SmytheRatcliffe
CHARTERED ACCOUNTANTS

VANTAGE POINT STRATEGIES SOCIETY

Financial Statements
December 31, 2013

SmytheRatcliffe
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF VANTAGE POINT STRATEGIES SOCIETY

Report on the Financial Statements
We have audited the accompanying financial statements of Vantage Point Strategies Society, which comprise the statement of financial position as at December 31, 2013, and the statements of operations, changes in net assets 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.

Auditors' 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 auditors' 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 audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Vantage Point Strategies Society as at December 31, 2013, and the results of its operations, changes in its net assets 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 principles for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Smythe Ratcliffe LLP
Chartered Accountants

Vancouver, British Columbia
February 17, 2014

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VANTAGE POINT STRATEGIES SOCIETY
Statement of Financial Position
December 31

		2013		2012
Assets				
Current				
Cash and cash equivalents (note 4)	$	471,548	$	171,311
Accounts receivable		31,422		26,970
Prepaid expenses		376		308
		503,346		198,589
Investments (note 5)		272,129		195,365
Equipment (note 6)		7,642		9,308
	$	783,117	$	403,262
Liabilities				
Current				
Accounts payable and accrued liabilities (note 7)	$	22,504	$	18,091
Deferred revenue (note 4)		430,487		137,110
Current portion of capital lease obligation (note 8)		4,506		3,991
Current portion of deferred capital contributions (note 9)		0		696
		457,497		159,888
Capital Lease Obligation (note 8)		5,539		10,045
Deferred Capital Contributions (note 9)		0		1,625
		463,036		171,558
Net Assets				
Internally Restricted Rent Fund (notes 5 and 14)		272,129		195,365
Unrestricted		50,355		43,388
Used in Equipment		(2,403)		(7,049)
		320,081		231,704
	$	783,117	$	403,262

Commitment (note 14)

Approved on behalf of the Board:

.... Director

.... Director

VANTAGE POINT STRATEGIES SOCIETY
Statement of Operations
Year Ended December 31

		2013		2012
Revenues				
Earned	$	604,494	$	340,545
Grants (note 10)		156,973		166,814
Restricted gaming		56,513		72,206
Programs (note 11)		35,000		36,374
Donations and contributions		3,264		24,386
Interest and other (note 12)		2,624		896
Amortization of deferred capital contribution		2,321		994
		861,189		642,215
Expenditures				
Education and awareness programs		476,984		399,791
General and administrative		218,547		136,389
Membership services		97,993		96,497
Fundraising		12,497		9,654
Events		1,229		961
Amortization of equipment		3,191		3,034
		810,441		646,326
Excess (Deficiency) of Revenues over Expenditures before Other Item		50,748		(4,111)
Other Item				
Unrealized gain on investments		37,629		18,840
Excess of Revenues over Expenditures for Year	$	88,377	$	14,729

See notes to financial statements.

VANTAGE POINT STRATEGIES SOCIETY
Statement of Changes in Net Assets
Year Ended December 31

	Internally Restricted Rent Fund	Restricted Gaming Fund	Unrestricted	Used in Equipment	**2013**	**2012**
Balance, Beginning of Year	$ 195,365	$ 0	$ 43,388	$ (7,049)	$ 231,704	$ 216,975
Revenues	218	56,513	802,137	2,321	861,189	642,215
Expenditures	(1,083)	(56,513)	(749,654)	(3,191)	(810,441)	(646,326)
Transfer to Rent Fund	40,000	0	(40,000)	0	0	0
Change in Fair Value of Investments	37,629	0	0	0	37,629	18,840
Purchase of Capital Assets	0	0	(1,525)	1,525	0	0
Capital Lease Repayments	0	0	(3,991)	3,991	0	0
	76,764	0	6,967	4,646	88,377	14,729
Balance, End of Year	$ 272,129	$ 0	$ 50,355	$ (2,403)	$ 320,081	$ 231,704

VANTAGE POINT STRATEGIES SOCIETY
Statement of Cash Flows (note 4)
Year Ended December 31

	2013	2012
Operating Activities		
Excess of revenues over expenditures	$ 88,377	$ 14,729
Items not involving cash		
Amortization of deferred capital contribution	(2,321)	(994)
Amortization of equipment	3,191	3,034
Unrealized gain on investments	(37,629)	(18,840)
Gain on sale of investments	(218)	(82)
	51,400	(2,153)
Changes in non-cash working capital		
Accounts receivable	(4,452)	9,537
Prepaid expenses	(68)	2,404
Accounts payable and accrued liabilities	4,413	(17,663)
Deferred revenue	293,377	94,001
	293,270	88,279
Cash Provided by Operating Activities	344,670	86,126
Investing Activities		
Acquisition of equipment	(1,525)	0
Purchase of investments	(40,000)	0
Proceeds from sale of investments	1,083	980
Cash Provided by (Used in) Investing Activities	(40,442)	980
Financing Activity		
Repayment of capital lease obligation	(3,991)	(3,536)
Inflow of Cash	300,237	83,570
Cash and Cash Equivalents, Beginning of Year	171,311	87,741
Cash and Cash Equivalents, End of Year	$ 471,548	$ 171,311

1. PURPOSE OF THE ORGANIZATION

Vantage Point Strategies Society (the "Society") is a registered charity incorporated under the *Society Act* (British Columbia) and is exempt from income tax under section 149 of the *Income Tax Act.*

During the year, the Society changed its legal name from The Volunteer Vancouver Centre to Vantage Point Strategies Society. The Society continues to change to keep pace and stay relevant in the communities it serves, and it has moved past an original focus primarily on volunteers. Since 1943, the Society has studied the not-for-profit sector and realizes it must be about a primary focus on building strong community organizations that can effectively engage volunteers. The Society's mission is to inspire and build leadership in the voluntary sector. The Society envisions a future where every community organization mindfully engages passionate citizens. The services provided by the Society include, but are not limited to:

- Training and consulting for boards of directors, executive directors, emerging leaders and other staff;
- Working with organizations to maximize people engagement and adopt "A People Lens" philosophy; and
- Providing information on volunteer opportunities through various agencies.

The constitution of the Society does not permit the members to realize any personal gain as a result of operation, dissolution or winding up. All net assets held by the Society upon dissolution or wind-up shall be conveyed to the United Way of the Lower Mainland.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Society were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies.

(a) Fund accounting

(i) Unrestricted funds

The unrestricted fund reports the general operations of the Society including general revenue, general operating expenditures, and all assets and liabilities relating to the operations other than restricted funds.

(ii) Internally Restricted Rent Fund

The Society currently leases its office space from the City of Vancouver. Under the terms of the lease agreement, the Society must initiate and maintain throughout the term of the lease a fund to generate sufficient funds to cover the cost of leasing and operating the leased premises in the 20-year period following the end of the term of the agreement, independent of any ongoing subsidy or other financial support from the City of Vancouver.

(iii) Used in equipment

Net assets used in equipment report the assets and transactions related to the Society's capital assets less lease obligations and deferred capital contributions.

2. **SIGNIFICANT ACCOUNTING POLICIES** (Continued)

(a) Fund accounting (Continued)

(iv) Restricted gaming

Gaming funds received from the province of British Columbia are restricted by gaming certificates of affiliations.

(b) Cash and cash equivalents

Cash equivalents consist of highly liquid investments that can be converted to known amounts of cash, having original terms to maturity, or that are cashable within three months or less from the date of original acquisition.

(c) Donated assets and services

Donated property and equipment are recorded at fair market value at the date of contribution when a reasonable estimate can be made. The Society also gratefully acknowledges the receipt of contributed services from many highly skilled volunteers. Contributed services are not recognized in the financial statements, as fair value cannot be reasonably estimated.

The Society leases the premises at 1183 Melville Street, Vancouver, British Columbia, from the City of Vancouver at a cost of $1 per year for a period of 20 years commencing April 24, 2007. Property tax and operating costs are the responsibility of the City of Vancouver.

(d) Equipment

All equipment is amortized at the following annual rates and methods:

Equipment under capital lease	-	straight-line over the lease term
Office equipment	-	20% declining-balance
Computer equipment	-	30% to 45% declining-balance

In the year of acquisition, equipment is amortized at one-half the annual rate.

The use of certain equipment subsequent to completion of funded programs is determined by the funders. Such assets are not capitalized.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted gaming contributions are deferred and recognized as revenue in the year in which the related expenses are incurred. Restricted gaming contributions for the acquisition of equipment are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets. 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. Other contributions received in the current period that are related to programs and events of the subsequent period are deferred and recognized as revenue in the period in which the programs and events are provided and the related expenses are incurred.

Earned revenue relates to programs, events and services provided by the Society. These revenues are recognized in the period in which the related programs, events or services are provided.

(f) Resource library

Materials purchased for use in the resource library are expensed in the year of acquisition.

(g) Leases

Leases are classified as either capital or operating. A lease that transfers to the Society substantially all of the benefits and risks of ownership of the property is accounted for as an acquisition of an asset and assumption of an obligation at the inception of the lease. All other leases are accounted for as operating leases wherein rental payments are charged to expenses as incurred.

(h) Pension plan

The Society and its employees contribute to a multi-employer defined benefit pension plan. Under the terms of the plan, each employer is required to make contributions based on a percentage of eligible employees' wages. From time to time, the employers may be required to make additional payments to cover the plan's solvency deficiency. The actuary does not attribute the net assets or unfunded liability of the plan to individual employers. As a result, the Society does not record an asset or liability associated with its participation in the pension plan. All contributions to the pension plan are expensed when due.

(i) Financial instruments

The Society initially measures its financial assets and liabilities at fair value. The Society subsequently measures all its financial assets and financial liabilities at amortized cost, except for all investments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial instruments (Continued)

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down is recognized in the statement of operations. Any previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

For any financial instrument that is measured at amortized cost, the instrument's cost is adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption. These transaction costs are amortized into income on a straight-line basis over the term of the instrument. All other transaction costs are recognized in the statement of operations in the period incurred.

(j) Use of estimates

The preparation of these financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Significant estimates include recoverability of accounts receivable, rates of amortization and accrued liabilities. While management believes these estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

3. FINANCIAL INSTRUMENTS

(a) Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its accounts payable; however, cash flow from operations provides for the Society's cash requirements.

(b) Credit risk

The Society's financial assets that are exposed to credit risk are cash and cash equivalents, accounts receivable and investments. The risk associated with cash and cash equivalents is minimized to the extent that they are placed with a major Canadian financial institution.

The risk associated with accounts receivable is minimized given the small number of parties owing amounts to the Society and its history of collecting substantially all of its outstanding receivables within 30 days.

Credit risk associated with investments is minimized given that the investments consist of highly liquid mutual funds with no terms of maturity.

3. FINANCIAL INSTRUMENTS (Continued)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Society is not exposed to significant interest rate risk due to the short-term maturity of its financial assets and liabilities.

(d) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk).

The Society is exposed to other price risk on its investments as the fair value of those investments changes with changing market conditions.

4. CASH AND CASH EQUIVALENTS

The Society's cash and cash equivalents include restricted funds, which are subject to external gaming license restrictions.

	2013	2012
Unrestricted term deposits	$ 350,000	$ 75,000
Unrestricted cash	117,295	88,186
Restricted gaming fund cash	4,253	8,125
	$ 471,548	$ 171,311

The Society receives deposits in advance of providing certain services, which are recorded as deferred revenue until the services are provided and the related expenses are incurred:

	2013	2012
Total cash and cash equivalents	$ 471,548	$ 171,311
Deposits for provision of future services	(430,487)	(137,110)
Unallocated cash and cash equivalents	$ 41,061	$ 34,201

5. INVESTMENTS

The investments are held for the Internally Restricted Rent Fund. As at December 31, 2013, the cost of the investments was $207,925 (2012 - $169,157).

6. EQUIPMENT

	2013			2012
	Cost	Accumulated Amortization	Net	Net
Equipment under capital lease	$ 10,761	$ 6,685	$ 4,076	$ 6,033
Office equipment	10,821	7,255	3,566	2,741
Computer equipment	8,708	8,708	0	534
	$ 30,290	$ 22,648	$ 7,642	$ 9,308

7. GOVERNMENT REMITTANCES

At December 31, 2013, government remittances payable were $1,064 (2012 - receivable).

8. CAPITAL LEASE OBLIGATION

	2013	2012
Future minimum lease payments	$ 11,424	$ 16,908
Less: Portion representing interest	1,379	2,872
	10,045	14,036
Less: Current portion	4,506	3,991
Long-term portion	$ 5,539	$ 10,045

The capital lease obligation includes the cost of equipment under capital lease plus the cost related to financing. The capital lease obligation has an interest rate of 12.18% and a term of 66 months, expiring in January 2016. Interest paid during the year on the capital lease was $1,492 (2012 - $1,948).

Repayments of principal for the next three years are as follows:

2014	$ 4,506
2015	5,087
2016	452
	$ 10,045

9. DEFERRED CAPITAL CONTRIBUTIONS

	2013	2012
Balance, beginning of year	$ 2,321	$ 3,315
Amount recognized as revenue in the year	(2,321)	(994)
	0	2,321
Less: Current portion	0	696
Long-term portion	$ 0	$ 1,625

10. GRANTS

	2013	2012
Grants for operations		
United Way	$ 128,269	$ 138,670
City of Vancouver	28,704	28,144
	$ 156,973	$ 166,814

11. PROGRAMS

	2013	2012
Leaders Lab and Governance Lab	$ 33,000	$ 21,374
The Abundant Not-for-Profit	2,000	0
Skilled Volunteer Storytelling	0	15,000
	$ 35,000	$ 36,374

12. THE VANCOUVER VOLUNTEER CENTRE ENDOWMENT FUND – VANCOUVER FOUNDATION

The Society has established The Vancouver Volunteer Centre Endowment Fund (the "Fund"), which is set up and administered through the Vancouver Foundation (the "Foundation"). Based on the agreement with the Foundation, all monies invested in this Fund become the property of the Foundation, and as such these amounts are not reported in these financial statements. The Society is entitled to all net income earned in the Fund. The original contribution to the Fund was $17,681 and the current market value of the Fund is $21,682 (2012 - $19,517). The Fund paid interest of $750 (2012 - $735) to the Society during the year.

13. PENSION PLAN

The Society and its employees contribute to the pension plan of the United Way of the Lower Mainland (the "Plan"), a multi-employer defined benefit pension plan providing pension benefits to all eligible employees. The Plan has 771 active members, 336 deferred pensioners and 122 pensioners and survivors. Participating agencies contribute to the Plan as required to provide for the normal cost of benefits currently accruing to employees, and to provide for amortization of previously unfunded liabilities. The Plan is subject to actuarial valuation every three years. As at December 31, 2010, the Plan disclosed a going concern deficiency of $2,326,200 and has a solvency deficiency of $9,091,700.

As a multi-employer plan, the actuary does not attribute the unfunded liability to individual employers. Consequently, the Society's share in the unfunded liability cannot be determined.

Contributions to the Plan of $33,825 (2012 - $31,308) were expensed during the year.

14. COMMITMENT

The Society entered into an agreement to lease the premises at 1183 Melville Street, Vancouver, British Columbia, from the City of Vancouver at a cost of $1 per year for a period of twenty years commencing April 24, 2007. Under the terms of this lease agreement, the Society must initiate and maintain throughout the term of the lease a fundraising drive to create an Endowment Fund. The obligation of the Society, in respect of the fundraising, is to generate sufficient funds to cover the cost of leasing and operating the leased premises in the twenty-year period following the end of the term of the agreement, independent of any ongoing subsidy or other financial support from the City of Vancouver. Such operating costs include capital replacement, upgrades and improvements, and not simply recurring operational costs. The Endowment Fund is solely for the benefit of the leased premises and the future occupant thereof. The Endowment Fund is to be maintained in a segregated and dedicated bank account or other investment instrument.

The Society does ongoing fundraising and holds an internally restricted segregated investment instrument to ensure it is able to meet the commitment stated above. As of December 31, 2013, the market value of the Internally Restricted Rent Fund was $272,129 (2012 - $195,365).