

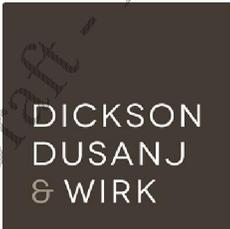
Financial Statements of

Leadership Victoria Society

Year Ended June 30, 2015

(Unaudited)

Draft - for discussion purposes only



CHARTERED
ACCOUNTANTS

Review Engagement Report

To: the Members of Leadership Victoria Society

We have reviewed the statement of financial position of Leadership Victoria Society as at June 30, 2015 and the statements of operations and changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the Society.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Dickson Dusanj & Wirk

Chartered Accountants

Victoria, BC
October 27, 2015

Leadership Victoria Society

Statement of Financial Position

(Unaudited)

As at June 30, 2015 with comparative figures for 2014

| | 2015 | 2014 |
|--|----------------------|----------------------|
| | \$ | \$ |
| Assets | | |
| Current | | |
| Cash | 46,447 | 25,577 |
| Grants receivable | 1,900 | 2,000 |
| Government remittances receivable | 1,630 | 2,302 |
| | <u>49,977</u> | <u>29,879</u> |
| Equipment (Note 3) | 618 | - |
| Total assets | <u>50,595</u> | <u>29,879</u> |
| Liabilities | | |
| Current | | |
| Accounts payable and accrued liabilities | 6,421 | 17,237 |
| Deferred revenue | 31,292 | 19,003 |
| Total liabilities | <u>37,713</u> | <u>36,240</u> |
| Net Assets | | |
| Unrestricted | <u>12,882</u> | <u>(6,361)</u> |
| Total liabilities and net assets | <u>50,595</u> | <u>29,879</u> |

Approved on Behalf of the Board:

_____ Director

_____ Director

Leadership Victoria Society

Statements of Operations and Changes in Net Assets

(Unaudited)

| Year ended June 30, 2015 with comparative figures for 2014 | 2015 \$ | 2014 \$ |
|--|----------------------|-----------------------|
| Revenue | | |
| Community Leadership Development program | 62,947 | 53,547 |
| Donations and sponsorships | 15,110 | 5,917 |
| Events | 55,285 | 76,936 |
| Gaming | 25,000 | 18,002 |
| Interest and memberships | 20 | 91 |
| New short programs | 24,525 | 24,858 |
| Operating grants | 474 | 2,000 |
| | <u>183,361</u> | <u>181,351</u> |
| Expenses | | |
| Amortization | 69 | 160 |
| Community Leadership Development program | 18,288 | 27,134 |
| Events | 15,959 | 29,828 |
| New short programs | 11,424 | 14,905 |
| Occupancy | 6,201 | 6,000 |
| Office and supplies | 2,933 | 2,938 |
| Professional fees | 18,732 | 20,409 |
| Promotion and public relations | 2,008 | 3,547 |
| Travel and transportation | 2,000 | 2,000 |
| Wages and benefits | 86,504 | 91,891 |
| | <u>164,118</u> | <u>198,812</u> |
| Excess (deficiency) of revenue over expenses for the year | 19,243 | (17,461) |
| Net assets, beginning of year | (6,361) | 11,100 |
| Net assets, end of year | <u>12,882</u> | <u>(6,361)</u> |

The accompanying notes are an integral part of these financial statements

Leadership Victoria Society

Cash Flow Statement

(Unaudited)

| Year ended June 30, 2015 with comparative figures for 2014 | 2015 \$ | 2014 \$ |
|---|---------------|---------------|
| Cash flows from operating activities: | | |
| Excess (deficiency) of revenues over expenses | 19,243 | (17,461) |
| Amortization | 69 | 160 |
| (Increase) decrease in receivables | 100 | (2,000) |
| Decrease in government remittances receivable | 672 | 567 |
| Increase (decrease) in accounts payable and accrued liabilities | (10,817) | 3,589 |
| Increase in deferred revenue | 12,289 | 19,003 |
| Total cash flows from operating activities | 21,556 | 3,858 |
| Cash flows from investing activities: | | |
| Purchase of property and equipment | (686) | - |
| Net increase in cash | 20,870 | 3,858 |
| Cash, beginning of year | 25,577 | 21,719 |
| Cash, end of year | 46,447 | 25,577 |

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Leadership Victoria Society

Notes to the Financial Statements

(Unaudited)

Year ended June 30, 2015 with comparative figures for 2014

1. Statement of Purpose

Leadership Victoria Society (the "Society") was incorporated on January 14, 2008 under the Society Act (British Columbia). The Society is a registered charity under the Income Tax Act and as such is not subject to taxation.

The Society's purpose is to prepare emerging leaders in and about the Capital Regional District of Victoria, British Columbia to assume a broad range of community responsibilities and to realize their leadership potential for the benefit of themselves, their employers and the community generally.

The Society's mission is to develop well-informed leaders who are passionately engaged in building a vibrant community.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Society's significant accounting policies are as follows:

Equipment

Equipment is stated at cost. Amortization is based on the estimated useful life of each asset using the following methods and annual rates:

| | | |
|-------------------------|------|-------------------|
| Computer equipment | 20 % | Declining balance |
| Furniture and equipment | 20 % | Declining balance |

In the year of acquisition only one-half the normal rate is applied.

Volunteer Services

The Society receives significant benefits from the services of many volunteers. As no objective basis exists to value these contributions they have not been reflected in the financial statements.

Financial Instruments

The Society initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Society subsequently measures all its financial assets and financial liabilities at amortized cost, except for cash, which is measured at fair value. Changes in fair value are recognized in income in the period incurred.

Transaction costs are recognized in income in the period incurred, except for the financial instruments that will subsequently be measured at amortized cost.

Financial instruments measured at amortized cost include due from government agencies, accounts payable and accrued liabilities.

Leadership Victoria Society

Notes to the Financial Statements

(Unaudited)

Year ended June 30, 2015 with comparative figures for 2014

2. Significant Accounting Policies (continued)

Revenue Recognition

The Society uses 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 can be reasonably estimated and collection is reasonably assured.

Course fees are allocated to revenue proportionately over the term of the specific course. Course application fees are recorded as income when received.

Contributions of property are recognized only when a fair value as of the date of contribution can be reasonably estimated, the property is to be used in the normal course of operations and would otherwise have been purchased.

Investment income, recorded on an accrual basis, may include interest, dividends, gains/losses on sale of investments and holding gains/losses on investments.

3. Equipment

| | 2015 | | 2014 | |
|--------------------------------|------------|-----------------------------------|------------|-----------------------------------|
| | Cost \$ | Accumulated Amortization \$ | Cost \$ | Accumulated Amortization \$ |
| Computer equipment | 686 | 68 | 840 | 840 |
| Furniture and equipment | - | - | 760 | 760 |
| | 686 | 68 | 1,600 | 1,600 |
| Less: Accumulated amortization | 68 | | 1,600 | |
| Net Book Value | 618 | | - | |

Leadership Victoria Society

Notes to the Financial Statements

(Unaudited)

Year ended June 30, 2015 with comparative figures for 2014

4. Financial Risks and Concentration of Risks

The Society has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include credit risk, currency risk, interest rate risk and liquidity risk. There have been no significant changes in the Society's risk exposure from the prior year.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society does not face significant credit risk exposure.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Society does not face significant currency risk exposure.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society does not face significant interest rate risk exposure.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society does not face significant liquidity risk exposure.

5. Endowment Fund

Leadership Victoria Society has established an endowment fund held with the Victoria Foundation. These contributions have been invested in perpetuity. The endowment earnings in the year were \$771 (2014: \$1,222), which were re-invested at the Society's discretion. Because these funds are managed for the benefit of the Society and are held permanently by The Victoria Foundation, they are not recorded on the balance sheet as an asset.

During the year the Society made no contributions to the endowment fund with The Victoria Foundation. The market value of the endowment fund at June 30, 2015 is \$19,950 (2014:1 \$19,052).

6. Comparative Figures

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