

**COMMUNITY YWCA OF MUSKOKA  
FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

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**Independent Auditor's Report**

**To the Members of  
Community YWCA of Muskoka**

I have audited the accompanying financial statements Community YWCA of Muskoka which comprise the statement of financial position as at December 31, 2014 and the statements of operations, changes in fund balances 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**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Basis for Qualified Opinion**

In common with many not-for-profit organizations, Community YWCA of Muskoka derives revenue from fundraising activities and donations, 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 Community YWCA of Muskoka. Therefore, I was not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses and cash flows from operations for the year ended December 31, 2014 and current assets and fund balances as at December 31, 2014.

**Qualified Opinion**

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Community YWCA of Muskoka as at December 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.

**Emphasis of Matter**

Without qualifying my opinion, I draw attention to Note 1 in the financial statements which indicates that the Organization is dependent on various one-time funding sources.

Barrie, Ontario  
March 25, 2015



Professional Corporation  
Chartered Professional Accountant  
Authorized to Practice Public Accounting by  
The Chartered Professional Accountants of Ontario

**COMMUNITY YWCA OF MUSKOKA  
STATEMENT OF FINANCIAL POSITION  
As at December 31, 2014**

	2014	2013
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	115,244	136,645
Accounts Receivable	675	5,853
HST Receivable	4,018	604
Prepaid Expenses	<u>4,693</u>	<u>4,503</u>
	<u>124,630</u>	<u>147,605</u>
<b>Internally Restricted Assets</b>		
Memorial Fund Term Deposit (Note 5(a))	63,145	91,158
Accounts Receivable	11,850	-
Cash - Contingency Fund (Note 5(b))	<u>10,000</u>	<u>-</u>
	<u>84,995</u>	<u>91,158</u>
<b>Capital Asset, at Cost</b>		
Computers (Notes 3(h) & 7)	<u>1,401</u>	<u>3,112</u>
	<u>211,026</u>	<u>241,875</u>

**LIABILITIES AND FUND BALANCES**

<b>Current Liabilities</b>		
Accounts Payable & Accrued Liabilities	31,289	36,162
Deferred Grants (Note 4)	<u>75,515</u>	<u>51,850</u>
	<u>106,804</u>	<u>88,012</u>
<b>Fund Balances</b>		
Internally Restricted - Memorial Fund (Note 5(a))	85,892	89,064
Internally Restricted - Contingency Fund (Note 5(b))	10,000	10,000
Unrestricted	<u>8,330</u>	<u>54,799</u>
	<u>104,222</u>	<u>153,863</u>
	<u>211,026</u>	<u>241,875</u>

**APPROVED ON BEHALF OF THE BOARD**

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

(See Accompanying Notes)

**COMMUNITY YWCA OF MUSKOKA  
STATEMENT OF OPERATIONS  
For the Year Ended December 31, 2014**

	<b>2014</b>	<b>2013</b>
<b>REVENUE</b>		
Government Grants	242,180	333,647
Program Partners	122,905	203,832
Special Events	29,770	34,024
Fund Development (Note 6)	25,494	26,613
Program Fees	19,494	25,233
Membership & Other	<u>1,114</u>	<u>3,402</u>
	<u>440,957</u>	<u>626,751</u>
 <b>EXPENSES</b>		
Amortization	1,712	1,180
Board Costs	3,727	5,432
Fundraising	2,887	1,325
Operating	81,584	110,190
Payroll	343,910	411,429
Programs	41,788	106,078
Special Events	<u>11,818</u>	<u>7,666</u>
	<u>487,426</u>	<u>643,300</u>
 <b>DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR</b>	 <u>(46,469)</u>	 <u>(16,549)</u>

(See Accompanying Notes)

**COMMUNITY YWCA OF MUSKOKA  
STATEMENT OF CHANGES IN FUND BALANCES  
For the Year Ended December 31, 2014**

	Memorial Fund (Note 4(a))	Contingency Fund (Note 4(b))	Unrestricted	2014 Total	2013 Total
<b>BALANCE, BEGINNING OF YEAR</b>	89,064	10,000	54,799	153,863	171,245
Deficiency of Revenue Over Expenses	-	-	(46,469)	(46,469)	(16,549)
Interest Earned	1,328	-	-	1,328	1,167
Funds Issued	<u>(4,500)</u>	<u>-</u>	<u>-</u>	<u>(4,500)</u>	<u>(2,000)</u>
<b>BALANCE, END OF YEAR</b>	<u>85,892</u>	<u>10,000</u>	<u>8,330</u>	<u>104,222</u>	<u>153,863</u>

(See Accompanying Notes)

**COMMUNITY YWCA OF MUSKOKA**  
**STATEMENT OF CASH FLOWS**  
For the Year Ended December 31, 2014

<b>CASH PROVIDED BY (USED IN)</b>	<b>2014</b>	<b>2013</b>
<b>OPERATING ACTIVITIES</b>		
Deficiency of Revenue Over Expenses	(46,469)	(16,549)
Item Not Requiring the Use of Cash		
Amortization	<u>1,712</u>	<u>1,180</u>
	(44,757)	(15,369)
Changes in Working Capital Balances		
Accounts Receivable	(10,086)	67,422
Prepaid Expenses	(190)	799
Accounts Payable & Accrued Liabilities	(4,874)	(1,290)
Deferred Grants	<u>23,665</u>	<u>(79,272)</u>
	<u>(36,242)</u>	<u>(27,710)</u>
<b>INVESTING ACTIVITIES</b>		
Proceeds of Investments	28,013	-
Interest Earned on Memorial Fund	1,328	1,167
Funds Issued from Memorial Fund	<u>(4,500)</u>	<u>(2,000)</u>
	<u>24,841</u>	<u>(833)</u>
<b>NET DECREASE</b>		
<b>IN CASH FOR THE YEAR</b>	(11,401)	(26,877)
<b>CASH, BEGINNING OF YEAR</b>	<u>136,645</u>	<u>163,522</u>
<b>CASH, END OF YEAR</b>	<u>125,244</u>	<u>136,645</u>
<b>COMPRISED OF:</b>		
Cash	115,244	136,645
Internally Restricted Cash	<u>10,000</u>	<u>-</u>
	<u>125,244</u>	<u>136,645</u>

(See Accompanying Notes)

**COMMUNITY YWCA OF MUSKOKA  
NOTES TO FINANCIAL STATEMENTS  
For the Year December 31, 2014**

**1. GOING CONCERN**

The Organization is dependent on various funding sources for program and operating dollars. Currently over 69% of the Organization's revenue is based on one-time funding sources. To secure a more viable funding platform, there is evidence that the Organization will continue to undertake training in fund development and has a fund development plan that will strengthen relationships with corporate and individual partners.

**2. NATURE OF ORGANIZATION**

The Community YWCA of Muskoka was incorporated on October 6, 1997 as a corporation without share capital. The mission of the Organization is to champion positive change for women and girls. The Organization supports individuals at turning points in their lives through the establishment of community based social, recreational and training programs that promote equality and provide women and their families in Muskoka with opportunities for building confidence and personal life skills.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Accounting**

The financial statements have been prepared in accordance with Canadian standards for not-for-profit organizations.

**(b) Accrual Basis of Accounting**

Revenue and expenses are recorded on the accrual basis, whereby they are reflected in the accounts in the period in which they have been earned and incurred, respectively, whether or not such transactions have been finally settled by the receipt or payment of money.

**(c) Revenue Recognition**

The Organization follows the deferral method of accounting for grant revenue and donations. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Program fees and 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.

**(d) Term Deposits**

Term deposits are stated at the lower of cost or market value.

**(e) Contributed Services and Materials**

Contributed services are not recognized in the financial statements because of the difficulty in determining their fair value. Contributed material is recognized in revenue when it is received and is included in the current year's expenditures at an amount equal to its fair market value.

**(f) Income Taxes**

For Canadian income tax purposes, the corporation qualifies as a not-for-profit organization which is exempt from tax under the Income Tax Act.

**COMMUNITY YWCA OF MUSKOKA  
NOTES TO FINANCIAL STATEMENTS  
For the Year December 31, 2014**

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

**(g) Use of Estimates**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

**(h) Capital Assets**

Capital assets are recorded at cost. Amortization of computers is recorded at 55% per year.

**4. DEFERRED GRANTS**

Deferred grants represent operating funds received in the current year that is related to the subsequent year end. The balance is comprised of the following:

	2014	2013
Canadian Women's Foundation	26,600	20,850
Status of Women Canada	18,670	-
Other	16,695	17,000
Ontario Women's Directorate	11,800	14,000
Ontario Seniors' Secretariat	1,750	-
	<u>75,515</u>	<u>51,850</u>

Changes in the deferred grant during the year was as follows:

Balance beginning of year	51,850	131,125
Less amounts recognized as revenue in the year	(51,850)	(131,125)
Add amounts related to the next year	75,515	54,850
	<u>75,515</u>	<u>54,850</u>

**5. INTERNALLY RESTRICTED FUNDS**

**(a) Memorial Fund**

The Organization has received special one-time gifts from or in the memory of significant YWCA supporters. The Board of Directors has internally restricted these donations and will be used for expenses, that fulfills the spirit for which the funds were intended.



**COMMUNITY YWCA OF MUSKOKA  
NOTES TO FINANCIAL STATEMENTS  
For the Year December 31, 2014**

**5. INTERNALLY RESTRICTED FUNDS (continued)**

	2014	2013
Guaranteed Investment Certificates Held at a Chartered Bank with Interest Rates and Maturities as Follows:		
July 2016, Interest at 1.5%	62,500	62,500
July 2013, Interest at 1.0%	-	28,053
Accrued Interest	<u>645</u>	<u>605</u>
	<u><u>63,145</u></u>	<u><u>91,158</u></u>

**(b) Contingency Fund**

The Organization transferred \$10,000 and established a contingency fund for unforeseen expenditures. The Organization intends to continue to add to this fund as funds become available.

**6. DONATION REVENUE**

Included in Fund Development revenue are donations of \$25,494 (2013 \$18,613).

**7. CAPITAL ASSETS**

		2014		2013
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Cost</b>	<b>Accumulated Amortization</b>
Computers	<u>5,921</u>	<u>4,520</u>	<u>5,921</u>	<u>2,809</u>
Net Book Value		<u><u>1,401</u></u>		<u><u>3,112</u></u>

**8. RELATED PARTY TRANSACTIONS**

The Organization paid \$20,221 in 2013 for bookkeeping services to a relative of a former member of the Board of Directors. This transaction was in the normal course of operations and is measured at the exchange value being the amount of consideration established and agreed upon by the related parties.

**9. FINANCIAL INSTRUMENTS AND RISK**

**(a) Credit Risk**

Credit risk arises from the potential that a debtor party will fail to perform its obligation to satisfy the payment of the debt to the Organization. At the year end, the management determined that the Organization did not have significant credit risk.

**(b) Interest Risk and Fair Value**

Interest rate risk arises from the potential of a fixed rate debt or loan receivable which does not equate to market rates over the course of its date to maturity, and thereby reduce its carrying value. The Organization is not exposed to this risk as the carrying value of cash, investments, accounts receivable, prepaid expenses, accounts payable and accrued liabilities approximate their fair value.