

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

**Financial Statements**

**December 31, 2021**

## **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, 2021 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, 2021, 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, 2021, current assets as at December 31, 2021 and net assets as at January 1, 2021 and December 31, 2021. Our audit opinion on the financial statements for the year ended December 31, 2020 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.

### **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 VIDEO'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

February 27, 2023

# VIDEA a BC- Based International Development Education Association

## Statement of Operations Year ended December 31, 2021

	2021	2020
	(\$)	(\$)
<b>Revenue</b>		
Charitable donations	52,034	117,582
Commercial revenue	29,225	28,750
Government assistance – COVID-19 (Note 5 and Note 6)	12,190	102,406
Grants - Federal	1,384,420	582,783
BC Government	70,059	22,504
Events	-	4,573
Gaming	24,000	27,297
Other donations	177,415	127,098
Other	-	28
<b>Total revenue</b>	<b>1,749,343</b>	1,013,021
<b>Expenses</b>		
Advertising and promotion	1,640	466
Equipment costs	2,540	1,430
Direct program expenses	845,945	568,966
Insurance	4,069	2,543
Meetings	7,205	12,281
Office expenses	5,373	3,694
Product cost	1,533	-
Professional fees	23,951	17,539
Rental (Note 7)	15,188	13,781
Salaries and wages (Note 10)	811,493	380,535
Telephone and internet	4,293	4,359
<b>Total operating expenses</b>	<b>1,723,230</b>	1,005,594
<b>Excess of revenue over expenses</b>	<b>26,113</b>	7,427

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, 2021

	<b>Special Project Fund (\$)</b>	<b>Operating Fund (\$)</b>	<b>2021 (\$)</b>	<b>2020 (\$)</b>
<b>Net assets, beginning of year</b>	26,972	86,836	113,808	106,381
Transfers	-	-	-	-
Excess of revenue over expenses for the year	-	26,113	26,113	7,427
<b>Net assets, end of year</b>	<b>26,972</b>	<b>112,949</b>	<b>139,921</b>	<b>113,808</b>

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, 2021

	2021 (\$)	2020 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Cash	252,341	738,977
Accounts receivable and government assistance (Note 5)	531,650	196,241
GST recoverable	2,311	4,402
Inventory (Note 3)	1,470	1,635
Prepaid expenses and deposits	1,330	1,330
<b>Total Assets</b>	<b>789,102</b>	<b>942,585</b>
<b>Liabilities and Fund Balances</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	43,141	43,567
Source deductions payable	27,622	12,600
Deferred revenue (Note 4)	538,418	-
<b>Total Current Liabilities</b>	<b>609,181</b>	<b>56,167</b>
Deferred revenue (Note 4)	-	742,610
Long term debt (Note 6)	40,000	30,000
<b>Total Liabilities</b>	<b>649,181</b>	<b>828,777</b>
<b>Net Assets</b>		
Special project fund	26,972	26,972
Operating fund	112,949	86,836
<b>Total Net Assets</b>	<b>139,921</b>	<b>113,808</b>
<b>Total Liabilities and Net Assets</b>	<b>789,102</b>	<b>942,585</b>

### Commitments (Note 7)

#### 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 Year ended December 31, 2021

	<b>2021</b>	<b>2020</b>
	<b>(\$)</b>	<b>(\$)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenue over expenses for the year	<b>26,113</b>	7,427
Non-cash items:		
Forgiveness of CEBA Loan (Note 6)	(10,000)	(10,000)
	<b>16,113</b>	(2,573)
<b>Adjustments for changes in</b>		
Accounts receivable and government assistance (Note 5)	(335,409)	(183,526)
Wages payable (Note 10)	0	(6,542)
Inventories (Note 3)	165	1,285
Accounts payable	(426)	24,362
Prepaid expenses	0	(801)
Payroll liabilities	15,022	4,305
Deferred revenue	(204,192)	445,243
GST recoverable	2,091	(1,614)
<b>TOTAL CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>(506,636)</b>	280,139
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term debt (Note 6)	20,000	40,000
<b>TOTAL CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>20,000</b>	<b>40,000</b>
<b>Change in cash during the year</b>	<b>(486,636)</b>	<b>320,139</b>
Cash and cash equivalents, beginning of year	738,977	418,838
<b>Cash and cash equivalents, end of year</b>	<b>252,341</b>	<b>738,977</b>

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, 2021

### 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 inCanada.

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 receive, 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, 2021

### 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 received an additional loan under the Canada Emergency Business Account program (CEBA) and obtained \$20,000 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, 2021

### 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, 2021, amounted to \$165 (\$1,285 – 2020). No inventory write-downs in the period.

### 4. DEFERRED REVENUE

Deferred contributions relate to restricted funding, which are designated for specific expenditures. The deferred contributions consist of the unspent portion of externally restricted funds. As at December 31, 2021 \$538,418 (\$742,610 – 2020) remained deferred revenue.

	<b>2021</b>	<b>2020</b>
	<b>(\$)</b>	<b>(\$)</b>
Beginning balance	742,610	297,367
Funds received and receivable during the year	1,545,151	1,458,264
Funds used during the year	(1,749,343)	(1,013,021)
<b>Total</b>	<b>538,418</b>	<b>742,610</b>

#### Deferred Contributions by Major Funder:

	<b>Federal</b>	<b>Provincial</b>	<b>Other</b>	<b>2021</b>
	<b>Government</b>	<b>Government</b>	<b>Contributions</b>	<b>(\$)</b>
	<b>Grants</b>	<b>Grants</b>		
Beginning balance	645,537	2,496	94,577	742,610
Fund received and receivable during the year	1,243,877	109,000	192,274	1,545,151
Fund used during the year	(1,396,610)	(94,059)	(258,674)	(1,749,343)
<b>Total</b>	<b>492,804</b>	<b>17,437</b>	<b>28,177</b>	<b>538,418</b>

# VIDEA a BC- Based International Development Education Association

## Notes to the Financial Statements Year ended December 31, 2021

### 5. ACCOUNTS RECEIVABLE AND GOVERNMENT ASSISTANCE

	<b>2021</b>	<b>2020</b>
	<b>(\$)</b>	<b>(\$)</b>
Grant receivables	517,205	164,353
Government assistance – COVID-19	-	18,215
Other receivables and advances	14,445	13,673
<b>Total</b>	<b>531,650</b>	<b>196,241</b>

During the period, VIDEA has recorded \$76,829 (\$24,417 – 2020) 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 \$12,190 (\$102,406 – 2020), of this nil (\$18,215 – 2020) 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 \$20,000 (40,000 – 2020), of which \$10,000 (\$10,000 – 2020) was recorded as a debt forgiveness in the period.

If the loan is not repaid by December 31, 2023, the loan will 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, 2023 and the \$10,000 (\$10,000 – 2020) balance was recorded as revenue during the period.

### 7. LEASE COMMITMENTS

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:

	<b>(\$)</b>
2022	18,600
2023	18,600
<b>Total</b>	<b>37,200</b>

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

## **Notes to the Financial Statements Year ended December 31, 2021**

### **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 \$517,205 (\$143,908 – 2020) 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 85% (73%- 2020) 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.