

WEST-ISLAND COMMUNITY SHARES
FINANCIAL STATEMENTS
MARCH 31, 2019

WEST-ISLAND COMMUNITY SHARES

FINANCIAL STATEMENTS

MARCH 31, 2019

SUMMARY

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INDEPENDENT AUDITOR'S REPORT

To the Members of
West-Island Community Shares

We have audited the accompanying financial statements of WEST-ISLAND COMMUNITY SHARES, which comprise the statement of financial position as at March 31, 2019, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organization, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.


We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of WEST-ISLAND COMMUNITY SHARES as at March 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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Partnership of Chartered Professional Accountants

Montreal
June 18, 2019.

⁽¹⁾ CPA auditor, CA, public accountancy permit n° A110693

WEST-ISLAND COMMUNITY SHARES
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2019

	General Operating Fund	Special Events Fund	Campaign Fund	Forever Fund	Total 2019	Total 2018
REVENUES						
Corporate sponsorships	\$ 270,998	\$ -	\$ -	\$ -	\$ 270,998	\$ 332,000
Public donations	-	-	208,484	-	208,484	385,481
Activities (Appendix 1)	-	445,031	-	-	445,031	568,858
Corporate donations	-	-	908,354	-	908,354	766,286
Government support	-	-	32,725	-	32,725	40,250
Other income	679	-	-	422	1,101	789
	271,677	445,031	1,149,563	422	1,866,693	2,093,664
EXPENSES / DISTRIBUTIONS						
Distribution of donations	-	-	1,272,750	-	1,272,750	1,319,000
Activities (Appendix 1)	-	132,277	-	-	132,277	205,250
Fundraising expenses (Appendix 2)	237,335	-	-	-	237,335	335,270
Administration expenses (Appendix 3)	113,031	-	-	-	113,031	134,024
Charitable program salaries and fringe benefits	57,314	-	-	-	57,314	57,651
	407,680	132,277	1,272,750	-	1,812,707	2,051,195
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES / DISTRIBUTIONS	\$ (136,003)	\$ 312,754	\$ (123,187)	\$ 422	\$ 53,986	\$ 42,469

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, 2019

	General	Special	Forever	Reserve	Total	Total
	Operating	Events	Fund	Fund	2019	2018
	Fund	Fund	Fund	Fund		
BALANCE, BEGINNING OF YEAR	\$ 234	\$ -	\$ 478	\$ 180,000	\$ 900,308	\$ 857,839
Excess (Deficiency) of revenues over expenses / distributions	(136,003)	312,754	422	-	53,986	42,469
Interfund transfers (Note 9)	136,000	(312,754)	-	20,000	-	-
BALANCE, END OF YEAR	\$ 231	\$ -	\$ 900	\$ 200,000	\$ 954,294	\$ 900,308

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

WEST-ISLAND COMMUNITY SHARES
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019

	General Operating Fund	Special Events Fund	Campaign Fund	Forever Fund	Reserve Fund	Consolidating Balances	Total 2019	Total 2018
ASSETS								
CURRENT								
Cash	\$ 48,034	\$ -	\$ 1,310,668	\$ 900	\$ 180,666	\$ -	\$ 1,540,268	\$ 1,443,261
Term deposits, 0.9%	10,186	-	-	-	-	-	10,186	18,541
Accounts receivable (Note 3)	39,763	7,730	87,000	-	-	-	134,493	220,303
Prepaid expenses	2,064	8,448	-	-	-	-	10,512	3,420
Interfund loans, without interest	-	-	3,245	-	19,334	(22,579)	-	-
	100,047	16,178	1,400,913	900	200,000	(22,579)	1,695,459	1,685,525
TERM DEPOSIT, 0.9%	-	-	-	-	-	-	-	10,144
CAPITAL ASSETS (Note 4)	3,388	-	-	-	-	-	3,388	4,808
	\$ 103,435	\$ 16,178	\$ 1,400,913	\$ 900	\$ 200,000	\$ (22,579)	\$ 1,698,847	\$ 1,700,477
LIABILITIES								
CURRENT								
Accounts payable (Note 5)	\$ 40,478	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,478	\$ 44,382
Donations to distribute	-	-	647,750	-	-	-	647,750	625,000
Deferred income (Note 6)	50,000	6,325	-	-	-	-	56,325	80,787
Interfund loans, without interest	12,726	9,853	-	-	-	(22,579)	-	-
	103,204	16,178	647,750	-	-	(22,579)	744,553	750,169
DEFERRED INCOME (Note 6)	-	-	-	-	-	-	-	50,000
	103,204	16,178	647,750	-	-	(22,579)	744,553	800,169
NET ASSETS								
Unrestricted	231	-	-	-	-	-	231	234
Internally restricted	-	-	-	-	200,000	-	200,000	180,000
Externally restricted	-	-	753,163	900	-	-	754,063	720,074
	231	-	753,163	900	200,000	-	954,294	900,308
	\$ 103,435	\$ 16,178	\$ 1,400,913	\$ 900	\$ 200,000	\$ (22,579)	\$ 1,698,847	\$ 1,700,477
Commitments (Note 8)								

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, 2019

	2019	2018
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 53,986	\$ 42,469
Non-cash item:		
Amortization - capital assets	1,419	2,019
Net changes in non-cash working capital items (Note 7)	97,564	(40,467)
	152,969	4,021
INVESTING ACTIVITIES		
Disposition of term deposits	18,500	23,322
	18,500	23,322
FINANCING ACTIVITY		
Net changes in deferred income	(74,462)	(23,413)
NET INCREASE IN CASH	97,007	3,930
CASH, BEGINNING OF YEAR	1,443,261	1,439,331
CASH, END OF YEAR	\$ 1,540,268	\$ 1,443,261

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

WEST-ISLAND COMMUNITY SHARES**NOTES TO FINANCIAL STATEMENTS**

AS AT MARCH 31, 2019

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.

WEST-ISLAND COMMUNITY SHARES**NOTES TO FINANCIAL STATEMENTS**

AS AT MARCH 31, 2019

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued)**FUND ACCOUNTING (continued)**

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.

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.

Activity 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 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 and sponsorships and contributions receivable and interest receivable.

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

WEST-ISLAND COMMUNITY SHARES

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2019

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued)

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	2019		2018	
Sponsorships and contributions receivable	\$	107,139	\$	200,521
Sales tax receivable		27,258		19,704
Interest		96		78
	\$	134,493	\$	220,303

NOTE 4 - CAPITAL ASSETS

	Cost		Accumulated amortization		Net book value 2019		Net book value 2018	
Office furniture and equipment	\$	1,886	\$	1,704	\$	182	\$	228
Computers		28,772		25,566		3,206		4,580
	\$	30,658	\$	27,270	\$	3,388	\$	4,808

NOTE 5 - ACCOUNTS PAYABLE	2019		2018	
Trade accounts payable and accrued liabilities	\$	24,974	\$	21,640
Salaries payable		15,504		22,742
	\$	40,478	\$	44,382

WEST-ISLAND COMMUNITY SHARES

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2019

NOTE 6 - DEFERRED INCOME

	General Operating Fund	Special Events Fund	2018	2018
OPENING BALANCE	\$ 100,000	\$ 30,787	\$ 130,787	\$ 154,200
Less: revenues recognized during the year	(50,000)	(30,787)	(80,787)	(154,200)
Plus: amounts received during the year	-	6,325	6,325	130,787
CLOSING BALANCE	50,000	6,325	56,325	130,787
Current portion of deferred income	50,000	6,325	56,325	80,787
Long-term portion of deferred income	\$ -	\$ -	\$ -	\$ 50,000

NOTE 7 - CASH FLOWS

	2019	2018
Net changes in non-cash working capital items :		
Accounts receivable	\$ 85,810	\$ (98,119)
Prepaid expenses	(7,092)	11,665
Accounts payable	(3,904)	27,487
Donations to distribute	22,750	18,500
	\$ 97,564	\$ (40,467)

NOTE 8 - COMMITMENTS

The commitments of the Organization under lease agreements aggregate to \$ 88,609. The instalments over the next five years are the following :

2020	\$ 21,451
2021	\$ 20,400
2022	\$ 19,348
2023	\$ 19,348
2024	\$ 8,062

Furthermore, the Organization is committed, from the surplus of Campaign Fund to distribute additionnal donations dated April 23, 2019, totaling \$ 647,750 (\$ 625,000 in 2018).

WEST-ISLAND COMMUNITY SHARES**NOTES TO FINANCIAL STATEMENTS**

AS AT MARCH 31, 2019

NOTE 9 - INTERFUND TRANSFERS

The Board of Directors authorized, by resolution, the transfer of \$ 312,754 from the Special Events Fund to the following funds: \$ 136,000 to the General Operating Fund and \$ 156,754 to the Campaign Fund and \$ 20,000 to the Reserve Fund.

NOTE 10 - 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 11 - 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, 2019.

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.

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, 2019

	Special events fund	
	2019	2018
REVENUES		
Masked ball	\$ 214,425	\$ 246,530
Red and White	212,292	172,198
Light Up our Community	8,375	16,045
Community Breakfast	9,939	12,286
Corporate Golf	-	78,242
West-Island Wine Show	-	43,557
	445,031	568,858
EXPENSES		
Masked ball	73,739	107,163
Red and White	54,797	46,781
Community Breakfast	2,674	2,576
Light Up our Community	869	1,746
West-Island Wine Show	198	22,578
Corporate Golf	-	24,406
	132,277	205,250
EXCESS OF REVENUES OVER EXPENSES	\$ 312,754	\$ 363,608

WEST-ISLAND COMMUNITY SHARES

APPENDIX 2 - FUNDRAISING EXPENSES

FOR THE YEAR ENDED MARCH 31, 2019

	General Operating Fund	
	2019	2018
EXPENSES		
Salaries and fringe benefits	\$ 191,210	\$ 257,433
Marketing and communications	22,119	23,276
Credit card fees	18,567	21,474
Fund distribution fees, donor recognition and volunteer recognition event	2,305	4,779
Consultant fees	1,317	27,368
Travel expenses	1,092	526
Networking fees	450	100
Postage	275	314
	\$ 237,335	\$ 335,270

WEST-ISLAND COMMUNITY SHARES**APPENDIX 3 - ADMINISTRATION EXPENSES**

FOR THE YEAR ENDED MARCH 31, 2019

	General Operating Fund	
	2019	2018
EXPENSES		
Salaries and fringe benefits	\$ 54,585	\$ 68,665
Office expenses	41,783	43,702
Professional fees	8,240	9,726
Insurance	3,158	3,158
Relationship with community organizations	1,939	2,425
Interest and bank charges	1,322	1,234
Storage	585	3,095
Amortization - capital assets	1,419	2,019
	\$ 113,031	\$ 134,024