



Financial Statements

(Unaudited)

PEERS Victoria Resources Society

December 31, 2013

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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, 2013 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 16, 2014



Chartered accountants

PEERS Victoria Resources Society

Statements of Operations

(Unaudited)

Year ended December 31

	2013	2012
Revenue		
Federal and provincial grants	\$ -	\$ 104,391
Other grants (Note 3)	202,083	212,926
Gaming	106,839	129,242
Donations	55,429	40,524
Donations in-kind	1,288	32,457
Fundraising	9,815	3,387
Other income	392	4,368
	<u>375,846</u>	<u>527,295</u>
Expenditures		
Amortization	6,992	7,025
Bank charges and interest	3,204	939
BC Housing subsidies	15,588	15,855
Client supports	30,018	37,594
Fundraising	1,950	7,626
Gain/loss on asset disposal	23,500	1,892
Gifts	150	379
Insurance, licences and dues	5,664	6,652
Interest on long term debt	9,082	8,618
Materials and supplies	7,883	9,172
Office and sundry	3,450	6,197
Professional development	2,108	4,147
Professional fees	6,737	8,545
Public education	1,457	659
Rent	3,619	6,052
Repairs and maintenance	13,027	22,054
Subcontract and honorariums	31,101	36,673
Telephone and utilities	10,437	11,407
Travel and transportation	8,494	8,678
Wages and benefits	255,697	322,021
	<u>440,158</u>	<u>522,185</u>
(Deficiency) excess of revenue over expenditures	\$ <u>(64,312)</u>	\$ <u>5,110</u>

See accompanying notes to the financial statements.

PEERS Victoria Resources Society Statement of Changes in Net Assets

(Unaudited)

Year ended December 31

2013

2012

	Invested in capital assets	Unrestricted net assets	Total	Total
Net assets, beginning of year	\$ 135,378	\$ 78,964	\$ 214,342	\$ 209,232
(Deficiency) excess of revenue over expenditures	(30,491)	(33,821)	(64,312)	5,110
Purchase of capital assets	2,547	(2,547)	-	-
Net decrease in mortgage	<u>4,813</u>	<u>(4,813)</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 112,247</u>	<u>\$ 37,783</u>	<u>\$ 150,030</u>	<u>\$ 214,342</u>

See accompanying notes to the financial statements.

PEERS Victoria Resources Society

Statement of Financial Position

(Unaudited)
December 31

2013

2012

Assets

Current

Cash and cash equivalents	\$	70,035	\$	114,401
Receivables		4,597		28,861
Prepays		3,719		3,606
		<u>78,351</u>		<u>146,868</u>

Capital assets (Note 4)

298,818 326,763

\$ 377,169 \$ 473,631

Liabilities

Current

Payables and accruals	\$	17,886	\$	36,181
Government remittances payable		2,006		6,089
Deferred contributions (Note 5)		20,676		25,634
Current portion of long term debt (Note 7)		5,086		4,849
		<u>45,654</u>		<u>72,753</u>

Long term debt (Note 7)

181,485 186,536

227,139 259,289

Net Assets

Invested in capital assets		112,247		135,378
Unrestricted		37,783		78,964

150,030 214,342

\$ 377,169 \$ 473,631

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

2013

2012

Cash from operating activities

Sources of cash inflows

Federal and provincial grants	\$ -	\$ 119,444
Other grants	231,714	187,671
Gaming	100,000	100,000
Donations	50,080	49,205
Fundraising	9,815	3,387
Other income	3,544	4,907
	<u>395,153</u>	<u>464,614</u>

Use of cash inflows

Payment of wages and benefits	(263,369)	(324,466)
Purchase of goods and services	(159,707)	(171,186)
	<u>(423,076)</u>	<u>(495,652)</u>

Total cash flows from operations	<u>(27,923)</u>	<u>(31,038)</u>
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Cash flows from financing and investing activities

Purchase of capital assets	(2,547)	(1,769)
Proceeds on disposal of capital assets	-	650
Mortgage interest paid	(9,082)	(8,618)
Repayment of long term debt	(4,814)	(4,584)
	<u>(16,443)</u>	<u>(14,321)</u>

Net decrease in cash and cash equivalents	(44,366)	(45,359)
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Cash and cash equivalents, beginning of year	<u>114,401</u>	<u>159,760</u>
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Cash and cash equivalents, end of year	<u>\$ 70,035</u>	<u>\$ 114,401</u>
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See accompanying notes to the financial statements.

PEERS Victoria Resources Society

Notes to the Financial Statements

(Unaudited)
December 31, 2013

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, Element, 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, 2013

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, 2013

3. Other grants	<u>2013</u>	<u>2012</u>
Other grants consist of:		
BC Housing	\$ 17,179	\$ 15,855
Beacon Community Services	-	4,638
Catherine Donnelly	-	4,875
City of Victoria	-	7,980
GT Hiring	58,525	56,972
Township of Esquimalt	1,000	1,000
United Way	58,541	45,459
Vancouver Island Health Authority	63,147	63,147
Victoria Foundation	191	1,000
Worklink	3,500	12,000
	<u>\$ 202,083</u>	<u>\$ 212,926</u>

4. Capital assets			<u>2013</u>	<u>2012</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	(46,757)	39,836	45,566
Furniture and equipment	14,649	(13,310)	1,339	1,474
Vehicle	2,000	(80)	1,920	24,000
	<u>\$ 358,965</u>	<u>\$ (60,147)</u>	<u>\$ 298,818</u>	<u>\$ 326,763</u>

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>2013</u>	<u>2012</u>
BC Gaming, Outreach	\$ -	\$ 6,839
BC Housing, rental subsidies	1,631	1,631
Fundraising proceeds	1,157	7,750
Spending bursary donations	3,784	2,873
United Way	-	6,541
Victoria Foundation	14,104	-
	<u>\$ 20,676</u>	<u>\$ 25,634</u>

PEERS Victoria Resources Society

Notes to the Financial Statements

(Unaudited)
December 31, 2013

6. 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.

7. Long term debt	<u>2013</u>	<u>2012</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	\$ 186,571	\$ 191,385
Less: current portion	<u>5,086</u>	<u>4,849</u>
	<u>\$ 181,485</u>	<u>\$ 186,536</u>

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

2014	\$ 5,086
2015	5,335
2016	<u>176,150</u>
	<u>\$ 186,571</u>

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 \$2,393 (2012: \$3,716). At year end, PEERS recognized an amount in payables and accruals to British Columbia Housing in the amount of \$2,393.

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.
