

Financial Statements

Memphrémagog Conservation Inc.

March 31, 2021

NOTICE TO READER

On the basis of information provided by management, we have compiled the statement of financial position of Memphrémagog Conservation Inc. as at March 31, 2021 and the statement of operations and net assets for the period then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Prior to compiling the Memphrémagog Conservation Inc.'s financial statements, we prepared journal entries having material impact on the financial statements.

 Yann Philibert Consultant CPA Inc.¹

Magog, Quebec
May 26th, 2021

¹ CPA, CA, CPA permit n°121634

Memphrémagog Conservation Inc.

FINANCIAL POSITION

As at March 31
(Unaudited, see Notice to Reader)

	2021	2020
	\$	\$
ASSETS		
Current		
Cash	97 632	70 840
Accounts receivable	745	3 129
Donations and grants receivable	38 349	17 171
Prepaid expenses	2 918	1 985
Inventory, at cost	2 212	4 288
	141 856	97 413
Grants receivable - CEBA loan	20 000	—
Investments [note 4]	74 430	23 141
Capital assets [note 3]	317	529
	236 603	121 083
LIABILITIES		
Current		
Accrued liabilities	8 851	7 090
Deferred revenues	10 106	21 473
	18 957	28 563
Long term debt [note 5]	60 000	—
NET ASSETS		
Unrestricted fund	123 291	69 379
Restricted fund - Scholarship	34 355	23 141
	157 646	92 520
	236 603	121 083

See accompanying notes

On behalf of the Board

Director

Director

Memphrémagog Conservation Inc.

STATEMENT OF OPERATIONS

For the period ended March 31
(Unaudited, see Notice to Reader)

	2021		2020
	\$		\$
INCOME			
Membership fees	105 729		94 821
Donations and events	23 044		11 609
Miscellaneous income	3 085		3 388
Grants and contributions <i>[note 2]</i>	198 151		217 384
	<u>330 009</u>		<u>327 202</u>
EXPENSES			
Purchases of merchandise	2 076		2 653
Conservation component			
Salairies and professionnal fees	6 981		8 361
Operating expenses and other expenses	182	7 163	<u>2 296</u>
			10 657
Lake patrol			
Salairies and fringe benefits	27 895		32 365
Other expenses	9 674	37 569	<u>11 117</u>
			43 482
Communications			
Salairies and fringe benefits	9 821		7 465
Publicity and promotion	3 497		3 023
Bulletin	4 439	17 757	<u>4 480</u>
			14 968
Other projects			
Salairies and professionnal fees	106 562		147 072
Other projets expenses	16 063	122 625	<u>25 594</u>
			172 666
Administrative expenses			
Salairies and professionnal fees	67 984		53 029
Insurance	658		280
Other office expenses	8 839		7 341
Capital assets depreciation	212	77 693	106
		<u>264 883</u>	<u>60 756</u>
			305 182
Excess of income over expenses		<u>65 126</u>	<u>22 020</u>

See accompanying notes

Memphrémagog Conservation Inc.

STATEMENT OF NET ASSETS

For the period ended March 31
(Unaudited, see Notice to Reader)

	Unrestricted fund	Restricted fund - Scholarship	2021	2020
	\$	\$	\$	\$
Net assets, beginning of the period	69 379	23 141	92 520	70 500
Excess of income over expenses	53 912	11 214	65 126	22 020
Inter-fund transfer	—	—	—	—
Net assets, end of the period	123 291	34 355	157 646	92 520

See accompanying notes

Memphrémagog Conservation Inc.

NOTES TO FINANCIAL STATEMENTS

As at March 31
(Unaudited, see Notice to Reader)

1. GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION

The organization, incorporated under the Part III of the Companies Act (Quebec), aims to ensure the safeguard of the Lake Memphremagog environment and its watershed for future generations. The organization is registered has charitable organization under the Income Tax Act.

2. GRANTS AND CONTRIBUTIONS

	2021	2020
	\$	\$
State of Vermont	14 738	18 901
Government du Canada	102 957	137 499
Municipalities and cities	6 433	254
Government du Québec	72 716	59 208
Foundations and others	1 307	1 522
	<u>198 151</u>	<u>217 384</u>

3. CAPITAL ASSETS

The boat is depreciated on a straight-line basis over a period of 5 years

The computer equipment is depreciated on a straight-line basis over a period of 3 years

	2021		
	Cost	Accumulated depreciation	Net carrying amount
	\$	\$	\$
Boat	22 369	(22 369)	—
Computer equipment	635	(318)	317
	<u>23 004</u>	<u>(22 687)</u>	<u>317</u>
	2020		
	Cost	Accumulated depreciation	Net carrying amount
	\$	\$	\$
Boat	22 369	(22 369)	—
Computer equipment	635	(106)	529
	<u>23 004</u>	<u>(22 475)</u>	<u>529</u>

Memphrémagog Conservation Inc.

NOTES TO FINANCIAL STATEMENTS

As at March 31
(Unaudited, see Notice to Reader)

4. Investments

	2021	2020
	\$	\$
Deposit, at cost	<u>40 075</u>	1 141
Scholarship investment, at cost	<u>34 355</u>	22 000
	<u>74 430</u>	23 141

During the period ended March 31, 2021, scholarship investments recorded net contributions of \$9,951 and investment income net of investment expenses of \$2,404. The fair market value of the scholarship investments is \$37,832 as at March 31, 2021.

5. Long term debt

	2021	2020
	\$	\$
Canada Emergency Business Account loan (CEBA) in the amount of \$60,000, bearing no interest until December 31, 2022. The repayment of an amount of \$40,000 before December 31, 2022 will result in the write-off of the remaining balance of \$20,000. After December 31, 2022, the loan balance will bear interest at the rate of 5% and may be repaid in 36 monthly installments or otherwise repayable when it matures on December 31, 2025.	<u>60 000</u>	—
	<u>60 000</u>	—
Short term portion	—	—
Long term portion	60 000	—