

WEST-ISLAND COMMUNITY SHARES
FINANCIAL STATEMENTS
MARCH 31, 2021

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SUMMARY

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INDEPENDENT AUDITOR'S REPORT

To the Members of
West-Island Community Shares

Qualified Opinion

We have audited the financial statements of WEST-ISLAND COMMUNITY SHARES, which comprise the statement of financial position as at March 31, 2021, 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 and annex.

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 WEST-ISLAND COMMUNITY SHARES as at March 31, 2021, and the results of its operations and its cash flows for the year ended in accordance with Canadian accounting standards for not-to-profit organizations.

Basis for Qualified Opinion

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

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.

Siège social

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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.

(1)

Montréal
September 21, 2021

⁽¹⁾ CPA auditor, CA, public accountancy permit n° A130994

WEST-ISLAND COMMUNITY SHARES
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2021

	General Operating Fund	Special Events Fund	Campaign Fund	Forever Fund	Total 2021	Total 2020
REVENUES						
Corporate sponsorships	\$ 476,836	\$ -	\$ -	\$ -	\$ 476,836	\$ 378,445
Public donations	-	-	258,262	-	258,262	260,703
Activities (Appendix 1)	-	183,205	-	-	183,205	437,487
Corporate donations	-	-	795,294	-	795,294	813,783
Government support and municipal	20,000	-	75,018	-	95,018	8,550
Other income	767	-	-	-	767	1,892
	497,603	183,205	1,128,574	-	1,809,382	1,900,860
EXPENSES / DISTRIBUTIONS						
Distribution of donations	-	-	1,398,200	-	1,398,200	1,292,750
Activities (Appendix 1)	-	9,399	-	-	9,399	119,688
Fundraising expenses (Appendix 2)	246,915	-	-	-	246,915	254,962
Administration expenses (Appendix 3)	97,316	-	-	842	98,158	108,252
Charitable program salaries and fringe benefits	45,321	-	-	-	45,321	56,994
	389,552	9,399	1,398,200	842	1,797,993	1,832,646
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES / DISTRIBUTIONS						
	\$ 108,051	\$ 173,806	\$ (269,626)	\$ (842)	\$ 11,389	\$ 68,214

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

WEST-ISLAND COMMUNITY SHARES
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2021

	General Operating Fund	Special Events Fund	Campaign Fund	Forever Fund	Reserve Fund	Total 2021	Total 2020
BALANCE, BEGINNING OF YEAR	\$ 177	\$ -	\$ 705,248	\$ 1,083	\$ 316,000	\$ 1,022,508	\$ 954,294
Excess (Deficiency) of revenues over expenses / distributions	108,051	173,806	(269,626)	(842)	-	11,389	68,214
Interfund transfers (Note 11)	(108,000)	(173,806)	281,806	-	-	-	-
BALANCE, END OF YEAR	\$ 228	\$ -	\$ 717,428	\$ 241	\$ 316,000	\$ 1,033,897	\$ 1,022,508

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

WEST-ISLAND COMMUNITY SHARES
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

	General Operating Fund	Special Events Fund	Campaign Fund	Forever Fund	Reserve Fund	Consolidating Balances	Total 2021	Total 2020
ASSETS								
CURRENT								
Cash	\$ 69,191	\$ -	\$ 1,202,377	\$ 529	\$ 201,087	\$ -	\$ 1,473,184	\$ 1,450,804
Investments (Note 4)	22,301	-	-	-	-	-	22,301	15,575
Accounts receivable (Note 3)	140,066	11,600	-	-	-	-	151,666	184,497
Prepaid expenses	479	-	-	-	-	-	479	229
Interfund loans, without interest	-	-	111,051	-	114,913	(225,964)	-	-
	232,037	11,600	1,313,428	529	316,000	(225,964)	1,647,630	1,651,105
CAPITAL ASSETS (Note 5)	3,976	-	-	-	-	-	3,976	2,710
	\$ 236,013	\$ 11,600	\$ 1,313,428	\$ 529	\$ 316,000	\$ (225,964)	\$ 1,651,606	\$ 1,653,815
LIABILITIES								
CURRENT								
Accounts payable (Note 6)	\$ 17,176	\$ 4,533	\$ -	\$ -	\$ -	\$ -	\$ 21,709	\$ 17,807
Donations to distribute	-	-	596,000	-	-	-	596,000	603,500
Deferred income (Note 8)	-	-	-	-	-	-	-	10,000
Interfund loans, without interest	218,609	7,067	-	288	-	(225,964)	-	-
	235,785	11,600	596,000	288	-	(225,964)	617,709	631,307
NET ASSETS								
Unrestricted	228	-	-	-	-	-	228	177
Internally restricted	-	-	-	-	316,000	-	316,000	316,000
Externally restricted	-	-	717,428	241	-	-	717,669	706,331
	228	-	717,428	241	316,000	-	1,033,897	1,022,508
	\$ 236,013	\$ 11,600	\$ 1,313,428	\$ 529	\$ 316,000	\$ (225,964)	\$ 1,651,606	\$ 1,653,815

Commitments (Note 10)

ON BEHALF OF THE BOARD OF DIRECTORS

Director

Director

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

WEST-ISLAND COMMUNITY SHARES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2021

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	2021	2020
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 11,389	\$ 68,214
Non-cash item:		
Amortization - capital assets	1,163	678
	12,552	68,892
Net changes in non-cash working capital items (Note 9)	28,983	(106,642)
	41,535	(37,750)
INVESTING ACTIVITIES		
Acquisition of fixed assets	(2,429)	-
Acquisition of term deposits	(6,726)	(5,389)
	(9,155)	(5,389)
FINANCING ACTIVITY		
Net changes in deferred income	(10,000)	(46,325)
NET INCREASE (DECREASE) IN CASH	22,380	(89,464)
CASH, BEGINNING OF YEAR	1,450,804	1,540,268
CASH, END OF YEAR	\$ 1,473,184	\$ 1,450,804

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

NOTE 1 - LEGAL FORM AND PURPOSE OF THE ORGANIZATION

The Organization is incorporated under Part III of the Companies Act (Quebec) and is registered with the tax authorities as a charitable organization under number 870517992RR0001. Its objective is to encourage citizens to get involved in the development and maintenance of well-being of their community through fundraising campaign.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook - Accounting and include the following significant accounting policies:

USE OF ESTIMATES

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

Significant estimates made in the preparation of these financial statements include accounts receivable.

FUND ACCOUNTING

The General Operating Fund comprises activities undertaken by the Organization to cover services and administration expenses.

The Special Events Fund comprises activities organized by the Organization that took place to raise the funds necessary to cover the expenses related to the fundraising campaign, to some administrative expenses and to maintain a contingency reserve. The donation portion of tickets sold for activities is allocated to the Campaign Fund. Interfund allocations are at the discretion of the Board of Directors.

The Fundraising Activities Fund includes activities organized by West-Island Community Shares for which 100% of the net proceeds are allocated to the Campaign Fund.

The Campaign Fund includes public donations, donations made through payroll deductions, corporate matching of employees donations, corporate donations, donations from foundations and donations received from third-party fundraisers.

The Reserve Fund is created out of special events of Community Shares and serves to ensure the durability in the distribution of funds to organizations and operations of Community Shares for years to come. Interfund transfers are determined annually by the Board of Directors. This fund is not for the purpose of current operations.

The Forever Fund is an endowment fund which includes donor-planned donations. This fund was established on May 24, 2011 at the TD Private Giving Foundation. Directors have voted, by resolution of the Board of Directors, to affect dated March 31, 2011 an amount of \$ 10,000 to this fund. The contribution was made in previous year with TD Private Giving Foundation. Invested capital is the property of TD Private Giving Foundation, but West-Island Community Shares is the only recipient of the interest of the fund. West-Island Community Shares will be entitled to annual income distributed by the fund. Of these revenues, up to 15% may be withheld and paid to the administration fund in order to maintain the 100% distribution model. The balance of 85% of revenues will be paid to charitable organizations supported within twenty-four months of receipt of revenues.

WEST-ISLAND COMMUNITY SHARES
NOTES TO FINANCIAL STATEMENTS
AS AT MARCH 31, 2021

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued)

REVENUE RECOGNITION

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Activities revenue are recognized as revenue in the year in which the activity occurs.

DISTRIBUTIONS TO SUPPORTED ORGANIZATIONS

Distributions are recorded in statement of operations in the period in which they are granted.

CAPITAL ASSETS

Capital assets are accounted for at cost. Amortization is calculated on their estimated useful life using the declining balance method and following rates:

	<u>Rates</u>
Office furniture and equipment	20%
Computers	30%

FINANCIAL INSTRUMENTS

The Organization initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The Organization subsequently measures all its financial assets and financial liabilities at 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 are recognized in net income.

Financial assets measured at amortized cost include cash, term deposits, sponsorships and contributions receivable and interest receivable.

Financial liabilities measured at amortized cost include trade accounts payable and salaries payable.

CASH AND CASH EQUIVALENT

The Organization's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and temporary investments with a maturity period of three months or less from the date of acquisition. Temporary investments that the Organization cannot use for current transactions because they are pledged as security are excluded from cash and cash equivalents.

NOTE 3 - ACCOUNTS RECEIVABLE

	2021	2020
Sponsorships and contributions receivable	\$ 145,600	\$ 169,413
Sales tax receivable	5,925	14,962
Interest	141	122
	\$ 151,666	\$ 184,497

WEST-ISLAND COMMUNITY SHARES
NOTES TO FINANCIAL STATEMENTS
AS AT MARCH 31, 2021

NOTE 4 - INVESTMENTS

	2021	2020
Term deposits, ending date between April 2021 and March 2022, with interest between 0.5% and 1.8%	\$ 22,301	\$ 15,575

NOTE 5 - CAPITAL ASSETS

	Cost	Accumulated amortization	Net book value 2021	Net book value 2020
Office furniture and equipment	\$ 1,886	\$ 1,769	\$ 117	\$ 146
Computers	31,199	27,341	3,858	2,564
	\$ 33,085	\$ 29,110	\$ 3,975	\$ 2,710

NOTE 6 - ACCOUNTS PAYABLE

	2021	2019
Trade accounts payable and accrued liabilities	\$ 9,164	\$ 12,103
Salaries payable and fringe benefits	12,545	5,704
	\$ 21,709	\$ 17,807

NOTE 7 - BANK LOAN

Line of credit under the Canada Emergency Business account (CEBA) program, in the amount of \$ 60,000, which \$ 20,000 was accounted in the revenues as Government assistance, guaranteed by the federal government, non-interest bearing. The loan will then mature in December 2022. As of March 31, 2021, there is a balance of \$ 20,000 on the line of credit which will be written off by the bank in December 2022.

NOTE 8 - DEFERRED INCOME

	General Operating Fund	Special Events Fund	2021	2020
OPENING BALANCE	\$ 10,000	\$ -	\$ 10,000	\$ 56,325
Less: revenues recognized during the year	(10,000)	-	(10,000)	(56,325)
Plus: amounts received during the year	-	-	-	10,000
CLOSING BALANCE	-	-	-	10,000
Current portion of deferred income	-	-	-	10,000
Long-term portion of deferred income	\$ -	\$ -	\$ -	-

WEST-ISLAND COMMUNITY SHARES
NOTES TO FINANCIAL STATEMENTS
AS AT MARCH 31, 2021

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NOTE 9 - CASH FLOWS

2021

2020

Net changes in non-cash working capital items :

Accounts receivable	\$	32,831	\$	(50,004)
Prepaid expenses		(250)		10,283
Accounts payable		3,902		(22,671)
Donations to distribute		(7,500)		(44,250)
	\$	28,983	\$	(106,642)

NOTE 10 - COMMITMENTS

The commitments of the Organization under lease agreements aggregate to \$ 54,098. The instalments over the next four years are the following :

2022	\$	21,183
2023	\$	21,183
2024	\$	9,897
2025	\$	1,835

Furthermore, the Organization is committed, from the surplus of Campaign Fund to distribute additional donations dated April 23, 2021, totaling \$ 596,000 (\$ 603,500 in 2020).

During the year, the organization has benefited of 7 months of free rent in the value of \$ 11,286.

NOTE 11 - INTERFUND TRANSFERS

The Board of Directors authorized, by resolution, the transfer of \$ 108,000 from the General Operating Fund and \$ 173,806 from the Special Events Fund to the following funds: \$ 281,806 to the Campaign Fund.

NOTE 12 - ALLOCATION OF EXPENSES

All expenses are allocated directly to the project for which they were incurred, except salaries that are allocated by hours worked.

NOTE 13 - FINANCIAL INSTRUMENTS

RISK AND CONCENTRATIONS

The Organization is exposed to various risks through its financial instruments, without being exposed to concentration of risk. The following analysis provides a measure of the Organization's risk exposure as at March 31, 2021.

CREDIT RISK

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.

NOTE 13 - FINANCIAL INSTRUMENTS (continued)

The Organization provides credit to its partners, contributors and donators in the normal course of its operations. However the risk is minimized, since they are generally well known of the management.

LIQUIDITY RISK

Liquidity risk is the risk the Organization will encounter difficulty in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining a sufficient liquidity levels access to appropriate credit facilities and the ability to liquidate positions on the market. The Organization believes that its recurring financial resources are adequate to cover all its expenditures.

WEST-ISLAND COMMUNITY SHARES**APPENDIX 1 - STATEMENT OF OPERATIONS BY ACTIVITIES****FOR THE YEAR ENDED MARCH 31, 2021**

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	Special events fund	
	2021	2020
REVENUES		
Red and White	\$ 70,000	\$ 333,082
Community Breakfast	-	18,046
Light Up our Community	-	1,539
West-Island Wine Show	-	25,662
Annual Lottery	24,810	-
Special Gala	-	59,158
Du Cœur à l'achat	54,940	-
Solidarity Pizza Night	33,455	-
	183,205	437,487
EXPENSES		
Red and White	2,000	63,015
Community Breakfast	-	1,755
Light Up our Community	-	60
West-Island Wine Show	-	22,052
Annual Lottery	973	-
Special Gala	-	32,806
Du Cœur à l'achat	2,580	-
Solidarity Pizza Night	3,846	-
	9,399	119,688
EXCESS OF REVENUES OVER EXPENSES	\$ 173,806	\$ 317,799

WEST-ISLAND COMMUNITY SHARES
APPENDIX 2 - FUNDRAISING EXPENSES
FOR THE YEAR ENDED MARCH 31, 2021

	General Operating Fund	
	2021	2020
EXPENSES		
Salaries and fringe benefits	\$ 207,063	\$ 218,573
Marketing and communications	18,022	16,195
Credit card fees	18,343	13,290
Fund distribution fees, donor recognition and volunteer recognition event	-	4,948
Consultant fees	-	950
Travel expenses	242	513
Postage	3,245	293
Networking fees	-	200
	\$ 246,915	\$ 254,962

WEST-ISLAND COMMUNITY SHARES
APPENDIX 3 - ADMINISTRATION EXPENSES
FOR THE YEAR ENDED MARCH 31, 2021

	General Operating Fund	
	2021	2020
EXPENSES		
Salaries and fringe benefits	\$ 50,182	\$ 48,820
Office expenses	32,044	43,162
Professional fees	7,417	7,309
Insurance	3,015	3,322
Relationship with community organizations	271	2,202
Interest and bank charges	2,536	1,141
Bad debt	705	-
Storage	-	-
Conferences	825	1,618
Amortization - capital assets	1,163	678
	\$ 98,158	\$ 108,252
