

WEST-ISLAND COMMUNITY SHARES
FINANCIAL STATEMENTS
MARCH 31, 2018

WEST-ISLAND COMMUNITY SHARES

FINANCIAL STATEMENTS

MARCH 31, 2018

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, 2018, 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, 2018, 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.

(1)

Rochon Legault

Partnership of Chartered Professional Accountants

Montreal
June 14, 2018

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

WEST-ISLAND COMMUNITY SHARES
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2018

	General Operating Fund	Special Events Fund	Campaign Fund	Forever Fund	Total 2018	Total 2017
REVENUES						
Corporate sponsorships	\$ 332,000	\$ -	\$ -	\$ -	\$ 332,000	\$ 257,000
Public donations	-	-	385,481	-	385,481	337,125
Activities (Appendix 1)	-	568,858	-	-	568,858	775,072
Corporate donations	-	-	766,286	-	766,286	675,772
Government support	-	-	40,250	-	40,250	49,100
Other income	311	-	-	478	789	209
	332,311	568,858	1,192,017	478	2,093,664	2,094,278
EXPENSES / DISTRIBUTIONS						
Distribution of donations	-	-	1,319,000	-	1,319,000	1,191,500
Activities (Appendix 1)	-	205,250	-	-	205,250	273,866
Fundraising expenses (Appendix 2)	335,270	-	-	-	335,270	344,721
Administration expenses (Appendix 3)	134,024	-	-	-	134,024	169,608
Charitable program salaries and fringe benefits	57,651	-	-	-	57,651	38,334
	526,945	205,250	1,319,000	-	2,051,195	2,018,029
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES / DISTRIBUTIONS						
	\$ (194,634)	\$ 363,608	\$ (126,983)	\$ 478	\$ 42,469	\$ 76,249

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, 2018

	General Operating Fund	Special Events Fund	Campaign Fund	Forever Fund	Reserve Fund	Total 2018	Total 2017
BALANCE, BEGINNING OF YEAR	\$ 368	\$ -	\$ 697,471	\$ -	\$ 160,000	\$ 857,839	\$ 781,590
Excess (Deficiency) of revenues over expenses / distributions	(194,634)	363,608	(126,983)	478	-	42,469	76,249
Interfund transfers (Note 9)	194,500	(363,608)	149,108	-	20,000	-	-
BALANCE, END OF YEAR	\$ 234	\$ -	\$ 719,596	\$ 478	\$ 180,000	\$ 900,308	\$ 857,839

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

WEST-ISLAND COMMUNITY SHARES
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2018

	General Operating Fund	Special Events Fund	Campaign Fund	Forever Fund	Reserve Fund	Consolidating Balances	Total 2018	Total 2017
ASSETS								
CURRENT								
Cash	\$ 21,167	\$ -	\$ 1,321,447	\$ 478	\$ 100,169	\$ -	\$ 1,443,261	\$ 1,439,331
Term deposits, 0.5%	18,541	-	-	-	-	-	18,541	52,007
Accounts receivable (Note 3)	34,242	34,322	151,739	-	-	-	220,303	122,184
Prepaid expenses	1,149	332	1,939	-	-	-	3,420	15,085
Interfund loans, without interest	46,564	3,245	-	-	79,831	(129,640)	-	-
	121,663	37,899	1,475,125	478	180,000	(129,640)	1,685,525	1,628,607
TERM DEPOSIT, 0.9%	10,144	-	-	-	-	-	10,144	-
CAPITAL ASSETS (Note 4)	4,808	-	-	-	-	-	4,808	6,827
	\$ 136,615	\$ 37,899	\$ 1,475,125	\$ 478	\$ 180,000	\$ (129,640)	\$ 1,700,477	\$ 1,635,434
LIABILITIES								
CURRENT								
Accounts payable (Note 5)	\$ 36,381	\$ 7,112	\$ 889	\$ -	\$ -	\$ -	\$ 44,382	\$ 16,895
Donations to distribute	-	-	625,000	-	-	-	625,000	606,500
Deferred income (Note 6)	50,000	30,787	-	-	-	-	80,787	154,200
Interfund loans, without interest	-	-	129,640	-	-	(129,640)	-	-
	86,381	37,899	755,529	-	-	(129,640)	750,169	777,595
DEFERRED INCOME (Note 6)	50,000	-	-	-	-	-	50,000	-
	136,381	37,899	755,529	-	-	(129,640)	800,169	777,595
NET ASSETS								
Unrestricted	234	-	-	-	-	-	234	368
Internally restricted	-	-	-	-	180,000	-	180,000	160,000
Externally restricted	-	-	719,596	478	-	-	720,074	697,471
	234	-	719,596	478	180,000	-	900,308	857,839
	\$ 136,615	\$ 37,899	\$ 1,475,125	\$ 478	\$ 180,000	\$ (129,640)	\$ 1,700,477	\$ 1,635,434

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, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess of revenues over expenses / distributions	\$ 42,469	\$ 76,249
Non-cash item:		
Amortization - capital assets	2,019	2,563
Net changes in non-cash working capital items (Note 7)	(40,467)	236,660
	4,021	315,472
INVESTING ACTIVITIES		
Acquisition of capital assets	-	(1,456)
(Acquisition) Disposition of term deposits	23,322	(14,660)
	23,322	(16,116)
FINANCING ACTIVITY		
Net changes in deferred income	(23,413)	650
NET INCREASE IN CASH	3,930	300,006
CASH, BEGINNING OF YEAR	1,439,331	1,139,325
CASH, END OF YEAR	\$ 1,443,261	\$ 1,439,331

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

WEST-ISLAND COMMUNITY SHARES
NOTES TO FINANCIAL STATEMENTS
AS AT MARCH 31, 2018

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, 2018

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.

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 based on their respective useful lives using the following methods and rates:

	<u>Methods</u>	<u>Rates</u>
Office furniture and equipment	Declining balance	20%
Computers	Declining balance	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, 2018

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	2018		2017	
Sponsorships and contributions receivable	\$	200,521	\$	97,805
Sales tax receivable		19,704		24,194
Interest		78		185
	\$	220,303	\$	122,184

NOTE 4 - CAPITAL ASSETS

	Cost	Accumulated amortization	Net book value 2018	Net book value 2017
Office furniture and equipment	\$ 1,886	\$ 1,658	\$ 228	\$ 285
Computers	28,772	24,192	4,580	6,542
	\$ 30,658	\$ 25,850	\$ 4,808	\$ 6,827

NOTE 5 - ACCOUNTS PAYABLE	2018		2017	
Trade accounts payable and accrued liabilities	\$	21,640	\$	5,323
Salaries payable		22,742		11,572
	\$	44,382	\$	16,895

WEST-ISLAND COMMUNITY SHARES
NOTES TO FINANCIAL STATEMENTS
AS AT MARCH 31, 2018

NOTE 6 - DEFERRED INCOME

	General Operating Fund	Special Events Fund	2018	2017
OPENING BALANCE	\$ 90,000	\$ 64,200	\$ 154,200	\$ 153,550
Less: revenues recognized during the year	(90,000)	(64,200)	(154,200)	(103,550)
Plus: amounts received during the year	100,000	30,787	130,787	104,200
CLOSING BALANCE	100,000	30,787	130,787	154,200
Current portion of deferred income	50,000	30,787	80,787	154,200
Long-term portion of deferred income	\$ 50,000	\$ -	\$ 50,000	\$ -

NOTE 7 - CASH FLOWS

	2018	2017
Net changes in non-cash working capital items :		
Accounts receivable	\$ (98,119)	\$ 195,305
Prepaid expenses	11,665	28,555
Accounts payable	27,487	(10,700)
Donations to distribute	18,500	23,500
	\$ (40,467)	\$ 236,660

NOTE 8 - COMMITMENTS

The commitments of the Organization under lease agreements aggregate to \$ 10,633. The instalments over the next three years are the following :

2019	\$ 7,478
2020	\$ 2,103
2021	\$ 1,052

Furthermore, the Organization is committed, from the surplus of Campaign Fund to distribute additional donations dated April 26, 2018, totaling \$ 625,000 (\$ 606,500 in 2017).

WEST-ISLAND COMMUNITY SHARES
NOTES TO FINANCIAL STATEMENTS
AS AT MARCH 31, 2018

NOTE 9 - INTERFUND TRANSFERS

The Board of Directors authorized, by resolution, the transfer of \$ 363,608 from the Special Events Fund to the following funds: \$ 194,500 to the General Operating Fund and \$ 149,108 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, 2018.

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, 2018

	Special Events Fund	2018	2017
REVENUES			
Masked ball	\$ 246,530	\$ 246,530	\$ 244,225
Red and White	172,198	172,198	269,571
Corporate Golf	78,242	78,242	86,695
West-Island Wine Show	43,557	43,557	53,992
Light Up our Community	16,045	16,045	22,000
Community Breakfast	12,286	12,286	10,414
Dream Vacation	-	-	88,175
	568,858	568,858	775,072
EXPENSES			
Masked ball	107,163	107,163	120,925
Red and White	46,781	46,781	70,557
Corporate Golf	24,406	24,406	31,082
West-Island Wine Show	22,578	22,578	17,482
Light Up our Community	1,746	1,746	6,000
Community Breakfast	2,576	2,576	4,414
Dream Vacation	-	-	23,406
	205,250	205,250	273,866
EXCESS OF REVENUES OVER EXPENSES	\$ 363,608	\$ 363,608	\$ 501,206

WEST-ISLAND COMMUNITY SHARES

APPENDIX 2 - FUNDRAISING EXPENSES

FOR THE YEAR ENDED MARCH 31, 2018

	General Operating Fund	
	2018	2017
EXPENSES		
Salaries and fringe benefits	\$ 257,433	\$ 277,366
Consultant fees	27,368	1,320
Marketing and communications	23,276	25,773
Credit card fees	21,474	27,167
Fund distribution fees, donor recognition and volunteer recognition event	4,779	5,571
Travel expenses	526	1,190
Postage	314	1,084
Networking fees	100	1,291
Third-party fundraising expenses	-	2,002
Translation fees	-	1,018
Planned Giving Program fees	-	939
	\$ 335,270	\$ 344,721

WEST-ISLAND COMMUNITY SHARES

APPENDIX 3 - ADMINISTRATION EXPENSES

FOR THE YEAR ENDED MARCH 31, 2018

	General Operating Fund	
	2018	2017
EXPENSES		
Salaries and fringe benefits	\$ 68,665	\$ 89,193
Office expenses	43,702	53,599
Professional fees	9,726	13,470
Insurance	3,158	4,039
Storage	3,095	2,841
Relationship with community organizations	2,425	2,487
Interest and bank charges	1,234	1,416
Amortization - capital assets	2,019	2,563
	\$ 134,024	\$ 169,608