

Community YWCA of Muskoka

Financial Statements

December 31, 2017

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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, 2017 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, 2017, 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


DATE TBD
Bracebridge, Ontario

Community YWCA of Muskoka


Statement of Financial Position

December 31	2017	2016
Assets		
Current Assets		
Cash	\$ 157,439	\$ 31,214
Accounts receivable	15,794	5,596
Prepaid expenses	3,320	3,843
	<u>176,553</u>	<u>40,653</u>
Internally Restricted Assets (Note 6)		
Cash and short-term deposits	32,257	47,159
Accounts receivable	2,710	6,400
	<u>34,967</u>	<u>53,559</u>
Capital assets (Note 3)	<u>7,454</u>	<u>2,051</u>
	<u>\$ 218,974</u>	<u>\$ 96,263</u>
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 37,328	\$ 24,951
Government remittances payable	7,250	6,125
Deferred grants (Note 4)	165,634	59,607
	<u>210,212</u>	<u>90,683</u>
Commitment (Note 5)		
Net Assets		
Internally restricted - Reserve Fund (Note 6a)	24,967	43,559
Internally restricted - Contingency Fund (Note 6b)	10,000	10,000
Unrestricted net assets (liabilities)	(26,205)	(47,979)
	<u>8,762</u>	<u>5,580</u>
	<u>\$ 218,974</u>	<u>\$ 96,263</u>

Approved on behalf of the Board:



President



Treasurer

Community YWCA of Muskoka

Statement of Changes in Net Assets

For the year ended December 31	Reserve Fund	Contingency Fund	Unrestricted	Total 2017	Total 2016
Balance - beginning of year	\$ 43,559	\$ 10,000	\$ (47,979)	\$ 5,580	\$ 79,445
Excess of revenue over expenses (expenses over revenue) for the year	-	-	3,182	3,182	(73,865)
Transfers	(18,592)	-	18,592	-	-
Balance - end of year	\$ 24,967	\$ 10,000	\$ (26,205)	\$ 8,762	\$ 5,580

The accompanying notes are an integral part of these financial statements

Community YWCA of Muskoka

Statement of Operations

For the year ended December 31	2017	2016
Revenue		
Government grants	\$ 129,794	\$ 191,880
Program partners	246,672	134,678
Special events	58,888	47,697
Fund development	67,416	50,475
Program fees	22,850	20,636
Membership and other	8,349	6,715
	<hr/>	<hr/>
	533,969	452,081
Expenses		
Amortization	1,060	522
Board costs	1,404	767
Fund development costs	7,616	13,160
Operating	70,145	77,618
Program costs	85,817	76,676
Salaries, wages and benefits	349,296	346,551
Special events	15,449	10,652
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	530,787	525,946
Excess (deficiency) of revenue over expenses for the year	\$ 3,182	\$ (73,865)

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	2017	2016
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenses for the year	\$ 3,182	\$ (73,865)
Adjustment for		
Amortization of capital assets	1,060	522
	<u>4,242</u>	<u>(73,343)</u>
Changes in non-cash working capital balances		
Accounts receivable	(6,508)	5,365
Prepaid expenses	523	17,608
Accounts payable and accrued liabilities	12,378	2,536
Government remittances payable	1,125	(697)
Deferred grants	106,027	7,546
	<u>117,787</u>	<u>(40,985)</u>
Investing activities		
Purchase of capital assets	(6,464)	(1,665)
	<u>111,323</u>	<u>(42,650)</u>
Change in cash and cash equivalents during the year	111,323	(42,650)
Cash and cash equivalents - beginning of year	78,373	121,023
Cash and cash equivalents - end of year	\$ 189,696	\$ 78,373
Represented by		
Cash	\$ 157,439	\$ 31,214
Internally restricted cash and short-term deposits	32,257	47,159
	<u>\$ 189,696</u>	<u>\$ 78,373</u>

Community YWCA of Muskoka

Notes to the Financial Statements

December 31, 2017

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. YWCA Muskoka champions positive change for women and girls through education, leadership and advocacy. 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.

Measurement Uncertainty

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 and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

The significant estimates within these financial statements include the determination of the estimated lives of the capital assets and the amortization rates used to amortize such assets.

Community YWCA of Muskoka

Notes to the Financial Statements

December 31, 2017

1. Significant Accounting Policies (continued)

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
Other equipment	- 20% diminishing balance

Artwork is not amortized but is tested annually for impairment.

Revenue Recognition

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.

Program fees are recognized as revenue when the services are performed and collection is reasonably assured.

Contributed Materials

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.

Contributed Services

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.

Financial Instruments

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).

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank balances and investments in money market instruments with maturities of three months or less.

Community YWCA of Muskoka

Notes to the Financial Statements

December 31, 2017

3. Capital Assets

	2017		2016	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Artwork	\$ 3,000	\$ -	\$ -	\$ -
Computer equipment	9,542	6,433	7,573	5,522
Other equipment	1,494	149	-	-
	<u>\$ 14,036</u>	<u>\$ 6,582</u>	<u>\$ 7,573</u>	<u>\$ 5,522</u>
Net book value		<u>\$ 7,454</u>		<u>\$ 2,051</u>

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:

	2017	2016
Canadian Women`s Foundation	\$ -	\$ 7,724
Dads of Muskoka	-	6,000
Government of Canada New Horizons	17,396	-
Ministry of Status of Women Ontario	34,034	11,375
Muskoka Community Foundation	2,700	3,000
Ontario Arts Council	6,203	-
Ontario Seniors` Secretariat	562	-
Ontario Trillium Foundation	20,039	20,725
Strategic Program Investment Fund	65,000	-
YWCA Canada	3,700	1,566
Other	16,000	9,217
Balance, end of year	<u>\$ 165,634</u>	<u>\$ 59,607</u>

Community YWCA of Muskoka

Notes to the Financial Statements

December 31, 2017

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.

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.
