

**COMMUNITY YWCA OF MUSKOKA
FINANCIAL STATEMENTS
DECEMBER 31, 2012**

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Independent Auditor's Report

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**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, 2012 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, 2012, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



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

Barrie, Ontario
April 9, 2013

**COMMUNITY YWCA OF MUSKOKA
STATEMENT OF FINANCIAL POSITION
As at December 31, 2012**

	2012	2011	Jan 1 2011
ASSETS			
Current Assets			
Cash	163,522	228,401	213,364
Accounts Receivable	76,806	20,743	28,938
Prepaid Expenses	<u>5,302</u>	<u>5,052</u>	<u>5,034</u>
	<u>245,630</u>	<u>254,196</u>	<u>247,336</u>
Internally Restricted Assets - YWCA			
Memorial Fund (Note 5(a))			
Term Deposit	<u>89,897</u>	<u>90,000</u>	<u>63,117</u>
Capital Asset, at Cost			
Computers (Notes 2(f) & 7)	<u>4,293</u>	<u>-</u>	<u>-</u>
	<u>339,820</u>	<u>344,196</u>	<u>310,453</u>

LIABILITIES AND FUND BALANCES

Current Liabilities			
Accounts Payable & Accrued Liabilities	37,450	26,991	23,311
Deferred Grants (Note 3)	<u>131,125</u>	<u>151,000</u>	<u>92,497</u>
	<u>168,575</u>	<u>177,991</u>	<u>115,808</u>
Commitment (Note 8)			
Fund Balances			
Internally Restricted - Memorial Fund (Note 5(a))	89,897	90,000	63,117
Internally Restricted - Contingency Fund (Note 5(b))	10,000	10,000	-
Unrestricted	<u>71,348</u>	<u>66,205</u>	<u>131,528</u>
	<u>171,245</u>	<u>166,205</u>	<u>194,645</u>
	<u>339,820</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, 2012**

	2012	2011
REVENUE		
Government Grants	472,971	369,374
Program Partners	159,625	38,147
Program Fees	31,858	28,398
Membership	1,555	2,860
Fund Development (Note 6)	38,749	60,288
Special Events	75,243	41,053
Other Income	<u>25,740</u>	<u>4,051</u>
	<u>805,741</u>	<u>544,171</u>
 EXPENSES		
Amortization	1,628	-
Board Costs	3,891	2,423
Fundraising	1,142	5,478
Operating	116,607	111,885
Payroll	504,376	389,668
Professional Development	12,498	5,476
Programs	110,676	32,954
Special Events	<u>49,780</u>	<u>24,696</u>
	<u>800,598</u>	<u>572,580</u>
 EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	 <u>5,143</u>	 <u>(28,409)</u>

(See Accompanying Notes)

**COMMUNITY YWCA OF MUSKOKA
STATEMENT OF CHANGES IN FUND BALANCES
For the Year Ended December 31, 2012**

	Memorial Fund (Note 5(a))	Contingency Fund (Note 5(b))	Unrestricted	2012 Total	2011 Total
BALANCE, BEGINNING OF YEAR	90,000	10,000	66,205	166,205	194,645
Excess (Deficiency) of Revenue Over Expenses	-	-	5,143	5,143	(28,409)
Interest Earned	1,397	-	-	1,397	1,085
Funds Issued	<u>(1,500)</u>	<u>-</u>	<u>-</u>	<u>(1,500)</u>	<u>(1,116)</u>
BALANCE, END OF YEAR	<u>89,897</u>	<u>10,000</u>	<u>71,348</u>	<u>171,245</u>	<u>166,205</u>

(See Accompanying Notes)

**COMMUNITY YWCA OF MUSKOKA
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2012**

CASH PROVIDED BY (USED IN)

	2012	2011
OPERATING ACTIVITIES		
Excess (Deficiency) of Revenue Over Expenses Item Not Requiring the Use of Cash	5,143	(28,409)
Amortization	<u>1,628</u>	<u>-</u>
	6,771	(28,409)
Changes in Working Capital Balances		
Accounts Receivable	(56,063)	8,196
Prepaid Expenses	(250)	(19)
Accounts Payable & Accrued Liabilities	10,459	3,680
Deferred Grants	<u>(19,875)</u>	<u>58,503</u>
	<u>(58,958)</u>	<u>41,951</u>
INVESTING ACTIVITIES		
Increase in Investments	(1,397)	(26,883)
Interest Earned on Memorial Fund	1,397	1,085
Funds Issued from Memorial Fund	-	(1,116)
Purchase of Capital Assets	<u>(5,921)</u>	<u>-</u>
	<u>(5,921)</u>	<u>(26,914)</u>
NET (DECREASE) INCREASE IN CASH FOR THE YEAR	(64,879)	15,037
CASH, BEGINNING OF YEAR	<u>228,401</u>	<u>213,364</u>
CASH, END OF YEAR	<u><u>163,522</u></u>	<u><u>228,401</u></u>

(See Accompanying Notes)

**COMMUNITY YWCA OF MUSKOKA
NOTES TO FINANCIAL STATEMENTS
For the Year December 31, 2012**

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.

(f) Capital Assets

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

**COMMUNITY YWCA OF MUSKOKA
NOTES TO FINANCIAL STATEMENTS
For the Year December 31, 2012**

3. DEFERRED GRANTS

	2012	2011
Status of Women Canada	54,625	26,000
Ontario Women's Directorate	25,000	27,000
National Crime Prevention Centre	20,000	-
Ontario Healthy Communities	17,500	-
Counseling Foundation	-	98,000
Ontario Trillium Foundation	12,500	-
Other	<u>1,500</u>	<u>-</u>
	<u>131,125</u>	<u>151,000</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.

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.

	2012	2011
Guaranteed Investment Certificates Held at a Chartered Bank with Interest Rates and Maturities as Follows:		
July 2016, Interest at 1.0%	62,500	62,500
July 2013, Interest at 1.0%	27,775	27,500
Accured Interest	1,122	-
Disbursements During Year	<u>(1,500)</u>	<u>-</u>
	<u>89,897</u>	<u>90,000</u>

**COMMUNITY YWCA OF MUSKOKA
NOTES TO FINANCIAL STATEMENTS
For the Year December 31, 2012**

5. INTERNALLY RESTRICTED FUNDS (continued)

(b) Contingency Fund

In the prior 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.

6. DONATION REVENUE

Included in Fund Development revenue are donations of \$38,749 (2011 \$43,308).

7. CAPITAL ASSETS

	2012		2011
	Cost	Accumulated Amortization	Cost
			Accumulated Amortization
Computers	<u>5,921</u>	<u>1,628</u>	<u>-</u>
Net Book Value		<u><u>4,293</u></u>	<u><u>-</u></u>

8. 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.

9. RELATED PARTY TRANSACTIONS

During the year, the Organization paid \$8,493 for bookkeeping services to a relative of a 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.

10. 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. The Organization is exposed to credit risk from its customers. In order to mitigate its credit risk, management reviews both new and existing customers' credit history prior to extending credit. An allowance for potentially doubtful debts is established annually based upon factors particular to each account, as well as historical trends and any other information pertinent to the decision. At the year end, the management determined that the Organization did not have significant credit risk.

**COMMUNITY YWCA OF MUSKOKA
NOTES TO FINANCIAL STATEMENTS
For the Year December 31, 2012**

10. FINANCIAL INSTRUMENTS AND RISK (continued)

(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, prepaid expenses, accounts payable and accrued liabilities approximate their fair value short term investments, accounts receivable.

11. COMPARATIVE INFORMATION

Community YWCA of Muskoka adopted Canadian Accounting Standards for Not-for-Profit Organizations on January 1, 2012 with a transitional date of January 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements. The application of these standards did not result in any adjustments to the comparative balance sheets. I was not engaged to perform an audit of the restated comparative information.

**COMMUNITY YWCA OF MUSKOKA
SUMMARIZED FINANCIAL STATEMENTS
DECEMBER 31, 2012**

**COMMUNITY YWCA OF MUSKOKA
SUMMARIZED STATEMENT OF FINANCIAL POSITION
As at December 31, 2012**

ASSETS		
	2012	2011
Current Assets		
Cash	163,522	228,401
Accounts Receivable	76,806	20,743
Prepaid Expenses	<u>5,302</u>	<u>5,052</u>
	245,630	254,196
Memorial Fund	89,897	90,000
Capital Asset	<u>4,293</u>	<u>-</u>
	<u><u>339,820</u></u>	<u><u>344,196</u></u>

LIABILITIES AND FUND BALANCES		
Current Liabilities		
Accounts Payable & Accrued Liabilities	37,450	26,991
Deferred Grants	<u>131,125</u>	<u>151,000</u>
	<u>168,575</u>	<u>177,991</u>
Fund Balances		
Memorial Fund	89,897	90,000
Contingency Fund	10,000	10,000
Unrestricted	<u>71,348</u>	<u>66,205</u>
	<u>171,245</u>	<u>166,205</u>
	<u><u>339,820</u></u>	<u><u>344,196</u></u>

**SUMMARIZED STATEMENT OF OPERATIONS AND FUND BALANCES
For the Year Ended December 31, 2012**

REVENUE		
Government Grants	472,971	369,374
Program Partners & Fees	191,483	66,545
Fund Development	38,749	60,288
Special Events, Memberships & Other Income	<u>102,538</u>	<u>47,964</u>
	<u>805,741</u>	<u>544,171</u>
EXPENSES		
Amortization	1,628	-
Board Costs & Fundraising	5,033	7,901
Operating & Professional Development	129,105	117,361
Payroll	504,376	389,668
Programs	110,676	32,954
Special Events	<u>49,780</u>	<u>24,696</u>
	<u>800,598</u>	<u>572,580</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	5,143	(28,409)
FUND BALANCES, BEGINNING OF YEAR	166,205	194,645
Memorial Fund Interest	1,397	1,085
Memorial Funds Issued	<u>(1,500)</u>	<u>(1,116)</u>
FUND BALANCES, END OF YEAR	<u><u>171,245</u></u>	<u><u>166,205</u></u>

APPROVED ON BEHALF OF THE BOARD

_____ Director _____ Director

Detailed Audited 2012 Community YWCA of Muskoka
Financial Statements are Available Upon Request.
Contact: Beth Ward, Executive Director Tel: (705) 645-9827