

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

For the year ended August 31

	Parade	Festival	Davie Street	Pride Premiere	Other Events	2017
Revenues						
Corporate partnerships	\$ 52,500	\$ 87,500	\$ 120,400	\$ 10,000	\$ 35,000	\$ 305,400
Exhibitors	178,969	54,499	5,305	-	10,993	249,766
Grants	78,282	25,290	43,241	3,177	46,333	196,323
Liquor	-	56,478	48,309	2,613	2,262	109,662
Tickets	-	13,750	250	-	11,707	25,707
	309,751	237,517	217,505	15,790	106,295	886,858
Direct Expenses						
Site setup	\$ 38,834	52,959	79,162	5,036	36,339	212,330
City services	118,498	2,590	39,129	-	1,388	161,605
Services	12,426	26,197	34,124	3,768	64,968	141,483
Supplies	465	16,742	31,690	4,037	30,587	83,521
Labour	1,280	8,810	25,166	2,810	22,163	60,229
	171,503	107,298	209,271	15,651	155,445	659,168
Surplus (deficit) before indirect expenses	\$ 138,248	\$ 130,219	\$ 8,234	\$ 139	\$ (49,150)	\$ 227,690

These expenses do not include the allocation of overhead from the General and Administrative Accounts.

Vancouver Pride Society
Schedule 1 - Revenues and Expenses by Event

For the year ended August 31

	Parade	Festival	Pride Premiere	Other Events	2018
Revenues					
Corporate partnerships	\$ 46,100	\$ 131,000	\$ 49,100	\$ 34,050	\$ 260,250
Exhibitors	176,298	60,595	4,010	19,810	260,713
Grants	73,488	45,301	26,022	47,157	191,968
Liquor	-	62,097	15,358	4,672	82,127
Tickets	10,845	4,160	-	14,930	29,935
	306,731	303,153	94,490	120,619	824,993
Direct Expenses					
Site setup	\$ 35,793	47,640	17,022	37,044	137,499
City services	98,739	1,389	168	150	100,446
Services	22,047	23,234	18,248	19,942	83,471
Supplies	1,950	24,968	15,616	51,133	93,667
Labour	1,601	8,080	16,486	15,368	41,535
	160,130	105,311	67,540	123,637	456,618
Surplus (deficit) before indirect expenses	146,601	\$ 197,842	\$ 26,950	\$ (3,018)	\$ 368,375

These expenses do not include the allocation of overhead from the General and Administrative Accounts.

For the year ended August 31, 2018

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, 2018.

(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 risk. There has been no change to this risk from the prior year.

(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 and term deposits in accounts with Canadian chartered banks and by enforcing credit policies on receivables. There has been no change to this risk from the prior year.

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 is carefully monitoring its working capital and is working with existing and potential sponsors as well as the City of Vancouver to confirm sponsorships and event costs. Through this process the Society plans to continue to meet all its obligations when they fall due. This risk has been addressed and reduced since the prior year.

(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). There has been no change to this risk from the prior year.

10. Comparative Figures

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

Vancouver Pride Society
Notes to Financial Statements

For the year ended August 31, 2018

6. 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 \$650,707 (2017 - \$503,920). 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 \$16,125 (2017 - \$13,903). These amounts have been recorded as revenues and expenditures in these financial statements.

7. Grants

	2018	2017
City of Vancouver Civic Parade grants (a)	\$ 50,000	\$ 78,500
Municipal grants	32,828	23,923
Province of British Columbia grants	30,000	30,000
Government of Canada grants	79,140	60,706
	<u>\$ 191,968</u>	<u>\$ 193,129</u>

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.

8. Remuneration of Directors, Employees and Contractors

The Societies Act (BC) (the "Act") requires that the Society disclose the total remuneration paid to the Directors, for either being a director or for acting in another capacity, as well as the total number of employees or contractors with annual remuneration equal to or greater than \$75,000 and the aggregate remuneration of those employees/contractors.

During the years ended August 31, 2018 and August 31, 2017 there were no (2017 - 2) ex-officio directors that received remuneration in capacity as employees (2017 - \$130,000). There were no directors that received remuneration in capacity as directors (2017 - none). There were 2 (2017 - none) employees or contractors that received remuneration in excess of \$75,000 which resulted in an aggregate expenditure of \$186,805 (2017 - \$nil).

Vancouver Pride Society
Notes to Financial Statements

For the year ended August 31, 2018

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 1.0% and matures April 3, 2020.

3. Accounts Receivable

	2018	2017
Accounts receivable	\$ 50,141	\$ 97,105
GST receivable	18,868	7,369
	\$ 69,009	\$ 104,474

4. Property and Equipment

	Cost	Accumulated Amortization	Net 2018	Net 2017
Computer equipment	\$ 21,700	\$ 19,320	\$ 2,380	\$ 4,327
Furniture and equipment	11,432	6,383	5,049	6,311
Website	8,975	7,818	1,157	2,104
	\$ 42,107	\$ 33,521	\$ 8,586	\$ 12,742

5. Accounts payable and accrued liabilities

	2018	2017
Accounts payable	\$ 192,837	\$ 182,770
City of Vancouver	113,633	107,854
	\$ 306,470	\$ 290,624

During fiscal 2018, the Society met with the City of Vancouver to discuss the invoices related to the 2016 and 2017 Pride Events. The City of Vancouver agreed to provide a film and special event deduction of \$55,000 which was recorded as a reduction in 2018 expenses and is reflected in the remaining payable balance.

For the year ended August 31, 2018

1. Significant Accounting Policies

(a) Nature of Operations

The purpose of the Vancouver Pride Society (the "Society") is to celebrate Lesbian, Gay, Bisexual, Transgender, Two Spirited, and Queer communities (LGBTQAI2S+), and other supportive or affiliated groups, in and through culturally appropriate educational activities and festivities throughout the year; and 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 laws of British Columbia and has transitioned under the New Societies Act (BC) effective January 3, 2017. The Society 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
Statement of Cash Flows

For the year ended August 31	2018	2017
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenditures	\$ 181,752	\$ (238,626)
Item not requiring cash:		
Amortization expense	4,156	4,623
Loss on disposal of assets	-	918
Accrued interest	(109)	(151)
	185,799	(233,236)
Changes in non-cash working capital balances		
Accounts receivable	35,465	(22,542)
Deposits	(3,698)	6,776
Accounts payable and accrued liabilities	15,849	201,786
Government remittances payable	(11,337)	4,553
Deferred revenue	-	30,000
	222,078	(12,663)
Investing activity		
Purchase of property and equipment	-	(7,974)
	222,078	(20,637)
Increase (decrease) in cash	222,078	(20,637)
Cash, beginning of year	53,228	73,865
Cash, end of year	\$ 275,306	\$ 53,228

Vancouver Pride Society
Statement of Changes in Net Assets

For the year ended August 31

	Unrestricted	Invested in Capital Assets	2018	2017
Balance, beginning of year	\$ (149,110)	\$ 12,742	\$ (136,368)	\$ 102,258
Excess (deficiency) of revenue over expenses	185,908	(4,156)	181,752	(238,626)
Balance, end of year	\$ 36,798	\$ 8,586	\$ 45,384	\$ (136,368)

Vancouver Pride Society
Statement of Operations

For the year ended August 31	2018	2017
Revenue		
Contributed materials and services (Note 6)	\$ 666,832	\$ 517,823
Event revenues and grants (Schedule 1 and Note 7)	824,993	886,858
Partnerships	277,969	143,108
Donations	23,843	9,051
Membership dues	4,681	4,874
Interest and other	373	151
RFID wristband sales	-	19,415
	1,798,691	1,581,280
Direct Expenses		
Contributed services (Note 6)	650,707	503,920
Events (Schedule 1)	456,618	659,168
Event adjustment for prior periods (Note 5)	(55,000)	-
Contributed materials (Note 6)	16,125	13,903
Permit costs	10,049	19,046
Payment processing fees	5,743	42,371
Volunteers	5,437	15,977
	1,089,679	1,254,385
Operating Surplus	709,012	326,895
General and Administrative Expenses		
Staff and contractors, wages and benefits	391,407	332,562
Rent	36,642	35,646
Office and miscellaneous	30,608	55,404
Legal, accounting and other professional	23,853	31,826
Advertising	18,880	50,932
Travel	15,690	47,010
Community contributions	5,651	6,600
Amortization	4,156	4,623
Bad debts	373	-
Loss on disposal of assets	-	918
	527,260	565,521
Excess (deficiency) of revenue over expenses	\$ 181,752	\$ (238,626)

Vancouver Pride Society
Statement of Financial Position

As at August 31 **2018** **2017**

Assets

Current

Cash	\$ 275,306	\$ 53,228
Term deposit (Note 2)	11,010	10,901
Accounts receivable (Note 3)	69,009	104,474
Deposits	19,243	15,545
	374,568	184,148

Property and equipment (Note 4)	8,586	12,742
	\$ 383,154	\$ 196,890

Liabilities and Net Assets

Liabilities

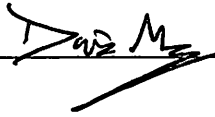
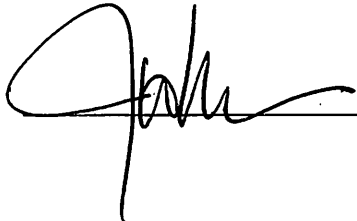
Current

Accounts payable and accrued liabilities (Note 5)	\$ 306,471	\$ 290,622
Government remittances payable	1,299	12,636
Deferred revenue	30,000	30,000
	337,770	333,258

Net Assets

Invested in property and equipment	8,586	12,742
Unrestricted	36,798	(149,110)
	45,384	(136,368)
	\$ 383,154	\$ 196,890

Approved on behalf of the Board:

 _____ Director		 _____ Director
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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, 2018, 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 Societies 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.

Chartered Professional Accountants

Vancouver, British Columbia

Date of Board Approval

Independent Auditor's Report

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, 2018 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, 2018 and 2017, current assets as at August 31, 2018 and 2017, and net assets as at September 1 and August 31, for both the 2018 and 2017 years. Our audit opinion on the financial statements for the year ended August 31, 2017 was modified accordingly because of the possible effects of this limitation in scope.

Vancouver Pride Society
Financial Statements
For the year ended August 31, 2018

	Contents
Independent Auditor's Report	2 - 3
Financial Statements	
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
Schedules	
Schedule 1 - Revenue and Expenses by Event	12 - 13

Vancouver Pride Society
Financial Statements
For the year ended August 31, 2018