

**BRITISH COLUMBIA
GUIDE DOG SERVICES
FINANCIAL STATEMENTS**

JUNE 30, 2019

BRITISH COLUMBIA GUIDE DOG SERVICES

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Audited Financial Statements
as at June 30, 2019**

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Independent Auditor's Report

To the Members of British Columbia Guide Dog Services

Qualified Opinion

We have audited the financial statements of British Columbia Guide Dog Services ("the Association"), which comprise the statement of financial position as at June 30, 2019 and the statement of operations and changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at June 30, 2019, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for profit organizations, the Association derives a material amount of revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Association. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended June 30, 2019 and 2018, current assets as at June 30, 2019 and 2018, and net assets as at July 1 and June 30 for both the 2019 and 2018 years. Our audit opinion on the financial statements for the year ended June 30, 2019 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Crowe Mackay LLP

**Chartered Professional Accountants
Vancouver, Canada
December 2, 2019**

BRITISH COLUMBIA GUIDE DOG SERVICES
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

	<u>General Fund</u>	<u>Endowment Funds</u> (note 4)	<u>Gaming Fund</u>	<u>Capital Fund</u>	<u>V. Adams Fund</u>	<u>Fisher Fund</u> (note 7)	<u>2019 Total</u>	<u>2018 Total</u>
ASSETS								
CURRENT ASSETS								
Cash	\$ -	\$ -	\$ 83,264	\$ -	\$ 1,336	\$ -	\$ 84,600	\$ 90,949
GST receivable	9,589	-	12	-	10	-	9,611	5,659
Interfund receivables (payables)	(12,000)	-	-	12,000	-	-	-	-
Prepaid expenses	25,462	-	-	-	-	-	25,462	26,626
	23,051	-	83,276	12,000	1,346	-	119,673	123,234
CAPITAL ASSETS (note 3)	14,159	-	-	1,076,233	3,298	-	1,093,690	1,078,337
OTHER ASSETS								
Investments (note 2b)	52,510	91,771	-	-	1,272,438	98,228	1,514,947	1,503,566
Breeding centre development	-	-	-	79,150	-	-	79,150	78,445
	\$ 89,720	\$ 91,771	\$ 83,276	\$ 1,167,383	\$ 1,277,082	\$ 98,228	\$ 2,807,460	\$ 2,783,582

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

BRITISH COLUMBIA GUIDE DOG SERVICES
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

	<u>General Fund</u>	<u>Endowment Funds</u> (note 4)	<u>Gaming Fund</u>	<u>Capital Fund</u>	<u>V. Adams Fund</u>	<u>Fisher Fund</u> (note 7)	<u>2019 Total</u>	<u>2018 Total</u>
LIABILITIES								
CURRENT LIABILITIES								
Bank indebtedness (note 2b)	\$ 201,994	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 201,994	\$ 62,868
Accounts payable and accrued liabilities	68,234	-	10,683	-	-	-	78,917	43,563
Payroll liabilities	36,248	-	-	-	-	-	36,248	27,018
Deferred contributions (note 5)	30,511	-	72,593	41,750	1,277,082	98,228	1,520,164	1,474,346
	<u>336,987</u>	<u>-</u>	<u>83,276</u>	<u>41,750</u>	<u>1,277,082</u>	<u>98,228</u>	<u>1,837,323</u>	<u>1,607,795</u>
NET ASSETS								
Internally restricted	-	12,500	-	-	-	-	12,500	12,500
Externally restricted	-	79,271	-	-	-	-	79,271	76,271
Unrestricted	(247,267)	-	-	1,125,633	-	-	878,366	1,087,016
	<u>(247,267)</u>	<u>91,771</u>	<u>-</u>	<u>1,125,633</u>	<u>-</u>	<u>-</u>	<u>970,137</u>	<u>1,175,787</u>
	<u>\$ 89,720</u>	<u>\$ 91,771</u>	<u>\$ 83,276</u>	<u>\$ 1,167,383</u>	<u>\$ 1,277,082</u>	<u>\$ 98,228</u>	<u>\$ 2,807,460</u>	<u>\$ 2,783,582</u>

APPROVED ON BEHALF OF THE BOARD:

 Director

 Director

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

BRITISH COLUMBIA GUIDE DOG SERVICES
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>General Fund</u>		<u>Endowment</u>	<u>Gaming</u>	<u>Capital</u>	<u>V. Adams</u>	<u>Fisher</u>	<u>2019</u>	<u>2018</u>
	<u>BC</u>	<u>Alberta</u>	<u>Funds</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Total</u>	<u>Total</u>
REVENUES									
Individual donations	\$ 347,726	\$ 57,197	\$ -	\$ -	\$ -	\$ 18,500	\$ -	\$ 423,423	\$ 449,231
B.C. Gaming funds	-	-	-	134,016	-	-	-	134,016	73,794
Special events (note 6)	155,103	8,538	-	6,125	-	-	-	169,766	217,803
Shopping malls and sales	9,670	5,347	-	-	-	-	-	15,017	10,034
Dog food and medicine in kind	24,610	6,637	-	-	-	-	-	31,247	53,967
Corporation donations	103,176	9,976	-	-	-	-	-	113,152	83,907
Service Club donations	85,029	18,657	-	13,896	-	-	-	117,582	57,690
Foundations	373,578	192,247	-	-	5,250	-	-	571,075	435,691
Sale of non-qualifying dogs	8,208	204	-	-	-	-	-	8,412	14,684
Puppy sponsorship	142,160	81,886	-	-	-	-	-	224,046	223,369
Investment income	14,336	-	-	-	-	17,956	-	32,292	19,732
	1,263,596	380,689	-	154,037	5,250	36,456	-	1,840,028	1,639,902
EXPENSES									
Training and client services (Schedule 1)	853,427	324,041	-	153,003	9,390	36,376	-	1,376,237	1,218,433
Fundraising activities (Schedule 2)	270,555	92,433	-	-	23,207	-	-	386,195	276,538
Administration expenses (Schedule 3)	228,139	55,324	-	1,034	1,669	80	-	286,246	234,334
	1,352,121	471,798	-	154,037	34,266	36,456	-	2,048,678	1,729,305
Deficiency of revenues over expenses	(88,525)	(91,109)	-	-	(29,016)	-	-	(208,650)	(89,403)
NET ASSETS, beginning	(395,651)	353,431	88,771	-	1,129,236	-	-	1,175,787	1,248,190
Endowment contribution	-	-	3,000	-	-	-	-	3,000	17,000
Interfund transfer (note 8)	(25,413)	-	-	-	25,413	-	-	-	-
NET ASSETS, ending	\$(509,589)	\$ 262,322	\$ 91,771	\$ -	\$ 1,125,633	\$ -	\$ -	\$ 970,137	\$ 1,175,787

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

BRITISH COLUMBIA GUIDE DOG SERVICES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	2019 <u>Total</u>	2018 <u>Total</u>
NET INFLOW (OUTFLOW) OF CASH		
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	\$ (208,650)	\$ (89,403)
<i>Items not affecting cash:</i>		
Amortization of capital assets	24,403	23,710
(Gain) Loss on investments	(7,738)	7,454
Reinvested dividends	(3,710)	(7,268)
Donation of shares to investments	(89,287)	(18,475)
<i>Net change in non-cash working capital items:</i>		
Accounts and GST receivable	(3,952)	12,594
Bequests receivable	-	247,000
Prepaid expenses	1,164	(8,472)
Accounts payable, accrued liabilities and payroll liabilities	44,584	(31,663)
Deferred contributions	(16,684)	(15,428)
Cash from (used in) operating activities	(259,870)	120,049
FINANCING ACTIVITY		
Contribution of cash for endowment	500	17,000
Cash from (used in) financing activity	500	17,000
INVESTING ACTIVITIES		
Additions to capital assets	(39,756)	(12,404)
Project development costs	(705)	(152)
Decrease in investments	154,356	70,833
Cash from (used in) investing activities	113,895	58,277
INCREASE (DECREASE) IN CASH	(145,475)	195,326
CASH (BANK INDEBTEDNESS), beginning of year	28,081	(167,245)
CASH (BANK INDEBTEDNESS), end of year	\$ (117,394)	\$ 28,081

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

BRITISH COLUMBIA GUIDE DOG SERVICES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

1. PURPOSE OF THE ORGANIZATION

British Columbia Guide Dog Services (the “Association”) was incorporated under the Canada Corporations Act on June 28, 1996, is registered as an extraprovincial society under the B.C. Society Act, is registered under the Alberta Business Corporations Act as an extraprovincial corporation, and is a registered charity under the Income Tax Act and therefore exempt from income tax.

British Columbia Guide Dog Services charitable purposes:

1. To promote health and relief of medical conditions of eligible beneficiaries through breeding, raising, and training dogs and providing related facilities and services to provide efficient and safe:
 - (a) "Guide Dogs" for assistance to visually impaired persons;
 - (b) "Autism Support Dogs" for assistance to persons with autism; and
 - (c) "Service Dogs" for assistance to persons who may be affected by medical conditions other than forms of visual impairment or autism.
2. To train and educate the eligible beneficiaries and their respective families, care-givers, and community support workers in the proper and safe use of Guide Dogs, Autism Support Dogs, and Service Dogs as may be applicable.

Alberta Guide Dog Services began in May 2002 as a division of British Columbia Guide Dog Services, governed by the same board and managed by the same CEO, and continue to place guide dog teams in Alberta. In 2006, a Manager of Development and Communications was hired in Alberta, and an office was opened in Calgary. In March 2008 Autism Support Dogs was incorporated as a registered charity. On October 21, 2014, Autism Support Dogs amalgamated with British Columbia Guide Dog Services, and will continue as British Columbia Guide Dog Services.

Vancouver Island Compassion Dog Society (“VICDS”) board approved the transfer and assignment of VICDS’ net assets, including its employees and existing operational contractual liabilities and obligations, to the Association. VICDS was a not-for-profit organization registered as a charity under the Income Tax Act, and its purpose was to assist Canadian Armed Forces personnel and veterans with post-traumatic stress disorder through the use of certified service dogs. VICDS voluntarily dissolved pursuant to the B.C. Society Act, and the Association assumed and carried on VICDS’ charitable activities and general operations effective January 1, 2019. The \$65,000 cash received from VICDS has been recognized as foundations revenue in the current year.

BRITISH COLUMBIA GUIDE DOG SERVICES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Revenue recognition

British Columbia Guide Dog Services follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions, including bequests, are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income are recognized as revenue or deferred revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

The funds are as follows:

- General Fund is used for the operation and administration of the organization and to report the assets, liabilities, revenues and expenses. This fund also reports the assets, liabilities, revenues and expenses of the programs related to the VICDS.
- Endowment Funds report funds contributed for endowment. Investment income earned on the resources of the Endowment Funds are reported in the General Fund as there are no restrictions imposed by the contributors. See Note 4 for more detail.
- Capital Fund reports the assets, liabilities, revenues and expenses related to the building, breeding centre and land of the Association.
- Gaming Fund reports proceeds from the B.C. Gaming Commission and related expenditures. Expenditures are restricted to those related to breeding, raising and training of guide dogs and direct client services.
- Victoria Adams Fund (“V. Adams Fund”) reports the specific bequest received for the provision of Guide Dog Teams for those in need on Vancouver Island, the investment income earned on the resources of the fund, the donation revenue recognized and deferred, and the expenses for the designated Guide Dog Teams.
- Fisher Fund reports proceeds from the Fisher Foundation. See Note 7 for more detail.

BRITISH COLUMBIA GUIDE DOG SERVICES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(b) Financial instruments

The carrying amounts of financial assets measured at amortized costs is \$84,600 (2018 - \$90,949). It is management's view that the carrying amounts reported in the statement of financial position for cash, bank indebtedness, and accounts payable and accrued liabilities approximate their fair values.

Investments in the General Fund, Endowment Funds, V. Adams Fund, and Fisher Fund are invested in mutual funds, Canadian equities, guaranteed investment certificates and provincial bonds monitored by TD Canada Trust. The Association does not hold or issue financial instruments for trading purposes and does not hold any derivative instruments. Investments are measured at their fair values, determined by quoted market prices.

Investment income comprises the fund's share of interest, dividends and realized and material unrealized gain/losses on the underlying securities.

These investments are exposed to market risk due to changing market conditions, and are controlled by an investment policy approved by the Board of Directors establishing and monitoring asset allocation strategies and diversifying investments. The Board of Directors has overall responsibility for the establishment and oversight of the Association's risk management framework.

The Association is exposed to interest rate risk on short-term deposits, investments, and its bank indebtedness. Management frequently reviews the interest rates to mitigate risk.

The Association does not have a significant concentration of credit risk in any single party or group of parties.

The Association does not have significant liquidity risk, which is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association has no long-term debt. The Association has an authorized line of credit for \$500,000 bearing interest at the bank's prime rate plus 1% and secured by land owned by the Association (note 3).

BRITISH COLUMBIA GUIDE DOG SERVICES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Capital assets

Capital assets are recorded at cost. Amortization has been recorded at the following rates:

Building	4% on a declining balance basis
Computer equipment	over 36 months straight line basis
Computer software	100% on a declining balance basis
Leasehold improvements	over the remaining term of the lease
Office and breeding equipment	20% on a declining balance basis
Vehicles	30% on a declining balance basis

(d) Measurement uncertainty

In preparing these financial statements, management has made estimates and assumptions that affect the amounts reported. Actual results could differ from those estimates.

(e) Contributed services

Volunteers contribute to assist British Columbia Guide Dog Services in carrying out its services and activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(f) Donated goods

Donated goods are recorded at their fair market value at the time of the donation.

BRITISH COLUMBIA GUIDE DOG SERVICES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(g) Allocated expenses

- The salary for the CEO, a qualified Guide Dog Mobility instructor, is allocated 80% to Training and Client Services, 10% to Fundraising Activities, and 10% to Administrative expense, based on estimated time allocations.
- The salary for the CEO's assistant is allocated 90% to Training and Client Services, and 10% to Fundraising Activities, based on estimated time allocations.
- The salary for the office bookkeeper is allocated 85% to Administrative expenses, and 15% to Fundraising Activities, for their tracking and issuing of donation receipts.
- The salary for the Alberta manager is allocated 50% to Training and Client Services, 25% to Fundraising Activities, and 25% to Administrative expense, based on estimated time allocations.
- The salary for the B. C. manager is allocated 50% to Fundraising Activities and 50% to Administrative expense, based on estimated time allocations.
- Audit costs are split 60% to Training and Client Services, 20% to Fundraising Activities, and 20% to Administrative expenses, based on estimated total expenditures for each function.
- Telecommunications costs are split 50% Training and Client Services, 40% Fundraising Activities, and 10% Administrative expenses, based on normal usage.
- Postage costs are split 70% Fundraising Activities, 20% Training and Client Services, and 10% Administrative expenses, based on normal usage.

BRITISH COLUMBIA GUIDE DOG SERVICES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

3. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2019	Net 2018
Building	\$ 104,406	\$ 24,301	\$ 80,105	\$ 83,443
Computer equipment	56,669	54,283	2,386	9,678
Computer software	61,780	61,780	-	791
Leasehold improvements	6,582	6,582	-	845
Office and breeding equipment	58,093	48,933	9,160	7,788
Vehicles	263,155	220,976	42,179	15,932
	550,685	416,855	133,830	118,477
Land	959,860	-	959,860	959,860
	\$ 1,510,545	\$ 416,855	\$ 1,093,690	\$ 1,078,337

BRITISH COLUMBIA GUIDE DOG SERVICES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

4. ENDOWMENT FUNDS

	Christiansen Fund	Tom Merillat Fund	BCGD/ASD Fund	HCCWFTB Fund	2019	2018
Beginning balance	\$ 24,271	\$ 25,000	\$ 22,500	\$ 17,000	\$ 88,771	\$ 69,271
Endowment contributions	-	-	2,500	500	3,000	17,000
Transfer from General Fund	-	-	-	-	-	2,500
Ending balance	\$ 24,271	\$ 25,000	\$ 25,000	\$ 17,500	\$ 91,771	\$ 88,771

Since 2003, \$11,000 has been contributed to the Christiansen Fund, and \$20,000 to the Tom Merillat Fund, with any investment income earned available for use by the General Fund.

In 2005, the Association allocated \$10,000 of the General Fund to the Endowment Funds as follows: \$5,000 to each of the Tom Merillat Fund and the Christiansen Fund. In 2009, \$8,271 was allocated from the General Fund to the Christiansen Fund.

During the year ended June 30, 2016, the British Columbia Guide Dogs Services allocated \$7,500 from the General Fund to the British Columbia Guide Dogs/Autism Support Dogs Fund, which is matched by a contribution of \$7,500 from the Victoria Foundation. This initial amount of \$15,000 is to be retained in perpetuity as capital of the Fund, to be administered by the Victoria Foundation in accordance with the Victoria Foundation Act. During the years ended June 30, 2017 and 2018, the Association allocated \$2,500 from the General Fund to the British Columbia Guide Dogs/Autism Support Dogs Fund, which were matched by a contribution of \$2,500 from the Victoria Foundation. The 2018 matching contribution was received in the current year.

During the current year, \$500 (2018 - \$17,000) was contributed to the Hildegard's Cross Canada Walk for the Blind Endowment Fund. Any investment income earned is to be used against client services expenses.

During the year, investment income of \$1,724 (2018 – \$3,277) was recognized in the General Fund.

BRITISH COLUMBIA GUIDE DOG SERVICES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

5. DEFERRED CONTRIBUTIONS

Deferred contributions reported in each fund relate to restricted funding received that is unspent, or related to the subsequent period. Changes in the deferred contributions balance are as follows:

	General Fund	Gaming Fund	Capital Fund	V. Adams Fund	Fisher Fund	2019	2018
Beginning balance	\$ 24,429	\$ 86,608	\$ 32,000	\$1,233,081	\$ 98,228	\$ 1,474,346	\$ 1,482,435
Add amount received related to the following years	19,550	72,593	15,000	62,501	-	169,644	107,272
Less amount recognized as revenue in the year	(13,468)	(86,608)	(5,250)	(18,500)	-	(123,826)	(115,361)
Ending balance	\$ 30,511	\$ 72,593	\$ 41,750	\$1,277,082	\$ 98,228	\$ 1,520,164	\$ 1,474,346

Deferred contributions in the Capital Fund include the restricted contributions for the breeding centre. After the breeding centre is put in use and begins to amortize, the related deferred contributions will be amortized to revenue accordingly.

BRITISH COLUMBIA GUIDE DOG SERVICES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

6. SPECIAL EVENTS

Special events, such as a golf tournament, charity auctions and Trivia Night, are organized to raise funds. The results are as follows:

	<u>2019</u>	<u>2018</u>
Gross revenues	\$ 260,195	\$ 303,910
Expenses	(90,429)	(86,107)
Net revenues	<u>\$ 169,766</u>	<u>\$ 217,803</u>

7. FISHER FUND

In 2005 a donation of \$100,000 was made from the Fisher Foundation to the British Columbia Guide Dog Services Fisher Fund. Any investment income earned may be available for use by the General Fund. In addition, at the discretion of the British Columbia Guide Dog Services, up to \$10,000 may be drawn annually if needed. A draw of \$1,772 was taken for the first time in 2014.

During the year, investment income of \$2,555 (2018 – \$6,533) was recognized in the General Fund.

8. INTERFUND TRANSFER

During the year, the Association transferred \$NIL (2018 - \$2,500) from the General Fund to the British Columbia Guide Dogs/Autism Support Dogs Fund and \$25,413 (2018 – \$152) to the Capital Fund.

BRITISH COLUMBIA GUIDE DOG SERVICES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

9. CAPITAL MANAGEMENT

Capital is comprised of British Columbia Guide Dog Services' net assets, which had a balance of \$970,137 at June 30, 2019 (2018 – \$1,175,787). The objectives when managing its capital is to maintain financial strength and stability and to protect its ability to continue as a going concern training and educating guide dogs for physically disabled persons over the long term. Senior management and the board of directors develop the capital strategy and oversee capital management. There are externally imposed requirements on capital as disclosed in notes 2a and 4.

10. DISCLOSURE OF REMUNERATION

For the fiscal year ended June 30, 2019, the Association paid total remuneration of \$274,476 to three (2018 – \$418,093 to five) employees and contractors for services whose remuneration was \$75,000 or greater per individual. No remuneration was paid to any member of the Board of Directors.

11. SUBSEQUENT EVENT

The Association entered into a memorandum of understanding with Hope Heels Service Dog Team Building Institute (“HHSD”), whereby HHSD will transfer and assign its net assets, including its employees and existing operational contractual liabilities and obligations, to the Association. HHSD is a not-for-profit organization registered as a charity under the Income Tax Act, and its purpose is to raise and train service dogs for those with disabilities in Alberta. HHSD will voluntarily dissolve pursuant to the Alberta Society Act and voluntarily revoke its charity status, following which the Association would assume and carry on HHSD's charitable activities and general operations.

BRITISH COLUMBIA GUIDE DOG SERVICES

SCHEDULES TO STATEMENT OF OPERATIONS FOR THE YEAR ENDED JUNE 30, 2019

SCHEDULE 1 - TRAINING AND CLIENT SERVICES

	General		General Fund, Total	Endowment Funds	Gaming Fund	Capital Fund	V. Adams Fund	Fisher Fund	2019	2018
	BC	Alberta							Total	Total
Amortization	\$ 7,901	\$ -	\$ 7,901	\$ -	\$ -	\$ 9,390	\$ 1,376	\$ -	\$ 18,667	\$ 15,996
Audit and accounting	10,560	2,640	13,200	-	-	-	-	-	13,200	11,330
Bank charges and interest	16,018	-	16,018	-	-	-	-	-	16,018	12,741
Class expenditures	49,637	17,496	67,133	-	-	-	-	-	67,133	57,619
Gas and mileage	18,707	1,214	19,921	-	-	-	-	-	19,921	17,014
Purchased dogs	483	-	483	-	-	-	-	-	483	4,015
Insurance and maintenance	39,574	2,544	42,118	-	-	-	-	-	42,118	35,533
Kennel supplies	38,277	8,173	46,450	-	-	-	-	-	46,450	53,968
Legal fees	326	-	326	-	-	-	-	-	326	12,723
Moving expenses	3,064	-	3,064	-	-	-	-	-	3,064	4,021
Newsletter	10,500	5,245	15,745	-	-	-	-	-	15,745	20,364
Postage	2,434	598	3,032	-	-	-	-	-	3,032	1,499
Puppy walking general	16,869	18,188	35,057	-	-	-	-	-	35,057	24,835
Rent and property taxes	10,003	34,478	44,481	-	-	-	-	-	44,481	28,388
Repairs and maintenance	19,787	6,853	26,640	-	-	-	-	-	26,640	13,260
Salaries and benefits (note 10)	575,907	204,404	780,311	-	91,516	-	-	-	871,827	758,486
Staff training and education	27,296	771	28,067	-	-	-	-	-	28,067	31,703
Telephone	8,400	901	9,301	-	-	-	-	-	9,301	9,778
Training supplies	2,558	896	3,454	-	-	-	-	-	3,454	7,631
Training services fee (recovery)	(35,000)	-	(35,000)	-	-	-	35,000	-	-	-
Utilities	5,598	3,857	9,455	-	-	-	-	-	9,455	5,826
Veterinary and drugs	24,528	15,783	40,311	-	61,487	-	-	-	101,798	91,703
	\$ 853,427	\$ 324,041	\$ 1,177,468	\$ -	\$ 153,003	\$ 9,390	\$ 36,376	\$ -	\$ 1,376,237	\$ 1,218,433

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SCHEDULES TO STATEMENT OF OPERATIONS FOR THE YEAR ENDED JUNE 30, 2019

SCHEDULE 2 - FUNDRAISING ACTIVITIES

	General		General Fund, Total	Endowment Funds	Gaming Fund	Capital Fund	V. Adams Fund	Fisher Fund	2019 Total	2018 Total
	BC	Alberta								
Advertising	\$ 9,966	\$ 2,317	\$ 12,283	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,283	\$ 13,715
Amortization	892	-	892	-	-	-	-	-	892	1,770
Audit and accounting	3,520	880	4,400	-	-	-	-	-	4,400	3,600
Collection box	1,121	935	2,056	-	-	-	-	-	2,056	3,522
Gas and mileage	-	-	-	-	-	-	-	-	-	10
Postage	3,969	2,471	6,440	-	-	-	-	-	6,440	5,245
PR and fundraising	29,906	1,615	31,521	-	-	23,207	-	-	54,728	19,992
Rent and property taxes	905	3,928	4,833	-	-	-	-	-	4,833	2,709
Salaries and benefits (note 10)	209,284	79,462	288,746	-	-	-	-	-	288,746	217,115
Subscriptions	4,208	108	4,316	-	-	-	-	-	4,316	827
Telephone	6,784	717	7,501	-	-	-	-	-	7,501	8,033
	\$ 270,555	\$ 92,433	\$ 362,988	\$ -	\$ -	\$ 23,207	\$ -	\$ -	\$ 386,195	\$ 276,538

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SCHEDULES TO STATEMENT OF OPERATIONS FOR THE YEAR ENDED JUNE 30, 2019

SCHEDULE 3 - ADMINISTRATIVE EXPENSES

	General		General Fund, Total	Endowment Funds	Gaming Fund	Capital Fund	V. Adams Fund	Fisher Fund	2019 Total	2018 Total
	BC	Alberta								
Amortization	\$ 1,857	\$ 1,297	\$ 3,154	\$ -	\$ -	\$ 1,669	\$ 21	\$ -	\$ 4,844	\$ 5,944
Audit and accounting	3,520	880	4,400	-	-	-	-	-	4,400	7,125
Bank charges and interest	10,527	1,074	11,601	-	-	-	59	-	11,660	10,377
Computer support	40,451	-	40,451	-	-	-	-	-	40,451	24,457
Gas & mileage	-	-	-	-	-	-	-	-	-	-
Legal	1,925	-	1,925	-	-	-	-	-	1,925	2,476
Licenses and dues	1,552	-	1,552	-	-	-	-	-	1,552	3,829
Office supplies and stationery	37,175	3,017	40,192	-	-	-	-	-	40,192	35,278
Payroll service charges	2,074	-	2,074	-	1,034	-	-	-	3,108	2,646
Postage	771	126	897	-	-	-	-	-	897	749
Rent and property taxes	-	4,833	4,833	-	-	-	-	-	4,833	2,709
Salaries and benefits (note 10)	125,011	43,838	168,849	-	-	-	-	-	168,849	135,496
Staff training and education	1,686	-	1,686	-	-	-	-	-	1,686	1,265
Telephone	1,590	259	1,849	-	-	-	-	-	1,849	1,983
	\$ 228,139	\$ 55,324	\$ 283,463	\$ -	\$ 1,034	\$ 1,669	\$ 80	\$ -	\$ 286,246	\$ 234,334