

COMMUNITY YWCA OF MUSKOKA

Financial Statements

Year Ended December 31, 2023

COMMUNITY YWCA OF MUSKOKA

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Year Ended December 31, 2023

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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, 2023, 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.

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, 2023, 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 donations and 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, 2023, current assets and net assets as at December 31, 2023. Our audit opinion on the financial statements for the year ended December 31, 2022 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.

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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.

Pahapill and Associates

Huntsville, Ontario
March 14, 2024

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, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 12,588	\$ 200,847
Short term investments (Note 4)	113,875	100,000
Accounts receivable, no allowance	34,853	45,718
Prepaid expenses	17,852	9,427
	<u>179,168</u>	<u>355,992</u>
INTERNALLY RESTRICTED ASSETS (Note 11)		
Cash	99,943	96,775
Accounts receivable	57	3,225
	<u>100,000</u>	<u>100,000</u>
	279,168	455,992
CAPITAL ASSETS (Note 5)	8,642	16,982
LONG TERM INVESTMENTS (Note 6)	<u>17,000</u>	<u>-</u>
	<u>\$ 304,810</u>	<u>\$ 472,974</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Note 7)	\$ 35,618	\$ 48,280
Deferred grants (Note 8)	157,594	270,454
	193,212	318,734
CANADA EMERGENCY BUSINESS ACCOUNT (CEBA) LOAN (Note 9)	<u>-</u>	<u>40,000</u>
	193,212	358,734
NET ASSETS		
Internally restricted - Reserve Fund (Note 11)	100,000	100,000
Unrestricted net assets	11,598	14,240
	<u>111,598</u>	<u>114,240</u>
	<u>\$ 304,810</u>	<u>\$ 472,974</u>

ON BEHALF OF THE BOARD

_____ Director

_____ Director

COMMUNITY YWCA OF MUSKOKA
Statement of Revenues and Expenditures
Year Ended December 31, 2023

	2023	2022
REVENUES		
Government grants	\$ 327,581	\$ 396,562
Government grants - COVID-19 related	5,897	-
Program partners	363,864	331,500
Special events	17,042	7,510
Fund development	176,402	121,020
Program fees	18,345	18,937
Membership and other	30,470	3,201
	<u>939,601</u>	<u>878,730</u>
EXPENSES		
Amortization	8,340	3,590
Board costs	4,051	1,351
Fund development costs	8,236	16,495
Operating	107,529	90,173
Program costs	187,836	165,572
Salaries, wages and benefits	626,251	593,861
	<u>942,243</u>	<u>871,042</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ (2,642)</u>	<u>\$ 7,688</u>

The accompanying notes are an integral part of these financial statements

COMMUNITY YWCA OF MUSKOKA

Statement of Changes in Net Assets

Year Ended December 31, 2023

	Reserve Fund	Unrestricted	Total 2023	Total 2022
NET ASSETS - BEGINNING OF YEAR	\$ 100,000	\$ 14,240	\$ 114,240	\$ 106,552
Deficiency of revenues over expenses	-	(2,642)	(2,642)	7,688
NET ASSETS - END OF YEAR	\$ 100,000	\$ 11,598	\$ 111,598	\$ 114,240

The accompanying notes are an integral part of these financial statements

COMMUNITY YWCA OF MUSKOKA**Statement of Cash Flows****Year Ended December 31, 2023**

	2023	2022
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (2,642)	\$ 7,688
Item not affecting cash:		
Amortization of capital assets	8,340	3,590
	<u>5,698</u>	<u>11,278</u>
Changes in non-cash working capital:		
Accounts receivable	14,033	(14,300)
Prepaid expenses	(8,425)	(597)
Accounts payable and accrued liabilities	(12,662)	9,035
Deferred grants	(112,860)	54,651
	<u>(119,914)</u>	<u>48,789</u>
Cash flow from (used by) operating activities	<u>(114,216)</u>	<u>60,067</u>
INVESTING ACTIVITIES		
Purchase of capital assets	-	(7,249)
Purchase of short-term investments	(13,875)	(100,000)
Long-term investments	(17,000)	-
	<u>(30,875)</u>	<u>(107,249)</u>
FINANCING ACTIVITY		
Canada Emergency Business Account (CEBA) loan repayment	(40,000)	-
	<u>(185,091)</u>	<u>(47,182)</u>
DECREASE IN CASH FLOW	(185,091)	(47,182)
Cash - beginning of year	<u>297,622</u>	<u>344,804</u>
CASH - END OF YEAR	\$ 112,531	\$ 297,622
CASH CONSISTS OF:		
Cash	\$ 12,588	\$ 200,847
Internally restricted cash	<u>99,943</u>	<u>96,775</u>
	\$ 112,531	\$ 297,622

The accompanying notes are an integral part of these financial statements

COMMUNITY YWCA OF MUSKOKA

Notes to Financial Statements

Year Ended December 31, 2023

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 (ASNFPO). 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.

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COMMUNITY YWCA OF MUSKOKA

Notes to Financial Statements

Year Ended December 31, 2023

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, accounts payable and CEBA loan 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. CHANGE IN ACCOUNTING POLICY FOR CAPITAL ASSETS

Effective January 1, 2023, the organization changed its accounting policy for capital assets from the declining balance method to the straight line method.

The change in policy has been made because it is management's opinion that the straight line method more accurately reflects the useful lives of the organization's assets.

The change in policy has resulted in an decrease in capital assets of \$4,983 in the current year and an increase in amortization expense of \$4,983. This change was not applied retroactively as the adjustment is immaterial to the financial statements as a whole.

4. SHORT TERM INVESTMENTS

	<u>2023</u>	<u>2022</u>
Guaranteed Investment Certificate, bearing interest at 4.50%, maturing September 2023.	\$ -	\$ 100,000
Guaranteed Investment Certificate, bearing interest at 4.55%, maturing March 2024.	10,000	-
Guaranteed Investment Certificate, bearing interest at 4.00%, maturing September 2024.	52,150	-
Guaranteed Investment Certificate, bearing interest at 4.25%, maturing September 2024.	51,725	-
	<u>\$ 113,875</u>	<u>\$ 100,000</u>

COMMUNITY YWCA OF MUSKOKA

Notes to Financial Statements

Year Ended December 31, 2023

5. CAPITAL ASSETS

	2023		2022	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Artwork	\$ 3,000	\$ -	\$ 3,000	\$ -
Computer equipment	22,932	22,932	22,932	17,330
Other equipment	11,520	5,878	11,520	3,140
	\$ 37,452	\$ 28,810	\$ 37,452	\$ 20,470
Net book value	\$ 8,642		\$ 16,982	

6. LONG TERM INVESTMENTS

During the year 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, 2023 the fund balance is \$18,406.

7. GOVERNMENT REMITTANCES PAYABLE OTHER THAN INCOME TAX

The following government remittances included in accounts payable and accrued liabilities were payable at year end (2022 - \$1,594):

	2023	2022
Source deductions payable	\$ 1,519	\$ 1,594

8. 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:

	2023	2022
Canadian Women's Foundation	\$ -	\$ 41,116
District of Muskoka	37,108	43,755
Government of Canada, WAGE	20,371	15,078
Muskoka Community Foundation	11,561	-
Ontario Trillium Foundation	5,219	27,340
RBC Grant	-	10,000
Rotary Club	5,500	4,500
Strategic Program Investment Fund	23,450	34,450
United Way Simcoe Muskoka	-	11,592
YWCA Canada	5,918	10,155
Anonymous donation - Circles	32,676	30,077
Other	15,791	42,391
Balance, end of year	\$ 157,594	\$ 270,454

COMMUNITY YWCA OF MUSKOKA

Notes to Financial Statements

Year Ended December 31, 2023

9. CANADA EMERGENCY BUSINESS ACCOUNT (CEBA) LOAN

The CEBA loan is an interest-free Government loan with no principal repayments required until January 18, 2024. \$10,000 of the loan is forgivable provided that the remaining \$30,000 is repaid in full no later than January 18, 2024. If any part of the loan is not repaid by January 18, 2024 the remaining balance will be converted into a 3-year term loan, paid monthly and bearing interest at 5% per annum. During the year the loan was repaid and the forgivable portion of \$10,000 was included in other income.

10. COMMITMENT

The organization has leased its premises for a term of 5 years ending November 2025. The lease payments for the first and second years total \$22,440 plus HST per annum, paid monthly and for the last 3 years total \$23,936 plus HST per annum. 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 3 additional 5 year periods on terms to be negotiated.

11. 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 fulfill the spirit for which the funds were intended.

12. 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 and CEBA loan 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.
