

INTERNATIONAL ASSOCIATION OF BUSINESS COMMUNICATORS IN BRITISH COLUMBIA

**Financial Statements
June 30, 2018
(Unaudited)**

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INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT
TO THE MEMBERS OF INTERNATIONAL ASSOCIATION OF BUSINESS COMMUNICATORS IN BRITISH COLUMBIA

We have reviewed the accompanying financial statements of International Association of Business Communicators in British Columbia, that 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.

Practitioners' Responsibility

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 practitioners perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate 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 the financial statements do not present fairly, in all material respects, the financial position of International Association of Business Communicators in British Columbia 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.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
May 10, 2019

INTERNATIONAL ASSOCIATION OF BUSINESS COMMUNICATORS IN BRITISH COLUMBIA

Statement of Financial Position

June 30

(Unaudited)

	2018	2017
Assets		
Current		
Cash - unrestricted	\$ 33,503	\$ 37,114
Cash - internally restricted for scholarships	7,878	2,171
Accounts receivable	7,497	5,577
Term deposit	-	18,000
GST receivable	-	534
	48,878	63,396
Term deposit	18,000	-
	\$ 66,878	\$ 63,396
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 4,858	\$ 10,218
GST payable	69	-
	4,927	10,218
Net Assets		
Operating Fund	54,073	51,007
Internally Restricted Fund	7,878	2,171
	61,951	53,178
	\$ 66,878	\$ 63,396

Approved by the Board

Director

Director

INTERNATIONAL ASSOCIATION OF BUSINESS COMMUNICATORS IN BRITISH COLUMBIA

Statement of Operations and Year Ended June 30 (Unaudited)

	2018	2017
Receipts		
Sponsorships in kind	\$ 48,933	\$ 46,950
Jobline	31,866	28,793
Event fees	17,570	12,090
Membership dues	15,143	18,062
Grants	5,250	15,405
Sponsorship	2,750	750
Other	1,081	1,106
	122,593	123,156
Expenditures		
Sponsorships in kind	48,933	46,950
Office	35,836	40,473
Catering and venue rental	16,342	17,096
Bank charges and credit card fees	4,198	3,917
Professional fees	4,421	3,000
Prizes and speaker gifts	1,676	2,796
Scholarship	750	750
Travel	594	-
Equipment rental	388	-
Website	327	1,462
Food and beverages	238	3,982
Telephone	117	128
	113,820	120,554
Excess of receipts over expenditures for year	\$ 8,773	\$ 2,602

INTERNATIONAL ASSOCIATION OF BUSINESS COMMUNICATORS IN BRITISH COLUMBIA

Statement of Changes in Net Assets

Year Ended June 30, 2018

(Unaudited)

	Operating Fund		Internally Restricted Fund		Total 2018	Total 2017
Balance, beginning of year	\$	51,007	\$	2,171	\$ 53,178	\$ 50,576
Excess of receipts over expenditures		8,773		-	8,773	2,602
Transfer of funds		(5,707)		5,707	-	-
Balance, end of year	\$	54,073	\$	7,878	\$ 61,951	\$ 53,178

See notes to financial statements

INTERNATIONAL ASSOCIATION OF BUSINESS COMMUNICATORS IN BRITISH COLUMBIA

Statement of Cash Flows

Year Ended June 30

(Unaudited)

	2018	2017
Operating activities		
Excess of receipts over expenditures	\$ 8,773	\$ 2,602
Changes in non-cash working capital		
Accounts receivable	(1,920)	2,387
GST (receivable) payable	603	(210)
Accounts payable and accrued liabilities	(5,360)	6,553
	(6,677)	8,730
Inflow of cash	2,096	11,332
Cash, beginning of year	39,285	27,953
Cash, end of year	\$ 41,381	\$ 39,285
Cash consists of:		
Cash - unrestricted	\$ 33,503	\$ 37,114
Cash - internally restricted for scholarships	7,878	2,171
	\$ 41,381	\$ 39,285

See notes to financial statements

INTERNATIONAL ASSOCIATION OF BUSINESS COMMUNICATORS IN BRITISH COLUMBIA

Notes to Financial Statements

Year Ended June 30, 2018

(Unaudited)

1. ORGANIZATION AND NATURE OF OPERATIONS

Established in 1980, the BC Chapter of the International Association of Business Communicators ("IABC/BC" or the "Association") is one of 90 chapters worldwide. Locally, it consists of over 400 members based throughout the province of British Columbia.

IABC/BC's mission is to anticipate and meet the professional development needs of its members, promote and recognize effective business communication, and provide communicators with a network of information and support that offers members a competitive advantage.

IABC/BC is a not-for-profit, volunteer-run association incorporated under the Societies Act (British Columbia) and is exempt from income taxes under section 149(1)(l) of the *Income Tax Act* (Canada).

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Association were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies.

(a) Net assets

The Association follows the deferral method of accounting for contributions.

(i) Operating Fund

The fund is for the Association's program delivery and administrative activities.
This fund reports unrestricted resources.

(ii) Internally Restricted Fund

The fund was established for the purpose of providing scholarships and is internally restricted by the members of the Board of Directors.

(b) Revenue recognition

(i) Membership dues are recognized in the year in which they are receivable

(ii) Event fees are recognized as revenue when the events are held.

(iii) All other receipts are recognized when received.

(c) Contributed goods and services

Volunteers contribute a significant number of hours per year to assist IABC/BC in carrying out its service delivery activities. For those goods and services where a fair value can be determined, amounts have been reflected in the financial statements.

INTERNATIONAL ASSOCIATION OF BUSINESS COMMUNICATORS IN BRITISH COLUMBIA

Notes to Financial Statements

Year Ended June 30, 2018

(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES — continued

(d) Cash equivalents

Cash equivalents consist principally of money market funds and other highly liquid interest-bearing instruments with original maturities of three months or less.

(e) Capital assets

Capital assets are expensed on acquisition. No capital assets were purchased in fiscal 2018 (2017 - \$nil).

(f) Financial instruments

The Association initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Association subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down would be recognized in the statement of operations. In the event a previously recognized impairment loss should be reversed, the amount of the reversal is recognized in the statement of operations provided it is not greater than the original amount prior to write-down.

For any financial instrument that is measured at amortized cost, the instrument's cost is adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption. These transaction costs are amortized into income on a straight-line basis over the term of the instrument. All other transaction costs are recognized in the statement of operations in the period incurred.

(g) Use of estimates

The preparation of these financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of receipts and expenditures during the reporting period. Significant estimates include collectability of accounts receivable, the value of sponsorships in kind and the amount of accrued liabilities. While management believes these estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

3. FINANCIAL INSTRUMENTS

INTERNATIONAL ASSOCIATION OF BUSINESS COMMUNICATORS IN BRITISH COLUMBIA

Notes to Financial Statements

Year Ended June 30, 2018

(Unaudited)

3. FINANCIAL INSTRUMENTS — continued

(a) 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 Association is exposed to credit risk with respect to its cash and term deposit; however, this is mitigated as the cash and term deposit are placed with a reputable Canadian credit union. The Association is not exposed to credit risk with respect to its accounts receivable, as the balance primarily consists of amounts due from companies using Jobline to post jobs to the Association's membership. The Association has no history of non-payment from these companies.

(b) Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligation associated with financial liabilities.

The Association is exposed to this risk mainly in respect to its payables. The Association has sufficient cash and reserves to meet its obligations.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Association is not exposed to significant interest rate risk due to the short-term maturity of its monetary current assets and current liabilities.

4. REMUNERATION OF DIRECTORS, EMPLOYEES AND CONTRACTORS

During the year, the Association did not pay any employee or contractor in excess of \$75,000. The Association does not provide remuneration to its Board of Directors.