

**WEST-ISLAND COMMUNITY SHARES**  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2022**

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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, 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 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, 2022, 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 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.

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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  
August 24, 2022

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<sup>(1)</sup> CPA auditor, public accountancy permit n° A130994

**WEST-ISLAND COMMUNITY SHARES**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

	<b>General Operating Fund</b>	<b>Special Events Fund</b>	<b>Campaign Fund</b>	<b>Forever Fund</b>	<b>Total 2022</b>	<b>Total 2021</b>
<b>REVENUES</b>						
Corporate sponsorships	\$ 556 177	\$ -	\$ -	\$ -	\$ 556 177	\$ 476 836
Public donations	-	-	320 007	-	320 007	258 262
Activities (Appendix 1)	-	76 455	-	-	76 455	183 205
Corporate donations	-	-	674 915	-	674 915	795 294
Government support and municipal	-	-	6 916	-	6 916	95 018
Other income	777	-	-	-	777	767
	<b>556 954</b>	<b>76 455</b>	<b>1 001 838</b>	<b>-</b>	<b>1 635 247</b>	<b>1 809 382</b>
<b>EXPENSES / DISTRIBUTIONS</b>						
Distribution of donations	\$ -	\$ -	\$ 605 600	\$ -	\$ 605 600	\$ 1 398 200
Activities (Appendix 1)	-	26 218	-	-	26 218	9 399
Fundraising expenses (Appendix 2)	240 124	-	-	-	240 124	246 915
Administration expenses (Appendix 3)	127 526	-	-	-	127 526	98 158
Charitable program salaries and fringe benefits	56 961	-	-	-	56 961	45 321
	<b>424 611</b>	<b>26 218</b>	<b>605 600</b>	<b>-</b>	<b>1 056 429</b>	<b>1 797 993</b>
<b>EXCESS OF REVENUES OVER EXPENSES / DISTRIBUTIONS</b>	<b>\$ 132 343</b>	<b>\$ 50 237</b>	<b>\$ 396 238</b>	<b>\$ -</b>	<b>\$ 578 818</b>	<b>\$ 11 389</b>

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, 2022**

	<b>General Operating Fund</b>	<b>Special Events Fund</b>	<b>Campaign Fund</b>	<b>Forever Fund</b>	<b>Reserve Fund</b>	<b>Total 2022</b>	<b>Total 2021</b>
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 228	\$ -	\$ 717 428	\$ 241	\$ 316 000	\$ 1 033 897	\$ 1 022 508
Excess of revenues over expenses / distributions	132 343	50 237	396 238	-	-	<b>578 818</b>	11 389
Interfund transfers (Note 10)	(132 000)	(50 237)	182 237	-	-	-	-
<b>BALANCE, END OF YEAR</b>	\$ 571	\$ -	\$ 1 295 903	\$ 241	\$ 316 000	\$ 1 612 715	\$ 1 033 897

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

**WEST-ISLAND COMMUNITY SHARES**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2022**

	General Operating Fund	Special Events Fund	Campaign Fund	Forever Fund	Reserve Fund	Consolidating Balances	Total 2022	Total 2021
<b>ASSETS</b>								
<b>CURRENT</b>								
Cash	\$ 33 248	\$ -	\$ 1 487 118	\$ 529	\$ 342 790	\$ -	\$ 1 863 685	\$ 1 473 184
Investments (note 4)	-	-	-	-	-	-	-	22 301
Deposit RACJ	8 175	-	-	-	-	-	8 175	-
Accounts receivable (Note 3)	121 671	-	-	-	-	-	121 671	151 666
Prepaid expenses	1 988	24 555	-	-	-	-	26 543	479
Interfund loans, without interest	-	149 127	37 200	-	-	(186 327)	-	-
	165 082	173 682	1 524 318	529	342 790	(186 327)	2 020 074	1 647 630
CAPITAL ASSETS (Note 5)	4 228	90 000	-	-	-	-	94 228	3 976
	\$ 169 310	\$ 263 682	\$ 1 524 318	\$ 529	\$ 342 790	\$ (186 327)	\$ 2 114 302	\$ 1 651 606
<b>LIABILITIES</b>								
<b>CURRENT</b>								
Accounts payable (Note 6)	\$ 9 490	\$ 4 533	\$ -	\$ -	\$ -	\$ -	\$ 14 023	\$ 21 709
Donations to distribute	-	-	-	-	-	-	-	596 000
Deferred income (Note 7)	-	259 149	228 415	-	-	-	487 564	-
Interfund loans, without interest	159 249	-	-	288	26 790	(186 327)	-	-
	168 739	263 682	228 415	288	26 790	(186 327)	501 587	617 709
<b>NET ASSETS</b>								
Unrestricted	571	-	-	-	-	-	571	228
Internally restricted	-	-	-	-	316 000	-	316 000	316 000
Externally restricted	-	-	1 295 903	241	-	-	1 296 144	717 669
	571	-	1 295 903	241	316 000	-	1 612 715	1 033 897
	\$ 169 310	\$ 263 682	\$ 1 524 318	\$ 529	\$ 342 790	\$ (186 327)	\$ 2 114 302	\$ 1 651 606

Commitments (Note 9)

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, 2022**

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	<b>2022</b>	2021
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 578 818	\$ 11 389
Non-cash item:		
Amortization - Holiday Market	10 000	-
Amortization - capital assets	1 433	1 163
	<b>590 251</b>	12 552
Net changes in non-cash working capital items (Note 8)	<b>(607 930)</b>	28 983
	<b>(17 679)</b>	41 535
<b>INVESTING ACTIVITIES</b>		
Acquisition of fixed assets	<b>(101 685)</b>	(2 429)
Disposition of term deposits	22 301	-
Acquisition of term deposits	-	(6 726)
	<b>(79 384)</b>	(9 155)
<b>FINANCING ACTIVITY</b>		
Net changes in deferred income	487 564	(10 000)
<b>NET INCREASE IN CASH</b>	<b>390 501</b>	22 380
<b>CASH, BEGINNING OF YEAR</b>	<b>1 473 184</b>	1 450 804
<b>CASH, END OF YEAR</b>	<b>\$ 1 863 685</b>	\$ 1 473 184

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, 2022**

**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%
Kiosk - Holiday market	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, deposit RACJ, 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**

	<b>2022</b>	<b>2021</b>
Sponsorships and contributions receivable	<b>\$ 108 010</b>	\$ 145 600
Sales tax receivable	<b>13 568</b>	5 925
Interest	<b>93</b>	141
	<b>\$ 121 671</b>	\$ 151 666



**WEST-ISLAND COMMUNITY SHARES**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS AT MARCH 31, 2022**

**NOTE 8 - CASH FLOWS**

**2022**

**2021**

Net changes in non-cash working capital items :

Accounts receivable	\$ 29 995	\$ 32 831
Prepaid expenses	(26 064)	(250)
Deposit RACJ	(8 175)	-
Accounts payable	(7 686)	3 902
Donations to distribute	(596 000)	(7 500)
	<b>\$ (607 930)</b>	<b>\$ 28 983</b>

**NOTE 9 - COMMITMENTS**

The commitments of the Organization under lease agreements aggregate to \$ 32,915. The instalments over the next four years are the following :

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

Furthermore, the Organization is committed, from the surplus of Campaign Fund to distribute additional donations totaling \$ 1 200,000 (\$ 596,000 in 2021).

**NOTE 10 - INTERFUND TRANSFERS**

The Board of Directors authorized, by resolution, the transfer of \$ 132,000 from the General Operating Fund and \$ 50,237 from the Special Events Fund to the Campaign Fund.

**NOTE 11 - 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 12 - 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, 2022.

**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 12 - 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, 2022

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	<b>Special events fund</b>	
	<b>2022</b>	<b>2021</b>
<b>REVENUES</b>		
Red and White	\$ -	\$ 70 000
Light Up our Community	1 025	-
Special Gala	-	24 810
Holiday market	25 698	-
Du Cœur à l'achat	15 000	54 940
Solidarity Pizza Night	34 732	33 455
	<b>76 455</b>	<b>183 205</b>
<b>EXPENSES</b>		
Red and White	-	2 000
Annual Lottery	-	973
Holiday market	16 645	-
Du Cœur à l'achat	5 000	2 580
Solidarity Pizza Night	4 573	3 846
	<b>26 218</b>	<b>9 399</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 50 237</b>	<b>\$ 173 806</b>

**WEST-ISLAND COMMUNITY SHARES**  
**APPENDIX 2 - FUNDRAISING EXPENSES**  
**FOR THE YEAR ENDED MARCH 31, 2022**

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	<b>General Operating Fund</b>	
	<b>2022</b>	<b>2021</b>
<b>EXPENSES</b>		
Salaries and fringe benefits	\$ 197 542	\$ 207 063
Marketing and communications	20 830	18 022
Credit card fees	20 545	18 343
Postage	-	242
Networking fees	1 207	3 245
	<b>\$ 240 124</b>	<b>\$ 246 915</b>

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**WEST-ISLAND COMMUNITY SHARES**  
**APPENDIX 3 - ADMINISTRATION EXPENSES**  
**FOR THE YEAR ENDED MARCH 31, 2022**

	<b>General Operating Fund</b>	
	<b>2022</b>	<b>2021</b>
<b>EXPENSES</b>		
Salaries and fringe benefits	\$ 59 752	\$ 50 182
Office expenses	46 931	32 044
Professional fees	7 632	7 417
Insurance	3 684	3 015
Relationship with community organizations	6 458	271
Bad debt	-	705
Conferences	79	825
Amortization - capital assets	1 433	1 163
	<b>\$ 127 526</b>	<b>\$ 98 158</b>