

Community YWCA of Muskoka

Financial Statements

December 31, 2016

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Dave Stevenson

Chartered Professional Accountant,
Chartered Accountant

1099 Partridge Lane
Bracebridge, Ontario
P1L 1W8

Tel. 705-645-1361
Cell 705-644-0295
Fax 253-252-8793

E-mail - dave@davestevensonCA.com

Independent Auditor's Report

To the Members of Community YWCA of Muskoka

I have audited the accompanying financial statements of Community YWCA of Muskoka which comprise the statement of financial position as at December 31, 2016 and the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising 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 qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, Community YWCA of Muskoka derives revenue from donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the organization and I was not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses, assets and net assets.

Qualified Opinion

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Community YWCA of Muskoka as at December 31, 2016, 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 to the financial statements which indicates that the organization is dependent on various one-time funding sources.

Dave Stevenson

CPA, CA, Licensed Public Accountant

March 23, 2017


Bracebridge, Ontario

Community YWCA of Muskoka

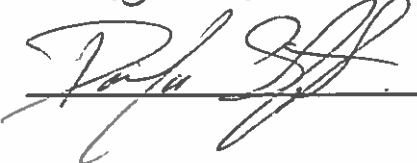
Statement of Financial Position

December 31	2016	2015
Assets		
Current Assets		
Cash	\$ 31,214	\$ 51,055
Accounts receivable	5,596	14,412
Prepaid expenses	3,843	21,450
	<u>40,653</u>	<u>86,917</u>
Internally Restricted Assets (Note 6)		
Cash and short-term deposits	47,159	69,968
Accounts receivable	6,400	2,950
	<u>53,559</u>	<u>72,918</u>
Capital assets (Note 3)	<u>2,051</u>	<u>907</u>
	<u>\$ 96,263</u>	<u>\$ 160,742</u>
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 24,950	\$ 22,413
Government remittances payable	6,125	6,822
Deferred grants (Note 4)	59,607	52,061
	<u>90,682</u>	<u>81,296</u>
Commitment (Note 5)		
Net Assets		
Internally restricted - Reserve Fund (Note 6a)	43,559	62,918
Internally restricted - Contingency Fund (Note 6b)	10,000	10,000
Unrestricted net assets (liabilities)	<u>(47,978)</u>	<u>6,528</u>
	<u>5,581</u>	<u>79,446</u>
	<u>\$ 96,263</u>	<u>\$ 160,742</u>

Approved on behalf of the Board:



President



Treasurer

The accompanying notes are an integral part of these financial statements

Community YWCA of Muskoka

Statement of Changes in Net Assets

For the year ended December 31	Reserve Fund	Contingency Fund	Unrestricted	Total 2016	Total 2015
Balance - beginning of year	\$ 62,918	\$ 10,000	\$ 6,528	\$ 79,446	\$ 104,226
Excess of expenses over revenue for the year	-	-	(73,865)	(73,865)	(24,780)
Transfers	(19,359)	-	19,359	-	-
Balance - end of year	\$ 43,559	\$ 10,000	\$ (47,978)	\$ 5,581	\$ 79,446

The accompanying notes are an integral part of these financial statements

Community YWCA of Muskoka

Statement of Operations

For the year ended December 31	2016	2015
Revenue		
Government grants	\$ 191,880	\$ 204,398
Program partners	134,678	175,388
Special events	47,697	52,293
Fund development	50,475	39,778
Program fees	20,636	18,924
Membership and other	6,715	5,224
	<u>452,081</u>	<u>496,005</u>
Expenses		
Amortization	522	1,109
Board costs	767	3,072
Fund development costs	13,160	4,752
Operating	77,618	74,174
Program costs	76,676	60,207
Salaries, wages and benefits	346,551	355,619
Special events	10,652	21,852
	<u>525,946</u>	<u>520,785</u>
Excess of expenses over revenue for the year	\$ (73,865)	\$ (24,780)

The accompanying notes are an integral part of these financial statements

Community YWCA of Muskoka

Statement of Cash Flows

For the year ended December 31	2016	2015
Cash provided by (used in)		
Operating activities		
Excess of expenses over revenue for the year	\$ (73,865)	\$ (24,780)
Adjustment for		
Amortization of capital assets	522	1,109
Loss on disposal of capital assets	-	195
	<u>(73,343)</u>	<u>(23,476)</u>
Changes in non-cash working capital balances		
Accounts receivable	5,365	(813)
Prepaid expenses	17,608	(16,757)
Accounts payable and accrued liabilities	2,537	(2,897)
Government remittances payable	(697)	843
Deferred grants	7,546	(23,454)
	<u>(40,984)</u>	<u>(66,554)</u>
Investing activities		
Purchase of capital assets	<u>(1,666)</u>	<u>(812)</u>
Decrease in cash and cash equivalents during the year	(42,650)	(67,366)
Cash and cash equivalents - beginning of year	121,023	188,389
Cash and cash equivalents - end of year	\$ 78,373	\$ 121,023
Represented by		
Cash	\$ 31,214	\$ 51,055
Internally restricted cash and short-term deposits	<u>47,159</u>	<u>69,968</u>
	\$ 78,373	\$ 121,023

The accompanying notes are an integral part of these financial statements

Community YWCA of Muskoka

Notes to the Financial Statements

December 31, 2016

1. Going Concern Community YWCA of Muskoka is dependent on various funding sources for programs and operations. Currently the majority of the organization's revenue comes from one-time funding sources. To secure a more viable funding platform the organization continues to implement a fund development plan in order to strengthen relationships with corporate and individual partners.

2. Significant Accounting Policies

Nature of Operations The organization was incorporated on October 6, 1997 without share capital by Letters Patent issued under the Corporations Act of Ontario. The mission of the organization is to champion positive change for women and girls in Muskoka. 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 with opportunities for building confidence and personal life skills. The organization is exempt from income taxes in Canada as a registered charitable organization under the Income Tax Act.

Basis of Presentation These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

The accrual basis of accounting is followed. The accrual basis of accounting recognizes the effect of transactions and events in the period in which the transactions and events occur, regardless of whether there has been a receipt or payment of cash or its equivalent.

Use of Estimates The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations 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. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in operations in the year in which they become known.

Capital Assets Capital assets are recorded at cost. Amortization based on the estimated useful life of the asset is as follows:

Computer equipment - 30% diminishing balance

Community YWCA of Muskoka

Notes to the Financial Statements

December 31, 2016

1. Significant Accounting Policies (continued)

Revenue Recognition	<p>The organization follows the deferred method of accounting for contributions. Restricted contributions received for specific purposes are deferred and recognized as revenue when the related expenditure is 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.</p> <p>Program fees are recognized as revenue when the services are performed and collection is reasonably assured.</p>
Contributed Materials	<p>Contributed materials which are used in the normal course of the organization's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.</p>
Contributed Services	<p>A number of volunteers contribute a significant amount of time each year to the organization. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.</p>
Financial Instruments	<p>The organization's financial instruments consist of cash, short-term deposits, accounts receivable, accounts payable and government remittances payable. Financial instruments are recorded at fair value on initial recognition. Accounts receivable, accounts payable and government remittances payable are subsequently measured at amortized cost. Financial instruments measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write down or subsequent recovery is recognized in net revenue (expense).</p>
Cash and Cash Equivalents	<p>Cash and cash equivalents consist of cash on hand, bank balances and investments in money market instruments with maturities of three months or less.</p>

Community YWCA of Muskoka

Notes to the Financial Statements

December 31, 2016

3. Capital Assets

	2016		2015	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 7,573	\$ 5,522	\$ 5,907	\$ 5,000
Net book value		\$ 2,051		\$ 907

4. Deferred Grants

Deferred grants represent operating funds received in the current year that are related to expenses to be incurred in a subsequent year. The balance is comprised of the following:

	2016	2015
Canadian Women's Foundation	\$ 7,724	\$ 11,507
Dads of Muskoka	6,000	-
Muskoka Community Foundation	3,000	-
Ontario Trillium Foundation	20,725	26,650
Ontario Women's Directorate	11,375	6,234
YWCA Canada	1,566	1,106
Other	9,217	6,564
Balance, end of year	\$ 59,607	\$ 52,061

5. Commitment

The organization has leased its premises for a term of thirty-six months ending September 2018. The lease payments including taxes, maintenance, insurance and utilities total \$20,287 plus HST per annum with the utilities subject to annual adjustment. The organization has the option to renew the lease for an additional five year period on terms to be negotiated. The organization can terminate the lease with a two month penalty under certain conditions.

Community YWCA of Muskoka

Notes to the Financial Statements

December 31, 2016

6. Internally-Restricted Net Assets

(a) Reserve Fund

The organization has received special one-time gifts from or in memory of significant YWCA supporters. The Board of Directors had internally restricted these donations to be used for expenses that fulfill the spirit for which the funds were intended.

(b) Contingency Fund

In 2011 the organization established a contingency fund to cover unforeseen expenses. The organization intends to add to this fund in the future as funds become available.

7. Financial Instrument Risk

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization is exposed to credit risk arising from its cash and short-term deposits. The organization reduces its credit risk on cash and short-term deposits by placing these instruments with institutions of high credit worthiness. There has been no change in the risk from the prior year.

Liquidity Risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements the organization will not have sufficient funds to settle a transaction on the due date or will be forced to sell financial assets at amounts less than their worth or may be unable to settle or recover a financial asset. The organization is exposed to liquidity risk arising from its accounts payable and government remittances payable. There has been no change in the risk from the prior year.
