



Financial Statements

Victoria Sexual Assault Centre Society

March 31, 2015

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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, 2015, 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 evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for qualified opinion

In common with many not-for-profit organizations, Victoria Sexual Assault Centre Society derives 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 Victoria Sexual Assault Centre Society. 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 March 31, 2015 and 2014, current assets as at March 31, 2015 and 2014, and net assets as at April 1, 2014 and 2013 and March 31, 2015 and 2014. Our audit opinion on the financial statements for the year ended March 31, 2014 was modified accordingly because of the possible effects of this limitation in scope.

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, 2015, 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

July 13, 2015



Chartered Professional Accountants

Victoria Sexual Assault Centre Society

Statement of Operations

Year ended March 31

	Operating Funds		Restricted Funds		Total	
	2015	2014	2015	2014	2015	2014
Revenue						
Grants, donations and fundraising (Page 12)	\$ 734,145	\$ 637,101	\$ -	\$ -	\$ 734,145	\$ 637,101
Bequests	-	3,832	-	-	-	3,832
Contract revenue	540,427	538,919	-	-	540,427	538,919
Fees and compensation	7,650	9,792	-	-	7,650	9,792
Other	9,634	9,201	-	-	9,634	9,201
Sale of publications	217	478	-	-	217	478
	<u>1,292,073</u>	<u>1,199,323</u>	<u>-</u>	<u>-</u>	<u>1,292,073</u>	<u>1,199,323</u>
Expenditures						
Operating costs (Page 13)	<u>1,231,250</u>	<u>1,218,861</u>	<u>21,073</u>	<u>466</u>	<u>1,252,323</u>	<u>1,232,893</u>
Excess (deficiency) of revenue over expenditures before amortization	60,823	(19,538)	(21,073)	(466)	39,750	(33,570)
Amortization	<u>-</u>	<u>-</u>	<u>28,315</u>	<u>13,597</u>	<u>28,315</u>	<u>13,597</u>
Excess (deficiency) of revenue over expenditures	\$ <u>60,823</u>	\$ <u>(19,538)</u>	\$ <u>(49,388)</u>	\$ <u>(14,063)</u>	\$ <u>11,435</u>	\$ <u>(47,167)</u>

See accompanying notes to the financial statements.

Victoria Sexual Assault Centre Society

Statement of Financial Position

March 31

2015

2014

	Operating Fund	Restricted Funds	Total	Total
Assets				
Current				
Cash	\$ 314,900	\$ -	\$ 314,900	\$ 372,195
Receivables	226,248	-	226,248	261,265
Prepays	17,011	-	17,011	18,708
Term deposit	-	100,000	100,000	-
	<u>558,159</u>	<u>100,000</u>	<u>658,159</u>	<u>652,168</u>
Capital assets (Note 3)	<u>-</u>	<u>731,118</u>	<u>731,118</u>	<u>747,005</u>
	<u>\$ 558,159</u>	<u>\$ 831,118</u>	<u>\$ 1,389,277</u>	<u>\$ 1,399,173</u>
Liabilities				
Current				
Payables and accruals	\$ 42,171	\$ -	\$ 42,171	\$ 33,435
Accrued wages and vacation pay	40,917	-	40,917	50,563
Government remittances	-	-	-	7,176
Deferred contributions (Note 4)	344,088	-	344,088	343,415
Current portion of long-term debt (Note 5)	-	14,288	14,288	13,741
	<u>427,176</u>	<u>14,288</u>	<u>441,464</u>	<u>448,330</u>
Long term debt (Note 5)	<u>-</u>	<u>522,783</u>	<u>522,783</u>	<u>537,248</u>
	<u>427,176</u>	<u>537,071</u>	<u>964,247</u>	<u>985,578</u>
Net Assets				
Invested in capital assets	-	194,047	194,047	196,016
Unrestricted	130,983	-	130,983	117,579
Internally restricted	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
	<u>130,983</u>	<u>294,047</u>	<u>425,030</u>	<u>413,595</u>
	<u>\$ 558,159</u>	<u>\$ 831,118</u>	<u>\$ 1,389,277</u>	<u>\$ 1,399,173</u>

Commitments and economic dependence (Notes 8 and 10)

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

2015

2014

	Restricted Funds			Total	Total
	Operating Fund	Internally Restricted Funds	Invested in Capital Assets		
Net assets, beginning of year	\$ 117,579	\$ 100,000	\$ 196,016	\$ 413,595	\$ 460,762
Excess (deficiency) of revenue over expenditures	60,823	-	(49,388)	11,435	(47,167)
Amounts transferred	(47,419)	-	47,419	-	-
Net assets, end of year	\$ 130,983	\$ 100,000	\$ 194,047	\$ 425,030	\$ 413,595

See accompanying notes to the financial statements.

Victoria Sexual Assault Centre Society

Statement of Cash Flows

Year ended March 31

2015

2014

Increase (decrease) in cash and cash equivalents

Operating

Excess (deficiency) of revenue over expenditures	\$	11,435	\$	(47,167)
Amortization		28,315		13,597
		<u>39,750</u>		<u>(33,570)</u>
Change in non-cash operating working capital (Note 6)		<u>29,301</u>		<u>(8,912)</u>
		<u>69,051</u>		<u>(42,482)</u>

Financing

Proceeds of long term debt		-		560,000
Repayment of long term debt		(13,918)		(9,011)
Payments on capital lease		-		(2,325)
		<u>(13,918)</u>		<u>548,664</u>

Investing

Investment in term deposit		(100,000)		-
Purchase of capital assets		(12,428)		(752,575)
		<u>(112,428)</u>		<u>(752,575)</u>

Net decrease in cash		(57,295)		(246,393)
Cash, beginning of year		<u>372,195</u>		<u>618,588</u>
Cash, end of year	\$	<u>314,900</u>	\$	<u>372,195</u>

Supplemental cash flow information

Interest paid	\$	<u>21,073</u>	\$	<u>14,032</u>
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See accompanying notes to the financial statements.

Victoria Sexual Assault Centre Society

Notes to the Financial Statements

March 31, 2015

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.

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.

Victoria Sexual Assault Centre Society

Notes to the Financial Statements

March 31, 2015

2. Summary of significant accounting policies (continued)

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:

Building	- 25 years, straight-line
Computer equipment	- 5 years, straight-line
Furniture and equipment	- 5 years, straight-line
Website	- 3 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.

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, 2015

3. Capital assets		<u>2015</u>	<u>2014</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Land	\$ 209,550	\$ -	\$ 209,550	\$ 209,550
Building	534,332	31,797	502,535	515,047
Website	1,949	325	1,624	-
Computer equipment	43,397	30,335	13,062	17,510
Furniture and equipment	14,027	9,680	4,347	4,898
	<u>\$ 803,255</u>	<u>\$ 72,137</u>	<u>\$ 731,118</u>	<u>\$ 747,005</u>

4. Deferred contributions	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 343,415	\$ 148,995
Restricted contributions received	775,628	343,415
Recognition of deferred contributions	<u>(774,955)</u>	<u>(148,995)</u>
Balance, end of year	<u>\$ 344,088</u>	<u>\$ 343,415</u>

5. Long term debt	<u>2015</u>	<u>2014</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	\$ 537,071	\$ 550,989
Less: current portion	<u>(14,288)</u>	<u>(13,741)</u>
	<u>\$ 522,783</u>	<u>\$ 537,248</u>

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

2016	\$ 14,288
2017	14,856
2018	15,446
2019	<u>492,481</u>
	<u>\$ 537,071</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.

Victoria Sexual Assault Centre Society

Notes to the Financial Statements

March 31, 2015

6. Supplemental cash flow information	<u>2015</u>	<u>2014</u>
Change in non-cash operating working capital:		
Receivables	\$ 35,017	\$ (197,356)
Prepays	1,697	(15,521)
Payables and accruals	(8,086)	9,545
Deferred contributions	<u>673</u>	<u>194,420</u>
	<u>\$ 29,301</u>	<u>\$ (8,912)</u>

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, 2015 is \$53,753 (2014: \$40,971).

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:

2016	\$ 22,834
2017	21,963
2018	19,352
2019	19,352
2020	<u>19,352</u>
	<u>\$ 102,853</u>

Victoria Sexual Assault Centre Society

Notes to the Financial Statements

March 31, 2015

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 \$54,218 (2014: \$51,839) 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 an increased employer contribution rate effective July 1, 2015. Portions of any surplus or deficiency are not attributed to individual employers.

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 42% (2014: 44%) of the Society's revenues. These contracts have both been renewed for the 2016 fiscal year.

11. 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

2015

2014

	2015	2014
Grants		
Canadian Women's Foundation - Project Respect	\$ 27,000	\$ 43,750
Ministry of Public Safety and Solicitor General	100,000	100,000
Community Gaming Grant		
Girls in Action Foundation	7,000	3,100
Government of Canada, Canada Summer Jobs	5,993	3,079
Province of BC - Civil Forfeiture Grant	25,000	-
Provincial Employees' Community Services Fund	67,321	71,092
RBC Foundation – Project Respect	-	10,000
Sarah Spencer Foundation	1,000	-
Service Club Donations (Gaming)	-	4,385
Status of Women Canada	84,559	-
Telus - Project Respect	-	20,000
The Student Commission	17,119	7,000
Thrifty Foods Smile Card	2,384	-
United Way of Greater Victoria	37,505	50,000
Vancouver Foundation	40,000	20,000
Victoria Foundation	8,333	17,160
Zonta Club of Victoria	5,000	3,750
	<u>428,214</u>	<u>353,316</u>
Donations	188,745	170,705
Events	47,452	66,606
Telemarketing campaign	69,734	46,561
	<u>69,734</u>	<u>46,561</u>
	\$ 734,145	\$ 637,188

Victoria Sexual Assault Centre Society

Schedule of Operating Costs

Year ended March 31	2015	2014
Accounting	\$ 9,596	\$ 9,041
Administration	68,997	58,501
Advertising	2,639	661
Contract services	72,260	54,160
Contributions	5,250	-
Direct fundraising	75,796	67,560
Interest on long term debt	21,073	14,032
Legal	-	33
Meetings	3,843	2,510
Office	37,292	36,867
Professional development	1,489	1,332
Rent and strata costs	30,317	56,986
Repairs and maintenance	267	335
Staffing and benefits	899,581	903,503
Telephone and utilities	16,900	13,900
Travel	7,023	13,472
	<u>\$ 1,252,323</u>	<u>\$ 1,232,893</u>
