

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, 2024

LES GRANDS FRÈRES ET LES GRANDES SOEURS DE L'OUEST DE L' ÎLE /
BIG BROTHERS AND BIG SISTERS OF WEST ISLAND
FINANCIAL STATEMENTS
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TABLE OF CONTENTS

	Page
Independent auditor's report	1 - 3
Statement of financial position	4
Changes in net assets	5
Statement of operations	6
Statement of cash flows	7
Notes to financial statements	8 - 14
Additional information	15



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LLP OF CHARTERED PROFESSIONAL ACCOUNTANTS

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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, 2024, 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, 2024, 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 sncrl/LLP

By Christos Govas, CPA auditor

Montréal
June 12, 2024

**LES GRANDS FRÈRES ET LES GRANDES SOEURS DE L'OUEST DE L' ÎLE /
BIG BROTHERS AND BIG SISTERS OF WEST ISLAND**

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2024

Page 4

	2024	2023
Assets		
Current assets		
Cash	\$ 63,499	\$ 44,314
Term deposits (Note 3)	367,540	411,604
Accounts receivable (Note 4)	21,879	20,715
Prepaid expenses and deposits	39,569	16,744
	\$ 492,487	\$ 493,377
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	\$ 28,294	\$ 56,165
Deferred revenues	52,845	3,000
	81,139	59,165
Net assets		
Externally restricted - St-Jules Fund	4,805	5,279
Externally restricted - Mentoring 16-21 Program Fund	21,737	3,794
Internally restricted - In-School Mentoring / Special Program Fund	(38,074)	(2,275)
Unrestricted	422,880	427,414
	411,348	434,212
	\$ 492,487	\$ 493,377

Signed for the Board,

_____, Director

_____, Director

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

**LES GRANDS FRÈRES ET LES GRANDES SOEURS DE L'OUEST DE L' ÎLE /
BIG BROTHERS AND BIG SISTERS OF WEST ISLAND**

CHANGES IN NET ASSETS

YEAR ENDED MARCH 31, 2024

		2024		2023	
	Mentorship 16-21 Program Fund	St-Jules Fund	In-School Mentoring / Special Program Fund	Unrestricted	Total
Balance, beginning of year	\$ 3,794	\$ 5,279	\$ (2,275)	\$ 427,414	\$ 434,212
Deficiency of revenues over expenses	17,943	(474)	(35,799)	(4,534)	(128,327)
Balance, end of year	\$ 21,737	\$ 4,805	\$ (38,074)	\$ 422,880	\$ 411,348
					\$ 562,539
					\$ 434,212

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

**LES GRANDS FRÈRES ET LES GRANDES SOEURS DE L'OUEST DE L' ÎLE /
BIG BROTHERS AND BIG SISTERS OF WEST ISLAND**

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2024

Page 6

	2024	2023
Revenues		
Grant - Federal Government	\$ 9,871	\$ 9,196
Grant - Quebec Government (Programme Soutien Organismes Communautaires)	86,684	63,992
Grant - West Island Community Shares	10,000	19,000
Other (Schedule A)	449,777	415,307
	556,332	507,495
Program delivery and support services		
Salaries and contractual labour	312,438	321,532
Fringe benefits	55,035	54,346
Travel	4,998	2,219
Office and general expenses	14,410	19,317
Fundraising	100,023	93,444
Professional fees	22,673	24,396
Insurance	28,295	22,720
Program expenses	7,509	17,499
Memberships and permits	8,247	5,609
Marketing	5,406	3,838
Training and conferences	1,400	8,470
Interest and bank charges	432	1,342
Amortization - capital assets	-	1,332
	560,866	576,064
Deficiency of revenues over expenses from operations	(4,534)	(68,569)
In-School Mentoring / Special Program Fund - (Deficiency) of revenues over expenses (Schedule B)	(35,799)	(64,743)
St-Jules Fund - Excess (deficiency) of revenues over expenses (Schedule C)	(474)	(3,740)
Mentorship 16-21 Program Fund - (Deficiency) of revenues over expenses (Schedule D)	17,943	8,725
	(18,330)	(59,758)
Deficiency of revenues over expenses	\$ (22,864)	\$ (128,327)

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

**LES GRANDS FRÈRES ET LES GRANDES SOEURS DE L'OUEST DE L' ÎLE /
BIG BROTHERS AND BIG SISTERS OF WEST ISLAND**

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2024

Page 7

	2024	2023
Operating activities		
Deficiency of revenues over expenses	\$ (22,864)	\$ (128,327)
Non-cash item: Amortization of capital assets	-	1,332
	(22,864)	(126,995)
Net change in non-cash items related to operating activities (Note 10)	(2,015)	(18,311)
	(24,879)	(145,306)
Investing activity		
Net investment/proceeds in term deposits	44,064	99,785
Increase (decrease) in cash and cash equivalents	19,185	(45,521)
Cash and cash equivalents, beginning of year	44,314	89,835
Cash and cash equivalents, end of year	\$ 63,499	\$ 44,314

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 programs/events 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 measurement

The Organization initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Organization is in the capacity of management, are initially measured at cost.

Subsequent measurement

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 using the straight-line method include cash, term deposits, trade and other receivables, except for accounts receivable from a company under common control, and notes receivable.

Financial assets measured at fair value include quoted shares.

A financial liability issued by the Organization in an arm's length transaction indexed to a measure of the Organization's financial performance or to changes in the value of the Organization's equity is remeasured at the higher of the amortized cost of the debt or the amount that would be due at the balance sheet date if the formula determining the additional amount was applied at that date. The amount of the adjustment relating to the additional amount is recognized in income and presented as a separate component of interest expense.

**LES GRANDS FRÈRES ET LES GRANDES SOEURS DE L'OUEST DE L' ÎLE /
BIG BROTHERS AND BIG SISTERS OF WEST ISLAND**

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

Page 11

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there are, 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. If the indicators of impairment have decreased or no longer exist, the 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.

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in net earnings in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in net earnings over the life of the instrument using the 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

	2024	2023
Operating Fund (note 1)	\$ 355,582	\$ 400,000
Restricted - "St-Jules Fund" (maturing on April 4, 2024, bearing interest of 2.27% (2023: 2.27%))	7,898	7,544
Operating Fund - Restricted (note 2)	4,060	4,060
	\$ 367,540	\$ 411,604

**LES GRANDS FRÈRES ET LES GRANDES SOEURS DE L'OUEST DE L' ÎLE /
BIG BROTHERS AND BIG SISTERS OF WEST ISLAND**

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

Page 12

3. TERM DEPOSITS (continued)

Note 1

The term deposits include guaranteed investment certificates (GICs) bearing annual interest rate between 4% and 4.75% (2023: between 1.15% and 4.25%), maturing between December 21, 2024 and May 30, 2025.

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, 2024 was NIL (2023: NIL).

4. ACCOUNTS RECEIVABLE

	2024	2023
Accrued interest receivable - Operating Fund	\$ 2,592	\$ 1,699
Sales taxes	9,011	9,230
Fundraising	10,276	9,786
	<u>\$ 21,879</u>	<u>\$ 20,715</u>

5. CAPITAL ASSETS

	2024		2023	
	Cost	Accumulated amortization	Net book value	Net book value
Office equipment	\$ 7,265	\$ 7,265	\$ -	\$ -

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Accounts payable and accrued liabilities	\$ 15,559	\$ 39,094
Salaries and vacation	12,735	17,071
	<u>\$ 28,294</u>	<u>\$ 56,165</u>

**LES GRANDS FRÈRES ET LES GRANDES SOEURS DE L'OUEST DE L' ÎLE /
BIG BROTHERS AND BIG SISTERS OF WEST ISLAND**

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

Page 13

7. DEFERRED REVENUES

	2024	2023
Expenses		
Balance, beginning of year	\$ 3,000	\$ 26,500
Restricted donations received for the "Operating fund"	68,250	3,000
Amounts recognized as revenue in the year - Donations	(15,405)	-
Amounts recognized as revenue in the year - Fundraising	(3,000)	(26,500)
Balance, end of year	\$ 52,845	\$ 3,000

8. INTERFUND BALANCES

During the year, the Operating fund made interfund transfers of \$35,799 (2023: \$64,743) to the In-School Mentoring / Special Program Fund, \$828 (2023: \$3,955) to the St-Jules Fund and received \$21,737 (2023: \$8,725) from 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:

	2024	2023
Operating Fund owing to / (receivable from):		
St-Jules Fund	\$ 3,093	\$ (2,265)
In-School Mentoring / Special Program Fund	(38,074)	(2,275)
Mentorship 16-21 Program Fund	21,737	3,794
	\$ (13,244)	\$ (746)

9. 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.

**LES GRANDS FRÈRES ET LES GRANDES SOEURS DE L'OUEST DE L' ÎLE /
BIG BROTHERS AND BIG SISTERS OF WEST ISLAND**

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2024

Page 14

10. NET CHANGE IN NON-CASH ITEMS RELATED TO OPERATING ACTIVITIES

	2024	2023
Accounts receivable	\$ (1,164)	\$ (4,881)
Prepaid expenses and deposits	(22,825)	(1,171)
Accounts payable and accrued liabilities	(27,871)	11,241
Deferred revenues	49,845	(23,500)
	<u>\$ (2,015)</u>	<u>\$ (18,311)</u>

11. FINANCIAL INSTRUMENTS

Financial risks

The significant risks arising from financial instruments to which the Organization is exposed as at March 31, 2024 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.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Organization is exposed to interest rate risk on its fixed-interest rate financial instruments. Fixed interest rate instruments subject the Organization to a fair value risk, since fair value fluctuates inversely to changes in market interest rates.

12. OFFICE AND GENERAL EXPENSES

Under a lease agreement signed in June 2020 and renewed during the fiscal year, expiring in June 2025, 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.

**LES GRANDS FRÈRES ET LES GRANDES SOEURS DE L'OUEST DE L' ÎLE /
BIG BROTHERS AND BIG SISTERS OF WEST ISLAND**

ADDITIONAL INFORMATION

YEAR ENDED MARCH 31, 2024

Page 15

	2024	2023
Schedule A - Other		
Donations	\$ 169,218	\$ 142,307
Fundraising	261,104	265,114
Interest	19,455	7,886
	<u>\$ 449,777</u>	<u>\$ 415,307</u>

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

Expenses

Salaries attributed to program	\$ (35,799)	\$ (64,743)
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Schedule C - St-Jules Fund - Excess (deficiency) of revenues over expenses

Income

Donations and interest	\$ 354	\$ 215
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Expense

Camp fees expense	(828)	(3,955)
	<u>\$ (474)</u>	<u>\$ (3,740)</u>

Schedule D - Mentorship 16-21 Program Fund - (Deficiency) of revenues over expenses

Income

Grant - AGFGSQ	\$ 40,865	\$ 40,865
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Expenses

Salaries attributed to program	(22,922)	(32,109)
Direct program expenses	-	(31)
	<u>(22,922)</u>	<u>(32,140)</u>
	<u>\$ 17,943</u>	<u>\$ 8,725</u>