

GREATER VICTORIA VOLUNTEER SOCIETY
(Operating as Volunteer Victoria)

FINANCIAL STATEMENTS

MARCH 31 2019

Independent Auditors' Report

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To the Directors of the Greater Victoria Volunteer Society

Qualified Opinion

We have audited the financial statements of the Greater Victoria Volunteer Society (“the Society”), which comprise the statement of financial position as at March 31, 2019, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly in all material respects, the financial position of the Society as at March 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Society derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues 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 revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2019, current assets as at March 31, 2019, and fund balances as at March 31, 2019.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

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

Other matter

The financial statements of Greater Victoria Volunteer Society for the year ended March 31, 2018 have not been audited and are presented for comparative purposes only.

Victoria, Canada
June 17, 2019

Grant Thornton LLP

Chartered Professional Accountant

GREATER VICTORIA VOLUNTEER SOCIETY

(Operating as Volunteer Victoria)

STATEMENT OF FINANCIAL POSITION

MARCH 31 2019

ASSETS	2019					2018
	General Fund	Internally Restricted Fund	Capital Fund	Externally Restricted Trust Funds (Schedule 1)	Total	Total
Current Assets						
Cash	71,464	3,296	8,277	189,796	272,833	280,265
Short-term Investments (Note 5)	122,322	-	-	-	122,322	121,986
Accounts Receivable	7,195	-	-	56	7,251	16,464
Prepaid Expenses and Deposits	3,180	-	-	-	3,180	3,426
Interfund Accounts payable	248	-	-	(248)	-	-
Total Current Assets	204,409	3,296	8,277	189,604	405,586	422,141
Tangible Capital Assets (Note 6)	-	-	12,480	-	12,480	13,042
	204,409	3,296	20,757	189,604	418,066	435,183
LIABILITIES AND FUND BALANCES						
Accounts Payable and Accrued Liabilities (Note 7)	8,752	-	-	-	8,752	17,151
Deferred Revenue (Note 12)	21,893	-	-	-	21,893	22,589
Deferred Operating Grants (Note 8)	88,151	-	-	80,865	169,016	187,740
Funds held for Directed Disbursements (Note 9)	-	-	-	108,739	108,739	98,307
Total Current Liabilities	118,796	-	-	189,604	308,400	325,787
Fund Balances						
Total Fund Balances	85,613	3,296	20,757	-	109,666	109,396
	204,409	3,296	20,757	189,604	418,066	435,183

Approved by the Board

GREATER VICTORIA VOLUNTEER SOCIETY

(Operating as Volunteer Victoria)

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

YEAR ENDED MARCH 31 2019

	2019				2018	
	General Fund	Internally Restricted Fund	Capital Fund	Externally Restricted Trust Funds (Schedule 2)	Total	Total
Revenues						
Operating Grants	89,301	-	-	215,114	304,415	349,148
Gaming (Note 8)	77,035	-	-	-	77,035	77,044
Membership, rent & misc	99,117	-	-	-	99,117	120,930
Workshops & Special Projects	38,140	-	-	-	38,140	32,275
Donations & Sponsorships	3,210	-	-	-	3,210	3,073
Interest	1,162	-	-	173	1,335	1,386
	307,965	-	-	215,287	523,252	583,856
Expenditures						
Wages and Benefits (Note 11)	222,258	-	-	36,950	259,208	287,026
Program Costs	7,652	-	-	-	7,652	32,343
VIHA Directed Disbursements	-	-	-	129,186	129,186	133,983
Workshop and Special Project Costs	11,804	-	-	51	11,855	18,275
Office & Utilities	24,356	-	-	186	24,542	24,334
Building Occupancy	62,635	-	-	-	62,635	57,998
Professional and Consulting Fees	15,009	-	-	-	15,009	21,734
Fundraising	1,474	-	-	-	1,474	6,003
Transportation & Travel	1,693	-	-	1,420	3,113	4,344
Recruiting, Training, Recognition	2,049	-	-	3,423	5,472	4,670
Operating Costs (Recoveries)	(8,611)	-	-	8,611	-	-
Support Services (Recoveries)	(35,460)	-	-	35,460	-	-
Amortization	-	-	2,836	-	2,836	3,260
Total Expenditures	304,859	-	2,836	215,287	522,982	593,970
Excess (Deficiency) of Revenues over Expenses	3,106	-	(2,836)	-	270	(10,114)
Fund Balances, Beginning of Year, as previously reported	105,096	3,296	23,593	-	131,985	144,547
Prior period restatement (Note 12)	(22,589)	-	-	-	(22,589)	(25,037)
Fund Balances, Beginning of Year, as restated	85,613	3,296	20,757	-	109,396	119,510
Fund Balances, End of Year	88,719	3,296	17,921	-	109,666	109,396

GREATER VICTORIA VOLUNTEER SOCIETY

(Operating as Volunteer Victoria)

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31 2019

	2019					2018
	General Fund	Internally Restricted Fund	Capital Fund	Externally Restricted Trust Funds	Total	Total
Cash from operating activities						
Excess (Deficiency) of revenues over expenses	3,106	-	(2,836)	-	270	(12,562)
Charges not requiring an outlay of cash						
Amortization	-	-	2,836	-	2,836	3,260
	3,106	-	-	-	3,106	(9,302)
Net Change in operating current assets and liabilities						
Change in Accounts Receivable	9,269	-	-	(56)	9,213	(8,235)
Change Prepaid Expenses and Deposits	246	-	-	-	246	786
Change in Accounts Payable	(7,547)	-	-	(853)	(8,400)	(2,804)
Change in Deferred Revenue	(696)	-	-	-	(696)	-
Change in Deferred Operating Grants	(24,732)	-	-	6,008	(18,724)	16,417
Change in funds held for Directed Disbursements	-	-	-	10,432	10,432	5,862
	(23,460)	-	-	15,531	(7,929)	12,026
Net cash (reduction) from operating activities	(20,354)	-	-	15,531	(4,823)	2,724
Investing Activities						
Net realization (reinvestment of short term investments)	(336)	-	-	-	(336)	(332)
Purchase of tangible capital assets	-	-	(2,273)	-	(2,273)	-
	(336)	-	-	2,273	-	(332)
Net cash (reduction) from investing activities	(336)	-	-	2,273	-	(332)
Increase (decrease) in cash	(20,690)	-	(2,273)	15,531	(7,432)	2,392
Cash Beginning of Year	92,153	3,296	10,551	174,265	280,265	277,873
Cash, End of Year	71,463	3,296	8,278	189,796	272,833	280,265

GREATER VICTORIA VOLUNTEER SOCIETY

(Operating as Volunteer Victoria)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31 2019

The Society was incorporated under the Society Act of British Columbia on December 9, 1974.

1. Nature of Operations

The primary mission of Volunteer Victoria is to inspire everyone to volunteer.

Volunteer Victoria is an information and referral centre for people who wish to volunteer their time and talents in the community and also provides assistance with development and training in volunteer management

General Fund

This fund reports on the Society's core operation including recruitment and referral of volunteers for member agencies, promotion of volunteerism plus training and education on volunteer management issues

Capital Fund

This fund reports on tangible capital assets owned and acquired by the Society

Volunteer Access Fund

This externally restricted fund reports on the operation of the Volunteer Access program which provides supported volunteer opportunities for individuals with special needs. Funding is provided primarily by the Vancouver Island Health Authority (VIHA).

Volunteer Legacy Fund

This externally restricted fund reports on the distribution of proceeds received annually from the Victoria 94 Volunteer Legacy Fund (administered by the Victoria Foundation) which was established by the Victoria Commonwealth Games Society for the purpose of supporting volunteering in Greater Victoria. Proceeds are to be used to promote voluntarism and excellence in volunteer management.

Consumers Conference, Special Needs Housing, Super Clean Program and Souper Meals Program Funds

These externally restricted funds report the distribution of funding received annually from the Vancouver Island Health Authority (VIHA) for education, training, work experience and meetings of mental health consumers and for emergency housing needs

2. Accounting Policies

Basis of Accounting

These financial statement have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organization

Tangible Capital Assets

Tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at their fair value at the date of contribution. Amortization is calculated using the declining balance method at the rate of 20%.

Long-lived assets, including tangible capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. Assets to be disposed of would be separately presented in the balance sheet and reported at the lower of the carrying amount or fair value less costs to sell, and are no longer amortized. The asset and liabilities of a disposed group classified as held for sale would be presented separately in the appropriate asset and liability sections of the balance sheet.

Measurement Uncertainty

The preparation of the Society's financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet dates and the reported amounts of revenue and expenses for the year. Significant estimates are required to determine the allowance for doubtful accounts receivable, accrued liabilities and amortization charges. Actual amounts could differ from those estimates.

Revenue Recognition

The Society uses the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue of the appropriate fund when the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or when receivable is the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions of property are recognized only when a fair value as of the date of contribution can be reasonably estimated, the property is to be used in the normal course of operations and would otherwise have been purchased.

Investment income, recorded on an amortized basis, includes interest, dividends, gains/losses on the sale of investments and holding gains/losses on investments.

Volunteer Services

The Society receives significant benefits from the services of its many volunteers. As no objective basis exists to value these contributions, they have not been reflected in these financial statements

3. Income Taxes

The Society is a registered charity that is exempt from paying taxes on its income.

4. Financial Instruments

The Society's financial instruments consist of cash, short-term investments, accounts receivable and accounts payable and accrued liabilities. It is management's opinion that the society is not exposed to significant liquidity, market (price) or credit risks arising from financial instruments. Price risk arises from the changes in interest rates, foreign exchange rates and market prices. Management estimates that the fair value of these financial instruments approximates their carrying values.

5. Short-term Investments

	2019	2018
Term Deposits	<u>122,322</u>	<u>121,986</u>

The term deposits matures in 2019 and 2020 and bear interest at rates ranging from 0.9% to 2.0% per annum.

6. Tangible Capital Assets

In the Capital Fund, tangible capital assets are recorded at cost and consist of :

	2019			2018
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer hardware and software	116,767	105,502	11,265	12,608
Office furniture and equipment	42,516	41,301	1,215	434
Leasehold improvements	44,061	44,061	-	-
	<u>203,344</u>	<u>190,864</u>	<u>12,480</u>	<u>13,042</u>

7. Government Liabilities

Accounts payable includes payroll source deductions payable of \$ NIL (2018 - \$6,000) and a Goods and Services Tax refund of \$62 (2018 - \$127)

8. Deferred Operating Grants

Deferred operating grants represent restricted funding received during the current period which will be recognized as revenue in a subsequent period when the related expenses are incurred. Changes in deferred operating grants are as follows:

	2019			2018
	General Fund	Externally Restricted Funds	Total	Total
Opening Balances	112,884	74,857	187,740	171,323
Amounts received during the year	165,449	122,571	288,020	326,252
Amounts reported as revenue	(190,181)	(116,563)	(306,744)	(309,835)
Closing Balances	<u>88,152</u>	<u>80,865</u>	<u>169,016</u>	<u>187,740</u>

Deferred operating grants in the General Fund include direct access grants received from the Province of British Columbia, Ministry of Public Safety and Solicitor General, Gaming Policy and Enforcement Branch. Direct access grants received during the year totalled \$77,000 (2018:\$77,000).

9. Funds Held for Directed Disbursements

Funds held for directed disbursements represent restricted funding received during the current period from VIHA which will be recognized as revenue in a subsequent period when the related disbursements are made. Changes in funds held for directed disbursements are as follows:

	<u>2019</u>	<u>2018</u>
	Externally Restricted Funds	Externally Restricted Funds
Opening Balances	98,307	92,445
Amounts received during the year	144,082	180,447
Amounts reported as revenue	<u>(133,650)</u>	<u>(174,585)</u>
Closing Balances	<u><u>108,739</u></u>	<u><u>98,307</u></u>

10. Operating Grants

Volunteer Victoria defines capital to be its operating fund balances. Volunteer Victoria receives its principal source of capital through operating grants and memberships. Volunteer Victoria's objective when managing capital is to fund its operations. Volunteer Victoria monitors expenses and preserves capital in accordance with annual operating budgets.

Volunteer Victoria is not subject to any significant external covenants on its capital and has complied with any external restrictions on its revenue

11. Remuneration of Employees, Contractors and Directors

In accordance with the recent changes to the BC Societies Act, no amount was paid to directors during the year and there were no employees or subcontractors paid in excess of \$75,000 during the year.

12. Prior Year Restatement - Deferred Memberships

The Society has determined that deferred membership revenue was understated in the prior period and that ending funding balance of the general fund was overstated. As a result of the correction, the following financial statement items as at March 31, 2018 have been increased (decreased) by the following amounts:

Statement of financial position as at March 31, 2018:

Deferred revenue	\$22,589
Total Fund Balances General Fund	(\$25,037)

Statement of Operations and Changes in Fund Balances for the year ended March 31, 2018:

Member, rent & misc.	\$2,448
Excess (Deficiency) of Revenue over Expenses	\$2,448

GREATER VICTORIA VOLUNTEER SOCIETY

(Operating as Volunteer Victoria)

SCHEDULE OF EXTERNALLY RESTRICTED FUNDS - STATEMENT OF FINANCIAL POSITION

SCHEDULE 1

AT MARCH 31 2019

	2019						2018	
	Volunteer Access	Volunteer Legacy	Consumers Conference	Special Needs Housing	Super Clean Program	Souper Meals Program	Total	Total
	ASSETS						ASSETS	
Current Assets								
Cash and equivalents	41,689	39,493	28,793	42,333	18,799	18,689	189,796	174,265
Accounts Receivable	35	21	-	-	-	-	56	-
Interfund Accounts Payable	-	373	-	-	-	125	-	248
	41,351	39,514	28,793	42,333	18,799	18,814	189,604	174,287
	LIABILITIES AND FUND BALANCES							
Current Liabilities								
Accounts Payable	-	-	-	-	-	-	-	1,123
Deferred Operating Grants	41,351	39,514	-	-	-	-	80,865	74,857
Funds held for future directed disbursements	-	-	28,793	42,333	18,799	18,814	108,739	98,307
	41,351	39,514	28,793	42,333	18,799	18,814	189,604	174,287

