

Society of Saint-Vincent de Paul National Council of Canada

Financial Statements

For the year ended March 31, 2018
(Unaudited)

Contents

Independent Practitioner's Review Engagement Report	2
Financial Statements	
Statement of Financial Position	3
Statement of Operations and Changes in Fund Balances	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 9



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Independent Practitioner's Review Engagement Report

**To the Directors of
Society of Saint-Vincent de Paul National Council of Canada**

We have reviewed the accompanying financial statements of Society of Saint-Vincent de Paul National Council of Canada that comprise the statement of financial position as at March 31, 2018, and the statements of operations and changes in fund balances, 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 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Society of Saint-Vincent de Paul National Council of Canada as at March 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario

June 6, 2018

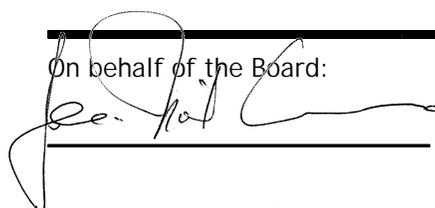
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Society of Saint-Vincent de Paul National Council of Canada
Statement of Financial Position
(Unaudited)

March 31	General fund	Internally restricted fund	Externally restricted fund	2018	2017
Assets					
Current					
Cash	\$ 236,968	\$ 9,248	\$ 78,007	\$ 324,223	\$ 368,242
Term deposits (Note 2)	17,471	-	150,000	167,471	9,516
Accounts receivable	19,164	-	-	19,164	11,171
Inventories	48,540	-	-	48,540	52,816
Prepaid expenses	10,375	-	-	10,375	14,559
	332,518	9,248	228,007	569,773	456,304
Tangible capital assets (Note 3)	266,509	-	-	266,509	275,672
Term deposits (Note 2)	-	-	-	-	167,471
	\$ 599,027	\$ 9,248	\$ 228,007	\$ 836,282	\$ 899,447
Liabilities and Fund Balances					
Current					
Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ 836
Accounts payable and accrued liabilities (Note 4)	15,226	-	-	15,226	25,357
Interfund payable (receivable)	229,310	-	(229,310)	-	-
Deferred contributions	12,700	-	457,317	470,017	533,791
Deferred contributions related to tangible capital assets (Note 5)	37,715	-	-	37,715	-
Current portion of long-term debt (Note 6)	9,443	-	-	9,443	8,953
	304,394	-	228,007	532,401	568,937
Long-term debt (Note 6)	110,463	-	-	110,463	159,605
	414,857	-	228,007	642,864	728,542
Fund balances	184,170	9,248	-	193,418	170,905
	\$ 599,027	\$ 9,248	\$ 228,007	\$ 836,282	\$ 899,447

On behalf of the Board:



Director



Director

Society of Saint-Vincent de Paul National Council of Canada
Statement of Operations and Changes in Fund Balances
(Unaudited)

For the year ended March 31	General fund	Internally restricted fund	Externally restricted fund	2018	2017
Revenues					
Contributions from the councils, the AGM and others	\$ 307,872	\$ -	\$ 325,419	\$ 633,291	\$ 499,030
Sales of goods	48,380	-	-	48,380	23,462
Rental and interest income	19,122	-	-	19,122	14,310
Donations	10,735	-	-	10,735	6,000
Projects	25,641	-	-	25,641	4,927
	411,750	-	325,419	737,169	547,729
Expenses					
Promotion of development and expansion	209,239	-	-	209,239	225,305
Twinning	-	-	172,302	172,302	138,510
Salaries and consultants	86,455	-	-	86,455	81,139
Contribution to the International General Council	42,000	-	-	42,000	42,000
General and administrative	27,532	-	-	27,532	26,978
National Emergency Fund	-	-	134,624	134,624	20,565
International Emergency Fund	-	-	18,493	18,493	14,568
Amortization of tangible capital assets	9,163	-	-	9,163	9,782
Premises occupancy costs	12,414	-	-	12,414	8,301
Interest on long-term debt	2,200	-	-	2,200	2,305
Bad debt	234	-	-	234	130
	389,237	-	325,419	714,656	569,583
Excess (deficiency) of revenues over expenses	22,513	-	-	22,513	(21,854)
Fund balances, beginning of the year	161,714	9,191	-	170,905	192,759
Interfund transfer	(57)	57	-	-	-
Fund balances, end of the year	\$ 184,170	\$ 9,248	\$ -	\$ 193,418	\$ 170,905

The notes are an integral part of these financial statements.

Society of Saint-Vincent de Paul National Council of Canada
Statement of Cash Flows
(Unaudited)

For the year ended March 31	2018	2017
Cash flows from operating activities		
Cash receipts from councils, donors and customers	\$ 703,118	\$ 857,236
Cash paid to suppliers, employees and twinning recipients	(704,965)	(582,167)
Interest paid	(2,200)	(2,305)
	<u>(4,047)</u>	<u>272,764</u>
Cash flows from investing activities		
Increase in term deposits	<u>9,516</u>	<u>(2,398)</u>
Cash flows from financing activities		
Repayment of long-term debt	<u>(48,652)</u>	<u>(8,864)</u>
Net (decrease) increase in cash	(43,183)	261,502
Cash, beginning of the year	<u>367,406</u>	<u>105,904</u>
Cash, end of the year	<u>\$ 324,223</u>	<u>\$ 367,406</u>
Represented by :		
Cash	\$ 324,223	\$ 368,242
Bank overdraft	<u>-</u>	<u>(836)</u>
	<u>\$ 324,223</u>	<u>\$ 367,406</u>

Society of Saint-Vincent de Paul National Council of Canada
Notes to Financial Statements
(Unaudited)

March 31, 2018

1. Accounting Policies

Purpose of Organization	Society of Saint-Vincent de Paul National Council of Canada is a not-for-profit organization incorporated without share capital under the Canada Not-for-profit Corporations Act. The Organization supports national and international activities of the councils and conferences of the Society of Saint-Vincent de Paul in order to embrace the world in a network of Charity, serving Christ in the suffering, poor or marginalized, bringing them love and respect, aid and development, hope and joy in a more just society. The Organization is a registered charity under the Income Tax Act and, as such, is exempt from income taxes and may issue income tax receipts to donors.
Basis of Accounting	The Organization applies the Canadian accounting standards for not-for-profit organizations.
Use of Estimates	The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses for the year covered. The main estimates relate to the estimated useful lives of the tangible capital assets.
Fund Accounting	The general fund accounts for the general operations of the Organization. The externally restricted fund accounts for restricted amounts related to the National and International disaster relief and development activities of the Organization. The internally restricted fund accounts for amounts internally restricted by the Board of directors for youth bursaries.
Revenue Recognition	<p>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 received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.</p> <p>Rental and interest income and projects are recognized when earned and sales of goods are recognized when the product is delivered to the customer.</p>
Deferred Contributions Related to Tangible Capital Assets	Contributions relating to tangible capital assets are accounted for as deferred contributions and amortized on the same basis as the related tangible capital assets.

Society of Saint-Vincent de Paul National Council of Canada
Notes to Financial Statements
(Unaudited)

March 31, 2018

1. Accounting Policies (continued)

Financial Instruments	<p><i><u>Initial and subsequent measurement</u></i> The Organization initially measures its financial assets and liabilities at fair value. The Organization subsequently measures all its financial assets and liabilities at amortized cost.</p> <p><i><u>Impairment</u></i> Financial assets measured at amortized cost are tested for impairment when there are indications of possible impairment.</p> <p><i><u>Transaction costs</u></i> Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in the statement of operations over the life of the instrument using the straight-line method.</p>						
Inventories	<p>Inventories are measured at the lower of cost and net realizable value. The cost is determined on a first-in, first-out method. The amount of inventories expensed during the year are \$43,508 (2017 - \$14,416) and is included in the promotion of development and expansion expense.</p>						
Tangible Capital Assets	<p>Tangible capital assets are accounted for at cost and amortized on the basis of their useful life using the diminishing balance method as follows:</p> <table><tr><td>Building</td><td style="text-align: right;">5%</td></tr><tr><td>Furniture & equipment</td><td style="text-align: right;">20%</td></tr><tr><td>Computer equipment</td><td style="text-align: right;">30%</td></tr></table>	Building	5%	Furniture & equipment	20%	Computer equipment	30%
Building	5%						
Furniture & equipment	20%						
Computer equipment	30%						
Impairment of Tangible Capital Assets	<p>When a tangible capital asset no longer has any long-term service potential to the Organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.</p>						
Contributed Services	<p>Volunteers contribute numerous hours per year to assist the Organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.</p>						

Society of Saint-Vincent de Paul National Council of Canada
Notes to Financial Statements
(Unaudited)

March 31, 2018

2. Term Deposits

Term deposits are guaranteed investment certificates maturing in January 2019 with an interest rate 1.70%.

3. Tangible Capital Assets

	2018		2017	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 100,000	\$ -	\$ 100,000	\$ -
Building	261,785	96,795	261,785	88,111
Furniture & equipment	12,445	11,481	12,445	11,240
Computer equipment	26,539	25,984	26,539	25,746
	\$ 400,769	\$ 134,260	\$ 400,769	\$ 125,097
Net carrying amount		\$ 266,509		\$ 275,672

4. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$3,225 (2017 - \$1,375).

5. Deferred Contributions Related to Tangible Capital Assets

Deferred contributions related to tangible capital assets consist of amounts received which are dedicated to the repayment of the mortgage on the building. As the building is amortized on the basis of its useful life using the diminishing balance rate of 5%, the contributions will therefore be recognized at the same rate.

	2018	2017
Balance, opening of the year	\$ -	\$ -
Plus: contributions received for mortgage	39,700	-
Less: amount recognized during the year	(1,985)	-
	\$ 37,715	\$ -

Society of Saint-Vincent de Paul National Council of Canada
Notes to Financial Statements
(Unaudited)

March 31, 2018

6. Long-term Debt

	<u>2018</u>	<u>2017</u>
Loan, 1%, renewable in July 2019, payable by monthly instalments of \$883, principal and interest, secured by the land and building with a net carrying amount of \$264,990.	\$ 119,906	\$ 168,558
Less: current portion	<u>9,443</u>	<u>8,953</u>
	<u>\$ 110,463</u>	<u>\$ 159,605</u>

The principal payments for the next five years amount to: 2019, \$9,443; 2020, \$9,538; 2021, \$9,633; 2022, \$9,729; 2023, \$9,827. These payments have been calculated under the assumption that the repayment plan will be successfully renewed, based on the present payment terms and interest rates.

7. Financial Instruments

Interest rate risk

Fixed rate instruments subject the Organization to a fair value risk, since fair value fluctuates inversely to changes in market interest rates.

Credit risk

The Organization is exposed to credit risk for its accounts receivable. The Organization reviews the collectibility of its accounts receivable and will record a bad debt when not collectible.