

Leadership Victoria Society
Financial Statements
Year Ended June 30, 2018



Independent Practitioner's Review Engagement Report

To the Members of Leadership Victoria Society

We have reviewed the accompanying financial statements of Leadership Victoria Society which comprise the statement of financial position as at June 30, 2018 and the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Practitioner's Responsibility for the Financial Statements

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Leadership Victoria Society as at June 30, 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.



Victoria, British Columbia
November 21, 2018

Chartered Professional Accountants

Leadership Victoria Society
Statement of Financial Position
June 30, 2018

	2018 \$	2017 \$
Assets		
Current		
Cash	17,374	19,685
Accounts receivable	10,100	-
Prepaid expenses	90	30
	<u>27,564</u>	<u>19,715</u>
Equipment (Note 3)	592	840
	<u>28,156</u>	<u>20,555</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	4,354	4,110
Government remittances payable	2,509	36
Deferred income	-	7,500
	<u>6,863</u>	<u>11,646</u>
Net assets		
Unrestricted	<u>21,293</u>	<u>8,909</u>
	<u>28,156</u>	<u>20,555</u>

On behalf of the Board

_____ Director

_____ Director

The accompanying notes are an integral part of these financial statements

Leadership Victoria Society
Statement of Operations and Changes in Net Assets
Year Ended June 30, 2018

	2018 \$	2017 \$
Revenue		
Community Leadership Development program	51,900	52,700
Gaming	25,000	25,002
Events	22,262	51,375
Operating grants	11,263	8,178
Donations and sponsorships	9,145	10,931
Interest and memberships	268	10
New short programs	-	12,770
	119,838	160,966
Operating expenses		
Amortization	248	192
Community Leadership Development program	16,012	33,326
Events	19,879	31,159
New short programs	-	7,261
Occupancy	6,050	6,000
Office and supplies	5,371	3,296
Professional fees	13,179	16,935
Promotion and public relations	1,165	2,959
Travel and transportation	762	2,922
Wages and benefits	44,788	81,148
	107,454	185,198
Net excess (deficiency) of revenue over operating expenses for the year	12,384	(24,232)
Net assets - beginning of year	8,909	33,141
Net assets - end of year	21,293	8,909

The accompanying notes are an integral part of these financial statements

Leadership Victoria Society
Statement of Cash Flows
Year Ended June 30, 2018

	2018 \$	2017 \$
Operating activities		
Excess (deficiency) of revenue over operating expenses	12,384	(24,232)
Item not affecting cash:		
Amortization	248	192
	<u>12,632</u>	<u>(24,040)</u>
Changes in non-cash working capital:		
Accounts receivable	(10,097)	285
Government remittances payable	2,473	(15)
Accounts payable and accrued liabilities	241	(1,625)
Deferred income	(7,500)	(2,500)
Prepaid expenses	(60)	542
	<u>(14,943)</u>	<u>(3,313)</u>
Cash flow from operating activities	<u>(2,311)</u>	<u>(27,353)</u>
Investing activity		
Purchase of equipment	-	(552)
Decrease in cash flow	(2,311)	(27,905)
Cash - beginning of year	<u>19,685</u>	<u>47,590</u>
Cash - end of year	<u>17,374</u>	<u>19,685</u>

The accompanying notes are an integral part of these financial statements

Leadership Victoria Society
Notes to Financial Statements
Year Ended June 30, 2018

1. Purpose of the society

Leadership Victoria Society (the "Society") is incorporated under the BC Societies Act and transitioned into the new BC Societies Act on November 29, 2016. 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. Summary of significant accounting policies

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO). The company's significant accounting policies are as follows:

Equipment

Equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life at the following rates and methods:

Computer equipment	20% declining balance method
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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.

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Leadership Victoria Society
Notes to Financial Statements
Year Ended June 30, 2018

2. Summary of 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

	2018		2017	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Computer equipment	1,238	646	1,238	398
Net book value	592		840	

4. 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 \$1,594 (2017: \$593), 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, 2018 is \$21,987 (2017 \$21,337).

Leadership Victoria Society
Notes to Financial Statements
Year Ended June 30, 2018

5. Financial instruments

The society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the society's risk exposure and concentration as of June 30, 2018. 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.

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.

Interest 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.

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.