

**VOICE OF ENGLISH-SPEAKING QUÉBEC
(V.E.Q.)**

**FINANCIAL STATEMENTS
MARCH 31, 2019**

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INDEPENDENT AUDITOR'S REPORT

To the administrators of
VOICE OF ENGLISH-SPEAKING QUÉBEC (V.E.Q.)

Opinion

We have audited the financial statements of VOICE OF ENGLISH-SPEAKING QUÉBEC (V.E.Q.) (« the Organization »), which comprise the balance sheets as at March 31, 2019, and the statements of income, of changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the the Organization as at March 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with canadian accounting standards for non-profit organization.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Informations Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information in Appendix 1.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for non-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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with management are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis on the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit 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;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we concluded that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Organization to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

¹ Julie Bilodeau, CPA auditrice, CA

We communicate with those charged with management the expected extent and timing of our audit work and our significant observations, including all important deficiencies in the Organization's internal control that we could have noted during our audit.

Groupe RDL Québec inc. ¹
Société de comptables professionnels agréés

Québec,
May 30, 2019

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¹ Julie Bilodeau, CPA auditrice, CA

VOICE OF ENGLISH-SPEAKING QUÉBEC (V.E.Q.)

Statement of Income

For the year ended March 31

2019

2018

REVENUES

Grant and contributions agreement

Government

Operating grant

\$ 181,250 \$ 149,571

Other grants and contributions

163,575 212,036

Charitable sector

17,958 31,656

Other restricted incomes

- 1,500

Unrestricted incomes

Other revenues

7,769 6,866

370,552 401,629

EXPENSES

Salaries and benefits

234,643 279,595

Honorarium

46,941 23,074

Travel and meeting

18,349 17,757

Publicity

15,861 15,712

Operating costs

Annual meeting

615 1,163

Bank charges

403 406

Insurance

2,943 2,965

Office supplies

23,268 35,092

Rent

14,580 14,580

Telephone

4,644 5,473

Depreciation of capital assets

660 240

Depreciation of the financial support relating to capital assets

(486) -

362,421 396,057

SURPLUS OF REVENUES OVER EXPENSES

\$ 8,131 \$ 5,572

VOICE OF ENGLISH-SPEAKING QUÉBEC (V.E.Q.)

Statement of changes in net assets

For the year ended March 31

2019

2018

	Invested in capital assets	Not assigned	Total	Total
BALANCE, BEGINNING OF YEAR	\$ 664	\$ 123,948	\$ 124,612	\$ 119,040
Surplus of revenues over expenses	<u>(174)</u>	<u>8,305</u>	<u>8,131</u>	<u>5,572</u>
BALANCE, END OF YEAR	<u>\$ 490</u>	<u>\$ 132,253</u>	<u>\$ 132,743</u>	<u>\$ 124,612</u>

VOICE OF ENGLISH-SPEAKING QUÉBEC (V.E.Q.)

**Balance Sheet
As at March 31**

2019

2018

ASSETS

CURRENT ASSETS

Cash	\$	120,508	\$	72,681
Accounts receivable (note 3)		<u>100,050</u>		<u>89,248</u>
		220,558		161,929

CAPITAL ASSETS (note 4)

		<u>4,956</u>		<u>3,093</u>
	\$	225,514	\$	165,022

LIABILITIES

CURRENT LIABILITIES

Accounts payable (note 5)	\$	23,413	\$	15,379
Deferred revenue and contribution (note 6)		<u>64,892</u>		<u>22,602</u>
		88,305		37,981

DEFERRED FINANCIAL SUPPORT RELATING TO CAPITAL ASSETS

		<u>4,466</u>		<u>2,429</u>
		92,771		40,410

NET ASSETS

NETS ASSETS INVESTED IN CAPITAL ASSETS

	490	664
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NETS ASSETS NOT ASSIGNED

	<u>132,253</u>	<u>123,948</u>
	132,743	124,612

	\$	225,514	\$	165,022
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On behalf of the Board:

_____, Director

_____, Director

VOICE OF ENGLISH-SPEAKING QUÉBEC (V.E.Q.)**Statement of Cash Flows****For the year ended March 31****2019****2018****OPERATING ACTIVITIES**

Surplus of revenues over expenses	\$	8,131	\$	5,572
Adjustments for:				
Depreciation of capital assets		660		240
Depreciation of the financial support relating to capital assets		(486)		-
		8,305		5,812

Net change in non-cash working capital items

Accounts receivable		(10,802)		(31,308)
Accounts payable		8,034		(7,933)
Deferred revenue and contribution		42,290		(14,902)
		39,522		(54,143)

INVESTING ACTIVITY

Acquisition of capital assets		(2,523)		(2,429)
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FINANCING ACTIVITY

Financial support relating to capital assets		2,523		2,429
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NET INCREASE (NET DECREASE) IN CASH**47,827** (48,331)**CASH, BEGINNING OF YEAR****72,681** 121,012**CASH, END OF YEAR**\$ **120,508** \$ 72,681

VOICE OF ENGLISH-SPEAKING QUÉBEC (V.E.Q.)

Notes to Financial Statements

For the year ended March 31 2019

1. ARTICLES OF INCORPORATION

The Organization obtained its certificate of continuance dated on June 27, 2014 and is governed under the Canada Not-For-Profit Corporations Act.

VOICE OF ENGLISH-SPEAKING QUÉBEC (V.E.Q.) is a not-for-profit organization bound by a common concern of strengthening and promoting the well-being, rights and responsibilities of the multiethnic and multi-religious English-speaking community. The working territory of the organization encompasses the 03 and 12 regions of the Province of Quebec.

2. SIGNIFICANT ACCOUNTING POLICIES

Financial statements

The Organization applies the Canadian accounting standards for not-for-profit Organization of the part III of the Canadian CPA handbook in accordance with Canadian generally accepted accounting principles.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for non-profit organization requires management to make estimates that affect the reported amounts 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 reporting periods presented. Actual results could differ from estimates made by management.

Revenues recognition

Contributions

The Organization uses 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.

Other revenues

The Organization recognizes its other revenues when all significant acts have been completed and collection is reasonably assured.

VOICE OF ENGLISH-SPEAKING QUÉBEC (V.E.Q.)

Notes to Financial Statements

For the year ended March 31 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Measurement of financial instruments

The Organization initially measures its financial assets and liabilities at fair value, except for certain operations that are not concluded as an arm's length transaction.

It subsequently measures all of its assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost are represented by cash and accounts receivable

Financial liabilities measured at amortized cost are represented by accounts payable, salaries, vacations payable and government grants.

Impairment

Financial assets measured at cost are tested for impairment if there are indications of possible impairment. The amount of impairment loss is recognized in net income. The impairment loss previously recognized shall be reversed to the extent of the improvement, either directly or by adjusting the allowance account, and must be no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. This reversal is recognized in net income.

Capital assets

Capital assets are recorded at cost and depreciated on a declining balance method over their estimated useful lives as follows:

	<u>Rates</u>
Computer equipment	30 %
Office equipment	20 %

VOICE OF ENGLISH-SPEAKING QUÉBEC (V.E.Q.)
Notes to Financial Statements
For the year ended March 31 2019

3. ACCOUNTS RECEIVABLE

	<u>2019</u>	<u>2018</u>
VEQ Foundation	\$ 72,662	\$ 77,898
Government grants	-	8,690
Goods and services tax	3,636	2,285
Others	<u>23,752</u>	<u>375</u>
	<u>\$ 100,050</u>	<u>\$ 89,248</u>

4. CAPITAL ASSETS

			<u>2019</u>	<u>2018</u>
	<u>Cost</u>	<u>Depreciation</u>	<u>Net book value</u>	<u>Net book value</u>
Computer equipment	\$ 12,748	\$ 9,911	\$ 2,837	\$ 446
Office equipment	<u>6,795</u>	<u>4,676</u>	<u>2,119</u>	<u>2,647</u>
	<u>\$ 19,543</u>	<u>\$ 14,587</u>	<u>\$ 4,956</u>	<u>\$ 3,093</u>

5. ACCOUNTS PAYABLE

	<u>2019</u>	<u>2018</u>
Accounts payable	\$ 7,220	\$ 11,457
Salaries and vacations payable	3,150	3,922
Government remittances	7,341	-
Government grants	<u>5,702</u>	<u>-</u>
	<u>\$ 23,413</u>	<u>\$ 15,379</u>

VOICE OF ENGLISH-SPEAKING QUÉBEC (V.E.Q.)

Notes to Financial Statements

For the year ended March 31 2019

6. DEFERRED REVENUE AND CONTRIBUTION

	2019	2018
Government - Québec en forme		
Balance, beginning of the year	\$ 11,902	\$ 26,437
Financial support received	500	1,668
Transfer to revenues of the year	(692)	(16,203)
Balance, end of the year	11,710	11,902
Government - CIF		
Balance, beginning of the year	\$ 9,910	\$ 26,437
Financial support received	77,230	55,580
Transfer to revenues of the year	(74,133)	(45,670)
Balance, end of the year	13,007	9,910
Government - ERCC-CHSSN		
Balance, beginning of the year	\$ -	\$ -
Financial support received	23,700	-
Transfer to revenues of the year	(12,468)	-
Balance, end of the year	11,232	-
Government - MADA		
Balance, beginning of the year	\$ -	\$ -
Financial support received	9,551	-
Transfer to revenues of the year	(5,024)	-
Balance, end of the year	4,527	-
Charitable sector - Seniors Out and About		
Balance, beginning of the year	\$ 790	\$ -
Financial support received	17,168	30,240
Transfer to revenues of the year	(17,958)	(29,450)
Balance, end of the year	-	790
Community Directory		
Balance, beginning of the year	\$ -	\$ -
Financial support received	25,095	-
Transfer to revenues of the year	(679)	-
Balance, end of the year	24,416	-
	\$ 64,892	\$ 22,602

7. FINANCIAL RISKS

Liquidity risk

The Organization is exposed to this risk mainly regarding its accounts payable. Management believes that the Organization has the liquidity to meet its commitments.

Credit risk

The main credit risks for the organization are related to the others accounts receivables.

8. COMMITMENTS

The Organization rents office space under lease maturing in March 2020. The future minimum rents is \$ 14 436 for the next year.

VOICE OF ENGLISH-SPEAKING QUÉBEC (V.E.Q.)

Notes to Financial Statements

For the year ended March 31 2019

9. RELATED PARTY TRANSACTIONS

Voice of English Speaking Québec controls the V.E.Q Foundation. This foundation was created under Part III of the Quebec Companies Act and is a registered non-profit organization within the meaning of the Income Tax Act. The Organization has objective the receiving and maintaining of funds which are to be used of charitable purposes.

The V.E.Q Foundation has not been consolidated in the financial statements of Voice of English Speaking Québec. The financial statements of the V.E.Q Foundation are available upon request. The main financial information as at December 31, 2018 and 2017 relating to the V.E.Q Foundation is as follows:

	<u>31 december</u> <u>2018</u>	<u>31 december</u> <u>2017</u>
Financial situation:		
Assets	\$ 95,160	\$ 95,160
Liabilities	<u>93,349</u>	<u>93,349</u>
Nets assets	\$ 1,811	\$ 1,811
Statement of income :		
Revenues	19,764	36,949
Expenses	<u>19,764</u>	<u>36,949</u>
Surplus of revenues over expenses	\$ -	\$ -
Statement of Cash Flows:		
Operating activities	\$ -	\$ 43,002

APPENDIX 1
VOICE OF ENGLISH-SPEAKING QUEBEC (V.E.Q)
UNAUDITED SCHEDULE OF REVENUES AND EXPENSES
For the year ended March 31, 2019

	V.E.Q.		Job bank / Others		Young Canada Works		Fall Fest		Seniors Out and About	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUES	189,306	155,729	2,010	2,708	3,140	3,912	10,975	11,100	17,958	29,450
DEFERRED REVENUES RELATING TO CAPITAL ASSETS	(1,150)	(2,429)	-	-	-	-	-	-	-	-
	188,156	153,300	2,010	2,708	3,140	3,912	10,975	11,100	17,958	29,450
EXPENSES										
Salaries and benefits	125,480	108,514	-	-	3,140	3,912	-	-	7,277	17,752
Salaries / Activities	-	-	-	-	-	-	4,743	2,662	-	-
Honorarium	7,619	5,170	-	-	-	-	2,046	3,231	1,000	700
Honorarium / Activities	-	-	-	-	-	-	-	-	-	-
Travel / Mileage	688	614	-	-	-	-	41	-	-	-
Travel / Activity	2,066	1,199	-	-	-	-	509	827	7,334	7,498
Travel / Meetings expenses	2,512	4,503	-	-	-	-	-	-	-	-
Publicity	10,591	4,353	-	-	-	-	1,774	1,295	-	-
Operating costs	33,732	28,250	17	16	-	-	1,862	1,114	2,347	3,500
Other	-	-	-	-	-	-	-	1,971	-	-
	182,688	152,603	17	16	3,140	3,912	10,975	11,100	17,958	29,450
Acquisition of capital assets	(1,150)	(2,429)	-	-	-	-	-	-	-	-
	181,538	150,174	17	16	3,140	3,912	10,975	11,100	17,958	29,450
SURPLUS OF REVENUES OVER EXPENSES (EXPENSES OVER REVENUES)	6,618	3,126	1,993	2,692	-	-	-	-	-	-

APPENDIX 1
VOICE OF ENGLISH-SPEAKING QUEBEC (V.E.Q)
UNAUDITED SCHEDULE OF REVENUES AND EXPENSES
For the year ended March 31, 2019

Quebec en forme 2019	Quebec en forme 2017	Quebec en forme 2018	City Project		CIF		ERCC / CHSSN	MADA
<u>2019</u>	<u>2018</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2019</u>
\$	\$	\$	\$	\$	\$	\$	\$	\$
692	12,274	3,930	25,579	25,154	74,133	45,670	13,841	5,024
-	-	-	-	-	-	-	(1,373)	-
692	12,274	3,930	25,579	25,154	74,133	45,670	12,468	5,024
13	9,657	1,655	19,500	19,000	46,047	39,031	-	3,773
-	-	-	-	-	-	2,739	-	-
-	-	-	600	600	500	500	11,368	500
-	-	-	-	-	22,540	-	-	-
-	292	51	114	516	716	401	-	-
195	-	-	493	131	975	-	950	-
-	-	-	377	656	138	-	150	-
-	45	-	1,845	1,698	217	-	-	-
-	-	-	2,673	2,553	3,000	2,999	1,373	751
484	2,280	2,224	-	-	-	-	-	-
692	12,274	3,930	25,602	25,154	74,133	45,670	13,841	5,024
-	-	-	-	-	-	-	(1,373)	-
692	12,274	3,930	25,602	25,154	74,133	45,670	12,468	5,024
-	-	-	(23)	-	-	-	-	-

APPENDIX 1
VOICE OF ENGLISH-SPEAKING QUEBEC (V.E.Q)
UNAUDITED SCHEDULE OF REVENUES AND EXPENSES
For the year ended March 31, 2019

Community Directory 2019	Hello / Bonjour	Immigration table	Other projects	Total	
<u>2019</u>	<u>2019</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
\$	\$	\$	\$	\$	\$
679	29,738	-	114,131	373,075	404,058
-	-	-	-	(2,523)	(2,429)
679	29,738	-	114,131	370,552	401,629
-	24,670	-	74,673	229,900	274,194
-	-	-	-	4,743	5,401
268	500	-	12,873	24,401	23,074
-	-	-	-	22,540	-
-	-	-	-	1,559	1,874
-	498	-	400	13,020	10,055
-	293	300	669	3,770	5,828
-	1,434	-	8,321	15,861	15,712
36	2,500	-	8,516	48,291	46,948
375	-	-	8,925	859	15,400
679	29,895	300	114,377	364,944	398,486
-	-	-	-	(2,523)	(2,429)
679	29,895	300	114,377	362,421	396,057
-	(157)	(300)	(246)	8,131	5,572