

CHILD ABUSE PREVENTION AND COUNSELLING
SOCIETY OF GREATER VICTORIA

FINANCIAL STATEMENTS

MARCH 31, 2014

(Unaudited)

REVIEW ENGAGEMENT REPORT

To the Members of
Child Abuse Prevention and Counselling Society of Greater Victoria

We have reviewed the statement of financial position of Child Abuse Prevention and Counselling Society of Greater Victoria as at March 31, 2014 and the statements of operations, changes in net assets, and cash flow 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 the information supplied to us by the company.

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.

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

Victoria, BC
June 19, 2014

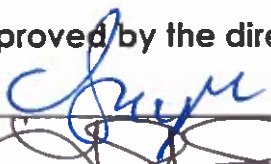

Allen & Krauel Inc.
Chartered Accountants

CHILD ABUSE PREVENTION AND COUNSELLING SOCIETY OF GREATER VICTORIA

STATEMENT OF FINANCIAL POSITION MARCH 31, 2014 (Unaudited)

	2014	2013
ASSETS		
Current		
Cash	\$ 12,726	\$ 41,498
Accounts receivable	25,776	30,701
Prepaid expenses	2,128	2,325
	40,630	74,524
Restricted cash (note 3)	38,627	53,718
Tangible capital assets (note 4)	15,766	22,493
	\$ 95,023	\$ 150,735
LIABILITIES		
Current		
Bank indebtedness	\$ -	\$ 32,404
Accounts payable and accrued liabilities	57,612	45,005
Government remittances payable	8,649	13,788
Sick leave liability (note 5)	94,681	104,762
	160,942	195,959
NET ASSETS		
Net assets internally restricted for		
New Initiatives fund (note 6)	38,627	53,718
Net assets invested in tangible capital assets	15,766	22,493
Unrestricted net assets	(120,312)	(121,435)
	(65,919)	(45,224)
	\$ 95,023	\$ 150,735

Approved by the directors


 _____ Director

 _____ Director

CHILD ABUSE PREVENTION AND COUNSELLING SOCIETY OF GREATER VICTORIA

STATEMENT OF CHANGES IN NET ASSETS YEAR ENDED MARCH 31, 2014 (Unaudited)

	Internally restricted for New Initiatives fund	Invested in tangible capital assets	Unrestricted	2014	2013
Balance, beginning of year	\$ 53,718	\$ 22,493	\$(121,435)	\$ (45,224)	\$ 150,979
Surplus (shortage) of revenue over expenses	585	(10,031)	(11,249)	(20,695)	(196,203)
Investment in tangible capital assets	-	3,304	(3,304)	-	-
Net asset transfers	(15,676)	-	15,676	-	-
Balance, end of year	<u>\$ 38,627</u>	<u>\$ 15,766</u>	<u>\$(120,312)</u>	<u>\$ (65,919)</u>	<u>\$ (45,224)</u>

CHILD ABUSE PREVENTION AND COUNSELLING SOCIETY OF GREATER VICTORIA

STATEMENT OF OPERATIONS MARCH 31, 2014 (Unaudited)

	2014	2013
Revenue		
Ministry of Children & Family Development	\$ 516,899	\$ 512,037
Solicitor General	179,952	176,988
Donations and membership fees	96,870	84,590
Federal Department of Justice	18,799	37,698
Grants	14,848	8,998
Fees	11,580	22,800
Interest and other income	1,060	1,925
	840,008	845,036
Expenses		
Wages and benefits	656,342	792,536
Rent and utilities	82,660	75,902
Administration	79,398	134,728
Professional consultants	14,462	6,333
Telephone	12,064	9,473
Amortization	9,983	11,778
Clinical	2,736	2,348
Fundraising	1,743	443
Staff development	1,267	7,698
	860,655	1,041,239
Shortage of revenue over expenses before other items	(20,647)	(196,203)
Loss on disposal of tangible capital assets	(48)	-
Shortage of revenue over expenses	\$ (20,695)	\$ (196,203)

CHILD ABUSE PREVENTION AND COUNSELLING SOCIETY OF GREATER VICTORIA

STATEMENT OF CASH FLOW MARCH 31, 2014 (Unaudited)

	2014	2013
Operating activities		
Shortage of revenue over expenses	\$ (20,695)	\$ (196,203)
Add charges to operations not requiring a current cash payment:		
Amortization	9,983	11,778
Loss on disposal of tangible capital assets	48	-
Write down of other asset	-	600
	(10,664)	(183,825)
Net change in non-cash working capital balances related to operations		
Accounts receivable	4,925	29,512
Prepaid expenses	197	(458)
Accounts payable	12,607	(1,134)
Government remittances payable	(5,139)	13,788
Sick leave liability	(10,081)	(6,998)
	2,509	34,710
Cash used in operating activities	(8,155)	(149,115)
Investing activities		
Additions to tangible capital assets	(3,304)	(13,239)
Cash used in investing activities	(3,304)	(13,239)
Net asset transfers		
Transfer from internally restricted net assets	15,676	54,135
Interest on internally restricted net assets	(585)	(683)
Cash provided by net asset transfers	15,091	53,452
Net increase (decrease) in cash during the year	3,632	(108,902)
Cash position, beginning of year	9,094	117,996
Cash position, end of year	\$ 12,726	\$ 9,094

Cash position consists of unrestricted cash on deposit.

CHILD ABUSE PREVENTION AND COUNSELLING SOCIETY OF GREATER VICTORIA

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2014
(Unaudited)

1. Purpose of the organization

Child Abuse Prevention and Counselling Society of Greater Victoria is a local organization which provides counselling, support and education to sexually abused children and youth under the age of nineteen, and their families. Child Abuse Prevention and Counselling Society of Greater Victoria is incorporated under the Society Act of British Columbia as a not-for-profit organization and is a registered charity under the Income Tax Act.

2. Significant accounting policies

The financial statements of the society have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgment.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

Tangible capital assets

Tangible capital assets are stated at cost and are amortized on a straight-line basis at the annual rates set out in note 4. With respect to software, in the year of acquisition, half the specified rate is applied.

Revenue recognition

The society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures 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. Endowment contributions, if any, are recognized as direct increases in net assets.

CHILD ABUSE PREVENTION AND COUNSELLING SOCIETY OF GREATER VICTORIA

NOTES TO THE FINANCIAL STATEMENTS
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2. Significant accounting policies (continued)

Financial Instruments

Measurement of financial instruments

The society initially measures its financial assets and liabilities at fair value. The entity subsequently measures all its financial assets and liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include bank indebtedness, accounts payable and accrued liabilities, government remittances payable, and sick leave liability.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down or subsequent reversal, if any, is recognized in net income.

Transaction costs

The society recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

3. Restricted cash

The balance represents funds restricted in an amount equal to the balance in the New Initiatives fund.

CHILD ABUSE PREVENTION AND COUNSELLING SOCIETY OF GREATER VICTORIA

NOTES TO THE FINANCIAL STATEMENTS
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4. Tangible capital assets

	Cost	Accumulated Amortization	Net Book Value		Amortization Rate
			2014	2013	
Computer and electronic equipment	\$ 26,682	\$ 20,724	\$ 5,958	\$ 6,107	1/5
Furniture and fixtures	46,462	37,423	9,039	11,701	1/10
Leasehold improvements	1,676	907	769	-	1/5
Software	14,319	14,319	-	4,685	100%
	<u>\$ 89,139</u>	<u>\$ 73,373</u>	<u>\$ 15,766</u>	<u>\$ 22,493</u>	

5. Sick leave liability

The society is liable for accumulated sick leave of its employees. Employees are entitled to eighteen sick days per year, with unused days carried forward. The maximum number of days permitted is one hundred forty six.

6. Internally restricted net assets

Net assets internally restricted for the New Initiatives fund consist of amounts allocated from unrestricted net assets as approved by the Board of Directors. These internally restricted amounts are to be used for purchasing equipment and establishing new programs for research, literature and possible educational programs in schools and are not available for other purposes without approval of the Board of Directors.

CHILD ABUSE PREVENTION AND COUNSELLING SOCIETY OF GREATER VICTORIA

NOTES TO THE FINANCIAL STATEMENTS
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7. Financial instruments and risk management

The society's financial instruments consist of cash, accounts receivable, bank indebtedness, accounts payable and accrued liabilities, government remittances payable, and sick leave liability. Transactions in financial instruments may result in financial risks being assumed by the society. The risks identified by the society are as follows:

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk that the society will encounter difficulty in meeting obligations associated with financial liabilities.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

It is management's opinion that the society is not exposed to significant credit, interest, liquidity or market risk arising from these financial instruments.

8. Economic dependence

The society receives the majority of its revenue from the Province of British Columbia.

9. Income taxes

The society is registered as a charitable organization as defined by the Income Tax Act and, to maintain its charitable status for income tax purposes, the society before the end of each fiscal year, must disburse an amount that is at least equal to 80% of the receipted donations of the immediately preceding year, excluding:

- i) gifts of capital received by bequest or inheritance;
- ii) gifts subject to direction to hold for at least ten years;
- iii) gifts from a registered charity.

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10. Lease commitment

The society operates in leased premises. The current lease is at \$3,398 base rent per month plus operating costs of \$3,542 per month. The period of the lease is July 1, 2014 to June 30, 2019, with an option to renew for three additional years. Minimum lease payments to expiry are as follows:

2015	\$ 62,460
2016	83,280
2017	83,280
2018	83,280
2019	83,280
Thereafter	<u>20,820</u>
	<u>\$ 416,400</u>

11. Contingent liability

A former health care benefit provider is seeking to recover an exit levy in the amount of \$30,303 from the Society. Certain provincial government agencies are negotiating a settlement for this exit levy on behalf of the Society, and neither party has commenced legal action. No amount has been accrued in the financial statements as the potential settlement amount is indeterminate.

12. Comparative figures

Certain of the prior year's comparative figures have been reclassified to conform to the current year's presentation.