

**WORLD FEDERALIST MOVEMENT - CANADA**

UNAUDITED FINANCIAL STATEMENTS

MARCH 31, 2018

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DRAFT FOR REVIEW

## **INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT**

To the Members,

### **WORLD FEDERALIST MOVEMENT - CANADA:**

We have reviewed the accompanying financial statements of World Federalist Movement - Canada that comprise the statement of financial position as at March 31, 2018 and the statements of changes in net assets, operations 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 World Federalist Movement - 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.

**OUSELEY HANVEY CLIPSHAM DEEP LLP**

Licensed Public Accountants

Ottawa, Ontario  
XXXX XX, 2018

## WORLD FEDERALIST MOVEMENT - CANADA

UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2018

	2018	2017
<b>CURRENT ASSETS</b>		
Cash	\$ 102,124	\$ 107,990
Accounts receivable	8,825	8,322
	110,949	116,312
<b>CAPITAL ASSETS (note 2)</b>	<b>241</b>	<b>344</b>
	\$ 111,190	\$ 116,656
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 46,263	\$ 13,134
Deferred revenue (note 4)	27,205	91,046
Due to World Federalist Foundation (note 5)	52,340	42,073
	125,808	146,253
<b>DUE TO WFMC TORONTO BRANCH (NOTE 6)</b>	<b>11,000</b>	<b>11,000</b>
	136,808	157,253
<b>NET ASSETS (DEFICIT)</b>		
Invested in capital assets	241	344
Life members	24,017	24,017
Bequests	130,609	130,609
Deficit	(180,485)	(195,567)
	(25,618)	(40,597)
	\$ 111,190	\$ 116,656

Approved on behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

## WORLD FEDERALIST MOVEMENT - CANADA

### UNAUDITED STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED MARCH 31, 2018

	2018	2017
<b>NET ASSETS INVESTED IN CAPITAL ASSETS</b>		
Balance beginning of year	\$ 344	\$ 491
Amortization	(103)	(147)
Balance end of year	241	344
<b>NET ASSETS INTERNALLY RESTRICTED - LIFE MEMBERS</b>		
Balance beginning and end of year	24,017	24,017
<b>NET ASSETS INTERNALLY RESTRICTED - BEQUESTS</b>		
Balance beginning and end of year	130,609	130,609
<b>UNRESTRICTED NET ASSETS (DEFICIT)</b>		
Balance beginning of year	(195,567)	(166,748)
Net revenue (expense) for the year	14,979	(28,966)
Net change in capital assets	103	147
Balance end of year	(180,485)	(195,567)
<b>TOTAL NET ASSETS (DEFICIT)</b>	<b>\$ (25,618)</b>	<b>\$ (40,597)</b>

## WORLD FEDERALIST MOVEMENT - CANADA

### UNAUDITED STATEMENT OF OPERATIONS FOR THE YEAR ENDED MARCH 31, 2018

	2018	2017
<b>REVENUE</b>		
Donations and memberships	\$ 16,488	\$ 29,221
Contributions	75,500	14,766
World Federalist Foundation funding (note 5)	116,000	132,760
Interest and other	5,246	23
	<u>213,234</u>	<u>176,770</u>
<b>EXPENSE</b>		
Bank charges and interest	1,849	2,699
Office overhead	20,841	20,235
Administration and joint fundraising	8,685	3,662
Accounting and bookkeeping	5,300	5,325
Salary and benefits	99,642	91,434
WFM dues	2,636	3,775
Programs - miscellaneous	44,100	9,939
General members meeting and Mondial	15,099	18,520
Forgiveness of receivable from World Federalist Foundation (note 5)	-	50,000
Amortization of capital assets	103	147
	<u>198,255</u>	<u>205,736</u>
<b>NET REVENUE (EXPENSE) FOR THE YEAR</b>	<b>\$ 14,979</b>	<b>\$ (28,966)</b>

## WORLD FEDERALIST MOVEMENT - CANADA

UNAUDITED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2018

	2018	2017
<b>CASH PROVIDED BY (USED FOR)</b>		
<b>OPERATING ACTIVITIES</b>		
Net revenue (expense) for the year	\$ 14,979	\$ (28,966)
Item not requiring cash:		
Amortization of capital assets	103	147
Changes in operating components of working capital:		
Accounts receivable	(503)	(8,322)
Accounts payable	33,129	(9,218)
Deferred revenue	(63,841)	91,046
	(16,133)	44,687
<b>FINANCING ACTIVITIES</b>		
Due to WFMC Toronto Branch	-	(5,000)
Due from World Federalist Foundation	10,267	66,936
	10,267	61,936
<b>CHANGE IN CASH FOR THE YEAR</b>	(5,866)	106,623
Cash beginning of the year	107,990	1,367
<b>CASH END OF YEAR</b>	\$ 102,124	\$ 107,990

# WORLD FEDERALIST MOVEMENT - CANADA

## NOTES TO UNAUDITED FINANCIAL STATEMENTS

MARCH 31, 2018

World Federalist Movement - Canada is a national organization operating programs to promote world governance and in support of the United Nations system. It was incorporated as a non share capital corporation under the Canada Corporations Act and is continued under Canada Not-for-profit Corporations Act.

### 1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

#### a) 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 received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Donations and bequests are recorded when received. Memberships are recognized as revenue in the period to which they relate.

#### b) Capital assets

Computer equipment has been recorded at cost and amortization provided for at 30% annually on a declining balance basis.

#### c) Use of estimates

The preparation of financial statements in conformity with Canadian standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates. These estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

#### d) Financial instruments

Financial instruments are initially recognized at fair value and are subsequently measured at cost, amortized cost or cost less appropriate allowances for impairment.

### 2. CAPITAL ASSETS

			2018	2017
	Cost	Accumulated Amortization	Net	Net
Computer equipment	\$ 21,933	\$ 21,692	\$ 241	\$ 344

## WORLD FEDERALIST MOVEMENT - CANADA

NOTES TO UNAUDITED FINANCIAL STATEMENTS

MARCH 31, 2018

### 3. CONTRIBUTED SERVICES

Volunteers contribute time to assist the organization to carry out its service delivery activities. Because of the difficulty in determining the fair value of such contributed services, they are not recognized in the accompanying financial statements.

### 4 DEFERRED REVENUE

Deferred revenue consists of unspent funding related to the UN 2020 Project.

	2018	2017
Balance, beginning of year	\$ 91,046	\$ -
Less: amount recognized as revenue in the year	(63,841)	-
Plus: amount received related to the following year	-	91,046
Balance, end of year	\$ 27,205	\$ 91,046

### 5. RELATED PARTY TRANSACTIONS

World Federalist Foundation is a registered charity having many common objectives with the World Federalist Movement - Canada. World Federalist Movement - Canada as agent, provides various administrative services to the World Federalist Foundation including office facilities, staff time and office supplies.

Amounts due to World Federalist Foundation as at March 31, on account of services rendered:

	2018	2017
Due to World Federalist Foundation	\$ 52,340	\$ 42,073

Services have been charged on the basis of costs incurred and were in the amount of \$116,000 (2017 - \$132,760). During 2017 the organization forgave a receivable of \$50,000 that was due from World Federalist Foundation. This forgiveness had been recorded as an expense on the statement of operations in 2017.

World Federalist Foundation has not been consolidated in these financial statements. The following is a summary of the financial position of World Federalist Foundation as of March 31st.

	2018	2017
Total assets	\$ 320,258	\$ 387,472
Total liabilities	99,737	110,987
Total net assets	\$ 220,521	\$ 276,485



## **WORLD FEDERALIST MOVEMENT - CANADA**

NOTES TO UNAUDITED FINANCIAL STATEMENTS

MARCH 31, 2018

### **6. DUE TO WPMC TORONTO**

In January 2010, \$16,000 was moved from the disbanded WPMC-Toronto branch's reserve and current account funds to WFM-Canada. These funds are available for future use to the WPMC Toronto branch. No funds were returned to the Toronto branch during the 2018 fiscal year (2017 - \$5,000).

### **7. BRANCH REBATES**

Pursuant to By Law 1.3, membership dues are to be apportioned between the National Office and branches in rates of 4-1. Branches forfeit such refunds not claimed within the calendar year. No claims for branch refunds have been made in the current year.

### **8. FINANCIAL INSTRUMENTS**

The organization's financial instruments consist of cash, accounts receivable, accounts payable, due to World Federalist Foundation and due to WPMC Toronto branch. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest rate, currency, credit, liquidity or market risks arising from its financial instruments and the carrying amount of the financial instruments approximate their fair value.

### **9. COMMITMENTS**

To organization entered into a lease for office space that extends to November 30, 2018. Annual lease payments are \$11,400.