

VIDEA a BC-Based International Development Education Association

Financial Statements

December 31, 2018

VIDEA a BC-Based International Development Education Association
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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 accompanying financial statements of VIDEA a BC-Based International Development Education Association, which comprise the statement of financial position as at December 31, 2018, and the Statements of operations, Statement of Changes in Fund Balances 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 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 a BC-Based International Development Education Association as at December 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 (ASNPO).

Basis for Qualified Opinion

As with other charitable organizations, VIDEA a BC - Based International Development Education Association 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 a BC - Based International Development Education Association. Therefore, we were not able to determine whether any adjustments might be necessary to recorded donations, excess of revenues over expenses, cash flows from operations for the year then ended.

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 a BC-Based International Development Education Association 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.

Auditors' Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, the VIDEA a BC-Based International Development Education Association'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.

Other Matters

The financial statements of VIDEA a BC-Based International Development Education Association for the period December 31, 2017 were reviewed under the review engagement. Comparative statements of operations, changes in fund balances and cash flows were restated to reflect prior period adjustments. We believe we have obtain sufficient appropriate audit evidence that the opening balances do not contain misstatements that materially affect the current period's financial statements.

Management's Responsibilities 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 CanadianASNPO, 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.

Independent Auditor's Report

In preparing the financial statements, management is responsible for assessing VIDEA a BC-Based International Development Education Association'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 a BC-Based International Development Education Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing VIDEA a BC-Based International Development Education Association'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 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 a BC-Based International Development Education Association'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 a BC-Based International Development Education Association'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 a BC-Based International Development Education Association 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.

Independent Auditor's Report

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.

Victoria, BC

November 04, 2019

Schell & Associates

CHARTERED PROFESSIONAL ACCOUNTANTS

204-2840 Nanaimo Street

Victoria, BC V8T 4W

VIDEA a BC-Based International Development Education Association

Statement of Operations

For the Year Ended December 31, 2018

	2018	2017
Revenue		
Charitable donations	\$ 72,097	\$ 177,549
Commercial revenue	7,228	9,663
Grants-federal	626,684	189,872
Grants-provincial	-	3,734
Events	22,758	26,230
Gaming	24,000	24,000
Other donations	76,722	52,233
Others	88	123
Total revenue	829,577	483,404
Expenses		
Advertising and promotion	4,685	688
Equipment maintenance, rental and purchase	2,109	8,477
Direct program expenses	438,899	277,276
Insurance	3,088	3,027
Office expenses	536	540
Organizational expenses	5,097	6,111
Professional fees	4,725	4,600
Rental	10,920	8,200
Salaries and wages	338,399	205,831
Telephone and internet	2,020	1,788
Total operating expenses	810,478	516,538
Excess (deficiency) of revenue over expenses before other income and expenses	19,099	(33,134)
Other income and expenses		
Administration transfer	297	38,972
Overhead costs	(13,626)	(38,972)
Total other income and expenses	(13,329)	-
Excess (deficit) of revenue over expenses	\$ 5,770	\$ (33,134)

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

VIDEA a BC-Based International Development Education Association

Statement of Changes in Fund Balances

For the Year Ended December 31, 2018

	Special Project Fund	Operating Fund	2018	2017
Fund balances, beginning of year	\$ 21,324	\$ 71,639	\$ 92,963	\$ 126,097
Excess (deficit) of revenue over expenses for the year	-	5,770	5,770	(33,134)
Fund balances, end of year	\$ 21,324	\$ 77,409	\$ 98,733	\$ 92,963

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, 2018

	2018	2017
Assets		
Current Assets		
Cash (note 2d)	\$ 412,554	\$ 310,857
Accounts receivable, net of allowances	336	331
Taxes payable	986	894
Inventory	1,954	1,954
Other current assets	842	830
Total Current Assets	416,672	314,866
Total Assets	\$ 416,672	\$ 314,866
Liabilities and Fund Balances		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 8,177	\$ 4,500
Wages payable	4,196	-
Source deductions payable	6,277	3,397
Total Current Liabilities	18,650	7,897
Deferred income (note 3)	299,289	214,006
Total Liabilities	317,939	221,903
Fund Balances		
Special project fund (note 2a)	21,324	21,324
Operating fund	77,409	71,639
Total Fund Balances	98,733	92,963
Total Liabilities and Fund Balances	\$ 416,672	\$ 314,866

Approved on Behalf of the Board:

_____,
 _____,

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, 2018

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess (deficit) of revenue over expenses for the year	\$ 5,770	\$ (33,134)
Adjustments for changes in:		
Accounts receivables	(5)	9,920
Wages payable	4,196	-
Inventories	-	(230)
Accounts payable	3,677	(2,070)
Prepaid expenses	(12)	700
Payroll liabilities	2,880	(17,136)
Deferred revenue	85,283	27,823
GST recoverable	(92)	384
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	101,697	(13,743)
Change in cash during the year	101,697	(13,743)
Cash and cash equivalents, beginning of year	310,857	324,600
Cash and cash equivalents, end of year	\$ 412,554	\$ 310,857

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, 2018

1. PURPOSE OF THE ORGANIZATION

VIDEA a BC-Based International Development Education Association (VIDEA or the charity) 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. Helps 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. Fund accounting

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.

The Special Project Fund is set-up to provide funding for the research, writing and development of project proposals.

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.

c. Financial instruments

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

VIDEA a BC-Based International Development Education Association

Notes to the Financial Statements

For the Year Ended December 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES

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.

f. Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations (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. Actual results could differ from those estimates and may have impact on future periods.

g. Special Project Fund

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

3. DEFERRED REVENUE

Deferred revenues are funds received by VIDEA but have not been expensed yet:

	2018	2017
Other programs	\$ 22,803	\$ 15,880
Government funded programs	276,486	198,126
Total	\$ 299,289	\$ 214,006

VIDEA a BC-Based International Development Education Association

Notes to the Financial Statements

For the Year Ended December 31, 2018

4. LEASE COMMITMENTS

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

2019	\$	10,920
2020		10,920
2021		10,920
2022		10,920
2023		10,920
Total	\$	54,600

Rent expense for December 31, 2018 amounted to \$ 910.

5. FINANCIAL INSTRUMENTS

It is the Society 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 SavingsCredit 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

The Society is economically dependent on government grants, which represents 78.4% (2017 - 45%) 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.