

**COMMUNITY YWCA OF MUSKOKA
FINANCIAL STATEMENTS
DECEMBER 31, 2011**

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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, 2011 and the statements of operations, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles 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.

Except as explained in the following paragraph, 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.

In common with many charitable organizations, the Organization derives revenue from donations the completeness of which is not susceptible to 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 revenue, excess of revenue over expenses, current assets and fund balances.

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

Opinion

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of revenue referred to above, the financial statements present fairly, in all material respects, the financial position of Community YWCA of Muskoka as at December 31, 2011, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Barrie, Ontario
March 22, 2012


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

**COMMUNITY YWCA OF MUSKOKA
STATEMENT OF FINANCIAL POSITION
As at December 31, 2011**

	2011	2010
ASSETS		
Current Assets		
Cash	228,401	213,364
Accounts Receivable	20,743	28,938
Prepaid Expenses	<u>5,052</u>	<u>5,034</u>
	<u>254,196</u>	<u>247,336</u>
Internally Restricted Assets - YWCA		
Memorial Fund (Note 5(a))		
Term Deposit	<u>90,000</u>	<u>63,117</u>
	<u>344,196</u>	<u>310,453</u>

LIABILITIES AND FUND BALANCES

Current Liabilities		
Accounts Payable & Accrued Liabilities	26,991	23,311
Deferred Grants (Note 3)	<u>151,000</u>	<u>92,497</u>
	<u>177,991</u>	<u>115,808</u>
Commitment (Note 7)		
Fund Balances		
Internally Restricted - Memorial Fund (Note 5(a))	90,000	63,117
Internally Restricted - Contingency Fund (Note 5(b))	10,000	-
Unrestricted	<u>66,205</u>	<u>131,528</u>
	<u>166,205</u>	<u>194,645</u>
	<u>344,196</u>	<u>310,453</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, 2011**

	2011	2010
REVENUE		
Government Grants	369,374	224,184
Program Partners	38,147	69,348
Program Fees	28,398	32,730
Membership	2,860	3,105
Fund Development (Note 6)	60,288	81,069
Special Events	41,053	37,585
Other Income	<u>4,051</u>	<u>6,803</u>
	<u>544,171</u>	<u>454,824</u>
 EXPENSES		
Board Costs	2,423	4,809
Fundraising	5,478	4,486
Operating Expense	111,885	76,617
Payroll Expense	389,668	316,237
Professional Development	5,476	3,329
Program Expense	32,954	24,910
Special Events	<u>24,696</u>	<u>16,361</u>
	<u>572,580</u>	<u>446,749</u>
 (DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	 <u>(28,409)</u>	 <u>8,075</u>

(See Accompanying Notes)

**COMMUNITY YWCA OF MUSKOKA
STATEMENT OF CHANGES IN FUND BALANCES
For the Year Ended December 31, 2011**

	Memorial Fund (Note 5(a))	Contingency Fund (Note 5(b))	Unrestricted	2011 Total	2010 Total
BALANCE, BEGINNING OF YEAR	63,117	-	131,528	194,645	186,570
(Deficiency) Excess of Revenue Over Expenses	-	-	(28,409)	(28,409)	8,075
Interest Earned	1,085	-	-	1,085	-
Funds Issued	(1,116)	-	-	(1,116)	-
Transfer	<u>26,914</u>	<u>10,000</u>	<u>(36,914)</u>	<u>-</u>	<u>-</u>
BALANCE, END OF YEAR	<u>90,000</u>	<u>10,000</u>	<u>66,205</u>	<u>166,205</u>	<u>194,645</u>

(See Accompanying Notes)

**COMMUNITY YWCA OF MUSKOKA
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2011**

CASH PROVIDED BY (USED IN)	2011	2010
OPERATING ACTIVITIES		
(Deficiency) Excess of Revenue Over Expenses	(28,409)	8,075
Changes in Working Capital Balances		
Accounts Receivable	8,196	(9,286)
Prepaid Expenses	(19)	(7)
Accounts Payable & Accrued Liabilities	3,680	(4,070)
Deferred Grants	<u>58,503</u>	<u>54,228</u>
	<u>41,951</u>	<u>48,940</u>
INVESTING ACTIVITIES		
Increase in Investments	(26,883)	(319)
Interest Earned on Memorial Fund	1,085	-
Funds Issued from Memorial Fund	<u>(1,116)</u>	<u>-</u>
	<u>(26,914)</u>	<u>(319)</u>
NET INCREASE IN CASH FOR THE YEAR	15,037	48,621
CASH, BEGINNING OF YEAR	<u>213,364</u>	<u>164,743</u>
CASH, END OF YEAR	<u><u>228,401</u></u>	<u><u>213,364</u></u>

(See Accompanying Notes)

**COMMUNITY YWCA OF MUSKOKA
NOTES TO FINANCIAL STATEMENTS
For the Year December 31, 2011**

1. 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 equality for women and girls, and support 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 self esteem and personal development.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) 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.

b) Term Deposits

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

c) 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.

d) 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.

e) 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.

**COMMUNITY YWCA OF MUSKOKA
NOTES TO FINANCIAL STATEMENTS
For the Year December 31, 2011**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Financial Instruments

The Organization classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired. The Organization's accounting policy for each category is as follows:

(I) Assets or Liabilities Held-for-trading

Financial instruments classified as held-for-trading are reported at fair value at each statement of financial position date, and any change in fair value is recognized in net income (loss) in the period during which the change occurs. Transaction costs are expensed when incurred.

In these financial statements, cash, and term deposits have been classified as held-for-trading.

(II) Loans and Receivables and Other Financial Liabilities

Financial instruments classified as loans and receivables and other financial liabilities are carried at amortized cost using the effective interest method. Transaction costs are expensed as incurred.

In these financial statements, accounts receivable, and accounts payable and accrued liabilities have been classified as loans and receivables and other financial liabilities.

All transactions related to financial instruments are recorded on a settlement date basis.

3. DEFERRED GRANTS

	2011	2010
Ontario Women's Directorate	27,000	18,000
Counseling Foundation	98,000	49,647
Status of Women Canada	26,000	-
Ontario Trillium Foundation	<u>-</u>	<u>24,850</u>
	<u>151,000</u>	<u>92,497</u>

4. CAPITAL

The Organization considers its capital to be the balance retained in Fund Balances, which is generally the difference between its assets and its liabilities as reported on its Statement of Financial Position. The Organization receives externally restricted funding from the Ontario Women's Directorate, the National Crime Prevention Centre, the Counseling Foundation, Status of Women, Ontario Healthy Communities and Ontario Trillium Foundation. These funds are maintained and disbursed under the terms of the relevant funding agreements and management is responsible for adhering to the provisions of these agreements.

**COMMUNITY YWCA OF MUSKOKA
NOTES TO FINANCIAL STATEMENTS
For the Year December 31, 2011**

4. CAPITAL (continued)

The Organization's objectives when managing capital are to safeguard the Organization's ability to continue as a going concern so that it can continue to provide delivery of its services and programs to the public and its members.

Management maintains its capital by ensuring that annual operating budgets are developed and approved by the Board of Directors and members based on known or estimated sources of funding available each year. These budgets are shared with all management staff and members of the Organization to ensure that the capital of the Organization is maintained.

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 has approved a plan to use one third of the funds over the next three years that fulfills the spirit for which the funds were intended. The balance will be invested to contribute to the sustainability of these programs.

	2011	2010
Guaranteed Investment Certificates Held at a Chartered Bank with Interest Rates and Maturities as Follows:		
July 2016, Interest at 1.0%	62,500	-
July 2012, Interest at 1.0%	27,500	-
October 2011, Interest at 0.9%	<u>-</u>	<u>63,117</u>
	<u>90,000</u>	<u>63,117</u>

(b) Contingency Fund

During the year 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. In 2012 the organization will segregate these funds and invest in short term investments.

6. DONATION REVENUE

Included in Fund Development revenue are donations of \$43,308 (2010 \$51,454).

7. COMMITMENT

The Organization has entered into a lease agreement for its premises until September 2014 at cost of \$2,006 including HST per month plus any required adjustment for common area and maintenance.