

Financial Statements

**Memphrémagog Conservation Inc.**

March 31, 2022

## COMPILATION ENGAGEMENT REPORT

To Management of Memphrémagog Conservation Inc.

On the basis of information provided by management, we have compiled the balance sheet of Memphrémagog Conservation Inc. as at March 31, 2022, the statement of operations and net assets for the year then ended, and note 2, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

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

Readers are cautioned that the financial information may not be appropriate for their purposes.



Yann Philibert Consultant CPA Inc.<sup>1</sup>

Magog, Quebec  
May 17th, 2022

<sup>1</sup> By Yann Philibert, CPA, CPA permit No. 121634

# Memphrémagog Conservation Inc.

## BALANCE SHEET

As at March 31

	2022 \$	2021 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash	121 830	97 632
Accounts receivable	2 506	745
Donations and grants receivable	21 844	38 349
Prepaid expenses	3 417	2 918
Inventories	1 860	2 212
	<u>151 457</u>	<u>141 856</u>
Grants receivable - CEBA loan	20 000	20 000
Investments [note 5]	107 647	74 430
Capital assets [note 4]	15 142	317
	<u>294 246</u>	<u>236 603</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Account payables and accrued liabilities	22 877	8 851
Deferred revenues	3 293	10 106
	<u>26 170</u>	<u>18 957</u>
Long term debt [note 6]	60 000	60 000
<b>NET ASSETS</b>		
Unrestricted fund	160 623	123 291
Restricted fund - Scholarship	47 453	34 355
	<u>208 076</u>	<u>157 646</u>
	<u>294 246</u>	<u>236 603</u>

See accompanying notes

On behalf of the Board

  
Director

  
Director

**Memphrémagog Conservation Inc.****STATEMENT OF OPERATIONS**

For the year ended March 31

	2022		2021
	\$		\$
<b>INCOME</b>			
Membership fees	111 412		105 729
Donations and events	29 428		23 044
Miscellaneous income	6 004		3 085
Grants and contributions <i>[note 3]</i>	136 442		198 151
	<u>283 286</u>		<u>330 009</u>
<b>EXPENSES</b>			
Purchases of merchandise	945		2 076
Conservation component			
Salaries and professional fees	7 486		6 981
Operating expenses and other expenses	<u>42</u>	<u>7 528</u>	<u>182</u>
			7 163
Lake patrol			
Salaries and fringe benefits	35 233		27 895
Other expenses	<u>12 342</u>	<u>47 575</u>	<u>9 674</u>
			37 569
Communications			
Salaries and fringe benefits	9 070		9 821
Publicity and promotion	2 718		3 497
Bulletin	<u>4 034</u>	<u>15 822</u>	<u>4 439</u>
			17 757
Other projects			
Salaries and professional fees	90 596		106 562
Other projects expenses	<u>7 445</u>	<u>98 041</u>	<u>16 063</u>
			122 625
Administrative expenses			
Salaries and professional fees	51 967		67 984
Insurance	666		658
Other office expenses	10 100		8 839
Capital assets depreciation	<u>212</u>	<u>62 945</u>	<u>212</u>
		<u>232 856</u>	<u>77 693</u>
			264 883
<b>Excess of income over expenses</b>	<u>50 430</u>		<u>65 126</u>

*See accompanying notes*

**Memphrémagog Conservation Inc.**

**STATEMENT OF NET ASSETS**

For the year ended March 31

	Unrestricted fund \$	Restricted fund - Scholarship \$	2022 \$	2021 \$
Net assets, beginning of the year	123 291	34 355	157 646	92 520
Excess of income over expenses	37 132	13 298	50 430	65 126
Inter-fund transfer	200	(200)	—	—
<b>Net assets, end of the year</b>	<b>160 623</b>	<b>47 453</b>	<b>208 076</b>	<b>157 646</b>

*See accompanying notes*

## Memphrémagog Conservation Inc.

### NOTES TO FINANCIAL STATEMENTS

As at March 31

#### 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. BASIC OF ACCOUNTING APPLIED IN THE PREPARATION OF THE FINANCIAL INFORMATION

The method of accounting applied in the preparation of the financial information is based on historical cost, taking into account cash operations as well as the following elements:

- Accounts receivable, less, if applicable, a provision for bad debts;
- Donations and grants receivable, when the conditions allowing collection are met;
- Inventories, less, if applicable, a provision for obsolescence;
- Property, plant and equipment are depreciated using the following method and rates:

	<u>Méthode</u>	<u>Taux</u>
Boat	Linear	5 years
Computer equipment	Linear	3 years

- Accounts payable and accrued liabilities;
- Deferred revenue recognized when sums are received for future expenses or for services to be rendered after the end of the fiscal year;
- Revenue recognized when the conditions of donations and grants are met or services have been rendered.

#### 3. GRANTS AND CONTRIBUTIONS

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Government of Canada	<b>35 937</b>	72 716
Government of Québec	<b>35 720</b>	6 433
Municipalities and cities	<b>28 286</b>	14 738
Foundations and others	<b>36 499</b>	1 307
State of Vermont	<b>—</b>	102 957
	<b>136 442</b>	198 151

**Memphrémagog Conservation Inc.**

**NOTES TO FINANCIAL STATEMENTS**

As at March 31

**4. CAPITAL ASSETS**

2022			
	Cost	Accumulated depreciation	Net carrying amount
	\$	\$	\$
Boat	37 405	(22 369)	15 036
Computer equipment	635	(529)	106
	<b>38 040</b>	<b>(22 898)</b>	<b>15 142</b>

  

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

## Memphrémagog Conservation Inc.

### NOTES TO FINANCIAL STATEMENTS

As at March 31

#### 5. INVESTMENTS

	2022	2021
	\$	\$
Deposit, at cost	60 194	40 075
Scholarship investment, at cost	47 453	34 355
	<u>107 647</u>	<u>74 430</u>

During the period ended March 31, 2022, scholarship investment recorded net contributions of \$9,800 and investment income net of investment expenses of \$3,298. The fair market value of the scholarship investments is \$47,727 as at March 31, 2022.

#### 6. LONG TERM DEBT

	2022	2021
	\$	\$
Canada Emergency Business Account loan (CEBA) in the amount of \$60,000, bearing no interest until December 31, 2023. The repayment of an amount of \$40,000 before December 31, 2023 will result in the write-off of the remaining balance of \$20,000. After December 31, 2023, the loan balance will bear interest at the rate of 5% and may be repaid in 24 monthly installments or otherwise repayable when it matures on December 31, 2025.	60 000	60 000
	<u>60 000</u>	<u>60 000</u>
Short term portion	—	—
Long term portion	60 000	60 000