



Financial Statements

Victoria Sexual Assault Centre Society

March 31, 2014

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Independent Auditors' Report

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To the members of the Victoria Sexual Assault Centre Society

We have audited the accompanying financial statements of the Victoria Sexual Assault Centre Society, which comprise the statement of financial position as at March 31, 2014, and 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 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits 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 auditors' 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 control 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 control. 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 is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for qualified opinion

In common with many non-profit organizations, the Victoria Sexual Assault Centre Society derives revenue from donations and fundraising, 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 revenues, net revenue, assets and net assets.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Victoria Sexual Assault Centre Society as at March 31, 2014, 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.

Victoria, Canada

June 26, 2014



Chartered accountants

Victoria Sexual Assault Centre Society

Statement of Operations

Year ended March 31

	Operating Funds		Restricted Funds		Total	
	2014	2013	2014	2013	2014	2013
Revenue						
Grants, donations and fundraising (Page 13)	\$ 637,188	\$ 581,726	\$ -	\$ -	\$ 637,188	\$ 581,726
Bequests	3,832	134,132	-	-	3,832	134,132
Contract revenue	538,919	529,585	-	-	538,919	529,585
Fees and compensation	9,705	14,493	-	-	9,705	14,493
Other	9,201	7,475	-	-	9,201	7,475
Sale of publications	478	248	-	-	478	248
	<u>1,199,323</u>	<u>1,267,659</u>	<u>-</u>	<u>-</u>	<u>1,199,323</u>	<u>1,267,659</u>
Expenditures						
Operating costs (Page 14)	<u>1,218,861</u>	<u>1,161,621</u>	<u>14,032</u>	<u>466</u>	<u>1,232,893</u>	<u>1,162,087</u>
(Deficiency) excess of revenue over expenditures before amortization	(19,538)	106,038	(14,032)	(466)	(33,570)	105,572
Amortization	<u>-</u>	<u>-</u>	<u>13,597</u>	<u>7,789</u>	<u>13,597</u>	<u>7,789</u>
(Deficiency) excess of revenue over expenditures	\$ <u>(19,538)</u>	\$ <u>106,038</u>	\$ <u>(27,629)</u>	\$ <u>(8,255)</u>	\$ <u>(47,167)</u>	\$ <u>97,783</u>

See accompanying notes to the financial statements.

Victoria Sexual Assault Centre Society

Statement of Financial Position

March 31

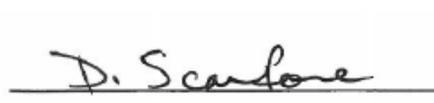
2014

2013

	Operating Fund	Restricted Funds	Total	Total
Assets				
Current				
Cash	\$ 272,957	\$ 99,238	\$ 372,195	\$ 618,588
Receivables	261,265	-	261,265	63,909
Prepays	18,708	-	18,708	3,187
	<u>552,930</u>	<u>99,238</u>	<u>652,168</u>	<u>685,684</u>
Interfund receivable (payable)	(762)	762	-	-
Capital assets (Note 3)	<u>-</u>	<u>747,005</u>	<u>747,005</u>	<u>8,027</u>
	<u>\$ 552,168</u>	<u>\$ 847,005</u>	<u>\$ 1,399,173</u>	<u>\$ 693,711</u>
Liabilities				
Current				
Payables and accruals	33,435	-	33,435	31,191
Accrued wages and vacation pay	50,563	-	50,563	42,404
Government remittances	7,176	-	7,176	8,034
Deferred contributions (Note 4)	343,415	-	343,415	148,995
Current portion of long-term debt (Note 5)	-	13,741	13,741	-
Obligations under capital lease	-	-	-	2,325
	<u>434,589</u>	<u>13,741</u>	<u>448,330</u>	<u>232,949</u>
Long term debt (Note 5)	<u>-</u>	<u>537,248</u>	<u>537,248</u>	<u>-</u>
	<u>434,589</u>	<u>550,989</u>	<u>985,578</u>	<u>232,949</u>
Net Assets				
Invested in capital assets	-	196,016	196,016	5,702
Unrestricted	117,579	-	117,579	357,152
Internally restricted	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>97,908</u>
	<u>117,579</u>	<u>296,016</u>	<u>413,595</u>	<u>460,762</u>
	<u>\$ 552,168</u>	<u>\$ 847,005</u>	<u>\$ 1,399,173</u>	<u>\$ 693,711</u>

Commitments, economic dependence and contingency (Notes 8, 10 and 11)

On behalf of the Board

 Director
  Director

See accompanying notes to the financial statements.

Victoria Sexual Assault Centre Society

Statement of Changes in Net Assets

Year Ended March 31

2014

2013

	Restricted Funds			Total	Total
	Operating Fund	Internally Restricted Funds	Invested in Capital Assets		
Net assets, beginning of year	\$ 357,152	\$ 97,908	\$ 5,702	\$ 460,762	\$ 362,979
(Deficiency) excess of revenue over expenditures	(19,538)	-	(27,629)	(47,167)	97,783
Amounts transferred	<u>(220,035)</u>	<u>2,092</u>	<u>217,943</u>	<u>-</u>	<u>-</u>
Net assets, end of year	\$ <u>117,579</u>	\$ <u>100,000</u>	\$ <u>196,016</u>	\$ <u>413,595</u>	\$ <u>460,762</u>

See accompanying notes to the financial statements.

Victoria Sexual Assault Centre Society

Statement of Cash Flows

Year ended March 31

2014

2013

Increase (decrease) in cash and cash equivalents

Operating

(Deficiency) excess of revenue over expenditures	\$	(47,167)	\$	97,783
Amortization		13,597		7,789
		<u>(33,570)</u>		<u>105,572</u>

Change in non-cash operating working capital (Note 6)		<u>(8,912)</u>		<u>28,187</u>
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		<u>(42,482)</u>		<u>133,759</u>
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Financing and investing

Proceeds of long term debt		560,000		-
Repayment of long term debt		(9,011)		-
Purchase of capital assets		(752,575)		(1,489)
Payments on capital lease		<u>(2,325)</u>		<u>(3,398)</u>

		<u>(203,911)</u>		<u>(4,887)</u>
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Net (decrease) increase in cash		<u>(246,393)</u>		<u>128,872</u>
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Cash, beginning of year		<u>618,588</u>		<u>489,716</u>
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Cash, end of year	\$	<u>372,195</u>	\$	<u>618,588</u>
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Supplemental cash flow information

Interest paid	\$	<u>14,032</u>	\$	<u>466</u>
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See accompanying notes to the financial statements.

Victoria Sexual Assault Centre Society

Notes to the Financial Statements

March 31, 2014

1. Purpose of the Society

The purpose of the Victoria Sexual Assault Centre Society (the "Society") is to support, empower and advocate for women and trans* community members who are survivors of sexual assault and sexual abuse; and to work towards the prevention of (sexual) violence.

The Society is incorporated under the Society Act of British Columbia and has been approved by Revenue Canada Taxation as a registered charity under paragraph 149(1)(f) of the Income Tax Act of Canada, subject to compliance with the rules contained therein.

Effective February 21, 2014, the Society legally changed its name from "Victoria Women's Sexual Assault Centre Society" to "Victoria Sexual Assault Centre Society".

2. Summary of significant accounting policies

Basis of presentation

The Society has prepared these financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations ("ASNPO").

The Society follows the deferral method of accounting for contributions and records its activities in the following funds:

The *Operating Fund* accounts for the Society's fundraising grant and program operations.

The *Restricted Funds* include the following:

- The General Contingency Fund provides for unforeseen expenditures that may be necessary to maintain the Society's obligations to its clients and staff.
- The Capital Fund reports transactions related to the Society's capital assets.

Revenue recognition

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.

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

Victoria Sexual Assault Centre Society

Notes to the Financial Statements

March 31, 2014

2. Summary of significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, net of bank overdrafts, and highly liquid temporary money market instruments with original maturities of three months or less. Bank borrowings are considered to be financing activities.

Amortization

Rates and bases applied to write off the cost less estimated salvage value of capital assets over their estimated useful lives are as follows:

Computer equipment	- 5 years, straight-line
Furniture & equipment	- 5 years, straight-line
Building	- 25 years, straight-line

Use of estimates

In preparing the Society's financial statements, management is required 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 reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

Financial instruments

The Society's financial instruments consist of cash and cash equivalents, receivables, payables and accruals, accrued wages and vacation pay and long term debt. Financial instruments are recorded at fair value on initial recognition. Investments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Society has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

Victoria Sexual Assault Centre Society

Notes to the Financial Statements

March 31, 2014

3. Capital assets				<u>2014</u>	<u>2013</u>
	<u>Cost</u>	<u>Accumulated amortization</u>		<u>Net book value</u>	<u>Net book value</u>
Land	\$ 209,550	\$ -	\$	209,550	\$ -
Building	525,558	10,511	\$	515,047	-
Computer equipment	42,346	24,836		17,510	4,083
Furniture and equipment	<u>13,282</u>	<u>8,384</u>		<u>4,898</u>	<u>3,944</u>
	<u>\$ 790,736</u>	<u>\$ 43,731</u>	\$	<u>747,005</u>	<u>\$ 8,027</u>

4. Deferred contributions				<u>2014</u>	<u>2013</u>
Balance, beginning of year			\$	148,995	\$ 117,500
Restricted contributions received				343,415	157,085
Recognition of deferred contributions				<u>(148,995)</u>	<u>(125,590)</u>
Balance, end of year			\$	<u>343,415</u>	<u>\$ 148,995</u>

Victoria Sexual Assault Centre Society

Notes to the Financial Statements

March 31, 2014

5. Long term debt	<u>2014</u>	<u>2013</u>
VanCity Savings Credit Union mortgage, interest at 3.90%, repayable in blended monthly instalments of principal and interest of \$2,916, due July 10, 2018, secured by a first mortgage on property located at 201-3060 Cedar Hill Road, Victoria, BC	\$ 550,989	\$ -
Less: current portion	<u>(13,741)</u>	<u>-</u>
	<u>\$ 537,248</u>	<u>\$ -</u>

Principal repayments in each of the next five years are due as follows:

2015	\$ 13,741
2016	14,291
2017	14,856
2018	15,446
2019	<u>492,655</u>
	<u>\$ 550,989</u>

The Society must maintain a debt coverage ratio of 1.10 be in effect at all times, tested annually. At year end the Society is in compliance with this covenant.

6. Supplemental cash flow information	<u>2014</u>	<u>2013</u>
Change in non-cash operating working capital:		
Receivables	\$ (197,356)	\$ (14,578)
Inventories	-	1,520
Prepays	(15,521)	(46)
Payables and accruals	9,545	9,796
Deferred contributions	<u>194,420</u>	<u>31,495</u>
	<u>\$ (8,912)</u>	<u>\$ 28,187</u>

Victoria Sexual Assault Centre Society

Notes to the Financial Statements

March 31, 2014

7. Contributions

The Society is the income beneficiary of the Victoria Sexual Assault Centre Society Endowment established by The Victoria Foundation.

The Society transfers funds to The Victoria Foundation to be maintained in the Endowment Fund, the net income from which is distributed to the Society semi-annually.

The fair market value of the endowment fund held by the Victoria Foundation as at March 31, 2014 is \$40,971 (2013: \$34,893).

8. Commitments

The Society leases a photocopier under multi-year operating leases payable on the first of each month. Also during the period the Society joined a strata corporation and are obligated to pay \$1,612 monthly towards shared building costs.

Future minimum lease payments and strata fees for the next five years are as follows:

2015	\$	22,826
2015		21,958
2016		19,352
2017		19,352
2018		<u>19,352</u>
	\$	<u>102,840</u>

9. Employee pension plan

The Society and certain of its employees contribute to the Municipal Pension Plan. The Plan is a multi-employer defined benefit plan. The British Columbia Pension Corporation administers the Plan, including the payment of pension benefits on behalf of employers and employees in accordance with the Public Sector Pension Plans Act and the Municipal Pension Plan Rules. The risks and rewards associated with the Plan's unfunded liability or surplus are shared between the employers and the Plan's members and may be reflected in their future contributions.

During the year the Society contributed \$51,839 (2013: \$41,497) on behalf of the employees. Based on the most recent actuarial valuation as of December 2012, the Municipal Pension Plan has an unfunded liability which is being addressed through increased employer and employee contribution rates effective July 1, 2013 and July 1, 2014. Portions of any surplus or deficiency are not attributed to individual employers.

Victoria Sexual Assault Centre Society

Notes to the Financial Statements

March 31, 2014

10. Economic dependence

The Society receives a substantial amount of funding from government sources and is dependent upon this funding to maintain operations at current service levels. The Stopping the Violence and Victim Services contracts with the Province of British Columbia account for 45% (2013: 42%) of the Society's revenues. These contracts have both been renewed for the 2014 fiscal year.

11. Contingency

During the 2012 fiscal year, the Society changed employee benefits service providers. The former service provider, HealthCare Benefit Trust, has invoiced the Society for exit levies totaling \$36,713. These levies represent an allocation of actuarial shortfalls relating to prior years' service. The Society disputes this charge and is not planning on paying the exit levies. No amount has been accrued in these financial statements for this contingent liability as it cannot be reasonably determined if or when the Society might be required to pay the amount invoiced.

12. Risk management

The Society's main financial instrument risk exposure is detailed as follows:

Interest rate risk

Interest rate risk arises from changes in market interest rates that may affect the fair value or future cash flows from the Society's financial assets or liabilities. The Society will partially mitigate its exposure to interest rate changes by entering into fixed rate mortgage with VanCity Credit Union.

Liquidity risk

The Society's liquidity risk represents the risk that the Society could encounter difficulty in meeting obligations associated with its financial liabilities. The Society is, therefore, exposed to liquidity risk with respect to its payables and accruals, government remittances, and long term debt.

Victoria Sexual Assault Centre Society

Schedule of Grants, Donations and Fundraising

Year ended March 31

2014

2013

Grants		
General, Gaming	\$ 100,000	\$ 100,000
Provincial Employees' Community Services Fund	71,092	75,903
United Way of Greater Victoria – Project Respect	50,000	49,990
United Way of Greater Victoria – Prevention Alliance	-	30,010
Telus - Project Respect	20,000	15,000
RBC Foundation – Project Respect	10,000	10,000
Canadian Women's Foundation	43,750	6,250
Vancouver Foundation	20,000	-
Toskan Casale	-	5,000
Summer Student Government of Canada	3,079	3,225
Victoria Foundation	17,160	1,840
Service Club Donations (Gaming)	4,385	1,550
The Student Commission	7,000	-
YIP – Victoria High School Endowment Fund through the Victoria Foundation	-	765
Girls in Action Foundation	3,100	393
Henry & Marian Thiel Family Trust through the Victoria Foundation	-	288
	<u>349,566</u>	<u>300,214</u>
Donations	174,455	165,723
Telemarketing campaign	46,561	62,393
Events	66,606	53,396
	<u>637,188</u>	<u>581,726</u>

Victoria Sexual Assault Centre Society

Schedule of Operating Costs

Year ended March 31	2014	2013
Accounting	\$ 9,041	\$ 9,000
Administration	58,501	36,394
Advertising	661	456
Contract services	54,160	39,645
Contributions	-	288
Direct fundraising	67,560	76,666
Interest on long term debt	14,032	466
Legal	33	5,038
Meetings	2,510	1,717
Office	28,640	34,994
Professional development	1,332	3,658
Project Respect direct costs	8,227	2,129
Rent and strata costs	56,986	93,238
Repairs and maintenance	335	-
Staffing and benefits	903,503	842,551
Telephone and utilities	13,900	9,573
Travel	13,472	6,274
	<u>\$ 1,232,893</u>	<u>\$ 1,162,087</u>
