

COMMUNITY YWCA OF MUSKOKA

Financial Statements

Year Ended December 31, 2025

COMMUNITY YWCA OF MUSKOKA

Index to Financial Statements

Year Ended December 31, 2025

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues and Expenditures	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 10

INDEPENDENT AUDITOR'S REPORT

To the Members of Community YWCA of Muskoka

Qualified Opinion

We have audited the financial statements of Community YWCA of Muskoka (the "organization"), which comprise the statement of financial position as at December 31, 2025, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (the "financial statements").

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from fundraising activities 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 the organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2025, current assets and net assets as at December 31, 2025. Our audit opinion on the financial statements for the year ended December 31, 2024 was modified accordingly because of the possible effects of this limitation of scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

(continues)

Independent Auditor's Report to the Members of Community YWCA of Muskoka (*continued*)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Huntsville, Ontario

Pahapill and Associates Professional Corporation
Chartered Professional Accountants
Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario


COMMUNITY YWCA OF MUSKOKA

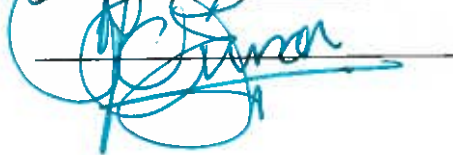
Statement of Financial Position

December 31, 2025

	2025	2024
ASSETS		
CURRENT		
Cash	\$ 84,368	\$ 69,134
Short term investments (Note 3)	60,000	93,936
Accounts receivable, no allowance	8,634	70,162
Prepaid expenses	14,667	10,525
	<u>167,669</u>	<u>243,757</u>
INTERNALLY RESTRICTED ASSETS (Note 9)		
Cash	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
	267,669	343,757
CAPITAL ASSETS (Note 4)	5,175	6,625
LONG TERM INVESTMENTS (Note 5)	17,000	17,000
	<u>17,000</u>	<u>17,000</u>
	<u>\$ 289,844</u>	<u>\$ 367,382</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Note 6)	\$ 33,053	\$ 29,875
Deferred grants (Note 7)	186,363	268,265
	<u>219,416</u>	<u>298,140</u>
NET ASSETS		
Internally restricted - Reserve Fund (Note 9)	100,000	100,000
Unrestricted net assets (debt)	(29,572)	(30,758)
	<u>70,428</u>	<u>69,242</u>
	<u>\$ 289,844</u>	<u>\$ 367,382</u>

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director



COMMUNITY YWCA OF MUSKOKA
Statement of Revenues and Expenditures
Year Ended December 31, 2025

	2025	2024
REVENUES		
Government grants	\$ 435,339	\$ 315,043
Program partners	254,693	217,929
Special events	59,543	5,816
Fund development	88,159	169,622
Program fees	16,658	95,035
Membership and other	54,159	40,940
	<u>908,551</u>	<u>844,385</u>
EXPENSES		
Amortization	1,450	2,017
Board costs	3,917	1,689
Fund development costs	13,565	8,819
Operating	84,685	89,484
Program costs	200,186	205,411
Salaries, wages and benefits	603,562	579,321
	<u>907,365</u>	<u>886,741</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 1,186</u>	<u>\$ (42,356)</u>

COMMUNITY YWCA OF MUSKOKA

Statement of Changes in Net Assets

Year Ended December 31, 2025

	Reserve Fund	Unrestricted	Total 2025	Total 2024
NET ASSETS - BEGINNING OF YEAR	\$ 100,000	\$ (30,758)	\$ 69,242	\$ 111,598
Excess of revenues over expenses	-	1,186	1,186	(42,356)
NET ASSETS - END OF YEAR	\$ 100,000	\$ (29,572)	\$ 70,428	\$ 69,242

COMMUNITY YWCA OF MUSKOKA

Statement of Cash Flows

Year Ended December 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 1,186	\$ (42,356)
Item not affecting cash:		
Amortization of capital assets	1,450	2,017
	<u>2,636</u>	<u>(40,339)</u>
Changes in non-cash working capital:		
Accounts receivable	61,528	(35,252)
Prepaid expenses	(4,142)	7,327
Accounts payable and accrued liabilities	3,178	(5,743)
Deferred grants	(81,902)	110,671
	<u>(21,338)</u>	<u>77,003</u>
Cash flow from (used by) operating activities	<u>(18,702)</u>	<u>36,664</u>
INVESTING ACTIVITY		
Change in short-term investments	33,936	19,939
	<u>15,234</u>	<u>56,603</u>
INCREASE IN CASH FLOW		
Cash - beginning of year	169,134	112,531
CASH - END OF YEAR	<u>\$ 184,368</u>	<u>\$ 169,134</u>
CASH CONSISTS OF:		
Cash	\$ 84,368	\$ 69,134
Internally restricted cash	100,000	100,000
	<u>\$ 184,368</u>	<u>\$ 169,134</u>

COMMUNITY YWCA OF MUSKOKA

Notes to Financial Statements

Year Ended December 31, 2025

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 project-based 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. SUMMARY OF 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 girls, women and gender diverse people 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

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFP). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP.

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 conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these 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.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	3 years	straight-line method
Other equipment	5 years	straight-line method

Artwork is not amortized but is tested annually for impairment.

Revenue recognition

Community YWCA of Muskoka follows the deferral 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. Contributions consist of government grants, program partners funding and fund development revenues.

(continues)

COMMUNITY YWCA OF MUSKOKA

Notes to Financial Statements

Year Ended December 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

Fees and contributions for special events are recognized as revenue when the events are completed.

Cash received in advance of meeting the revenue recognition criteria described above is recorded as deferred revenue.

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, accounts receivable and accounts payable. Financial instruments are recorded at fair value on initial recognition. Accounts receivable, accounts payable and accrued liabilities 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).

3. SHORT TERM INVESTMENTS

	<u>2025</u>	<u>2024</u>
Guaranteed Investment Certificate, bearing interest at a floating rate between 2.50% and 20.00%, maturing July 2028.	\$ 50,000	\$ -
Guaranteed Investment Certificate, bearing interest at 2.70%, maturing March 2026.	10,000	-
Guaranteed Investment Certificate, bearing interest at 4.00%, maturing January 2025.	-	30,000
Guaranteed Investment Certificate, bearing interest at 5.05%, maturing March 2025.	-	10,000
Guaranteed Investment Certificate, bearing interest at 3.80%, maturing September 2025.	-	53,936
	<u>\$ 60,000</u>	<u>\$ 93,936</u>

COMMUNITY YWCA OF MUSKOKA

Notes to Financial Statements

Year Ended December 31, 2025

4. CAPITAL ASSETS

	2025		2024	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Artwork	\$ 3,000	\$ -	\$ 3,000	\$ -
Computer equipment	22,932	22,932	22,932	22,932
Other equipment	11,520	9,345	11,520	7,895
	<u>\$ 37,452</u>	<u>\$ 32,277</u>	<u>\$ 37,452</u>	<u>\$ 30,827</u>
Net book value	\$ 5,175		\$ 6,625	

5. LONG TERM INVESTMENTS

In 2023, the organization received donations of \$12,000 and transferred additional surplus funds of \$5,000 to set up a legacy fund. The funds are held in trust by Muskoka Community Foundation and as of December 31, 2024 the fund balance is \$22,309.

6. GOVERNMENT REMITTANCES PAYABLE OTHER THAN INCOME TAX

The following government remittances included in accounts payable and accrued liabilities were payable at year end:

	2025	2024
Source deductions payable	\$ 1,687	\$ 1,288

7. 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:

	2025	2024
District of Muskoka	\$ 30,186	\$ 32,686
Government of Canada, WAGE	-	-
Government of Ontario, IWF	22,882	42,728
Muskoka Community Foundation	-	-
Ontario Trillium Foundation	2,175	3,624
Rotary Club	-	2,000
Strategic Program Investment Fund	52,789	94,076
United Way Simcoe Muskoka	8,843	7,350
YWCA Canada	6,680	33,620
Anonymous donation - Circles	26,911	23,361
Other	35,897	28,820
Balance, end of year	<u>\$ 186,363</u>	<u>\$ 268,265</u>

COMMUNITY YWCA OF MUSKOKA

Notes to Financial Statements

Year Ended December 31, 2025

8. COMMITMENTS

The organization has extended its leased premises for an additional term of 4 years ending November 2029. The lease payments for the first year totals \$25,432, second year \$26,554, third year \$27,676 and forth year \$28,798 plus HST per annum, paid monthly. The organization is also required to pay additional rent to cover property taxes, utilities and operating costs. The organization has the option to renew the lease for 2 additional 5 year periods on terms to be negotiated.

During the year the organization entered into a contract for consulting services at a total cost of approximately \$22,000 plus HST paid in varying instalments over the 2 year term for project evaluation. As of December 31, 2025 \$11,490 remains on the contract.

9. INTERNALLY RESTRICTED NET ASSETS

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 fulfills the spirit for which the funds were intended.

10. FINANCIAL INSTRUMENTS

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. The organization reduces its credit risk on cash by placing those instruments with institutions of high credit worthiness. There has been no change in the risk from prior year.

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting 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 this risk arising from its accounts payable. There has been no change in the risk from the prior year.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.
