

**BRITISH COLUMBIA CO-OPERATIVE
ASSOCIATION**

FINANCIAL STATEMENTS

March 31, 2016

(Unaudited)

Draft for discussion purpose

BRITISH COLUMBIA CO-OPERATIVE ASSOCIATION

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March 31, 2016

(Unaudited)

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REVIEW ENGAGEMENT REPORT

To the Members of **British Columbia Co-operative Association**

We have reviewed the statement of financial position of **British Columbia Co-operative Association** as at **March 31, 2016** and the statement of changes in net assets, statement of operations and statement of cash flows for the year ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, 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.

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.

BRITISH COLUMBIA CO-OPERATIVE ASSOCIATION

STATEMENT OF FINANCIAL POSITION

As at March 31, 2016

(Unaudited)

	2016	Restated 2015
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash	246,875	332,497
Accounts receivable (Note 3)	133,287	105,300
Inventory	6,463	6,924
Prepaid expenses	5,367	4,593
	391,992	449,314
RESTRICTED CASH	54,800	54,800
TANGIBLE CAPITAL ASSETS (Note 4)	2,949	1,356
	449,741	505,470
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	20,326	12,537
Deferred revenue (Note 6)	233,125	300,088
	253,451	312,625
NET ASSETS		
Invested in tangible capital assets	2,949	1,356
Externally restricted (Note 7)	65,159	65,159
Unrestricted (Members' Capital and Surplus) (Note 8)	128,182	126,330
	196,290	192,845
	449,741	505,470

Approved by the Board of Directors:

_____ Director

_____ Director

The accompanying notes are an integral part of these financial statements.

BRITISH COLUMBIA CO-OPERATIVE ASSOCIATION

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2016

(Unaudited)

	Invested in Tangible Capital Assets	Externally Restricted	Unrestricted	Total 2016	Restated Total 2015
	\$	\$	\$	\$	\$
Balance, Beginning of Year	1,356	65,159	131,330	197,845	192,462
Prior period adjustments (Note 11)	-	-	(5,000)	(5,000)	(3,000)
Balance, Beginning of Year - Restated	1,356	65,159	126,330	192,845	189,462
Excess (deficiency) of revenue over expenses	-	-	3,285	3,285	1,963
Net changes in Members' capital	-	-	160	160	1,420
Amortization	(690)	-	690	-	-
Addition to tangible capital assets	2,283	-	(2,283)	-	-
Balance, End of Year	2,949	65,159	128,182	196,290	192,845

The accompanying notes are an integral part of these financial statements.

BRITISH COLUMBIA CO-OPERATIVE ASSOCIATION

STATEMENT OF OPERATIONS

For the year ended March 31, 2016

(Unaudited)

	2016	Restated 2015
	\$	\$
REVENUE		
General & Administration (Schedule 1)	265,335	216,262
Co-op Development Program (Schedule 2)	-	9,238
Communications & Member Relations (Schedule 3)	40,700	35,440
Youth Program (Schedule 4)	53,000	28,814
Food Hubs (Schedule 5)	-	10,363
Elder Care (Schedule 6)	117,815	162,864
The Centre (Schedule 7)	22,747	20,247
Labour Market Program (Schedule 8)	66,908	-
	566,505	483,228
EXPENSES		
General & Administration (Schedule 1)	266,679	250,408
Co-op Development Program (Schedule 2)	-	9,238
Communications & Member Relations (Schedule 3)	37,607	37,285
Youth Program (Schedule 4)	65,610	23,595
Food Hubs (Schedule 5)	-	10,363
Elder Care (Schedule 6)	107,815	145,423
The Centre (Schedule 7)	5,623	4,953
Labour Market Program (Schedule 8)	79,886	-
	563,220	481,265
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	3,285	1,963

The accompanying notes are an integral part of these financial statements.

BRITISH COLUMBIA CO-OPERATIVE ASSOCIATION

STATEMENT OF CASH FLOWS

For the year ended March 31, 2016

(Unaudited)

	2016	Restated 2015
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	3,285	1,963
Amortization	690	474
	3,975	2,437
Change in non-cash working capital items:		
Accounts receivable	(27,987)	8,839
Inventory	461	422
Accounts payable and accrued liabilities	7,789	1,073
Deferred revenue	(66,963)	109,847
Prepaid expenses	(774)	(269)
	(83,499)	122,349
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition of tangible capital assets	(2,283)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Net changes in Members' capital	160	1,420
INCREASE (DECREASE) IN CASH	(85,622)	123,769
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	387,297	263,528
CASH AND CASH EQUIVALENTS, END OF YEAR	301,675	387,297
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash	246,875	332,497
Restricted cash	54,800	54,800
	301,675	387,297

The accompanying notes are an integral part of these financial statements.

BRITISH COLUMBIA CO-OPERATIVE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

(Unaudited)

1 PURPOSE OF THE ORGANIZATION

The British Columbia Co-Operative Association (the "Association") was incorporated on March 5, 2003 under the Co-operative Association Act of British Columbia.

The Association provides education, encouragement, promotion, development, and services to all types of co-operatives ("Co-ops"). The Association's principal Co-op activities in British Columbia include, but are not limited to educational and event services to members, youth programs, Co-op advisory services on new Co-op development, and Co-op research projects on social services.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

(a) Use of Estimates

The preparation of financial statements 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 revenue and expenses during the year. Actual results could differ from those estimates. Significant areas of estimation include allowance for doubtful accounts, estimated useful lives of tangible capital assets, impairment of long-lived assets, accrued liabilities and disclosure of contingencies.

(b) Cash

Cash and restricted cash comprises of bank balances and credit union membership shares.

(c) Inventory

Inventory comprises of T-shirts and DVDs which are valued at the lower of cost and net realizable value.

(d) Tangible Capital Assets

Tangible capital assets are recorded at cost. The Association provides for amortization using the following methods at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. One half of the year's amortization is recorded in the year of acquisition. No amortization is recorded in the year of disposal. The annual amortization rates and methods are as follows:

Leasehold improvements	Straight-line	10 years
Computer equipment	Declining balance	30%
Furniture and equipment	Declining balance	20%

BRITISH COLUMBIA CO-OPERATIVE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

(Unaudited)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

(e) Revenue Recognition

The Association follows the deferral method of accounting for revenues. Externally restricted operation revenues are deferred and recognized as revenue in the year in which related expenses are incurred. Unrestricted revenues are recognized as revenue when received or receivable and the amount to be received can be reasonably estimated and collection is reasonably assured.

3 ACCOUNTS RECEIVABLE

	2016	2015
	\$	\$
Accounts receivable	135,349	107,392
Allowance for doubtful accounts	(2,062)	(2,092)
	133,287	105,300

4 TANGIBLE CAPITAL ASSETS

	Cost	Amortization	2016 Net	2015 Net
	\$	\$	\$	\$
Leasehold improvements	29,380	29,380	-	-
Computer equipment	9,156	6,682	2,474	762
Furniture and equipment	1,890	1,415	475	594
	40,426	37,477	2,949	1,356

5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2016	2015
	\$	\$
Accounts payable and accrued liabilities	17,666	10,465
GST/HST payable	-	870
Payroll deductions payable	1,551	210
PST payable	140	146
Vacations payable	969	846
	20,326	12,537

BRITISH COLUMBIA CO-OPERATIVE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

(Unaudited)

6 DEFERRED REVENUE

	2016	Restated 2015
	\$	\$
Human Resources Development Service Canada	191,562	201,376
Province of British Columbia	-	30,000
Vancity Co-operate Now Program	7,000	9,597
VanCity Co-operative Development Foundation	34,563	54,115
Coast Capital Grant	-	5,000
	233,125	300,088

Subsequent to the year end, the agreement with Human Resources Development Service Canada expired on May 16, 2016. According to the agreement, upon expiry or termination of the agreement, any unspent amount of the grant exceeding the amount to which the Association is entitled to is repayable to the government. The Association is in the process of negotiation to obtain a new agreement for the unspent amount.

7 EXTERNALLY RESTRICTED NET ASSET

The Association established The Co-op Momentum Fund of BC. The fund provides funding, technical assistance and mentoring to emerging and early-growth co-operatives at key points in their development. Funds are contributed by the Co-op's members. The fund is maintained in a separate bank account. The Momentum Fund bank account is not fully funded as of March 31, 2016 by an amount of \$10,359.

8 UNRESTRICTED NET ASSET (Members' Capital and Surplus)

	Members' Capital	Accumulated Surplus	Total 2016	Restated Total 2015
	\$	\$	\$	\$
Balance, Beginning of Year - Restated	108,345	17,985	126,330	122,473
Net changes in members' capital	160	-	160	1,420
Excess (deficiency) of revenue over expenses	-	3,285	3,285	1,963
Amortization	-	690	690	474
Addition of tangible capital assets	-	(2,283)	(2,283)	-
Balance, End of Year	108,505	19,677	128,182	126,330

BRITISH COLUMBIA CO-OPERATIVE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

(Unaudited)

9 LEASE COMMITMENTS

The Association has entered into an operating lease agreement for office space and equipment.

Future minimum annual lease commitments are as follows:

	\$
2017	44,670
2018	45,238
2019	26,487
<hr/>	
	116,395

10 FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash, restricted cash, accounts receivable, inventory, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest rate, market, currency, credit or liquidity risk arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

11 PRIOR PERIOD ADJUSTMENTS

The comparative figures have been retroactively restated to adjust the deferred revenue. As a result, the deferred revenue has been increased by \$5,000, the Coast Capital Grant revenue as reported in Schedule 4 has been reduced by \$5,000 and unrestricted net assets have been reduced by \$5,000.

BRITISH COLUMBIA CO-OPERATIVE ASSOCIATION

SCHEDULE 1 - STATEMENT OF OPERATIONS

GENERAL & ADMINISTRATION

For the year ended March 31, 2016

(Unaudited)

	2016	2015
	\$	\$
REVENUE		
Administration Recovery	12,000	15,000
Co-op books and videos	80	110
Interest income	4,456	4,772
Member dues	223,179	179,522
Other	884	2,544
Professional services	19,407	10,499
Sponsored travel	5,168	2,000
T-shirt sales	161	1,815
	265,335	216,262
EXPENSES		
Amortization	690	474
Bad debt	270	921
Board expenses	11,414	2,195
Equipment rental, repairs and maintenance	1,965	3,490
Insurance	2,715	2,480
Office rental	40,675	39,334
Office, supplies and miscellaneous	10,322	16,557
Professional fees	10,850	8,957
Program costs	8,000	8,147
Retreat, training and workshop fees	1,916	1,183
Software and website maintenance	3,494	1,044
Telecommunications	3,625	3,900
Travel	7,607	7,054
Utilities	1,297	1,737
Venue, catering, meals and accommodations	2,310	3,573
Wages and benefits	159,529	149,362
	266,679	250,408
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(1,344)	(34,146)

BRITISH COLUMBIA CO-OPERATIVE ASSOCIATION

SCHEDULE 2 - STATEMENT OF OPERATIONS

CO-OP DEVELOPMENT PROGRAM

For the year ended March 31, 2016

(Unaudited)

	2016	2015
	\$	\$
REVENUE		
The Co-operators Foundation	-	9,238
EXPENSES		
Contracted service	-	9,238
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	-	-

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BRITISH COLUMBIA CO-OPERATIVE ASSOCIATION

SCHEDULE 3 - STATEMENT OF OPERATIONS - COMMUNICATIONS & MEMBER RELATIONS

For the year ended March 31, 2016

(Unaudited)

	Communication	Co-op Week	Annual General Meetings	Total 2016	Total 2015
	\$	\$	\$	\$	\$
REVENUE					
Human Resources Development Service Canada	5,000	-	-	5,000	8,000
Co-op Guard revenue	-	-	-	-	1,000
Ticket sales	-	50	1,500	1,550	240
Sponsorship	-	650	3,000	3,650	1,200
Grant Funding	30,500	-	-	30,500	25,000
	35,500	700	4,500	40,700	35,440
EXPENSES					
Consultants	23,475	-	-	23,475	32,595
Contracted services	-	-	-	-	810
Marketing and advertising	289	-	-	289	477
Program costs	351	-	62	413	677
Venue, catering, meals and accommodations	-	623	1,834	2,457	2,726
Wages and benefits	10,973	-	-	10,973	-
	35,088	623	1,896	37,607	37,285
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	412	77	2,604	3,093	(1,845)

BRITISH COLUMBIA CO-OPERATIVE ASSOCIATION

SCHEDULE 4 - STATEMENT OF OPERATIONS - YOUTH PROGRAM

For the year ended March 31, 2016

(Unaudited)

	2016	Restated 2015
	\$	\$
REVENUE		
Sponsorship	38,000	28,814
Coast Capital Grant	15,000	-
	53,000	28,814
EXPENSES		
Consultants	1,750	22,200
Miscellaneous	8,269	1,395
2014 Youth Program	55,591	-
	65,610	23,595
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(12,610)	5,219

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BRITISH COLUMBIA CO-OPERATIVE ASSOCIATION

SCHEDULE 5 - STATEMENT OF OPERATIONS - FOOD HUBS

For the year ended March 31, 2016

(Unaudited)

	2016	2015
	\$	\$
REVENUE		
VanCity Grant	-	10,363
EXPENSES		
Contracted services	-	10,000
Travel	-	363
	-	10,363
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	-	-

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BRITISH COLUMBIA CO-OPERATIVE ASSOCIATION

SCHEDULE 6 - STATEMENT OF OPERATIONS - ELDER CARE

For the year ended March 31, 2016

(Unaudited)

	2016	2015
	\$	\$
REVENUE		
Human Resources Development Service Canada	116,755	124,424
Vancouver Foundation Grant	1,060	38,440
	117,815	162,864
EXPENSES		
Administration	12,000	15,000
Consultants	2,500	-
Communications	-	1,658
Social Franchise	11,280	19,420
Travel	8,092	6,369
Wages and benefits	41,532	70,373
Alberta Pilot 1	8,140	-
Alberta Pilot 2	7,500	5,000
British Columbia Pilot 1 (Cowichan)	7,701	19,161
New Brunswick Pilot	9,070	6,548
Newfoundland Pilot	-	1,000
Saskatchewan Pilot	-	894
	107,815	145,423
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	10,000	17,441

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BRITISH COLUMBIA CO-OPERATIVE ASSOCIATION

SCHEDULE 7 - STATEMENT OF OPERATIONS - THE CENTRE

For the year ended March 31, 2016

(Unaudited)

	2016	2015
	\$	\$
REVENUE		
Fee for service	22,287	19,015
Workshop fees	460	1,232
	22,747	20,247
EXPENSES		
Contracted services	5,409	4,899
Venue, catering, meals and accommodations	214	54
	5,623	4,953
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	17,124	15,294

Draft for discussion purpose

BRITISH COLUMBIA CO-OPERATIVE ASSOCIATION

SCHEDULE 8 - STATEMENT OF OPERATIONS - LABOUR MARKET PROGRAM

For the year ended March 31, 2016

(Unaudited)

	2016	2015
	\$	\$
SALES		
Province of BC	66,908	-
EXPENSES		
Administrative Costs	11	-
Contracted services	49,875	-
Wages and benefits	30,000	-
	79,886	-
NET INCOME (LOSS)	(12,978)	-

Draft for discussion purposes