

LES GRANDS FRÈRES ET LES GRANDES SOEURS DE L'OUEST DE L' ÎLE /

BIG BROTHERS AND BIG SISTERS OF WEST ISLAND

FINANCIAL STATEMENTS

MARCH 31, 2022

LES GRANDS FRÈRES ET LES GRANDES SOEURS DE L'OUEST DE L' ÎLE /
BIG BROTHERS AND BIG SISTERS OF WEST ISLAND
FINANCIAL STATEMENTS
MARCH 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Directors of
LES GRANDS FRÈRES ET LES GRANDES SOEURS DE L'OUEST DE L'ÎLE /
BIG BROTHERS AND BIG SISTERS OF WEST ISLAND

Qualified Opinion

We have audited the financial statements of **LES GRANDS FRÈRES ET LES GRANDES SOEURS DE L'OUEST DE L'ÎLE / BIG BROTHERS AND BIG SISTERS OF WEST ISLAND** (the Organization), which comprise the statement of financial position as at March 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many non-profit organizations, the Organization derives revenue from donations and fundraising activities, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses, assets and net assets.

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 Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

MLSG, LLP

By Christos Govas, CPA auditor

Montréal
June 14, 2022

LES GRANDS FRÈRES ET LES GRANDES SOEURS DE L'OUEST DE L' ÎLE /
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STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2022

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	2022	2021
Assets		
Current assets		
Cash	\$ 89,835	\$ 338,130
Term deposits (Note 3)	511,389	211,057
Accounts receivable (Note 4)	15,834	41,539
Prepaid expenses and deposits	15,573	14,531
	632,631	605,257
Capital assets (Note 5)	1,332	2,785
	\$ 633,963	\$ 608,042
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	\$ 44,924	\$ 29,829
Deferred revenues (Note 7)	26,500	6,250
	71,424	36,079
Loan payable (Note 8)	-	30,000
	71,424	66,079
Net assets		
Externally restricted - St-Jules Fund	9,019	10,123
Externally restricted - Mentoring 16-21 Program Fund	(4,931)	-
Internally restricted - In-School Mentoring / Special Program Fund	62,468	112,641
Unrestricted	495,983	419,199
	562,539	541,963
	\$ 633,963	\$ 608,042

Signed for the Board,


_____, Director

RICHARD PRICHODA


_____, Director

Kirby Cousa

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

LES GRANDS FRÈRES ET LES GRANDES SOEURS DE L'OUEST DE L'ÎLE /
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STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED MARCH 31, 2022

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	2022		2021		
	Mentorship 16-21 Program Fund	St-Jules Fund	In-School Mentoring / Special Program Fund	Unrestricted	Total
Balance, beginning of year	\$ -	\$ 10,123	\$ 112,641	\$ 419,199	\$ 541,963
Excess (Deficiency) of revenues over expenses	(4,931)	(1,104)	(50,173)	76,784	20,576
Balance, end of year	\$ (4,931)	\$ 9,019	\$ 62,468	\$ 495,983	\$ 562,539
					\$ 541,963

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

LES GRANDS FRÈRES ET LES GRANDES SOEURS DE L'OUEST DE L' ÎLE /
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STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2022

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	2022	2021
Revenues		
Grant - Centraide	\$ -	\$ 19,126
Grant - Federal Government	5,346	39,404
Grant - Quebec Government (Programme Soutien Organismes Communautaires)	64,189	67,210
Grant - West Island Community Shares	38,000	38,000
Other (Schedule A)	455,421	243,705
	<u>562,956</u>	<u>407,445</u>
Program delivery and support services		
Salaries and contractual labour	291,677	217,382
Fringe benefits	35,284	27,550
Fundraising	46,504	1,763
Program expenses	20,944	16,640
Memberships and permits	11,593	11,496
Insurance	21,581	21,688
Office and general expenses	21,692	11,421
Travel	1,832	1,169
Training and conferences	2,978	7,147
Marketing	15,083	51,260
Professional fees	13,419	13,571
Interest and bank charges	2,132	649
Amortization - capital assets	1,453	1,453
	<u>486,172</u>	<u>383,189</u>
Excess of revenues over expenses from operations	<u>76,784</u>	<u>24,256</u>
In-School Mentoring / Special Program Fund - (Deficiency) of revenues over expenses (Schedule B)	(50,173)	(19,772)
St-Jules Fund - Excess (deficiency) of revenues over expenses (Schedule C)	(1,104)	300
Mentorship 16-21 Program Fund - (Deficiency) of revenues over expenses (Schedule D)	(4,931)	-
	<u>(56,208)</u>	<u>(19,472)</u>
Excess of revenues over expenses	<u>\$ 20,576</u>	<u>\$ 4,784</u>

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

LES GRANDS FRÈRES ET LES GRANDES SOEURS DE L'OUEST DE L' ÎLE /
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STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2022

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	2022	2021
Operating activities		
Excess of revenues over expenses	\$ 20,576	\$ 4,784
Non-cash item: Amortization of capital assets	1,453	1,453
	22,029	6,237
Net change in non-cash items related to operating activities (Note 11)	60,008	(24,513)
	82,037	(18,276)
Investing activity		
Net investment in term deposits	(300,332)	(50,221)
Financing activity		
Long-term borrowings	(30,000)	30,000
Decrease in cash and cash equivalents	(248,295)	(38,497)
Cash and cash equivalents, beginning of year	338,130	376,627
Cash and cash equivalents, end of year	\$ 89,835	\$ 338,130

Cash and cash equivalents consist of cash.

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

1. Status and nature of operations

Les Grands Frères et Les Grandes Soeurs de l'Ouest de l'Île / Big Brothers and Big Sisters of West Island is incorporated as a non-profit organization under the provisions of Part III of the Quebec Companies Act. It has been granted tax-exempt status as a registered charity and its registration number is #119015881RR0001. The Organization's main objective is to match little brothers/sisters from single parent families with big brothers/sisters. In 1998, the Organization also started an in-school mentoring program with local school boards.

2. Significant accounting policies

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

Accounting for contributions

Big Brothers and Big Sisters of West Island uses the restricted fund method to account for its activities:

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Generally, all revenues are recorded on an accrual basis; except for donations which are recognized when received.

Any fees or donations received or expenses incurred in the current year in connection with the upcoming Ribfest or any other program/event are deferred to the following fiscal year.

Donated goods and services

The financial statements do not reflect the value of services contributed by volunteers or goods donated by suppliers.

Capital assets

Capital assets are accounted for at cost. Amortization is calculated on its estimated useful life using the straight-line method over the period of 5 years.

The Organization expenses all minor capital asset acquisitions.

2. **Significant accounting policies (continued)**

Fund accounting

The Operating Fund is comprised of the current operating activities of Big Brothers and Big Sisters of West Island. Salaries are allocated from the Operating fund to the In-School Mentoring fund and the Mentoring 16-21 fund based on the hours incurred in performing activities of each program. All general support expenses that are common to the administration of the organization have not been allocated to any other fund due to the difficulty in establishing an accurate allocation and consequently reported under this fund.

St-Jules Fund

The original amount recorded in this fund was donated for the special purpose of covering the cost of sending a child to camp. All additional receipts, including interest on the short term deposits are added to the fund; all disbursements for the cost of the camp are charged against the fund.

In-School Mentoring / Special Program Fund

All amounts received for the purpose of the In-School Mentoring / Special Program are recorded in this fund; direct costs associated with the program are charged against the fund.

Mentorship 16-21 Program Fund

The fund was established during the year to support the Mentorship 16 to 21 Program. Its objective is to give youth aged 16 to 21 with a history of placement who receive services under the Youth Protection Act or Youth Criminal Justice Act the opportunity to be matched with a mentor who can ease this transition by serving as an additional, positive role model in their lives. A funding agreement was signed with "Association Grands Frères Grandes Soeurs du Québec" (AGFGSQ) in connection with the "Ministère de la Santé et des Services Sociaux" for a period of three (3) years, ending on June 30, 2024.

All amounts received for the purpose of the Mentorship 16-21 Program are recorded in this fund; direct costs associated with the program are charged against the fund.

Cash and cash equivalents

The Organization's policy is to present bank balances under cash and cash equivalents, including bank overdrafts when bank balances that fluctuate frequently from being positive to overdrawn, and term deposits with a maturity period of three months or less from the date of acquisition. In addition, term deposits that the Organization cannot use for current transactions because they are pledged as collateral are excluded from cash and cash equivalents.

2. **Significant accounting policies (continued)**

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the amounts recognized as revenues and expenses for the periods covered. Actual results may differ from these estimates. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

Financial instruments

Initial and subsequent measurement

The Organization initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Organization subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value of these financial instruments are recognized in net earnings in the period incurred.

Financial assets measured at amortized cost on a straight-line basis include cash, term deposits, accounts receivable and notes receivable.

Financial liabilities measured at amortized cost include the accounts payable, accrued liabilities and long-term debt as financial liabilities.

Impairment

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there is an indication of impairment, and the Organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in net earnings. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net earnings.

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NOTES TO FINANCIAL STATEMENTS

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2. Significant accounting policies (continued)

Financial instruments (continued)

Transaction costs

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in net earnings in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in net earnings over the life of the instrument using straight-line method.

Government assistance

Government assistance related to non-capital items is recognized when there is reasonable assurance that the Organization has complied with and will continue to comply with all of the conditions of the assistance. The amount of government assistance is presented part of Revenues.

3. Term deposits

	2022	2021
Operating Fund (note 1)	\$ 500,000	\$ 200,000
Restricted - "St-Jules Fund" (maturing on April 4, 2022, bearing interest of 0.85% (2021: 2.2%))	7,329	7,017
Operating Fund - Restricted (note 2)	4,060	4,040
	<u>\$ 511,389</u>	<u>\$ 211,057</u>

Note 1

The term deposits include guaranteed investment certificates (GICs) bearing annual interest rate between 0.1% and 0.7% (2021: between 0.1% and 1.4%), maturing between May 28, 2022 and March 21, 2023.

Note 2

The GIC in the amount of \$4,060 has been pledged as collateral for the Organization's credit cards. The balance of the credit cards as at March 31, 2022 was NIL (2021: NIL).

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NOTES TO FINANCIAL STATEMENTS

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4. Accounts receivable

	2022	2021
Sales taxes	\$ 2,648	\$ 3,572
Fundraising	8,078	8,563
Grants - Federal Government	-	29,404
Grants - Restricted "Mentorship 16-21 Program Fund"	5,108	-
	<u>\$ 15,834</u>	<u>\$ 41,539</u>

5. Capital assets

	2022		2021	
	Cost	Accumulated amortization	Net book value	Net book value
Office equipment	\$ 7,265	\$ 5,933	\$ 1,332	\$ 2,785

6. Accounts payable and accrued liabilities

	2022	2021
Accounts payable and accrued liabilities	\$ 16,014	\$ 16,440
Salaries and vacation	15,004	6,453
Deductions at source	13,906	6,936
	<u>\$ 44,924</u>	<u>\$ 29,829</u>

7. Deferred revenues

	2022	2021
Balance, beginning of year	\$ 6,250	\$ -
Cash received for fundraising events to be held in the next financial year	26,500	6,250
Amounts recognized as revenue in the year - Fundraising	(6,250)	-
	<u>\$ 26,500</u>	<u>\$ 6,250</u>

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NOTES TO FINANCIAL STATEMENTS

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8. Loan payable

	2022	2021
Loan for an original amount of \$40,000 for the Canada Emergency Business Account (CEBA). The loan is non-interest bearing and matures on December 31, 2022. During the year, the loan was fully repaid.	\$ -	\$ 30,000

9. Interfund Balances

During the year, the Operating fund made interfund transfers of \$50,173 (2021: \$19,772) to the In-School Mentoring / Special Program Fund, of \$1,416 (2021: \$99 transfer received) to the St-Jules Fund and of \$4,931 (2021: NIL) to the Mentorship 16-21 Program Fund.

The interfund balances are non-interest bearing. As at the balance sheet date, the Operating Fund had amounts owing (receivable) to the following restricted funds:

	2022	2021
St-Jules Fund	\$ 1,690	\$ 3,106
In-School Mentoring / Special Program Fund	62,468	112,641
Mentorship 16-21 Program Fund	(4,931)	-
	<u>\$ 59,227</u>	<u>\$ 115,747</u>

10. Capital management policy

The Organization's objective in managing its capital is to safeguard the Organization's assets and ensure it can operate as a going concern so that it can continue to provide its existing programs and establish new programs to members of the community. The Organization considers its unrestricted net assets as its capital base.

The Organization can impact its capital base by raising new debt and refinancing existing working capital. The annual unrestricted surplus is accumulated and forms part of the capital base. The Organization invests any funds not required in the near term in short-term guaranteed investments. To ensure liquidity, only a portion of the capital base is invested. The capital base is reduced when the unrestricted annual expenses exceed the annual revenues.

The Organization and its board of directors rigorously monitors the Organization's capital base by way of preparation of annual financial projections and monthly financial reporting analysis.

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11. Net change in non-cash items related to operating activities

	2022	2021
Accounts receivable	\$ 25,705	\$ (32,463)
Prepaid expenses and deposits	(1,042)	(1,367)
Accounts payable and accrued liabilities	15,095	6,067
Deferred revenues	20,250	6,250
Refundable deposits for fundraising events	-	(3,000)
	<u>\$ 60,008</u>	<u>\$ (24,513)</u>

12. Financial instruments

Financial risks

The significant risks arising from financial instruments to which the Organization is exposed as at March 31, 2022 are detailed below.

Liquidity risk

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

13. OFFICE AND GENERAL EXPENSES

Under a lease agreement signed in June 2020 and expiring in June 2023, the Organization will lease its premises for an annual fee of \$1. The lease includes incidental services such as telecommunications, utilities and other office supplies.

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ADDITIONAL INFORMATION

YEAR ENDED MARCH 31, 2022

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	2022	2021
Schedule A - Other		
Donations	\$ 258,673	\$ 156,679
Fundraising	196,400	86,484
Interest	348	542
	\$ 455,421	\$ 243,705

Schedule B - In-School Mentoring / Special Program Fund - (Deficiency) of revenues over expenses

Income

Grant- Centraide	\$ -	\$ 26,080
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Expenses

Salaries attributed to program	50,173	45,252
Direct program expenses	-	600
	50,173	45,852
	\$ (50,173)	\$ (19,772)

Schedule C - St-Jules Fund - Excess (deficiency) of revenues over expenses

Income

Donations and interest	\$ 315	\$ 300
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Expense

Camp fees expense	(1,419)	-
	\$ (1,104)	\$ 300

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ADDITIONAL INFORMATION

YEAR ENDED MARCH 31, 2022

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	2022	2021
Schedule D - Mentorship 16-21 Program Fund - (Deficiency) of revenues over expenses		
Income		
Grant - AGFGSQ	\$ 20,432	\$ -
Expenses		
Salaries attributed to program	20,165	-
Direct program expenses	5,198	-
	25,363	-
	\$ (4,931)	\$ -