

**Vancouver Pride Society**  
**Financial Statements**  
**For the year ended August 31, 2016**

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For the year ended August 31, 2016

	<b>Contents</b>
<b>Independent Auditor's Report</b>	<b>2 - 3</b>
<b>Financial Statements</b>	
Statement of Financial Position	4
Statement of Operations	5
Statement of Changes in Net Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 11
<b>Schedules</b>	
Schedule 1 - Revenue and Expenses by Event	12 - 13

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## Independent Auditor's Report

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### To the Members of Vancouver Pride Society

We have audited the accompanying financial statements of Vancouver Pride Society, which comprise the Statement of Financial Position as at August 31, 2016 the Statements of Operations, 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 controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Basis for Qualified Opinion

In common with many charitable organizations, Vancouver Pride Society derives revenue from donations and fundraising events the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments might be necessary to donations and fundraising events revenue, excess (deficiency) of revenue over expenses, assets and net assets for the years ended August 31, 2016 and 2015, current assets as at August 31, 2016 and 2015, and net assets as at September 1 and August 31, for both the 2016 and 2015 years. Our audit opinion on the financial statements for the year ended August 31, 2015 was modified accordingly because of the possible effects of this limitation in scope.



### Qualified Opinion

In our opinion, except for the possible effects of the matter described in the basis of qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Vancouver Pride Society as at August 31, 2016, and the results of its operations, changes in net assets and cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-For-Profit Organizations.

### Report on Other Legal and Regulatory Requirements

As required by the Society Act of British Columbia, we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied, on a basis consistent with that of the preceding year.

*BDO Canada LLP*

Chartered Professional Accountants

Vancouver, British Columbia

November 15, 2016

**Vancouver Pride Society**  
Statement of Financial Position

As at August 31	2016	2015
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 73,865	\$ 124,773
Term deposit (Note 2)	10,750	10,650
Accounts receivable (Note 3)	81,933	70,841
Inventory	-	4,075
Deposits	22,321	16,321
	<u>188,869</u>	<u>226,660</u>
Property and equipment (Note 4)	10,308	14,240
	<u>\$ 199,177</u>	<u>\$ 240,900</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 88,836	\$ 185,186
Government remittances payable	8,083	3,810
	<u>96,919</u>	<u>188,996</u>
<b>Net Assets</b>		
Invested in property and equipment	10,308	14,240
Unrestricted	91,950	37,664
	<u>102,258</u>	<u>51,904</u>
	<u>\$ 199,177</u>	<u>\$ 240,900</u>

Approved on behalf of the Board:

\_\_\_\_\_ Director \_\_\_\_\_ Director

# Vancouver Pride Society

## Statement of Operations

For the year ended August 31

2016

2015

### Revenue

Contributed materials and services (Note 5)	\$ 517,740	\$ 279,200
Event revenues and grants (Schedule 1 and Note 6)	511,627	472,340
Partnerships	377,500	290,223
Direct contributions	21,431	21,301
Advertising	14,856	62,808
Service fees	9,953	10,124
Membership dues	4,862	5,450
Operating grants (Note 6)	2,700	5,740
Other income	2,494	8,398
Interest and other	100	135
Merchandise	-	10,120
	<u>1,463,263</u>	<u>1,165,839</u>

### Direct Expenses

Contributed services (Note 5)	484,640	256,550
Events (Schedule 1)	440,605	425,030
Contributed materials (Note 5)	33,100	22,650
Transactions	19,241	8,425
Printing costs	17,256	28,705
Permit costs	14,000	11,485
Volunteers	8,261	2,435
Merchandise	-	6,587
	<u>1,017,103</u>	<u>761,867</u>

### Operating Surplus

446,160      403,972

### General and Administrative Expenses

Staff and contractors, wages and benefits	260,941	297,500
Rent (Note 7)	38,370	37,822
Legal, accounting and other professional	33,625	52,407
Office and miscellaneous	26,541	26,321
Travel	23,240	20,256
Advertising	7,267	11,470
Amortization	5,822	4,625
	<u>395,806</u>	<u>450,401</u>

Excess (deficiency) of revenue over expenses      \$ 50,354      \$ (46,429)

**Vancouver Pride Society**  
Statement of Changes in Net Assets

For the year ended August 31

	Unrestricted	Invested in Capital Assets	2016	2015
Balance, beginning of year	\$ 37,664	\$ 14,240	\$ 51,904	\$ 98,333
Excess (deficiency) of revenue over expenses	56,176	(5,822)	50,354	(46,429)
Purchase of property and equipment	(1,890)	1,890	-	-
Balance, end of year	\$ 91,950	\$ 10,308	\$ 102,258	\$ 51,904

**Vancouver Pride Society**  
Statement of Cash Flows

<u>For the year ended August 31</u>	<u>2016</u>	<u>2015</u>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenditures for the year	\$ 50,354	\$ (46,429)
Item not requiring cash:		
Amortization	5,822	4,625
	<u>56,176</u>	<u>(41,804)</u>
Changes in non-cash working capital balances		
Term deposit	(100)	(135)
Accounts receivable	(11,092)	(20,989)
Inventories	4,075	(1,565)
Deposits	(6,000)	(3,101)
Accounts payable and accrued liabilities	(96,350)	69,075
Government remittances payable	4,273	(372)
	<u>(49,018)</u>	<u>1,109</u>
<b>Investing activity</b>		
Purchase of property and equipment	(1,890)	(12,273)
<b>Decrease in cash</b>	(50,908)	(11,164)
<b>Cash, beginning of year</b>	<u>124,773</u>	<u>135,937</u>
<b>Cash, end of year</b>	<u>\$ 73,865</u>	<u>\$ 124,773</u>



For the year ended August 31, 2016

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1. Significant Accounting Policies

(a) Nature of Operations

The purpose of the Vancouver Pride Society (the "Society") is:

- i) to celebrate Lesbian, Gay, Bisexual, Transgender, Two Spirited, and Queer communities (LGBTQ), and other supportive or affiliated groups, in and through culturally appropriate educational activities and festivities throughout the year; and
- ii) to continually promote the self-awareness, celebrate the achievements, the visibility and the diversity of the above communities in partnership with all stakeholders and allies.

The Society is incorporated under the Society Act of British Columbia and is a non-profit organization pursuant to Section 149 of the Income Tax Act (Canada).

(b) Amortization

Equipment is stated at cost less accumulated amortization which is recorded over the useful lives of the assets on the declining balance basis method at the following annual rates:

Computer equipment	- 45%
Furniture and equipment	- 20-45%
Websites	- 45%

(c) Contributed Materials and Services

The Society benefits greatly from contributed services in the form of volunteer time. The value of volunteer time is not recognized in these financial statements. Other contributed materials and services are recognized only when their fair value can be reasonably estimated and the materials and services are used in the normal course of operations and would otherwise have been purchased.

(d) Revenue Recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from sales, including ticket sales, partnership arrangements, service fees and advertising, is recognized when the significant risks and rewards of ownership are transferred to the customer, which generally coincides with the time that the goods or services are provided, collectability is reasonably assured, persuasive evidence of an arrangement exists and the sales price is fixed and determinable. Revenue is recorded net of allowable discounts and rebates.

**Vancouver Pride Society**  
Notes to Financial Statements

**For the year ended August 31, 2016**

**1. Significant Accounting Policies (continued)**

(e) Use of Estimates

The preparation of financial statements in conformity with Canadian Accounting Standards for Not-for-Profits requires management to make estimates that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements, as well as reported amounts of revenues and expenses during the reporting period. These estimates are subject to measurement uncertainty and actual results may differ from these estimates.

**2. Term Deposit**

The term deposit is held with a Canadian chartered bank, bears interest at 1.4% and matures April 3, 2017. The term deposit is pledged as security for the Society's credit cards.

**3. Accounts Receivable**

	2016	2015
Accounts receivable	\$ 64,871	\$ 47,144
Receivable from event coordinators	-	11,645
GST receivable	17,062	12,052
	<u>\$ 81,933</u>	<u>\$ 70,841</u>

**4. Property and Equipment**

	Cost	Accumulated Amortization	Net 2016	Net 2015
Computer equipment	\$ 17,406	\$ 15,590	\$ 1,816	\$ 2,088
Furniture and equipment	9,903	5,237	4,666	5,196
Websites	8,975	5,149	3,826	6,956
	<u>\$ 36,284</u>	<u>\$ 25,976</u>	<u>\$ 10,308</u>	<u>\$ 14,240</u>

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**Vancouver Pride Society**  
**Notes to Financial Statements**

**For the year ended August 31, 2016**

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**5. Contributed Materials and Services**

During the year services consisting of event supplies, promotional materials, advertising and media coverage were contributed to the organization. Management has determined the value of contributed services for the year to be \$484,640 (2015 - \$256,550). During the year volunteer expenses consisting of training, food and volunteer appreciation gifts were contributed to the organization. Management has determined the fair value of these contributed materials to be \$33,100 (2015 - \$22,650). These amounts have been recorded as revenues and expenditures in these financial statements.

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**6. Grants**

On May 29, 2013 the Standing Committee of Council on Planning, Transportation and Environment of the City of Vancouver passed a resolution to grant Civic Parade status to the Vancouver Pride Parade. This status provides an offset grant for 75% of the first \$50,000 plus 50% of the remainder of civic services costs, is estimated to be \$37,500 for the 2016 Vancouver Pride Parade (2015 - \$38,614).

	2016	2015
City of Vancouver Civic Parade Grants	\$ 37,500	\$ 38,614
City of Vancouver Community Arts Grants	10,000	10,000
Province of British Columbia	30,000	-
Government of Canada Grants	79,100	79,100
Government of Canada Operating Grants	-	5,740
British Columbia Innovation Council Operating Grant	2,700	-
	<u>\$ 159,300</u>	<u>\$ 133,454</u>

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**7. Office Rent**

The Society extended its existing office lease for 1 year lease for an office facility expiring February 28, 2017. Minimum lease payments during the next fiscal year are anticipated to be \$9,234.

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**8. Comparative Figures**

Certain balances of the preceding period have been reclassified to confirm with the current year's financial statement presentation.

For the year ended August 31, 2016

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9. Financial Instrument Risks

The Society through its financial assets and liabilities is exposed to various risks. The following analysis provides a measurement of those risks at August 31, 2016.

(a) 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 is not exposed to any significant interest rate risks.

(b) 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. Financial instruments that potentially subject the Society to significant concentrations of credit risk consist primarily of cash and accounts receivable. The Society limits its exposure to credit risk by placing its cash in accounts with Canadian chartered banks and by enforcing credit policies on receivables.

The maximum amount of credit risk exposure is limited to the carrying amount of the balances in the financial statements.

(c) Liquidity Risk

Liquidity risk is the risk that the Society will not be able to meet its obligations as they fall due. The Society maintains adequate levels of working capital and additional reserves to ensure all its obligations can be met when they fall due.

(d) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Society holds an investment in a term deposit, which is not subject to significant market risk (Note 2).

**Vancouver Pride Society**  
Schedule 1 - Revenues and Expenses by Event

For the year ended August 31

	Parade	Festival	Davie Street	Other Events	2016
<b>Revenues</b>					
Exhibitors	\$ 115,138	\$ 60,007	\$ 29,341	\$ 11,773	\$ 216,259
Grants	62,292	33,324	35,516	25,469	156,601
Liquor	-	39,862	63,272	2,119	105,253
Tickets	-	366	22,932	10,216	33,514
	<u>177,430</u>	<u>133,559</u>	<u>151,061</u>	<u>49,577</u>	<u>511,627</u>
<b>Expenses</b>					
Labour	1,500	9,730	6,840	10,663	28,733
Services	53,390	23,401	95,823	6,239	178,853
Site setup	21,428	42,208	22,063	20,609	106,308
Supplies	17,598	26,403	15,820	66,890	126,711
	<u>93,916</u>	<u>101,742</u>	<u>140,546</u>	<u>104,401</u>	<u>440,605</u>
Surplus (deficit) before corporate partnerships and indirect expenses	<u>\$ 83,514</u>	<u>\$ 31,817</u>	<u>\$ 10,515</u>	<u>\$ (54,824)</u>	<u>\$ 71,022</u>

**Vancouver Pride Society**  
Schedule 1 - Revenues and Expenses by Event (Continued)

For the year ended August 31

	Parade	Festival	Davie Street	Other Events	2015
<b>Revenues</b>					
Concessions	\$ -	\$ 733	\$ 733	\$ -	\$ 1,466
Exhibitors	99,391	56,946	7,600	13,117	177,054
Grants	59,406	24,268	29,844	14,195	127,713
Liquor	-	53,616	63,566	6,776	123,958
Tickets	-	10,470	9,947	21,732	42,149
	<b>158,797</b>	<b>146,033</b>	<b>111,690</b>	<b>55,820</b>	<b>472,340</b>
<b>Expenses</b>					
Labour	748	9,850	5,523	16,638	32,759
Services	72,160	30,470	42,100	19,786	164,516
Site setup	34,823	43,996	43,795	28,451	151,065
Supplies	2,193	17,551	39,927	17,019	76,690
	<b>109,924</b>	<b>101,867</b>	<b>131,345</b>	<b>81,894</b>	<b>425,030</b>
Surplus (deficit) before corporate partnerships and indirect expenses	\$ 48,873	\$ 44,166	\$ (19,655)	\$ (26,074)	\$ 47,310