

COWICHAN WOMEN AGAINST VIOLENCE SOCIETY

Financial Statements

Year Ended March 31, 2014

MANAGEMENT'S RESPONSIBILITY

To the Members of the Cowichan Women Against Violence Society

Management has the responsibility for preparing the accompanying financial statements. This responsibility includes selecting appropriate accounting principles and making objective judgments and estimates in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

In discharging its responsibility for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and proper records are maintained to provide reliable information for the preparation of the consolidated financial statements.

The Board of Directors is composed entirely of directors who are neither management nor employees of the Society. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors.

Hayes Stewart Little & Co., an independent firm of Chartered Accountants, is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both management and the Board of Directors to discuss their audit findings.



Jane Sterk

Executive Director

INDEPENDENT AUDITORS' REPORT

To the Members of the Cowichan Women Against Violence Society,

We have audited the accompanying financial statements of Cowichan Women Against Violence Society, which comprises the statement of financial position as at March 31, 2014, and the statements of changes in net assets, revenue and expenditures, and cash flows 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the Society derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of donations was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenues, excess of revenue over expenses, cash flows from operations, assets and net assets.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis of Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the Cowichan Women Against Violence Society as at March 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Report on Other Legal and Regulatory Requirements

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting policies applied by the Cowichan Women Against Violence Society in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Other Matter

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The current year's Schedule of Program Revenue and Expenses has been presented for the purposes of additional analysis. The financial information in the schedule of program revenue and expenses has been subjected to the auditing procedures applied in the audit of the financial statements, however, the classifications in the schedule of program revenue and expenses have not been audited, and therefore, we do not express an opinion on this schedule.

Duncan BC
June 17, 2014

Hayes Stewart Little & Co.

CHARTERED ACCOUNTANTS

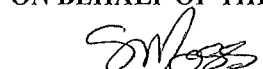
COWICHAN WOMEN AGAINST VIOLENCE SOCIETY


Statement of Financial Position

March 31, 2014

	2014	2013
ASSETS		
CURRENT		
Cash (Note 3)	\$ 296,448	\$ 262,422
Term deposits (Note 3)	35,550	35,265
Accounts receivable	12,874	7,300
Grant receivable	5,000	10,037
Goods and services tax recoverable	3,904	9,248
Prepaid expenses	1,033	1,108
	<u>354,809</u>	<u>325,380</u>
PROPERTY AND EQUIPMENT (Notes 2, 5)	<u>269,643</u>	<u>276,848</u>
	<u>\$ 624,452</u>	<u>\$ 602,228</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 20,427	\$ 36,110
Employee deductions payable	-	8,785
Wages and benefits payable (Note 2)	31,907	60,974
Worksafe BC payable	1,512	1,104
Deferred contributions (Note 6)	123,718	82,046
Current portion of deferred capital contributions (Note 7)	4,047	4,371
	<u>181,611</u>	<u>193,390</u>
DEFERRED CAPITAL CONTRIBUTIONS (Note 7)	<u>80,362</u>	<u>84,473</u>
	<u>261,973</u>	<u>277,863</u>
NET ASSETS		
Invested in capital assets	185,234	188,004
Internally restricted (Note 8)	107,887	102,303
Unrestricted	69,358	34,058
	<u>362,479</u>	<u>324,365</u>
	<u>\$ 624,452</u>	<u>\$ 602,228</u>
LEASE COMMITMENTS (Note 10)		

ON BEHALF OF THE BOARD

 Director

 Director

See notes to the financial statements

COWICHAN WOMEN AGAINST VIOLENCE SOCIETY

Statement of Changes in Net Assets

Year Ended March 31, 2014

	Invested in capital assets	Internally restricted	Unrestricted	2014	2013
NET ASSETS - BEGINNING OF YEAR	\$ 188,004	\$ 102,303	\$ 34,058	\$ 324,365	\$ 293,067
Excess of revenue over expenses	(8,719)	309	46,524	38,114	31,298
Investment in capital assets	5,949	-	(5,949)	-	-
Internal restrictions (Note 8)	-	5,275	(5,275)	-	-
NET ASSETS - END OF YEAR	\$ 185,234	\$ 107,887	\$ 69,358	\$ 362,479	\$ 324,365

See notes to the financial statements

COWICHAN WOMEN AGAINST VIOLENCE SOCIETY

Statement of Revenues and Expenditures

Year Ended March 31, 2014

	2014	2013
REVENUE		
Government funding <i>(Note 9)</i>	\$ 924,047	\$ 932,935
Non-government funding	285,463	215,468
Donations	17,899	17,120
Fundraising	2,513	7,696
Miscellaneous	2,380	7,361
	<u>1,232,302</u>	<u>1,180,580</u>
EXPENSES		
Advertising	2,832	1,521
Amortization	13,154	13,770
Audit and legal	14,495	15,291
Automotive	4,345	4,150
Bad debts	223	-
Bank charges and interest	1,062	1,165
Client support	3,769	3,045
Contractual services	61,456	37,114
Dues and subscriptions	721	160
Equipment rentals <i>(Note 10)</i>	4,969	5,568
Food and supplies	17,442	19,312
Honoraria	4,034	4,039
Insurance	5,504	5,044
Office	14,464	22,811
Program	14,291	14,795
Property taxes	390	379
Rent and utilities	63,935	62,892
Repairs and maintenance	9,554	6,927
Staff development	6,475	4,212
Telephone	16,608	14,808
Travel	5,370	8,101
Wages and benefits	929,095	904,178
	<u>1,194,188</u>	<u>1,149,282</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 38,114</u>	<u>\$ 31,298</u>

See notes to the financial statements

COWICHAN WOMEN AGAINST VIOLENCE SOCIETY

Statement of Cash Flows

Year Ended March 31, 2014

	2014	2013
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 38,114	\$ 31,298
Item not affecting cash:		
Amortization of property and equipment	13,154	13,770
	<u>51,268</u>	<u>45,068</u>
Changes in non-cash working capital:		
Accounts receivable	(5,574)	6,746
Grant receivable	5,037	30,041
Prepaid expenses	75	99
GST payable (receivable)	5,344	(1,010)
Accounts payable and accrued liabilities	(15,687)	13,566
Wages and benefits payable	(29,067)	35,179
Worksafe BC payable	408	(105)
Employee deductions payable	(8,785)	8,785
Deferred contributions	41,672	(15,855)
Deferred capital contributions	(4,435)	(4,719)
	<u>(11,012)</u>	<u>72,727</u>
Cash flow from operating activities	<u>40,256</u>	<u>117,795</u>
INVESTING ACTIVITY		
Purchase of property and equipment	<u>(5,945)</u>	<u>(5,635)</u>
INCREASE IN CASH FLOW	34,311	112,160
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>297,687</u>	<u>185,527</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 331,998</u>	<u>\$ 297,687</u>
CASH AND CASH EQUIVALENTS CONSISTS OF:		
Cash	\$ 296,448	\$ 262,422
Term deposits	35,550	35,265
	<u>\$ 331,998</u>	<u>\$ 297,687</u>

See notes to the financial statements

COWICHAN WOMEN AGAINST VIOLENCE SOCIETY

Notes to Financial Statements

Year Ended March 31, 2014

1. PURPOSE OF THE ORGANIZATION

Cowichan Women Against Violence Society (the "Society") was incorporated under the Society Act of British Columbia on November 14, 1980, and is a registered charity under the Income tax Act. Its principal purpose is to provide a range of programs promoting safety for women, children, youth and families in the Cowichan Region.

The Society maintains the following programs:

Community Based Victim Services Program (CBVSP)

The program provides crisis and emotional support, information, risk recognition and safety planning, assistance with understanding the justice system, and accompaniment to court for women and men who are victims of crime, or who have experienced violence or abuse.

Children Who Witness Abuse (CWWA)

CWWA provides individual counselling and support groups for the children of abused spouses or for children exposed to the abuse of one of their parents against the other.

Horizons

The program provides pre-employment services for women who face barriers to employment related to past experiences of abuse or trauma.

Safer Futures

Safer Futures is a community development and research program. The program works extensively with the Cowichan Valley Regional District government to create and maintain local communities that are safe for women and children.

Somenos House

A transition house that provides emergency shelter and support services for women and their children who are experiencing or at risk of abuse or violence.

Stopping the Violence Counselling (STV)

The program provides counselling for women who are experiencing violence or abuse in a current relationship or have experienced an abusive or violent relationship in the past.

Resource Development

The program organizes fundraising activities, provides public education, and promotes community awareness.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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COWICHAN WOMEN AGAINST VIOLENCE SOCIETY

Notes to Financial Statements

Year Ended March 31, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Cash and cash equivalents

The Society's policy is to present bank balances and term deposits with maturities of one year or less from the date of purchase under cash and cash equivalents.

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization. Property and equipment is amortized over its estimated useful life on a declining balance basis at the following rates:

Land	non-amortizable
Buildings	4%
Sidewalk, parking, and fencing	8% and 10%
Furniture and equipment	20%
Computer equipment	30%
Automotive	30%
Computer software	100%

Leasehold improvements are amortized over a six-year period on a straight line basis.

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 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.

Miscellaneous revenue includes workshop fees and interest. Workshop fees are recognized as revenue when the workshops are held. Interest income is recognized on the accrual basis.

Contributed materials and services

Contributed materials and services are not recognized in the financial statements due to the difficulty in determining their fair value.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Allocation of expenses

The Society engages in various programs that meet their internal mandate. The costs of each program include the costs of personnel, premises and other expenses that are directly related to providing the program. In addition, the Society incurs a number of general support expenses that are common to the administration of the organization and each of its programs. It is the policy of the Society to allocate the administrative costs to the various programs based on either the programs usage of administration or at the level required by the organization that provides the program funding to the Society. During the year ended March 31, 2014 the Society allocated administration expenses at a rate of 9% to 14% of the programs revenues.

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COWICHAN WOMEN AGAINST VIOLENCE SOCIETY

Notes to Financial Statements

Year Ended March 31, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Accrued sick leave

The Society provides sick leave benefits to employees based on 6% of their worked hours to a maximum of 15 days. Any unused sick time accumulated in a year is allowed to be carried forward to a maximum of 5 days for each employee.

The total liability for accrued sick leave is included in the wage and benefits payable. As at March 31, 2014, the total accumulated sick leave available to employees is \$15,566 (2013 - \$15,102) The accrued sick leave is partially funded by an internally restricted reserve of \$11,174 (2013 - \$11,151). It is the Society's policy that any individual employee's accumulated sick leave is not to be paid out on retirement or termination of employment.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Significant areas involving the use of management estimates relate to the valuation of amounts recorded as accounts receivable, the useful lives of capital assets for amortization, accounts payable and accrued liabilities, wages and benefits payable, deferred contributions and deferred capital contributions.

Going concern

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Society be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The Society's ability to continue as a going concern is dependent upon its ability to attain profitable operations and generate funds therefrom, to meet current and future obligations. These financial statements do not reflect the adjustments or reclassification of assets and liabilities, which would be necessary if the Society were unable to continue its operations. Management has made its assessment and concluded there is no issue regarding the Society's ability to continue as going concern.

3. CASH AND TERM DEPOSITS

A portion of cash and term deposits is restricted as follows:

	2014	2013
Cash		
Cash - unrestricted	\$ 224,111	\$ 195,384
Cash - restricted	72,337	67,038
	<u>\$ 296,448</u>	<u>\$ 262,422</u>
Term deposits		
Term deposits - restricted	<u>\$ 35,550</u>	<u>\$ 35,265</u>

COWICHAN WOMEN AGAINST VIOLENCE SOCIETY

Notes to Financial Statements

Year Ended March 31, 2014

3. CASH AND TERM DEPOSITS *(continued)*

The restricted cash and term deposits are internally restricted for future repairs and renovation of the transition house, accrued employee sick leave, and future contingencies. The term deposit is held at the Canadian Imperial Bank of Commerce with a maturity date of September 24, 2014 and an interest rate of 0.8%.

4. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of March 31, 2014.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk with respect to term deposits, accounts receivable and the grant receivable. The grants were received soon after the fiscal year end. The Society assesses, on a continuous basis, accounts receivable on the basis of amounts it is virtually certain to receive. The credit risk with respect to term deposits is insignificant since they are held in large financial institutions.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its receipt of funds from government and non-government funders and other related sources, and accounts payable.

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Land	\$ 98,198	\$ -	\$ 98,198	\$ 98,198
Buildings	245,287	101,339	143,948	149,945
Sidewalk, parking and fencing	10,886	4,546	6,340	7,023
Furniture and equipment	94,857	87,089	7,768	7,387
Computer equipment	34,702	26,882	7,820	6,745
Automotive	36,996	31,711	5,285	7,550
Leasehold improvements	12,069	12,069	-	-
Computer software	568	284	284	-
	<u>\$ 533,563</u>	<u>\$ 263,920</u>	<u>\$ 269,643</u>	<u>\$ 276,848</u>

COWICHAN WOMEN AGAINST VIOLENCE SOCIETY

Notes to Financial Statements

Year Ended March 31, 2014

6. DEFERRED CONTRIBUTIONS

Deferred contributions represent funding for operating activities received in the current period that are externally restricted for the operations of the subsequent period. Changes in deferred contribution balances are as follows:

	<u>2014</u>	<u>2013</u>
BALANCE, beginning of year	\$ 82,046	\$ 97,901
LESS: amount recognized as revenue in the year	(82,046)	(97,901)
ADD: amount received related to the following year		
CBVSP	11,545	4,679
CWWA	19,807	-
Safer Futures	47,049	24,113
Somenos House	45,317	50,676
Other operating programs	-	2,578
	<u>\$ 123,718</u>	<u>\$ 82,046</u>

7. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent restricted funding received specifically for the purchase of capital assets. The contributions are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets. Changes in the deferred capital contributions balances are as follows:

	<u>2014</u>	<u>2013</u>
BALANCE, beginning of year	\$ 88,844	\$ 93,563
LESS: amount recognized as revenue in the year	(4,435)	(4,719)
BALANCE, end of year	84,409	88,844
Current portion of deferred capital contributions	(4,047)	(4,371)
Long-term portion of deferred capital contributions	<u>\$ 80,362</u>	<u>\$ 84,473</u>

8. INTERNAL RESTRICTIONS

During the year the Society's Board of Directors resolved to restrict a total of \$5,275 (2013 - \$5,000) of net assets. The internally restricted fund is to be held to fund future repairs and renovation of the transition house, accrued employee sick leave, and future contingencies. The Society may not use these internally restricted amounts for any other purpose without the approval of the Board of Directors.

The total internal restrictions as of March 31, 2014 consist of the following:

	<u>2014</u>
Contingency fund	\$ 85,635
Employee sick benefits fund	11,174
Shelter improvement fund	10,453
Endowment fund	625
	<u>\$ 107,887</u>

COWICHAN WOMEN AGAINST VIOLENCE SOCIETY

Notes to Financial Statements

Year Ended March 31, 2014

9. ECONOMIC DEPENDENCE

The Society has a significant amount of revenue received from government contracts. Revenues from government contracts represent 75% (2013 - 79%) of total revenues.

10. LEASE COMMITMENTS

The Society is committed to payments under operating leases for certain office equipment. Minimum lease payments are as follows:

2015	\$	3,300
2016		3,300
2017		3,300
2018		<u>2,475</u>
	\$	<u>12,375</u>