

CHILD ABUSE PREVENTION AND COUNSELLING
SOCIETY OF GREATER VICTORIA

FINANCIAL STATEMENTS

MARCH 31, 2020

(Unaudited)

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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

We have reviewed the accompanying statements of the Child Abuse Prevention and Counselling Society of Greater Victoria that comprise the statement of financial position as at March 31, 2020 and the statements of operations, changes in net assets, and cash flow 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of the Child Abuse Prevention and Counselling Society of Greater Victoria as at March 31, 2020, and the results of its changes in net assets, operations, and cash flow for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

Victoria, BC
November 3, 2020

Allen & Krauel Inc.
Chartered Professional Accountants

CHILD ABUSE PREVENTION AND COUNSELLING SOCIETY OF GREATER VICTORIA

STATEMENT OF FINANCIAL POSITION MARCH 31, 2020 (Unaudited)

	2020	2019
ASSETS		
Current		
Cash	\$ 21,783	\$ 27,180
Accounts receivable	11,675	131,636
GST receivable	5,637	4,932
Prepaid expenses	4,142	3,519
	43,237	167,267
Tangible capital assets (note 3)	14,318	17,481
	\$ 57,555	\$ 184,748
LIABILITIES		
Current		
Bank indebtedness	\$ -	\$ 5,815
Accounts payable and accrued liabilities	102,025	130,741
Government remittances payable	-	11,389
Sick leave liability (note 4)	63,729	82,988
	165,754	230,933
Severance payable	-	76,667
	165,754	307,600
NET ASSETS		
Net assets invested in tangible capital assets	14,318	17,481
Unrestricted net assets	(122,517)	(140,333)
	(108,199)	(122,852)
	\$ 57,555	\$ 184,748

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, 2020 (Unaudited)

	Invested in tangible capital assets		2020	2019
	Unrestricted			
Balance, beginning of year	\$ 17,481	\$ (140,333)	\$ (122,852)	\$ (128,770)
(Shortage) excess of revenue over expenses	(3,912)	18,565	14,653	5,918
Investment in tangible capital assets	749	(749)	-	-
Balance, end of year	\$ 14,318	\$ (122,517)	\$ (108,199)	\$ (122,852)

CHILD ABUSE PREVENTION AND COUNSELLING SOCIETY OF GREATER VICTORIA

STATEMENT OF OPERATIONS MARCH 31, 2020 (Unaudited)

	<u>2020</u>	<u>2019</u>
Revenue		
Ministry of Children & Family Development	\$ 610,954	\$ 562,876
Grants	220,329	200,792
Solicitor General	217,622	207,156
Federal Department of Justice	137,500	122,150
Donations and membership fees	64,465	114,291
Interest and other income	1,794	8,033
Service fees	-	9,275
	<u>1,252,664</u>	<u>1,224,573</u>
Expenses		
Wages and benefits	898,646	973,069
Administration	121,839	89,059
Rent and utilities	118,236	103,091
Programs	84,608	28,046
Telephone	7,827	8,281
Amortization	3,912	4,365
Bad debts	1,500	-
Staff development	1,237	12,643
Fundraising	206	101
	<u>1,238,011</u>	<u>1,218,655</u>
Excess of revenue over expenses	<u>\$ 14,653</u>	<u>\$ 5,918</u>

CHILD ABUSE PREVENTION AND COUNSELLING SOCIETY OF GREATER VICTORIA

STATEMENT OF CASH FLOW MARCH 31, 2020 (Unaudited)

	<u>2020</u>	<u>2019</u>
Operating activities		
Excess of revenue over expenses	\$ 14,653	\$ 5,918
Add charges to operations not requiring a current cash payment:		
Amortization	3,912	4,365
	<u>18,565</u>	<u>10,283</u>
Net change in non-cash working capital balances related to operations		
Accounts receivable	119,961	(86,616)
GST receivable	(705)	350
Prepaid expenses	(623)	(970)
Accounts payable	(28,716)	4,202
Government remittances payable	(11,389)	4,347
Sick leave liability	(19,259)	5,874
Severance payable	(76,667)	76,667
	<u>(17,398)</u>	<u>3,854</u>
Cash provided by operating activities	<u>1,167</u>	<u>14,137</u>
Investing activities		
Additions to tangible capital assets	(749)	(1,173)
Net increase in cash during the year	418	12,964
Cash position, beginning of year	<u>21,365</u>	<u>8,401</u>
Cash position, end of year	<u>\$ 21,783</u>	<u>\$ 21,365</u>
Cash position consists of:		
Cash	\$ 21,783	\$ 27,180
Bank indebtedness	-	(5,815)
	<u>\$ 21,783</u>	<u>\$ 21,365</u>

CHILD ABUSE PREVENTION AND COUNSELLING SOCIETY OF GREATER VICTORIA

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2020

(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. Items subject to estimation include prepaid expenses, sick leave liability, and amortization of tangible capital assets.

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 3. 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

MARCH 31, 2020

(Unaudited)

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, 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. Tangible capital assets

	Cost	Accumulated Amortization	Net Book Value		Amortization Rate
			2020	2019	
Computer and electronic equipment	\$ 6,537	\$ 3,949	\$ 2,588	\$ 3,147	1/5
Furniture and fixtures	57,915	46,185	11,730	14,334	1/10
Leasehold improvements	1,676	1,676	-	-	1/5
	<u>\$ 66,128</u>	<u>\$ 51,810</u>	<u>\$ 14,318</u>	<u>\$ 17,481</u>	

4. Sick leave liability

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

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5. Financial instruments and risk management

The society's financial instruments consist of cash, accounts receivable, bank indebtedness, accounts payable and accrued liabilities, 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.

6. Economic dependence

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

CHILD ABUSE PREVENTION AND COUNSELLING SOCIETY OF GREATER VICTORIA

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7. Lease commitments

The society operates in leased premises. The current lease is at \$4,099 base rent per month plus operating costs of \$4,232 per month. The period of the lease is July 1, 2019 to June 30, 2024.

The society also has a lease for its Child Advocacy Centre. This lease is at \$761 base rent per month plus operating costs of \$661 per month. The period of this lease is September 1, 2018 to August 31, 2021; however, subsequent to year end, this lease was terminated effective September 15, 2020. Included in the termination of the lease was the donation of recording equipment estimated at a value of \$2,500. In its place, the society has initiated a new lease, the period of which is September 1, 2020 to August 31, 2030, and includes an option to renew for a subsequent ten year period. The payments consist of \$2,000 of base rent per month, plus operating costs of \$2,125 per month, with the base rent increasing to \$2,167 at September 1, 2023, and to \$2,333 at September 1, 2026. Estimated renovation costs for the new lease are \$75,000.

The society has also signed a letter of intent to occupy a new office space under a ten year lease once renovations have been completed. Under this letter of intent, the lessor and the society will each contribute \$50,000 to renovations, with any additional costs being charged to the lessor. The office is expected to be ready for use for May 1, 2021; lease payments would begin at this time in the amount of \$4,000 of base rent per month plus \$4,250 of operating costs per month.

Minimum lease payments to expiry are as follows:

2021	\$ 133,229
2022	246,850
2023	258,884
2024	262,163
2025	187,666
Thereafter	964,708
	<u>\$2,053,500</u>

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8. Remuneration

Under the British Columbia Societies Act there is a requirement to disclose the remuneration paid to all directors, to the ten highest paid employees who are paid at least \$75,000 annually, and to all contractors who are paid at least \$75,000 annually.

During the year, the society paid \$184,195 (2019 - \$127,233) in total remuneration to 1 employee (2019 - 1 employee) who earned an excess of \$75,000. There were no contractors paid in excess of \$75,000 annually and no directors were paid in 2020 or 2019.

9. Subsequent events

Since March 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions.

The society has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as at and for the year ended March 31, 2020 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the cooperative for future periods.

The society also incurred a severance payable of \$13,846 subsequent to the March 31, 2020 year end. No further payout related to this severance is expected to be incurred.