



Grant Thornton

Financial Statements

(Unaudited)

PEERS Victoria Resources Society

December 31, 2014

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Grant Thornton

Review engagement report

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To the members of PEERS Victoria Resources Society

We have reviewed the statement of financial position of PEERS Victoria Resources Society as at December 31, 2014 and the statements of operations, changes in net assets, and cash flows for the year then 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 Society.

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.

Victoria, Canada
June 10, 2015

Grant Thornton LLP

Chartered accountants

PEERS Victoria Resources Society

Statements of Operations

(Unaudited)

Year ended December 31

2014

2013

Revenue

Federal and provincial grants	\$ 58,295	\$ -
Other grants (Note 3)	181,166	202,083
Gaming	84,246	106,839
Donations	53,025	55,429
Donations in-kind	1,644	1,288
Fundraising	11,177	9,815
Other income	2,312	392
	<u>391,865</u>	<u>375,846</u>

Expenditures

Amortization	5,867	6,992
Bank charges and interest	1,690	3,204
BC Housing subsidies	20,392	15,588
Client supports	23,343	30,018
Fundraising	4,268	1,950
Loss on disposal of capital asset	-	23,500
Gifts	-	150
Insurance, licences and dues	11,208	5,664
Interest on long term debt	8,848	9,082
Materials and supplies	7,308	7,883
Office and sundry	2,432	3,450
Professional development	1,195	2,108
Professional fees	7,537	6,737
Public education	2,262	1,457
Rent	5,044	3,619
Repairs and maintenance	9,952	13,027
Subcontract and honorariums	28,320	31,101
Telephone and utilities	9,527	10,437
Travel and transportation	4,783	8,494
Wages and benefits	210,565	255,697
	<u>364,541</u>	<u>440,158</u>

Excess (deficiency) of revenue over expenditures	\$ 27,324	\$ (64,312)
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See accompanying notes to the financial statements.

PEERS Victoria Resources Society

Statement of Changes in Net Assets

(Unaudited)

Year ended December 31

2014

2013

	Invested in capital assets	Unrestricted net assets	Total	Total
Net assets, beginning of year	\$ 112,247	\$ 37,783	\$ 150,030	\$ 214,342
Excess (deficiency) of revenue over expenditures	(5,867)	33,191	27,324	(64,312)
Net decrease in mortgage	5,048	(5,048)	-	-
Net assets, end of year	\$ 111,428	\$ 65,926	\$ 177,354	\$ 150,030

See accompanying notes to the financial statements.

PEERS Victoria Resources Society

Statement of Financial Position

(Unaudited)
December 31

2014

2013

Assets

Current

Cash and cash equivalents	\$ 164,084	\$ 70,035
Receivables	4,417	4,597
Prepays	3,030	3,719
	<u>171,531</u>	<u>78,351</u>

Capital assets (Note 4)

	<u>292,952</u>	<u>298,818</u>
	<u>\$ 464,483</u>	<u>\$ 377,169</u>

Liabilities

Current

Payables and accruals	\$ 29,682	\$ 17,886
Government remittances payable	4,382	2,006
Deferred contributions (Note 5)	71,542	20,676
Current portion of long term debt (Note 6)	5,335	5,086
	<u>110,941</u>	<u>45,654</u>

Long term debt (Note 6)

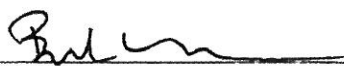
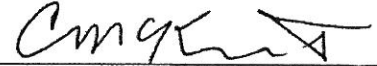
	<u>176,188</u>	<u>181,485</u>
	<u>287,129</u>	<u>227,139</u>

Net Assets

Invested in capital assets	111,428	112,247
Unrestricted	<u>65,926</u>	<u>37,783</u>
	<u>177,354</u>	<u>150,030</u>
	<u>\$ 464,483</u>	<u>\$ 377,169</u>

Contingency and economic dependence (Notes 8 and 9)

On behalf of the Board

 Director  Director

See accompanying notes to the financial statements.

PEERS Victoria Resources Society

Statement of Cash Flows

(Unaudited)

Year ended December 31

2014

2013

Cash from operating activities

Sources of cash inflows

Federal and provincial grants	\$ 100,000	\$ -
Other grants	170,456	231,714
Gaming	100,000	100,000
Donations	57,877	50,080
Fundraising	11,177	9,815
Other income	3,399	3,544
	<u>442,909</u>	<u>395,153</u>

Use of cash inflows

Payment of wages and benefits	(205,902)	(263,369)
Purchase of goods and services	(129,062)	(159,707)
	<u>(334,964)</u>	<u>(423,076)</u>

Total cash flows from operations	<u>107,945</u>	<u>(27,923)</u>
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Cash flows from financing and investing activities

Purchase of capital assets	-	(2,547)
Mortgage interest paid	(8,848)	(9,082)
Repayment of long term debt	(5,048)	(4,814)
	<u>(13,896)</u>	<u>(16,443)</u>

Net increase (decrease) in cash and cash equivalents	<u>94,049</u>	<u>(44,366)</u>
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Cash and cash equivalents, beginning of year	<u>70,035</u>	<u>114,401</u>
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Cash and cash equivalents, end of year	<u>\$ 164,084</u>	<u>\$ 70,035</u>
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See accompanying notes to the financial statements.

PEERS Victoria Resources Society

Notes to the Financial Statements

(Unaudited)
December 31, 2014

1. Purpose of the Society

The PEERS Victoria Resources Society (the "Society") is incorporated under the Society Act of British Columbia and is a registered charity within the meaning of the Income Tax Act of Canada. Its principal activity is the provision of counselling, support, resources and education to sex trade workers in the Victoria area.

The Society is registered with the Canada Revenue Agency as a charitable organization and accordingly is exempt from income tax. Tax receipts are issued for eligible donations.

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").

Revenue recognition

The Society uses the deferral method of accounting for grants and contributions.

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

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. Fundraising revenues are recognized when collected. Investment income is recognized as earned.

Programs

The Society accounts for its revenue and expenses on a program by program basis, allocating expenses to each program based on actual or estimated use. The statement of operations classifies these programs as follows:

Core operating programs: Administration, Fundraising and Outreach.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, net of bank overdrafts.

Capital assets

Capital assets are recorded at cost in the year of purchase. Amortization is provided based on the estimated useful life of the assets as follows:

Building	25 years, straight line basis
Building improvements	5 years, straight line basis
Furniture and equipment	3 years, straight line basis
Vehicle	5 years, straight line basis

PEERS Victoria Resources Society

Notes to the Financial Statements

(Unaudited)

December 31, 2014

2. Summary of significant accounting policies (continued)

Impairment of long-lived assets

The Society regularly reviews the carrying value of long-lived property and equipment and continually makes estimates regarding future cash flows, and other factors to determine the fair value of the respective assets. If these estimates or their related assumptions change in the future, the Society may be required to record impairment changes for these assets.

Contributed goods and services

In common with many charitable organizations, the society receives goods and services contributed by way of donation or volunteer work. It is the policy of the society to record, at fair value, contributed tangible goods when the value of those goods can be reasonably estimated.

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, and government remittances payable.

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.

PEERS Victoria Resources Society

Notes to the Financial Statements

(Unaudited)
December 31, 2014

3. Other grants	2014	2013
Other grants consist of:		
BC Housing	\$ 17,373	\$ 17,179
Capital Regional District	20,988	-
GT Hiring	-	58,525
Township of Esquimalt	-	1,000
United Way	66,985	58,541
Vancouver Island Health Authority	61,385	63,147
Victoria Foundation	13,242	191
Victoria Sexual Assault Centre	1,193	-
Worklink	-	3,500
	\$ 181,166	\$ 202,083

4. Capital assets		2014		2013	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>		<u>Net Book Value</u>
Land	\$ 255,723	\$ -	\$ 255,723	\$	255,723
Buildings	86,593	(51,772)	34,821		39,836
Furniture and equipment	14,649	(14,081)	568		1,339
Vehicle	<u>2,000</u>	<u>(160)</u>	<u>1,840</u>		<u>1,920</u>
	<u>\$ 358,965</u>	<u>\$ (66,013)</u>	<u>\$ 292,952</u>	\$	<u>298,818</u>

PEERS Victoria Resources Society

Notes to the Financial Statements

(Unaudited)

December 31, 2014

5. Deferred contributions

Restricted contributions received during the year for specific projects are deferred and recognized into income in the period in which the related expenses are incurred. During the year, the following contributions have been deferred:

	2014	2013
BC Gaming, Outreach	\$ 15,754	\$ -
BC Housing, rental subsidies	1,631	1,631
Capital Regional District	2,648	-
Fundraising proceeds	-	1,157
Ministry of Justice	41,705	-
Private donations	6,000	-
Spedding bursary donations	1,160	3,784
Victoria Foundation	862	14,104
Victoria Sexual Assault Centre	1,782	-
	<u>\$ 71,542</u>	<u>\$ 20,676</u>

6. Long term debt

	2014	2013
Mortgage, secured by a first mortgage over real property, amortized over a 25 year repayment period, repayable in monthly instalments of \$1,158 including interest calculated at 4.85% per annum, due January 26, 2016	\$ 181,523	\$ 186,571
Less: current portion	<u>5,335</u>	<u>5,086</u>
	<u>\$ 176,188</u>	<u>\$ 181,485</u>

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

2015	5,335
2016	<u>176,188</u>
	<u>\$ 181,523</u>

7. Credit facility

The Society has an authorized business operating loan/revolving line of credit account with Vancity Credit Union of \$100,000 bearing interest at prime plus 2%. At year end \$0 was used. This facility is secured by a general security agreement with Vancity.

PEERS Victoria Resources Society

Notes to the Financial Statements

(Unaudited)

December 31, 2014

8. Contingency

During the year, contributions were received from British Columbia Housing. In accordance with the contribution agreement, any contribution that was not used for house subsidies during the year is contingently repayable to BC Housing at year end.

In the year, the total amount repayable was \$2,199 (2013: \$2,393). At year end, PEERS has a total of \$4,592 in payables and accruals to British Columbia Housing.

9. Economic dependence

The Society derives a significant amount of its revenue from contracts with various ministries of the provincial and federal governments. The Society is dependent on these contracts to operate many of its programs. Should these contracts fail to be renewed, management is of the opinion that the related programs would need to be significantly curtailed.



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