

# Muskoka Victim Services

## Financial Statements

March 31, 2014

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## Independent Auditor's Report

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### To the Members of Muskoka Victim Services

I have audited the accompanying financial statements of Muskoka Victim Services which comprise the statement of financial position as at March 31, 2014 and the statements of operations and 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, Muskoka Victim Services 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.

#### **Opinion**

In my opinion, except for the possible effect of the matter described in the basis for qualified opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Muskoka Victim Services as at March 31, 2014, 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.

*Dave Stevenson*  
CPA, CA, Licensed Public Accountant

June 12, 2014  
Bracebridge, Ontario

**Muskoka Victim Services**  
**Statement of Financial Position**

| <b>March 31</b>                          | <b>2014</b>      | <b>2013</b>      |
|--|------------------|------------------|
| <b>Assets</b>                            |                  |                  |
| <b>Current</b>                           |                  |                  |
| Cash                                     | \$ 14,393        | \$ 10,310        |
| Accounts receivable                      | 2,355            | 3,656            |
| HST receivable                           | 3,605            | 5,984            |
| Prepaid expenses                         | 1,725            | -                |
|  | <u>22,078</u>    | 19,950           |
| <b>Capital assets (Note 2)</b>           | <u>15,728</u>    | 21,255           |
|  | <u>\$ 37,806</u> | <u>\$ 41,205</u> |
| <b>Liabilities</b>                       |                  |                  |
| <b>Current</b>                           |                  |                  |
| Accounts payable and accrued liabilities | \$ 4,002         | \$ 4,002         |
| Government remittances payable           | 4,515            | 3,747            |
|  | <u>8,517</u>     | 7,749            |
| <b>Unamortized capital grants</b>        | <u>9,297</u>     | 12,259           |
|  | <u>17,814</u>    | 20,008           |
| <b>Net Assets</b>                        |                  |                  |
| Net assets invested in capital assets    | 6,431            | 8,996            |
| Unrestricted                             | 13,561           | 12,201           |
|  | <u>19,992</u>    | 21,197           |
|  | <u>\$ 37,806</u> | <u>\$ 41,205</u> |

Approved on behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

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# Muskoka Victim Services

## Statement of Operations and Changes in Net Assets

| <b>For the year ended March 31</b>                               | <b>2014</b>      | <b>2013</b>      |
|--|------------------|------------------|
| <b>Revenues</b>  |                  |                  |
| Government funding   | \$ 202,828       | \$ 202,828       |
| Donations and fundraising  | 3,763            | 7,874            |
| Interest income  | 38               | 100              |
| Amortization of capital grants                                   | 2,962            | 3,118            |
|  | <u>209,591</u>   | <u>213,920</u>   |
| <b>Expenses</b>  |                  |                  |
| Salaries and benefits  | <u>157,997</u>   | <u>145,732</u>   |
| Other program costs  |                  |                  |
| Building occupancy   | 2,911            | 11,311           |
| Office and program supplies                                      | 6,923            | 5,155            |
| Telephone  | 6,628            | 7,777            |
| Public education   | 3,307            | 4,032            |
| Staff expenses   | 5,624            | 5,954            |
| Volunteer expenses   | 7,740            | 12,100           |
| Client expenses  | 404              | 609              |
| Purchased services   | 7,647            | 6,208            |
| Insurance  | 3,354            | 4,113            |
| Association fees   | 413              | 1,650            |
| Total other program costs  | <u>44,951</u>    | <u>58,909</u>    |
| Total program costs  | 202,948          | 204,641          |
| Amortization of capital assets                                   | 5,527            | 5,008            |
| Fundraising  | 2,321            | 4,132            |
| Loss on disposal of capital assets                               | -                | 182              |
|  | <u>210,796</u>   | <u>213,963</u>   |
| <b>Excess of expenses over revenues<br/>before the following</b> | <b>(1,205)</b>   | <b>(43)</b>      |
| Court Support Worker Program Operations (Schedule 4)             | -                | -                |
| <b>Excess of expenses over revenues for the year</b>             | <b>(1,205)</b>   | <b>(43)</b>      |
| <b>Net assets - beginning of year</b>                            | <b>21,197</b>    | <b>21,240</b>    |
| <b>Net assets - end of year</b>                                  | <b>\$ 19,992</b> | <b>\$ 21,197</b> |
| <b>Represented by</b>  |                  |                  |
| Net assets invested in capital assets                            | \$ 6,431         | \$ 8,996         |
| Unrestricted net assets  | <u>13,561</u>    | <u>12,201</u>    |
|  | <b>\$ 19,992</b> | <b>\$ 21,197</b> |

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The accompanying notes are an integral part of these financial statements

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## Muskoka Victim Services

### Statement of Cash Flows

| <b>For the year ended March 31</b>            | <b>2014</b>      | <b>2013</b>      |
|---|------------------|------------------|
| <b>Cash provided by (used in)</b>             |                  |                  |
| <b>Operating activities</b>                   |                  |                  |
| Excess of expenses over revenues for the year | \$ (1,205)       | \$ (43)          |
| Adjustment for                                |                  |                  |
| Amortization of capital assets                | 5,527            | 5,008            |
| Amortization of capital grants                | (2,962)          | (3,118)          |
| Loss on disposal of capital assets            | -                | 182              |
|   | <u>1,360</u>     | <u>2,029</u>     |
| Changes in non-cash working capital balances  |                  |                  |
| Accounts receivable                           | 1,301            | (3,656)          |
| HST receivable                                | 2,379            | (1,640)          |
| Prepaid expenses                              | (1,725)          | 768              |
| Accounts payable and accrued liabilities      | -                | 2                |
| Government remittances payable                | 768              | 141              |
| Deferred contributions                        | -                | (4,805)          |
|   | <u>4,083</u>     | <u>(7,161)</u>   |
| <b>Investing activities</b>                   |                  |                  |
| Purchase of capital assets                    | -                | (12,054)         |
|   | <u>-</u>         | <u>(12,054)</u>  |
| <b>Change in cash during the year</b>         | <b>4,083</b>     | <b>(19,215)</b>  |
| <b>Cash - beginning of year</b>               | <b>10,310</b>    | <b>29,525</b>    |
|   | <u>10,310</u>    | <u>29,525</u>    |
| <b>Cash - end of year</b>                     | <b>\$ 14,393</b> | <b>\$ 10,310</b> |
|   | <u>\$ 14,393</u> | <u>\$ 10,310</u> |

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# Muskoka Victim Services

## Notes to the Financial Statements

March 31, 2014

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### 1. Significant Accounting Policies

#### Nature of Operations

Muskoka Victim Services is an organization that was formed to assist police services by providing, through trained volunteers, immediate short-term emotional support, guidance and assistance for victims of crime and tragic services, and referral for medium and long-term support in the Muskoka region. The organization was incorporated without share capital by letters patent issued under the Corporations Act of Ontario. The organization is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act.

During the year ended March 31, 2014 approximately 97% (2013 - 95%) of the organization's revenue was received from the Ontario Ministry of the Attorney General.

#### Basis of Presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations except for the following adjustments required in order to be in accordance with the operating agreements between the organization and the Ontario Ministry of the Attorney General:

- (a) vacation pay is expensed when paid;
- (b) other program costs are recorded on the modified accrual basis of accounting which allows for short-term accruals of expenses within 30 days of year-end; and
- (c) expenses paid once a year are expensed in the period paid without provision for any prepaid portion.

#### Use of Estimates

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 at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in operations in the year in which they become known.

#### 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 |
| Office furniture and equipment | - 20% | diminishing balance |

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# Muskoka Victim Services

## Notes to the Financial Statements

March 31, 2014

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### 1. Significant Accounting Policies (continued)

|                              |  |
|------------------------------|--|
| <b>Revenue Recognition</b>   | The organization 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.   |
| <b>Contributed Services</b>  | 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.  |
| <b>Financial Instruments</b> | The organization's financial instruments consist of cash, accounts receivable, HST receivable, accounts payable and government remittances payable. Financial instruments are recorded at fair value on initial recognition. Accounts receivable, HST 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). |

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**Muskoka Victim Services**  
**Notes to the Financial Statements**

March 31, 2014

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**2. Capital Assets**

|                                | 2014             |                             | 2013             |                             |
|--------------------------------|------------------|-----------------------------|------------------|-----------------------------|
|                                | Cost             | Accumulated<br>Amortization | Cost             | Accumulated<br>Amortization |
| Computer equipment             | \$ 17,000        | \$ 8,072                    | \$ 17,000        | \$ 4,245                    |
| Office furniture and equipment | 23,889           | 17,089                      | 23,889           | 15,389                      |
|                                | <b>\$ 40,889</b> | <b>\$ 25,161</b>            | <b>\$ 40,889</b> | <b>\$ 19,634</b>            |
| Net book value                 |                  | <b>\$ 15,728</b>            |                  | <b>\$ 21,255</b>            |

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**3. 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. The organization reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness.

**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.

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# Muskoka Victim Services

## Schedule 1 - Muskoka Victim Services Operations

| For the year ended March 31                         | 2014<br>Budget | 2014<br>Actual    | 2013<br>Actual    |
|---|----------------|-------------------|-------------------|
| <b>Revenue</b>                                      |                |                   |                   |
| Government funding                                  | \$ 165,000     | \$ <b>165,000</b> | \$ 165,000        |
| Amortization of capital grants                      | -              | <b>2,962</b>      | 3,118             |
|   | 165,000        | <b>167,962</b>    | 168,118           |
| <b>Expenses</b>                                     |                |                   |                   |
| Salaries and benefits                               | 127,241        | <b>126,769</b>    | 112,805           |
| Other program costs                                 |                |                   |                   |
| Building occupancy                                  | 2,417          | <b>2,417</b>      | 11,113            |
| Office and program supplies                         | 4,594          | <b>4,595</b>      | 2,211             |
| Telephone   | 5,193          | <b>5,548</b>      | 6,577             |
| Office and program equipment                        | 1,495          | <b>1,608</b>      | 1,050             |
| Public education                                    | 2,959          | <b>2,767</b>      | 2,725             |
| Staff expenses                                      | 4,640          | <b>4,212</b>      | 5,500             |
| Volunteer expenses                                  | 6,450          | <b>6,940</b>      | 12,100            |
| Client expenses                                     | 303            | <b>384</b>        | 409               |
| Purchased services                                  | 6,521          | <b>6,692</b>      | 5,958             |
| Insurance   | 2,824          | <b>2,824</b>      | 3,938             |
| Association fees                                    | 363            | <b>363</b>        | 1,450             |
| Total other program costs                           | 37,759         | <b>38,350</b>     | 53,031            |
| Total program costs                                 | 165,000        | <b>165,119</b>    | 165,836           |
| Amortization of capital assets                      | -              | <b>5,527</b>      | 5,008             |
|   | 165,000        | <b>170,646</b>    | 170,844           |
| <b>Excess of expenses over revenue for the year</b> | <b>\$ -</b>    | <b>\$ (2,684)</b> | <b>\$ (2,726)</b> |

## Muskoka Victim Services

### Schedule 2 - Support Link Operations

| For the year ended March 31                         | 2014<br>Budget | <b>2014<br/>Actual</b> | 2013<br>Actual  |
|---|----------------|------------------------|-----------------|
| <b>Revenue</b>                                      |                |                        |                 |
| Government funding                                  | \$ 30,000      | <b>\$ 30,000</b>       | \$ 30,000       |
| <b>Expenses</b>                                     |                |                        |                 |
| Salaries and benefits                               | 25,655         | <b>25,655</b>          | 27,412          |
| Other program costs                                 |                |                        |                 |
| Building occupancy                                  | 315            | <b>315</b>             | 45              |
| Office and program supplies                         | 455            | <b>455</b>             | 519             |
| Telephone   | 650            | <b>650</b>             | 1,050           |
| Public education                                    | 375            | <b>375</b>             | 821             |
| Staff expenses                                      | 931            | <b>931</b>             | 404             |
| Volunteer expenses                                  | 525            | <b>525</b>             | -               |
| Client expenses                                     | 20             | <b>20</b>              | -               |
| Purchased services                                  | 660            | <b>660</b>             | 125             |
| Insurance   | 375            | <b>375</b>             | 75              |
| Association fees                                    | 39             | <b>39</b>              | 100             |
| Total other program costs                           | 4,345          | <b>4,345</b>           | 3,139           |
| Total program costs                                 | 30,000         | <b>30,000</b>          | 30,551          |
| Loss on disposal of capital assets                  | -              | -                      | 182             |
|   | 30,000         | <b>30,000</b>          | 30,733          |
| <b>Excess of expenses over revenue for the year</b> | <b>\$ -</b>    | <b>\$ -</b>            | <b>\$ (733)</b> |

## Muskoka Victim Services

### Schedule 3 - Victim Quick Response Operations

| For the year ended March 31                         | 2014<br>Budget | 2014<br>Actual | 2013<br>Actual |
|---|----------------|----------------|----------------|
| <b>Revenue</b>                                      |                |                |                |
| Government funding                                  | \$ 7,828       | \$ 7,828       | \$ 7,828       |
| <b>Expenses</b>                                     |                |                |                |
| Salaries and benefits                               | 5,573          | 5,573          | 5,515          |
| Other program costs                                 |                |                |                |
| Building occupancy                                  | 178            | 178            | 153            |
| Office and program supplies                         | 175            | 175            | 480            |
| Telephone   | 430            | 430            | 150            |
| Office and program equipment                        | 90             | 90             | 470            |
| Public education                                    | 165            | 165            | 485            |
| Staff expenses                                      | 481            | 481            | 50             |
| Volunteer expenses                                  | 275            | 275            | -              |
| Client expenses                                     | -              | -              | 200            |
| Purchased services                                  | 295            | 295            | 125            |
| Insurance   | 155            | 155            | 100            |
| Association fees                                    | 11             | 11             | 100            |
| Total other program costs                           | 2,255          | 2,255          | 2,313          |
| Total program costs                                 | 7,828          | 7,828          | 7,828          |
| <b>Excess of revenue over expenses for the year</b> | <b>\$ -</b>    | <b>\$ -</b>    | <b>\$ -</b>    |

## Muskoka Victim Services

### Schedule 4 - Court Support Worker Program Operations

| For the year ended March 31                         | 2014<br>Budget | 2014<br>Actual | 2013<br>Actual |
|---|----------------|----------------|----------------|
| <b>Revenue</b>                                      |                |                |                |
| Court Support Worker Program funding                | \$ 16,250      | \$ 15,867      | \$ 21,055      |
| <b>Expenses</b>                                     |                |                |                |
| Salaries and benefits                               | 8,778          | 8,778          | 10,546         |
| Other program costs                                 |                |                |                |
| Administration                                      | -              | -              | 2,200          |
| Building occupancy                                  | 555            | 172            | -              |
| Office and program supplies                         | 420            | 420            | 2,932          |
| Telephone   | 1,320          | 1,320          | 100            |
| Public education                                    | 800            | 800            | 1,200          |
| Staff expenses                                      | 1,950          | 1,950          | 4,077          |
| Client expenses                                     | 41             | 41             | -              |
| Purchased services                                  | 1,560          | 1,560          | -              |
| Insurance   | 826            | 826            | -              |
| Total other program costs                           | 7,472          | 7,089          | 10,509         |
| Total program costs                                 | 16,250         | 15,867         | 21,055         |
| <b>Excess of revenue over expenses for the year</b> | <b>\$ -</b>    | <b>\$ -</b>    | <b>\$ -</b>    |

### Schedule 5 - Project Funding Operations

| For the year ended March 31                         | 2014            | 2013            |
|---|-----------------|-----------------|
| <b>Revenue</b>                                      |                 |                 |
| Donations and fundraising                           | \$ 3,762        | \$ 7,873        |
| Interest income                                     | 38              | 100             |
|   | <b>3,800</b>    | <b>7,973</b>    |
| <b>Expenses</b>                                     |                 |                 |
| Donations   | -               | 425             |
| Fundraising   | 2,321           | 4,132           |
|   | <b>2,321</b>    | <b>4,557</b>    |
| <b>Excess of revenue over expenses for the year</b> | <b>\$ 1,479</b> | <b>\$ 3,416</b> |