

**VIDEA a BC-Based International Development Education
Association**

Financial Statements

December 31, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of VIDEA a BC – Based International Development Education Association,

Qualified Opinion

We have audited the financial statements of VIDEA a BC – Based International Development Education Association (VIDEA), which comprise the statement of financial position as at December 31, 2020 and the statements of operations, 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our auditor's report, the accompanying financial statements present fairly, in all material respects, the financial position of VIDEA as at December 31, 2020, 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, VIDEA derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of VIDEA. Therefore, we were unable to determine whether any adjustments might be necessary to donation revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2020, current assets as at December 31, 2020 and net assets as at January 1, 2020 and December 31, 2020. The predecessor auditor's opinion on the financial statements for the year ended December 31, 2019 was modified accordingly because of the possible effects of this limitation in scope.

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 VIDEA 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.

Other Matter

The financial statements of VIDEA for the period ended December 31, 2019, were audited by another auditor who expressed a qualified opinion on those financial statements on November 20, 2020 for reasons described in the Basis for Qualified Opinion section.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing VIDEA'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 VIDEA or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing VIDEA'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 of these 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 VIDEA'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 VIDEA's ability to continue as a going concern. If we conclude 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 auditor's report. However, future events or conditions may cause VIDEA 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, the VIDEA's financial statements have been prepared following Canadian Accounting Standards for Not-for-profit Organizations. Financial statements were prepared on a basis consistent with the basis on which the financial statements that related to the preceding period were prepared.

JANI CPA LTD.

JANI CPA LTD.
Chartered Professional Accountant

October 15, 2021

VIDEA a BC- Based International Development Education Association

Statement of Operations Year ended December 31, 2020

	2020	2019
	(\$)	(\$)
Revenue		
Charitable donations	117,582	22,794
Commercial revenue	28,750	5,351
Government assistance – COVID-19 (Note 5 and Note 6)	102,406	-
Grants - Federal	582,783	950,168
BC Government	22,504	-
Events	4,573	19,506
Gaming	27,297	20,703
Other donations	127,098	118,135
Other	28	132
Total revenue	1,013,021	1,136,789
Expenses		
Advertising and promotion	466	8,297
Equipment costs	1,430	2,661
Direct program expenses	568,966	692,596
Insurance	2,543	3,225
Meetings	12,281	6,871
Office expenses	3,694	3,943
Product cost	-	1,679
Professional fees	17,539	24,069
Rental (Note 7)	13,781	13,740
Salaries and wages (Note 10)	380,535	367,509
Telephone and internet	4,359	4,551
Total operating expenses	1,005,594	1,129,141
Excess of revenue over expenses	7,427	7,648

The accompanying Notes are an integral part of these Financial Statements.

VIDEA a BC- Based International Development Education Association

Statement of Changes in Net Assets Year ended December 31, 2020

	Special Project Fund (\$)	Operating Fund (\$)	2020 (\$)	2019 (\$)
Net assets, beginning of year	21,324	85,057	106,381	98,733
Transfers	5,648	(5,648)	-	-
Excess of revenue over expenses for the year	-	7,427	7,427	7,648
Net assets, end of year	26,972	86,836	113,808	106,381

The accompanying Notes are an integral part of these Financial Statements.

VIDEA a BC- Based International Development Education Association

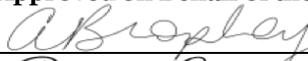
Statement of Financial Position As at December 31, 2020

	2020 (\$)	2019 (\$)
Assets		
Current Assets		
Cash	738,977	418,838
Accounts receivable and government assistance (Note 5)	196,241	12,715
GST recoverable	4,402	2,788
Inventory (Note 3)	1,635	2,920
Prepaid expenses and deposits	1,330	529
Total Assets	942,585	437,790
Liabilities and Fund Balances		
Current Liabilities		
Accounts payable and accrued liabilities	43,567	19,205
Wages payable	-	6,542
Source deductions payable	12,600	8,295
Total Current Liabilities	56,167	34,042
Deferred revenue (Note 4)	742,610	297,367
Long term debt (Note 6)	30,000	-
Total Liabilities	828,777	331,409
Net Assets		
Special project fund	26,972	21,324
Operating fund	86,836	85,057
Total Net Assets	113,808	106,381
Total Liabilities and Net Assets	942,585	437,790

Commitments (Note 7)

Subsequent event (Note 12)

Approved on Behalf of the Board:



Bryan Emery

The accompanying Notes are an integral part of these Financial Statements.

VIDEA a BC- Based International Development Education Association

Statement of Cash Flows Year ended December 31, 2020

	2020	2019
	(\$)	(\$)
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	7,427	7,648
Non-cash items:		
Forgiveness of CEBA Loan (Note 6)	(10,000)	-
	(2,573)	7,648
Adjustments for changes in		
Accounts receivable and government assistance (Note 5)	(183,526)	(12,379)
Wages payable (Note 10)	(6,542)	2,346
Inventories (Note 3)	1,285	(966)
Accounts payable	24,362	11,028
Prepaid expenses	(801)	313
Payroll liabilities	4,305	2,018
Deferred revenue	445,243	(1,922)
GST recoverable	(1,614)	(1,802)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	280,139	6,284
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term debt (Note 6)	40,000	-
TOTAL CASH FLOWS FROM FINANCING ACTIVITIES	40,000	-
Change in cash during the year	320,139	6,284
Cash and cash equivalents, beginning of year	418,838	412,554
Cash and cash equivalents, end of year	738,977	418,838

The accompanying Notes are an integral part of these Financial Statements.

VIDEA a BC- Based International Development Education Association

Notes to the Financial Statements Year ended December 31, 2020

1. PURPOSE OF THE ORGANIZATION

VIDEA a BC-Based International Development Education Association (VIDEA or the Society) formed in 1978, works to engage youth and communities in critical development issues, build links with overseas partners, and provide solidarity and support to assist overseas communities. The charity is committed to ending global poverty and creating a more just and equitable world by:

- Public engagement: Helping stakeholders and community members to better understand global issues and to develop strategies to become engaged global citizens.
- International program: Working to build partnerships overseas that aim to promote women's empowerment, health, economic development, education, and training.
- Youth and schools: Helping to bring development issues such as global poverty and human rights into the classrooms and provide internships and international exchanges to youths.
- Fair trade: Hosting annual fair - trade market and linking overseas producers and markets in Canada.

VIDEA is a not-for-profit organization incorporated under the BC Societies Act and is a registered charity under the Income Tax Act (Canada) and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

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 and include the following significant accounting policies:

a. Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in banks and cash held by merchant providers.

b. Inventories

Inventory is measured at the lower of cost and net realizable value, which costs being determined using the weighted-average cost method. Inventory costs include purchase price and other cost directly including in the cost of the acquisition of the inventory. Net realizable value is the estimated selling price in the ordinary course of business less any applicable selling costs. Inventory is written down to net realizable value when the costs of inventory is estimated to be greater than the net realizable value.

c. Government Assistance

VIDEA used the income approach to account for government assistance received, related to COVID-19 subsidies. The income approach requires that the government assistance be credited as a direct increase in revenue or reduction in expense.

Government assistance is recorded as an increase in revenue, whereby the benefit is recognized in the relevant expense where the subsidy is being received. The benefit is only recognized if there is a reasonable assurance that it will be received.

VIDEA a BC- Based International Development Education Association

Notes to the Financial Statements Year ended December 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Revenue recognition

VIDEA follows the deferral method of accounting for contributions and grants.

Restricted contributions and grants are recognized as revenue in the period in which the related expenses are incurred. Unrestricted contributions and grants are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Events and commercial revenue are recognized as revenue in the period in which goods and services are rendered and if the amount is reasonably estimated and collection is reasonably assured.

e. Financial instruments

All financial instruments are initially measured on the statement of financial position at fair value. VIDEA subsequently measures all its financial assets and financial liabilities at amortized cost. VIDEA's financial instruments are cash, accounts receivable, accounts payable and accruals.

f. Use of estimates

The preparation of financial statements in accordance with Canadian Accounting 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 reporting period. Assumptions are based on a number of factors including historical experiences, current events, and actions that VIDEA may undertake in the future, and other assumptions that are believed reasonable under the circumstances.

In March 2020, the World Health Organization, followed by Canada and British Columbia, declared a global novel coronavirus (COVID-19) pandemic. The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national, and global economics. VIDEA is aware of changes in its operations as a result of the COVID-19 crisis, including the temporary suspension of some events, travel and working hours.

During the period, VIDEA was receiving funds from the governments and donors on a continual basis. VIDEA also claimed a loan under the Canada Emergency Business Account program (CEBA) and obtained \$40,000, of which \$10,000 was recorded as a debt forgiveness in the period. VIDEA has been operating the programs and activities as effectively as possible. Management has acknowledged limited or temporary interruption but there were no known material adverse effects on VIDEA's financial position or future operations. Actual results could differ from those estimates and may have impact on future periods.

Significant estimates and assumption include allocation of expenses, deferred revenue assessments and the impact of COVID-19 on future funding and global operations.

g. Net assets

The Operating Fund is used to account for the program delivery and administrative activities. Donations and grants to be used for operations and programs are reported in this fund.

VIDEA a BC- Based International Development Education Association

Notes to the Financial Statements Year ended December 31, 2020

h. Special Project Fund

The Special Projects Fund represents internally restricted net assets which consists of funds contributed to VIDEA that are internally restricted based on internally established guidelines approved by the Board of Directors.

VIDEA ensures that future project proposals are provided with funding. The Board of Directors had set-up the Special Project Fund, an internally restricted fund for this purpose. This Fund will be used to support the research, writing and development of project proposals.

3. INVENTORY

Inventory consists of finished goods - weaved baskets. Inventory expense for December 31, 2020 amounted to \$1,285 (\$1,679 – 2019). No inventory write-downs in the period.

4. DEFERRED REVENUE

Deferred contributions relate to restricted funding received in the current and prior fiscal periods, which are designated for specific expenditures. The deferred contributions consist of the unspent portion of externally restricted funds received. As at December 31, 2020 \$742,610 (\$297,367 – 2019) remained deferred revenue.

	2020	2019
	(\$)	(\$)
Beginning balance	297,367	299,289
Funds received and receivable during the year	1,458,264	1,134,868
Funds used during the year	(1,013,021)	(1,136,790)
Total	742,610	297,367

Deferred Contributions by Major Funder:

	Federal	Provincial	Other	2020
	Government	Government	Contributions	(\$)
	Grants	Grants		
Beginning balance	227,115	3,297	66,955	297,367
Fund received and receivable during the year	1,103,611	49,000	305,653	1,458,264
Fund used during the year	(685,189)	(49,801)	(278,031)	(1,013,021)
Total	645,537	2,496	94,577	742,610

VIDEA a BC- Based International Development Education Association

Notes to the Financial Statements Year ended December 31, 2020

5. ACCOUNTS RECEIVABLE AND GOVERNMENT ASSISTANCE

	2020 (\$)	2019 (\$)
Grant receivables	164,353	9,000
Government assistance – COVID-19	18,215	-
Other receivables and advances	13,673	3,715
Total	196,241	12,715

During the period, VIDEA has recorded \$24,417 (\$9,000 – 2019) of Government and Private grants receivable as revenue, the remaining balance was recorded as deferred revenue.

During the period, VIDEA obtained government assistance related to COVID-19 in the amount of \$102,406, of this \$18,215 was included in accounts receivable.

6. LONG TERM DEBT

During the period, VIDEA claimed a loan under the Canada Emergency Business Account program (CEBA) and obtained \$40,000 (Nil – 2019), of which \$10,000 (Nil – 2019) was recorded as a debt forgiveness in the period.

If the loan is not repaid by December 31, 2022, the loan can be converted to a three-year term loan at an interest rate of 5% and the forgivable portion will be capitalized back into the repayable principle.

VIDEA has plans to repay the loan before December 31, 2022 and the \$10,000 balance was recorded as revenue during the period.

7. LEASE COMMITMENTS

Subsequent to the period, VIDEA secured an additional office for \$325 per month, increasing the annual lease to \$18,600 in 2021 and for subsequent periods. VIDEA has internally committed to maintain and continue the lease until 2023. Under the terms of the current lease, VIDEA's total obligations under operating leases, inclusive of realty taxes and occupancy charges, are as follows:

	(\$)
2021	18,600
2022	18,600
2023	18,600
Total	55,800

Rent expense for December 31, 2020, amounted to \$13,781 (\$13,740 – 2019). During the period, VIDEA obtained non-repayable rent reduction for one month in the amount of \$919 (\$960 – 2019), no other reductions obtained.

VIDEA a BC- Based International Development Education Association

Notes to the Financial Statements Year ended December 31, 2020

8. FINANCIAL INSTRUMENTS

(a) Fair values:

The fair value of assets and liabilities approximate their carrying amounts due to the imminent or short-term nature of these financial assets and liabilities or respective terms and conditions.

(b) Risk Management:

i. Credit risk

VIDEA has exposure to credit risk which arises from the possibility that the counterparty to a transaction may fail to perform under its contractual commitments, resulting in a financial loss to VIDEA. This exposure is on cash and accounts receivables from its contributors and grantors. VIDEA's management monitors and assesses credit risk by periodically assessing the collectability of its accounts receivables.

Concentration of credit risk arises as a result of exposure to a single debtor or to a group of debtors having similar characteristics in which their ability to meet contractual obligations would be similarly affected by changes in economic, political, or other conditions. As at period end, VIDEA held \$143,908 (\$Nil – 2019) due from government funders including COVID-19 Government assistance, which are considered to have low credit risk. VIDEA mitigates credit risk exposure on cash by banking with Canadian insured credit unions.

ii. Liquidity

VIDEA manages its ability to fulfill its obligations and exposure to liquidity risk by monitoring its operating requirements through the preparation of budgets and forecasts.

iii. Interest and foreign exchange rate risk

VIDEA has exposure to interest rate due to fluctuations in the bank interest rates and foreign exchange rates.

There have been no significant changes to the risk exposure from prior periods.

9. ECONOMIC DEPENDENCE

VIDEA is economically dependent on government grants and receives the majority of its grant revenue pursuant to funding agreements with the Government of Canada and the Province of British Columbia, which represents 73% (84%- 2019) of the total Revenue.

10. DIRECTORS, EMPLOYEES AND CONTRATORS' REMUNERATION

During the year, no amount was paid to any members of the Board of Directors and there was one employee paid in excess of \$75,000 in salary and benefits. This disclosure is provided as per the requirements of BC Societies Act.

VIDEA a BC- Based International Development Education Association

Notes to the Financial Statements Year ended December 31, 2020

11. RELATED PARTY TRANSACTIONS

During the year, VIDEA receives donations from individuals who are members of the Society, members of the Board of Directors. Donations from related parties were included in operating income for December 31, 2020.

12. SUBSEQUENT EVENT

Subsequent to the period, VIDEA has applied for and was approved for an additional CEBA loan of \$20,000, the forgiveness portion related to the loan is 50% if the full balance of \$40,000 of the CEBA loans is repaid on or before December 31, 2022.