



# A JOURNEY OF RENEWAL AND CHANGE

2021 ANNUAL REPORT



## OUR MISSION

**TO EXCLUSIVELY CONNECT OUR MEMBERS TO UNIQUE WINES, PRODUCERS, SERVICES AND EXPERIENCES AROUND THE WORLD, BOLSTERING EDUCATION AS WELL AS THE ENJOYMENT AND DISCOVERY OF WINE.**

### TABLE OF CONTENTS

3	Message from the Chair of the Board of Directors
4	Managing Director Review
6	2021 A Year in Review
8	How Opimian Does It
10	The Opimian Team
12	Winemaker Spotlight
14	Opimian Board of Directors
16	Message from the Chair of the Audit Committee
17	Independent Auditors' Report
18	Financials

## MESSAGE FROM THE CHAIR OF THE BOARD OF DIRECTORS

This has been another eventful and exciting year for Opimian. Having arrested the operational deficit and secured financial stability in 2020, 2021 brought the first steps on our Journey of Renewal and Change. A robust strategic plan that will guide Opimian's next five years of growth was concluded following extensive industry and member consultations. The plan will see new products for Members, a renewed staff complement working across the country and a resumption of in-person Member experiences, once health protocols permit.

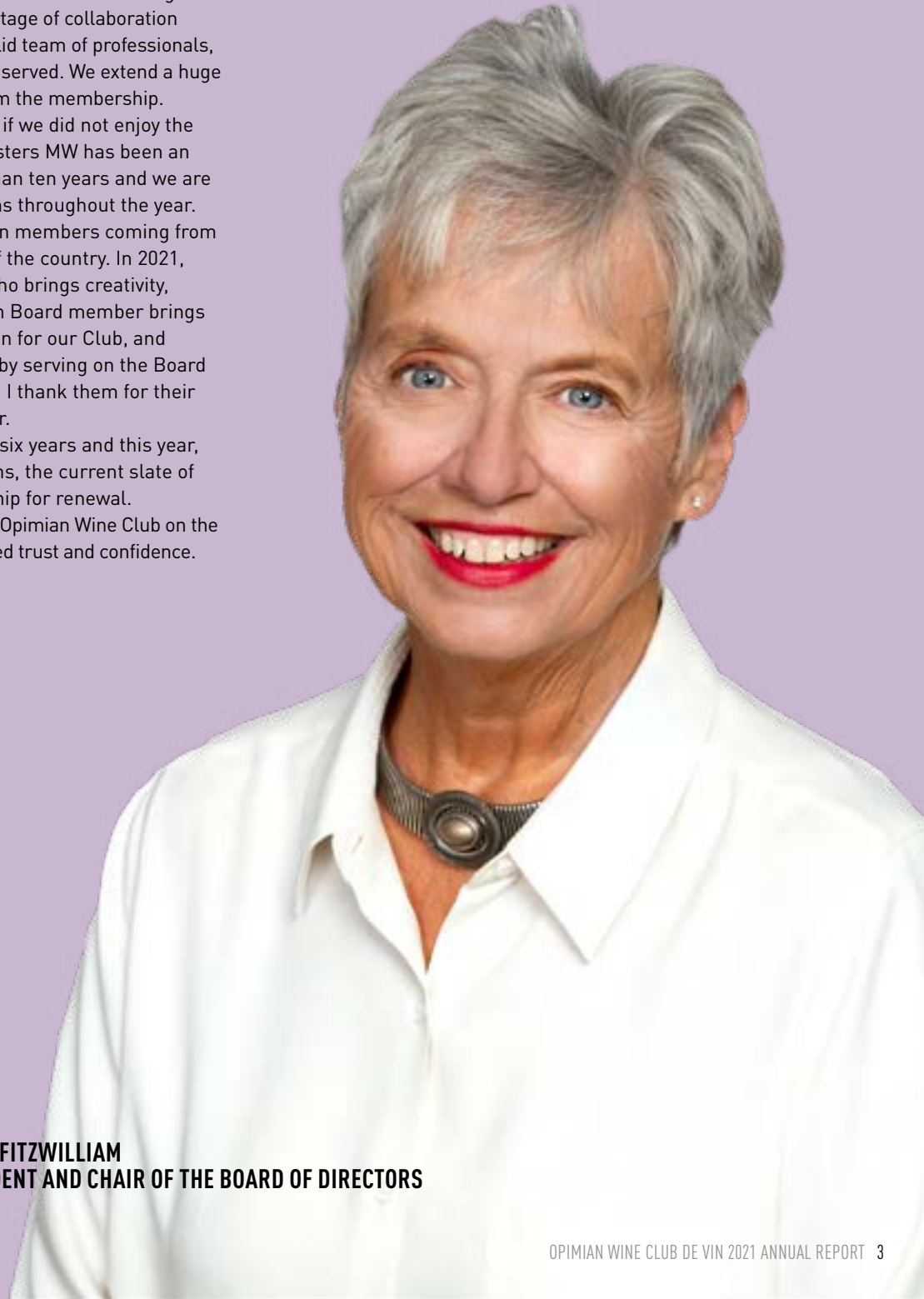
Our staff has again delivered positive financial results. Although they're still working remotely, there is no shortage of collaboration and team spirit. We are fortunate to have a solid team of professionals, ensuring each day that our Members are well served. We extend a huge thank you to the team from the Board and from the membership.

Our Club would be drastically diminished if we did not enjoy the collaboration with Masters of Wine. Jane Masters MW has been an integral part of the Opimian story for more than ten years and we are grateful for her experienced tasting selections throughout the year.


The Board of Directors is comprised of ten members coming from the furthest east to the furthest west parts of the country. In 2021, we welcomed to the Board Cynthia Peters, who brings creativity, social media and hospitality experience. Each Board member brings a wealth of professional expertise and passion for our Club, and each invests generously of time and wisdom by serving on the Board and on at least one of our Board committees. I thank them for their engagement. It is a pleasure to work together.

Board members serve for a maximum of six years and this year, having neither expiring terms nor resignations, the current slate of the Board will be presented to the membership for renewal.

It is an honour to serve the membership of Opimian Wine Club on the Board of Directors. Thank you for your continued trust and confidence.



**CAROL FITZWILLIAM**  
**PRESIDENT AND CHAIR OF THE BOARD OF DIRECTORS**

A portrait of Michael Lutzmann, a man with grey hair and a beard, wearing glasses and a blue button-down shirt. He is holding a glass of red wine in the foreground, which is slightly out of focus. The background is a blurred green landscape.

## MANAGING DIRECTOR REVIEW


2021 was, indeed, a 'Journey of Renewal and Change'. A Club such as ours must certainly be run as a business. Managing in the year following such a transformational time that 2020 was can be challenging. What we found was that we could continue to stabilize Opimian, introduce new and better processes, and remain focused on improving your Member experience.

While your orders continued to grow, we maintained our expense controls to ensure a strong financial footing for the next step ahead - strategic growth. Not growth for growth's sake. Growth that will bring more unique and interesting wines and spirits into your homes. Growth that will shield the Club from global forces of change in the wine industry.

To that end, we spent most of 2021 in Strategic Planning Mode. In tandem with an experienced and respected consulting firm, we put the entire business under the microscope. We surveyed you, the Members, to better understand your needs and wants. The result is a robust, flexible plan for the next three to five years. Together, we identified a number of keys to growth. This was coupled with a detailed roadmap to maximize returns on our effort going forward. Rest assured, it is nothing too radical. You will begin to notice reinforcement of Opimian's strengths - the printed Cellar offering,

**MICHAEL LUTZMANN**  
CO-MANAGING DIRECTOR



A man with short grey hair, wearing a blue button-down shirt and dark jeans, stands outdoors on a wooden deck. He is holding a wine glass to his nose, smelling the wine. In the foreground, a large, fluffy, reddish-brown dog is looking towards the camera. The background is a blurred view of trees and foliage.

curation by Masters of Wine, wine-related experiences and education. In addition, there are exciting changes coming to enhance your enjoyment as an Opimian Member. More spirits to serve the cocktail trend, partnerships with other wine organizations, and cutting-edge digital content.

We deliberately kept the staff complement small in 2021 to achieve much-needed financial stability. The trade-off was limited capacity to execute all the improvements that we knew were necessary. As the year came to a close with good financial news, we began to plan for additional staff to provide you with a gold standard of Member Experience. Watch for many more experienced, enthusiastic, and capable people helping us with the heavy lifting that comes with transformation.

In every decision we make on behalf of the Club, the Board of Directors, and you, the Members, we remain acutely aware that leadership is simply stewardship. We will never eradicate uncertainty, but rather only navigate it. We gladly accept the accountability of steering the Club to a better place than when we arrived. We look forward to continuing our efforts and creating that way forward for years to come.

**GREG RINEHART**  
**CO-MANAGING DIRECTOR**

## 2021 A YEAR IN REVIEW



# +2000

WINES AND SPIRITS SUBMITTED

# 700

MW SEAL OF APPROVAL

### OUR MASTER OF WINE QUALITY GUARANTEE

- Over 2,000 wines and spirits were submitted to Opimian for listing in 2021.
- Less than 700 wines received Opimian's MW seal of approval and were sold to club Members
- Only 40 of these wines received the coveted Coup de Coeur status as the highest-scoring wines of the year
- Only 26 wines and spirits received the prestigious Collectors Corner designation



### SUBSCRIPTIONS

- Founders Choice and The Masters Case: more Members signed up for these wine programs than at any point in recent memory
- Overall Club volumes grew for wine programs the second straight year
- Over 20% of all cases sold by the club are affiliated with our subscription programs

# 40



# 26

COLLECTORS CORNER DESIGNATION

# +20%

SUBSCRIPTIONS



# 100%

GROWTH OF WINES >\$20

# >\$100

FASTEST-GROWING SEGMENT

# 2x

MORE SPIRITS, ROSÉ  
AND SPARKLING WINES

## MEMBERSHIP STATISTICS

- More Members are buying premium wine and spirits
  - o 100% of Opimian's \$ growth can be attributed to wines >\$20
  - o Opimian's fastest-growing segment is the >\$100.00 ultra-premium wines and spirits segment
  - o Spirits, rosé and sparkling wines are growing at twice the pace of red and white wines
  - o Opimian imported wines and spirits from 16 countries and >115 regions
  - o New Tenth Cellar which focuses on Italy added to the club
  - o Online Events expanded to a record number after moving our platform to EventBrite – 8 "Talk & Taste" events, a new "Brown Bag Lunch" concept connecting producers and Members. Several producer events and tastings were also held in French in 2021.

# 16

COUNTRIES

# >115

REGIONS





# 2021 A YEAR IN REVIEW



A Coup de Cœur means a wine is one of our MW's favourite wines in the tasting lineup for the current Cellar. With each Cellar offer, four wines are selected. These are the top-rated wines in their category; wines that definitely punch above their weight.



Dedicated to the spirit of our Founders, the Founders Choice program presents only the finest wines. From our producers' cellars to yours, this is an opportunity to experience another level of quality. This case is curated with the potential to age in your cellar in mind.

## FOUNDERS CHOICE

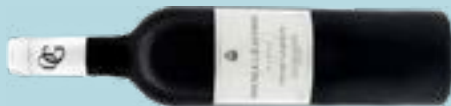






## COLLECTOR'S CORNER

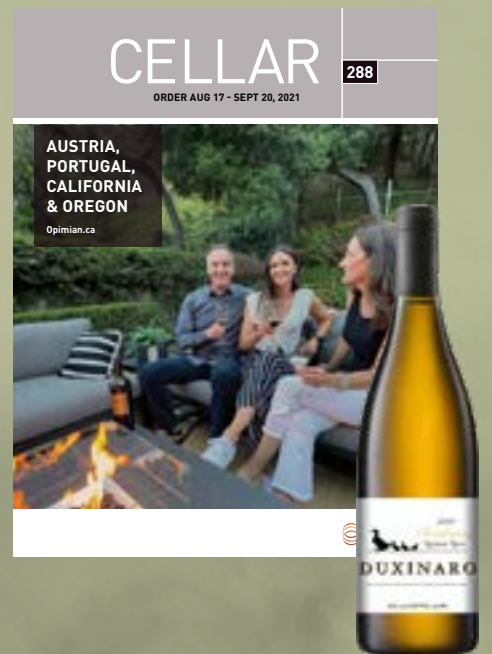
Rare wines and spirits to enhance your cellar.



## HOW OPIMIAN DOES IT

We offer an entire ecosystem, not just a shop. We are laser-focused on quality wines, tasting, and refining absolutely everything. We are building top-notch business data intelligence to meet Members' needs. We know which wines, segments, countries and even the days of the week that Members prefer to shop. We are using this data to anticipate Members' needs, show us the way forward and are firm believers that when we combine this with world-class tasting expertise – magic happens.

We have set the bar high, guaranteeing member satisfaction – it is fundamental to our future.





CELLAR

284

ORDER MAR 30 - MAY 3, 2021

SPAIN

Opimian.ca

CELLAR

285

ORDER MAY 4 - JUNE 7, 2021

BEAUJOLAIS, BERGERAC & BORDEAUX

Opimian.ca

CELLAR

286

ORDER JUNE 8 - JULY 12, 2021

ITALY AND GERMANY

Opimian.ca

CELLAR

289

ORDER SEPT 21 - NOV 8, 2021

ITALY, FRANCE, SWITZERLAND AND CANADA

Opimian.ca

CELLAR

290

ORDER NOV 9 - DEC 13, 2021

NEW ZEALAND, AUSTRALIA & BURGUNDY

OUR LARGEST EVER BURGUNDY SELECTION

Opimian.ca

CELLAR

291

ORDER DEC 14, 2021 - JAN 17, 2022

SOUTH AFRICA & TUSCANY

100 TOP-SCORING WINES AND SPIRITS

Opimian.ca







### **SANTA BALANCE**

#### **SENIOR ACCOUNTING TECHNICIAN**

Santa has a degree in B.S. Accountancy and years of experience in accounting. She started at Opimian in 2011.

DRINKING NOW > Warwick The First Lady Brut Rosé, Méthode Cap Classique, Western Cape, Lot 2284



### **JOAO BARROTE**

#### **SUPERVISOR – MEMBER SERVICE AND LOGISTICS**

Joao is a certified sommelier and whisky ambassador. He has been helping Members in our Member Service department since 2019 and was recently promoted to Supervisor – Member Service and Logistics.

DRINKING NOW > Oxté The Silence, Tempranillo Garnacha, DOP Cariñena, Bodem Bodegas, 2019, Lot 1808



### **DARRIN MAK**

#### **MEMBER EXPERIENCE ADVISOR**

Darrin joined the Member Experience team in 2021. He holds the WSET Level 4 Diploma and is a certified wine educator.

DRINKING NOW > Domaine du Murinais Vieilles Vignes AOP Crozes-Hermitage 2017, Lot 1096



### **NASTACIA CHOULGOVA**

#### **MEMBER SERVICE ADVISOR**

Nastacia's passion for food & wine and creating unique connections with her guests is what drives her. Now a certified sommelier, she has travelled across Canada, worked in restaurants and wineries, and recently joined the Opimian team as Member Service Advisor.

DRINKING NOW > El Barrio Cabernet Sauvignon Curico Valley Natural Wine, Chile, 2020, Lot 2357



### **ZOÉ CAPPE**

#### **COMMUNICATIONS COORDINATOR**

Zoé has a background in translation and publications. She started at Opimian seven years ago, first as Publications Coordinator, evolving to a role in Communications. She is expanding on her wine knowledge with WSET1.

DRINKING NOW > Château Camino Salva, AOC Haut-Médoc, 2016, Lot 2569



### **PREETY DABEEDOAL**

#### **LIQUOR BOARD AND SUPPLIER RELATIONS COORDINATOR**

Preety started at Opimian in 2018 with a background in Administration. She joined the team as Administrative assistant and now works in the Liquor Board and Supplier Relations Department.

DRINKING NOW > doesn't drink!



## THE OPIMIAN TEAM

The strength and diversity of cohesive team is what separates businesses, and we believe that the current Opimian team provides us with a competitive advantage in the marketplace.



### ASUNCION FERNANDEZ

#### LOGISTICS AND PURCHASING SENIOR COORDINATOR

Formerly a teacher in her native Guatemala, Asuncion began working at Opimian 35 years ago, holding various administrative functions before joining the Logistics department.

DRINKING NOW > Antichello Valpolicella DOC, 2019, Lot 2090



### ANAÏS PHILIPPE

#### PROCUREMENT ANALYST

Anaïs' passion for the hospitality industry started in her family's restaurant in the south of France. She worked in hospitality and events management around the world before joining Opimian 3.5 years ago as Events Advisor. She recently joined the procurement team as Procurement Analyst.

DRINKING NOW > Expression Reserve Pinot Noir, Casablanca Valley, 2018, Lot 1701



### ANNA TARZIA ZAPPIA

#### WINE SOURCING AND LOGISTICS MANAGER

Anna has enjoyed every minute of her career at Opimian over the last 43 years. The most rewarding, as a member of the Procurement Team.

DRINKING NOW > Domaine Jean-Marc Astruc Herbarium Syrah, IGP Pays d'Oc, 2020, Lot 2755



### LOUISE WILSON MW

#### SENIOR PROCUREMENT & CATEGORY MANAGER

Louise Wilson MW lives in the Niagara region and is one of ten Masters of Wine based in Canada. She has worked in a number of different fields including export, retail, hospitality and education.

DRINKING NOW > Ramilo Colheita Branco, Vinho Regional Lisboa, 2020, Lot 2773



### KIM TIEN HUYNH

#### PROJECT MANAGER, MARKETING

Kim Tien Huynh

Kim Tien has worked in marketing and communications for non-profit organizations in Shanghai and Montreal. A true wine lover, you can always count on her for some gourmet treats!

DRINKING NOW > Cocktails made with Winestillery London Dry Gin, Chioccioli Altadonna Family Estate, Lot 2230 and Altadonna Orarosa Vino Spumante Brut Rosé, Chioccioli Altadonna Family, Lot 2222



### JENNY SCHUMACHER

#### DESIGN DIRECTOR

With over 35 years of design and branding experience in the US and Canada, Jenny joined the staff in 2019 after many years of having created all the Cellars for Opimian.

DRINKING NOW > Château Clos Moulin Pontet AOC Earl Château Franc Couplet, 2016, Lot 1925





## WINEMAKER SPOTLIGHT

Our winemakers are what makes us different. Small family-owned wineries have been part of Opimian for years, and in some cases generations.

### ANDREA BIAGINI, CINCIANO

"Opimian is a great opportunity and an awesome partner for Cinciano to export its wines in Canada. We reached some great goals together and I believe that we will reach more. In addition, I have the opportunity to work virtually with several awesome people from Opimian and I have a marvellous relationship with them. To sum it up, I think that Opimian is based on a great strong team which perfectly suits the philosophy of Cinciano."



## SANDRINE DARRIET FROLÉON, VIGNOBLES DARRIET

"This collaboration is a great opportunity for us because it allows us to make long-term developments while pushing us to explore new ranges - like Petite Marine. We want to offer Opimian Members excellence and the best possible wines from our estate, with a unique sensory journey through our terroirs. We are also happy to count on Opimian to see more people trying our Château Moutin and are excited to see the interest in high-end cuvées like Cuvée d'Exception. In short, Opimian enriches our wines and our work!"







### JOHN BIRDGENEAU

CALGARY, AB | GC CHAIR, AC, WG

John Birdgeneau spent 35 years in the Energy Industry in a progression of technical and leadership roles. John has always valued the power of teams and collaboration between groups to realize better results while having a little fun on the way. As a Director he brings his experience to Opimian and keeps learning about wine.

DRINKING NOW > L'Exubérance Rosé du Clos Cantenac, AOC Bordeaux Rosé, Lot 2588



### DAVID CONWAY

ST. JOHN'S, NL | GC, HR

David Conway and his wife Courtney served as Area Representatives for over seven years. David is a practicing lawyer, adjudicator and the past chair of the NL Labour Relations Board. David graduated from McGill University (B.A., Economics) and the University of New Brunswick (LL.B.), before being called to the Ontario Bar and the NL Bar.

DRINKING NOW > Château Moutin Rouge, AOC Graves, Vignobles J. Darriet, 2015, Lot 2566



### TWYLA LAAKSO

CALGARY, AB | NM CHAIR, WG

Twyla has served as a communications professional in a variety of industries, disciplines and capacities over the course of her thirty-year career. She holds professional accreditation from the International Association of Business Communicators (IABC) and is certified in the Prosci method of change management. Her career has included National Account Director roles at some of Canada's leading advertising agencies, as well as corporate communications and strategic communication leadership positions with some of Canada's best-known companies.

DRINKING NOW > Domaine Dit Barron, AOP Brouilly, Gilles Aujogues, 2020, Lot 2520



### CRAIG FAULKNER

VANCOUVER, BC | NM, HR

Craig was the co-founder of Canada's dominant financial web portal Stockgroup and led its technology teams as its CTO and Director. Craig has served on the advisory boards for non-profits and for emerging growth firms. Currently, Craig is President at Unilogik Systems which serves over 150 enterprise clients across Canada and the USA.

DRINKING NOW > Backstage Cabernet Sauvignon Reserve, Napa Valley, Backstage Vineyard, 2015, Lot 2842



### CAROL FITZWILLIAM

MONTRÉAL, QC | WG CHAIR

Carol Fitzwilliam is a lawyer, certified corporate director (ICD.D) and a former business owner who has served on over twenty Boards of Directors, focusing on community and Not-For-Profit organizations. Her expertise in Board governance and human resource management have benefited organizations such as crown corporations, schools, community and sports organizations.

DRINKING NOW > Il Veltro, Brunello di Montalcino, DOCG, 2015, Lot 2241





## CYNTHIA PETERS

MAITLAND, ON | GC

Cynthia Peters is the creator and owner of From the Farm Enterprises Inc. – a culinary experiential company. She hosts cooking classes and curates private group culinary wine & food adventures in Eastern Ontario. Cynthia also leads women culinary enthusiasts to the Languedoc region of France. She is a food writer and author of *The Art of Herbs Cookbook* and *My French Cookbook*. Prior to opening her culinary business, Cynthia was a senior communications executive.

DRINKING NOW > Picpoul de Pinet, Tête de Cuvée, AOP Picpoul de Pinet, Lot 2736

## OPIMIAN BOARD OF DIRECTORS

AC- AUDIT COMMITTEE

GC - GOVERNANCE COMMITTEE

HR - HR COMMITTEE

NM -NOMINATIONS COMMITTEE

WG – WORKING GROUP FOR THE FUTURE OF OPIMIAN



## ROB DAVIS

TORONTO, ON | AC CHAIR

Rob is a Tax Partner with KPMG in Toronto with over 30 years of diverse tax and finance experience that he brings to his clients. He is currently the Chair of KPMG Canada's Board of Directors and their Chief Inclusion & Diversity Officer. Rob has been a member of Opimian since 2007.

DRINKING NOW > Domaine d'O Pinot Noir, IGP Haute Vallée de l'Audre, 2020, Lot 2733



## ALAN KERR

KAMLOOPS, BC | AC

Alan is the CFO and VP, Corporate Services with the British Columbia Lottery Corporation and a director of the Inter-Provincial Lottery Corporation. He has been a wine enthusiast for many years including memorable visits to the French Navy's four-story wine cellar in Toulon and touring small family-run vineyards in Croatia. Alan has served in a number of volunteer capacities including Treasurer for Helping Other People Everywhere (H.O.P.E.) Ottawa-Carleton and with the Recreation Association of the Public Service of Canada.

DRINKING NOW > Cornellana "Deep Soil Colluvial" Carmenère, Peumo, 2019, Lot 3175



## RICHARD MCCAMMON

STRATHROY, ON | GC, NM, WG

Richard McCammon founded a world leader in electronic transactions specializing in payment solutions for SAP, which was acquired in late 2019. Now, Richard brings this experience to an aerospace start-up as President and CEO. He holds a MASc in Chemical Engineering from the University of Waterloo.

DRINKING NOW > Tapaus Terrier Gin Pink Special Edition, Mendoza, Lot 2303



## LYNN ZUREL

ST. JOHN'S, NL | HR CHAIR, AC

Lynn Zurel is a CPA, CA, ICD.D. Lynn currently serves on the Boards of several Crown corporations and entities and has served in leadership roles on the Boards of a variety of national, provincial and local not-for-profit organizations. Lynn has been recognized for contributions to her community most notably with the Senate of Canada Sesquicentennial Medal in recognition of service to the nation.

DRINKING NOW > Zucchetto Baccarat Extra Brut Prosecco Rosato DOC Paolo Zucchetto, 2020, Lot 2630





## MESSAGE FROM THE CHAIR OF THE AUDIT COMMITTEE

In my report to members last year I indicated that we finished 2020 very strong with an impressive pipeline which had put us in a good position to have a strong 2021. As you can see from our 2021 financial statements, we indeed have a very strong year. Revenues increased dramatically from 2020. We were able to manage our costs and benefitted from certain cost savings due to the pandemic. Our cash position strengthened over 2020 and we saw a 27% increase in Offerings in Progress which again indicates a strong pipeline to take us into 2022.

In 2021 we realized a surplus of \$1.1 million. Our Board elected to allocate half of the surplus to internally restricted funds recognizing the inherent uncertainty as we emerge from the COVID-19 pandemic and we watch cautiously the war in Ukraine. The other half of our 2021 surplus has been earmarked towards steps on our Journey of Renewal and Change. As outlined by our Chair, we have embarked on a robust strategic plan that will guide Opimian's next five years of growth. We cannot stand still and rest on our laurels despite our recent success. I am excited at what lies ahead for Opimian and I am very much looking forward to working with our Managing Directors, staff and our Board to propel Opimian to new heights.

**ROB DAVIS**  
CHAIR OF THE AUDIT COMMITTEE



# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF THE OPIMIAN SOCIETY

### OPINION

We have audited the financial statements of The Opimian Society (hereafter "the Society"), which comprise the balance sheet as at December 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to 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 Society as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### BASIS FOR 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 Society 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.

### RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

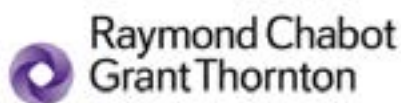
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 Society'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 Society'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 Society 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.

*Raymond Chabot Grant Thornton LLP*

Montréal  
March 17, 2022



# BALANCE SHEET

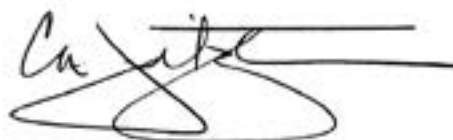
DECEMBER 31, 2021	2021 \$	2020 \$
<b>ASSETS</b>		
Current		
Cash (Note 3)	4,501,864	3,607,020
Term deposits (Note 4)	8,839,663	5,117,448
Receivables (Note 5)	407,355	300,106
Prepaid expenses	649,276	914,474
	<b>14,398,158</b>	9,939,048
Long-term		
Term deposits (Note 4)		1,119,753
Accrued interest on term deposits		105,404
Tangible capital assets (Note 6)	21,618	55,784
Intangible assets (Note 7)	812,213	837,149
	<b>15,231,989</b>	12,057,138
<b>LIABILITIES</b>		
Current		
Trade payables and other operating liabilities (Note 8)	626,977	760,358
Offerings in progress (Note 9)	10,799,955	8,515,169
Annual dues paid in advance	478,485	541,757
Due to members – Credit towards future subscriptions	180,217	187,132
	<b>12,085,634</b>	10,004,416
Long-term		
Government assistance loan (Note 10)		30,000
Lease inducement	37,836	41,174
	<b>12,123,470</b>	10,075,590
<b>NET ASSETS</b>		
Unrestricted	563,486	
Internally restricted – Reserve for contingencies (Note 11)	2,545,033	1,981,548
	<b>3,108,519</b>	1,981,548
	<b>15,231,989</b>	12,057,138

The accompanying notes are an integral part of the financial statements.

On behalf of the Board,



Director



Director



# OPERATIONS

YEAR ENDED DECEMBER 31, 2021	2021 \$	2020 \$
<b>Revenues</b>		
Completed offerings, net of wine credits	18,219,146	13,956,740
Annual dues and entrance fees	599,633	621,984
Wine tasting and other activities	6,320	39,356
Interest	105,630	105,630
	<b>18,906,554</b>	14,723,710
<i>Cost of completed offerings</i>		
Wine purchased to cover subscriptions	13,274,218	10,714,149
Wine used to cover breakage, shortages and promotions	229,700	182,416
	<b>13,503,918</b>	10,896,565
Excess of revenues over expenses before the following items	<b>5,402,636</b>	3,827,145
<i>Expenses</i>		
Salaries and employee benefits	890,654	839,676
Managing directors fees	540,470	395,262
Professional fees	536,232	193,407
Credit card fees and sundry	520,106	437,553
Information technology	325,589	195,128
Storage and transportation	295,047	283,575
Printing, stationery and postage	293,719	225,171
Rental expense	241,477	245,312
Master of wine	212,819	212,128
Marketing and promotion	137,755	171,955
Travel – Administration	37,827	13,516
Travel – Directors	15,264	6,632
Insurance	25,704	22,209
Telecommunications	25,304	26,852
Wine tasting and other activities	485	22,902
Recruitment	260	868
Area representatives honorarium		94,669
Subscriptions to publications		40,843
Amortization of tangible capital assets	37,517	47,346
Amortization of intangible assets	139,436	129,255
	<b>4,275,665</b>	3,604,259
<b>Excess of revenues over expenses</b>	<b>1,126,971</b>	222,886

The accompanying notes are an integral part of the financial statements.

# CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2021	UNRESTRICTED \$	INTERNALLY RESTRICTED - RESERVE FOR CONTINGENCIES \$	2021 TOTAL \$	2020 TOTAL \$
Net assets, beginning of year		1,981,548	1,981,548	1,758,662
Excess of revenues over expenses	1,126,971		1,126,971	222,886
Transfer to internally restricted	(563,485)	563,485		
Net assets, end of year	563,486	2,545,033	3,108,519	1,981,548

The accompanying notes are an integral part of the financial statements.



# CASH FLOWS

DECEMBER 31, 2021	2021 \$	2020 \$
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	1,126,971	222,886
Non-cash items		
Amortization of tangible capital assets	37,517	47,346
Amortization of intangible assets	139,436	129,255
Lease inducement	(3,338)	41,174
Changes in working capital items		
Receivables and accrued interest on term deposits	(1,845)	(113,341)
Prepaid expenses	265,198	(86,966)
Trade payables and other operating liabilities	(133,381)	472,224
Offerings in progress	2,284,786	3,076,511
Annual dues paid in advance	(63,272)	(49,765)
Due to members – Credit towards future subscriptions	(6,915)	(84,335)
Forgiveness of government assistance loan		(10,000)
Cash flows from operating activities	3,645,157	3,644,989
<b>INVESTING ACTIVITIES</b>		
Term deposits	(7,719,910)	(5,767,448)
Disposal of term deposits	5,117,448	4,349,723
Acquisition of tangible capital assets	(3,351)	(5,268)
Acquisition of intangible assets	(114,500)	(91,153)
Cash flows from investing activities	(2,720,313)	(1,514,146)
<b>FINANCING ACTIVITIES</b>		
Government assistance loan	20,000	40,000
Repayment of government assistance loan	(50,000)	
Cash flows from financing activities	(30,000)	40,000
<b>Net increase in cash</b>	<b>894,844</b>	<b>2,170,843</b>
Cash, beginning of year	3,607,020	1,436,177
Cash, end of year	4,501,864	3,607,020

The accompanying notes are an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

## 1 - GOVERNING STATUTES AND PURPOSE OF THE SOCIETY

The Society was incorporated under Part III of the Companies Act (Quebec) on January 3, 1973. It is a not-for-profit organization under the Income Tax Act. The primary purpose of the Society is to give its members the opportunity to participate in a cooperative purchase of wines from liquor boards.

## 2 - SIGNIFICANT ACCOUNTING POLICIES

### BASIS OF PRESENTATION

The Society's financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

### ACCOUNTING ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's knowledge of current events and actions that the Society may undertake in the future. Actual results may differ from these estimates.

### REVENUE RECOGNITION

#### *Annual dues, entrance fees, wine tasting and other activities*

Annual dues are recognized as revenue over the period that services are provided, except for dues and fees received for subsequent periods which are deferred as annual dues paid in advance. Entrance fees are recognized as revenue when received. Wine tasting and other activity fees are recognized as revenue when the event takes place.

#### *Completed offerings*

Members' subscriptions for each year's series of wine offerings are reported as completed offerings, net of wine credits, when persuasive evidence of an arrangement exists, the price to the buyer is fixed or determinable, the delivery of wine has occurred and all costs can be accurately determined.

Offerings in progress represent subscriptions received from members pertaining to the wine offerings of the following fiscal year and those subscriptions for certain special wines where a significant delay in delivery is planned and final costs are still to be determined.

#### *Wine credits*

The Society offers wine credits to its members which are exchangeable for the purchase of wine. The wine credits program also allows members to be awarded credits. Wine credits are also awarded to members of the Board of Directors as an honorarium for their services. Such credits are applied as a reduction of the cost of future wine purchases. Earned wine credits are recorded in Due to members – credit towards future subscriptions on the balance sheet with a corresponding entry in Completed offerings, net of wine credits in the statement of operations. Wine credits are available in an ex-member's account for a period of five years, at which time they are recognized in revenues under Completed offerings, net of wine credits in the statement of operations.

#### *Interest revenue*

Investment transactions are recorded on the transaction date and resulting revenues are recognized using the accrual method of accounting. Interest revenue is recognized on a time apportionment basis.

### GOVERNMENT ASSISTANCE

Government assistance related to current expenses is accounted for as a reduction of the related expenses. Government assistance is accrued

in the year in which the current expenses are incurred, provided that the Society is reasonably certain that it will be received. Since government assistance resulting from the Canada Emergency Wage Subsidy and the 10% Temporary Wage Subsidy for Employers may be examined by the tax authorities, retroactive application clarifications were introduced after the programs were announced and some rules may be interpreted differently by the tax authorities, it is possible that the amounts granted will differ from the amounts recorded.

### RENTAL EXPENSE

The Society recognizes the rental expense on a straight-line method over the lease term. The excess of the rental expense recognized over the amount payable under the lease is presented as a lease inducement on the balance sheet.

### TANGIBLE CAPITAL ASSETS AND INTANGIBLE ASSETS

Tangible capital assets and intangible assets acquired are recorded at cost. When the Society receives contributions of tangible capital assets or intangible assets, their cost is equal to their fair value at the contribution date plus all costs directly attributable to the acquisition of the tangible capital assets or intangible assets, or at a nominal value if the fair value cannot be reasonably determined.

#### *Amortization*

Tangible capital assets and intangible assets are amortized over their estimated useful lives, when they are available for use, according to the straight-line method at the following annual rates and period:

	Rates and period
Leasehold improvements	Lease term of 7 years
Furniture and fixtures, computer equipment, software and Web content	33%
Website	20%

#### *Write-down*

When conditions indicate that a tangible capital asset or an intangible asset is impaired, the net carrying amount of the tangible capital asset or intangible asset is written down to the tangible capital asset's or intangible asset's fair value or replacement cost. The write-down is accounted for in the statement of operations and cannot be reversed.

### NET ASSETS

Net assets may be unrestricted and/or internally restricted. Internal restrictions are imposed in a formal manner by the Society itself, usually by resolution of the Board of Directors.

### FOREIGN CURRENCY TRANSLATION

Monetary assets and liabilities in foreign currency are translated at the exchange rate in effect at the balance sheet date, whereas non-monetary assets and liabilities are translated at the historical exchange rate. Revenues and expenses in foreign currency are translated at the exchange rate in effect at the transaction date. Gains and losses are included in the statement of operations for the year.

### FINANCIAL ASSETS AND LIABILITIES

#### *Initial measurement*

Upon initial measurement, the Society's financial assets and liabilities from transactions not concluded with related parties and those from transactions with parties whose sole relationship with the entity is in the capacity of management (and members of the immediate family)



are measured at fair value, which, in the case of financial assets or financial liabilities that will be measured subsequently at amortized cost, is increased or decreased by the amount of the related financing fees and transaction costs. The Society's other financial assets and liabilities from related party transactions are measured at cost. Transaction costs relating to financial assets and liabilities that will be measured subsequently at fair value are recognized in the statement of operations in the year they are incurred.

#### *Subsequent measurement*

At each reporting date, the Society measures its financial assets and liabilities from transactions not concluded with related parties at amortized cost (including any impairment in the case of financial assets). The Society's other financial assets and liabilities from related party transactions are measured at cost (including any impairment in the case of financial assets).

Transaction costs relating to financial assets and liabilities that are measured at amortized cost are amortized on a straight-line basis over the term of the related financial instrument.

With respect to financial assets measured at amortized cost or using the cost method, the Society assesses whether there are any indications of impairment. When there is an indication of impairment, and if the Society determines that, during the year, there was a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it will then recognize a reduction as

an impairment loss in the statement of operations. The reversal of a previously recognized impairment loss on a financial asset measured at amortized cost is recognized in the statement of operations in the year the reversal occurs.

### 3 - CASH

In the normal course of operations, the Society purchases letters of guarantee required by the liquor boards to support wine purchases. The letters of guarantee are secured by a movable hypothec on term deposits. As at December 31, 2021, \$910,000 of letters of guarantee relating to the liquor boards are outstanding (\$910,000 as at December 31, 2020).

### 4 - TERM DEPOSITS

Current term deposits, amounting to \$8,839,663 [\$5,117,448 as at December 31, 2020], consist of cashable and non-redeemable guaranteed investment certificates maturing at various dates between March and November 2022, bearing interest from 0.42% to 2.75% (0.48% to 1.7% as at December 31, 2020).

Long-term term deposits, amounting to nil [\$1,119,753 as at December 31, 2020], consist of non-redeemable guaranteed investment certificates maturing in March 2022, bearing interest from 2.05% to 2.75% as at December 31, 2020.

### 5 - RECEIVABLES

	2021 \$	2020 \$
Credit card proceeds receivable	244,854	245,587
Accrued interest on term deposits	162,501	39,863
Government assistance receivable (Note 10)		14,656
	<b>407,355</b>	<b>300,106</b>

### 6 - TANGIBLE CAPITAL ASSETS

2021	COST \$	ACCUMULATED AMORTIZATION \$	NET CARRYING AMOUNT \$
Leasehold improvements	32,487	20,034	12,453
Furniture and fixtures	64,102	61,469	2,633
Computer equipment	124,566	118,034	6,532
	<b>221,155</b>	<b>199,537</b>	<b>21,618</b>
2020			
Leasehold improvements	32,487	13,536	18,951
Furniture and fixtures	118,773	99,011	19,762
Computer equipment	157,214	140,143	17,071
	<b>308,474</b>	<b>252,690</b>	<b>55,784</b>

# NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

7 - INTANGIBLE ASSETS	COST	ACCUMULATED	NET CARRYING
2021	\$	AMORTIZATION	AMOUNT
		\$	\$
Website	262,819	123,837	138,982
Software	887,351	214,120	673,231
	1,150,170	337,957	812,213
2020			
Website	515,192	343,377	171,815
Web content	802,979	137,645	665,334
Software and website under development	25,863	25,863	
	1,344,034	506,885	837,149

8 - TRADE PAYABLES AND OTHER OPERATING LIABILITIES	2021	2020
	\$	\$
Trade payables	503,559	477,941
Vacation payable	29,041	55,374
Sales taxes payable	52,283	84,062
Managing directors fees payable	42,094	142,981
	626,977	760,358

Government remittances total \$29,041 as at December 31, 2021 (\$84,062 as at December 31, 2020).

## 9 - OFFERINGS IN PROGRESS

Offerings in progress comprise members' subscription deposits on offerings not yet completed.

In 2021, the Society closed eight offerings to members (twelve in 2020) with ten offerings scheduled to be completed in the following year (nine in 2020).

## 10 - GOVERNMENT ASSISTANCE

The Society received a \$20,000 loan (\$40,000 in 2020) under the Canada Emergency Business Account (CEBA) program. The Society repaid both loans during 2021. In 2020, \$10,000 of the government assistance was recognized in the statement of operations, net of salaries and benefits, at the time the government assistance was granted, since such amount was forgivable if the Society repaid \$30,000 by December 31, 2022.

Furthermore, in 2020, the Society applied for financial relief under the Canada Emergency Wage Subsidy (CEWS) program. The CEWS program is a wage subsidy program offered by the federal government to eligible employers to subsidize payroll costs during the COVID-19 pandemic. The qualified subsidy amounts received under the CEWS program are non-repayable. The Society applied for a \$211,908 subsidy

for the period of March 15, 2020 to December 31, 2020, which it recognized in the statement of operations, net of salaries and benefits. Included in the amount applied for is an amount of \$14,656, which was receivable as at December 31, 2020. During the year ended December 31, 2021, no subsidy was applied for or received under this program.

The Society also applied for financial relief under the 10% Temporary Wage Subsidy program (TWS). The TWS is a wage subsidy program launched by the federal government and offered to eligible employers to subsidize employer payroll deduction costs during the beginning of the COVID-19 pandemic. The qualified subsidy amounts received under the TWS program are non-repayable. The Society applied for and received \$18,920 of subsidy funding under the TWS program for the period of March 18, 2020 to June 19, 2020, which it recognized in the statement of operations, net of salaries and benefits. During the year ended December 31, 2021, no subsidy was applied for or received under this program.

## 11 - INTERNALLY RESTRICTED – RESERVE FOR CONTINGENCIES

The Board of Directors determines the amount of internally restricted reserve for contingencies to remain in net assets at year-end. The amounts are based on the balance required for contingencies in the event that unexpected obligations become due.



Transfers between unrestricted and/or externally or internally restricted net assets during a reporting period do not result in increases or decreases in the economic resources of the Society as a whole and therefore are reported, if applicable, in the statement of changes in net assets rather than in the statement of operations. Total net assets represent the Society's residual interest assets after deducting its liabilities.

During the year ended December 31, 2021, the Board of Directors of the Society approved the transfer of an amount of \$563,485 from the unrestricted reserve to the internally restricted – reserve for contingencies (\$222,886 in 2020).

## 12 - RELATED PARTY TRANSACTIONS

During the year, the directors and officers of the Society subscribed to \$108,914 of wine (\$75,128 in 2020) and were issued \$55,975 in wine credits (\$47,750 in 2020).

Related party transactions are measured at the exchange amount, excluding the corresponding financial instruments, which are measured at cost.

## 13 - FINANCIAL RISKS

### MARKET RISK

The Society's financial instruments expose it to market risk, in particular, to currency risk and interest rate risk, resulting from both its operating and investing activities.

#### *Currency risk*

Members subscribe for wines at prices based on the pricing practices of the respective provincial liquor boards at the time of the offering. These prices reflect the current exchange rate of the source country. The Society is exposed to currency risk due to cash in foreign currencies as a result of changes in the exchange rate between the date of subscription by the members and the date the merchandise is received from the suppliers. As at December 31, 2021, the Society is exposed to currency risk due to cash denominated in U.S. dollars totalling \$6,289 (\$5,218 as at December 31, 2020). The Society is also exposed to currency risk as a result of future business transactions denominated in currencies other than the Canadian dollar.

#### *Interest rate risk*

Term deposits bear interest at fixed rates and the Society is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations.

### LIQUIDITY RISK

The Society's liquidity risk represents the risk that the Society could encounter difficulty in meeting obligations associated with its financial liabilities. The Society is, therefore, exposed to liquidity risk with respect to all of the financial liabilities recognized in the balance sheet.

## 14 - COMMITMENT

The Society has entered into a long-term lease agreement expiring on October 31, 2025 which calls for lease and building cost payments of \$1,003,391 for the rental of office space. Minimum lease payments for the next years are \$254,572 in 2022, \$255,342 in 2023, \$259,190 in 2024 and \$234,287 in 2025.



opimian  
WINE CLUB DE VIN

300-2170 RENÉ-LÉVESQUE WEST  
MONTREAL QC H3H 2T8  
[OPIMIAN.CA](http://OPIMIAN.CA)

