



Financial Statements

(Unaudited)

PEERS Victoria Resources Society

December 31, 2015

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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, 2015 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
May 11, 2016



Chartered Professional Accountants

PEERS Victoria Resources Society

Statement of Financial Position

(Unaudited)
December 31

	2015	2014
Assets		
Current		
Cash and cash equivalents	\$ 244,685	\$ 164,084
Receivables	30,035	4,417
Prepays	2,821	3,030
	<u>277,541</u>	<u>171,531</u>
Capital assets (Note 4)	<u>290,059</u>	<u>292,952</u>
	<u>\$ 567,600</u>	<u>\$ 464,483</u>
Liabilities		
Current		
Payables and accruals	\$ 30,042	\$ 29,682
Government remittances payable	-	4,382
Deferred contributions (Note 5)	177,048	71,542
Current portion of long term debt (Note 6)	176,230	5,335
	<u>383,320</u>	<u>110,941</u>
Long term debt (Note 6)	<u>-</u>	<u>176,188</u>
	<u>383,320</u>	<u>287,129</u>
Net Assets		
Invested in capital assets	113,828	111,428
Unrestricted	70,452	65,926
	<u>184,280</u>	<u>177,354</u>
	<u>\$ 567,600</u>	<u>\$ 464,483</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

Statements of Operations

(Unaudited)

Year ended December 31

	2015	2014
Revenue		
Provincial grants	\$ 58,177	\$ 58,295
Other grants (Note 3)	256,564	181,166
Gaming	68,080	84,246
Donations	28,721	53,025
Donations in-kind	-	1,644
Fundraising	15,651	11,177
Other income	1,187	2,312
	<u>428,380</u>	<u>391,865</u>
Expenditures		
Amortization	2,893	5,867
Bank charges and interest	1,887	1,690
BC Housing subsidies	32,810	20,392
Client supports	44,079	23,343
Fundraising	1,000	4,268
Insurance, licences and dues	6,483	11,208
Interest on long term debt	8,600	8,848
Materials and supplies	13,196	7,308
Office and sundry	2,418	2,432
Professional development	677	1,195
Professional fees	7,127	7,537
Public education	505	2,262
Rent	5,511	5,044
Repairs and maintenance	14,073	9,952
Subcontract and honorariums	36,702	28,320
Telephone and utilities	9,564	9,527
Travel and transportation	5,600	4,783
Wages and benefits	228,329	210,565
	<u>421,454</u>	<u>364,541</u>
Excess of revenue over expenditures	\$ <u>6,926</u>	\$ <u>27,324</u>

See accompanying notes to the financial statements.

PEERS Victoria Resources Society
Statement of Changes in Net Assets

(Unaudited)

Year ended December 31

2015

2014

	Invested in capital assets	Unrestricted net assets	Total	Total
Net assets, beginning of year	\$ 111,428	\$ 65,926	\$ 177,354	\$ 150,030
Excess (deficiency) of revenue over expenditures	(2,893)	9,819	6,926	27,324
Repayment of mortgage	<u>5,293</u>	<u>(5,293)</u>	<u>-</u>	<u>-</u>
Net assets, end of year	\$ <u>113,828</u>	\$ <u>70,452</u>	\$ <u>184,280</u>	\$ <u>177,354</u>

See accompanying notes to the financial statements.

PEERS Victoria Resources Society

Statement of Cash Flows

(Unaudited)

Year ended December 31

2015

2014

Cash from operating activities

Sources of cash inflows

Federal and provincial grants	\$ 40,000	\$ 100,000
Other grants	283,580	170,456
Gaming	100,000	100,000
Donations	66,550	57,877
Fundraising	15,651	11,177
Other income	2,487	3,399
	<u>508,268</u>	<u>442,909</u>

Use of cash inflows

Payment of wages and benefits	(228,329)	(205,902)
Purchase of goods and services	(185,445)	(129,062)
	<u>(413,774)</u>	<u>(334,964)</u>

Total cash flows from operations

	<u>94,494</u>	<u>107,945</u>
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Cash flows from financing and investing activities

Mortgage interest paid	(8,600)	(8,848)
Repayment of long term debt	(5,293)	(5,048)
	<u>(13,893)</u>	<u>(13,896)</u>

Net increase in cash and cash equivalents

	80,601	94,049
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Cash and cash equivalents, beginning of year

	<u>164,084</u>	<u>70,035</u>
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Cash and cash equivalents, end of year

	<u>\$ 244,685</u>	<u>\$ 164,084</u>
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See accompanying notes to the financial statements.

PEERS Victoria Resources Society

Notes to the Financial Statements

(Unaudited)

December 31, 2015

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.

PEERS Victoria Resources Society

Notes to the Financial Statements

(Unaudited)
December 31, 2015

2. Summary of significant accounting policies (continued)

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

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.

PEERS Victoria Resources Society

Notes to the Financial Statements

(Unaudited)
December 31, 2015

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

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. Other grants	<u>2015</u>	<u>2014</u>
Other grants consist of:		
BC Housing	\$ 18,041	\$ 17,373
Capital Regional District	52,672	20,988
MAC AIDS Fund	34,628	-
United Way	49,094	66,985
Island Health	83,549	61,385
Victoria Foundation	13,298	13,242
Victoria Sexual Assault Centre	5,282	1,193
	<u>\$ 256,564</u>	<u>\$ 181,166</u>

4. 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	\$ 255,723	\$ -	\$ 255,723	\$ 255,723
Buildings	86,593	(54,108)	32,485	34,821
Furniture and equipment	14,649	(14,558)	91	568
Vehicle	2,000	(240)	1,760	1,840
	<u>\$ 358,965</u>	<u>\$ (68,906)</u>	<u>\$ 290,059</u>	<u>\$ 292,952</u>

PEERS Victoria Resources Society

Notes to the Financial Statements

(Unaudited)

December 31, 2015

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:

	<u>2015</u>	<u>2014</u>
BC Gaming, Outreach	\$ 41,424	\$ 15,754
BC Housing, rental subsidies	1,631	1,631
Capital Regional District	16,860	2,648
MAC AIDS Fund	37,972	-
Ministry of Justice	11,701	41,705
Miscellaneous grants and donations	8,801	-
Private donations	4,893	6,000
Province of BC	11,827	-
RV Donations	30,755	-
Spedding bursary donations	210	1,160
United Way	10,974	-
Victoria Foundation	-	862
Victoria Sexual Assault Centre	-	1,782
	<u>\$ 177,048</u>	<u>\$ 71,542</u>

6. Long term debt

	<u>2015</u>	<u>2014</u>
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	\$ 176,229	\$ 181,523
Less: current portion	<u>176,229</u>	<u>5,335</u>
	<u>\$ -</u>	<u>\$ 176,188</u>

On March 14, 2016, the Society re-negotiated its mortgage for an additional five years, payable in monthly instalments of \$992 including interest at 3.20% per annum, due March 26, 2021.

7. Credit facility

The Society has an authorized business operating loan/revolving line of credit account with Vancity Savings 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, 2015

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 \$1,532 (2013: \$2,199). At year end, PEERS has a total of \$6,124 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.
