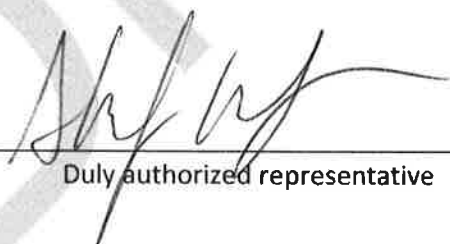


HIVE CAFÉ, SOLIDARITY COOPERATIVE

ANNUAL FINANCIAL REPORT

APRIL 30, 2019

Draft approval :


Duly authorized representative

NB : please allow a minimum of two to three business days for the production of the financial report after the financial statements approval.

Thank you for your collaboration.

Approval date :

Year	Month	Day
2019	10	15

Client no. : 1350

HIVE CAFÉ, SOLIDARITY COOPERATIVE

ANNUAL FINANCIAL REPORT

APRIL 30, 2019

Draft 2

HIVE CAFÉ, SOLIDARITY COOPERATIVE

ANNUAL FINANCIAL REPORT

APRIL 30, 2019

Summary

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT	3
FINANCIAL STATEMENTS	
Income statement	4
Reserve	5
Balance sheet	6
Cash flows	7
Notes to financial statements	8 - 11

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the members of
HIVE CAFÉ, SOLIDARITY COOPERATIVE

We have reviewed the accompanying financial statements of HIVE CAFÉ, SOLIDARITY COOPERATIVE that comprise the balance sheet as at April 30, 2019, and the statements of income, reserve and cash flows for the year then 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 HIVE CAFÉ, SOLIDARITY COOPERATIVE as at April 30, 2019, 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.

APSV Chartered Professional Accountants inc.¹

Montreal, (approval date)

HIVE CAFÉ, SOLIDARITY COOPERATIVE**INCOME STATEMENT****FOR THE YEAR ENDED APRIL 30, 2019****(unaudited)**

	<u>2019</u>	<u>2018</u>
REVENUES		
Sales	\$ 346,775	\$ 328,334
Cost of goods sold	<u>137,847</u>	<u>147,649</u>
GROSS MARGIN	<u>208,928</u>	<u>180,685</u>
OTHER REVENUES		
Space rental	9,412	11,609
Rental revenues	5,501	4,943
Free lunch	1,062	1,373
Grants		
Concordia Students Union free lunch	43,500	43,500
Grant-Levy GSA	36,680	32,000
Others	34,047	33,076
Amortization of deferred contributions related to fixed assets	7,796	7,796
Concordia Students Union	<u>3,500</u>	<u>23,023</u>
	<u>141,498</u>	<u>157,320</u>
	<u>350,426</u>	<u>338,005</u>
ADMINISTRATIVE EXPENSES		
Salaries and benefits	290,355	245,929
Depreciation of fixed assets	19,573	18,037
Other fees	13,048	12,182
Insurance	7,346	8,320
Free lunch	7,143	6,227
Taxes, permits and licenses	7,007	8,903
Banking fees and interests	6,510	5,238
Telephone and internet	6,373	1,344
Accounting and legal fees	5,530	3,250
Maintenance and repairs	1,618	3,788
Office supplies	1,437	1,410
Service	853	451
Advertising	386	97
Bad debt	<u>-</u>	<u>413</u>
	<u>367,179</u>	<u>315,589</u>
SURPLUS (DEFICIT)	<u>\$ (16,753)</u>	<u>\$ 22,416</u>

HIVE CAFÉ, SOLIDARITY COOPERATIVE

RESERVE

**FOR THE YEAR ENDED APRIL 30, 2019
(unaudited)**

	<u>2019</u>	<u>2018</u>
BALANCE, BEGINNING OF YEAR	\$ 84,985	\$ 5,045
Surplus (deficit)	<u>22,416</u>	<u>79,940</u>
BALANCE, END OF YEAR	<u>\$ 107,401</u>	<u>\$ 84,985</u>

Draft 2

HIVE CAFÉ, SOLIDARITY COOPERATIVE


BALANCE SHEET


AS AT APRIL 30, 2019

(unaudited)

	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 149,611	\$ 142,383
Accounts receivable	270	356
Inventories	13,717	15,268
Prepaid expenses	<u>4,852</u>	<u>2,730</u>
	168,450	160,737
FIXED ASSETS (note 3)	<u>27,450</u>	<u>46,601</u>
	<u>\$ 195,900</u>	<u>\$ 207,338</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (note 4)	\$ 23,504	\$ 20,583
Deferred contributions related to fixed assets	<u>6,738</u>	<u>14,534</u>
	<u>30,242</u>	<u>35,117</u>
MEMBERS' EQUITY		
MEMBERSHIP SHARE CAPITAL		
Members' shares (note 6)	75,010	64,820
COOPERATIVE NET ASSET		
Net surplus (deficit) of the year	(16,753)	22,416
General reserve	<u>107,401</u>	<u>84,985</u>
	<u>165,658</u>	<u>172,221</u>
	<u>\$ 195,900</u>	<u>\$ 207,338</u>

APPROVED,


15/10/2019


15/10/2019

HIVE CAFÉ, SOLIDARITY COOPERATIVE
CASH FLOWS
FOR THE YEAR ENDED APRIL 30, 2019
(unaudited)

	<u>2019</u>	<u>2018</u>
OPERATING ACTIVITIES		
Surplus (deficit)	\$ (16,753)	\$ 22,416
Non-cash items:		
Depreciation of fixed assets	19,573	18,037
Amortization of deferred contributions related to fixed assets	<u>(7,796)</u>	<u>(7,796)</u>
	<u>(4,976)</u>	<u>32,657</u>
Net change in non-cash working capital items:		
Accounts receivable	86	4,858
Inventories	1,551	(758)
Prepaid expenses	(2,122)	(2,730)
Accounts payable and accrued liabilities	<u>2,921</u>	<u>(3,327)</u>
	<u>2,436</u>	<u>(1,957)</u>
Cash flows from operating activities	<u>(2,540)</u>	<u>30,700</u>
INVESTING ACTIVITY		
Acquisition of fixed assets	<u>(422)</u>	<u>(14,926)</u>
FINANCING ACTIVITY		
Issue of membership shares and cash flow used in financing activities	<u>10,190</u>	<u>23,120</u>
INCREASE IN CASH AND CASH EQUIVALENTS	<u>7,228</u>	<u>38,894</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>142,383</u>	<u>103,489</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 149,611</u>	<u>\$ 142,383</u>

Cash and cash equivalents consist of cash.

HIVE CAFÉ, SOLIDARITY COOPERATIVE

NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2019

(unaudited)

1. LEGAL STATUS AND NATURE OF ACTIVITIES

HIVE CAFÉ SOLIDARITY COOPERATIVE is a not-for-profit organization formed under Loi sur les coopératives du Québec, on May 2, 2014 and is exempt from income taxes. Its operations started on September 2014. Its objective is to exploit a company in order to provide work to its working members as well as goods and services of personal utility to its user members in the field of the restauration and of the food services and all other related activities while gathering people or companies having an economic interest, social or cultural in the respect of this object.

2. SIGNIFICANT ACCOUNTING POLICIES

The Cooperative applies the Canadian accounting standards for not-for-profit organizations.

Use of 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 the disclosure of contingencies at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The amounts accounted for and the information provided on the basis of these estimates and assumptions could be different from the actual results.

Revenue recognition

Contributions

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenues in the year in which related expenses are incurred. Unrestricted contributions are recognized as revenues when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Deferred contributions related to fixed assets are recognized as revenues over the same period of related fixed assets.

Sales

Sales revenues are recognized at the delivery of the goods or services.

Fixed assets

Fixed assets are accounted for at cost. Depreciation is based on their useful life using the straight-line following method over 5 years.

Inventories

Inventories are measured at the lower of cost and net realizable value. The cost is determined using the first-in, first-out method. The cost of inventory included all costs of purchase net of vendor allowances and other costs incurred in bringing the inventories to their present location and condition.

HIVE CAFÉ, SOLIDARITY COOPERATIVE

NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2019

(unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed supplies and services

The organization as entered into two long-term sublease agreements with Concordia Student Union for the Cafe in both locations for an annual rent of 1\$ from September 30, 2014 to May 31, 2019, subject to two renewal periods of 5 years. An automatic renewal occurred in June 2019. The sublease also include free use of kitchen and cafe equipment for the same period.

Financial instruments

Initial and subsequent measurement

The Cooperative initially measures its financial assets and liabilities at fair value.

The Cooperative subsequently measures all its financial assets and liabilities at cost or amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable.

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

3. FIXED ASSETS

	2019		2018	
	Cost	Accumulated depreciation	Net book value	Net book value
Café and catering equipment	\$ 51,668	\$ 35,957	\$ 15,711	\$ 26,043
Kitchen equipment	23,231	16,181	7,050	11,436
Furniture and fixtures	12,739	9,081	3,658	6,004
Office furniture and equipment	8,458	7,738	720	2,412
Leasehold improvements	1,220	1,139	81	325
Computer software	755	525	230	381
	<u>\$ 98,071</u>	<u>\$ 70,621</u>	<u>\$ 27,450</u>	<u>\$ 46,601</u>

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2019	2018
Government remittances	\$ 17,340	\$ 14,113
Accrued salaries and benefits	6,164	4,826
Accounts payable and accrued charges	<u>-</u>	<u>1,644</u>
	<u>\$ 23,504</u>	<u>\$ 20,583</u>

HIVE CAFÉ, SOLIDARITY COOPERATIVE

NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2019

(unaudited)

5. DEFERRED CONTRIBUTIONS RELATED TO FIXED ASSETS

Deferred contributions related to fixed assets correspond to amounts received for acquisition of fixed assets. There are accounted for as deferred subsidy and amortized on the same basis as the related fixed assets.

	<u>Balance as at April 30 2018</u>	<u>Granted</u>	<u>Recognized as revenues</u>	<u>Balance as at April 30 2019</u>
Concordia Student Union	\$ <u>14,534</u>	\$ <u>-</u>	\$ <u>7,796</u>	\$ <u>6,738</u>

6. MEMBERS' SHARES

	<u>2019</u>	<u>2018</u>
7,439 shares (6 420 in 2018) - user members	\$ 74,390	\$ 64,200
32 shares (32 in 2018) - worker members	320	320
3 shares (3 in 2018) - support members	<u>300</u>	<u>300</u>
	\$ <u>75,010</u>	\$ <u>64,820</u>

Preferred shares

The board is authorized to issue preferred shares and to determine their characteristics.

Payments

For user members and worker members, social shares are payable by cash, debit or credit card at the moment of admission as a member. Support members can pay their shares by cash, via the internal transfer account of Concordia University, or by cheque.

Transfer of shares

Social shares are non-transferrable.

Refund of social shares

Subject to the restrictions provided in article 38 of the law, the refund of social shares is given based on the following priorities:

- a) Death of the member;
- b) Resignation;
- c) Expulsion;
- d) Refund of social shares other than social capital qualification shares.

HIVE CAFÉ, SOLIDARITY COOPERATIVE

NOTES TO FINANCIAL STATEMENTS

AS AT APRIL 30, 2019

(unaudited)

7. OPERATIONS PERFORMED WITH MEMBERS

In the current year, the cooperative made 100 % of the wage expenses with the working members and 76% (56 % in 2018) of the sales with the user members.

8. FINANCIAL INSTRUMENTS

Credit risk

Credit risk is the risk that one party to a financial asset will cause a financial loss for the Cooperative by failing to discharge an obligation. The Cooperative's credit risk is mainly related to accounts receivable and its subsidies and taxes receivable.

Liquidity risk

Liquidity risk is the risk that the Cooperative will encounter difficulty in meeting obligations associated with financial liabilities. The Cooperative is exposed to this risk mainly in respect to accounts payable and accrued liabilities.

9. COMPARATIVE FIGURES

Certain figures for 2018 have been reclassified to make their presentation identical to that adopted in 2019.

Hive Café, solidarity cooperative

Fin d'exercice : 30 avril 2019

Écritures de régularisation

Date: 2018-05-01 À 2019-04-30

Préparé par	Revu par
NG 2019-07-02	CP 2019-08-20

703

Numéro	Date	Nom	N° de compte	Référence	Annotation	Débit	Crédit	Récurrance	Inexactitude
ER1	2019-04-30	Salary payable	2175				9 654,28		
ER1	2019-04-30	Salary - ALL	5405			9 654,28			
		APSV - to adjust the accrued salaries						De renversement	
ER2	2019-04-30	Acum. Amort - Café Equipment	1726			3 485,40			
ER2	2019-04-30	Depreciation - Café Equipment	5920				3 485,40		
		APSV - to correct the depreciation of fixed assets							
ER3	2019-04-30	Café Equipment	1720			100,00			
ER3	2019-04-30	Sales (Mezz) - Specials	4080				100,00		
		APSV - to balance the fixed assets							
ER4	2019-04-30	Accum. Amort. -Kitchen Equipment	1712		U. 1		4 623,00		
ER4	2019-04-30	Accum. Amort. -Café Equipment	1722		U. 1		10 333,00		
ER4	2019-04-30	Accum. Amort.-Furnitures & Fixtures	1742		U. 1		2 530,00		
ER4	2019-04-30	Accum. A - Leasehold Improvements	1812		U. 1		244,00		
ER4	2019-04-30	Accum. Amort. -Furn. & Equip.	1825		U. 1		1 692,00		
ER4	2019-04-30	Accum Amort - Computer Equipment	1911		U. 1		151,00		
ER4	2019-04-30	Depreciation Expense	5910		U. 1	19 573,00			
		APSV - book depreciation of fixed assets							
ER5	2019-04-30	Deff. Cont, related to Fixed Assets	2686		BC. 1	7 796,00			
ER5	2019-04-30	Amortization of deferred contributions related	14470		BC. 1		7 796,00		
		APSV - to book the deferred contribution related to fixed assets							
ER6	2019-04-30	FLP Petty Cash	1053				37,71		
ER6	2019-04-30	Accounts Receivable	1200						
ER6	2019-04-30	Accounts Receivable	1200						
ER6	2019-04-30	Prepaid Expenses	1320						
ER6	2019-04-30	Prepaid Expenses	1320						
ER6	2019-04-30	Accounts Payable	2100				1 629,05		
ER6	2019-04-30	Retained Earnings - Previous Year	3560			450,35			
ER6	2019-04-30	Telephone & Internet Charges	5812			1 996,62			
ER6	2019-04-30	Othe expenses/Write off	5900				780,21		
		APSV - to correct opening balances of TB							
ER7	2019-04-30	Accounts Payable	2100			65,04			
ER7	2019-04-30	Accounts Payable	2100			140,27			
ER7	2019-04-30	Othe expenses/Write off	5900				205,31		
		APSV - Remove APs accounts that are no longer to be paid. Requested by Mrs. McDonald							
ER8	2019-04-30	Accounts Payable	2100		BB. 1	570,85			
ER8	2019-04-30	Othe expenses/Write off	5900		BB. 1		570,85		
		APSV - adjust the APs that does not balance.							
ER9	2019-04-30	AG 1101	1071			16 015,00			
ER9	2019-04-30	Grants - ASFA Free Lunch	4435				16 047,00		
ER9	2019-04-30	Space Repairs & Maintenance	5620			32,00			
		APSV - to book transaction for the AG account 1071							
ER10	2019-04-30	AG 1096	1070			19 626,00			
ER10	2019-04-30	Grant - Levy GSA	4465				20 680,00		
ER10	2019-04-30	Security	5190			140,00			

Hive Café, solidarity cooperative

Fin d'exercice : 30 avril 2019
 Écritures de régularisation
 Date: 2018-05-01 À 2019-04-30

Préparé par	Revu par
NG 2019-07-02	CP 2019-08-20

703-1

Numéro	Date	Nom	N° de compte	Référence	Annotation	Débit	Crédit	Récurrence	Inexactitude
ER10	2019-04-30	Food Transportation	5612			579,00			
ER10	2019-04-30	Cleaning Supplies	5616			30,00			
ER10	2019-04-30	Space Repairs & Maintenance	5620			105,00			
ER10	2019-04-30	Space Repairs & Maintenance	5620			200,00			
		APSV - to book transaction for the AG account 1070							
ER11	2019-04-30	Accounts Payable	2100			3 662,68			
ER11	2019-04-30	Municipal Taxes	5650				3 662,68		
		APSV - to cancel the account payable for municipal taxes because the payment is not due the current year end.							
ER12	2019-04-30	Prepaid Expenses	1320			1 335,42			
ER12	2019-04-30	Prepaid Expenses	1320			338,42			
ER12	2019-04-30	Municipal Taxes	5650				1 274,42		
ER12	2019-04-30	School Taxes	5651				61,00		
ER12	2019-04-30	POS fees	5770				338,42		
		APSV - to record prepaid expenses for municipal and school taxes and cancel lightspeed De renversement							
ER13	2019-04-30	CIBC MEZZ -# 31-44313	1055			22 095,97			
ER13	2019-04-30	AG 1096	1070			4 120,00			
ER13	2019-04-30	AG 1096	1070				1 435,00		
ER13	2019-04-30	GST/HST Paid on Purchases	2315				30,97		
ER13	2019-04-30	GST/HST Paid on Purchases	2315				22,10		
ER13	2019-04-30	QST Paid on Purchases	2345				61,80		
ER13	2019-04-30	QST Paid on Purchases	2345				44,09		
ER13	2019-04-30	Cost-ToGo Supplies (cups, napkins..	5025				561,48		
ER13	2019-04-30	Cost-ToGo Supplies (cups, napkins..	5025				412,02		
ER13	2019-04-30	Cost - Food	5030				3 251,68		
ER13	2019-04-30	Freight Expense	5300				58,00		
ER13	2019-04-30	Freight Expense	5300				29,99		
ER13	2019-04-30	Employee Benefits	5470				1 167,60		
ER13	2019-04-30	Linens	5618				167,56		
ER13	2019-04-30	Interact charges	5872				2,00		
ER13	2019-04-30	Othe expenses/Write off	5900				16 286,68		
ER13	2019-04-30	Othe expenses/Write off	5900				2 685,00		
		APSV - to cancel o/s stale dated cheques (over 6 months) and correct 1101 and 1096 AG accounts for previous transactions							
						112 111,30	112 111,30		

Bénéfice net (perte nette) (16 753,29)

Signature: _____

Date: _____

[Handwritten Signature]
 15/10/2019

ENGAGEMENT LETTER - REVIEW ENGAGEMENT OF FINANCIAL STATEMENTS - NFPO

Hive Café, solidarity cooperative
7141, rue Sherbrooke West, Student center (2nd floor)
Montreal (Quebec) H4B 1R6

Dear Madam,

You have requested that we review the general purpose financial statements of Hive Café, solidarity cooperative, which comprise the balance sheet as at April 30, 2019, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. We are pleased to confirm our acceptance and our understanding of this review engagement by means of this letter.

Our review will be conducted with the objective of expressing our conclusion on the financial statements. Our conclusion, if unmodified, will be in the form "Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Hive Café, solidarity cooperative as at April 30, 2019 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."

Our responsibilities

We will conduct 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. We will perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained. We will also perform additional procedures if we become aware of matters that cause us to believe the financial statements as a whole may be materially misstated. These procedures are performed to enable us to express our conclusion on the financial statements in accordance with Canadian generally accepted standards for review engagements. The procedures selected will depend on what we consider necessary applying our professional judgment, based on our understanding of Hive Café, solidarity cooperative and its environment, and our understanding of Canadian accounting standards for not-for-profit organizations and its application in the industry context.

A review is not an audit of the financial statements, therefore:

- There is a commensurate higher risk than there would be in an audit, that any material misstatements that exist in the financial statements reviewed may not be revealed by the review, even though the review is properly performed in accordance with Canadian generally accepted standards for review engagements;
- In expressing our conclusion from the review of the financial statements, our report on the financial statements will expressly disclaim any audit opinion on the financial statements.

Responsibilities of management

Our review will be conducted on the basis that management acknowledges and understands that it has the responsibility:

- a) For preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations;
- b) 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; and
- c) To provide us with:
 - Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation and other matters;
 - Additional information that we may request from management for the purpose of the review; and
 - Unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence.

As part of our review, we will request from management, written confirmation concerning representations made to us in connection with the review.

We look forward to full cooperation from your staff during our review.

Use of Information

It is acknowledged that we will have access to all information about identified individuals (“personal information”) in your custody that we require to complete our Engagement. Our services are provided on the basis that:

- a) You represent to us that management has obtained any required consents for our collection, use, disclosure, storage, transfer and process of personal information required under applicable privacy legislation and professional regulation; and
- b) We will hold all personal information in compliance with our Privacy Statement.

Reproduction of Auditor’s Report

If reproduction or publication of our audit report (or reference to our report) is planned in an annual report or other document, including electronic filings or posting of the report on a website, a copy of the entire document should be submitted to us in sufficient time for our review and approval in writing before the publication or posting process begins. Management is responsible for the accurate reproduction of the financial statements,* the auditor's report and other related information contained in an annual report or other public document (electronic or paper-based). This includes any incorporation by reference to either full or summarized financial statements that we have audited. We are not required to read the information contained in your website or to consider the consistency of other information on the electronic site with the original document.

File Inspections

In accordance with professional regulations (and by our firm's policy), our client files may periodically be reviewed by practice inspectors and by other engagement file reviewers to ensure that we are adhering to our professional and firm's standards. File reviewers are required to maintain confidentiality of client information.

Governing Legislation

This engagement letter is subject to, and governed by, the laws of the Province of Quebec. The Province of Quebec will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to any action being brought in those courts, to claim that the action has been brought in an inappropriate forum or to claim that those courts do not have jurisdiction.

Time frame

We will use all reasonable efforts to complete the Engagement as described in this letter within the agreed upon time frames. However, we shall not be liable for failures or delays in performance that arise from causes beyond our reasonable control, including any delays in the performance by the organisation of its obligations.

Fees

Our professional fees will be based on our regular billing rates, plus direct out-of-pocket expenses and applicable GST/HST, and are due when rendered. Fees for any additional services will be established separately.

Billing

The fees for the review mission will be those established in the offer of services that we have addressed to you. Prior authorization on your part will be required for additional work not included in the offer of services. This additional work would be charged based on time spent on the work by the staff assigned to this mandate, the applicable hourly rate depending on the level of experience and responsibilities. We ask you to pay invoices in full upon receipt. Any delay in payment will involve an administrative fee of 2% per month.

Communications

In performing our services, we will send messages and documents electronically. As such communications can be intercepted, misdirected, infected by a virus, or otherwise used or communicated by an unintended third party, we cannot guarantee or warrant that communications from us will be properly delivered only to the addressee. Therefore, we specifically disclaim, and you release us from any liability or responsibility whatsoever for interception or unintentional disclosure of communications transmitted by us in connection with the performance of this Engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from such communications, including any that are consequential, incidental, direct, indirect, punitive, exemplary or special damages (such as loss of data, revenues or anticipated profits).

If you do not consent to our use of electronic communications, please notify us in writing.

Form of Report

Unless unanticipated difficulties are encountered, our report will be substantially in the following form:

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Aux membres of

Hive Café, solidarity cooperative

We have reviewed the accompanying financial statements of Hive Café, solidarity cooperative, that comprise the balance sheet as at April 30, 2019, and the statements of operations, changes in net assets and cash flows for the year then 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 Hive Café, solidarity cooperative as at April 30, 2019, 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.

The form and content of our report may need to be amended in light of our findings obtained from the review.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our review of the financial statements including our respective responsibilities.

We appreciate the opportunity of being of service to your Organization.

Best regards,



Caroline Pombert, CPA auditor, CA, partner
APSV Chartered Professional Accountants inc.

Read and approved on behalf of Hive Café, solidarity cooperative by


Signature


Date


Name


Function

MANAGEMENT REPRESENTATION LETTER – REVIEW ENGAGEMENT

APSV Chartered accountants firm inc.
7200 Hutchison, suite 200
Montreal (Quebec) H3N 1Z2

Dear Sir or Madam,

We are providing this letter in connection with your review of the financial statements of HIVE CAFÉ, SOLIDARITY COOPERATIVE for the year ended April 30, 2019, for the purposes of you expressing a conclusion that, based on your review, nothing has come to your attention that causes you to believe that the financial statements of Hive Café, solidarity cooperative do not present fairly, in all material respects, the financial position of Hive Café, solidarity cooperative as at April 30, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards not-for-profit organizations (NFPO). We confirm, to the best of our knowledge and belief, the following representations made to you during your review.

- We have fulfilled our responsibilities, as set out in the terms of the engagement letter, for the preparation and fair presentation of the financial statements in accordance with NFPO standards.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole.
- We have examined and approved all of the following elements
 - the adjusting entries which you have prepared or modified;
 - the general ledger account codes which you have created or modified;
 - the financial operations which you have reclassified;
 - the accounting documents which you have prepared or modified;
- We have provided you with:
 - access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, minutes of meetings and other matters;
 - additional information that you have requested from us for the purpose of the review;
 - unrestricted access to persons within the entity from whom you determined it necessary to obtain evidence;
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you
 - the identity of the entity's related parties and all the related party relationships and transactions of which we are aware;
 - significant facts relating to any frauds or suspected frauds known to us that may have affected the entity;
 - known actual or possible non-compliance with laws and regulations for which the effects of non-compliance affect the financial statements of Hive Café, solidarity cooperative;

- all information relevant to use of the going concern assumption in the financial statements;
 - all events occurring subsequent to the date of the financial statements that may require adjustment or disclosure;
 - material commitments, contractual obligations or contingencies that have affected or may affect the entity's financial statements, including disclosures;
 - material non-monetary transactions or transactions for no consideration undertaken by the entity in the financial reporting period under consideration.
- There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
 - We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements.
 - We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the financial statements or as the basis of recording a contingent loss.
 - We have identified to you all known related parties, including guarantees, non-monetary transactions and transactions for no consideration.
 - We believe that the significant assumptions used in arriving at the fair values of financial instruments as measured and disclosed in the financial statements are reasonable and appropriate in the circumstances.
 - We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
 - All related party transactions have been appropriately measured and disclosed in the financial statements.
 - The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.
 - We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel.
 - All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
 - The organization has satisfactory title to all assets, and there are no liens or encumbrances on the organization's assets.
 - We have disclosed to you, and the organization has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
 - There have been no events subsequent to the balance sheet date up to the date hereof that would require recognition or disclosure in the financial statements.
 - We obtained the consents required in terms of access to confidential data and processes of this communication.

Yours faithfully,

On behalf of HIVE CAFÉ, SOLIDARITY COOPERATIVE

Shylah Waf

Name

Acting President

Position

15/10/2019

Date

