

**INTERNATIONAL ASSOCIATION OF
BUSINESS COMMUNICATORS IN
BRITISH COLUMBIA**

**Financial Statements
June 30, 2014
(Unaudited)**

| <u>Index</u> | <u>Page</u> |
|--|--------------------|
| Review Engagement Report to the Members | 1 |
| Financial Statements | |
| Statement of Financial Position | 2 |
| Statement of Operations | 3 |
| Statement of Changes in Net Assets | 4 |
| Statement of Cash Flows | 5 |
| Notes to Financial Statements | 6 - 8 |

REVIEW ENGAGEMENT REPORT

**TO THE MEMBERS OF INTERNATIONAL ASSOCIATION OF BUSINESS
COMMUNICATORS IN BRITISH COLUMBIA**

We have reviewed the statement of financial position of International Association of Business Communicators in British Columbia as at June 30, 2014 and the statements of operations, 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 inquiry, analytical procedures and discussion related to information supplied to us by the Association.

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.

Smythe Ratcliffe LLP

Chartered Accountants

Vancouver, British Columbia
January 16, 2015

INTERNATIONAL ASSOCIATION OF BUSINESS COMMUNICATORS IN BRITISH COLUMBIA

Statement of Financial Position

June 30

(Unaudited)

| | 2014 | 2013 |
|--|-------------|-------------|
| Assets | | |
| Current | | |
| Cash and cash equivalents - unrestricted | \$ 37,699 | \$ 41,739 |
| Term deposit | 18,000 | 0 |
| Cash - restricted for scholarships | 4,054 | 4,052 |
| Accounts receivable | 2,790 | 2,668 |
| GST receivable | 951 | 1,008 |
| Prepaid expenses | 0 | 3,012 |
| | 63,494 | 52,479 |
| Term Deposit | 0 | 18,000 |
| | \$ 63,494 | \$ 70,479 |
| Liabilities | | |
| Current | | |
| Accounts payable and accrued liabilities | \$ 5,705 | \$ 2,400 |
| Net Assets | | |
| Operating Fund | 53,735 | 64,027 |
| Internally Restricted Fund | 4,054 | 4,052 |
| | 57,789 | 68,079 |
| | \$ 63,494 | \$ 70,479 |

Approved by the Board:

_____ Director

_____ Director

INTERNATIONAL ASSOCIATION OF BUSINESS COMMUNICATORS IN BRITISH COLUMBIA

Statement of Operations

Year Ended June 30

(Unaudited)

| | 2014 | 2013 |
|--|--------------------|--------------------|
| Receipts | | |
| Sponsorship in kind | \$ 72,730 | \$ 86,138 |
| Event fees | 27,824 | 33,433 |
| Membership dues | 17,658 | 20,825 |
| Jobline | 16,565 | 25,114 |
| Leadership development | 7,500 | 0 |
| Sponsorship | 2,075 | 3,860 |
| Other | 1,416 | 1,466 |
| Awards entry fees | 1,232 | 1,735 |
| | 147,000 | 172,571 |
| Expenditures | | |
| Sponsorships in kind | 72,730 | 86,138 |
| Office | 39,803 | 38,456 |
| Catering and venue rental | 27,646 | 37,656 |
| Prizes and speaker gifts | 4,649 | 9,385 |
| Scholarship | 2,800 | 0 |
| Food and beverage | 2,616 | 6,899 |
| Bank charges and interest | 2,568 | 3,405 |
| Professional fees | 2,550 | 2,500 |
| Equipment rental | 987 | 996 |
| Website | 653 | 980 |
| Travel | 150 | 1,228 |
| Telephone | 138 | 175 |
| Advertising and promotion | 0 | 162 |
| | 157,290 | 187,980 |
| Deficiency of Receipts over Expenditures for Year | \$ (10,290) | \$ (15,409) |

INTERNATIONAL ASSOCIATION OF BUSINESS COMMUNICATORS IN BRITISH COLUMBIA

Statement of Changes in Net Assets

Year Ended June 30

(Unaudited)

| | Operating Fund | Internally Restricted Fund | 2014 | 2013 |
|--|----------------|----------------------------|-----------|-----------|
| Balance, Beginning of Year | \$ 64,027 | \$ 4,052 | \$ 68,079 | \$ 85,682 |
| Scholarships Awarded | 0 | 0 | 0 | (2,194) |
| Excess (Deficiency) of Receipts over Expenditures for Year | (10,292) | 2 | (10,290) | (15,409) |
| Balance, End of Year | \$ 53,735 | \$ 4,054 | \$ 57,789 | \$ 68,079 |

INTERNATIONAL ASSOCIATION OF BUSINESS COMMUNICATORS IN BRITISH COLUMBIA

Statement of Cash Flows

Year Ended June 30

(Unaudited)

| | 2014 | 2013 |
|---|------------------|------------------|
| Operating Activities | | |
| Deficiency of receipts over expenditures | \$ (10,290) | \$ (15,409) |
| Changes in non-cash working capital | | |
| Accounts receivable | (122) | 146 |
| GST receivable (payable) | 57 | (1,364) |
| Prepaid expenses | 3,012 | (38) |
| Accounts payable | 3,305 | 0 |
| | 6,252 | (1,256) |
| Scholarships awarded from internally restricted funds | 0 | (2,194) |
| Cash Used in Operating Activities | (4,038) | (18,859) |
| Outflow of Cash | (4,038) | (18,859) |
| Cash and Cash Equivalents, Beginning of Year | 45,791 | 64,650 |
| Cash and Cash Equivalents, End of Year | \$ 41,753 | \$ 45,791 |
| Represented by: | | |
| Cash and cash equivalents - unrestricted | \$ 37,699 | \$ 41,739 |
| Cash - restricted for scholarships | 4,054 | 4,052 |
| | \$ 41,753 | \$ 45,791 |

INTERNATIONAL ASSOCIATION OF BUSINESS COMMUNICATORS IN BRITISH COLUMBIA

Notes to Financial Statements
Year Ended June 30, 2014
(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 105 chapters worldwide. Locally, it consists of over 600 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 *Society 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) Cash and cash equivalents

Cash and cash equivalents includes term deposits with a maturity period of three months or less from the date of acquisition or are cashable at any time.

(b) Fund accounting

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.

(c) Revenue recognition

Event fees are recognized as revenue when the events are held. Membership dues are recognized when received. All other receipts are recognized when received.

(d) Contributed services

Volunteers contribute a significant number of hours per year to assist IABC/BC in carrying out its service delivery activities. For those 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, 2014
(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Capital assets

Capital assets are expensed on acquisition. Capital assets include equipment. No capital assets were purchased in fiscal 2014 (2013 - \$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 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 collectibility 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

(a) 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.

INTERNATIONAL ASSOCIATION OF BUSINESS COMMUNICATORS IN BRITISH COLUMBIA

Notes to Financial Statements

Year Ended June 30, 2014

(Unaudited)

3. FINANCIAL INSTRUMENTS (Continued)

(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.

The Association is exposed to credit risk with respect to its cash and term deposits; however, this is mitigated as the cash and term deposits 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.