

VIDEA a BC-Based International Development Education Association

Financial Statements

December 31, 2019

Schell & Associates
Chartered Professional Accountants

VIDEA a BC-Based International Development Education Association

December 31, 2019

CONTENTS

	<u>Page</u>
Financial Statements	
Independent Auditor's Report	1
Statement of Operations	3
Statement of Changes in Net Assets	4
Statement of Financial Position	5
Statement of Cash Flows	6
Notes to the Financial Statements	7

Independent Auditor's Report

To the members of
VIDEA a BC-Based International Development Education Association

Report on the Financial Statements

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, 2019, 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 report, the accompanying financial statements present fairly, in all material respects, the financial position of VIDEA as at December 31, 2019, 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 (ASNPO).

Basis for Qualified Opinion

As with other charitable organizations, VIDEA derives revenue from donations which the completeness 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 not able to determine whether any adjustments might be necessary to recorded donations, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2019 and 2018, current assets as at December 31, 2019 and 2018, and net assets as at January 1 and December 31 for both the 2019 and 2018 years. Our audit opinion on the financial statements for the year ended December 31, 2018 was modified accordingly because of the possible effects of this limitation in scope.

We conducted an 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.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 8 in the financial statements, which identifies the presumed impact that COVID-19 will have on subsequent operations and resulting financial positions of VIDEA in the coming year.

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 ASNPO, 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.

Auditors' 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

Independent Auditor's Report

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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
- 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 ASNPO. Financial statements were prepared on a basis consistent with the basis on which the financial statements that related to the preceding period were prepared.

Victoria, BC

November 20, 2020

CHARTERED PROFESSIONAL ACCOUNTANTS

204-2840 Nanaimo Street
Victoria, BC V8T 4W9

VIDEA a BC- Based International Development Education Association

Statement of Operations

For the Year Ended December 31, 2019

	2019	2018
Revenue		
Charitable donations	\$ 22,794	\$ 48,186
Commercial revenue	5,351	7,228
Grants-federal	950,168	626,684
Events	19,506	22,758
Gaming	20,703	24,000
Other donations	118,135	100,633
Other	132	88
Total revenue	1,136,789	829,577
Expenses		
Advertising and promotion	8,297	4,685
Equipment costs	2,661	2,109
Direct program expenses	692,596	529,197
Insurance	3,225	3,088
Meetings	6,871	5,097
Office expenses	3,943	1,245
Product cost	1,679	454
Professional fees	24,069	4,725
Rental	13,740	10,920
Salaries and wages	367,509	260,267
Telephone and internet	4,551	2,020
Total operating expenses	1,129,141	823,807
Excess of revenue over expenses	\$ 7,648	\$ 5,770

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

For the Year Ended December 31, 2019

	Special Project Fund	Operating Fund	2019	2018
Net assets, beginning of year	\$ 21,324	\$ 77,409	\$ 98,733	\$ 92,963
Excess of revenue over expenses for the year	-	7,648	7,648	5,770
Net assets, end of year	\$ 21,324	\$ 85,057	\$ 106,381	\$ 98,733

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, 2019

	2019	2018
Assets		
Current Assets		
Cash (note 2d)	\$ 418,838	\$ 412,554
Accounts receivable	12,715	336
GST recoverable	2,788	986
Inventory	2,920	1,954
Other current assets	529	842
Total Assets	\$ 437,790	\$ 416,672
Liabilities and Fund Balances		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 19,205	\$ 8,177
Wages payable	6,542	4,196
Source deductions payable	8,295	6,277
Total Current Liabilities	34,042	18,650
Deferred revenue (note 3)	297,367	299,289
Total Liabilities	331,409	317,939
Net Assets		
Special project fund (note 2a)	21,324	21,324
Operating fund	85,057	77,409
Total Net Assets	106,381	98,733
Total Liabilities and Net Assets	\$ 437,790	\$ 416,672

Approved on Behalf of the Board:

 Alli Bunting, co-Chair

 Sabreena Thouli, Treasurer

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

VIDEA a BC- Based International Development Education Association

Statement of Cash Flows

For the Year Ended December 31, 2019

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess of revenue over expenses for the year	\$ 7,648	\$ 5,770
Adjustments for changes in:		
Accounts receivables	(12,379)	(5)
Wages payable	2,346	4,196
Inventories	(966)	-
Accounts payable	11,028	3,677
Prepaid expenses	313	(12)
Payroll liabilities	2,018	2,880
Deferred revenue	(1,922)	85,283
GST recoverable	(1,802)	(92)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	6,284	101,697
Change in cash during the year	6,284	101,697
Cash and cash equivalents, beginning of year	412,554	310,857
Cash and cash equivalents, end of year	\$ 418,838	\$ 412,554

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

VIDEA a BC- Based International Development Education Association

Notes to the Financial Statements

For the Year Ended December 31, 2019

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 is exempt from income taxes under paragraph 149(1)(f).

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) in Part III of the CPA Canada Handbook and include the following significant accounting policies:

a. 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 program are reported in this fund.

b. Revenue recognition

VIDEA follows the deferral method of accounting for contributions and grants. Contributions and grants are recognized as revenue when received or receivable if the amount to be received is reasonably estimable and collection is reasonably assured.

Events and commercial revenue are recognized as revenue in the current period.

Contributions, grants and other revenue related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred.

VIDEA a BC- Based International Development Education Association

Notes to the Financial Statements

For the Year Ended December 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES

c. 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.

d. Cash and cash equivalents

Cash and cash equivalents includes cash on hand and cash in bank.

e. Inventories

Inventory is stated at the lower of cost and net realizable value. Cost is determined on an average basis. Inventory consists of weaved baskets from South Africa.

Inventory expense for December 31, 2019 amounted to \$1,679 and \$454 in 2018.

f. Use of estimates

The preparation of financial statements in accordance with ASNPO, 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 the organization may undertake in the future, and other assumptions that are believed reasonable under the circumstances. Actual results could differ from those estimates and may have impact on future periods.

Significant estimates and assumptions include allocation of expenses, inventory obsolescence and deferred revenue assessments.

g. Special Project Fund

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.

VIDEA a BC- Based International Development Education Association

Notes to the Financial Statements

For the Year Ended December 31, 2019

3. DEFERRED REVENUE

Deferred revenues are externally restricted funds received by VIDEA which have not been spent:

	2019	2018
Beginning balance	\$ 299,289	\$ 214,006
Fund received during the year	1,134,868	914,860
Fund used during the year	(1,136,790)	(829,577)
Total	\$ 297,367	\$ 299,289

4. LEASE COMMITMENTS

VIDEA's total obligations under operating leases for occupied premises, inclusive of realty taxes and other occupancy charges, are as follows:

2020	\$ 14,700
2021	14,700
2022	14,700
2023	14,700
Total	\$ 58,800

Rent expense for December 31, 2019 amounted to \$ 13,740 and \$10,920 in 2018.

5. FINANCIAL INSTRUMENTS

It is VIDEA management's opinion that VIDEA does not face significant credit or interest risk exposure arising from its financial instruments except cash. Cash has been deposited in Coast Capital Savings Credit Union and if the credit union fails, cash can not be recovered. However, Canada Deposit and Insurance Corporation covers all eligible deposit up to \$100,000 in case of bank failure.

6. ECONOMIC DEPENDENCE

VIDEA is economically dependent on government grants, which represents 84% (2018 - 78%) of the total revenue. It receives the majority of its revenues pursuant to funding agreements with Global Affairs Canada (GAC), Employment and Social Development Canada (ESDC) and BC Gaming Commission.

7. 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 with the requirements of BC Societies Act.

VIDEA a BC- Based International Development Education Association

Notes to the Financial Statements

For the Year Ended December 31, 2019

8. SUBSEQUENT EVENT

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 subsequent months, VIDEA claimed a temporary subsidy for salaries and wages from the Canada Emergency Wage Subsidy program. VIDEA also claimed a loan under the Canada Emergency Business Account program.

During the subsequent months, VIDEA has been receiving the funds by the governments and by donors on a continual basis. VIDEA has been operating the programs and activities as effectively as possible. Management has acknowledged limited or temporary interruption but has had no known material adverse effects on the VIDEA's financial position and future operations.

9. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.