

**COMMUNITY YWCA OF MUSKOKA  
FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

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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, 2015 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, 2015 and current assets and fund balances as at December 31, 2015.

**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, 2015, 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.




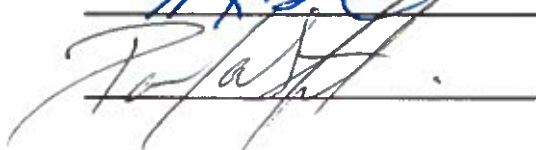
Professional Corporation  
Chartered Professional Accountant  
Authorized to Practice Public Accounting by  
The Chartered Professional Accountants of Ontario

Barrie, Ontario  
March 31, 2016

**COMMUNITY YWCA OF MUSKOKA  
STATEMENT OF FINANCIAL POSITION  
As at December 31, 2015**

	2015	2014
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	51,055	104,347
Accounts Receivable	2,165	675
HST Receivable	12,247	4,018
Prepaid Expenses (Note 8(a))	<u>21,450</u>	<u>4,693</u>
	<u>86,917</u>	<u>113,733</u>
<b>Internally Restricted Assets</b>		
Term Deposit (Note 5(a))	63,359	63,145
Accounts Receivable	2,950	11,850
Cash	<u>6,609</u>	<u>20,897</u>
	<u>72,918</u>	<u>95,892</u>
<b>Capital Asset, at Cost</b>		
Computers (Notes 3(h) & 7)	<u>907</u>	<u>1,401</u>
	<u>160,742</u>	<u>211,026</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Current Liabilities</b>		
Accounts Payable & Accrued Liabilities	29,239	31,289
Deferred Grants (Note 4)	<u>52,061</u>	<u>75,515</u>
	<u>81,300</u>	<u>106,804</u>
<b>Fund Balances</b>		
Internally Restricted - Memorial Fund (Note 5(a))	62,918	85,892
Internally Restricted - Contingency Fund (Note 5(b))	10,000	10,000
Unrestricted	<u>6,524</u>	<u>8,330</u>
	<u>79,442</u>	<u>104,222</u>
	<u>160,742</u>	<u>211,026</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, 2015**

	2015	2014
<b>REVENUE</b>		
Government Grants	204,398	242,055
Program Partners	175,388	122,905
Special Events	52,293	29,770
Fund Development (Note 6)	39,778	25,494
Program Fees	18,924	19,494
Membership & Other	5,224	1,239
	<u>496,005</u>	<u>440,957</u>
<b>EXPENSES</b>		
Amortization	1,109	1,712
Board Costs	3,072	3,727
Fundraising	2,920	2,887
Operating	74,174	81,584
Payroll	355,619	343,910
Programs	69,357	41,788
Special Events	14,534	11,818
	<u>520,785</u>	<u>487,426</u>
<b>DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR</b>	<u>(24,780)</u>	<u>(46,469)</u>

(See Accompanying Notes)

**COMMUNITY YWCA OF MUSKOKA  
STATEMENT OF CHANGES IN FUND BALANCES  
For the Year Ended December 31, 2015**

	Memorial Fund (Note 5(a))	Contingency Fund (Note 5(b))	Unrestricted	2015 Total	2014 Total
<b>BALANCE, BEGINNING OF YEAR</b>	85,892	10,000	8,330	104,222	153,863
Deficiency of Revenue Over Expenses	-	-	(24,780)	(24,780)	(46,469)
Interest Earned	1,676	-	(1,676)	-	1,328
Funds Issued	(9,150)	-	9,150	-	(4,500)
Fund Transfer	<u>(15,500)</u>	<u>-</u>	<u>15,500</u>	<u>-</u>	<u>-</u>
<b>BALANCE, END OF YEAR</b>	<u>62,918</u>	<u>10,000</u>	<u>6,524</u>	<u>79,442</u>	<u>104,222</u>

(See Accompanying Notes)

**COMMUNITY YWCA OF MUSKOKA  
STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2015**

<b>CASH PROVIDED BY (USED IN)</b>	<b>2015</b>	<b>2014</b>
<b>OPERATING ACTIVITIES</b>		
Deficiency of Revenue Over Expenses Item Not Requiring the Use of Cash	(24,780)	(46,469)
Amortization	1,109	1,712
Loss on Disposal of Capital Assets	195	-
	<u>(23,476)</u>	<u>(44,757)</u>
 Changes in Working Capital Balances		
Accounts Receivable	(813)	(10,086)
Prepaid Expenses	(16,757)	(190)
Accounts Payable & Accrued Liabilities	(2,053)	(4,874)
Deferred Grants	(23,454)	23,665
	<u>(66,553)</u>	<u>(36,242)</u>
 <b>INVESTING ACTIVITIES</b>		
Proceeds of Investments	(215)	28,013
Interest Earned on Memorial Fund	-	1,328
Funds Issued from Memorial Fund	-	(4,500)
Purchase of Capital Assets	(812)	-
	<u>(1,027)</u>	<u>24,841</u>
 <b>NET DECREASE IN CASH FOR THE YEAR</b>	 (67,580)	 (11,401)
 <b>CASH, BEGINNING OF YEAR</b>	 <u>125,244</u>	 <u>136,645</u>
 <b>CASH, END OF YEAR</b>	 <u>57,664</u>	 <u>125,244</u>
 <b>COMPRISED OF:</b>		
Cash	51,055	104,347
Internally Restricted Cash	6,609	20,897
	<u>57,664</u>	<u>125,244</u>

(See Accompanying Notes)

**COMMUNITY YWCA OF MUSKOKA  
NOTES TO FINANCIAL STATEMENTS  
For the Year December 31, 2015**

**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, 2015**

**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:

	<b>2015</b>	<b>2014</b>
Canadian Women's Foundation	11,507	26,600
Ontario Trillium Foundation	26,650	-
Ontario Women's Directorate	6,234	11,800
Other	7,670	16,695
Status of Women Canada	-	18,670
Ontario Seniors' Secretariat	-	1,750
	<u>52,061</u>	<u>75,515</u>

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

Balance beginning of year	75,515	51,850
Less amounts recognized as revenue in the year	(75,515)	(51,850)
Add amounts related to the next year	<u>52,061</u>	<u>75,515</u>
	<u>52,061</u>	<u>75,515</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.

	<b>2015</b>	<b>2014</b>
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
Accrued Interest	<u>859</u>	<u>645</u>
	<u>63,359</u>	<u>63,145</u>



**COMMUNITY YWCA OF MUSKOKA  
NOTES TO FINANCIAL STATEMENTS  
For the Year December 31, 2015**

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

**(b) Contingency Fund**

In 2014 the Organization 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 \$59,702 (2014 \$25,494).

**7. CAPITAL ASSETS**

	2015		2014	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computers	5,907	5,000	5,921	4,520
Net Book Value		907		1,401

**8. COMMITMENT**

(a) Prior to the year end, the Organization entered into a service agreement with Circles USA for training and workshops at cost of \$17,050 until October 2016. The Organization paid for the services in advance and the 2016 fees are included in prepaid expenses.

(b) Prior to the year end, the Organization entered into a service agreement with Artez Interactive Inc. for merchant services to accept online donation payments at a cost of \$99 per year plus 1.75% of direct donations and 2.5% plus .10 per other payments, until February 2017.

**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.

