKER CO- OPERATIVES (Note 9)	-	5,751	5,751	9,268
	\$ 6,960,427	\$ 390,845	\$ 7,351,272	\$ 6,599,534

## LIABILITIES AND MEMBERS' EQUITY

<b>CURRENT</b>				
Accounts payable and accrued liabilities	\$ 30,936	\$ -	\$ 30,936	\$ 16,003
Harmonized sales tax payable	2,176	-	2,176	675
Deferred income (Note 11)	58,738	-	58,738	31,700
	91,850	-	91,850	48,378
LONG TERM DEBT (Note 12)	30,000	-	30,000	30,000
<b>TRUST FUNDS</b>				
PAYABLE (Note 13)	6,465,014	-	6,465,014	5,808,462
	6,586,864	-	6,586,864	5,886,840
<b>MEMBERS' EQUITY</b>				
General reserve (Note 14)	373,563	390,845	764,408	712,694
	\$ 6,960,427	\$ 390,845	\$ 7,351,272	\$ 6,599,534

COMMITMENTS (Note 17)

CONTINGENT LIABILITY (Note 23)

## ON BEHALF OF THE BOARD

\_\_\_\_\_ Director

\_\_\_\_\_ Director

See accompanying notes to financial statements

# CANADIAN WORKER CO-OPERATIVE FEDERATION

## Statement of Revenues and Expenditures

Year Ended August 31, 2022

	Federation Operations 2022	Tenacity Works Fund 2022	Total 2022	Total 2021
<b>REVENUE</b>				
Annual general meeting	\$ 10,623	\$ -	\$ 10,623	\$ -
Dues (Note 19)	31,843	-	31,843	31,542
Investment income (Note 20)	231,489	5,347	236,836	135,599
RRSP and TFSA fees	206,697	-	206,697	214,437
Other income (Note 21)	27,014	-	27,014	30,318
	<u>507,666</u>	<u>5,347</u>	<u>513,013</u>	<u>411,896</u>
<b>EXPENSES</b>				
Annual general meeting	13,341	-	13,341	4,153
Bad debts (recovery)	-	-	-	(3,637)
Board and committee	5,391	-	5,391	-
Bookkeeping	14,637	599	15,236	14,491
Dues and insurance	9,811	1,090	10,901	11,820
Government relations	19,553	-	19,553	10,452
Interest and bank charges	1,477	168	1,645	3,540
Office and communications	25,714	1,340	27,054	17,675
Professional and consulting fees	8,065	1,660	9,725	11,983
RRSP Program	133,129	-	133,129	122,933
Rental	5,000	-	5,000	4,788
Salaries and independent contractors (Note 22)	142,337	11,439	153,776	143,546
Special projects	31,676	-	31,676	30,550
TFSA Program	11,567	-	11,567	10,554
Technical assistance grants	22,498	-	22,498	21,991
Travel	434	-	434	65
	<u>444,630</u>	<u>16,296</u>	<u>460,926</u>	<u>404,904</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<u>63,036</u>	<u>(10,949)</u>	<u>52,087</u>	<u>6,992</u>
Recovery on write-down of loans to Worker Co- operatives	-	1,580	1,580	1,810
Loss from CCIF Limited Partnership	-	(1,953)	(1,953)	(16,665)
	-	(373)	(373)	(14,855)
<b>NET INCOME (LOSS)</b>	<u>\$ 63,036</u>	<u>\$ (11,322)</u>	<u>\$ 51,714</u>	<u>\$ (7,863)</u>

See accompanying notes to financial statements

**CANADIAN WORKER CO-OPERATIVE FEDERATION****Statement of General Reserve****Year Ended August 31, 2022**

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	Federation Operations 2022	Tenacity Works Fund 2022	<b>Total 2022</b>	Total 2021
<b>GENERAL RESERVE - BEGINNING OF YEAR</b>	\$ 310,527	\$ 402,167	\$ <b>712,694</b>	\$ 720,557
Net income (loss)	63,036	(11,322)	<b>51,714</b>	(7,863)
<b>GENERAL RESERVE - END OF YEAR</b>	<b>\$ 373,563</b>	<b>\$ 390,845</b>	<b>\$ 764,408</b>	<b>\$ 712,694</b>

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See accompanying notes to financial statements

**CANADIAN WORKER CO-OPERATIVE FEDERATION****Statement of Cash Flow****Year Ended August 31, 2022**

	<b>2022</b>	2021
<b>OPERATING ACTIVITIES</b>		
Cash receipts from operations	\$ 297,489	\$ 350,602
Cash paid to suppliers and employees	(442,766)	(421,153)
Interest received	236,836	75,282
Interest paid	(1,645)	(3,540)
Harmonized sales tax	1,501	(913)
	<hr/>	<hr/>
Cash flow from operating activities	<b>91,415</b>	278
<b>INVESTING ACTIVITIES</b>		
Purchase of long term investments	(61,551)	(18,934)
Loan advances	(13,842)	(6,606)
Increase in Trust Funds payable	656,551	1,601,686
Increase in restricted cash / investments	(656,551)	(1,601,686)
Net change in loans to Worker Co-operatives	3,517	3,645
	<hr/>	<hr/>
Cash flow used by investing activities	<b>(71,876)</b>	(21,895)
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>19,539</b>	(21,617)
Cash - beginning of year	<hr/> <b>724,070</b>	<hr/> 745,687
<b>CASH - END OF YEAR</b>	<hr/> <b>\$ 743,609</b>	<hr/> \$ 724,070

See accompanying notes to financial statements



# CANADIAN WORKER CO-OPERATIVE FEDERATION

## Notes to Financial Statements

Year Ended August 31, 2022

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### 1. NATURE OF OPERATIONS

The Federation, incorporated under the Canada Co-operatives Act, is a Not-for-Profit co-operative whose objective is to work for the development and expansion of employee owned businesses organized according to co-operative principles.

The Federation is exempted from income tax under Section 149(1)(l) of the Canadian Income Tax Act which deals with Not-for-Profit Organizations.

The Federation Operations manages the operations of the Federation, provides service for funding received in the form of service contracts, and manages the RRSP and TFSA contributions of employees and investors of member co-operatives and other organizations.

The Tenacity Works Fund manages capital held by the Canadian Worker Co-operative Federation to provide funding capital to member co-operatives in the form of term loans. In 2020 the mandate of the Fund was expanded to include funding emergency loans.

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO).

#### Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks.

#### Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, investments in equity instruments that are quoted in an active market are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are subsequently reported at amortized cost, and tested for impairment when there are indicators of impairment.

Transaction costs on the acquisition, sale, or issue of financial instruments which are subsequently reported at fair value are expensed when incurred. Transaction costs on the acquisition, sale, or issue of financial instruments which are subsequently reported at amortized cost are amortized over the expected life of the instrument.

Financial assets measured at amortized cost include cash, accounts receivable, long term investments in widely held co-operatives, loans receivable, restricted cash and investments, and loans to worker co-operatives.

Financial liabilities measured at amortized cost include the accounts payable, trust funds payable and long term debt.

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# CANADIAN WORKER CO-OPERATIVE FEDERATION

## Notes to Financial Statements

Year Ended August 31, 2022

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

#### Investment in CCIF Limited Partnership

The investment in CCIF Limited Partnership is accounted for using the equity method. The investment is initially recorded at cost and is adjusted thereafter to include additional cash investments to August 31 and the Fund's pro rata share of the earnings (losses) of the Limited Partnership to June 30. Earnings between July 1 and August 31 are not significant. The investment is tested for impairment on an annual basis and when there are indicators of impairment the carrying value of the investment will be reduced accordingly.

#### Revenue recognition

- a) The value of donated materials and services are not recorded in these financial statements. Cash donations are recognized in the year received.
- b) Funds received under various grant programs are recognized as income in the period in which they are utilized for approved grant purposes. Unused funds are reflected on the balance sheet as deferred income.
- c) The Federation follows the deferral method of accounting for contributions.
- d) Revenue from Federation programs are recognized as services are performed and ultimate collection is reasonably assured.
- e) Investment income is recognized as revenue in the year in which it is earned.

#### Allocation of expenses

The Federation allocates certain salaries and wages proportionately on the basis of the time spent to the various projects listed on the Statement of Revenues and Expenditures for which funding has been specifically provided. The allocation of the salaries and wages does not exceed the revenue received and/or receivable for each project. Similarly, salaries and wages are allocated to the Tenacity Works Fund in proportion to the time spent. The basis of allocation is applied consistently each year.

#### Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period.

Most notable, the Tenacity Works Fund extends loans to qualifying co-operative businesses. The Fund's management has estimated the allowance for loan impairment based upon six criteria as follows: 1) whether the Co-op has achieved its revenue and expense projections, 2) if revenue and expense projections are not met, review of a financial plan demonstrating potential to repay, 3) level of security vis a vis other creditors, 4) commitment level of members to achieve success, 5) payment history, and 6) length of term until full payment is due. Significant changes in these factors could result in a material impairment of the loans to worker co-operatives.

Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

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# CANADIAN WORKER CO-OPERATIVE FEDERATION

## Notes to Financial Statements

Year Ended August 31, 2022

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### 3. FINANCIAL INSTRUMENTS

The Federation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. It is management's opinion that the Federation is not exposed to significant currency risk from its financial instruments. The following analysis provides information about the Federation's risk exposure and concentration as of August 31, 2022.

#### Credit risk

The Federation is exposed to credit risk in connection with the collection of its accounts receivable, loans receivable, and loans to worker co-operatives. The Federation mitigates this risk by performing credit checks and therefore does not anticipate significant loss for non-collection. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information.

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Federation has a comprehensive plan in place to meet their obligations as they come due - primarily from cash flow from operations.

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Federation is mainly exposed to interest rate risk.

#### Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Federation is exposed to interest rate risk on its fixed and floating rate interest bearing financial instruments which include restricted cash, loans receivable, and long term debt. Changes in the bank lending rates can cause fluctuations in cash flows and interest expense. The Federation does not use any derivatives to manage this risk.

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### 4. ACCOUNTS RECEIVABLE

	<b>2022</b>	2021
Accounts receivable	<b>\$ 12,907</b>	\$ 6,948
Interest receivable	-	236
Allowance for doubtful accounts	-	-
	<b>\$ 12,907</b>	\$ 7,184

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### 5. INTERFUND BALANCES

Interfund balances are non-interest bearing, unsecured and have no set terms of repayment.

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# CANADIAN WORKER CO-OPERATIVE FEDERATION

## Notes to Financial Statements

Year Ended August 31, 2022

### 6. LONG TERM INVESTMENTS

	<u>2022</u>	<u>2021</u>
Alberta Community and Co-operative Association	\$ 50	\$ 50
British Columbia Co-operative Association	10	10
Canadian Co-operative Investment Fund	100	100
CCIF Limited Partnership, accounted for using the equity method ( <i>Note 17</i> )	72,065	32,492
Membership Shares Co-operators Group	1	1
Co-operative Management Education Co-operative	100	100
Co-operators Group Class D Shares	20,000	-
Connect First Credit Union	857	832
	<u>\$ 93,183</u>	<u>\$ 33,585</u>

### 7. LOAN RECEIVABLE

	<u>2022</u>	<u>2021</u>
CCIF Limited Partnership loan receivable bearing interest at 4% per annum, repayable at the sole and absolute option of the CCIF Limited Partnership. The loan is unsecured, matures on December 8, 2022 and can be extended by an additional five years at the option of the CCIF Fund Management ( <i>Note 17</i> ).	\$ 30,228	\$ 16,386
Amounts receivable within one year	-	-
	<u>\$ 30,228</u>	<u>\$ 16,386</u>

### 8. RESTRICTED CASH

Restricted cash represents amounts held in trust for RRSP and TFSA deposits, the Mark Goldblatt Fund, and deposits for the Federation of Worker Co-ops of British Columbia (*Note 13*).

### 9. LOANS TO WORKER CO-OPERATIVES

	<u>2022</u>	<u>2021</u>
Term loans	\$ 6,488	\$ 11,585
Allowance for loan impairment	(737)	(2,317)
	<u>\$ 5,751</u>	<u>\$ 9,268</u>

Pursuant to the terms of the HRDC Pilot Project, loans are extended to qualifying co-operative businesses. Term loans bear interest at varying rates and are repayable in blended monthly installments over a five year term. Preferred loans bear interest at varying rates which accrue over the five year term of the loan. Accrued interest and principal are due and payable at the end of the term. There is a registered security agreement covering each loan.

# CANADIAN WORKER CO-OPERATIVE FEDERATION

## Notes to Financial Statements

Year Ended August 31, 2022

### 10. CREDIT FACILITY

The bank operating loan with Valley Credit Union is limited to \$20,000, bears interest at prime plus 1.75% and is secured by a General Security Agreement on the funds held in deposit at the Credit Union. At the balance sheet date, there are no advances on the credit facility.

### 11. DEFERRED INCOME

	Opening balance	Contributions received	Revenue recognized	Ending balance
RRSP fees	\$ 14,585	\$ -	\$ 14,585	\$ -
Worker Co-op Academy Program (Note 17)	10,615	1,000	10,615	1,000
JEDI Conversion Project (Note 17)	-	49,988	-	49,988
Technical Assistance Program	5,000	-	5,000	-
Conference sponsorship	1,500	7,750	1,500	7,750
	<u>\$ 31,700</u>	<u>\$ 58,738</u>	<u>\$ 31,700</u>	<u>\$ 58,738</u>

### 12. LONG TERM DEBT

Connect First Credit Union Ltd. Canadian Emergency Business Account (CEBA) term loan bearing interest at 0% per annum, with no principal repayments required until January 1, 2024. If 75% of the loan is repaid by December 31, 2023, the remaining balance of the loan will be forgiven. Balances outstanding thereafter bear interest at the rate of 5% per annum which is payable monthly. \$40,000 was advanced in May 2020 and the loan is reflected net of the forgivable portion. The balance is due in full on December 31, 2026.

Amounts payable within one year

	2022	2021
	\$ 30,000	\$ 30,000
	-	-
	<u>\$ 30,000</u>	<u>\$ 30,000</u>

### 13. TRUST FUNDS PAYABLE

	2022	2021
RRSP deposits	\$ 5,989,286	\$ 5,588,634
TFSA deposits	448,160	192,260
Mark Goldblatt Fund	25,000	25,000
FWCBC deposits	2,568	2,568
	<u>\$ 6,465,014</u>	<u>\$ 5,808,462</u>

The RRSP and TFSA deposits represent uninvested cash held on behalf of members. The Mark Goldblatt Fund is a bequest received during 2016 which is restricted for use in a cultural project. The FWCBC funds are being held in trust by the Canadian Worker Co-operative Federation until such time as the BC organization resumes operations.

# CANADIAN WORKER CO-OPERATIVE FEDERATION

## Notes to Financial Statements

Year Ended August 31, 2022

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### 14. GENERAL RESERVE

Pursuant to the Federation's Articles of Association, any surplus of the Federation is to be retained as a reserve and used only for the objects for which the Federation is established. No part of the reserve shall be payable to, or otherwise be available for, the personal benefit of any member of the Federation.

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### 15. SHARE CAPITAL

Pursuant to the Federation's Articles of Association there is no legal share capital. The relationship among the members is that of a membership bond with rights and attendant limitations from time to time embodied in the bylaws of the Federation.

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### 16. RETIREMENT PLAN

The Federation contributes to a defined contribution employer-matched retirement benefit group RRSP-TFSA plan. Contributions made to the plan and expensed in the current year total \$6,165 (2021 - \$4,378).

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### 17. COMMITMENTS

In addition to the \$90,684 invested in and the \$30,228 loaned to the CCIF Limited Partnership, and subject to certain conditions, the Federation has made additional investment pledges from the Tenacity Works Fund totaling \$129,088 to the Canadian Co-op Investment Fund (CCIF) over a 2-year period.

The Federation has a lease with respect to its office premises which expires in December 2022. The future minimum lease payments (including HST) as at August 31, 2022 are \$2,247.

The Federation has a service agreement with respect to its investment administration services which expires in December 2023. The future minimum service fees (including GST) as at August 31, 2022 are \$17,640.

The Federation has undertaken a project titled "Worker Co-op Academy Program" (*Note 11*) with various funding sources. The Federation has entered into numerous contracts with service providers in relation to this project, which include commitments amounting to \$55,487. At year end, the outstanding obligation related to these contracts was \$7,930.

The Federation has undertaken a project titled "Justice, Equity, Diversity, and Inclusion (JEDI) Social Acquisition" (*Note 11*) with \$49,988 of funding from Employment and Social Development Canada. At year end, the Federation has not entered into any contracts in relation to this project.

The Federation has committed \$10,000 for racial justice grants, and an additional \$2,000 for BIPOC bursaries, per year for 2022 and 2023. The funding will come from the general reserve. During the year, CWCF provided \$2,855 to cover travel expenses for several racialized participants to the Association of Co-operative Educators Conference in July, 2022.

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# CANADIAN WORKER CO-OPERATIVE FEDERATION

## Notes to Financial Statements

Year Ended August 31, 2022

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### 18. RELATED PARTY TRANSACTIONS

Payments to member Co-operatives, Developer members, members of the Board of Directors or businesses owned by employees for contracts awarded:

	<u>2022</u>	<u>2021</u>
CanTrust Hosting Co-operative	\$ 384	\$ 576
Communitas Group	3,600	-
Deep Hollow Print	2,167	2,400
Hullabaloo Publishing (Prairie Dog)	344	-
Hypha Worker Co-operative Inc.	-	908
Marty Frost	6,060	-
Meg Ronson	1,000	-
Réseau de la coopération du travail du Québec	5,570	5,460
Rhythm Communications	11,706	20,918
Sun Certified Builders Cooperative Limited	3,500	-
Urbane Cyclist	1,750	-

The Federation regularly engages in transactions with its members, who are considered related parties. Most of these transactions are undertaken in the normal course of operations, are reflected at the exchange amount, and are not disclosed separately. Other payments for contracts awarded to member Co-operatives, Developer members, members of the Board of Directors, and businesses owned by employees are disclosed above. The Board of Directors has procedures in place to ensure that any relationship for contracts awarded to a member is equitable, legal, and financially responsible to both the Federation and the member co-operative.

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### 19. DUES

	<u>2022</u>	<u>2021</u>
Regular	\$ 22,643	\$ 22,242
Associate	7,700	7,800
Regional Federation	1,500	1,500
	<u>\$ 31,843</u>	<u>\$ 31,542</u>

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**CANADIAN WORKER CO-OPERATIVE FEDERATION****Notes to Financial Statements****Year Ended August 31, 2022**

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## 20. INVESTMENT INCOME

	<u>2022</u>	<u>2021</u>
<b>Investment income- Federation</b>		
Loyalty payment Co-operators	\$ 120,832	\$ 60,317
Interest	110,157	64,612
Dividends Co-operators Class D shares	500	-
	<u>231,489</u>	<u>124,929</u>
<b>Investment income - Fund</b>		
Interest	4,278	8,870
Investment loan interest	767	1,171
CCIF interest	302	629
	<u>5,347</u>	<u>10,670</u>
	<u>\$ 236,836</u>	<u>\$ 135,599</u>

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## 21. OTHER INCOME

	<u>2022</u>	<u>2021</u>
Fee for service contracts	\$ 17,438	\$ 27,674
Donations	6,873	623
Finders fees	1,859	2,021
Miscellaneous	844	-
	<u>\$ 27,014</u>	<u>\$ 30,318</u>

Fee for service contract revenue includes \$5,134 (2021 - \$20,536) of funding from the Government of Quebec for the Worker Co-op Academy program.

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## 22. ALLOCATION OF SALARIES AND INDEPENDENT CONTRACTORS

As described in *Note 2*, salaries and wages are allocated proportionately on the basis of time spent.

	<u>2022</u>	<u>2021</u>
Total salaries and wages	\$ 260,593	\$ 241,688
Allocation to projects	(106,817)	(98,142)
	<u>\$ 153,776</u>	<u>\$ 143,546</u>

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## 23. CONTINGENT LIABILITY

In 2020, the Federation received a \$40,000 Canada Emergency Business Account (CEBA) loan, \$10,000 of which is forgivable if the remainder of the loan is repaid by December 31, 2023 (*Note 12*). The \$10,000 CEBA loan forgiveness was recognized in income in 2020 and is fully repayable over the extended term of the loan if this condition is not met.

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# CANADIAN WORKER CO-OPERATIVE FEDERATION

## Notes to Financial Statements

Year Ended August 31, 2022

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### 24. IMPACT OF COVID-19

The outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of social and physical distancing, travel bans, and self-imposed quarantine periods, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Federation in future periods.

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### 25. COMPARATIVE FIGURES

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

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