



Financial Statements

Victoria Sexual Assault Centre Society

March 31, 2018

Contents

	Page
Independent Auditors' Report	1-2
Statement of Operations	3
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7-12
Schedule of Operating Costs	13

Independent Auditors' Report

Grant Thornton LLP
Suite 650
1675 Douglas Street
Victoria, BC
V8W 2G5
T +1 250 383 4191
F +1 250 381 4623

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, 2018, 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 audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Victoria Sexual Assault Centre Society as at March 31, 2018 and the results of its operations and cash flows for the year then ended in accordance with accounting standards for not-for-profit organizations.

Report on other legal and regulatory requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, these accounting principles have been applied on a basis consistent with that of the preceding year.

Victoria, Canada
July 17, 2018

Grant Thornton LLP

Chartered Professional Accountants

Victoria Sexual Assault Centre Society

Statement of Operations

Year ended March 31

	Operating Funds		Restricted Funds		Total	
	2018	2017	2018	2017	2018	2017
Revenue						
Grants, donations and fundraising	\$ 692,341	\$ 766,129	\$ -	\$ -	\$ 692,341	\$ 766,129
Bequests	3,646	-	-	-	3,646	-
Contract revenue	564,486	547,442	-	-	564,486	547,442
Fees and compensation	32,620	28,690	-	-	32,620	28,690
Other	9,087	8,933	-	-	9,087	8,933
	<u>1,302,180</u>	<u>1,351,194</u>	<u>-</u>	<u>-</u>	<u>1,302,180</u>	<u>1,351,194</u>
Expenditures						
Operating costs (Page 13)	<u>1,302,778</u>	<u>1,257,138</u>	<u>19,362</u>	<u>20,019</u>	<u>1,322,140</u>	<u>1,277,157</u>
Excess (deficiency) of revenue over expenditures before amortization	(598)	94,056	(19,362)	(20,019)	(19,960)	74,037
Amortization	<u>-</u>	<u>-</u>	<u>37,318</u>	<u>44,315</u>	<u>37,318</u>	<u>44,315</u>
Excess (deficiency) of revenue over expenditures	\$ <u>(598)</u>	\$ <u>94,056</u>	\$ <u>(56,680)</u>	\$ <u>(64,334)</u>	\$ <u>(57,278)</u>	\$ <u>29,722</u>

See accompanying notes to the financial statements.

Victoria Sexual Assault Centre Society

Statement of Financial Position

Year ended March 31

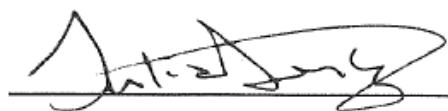
2018

2017

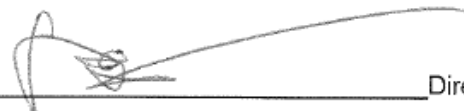
	Operating Fund	Restricted Funds	Total	Total
Assets				
Current				
Cash	\$ 287,310	\$ -	\$ 287,310	\$ 248,679
Receivables (Note 3)	57,860	-	57,860	38,227
Prepays	8,439	-	8,439	8,905
Term deposit	98,400	100,000	198,400	198,400
	<u>452,009</u>	<u>100,000</u>	<u>552,009</u>	<u>494,211</u>
Capital assets (Note 4)	<u>-</u>	<u>696,432</u>	<u>696,432</u>	<u>727,130</u>
	<u>\$ 452,009</u>	<u>\$ 796,432</u>	<u>\$ 1,248,441</u>	<u>\$ 1,221,341</u>
Liabilities				
Current				
Payables and accruals	\$ 44,448	\$ -	\$ 44,448	\$ 33,450
Accrued wages and vacation pay	64,304	-	64,304	69,101
Deferred contributions (Note 6)	278,948	-	278,948	176,667
Deferred capital contributions (Note 6)	13,260	-	13,260	21,735
Current portion of long-term debt (Note 5)	-	15,202	15,202	15,446
	<u>400,960</u>	<u>15,202</u>	<u>416,162</u>	<u>316,399</u>
Long term debt (Note 5)	<u>-</u>	<u>476,687</u>	<u>476,687</u>	<u>492,072</u>
	<u>400,960</u>	<u>491,889</u>	<u>892,849</u>	<u>808,471</u>
Net Assets				
Invested in capital assets	-	204,543	204,543	219,612
Unrestricted	51,049	-	51,049	93,258
Internally restricted	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
	<u>51,049</u>	<u>304,543</u>	<u>355,592</u>	<u>412,870</u>
	<u>\$ 452,009</u>	<u>\$ 796,432</u>	<u>\$ 1,248,441</u>	<u>\$ 1,221,341</u>

Commitments and economic dependence (Notes 9 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

2018

2017

	<u>Restricted Funds</u>			<u>Total</u>	<u>Total</u>
	<u>Operating Fund</u>	<u>Internally Restricted Funds</u>	<u>Invested in Capital Assets</u>		
Net assets, beginning of year	\$ 93,258	\$ 100,000	\$ 219,612	\$ 412,870	\$ 383,148
Excess (deficiency) of revenue over expenditures	(598)	-	(56,680)	(57,278)	29,722
Amounts transferred	<u>(41,611)</u>	<u>-</u>	<u>41,611</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 51,049</u>	<u>\$ 100,000</u>	<u>\$ 204,543</u>	<u>\$ 355,592</u>	<u>\$ 412,870</u>

See accompanying notes to the financial statements.

Victoria Sexual Assault Centre Society

Notes to the Financial Statements

March 31, 2018

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. Contributions restricted for the purpose of acquiring capital assets are recorded as deferred capital contributions and are amortized into revenue over the useful lives of the corresponding assets acquired.

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, 2018

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
Website	- 3 years, straight-line
Computer equipment	- 5 years, straight-line
Furniture and equipment	- 5 years, straight-line
Leasehold improvements	- 5 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.

3. Receivables	<u>2018</u>	<u>2017</u>
Accounts receivable	\$ 55,376	\$ 26,482
GST/HST recoverable	<u>2,484</u>	<u>11,745</u>
	<u>\$ 57,860</u>	<u>\$ 38,227</u>

Victoria Sexual Assault Centre Society

Notes to the Financial Statements

March 31, 2018

4. Capital assets				<u>2018</u>	<u>2017</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	95,919	\$	438,413	459,786
Website	1,949	1,949		-	326
Computer equipment	51,920	44,160		7,760	5,571
Furniture and equipment	18,698	14,066		4,632	1,383
Leasehold improvements	82,225	46,148		36,077	50,514
	<u>\$ 898,674</u>	<u>\$ 202,242</u>	\$	<u>696,432</u>	<u>\$ 727,130</u>

5. Long term debt		<u>2017</u>	<u>2016</u>
<p>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. On July 11, 2018 the mortgage was renewed for a five year fixed term and repayable with interest at 4.65% with blended monthly instalments \$3,123.</p>			
		\$ 491,888	\$ 507,518
Less: current portion		<u>(15,202)</u>	<u>(15,446)</u>
		<u>\$ 476,687</u>	<u>\$ 492,072</u>

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

2019	\$ 15,202
2020	15,580
2021	16,320
2022	17,095
2023	17,907
	<u>\$ 82,104</u>

Victoria Sexual Assault Centre Society

Notes to the Financial Statements

March 31, 2018

6. Deferred contributions	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 176,667	\$ 282,659
Restricted contributions received	909,973	781,966
Recognition of deferred contributions	<u>(807,691)</u>	<u>(887,958)</u>
Balance, end of year	<u>\$ 278,949</u>	<u>\$ 176,667</u>

Deferred capital contributions

Balance, beginning of year	\$ 21,735	\$ 23,850
Restricted contributions received	-	3,183
Recognition of deferred contributions	<u>(8,476)</u>	<u>(5,298)</u>
Balance, end of year	<u>\$ 13,259</u>	<u>\$ 21,735</u>

7. Supplemental cash flow information	<u>2018</u>	<u>2017</u>
Change in non-cash operating working capital:		
Receivables	\$ (19,633)	\$ 94,441
Prepays	466	1,367
Payables and accruals	6,201	31,407
Deferred contributions	<u>93,806</u>	<u>(108,107)</u>
	<u>\$ 80,840</u>	<u>\$ 19,108</u>

8. 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, 2018 is \$62,408 (2017: \$60,302).

Victoria Sexual Assault Centre Society

Notes to the Financial Statements

March 31, 2018

9. Commitments

The Society is obligated to pay \$2,659 monthly towards shared building costs. Future minimum lease payments and strata fees for the next five years are as follows:

2019	\$	31,908
2020		31,908
2021		31,908
2022		31,908
2023		<u>31,908</u>
	\$	<u>159,540</u>

10. 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 \$46,918 (2017: \$45,748) on behalf of the employees. Based on the most recent actuarial valuation as of December 2015, the Municipal Pension Plan is fully funded as of that date. Portions of any surplus or deficiency are not attributed to individual employers.

11. 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 43% (2017: 41%) of the Society's revenues. These contracts have both been renewed for the 2019 fiscal year.

Victoria Sexual Assault Centre Society

Notes to the Financial Statements

March 31, 2018

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.

13. Remuneration disclosure

During the year, the Society did not pay employees or contractors amounts greater than the remuneration disclosure threshold of \$75,000.

Victoria Sexual Assault Centre Society

Schedule of Operating Costs

Year ended March 31	2018	2017
Accounting	\$ 12,455	\$ 12,204
Administration	54,383	46,095
Advertising	1,642	714
Contract services	48,731	49,791
Direct fundraising	55,592	61,395
Interest on long term debt	19,362	20,019
Meetings	1,863	1,727
Office	36,179	37,060
Professional development	1,507	434
Rent and strata costs	69,891	61,502
Repairs and maintenance	1,461	2,299
Staffing and benefits	991,162	953,362
Telephone and utilities	21,533	20,494
Travel	6,379	10,061
	<u>\$ 1,322,140</u>	<u>\$ 1,277,157</u>
