

Muskoka Victim Services

Financial Statements

March 31, 2018

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Independent Auditor's Report

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, 2018 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, 2018, 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 19, 2018
Bracebridge, Ontario

Muskoka Victim Services
Statement of Financial Position

March 31	2018	2017
Assets		
Current		
Cash	\$ 19,342	\$ 21,760
HST receivable	3,909	4,116
	<u>23,251</u>	<u>25,876</u>
Capital assets (Note 2)	<u>5,171</u>	<u>6,847</u>
	\$ 28,422	\$ 32,723
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 2,999	\$ 3,133
Government remittances payable	3,702	4,073
Deferred contributions	-	5,500
	<u>6,701</u>	<u>12,706</u>
Commitment (Note 3)		12,706
Unamortized capital grants	<u>3,203</u>	<u>4,157</u>
	<u>9,904</u>	<u>16,863</u>
Net Assets		
Net assets invested in capital assets	1,968	2,690
Unrestricted	16,550	13,170
	<u>18,518</u>	<u>15,860</u>
	\$ 28,422	\$ 32,723

Approved on behalf of the Board:

_____ Director

_____ Director

Muskoka Victim Services

Statement of Operations and Changes in Net Assets

For the year ended March 31	2018	2017
Revenues		
Ontario Ministry of the Attorney General funding	\$ 221,011	\$ 211,511
Donations and fundraising	35,732	15,112
Interest and miscellaneous income	96	673
Amortization of capital grants	954	1,258
	<hr/>	<hr/>
	257,793	228,554
Expenses		
Salaries and benefits	<hr/>	<hr/>
	192,036	173,894
Other program costs		
Building occupancy	3,430	-
Office and program supplies	5,515	6,831
Telephone	8,346	7,957
Public education	71	1,652
Staff expenses	4,678	7,066
Volunteer expenses	1,961	3,018
Purchased services	7,030	6,926
Insurance	4,267	4,163
Association fees	-	400
	<hr/>	<hr/>
Total other program costs	35,298	38,013
Total program costs	227,334	211,907
Amortization of capital assets	1,676	1,880
Fundraising expenses	4,641	-
Fundraising disbursements	21,484	29,693
	<hr/>	<hr/>
	255,135	243,480
Excess (deficiency) of revenues over expenses for the year	2,658	(14,926)
Net assets - beginning of year	<hr/>	<hr/>
	15,860	30,786
Net assets - end of year	<hr/>	<hr/>
	\$ 18,518	\$ 15,860
Represented by		
Net assets invested in capital assets	\$ 1,968	\$ 2,690
Unrestricted net assets	<hr/>	<hr/>
	16,550	13,170
	<hr/>	<hr/>
	\$ 18,518	\$ 15,860

The accompanying notes are an integral part of these financial statements

Muskoka Victim Services

Statement of Cash Flows

For the year ended March 31	2018	2017
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenses for the year	\$ 2,658	\$ (14,926)
Adjustment for		
Amortization of capital assets	1,676	1,880
Amortization of capital grants	(954)	(1,258)
	<u>3,380</u>	<u>(14,304)</u>
Changes in non-cash working capital balances		
HST receivable	207	(885)
Prepaid expenses	-	640
Accounts payable and accrued liabilities	(134)	(348)
Government remittances payable	(371)	315
Deferred contributions	<u>(5,500)</u>	<u>-</u>
Change in cash during the year	(2,418)	(14,582)
Cash - beginning of year	21,760	36,342
Cash - end of year	\$ 19,342	\$ 21,760

Muskoka Victim Services

Notes to the Financial Statements

March 31, 2018

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, 2018 approximately 87% (2017 - 93%) 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

Muskoka Victim Services

Notes to the Financial Statements

March 31, 2018

1. Significant Accounting Policies (continued)

Revenue Recognition	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.
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, 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).

Muskoka Victim Services

Notes to the Financial Statements

March 31, 2018

2. Capital Assets

	2018		2017	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 17,000	\$ 14,857	\$ 17,000	\$ 13,938
Office furniture and equipment	23,889	20,861	23,889	20,104
	\$ 40,889	\$ 35,718	\$ 40,889	\$ 34,042
Net book value		\$ 5,171		\$ 6,847

3. Commitment

The organization has leased its premises for a term of one year ending July 31, 2018. The minimum lease payments are \$10,800 plus HST per annum.

4. 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. There has been no change in this risk from the prior year.

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. There has been no change in this risk from the prior year.

Muskoka Victim Services

Schedule 1 - Muskoka Victim Services Operations

For the year ended March 31	2018 Budget	2018 Actual	2017 Actual
Revenue			
Ontario Ministry of the Attorney General funding	\$ 186,761	\$ 186,761	\$ 186,761
Amortization of capital grants	-	954	1,258
	186,761	187,715	188,019
Expenses			
Salaries and benefits	160,795	165,155	156,156
Other program costs			
Building occupancy	1,931	2,117	-
Office and program supplies	2,485	2,942	3,151
Telephone	6,535	6,971	7,072
Office and program equipment	1,400	1,888	2,845
Public education	-	-	679
Staff expenses	2,260	2,409	4,113
Volunteer expenses	1,500	1,846	2,668
Purchased services	5,965	5,820	6,216
Insurance	3,890	3,907	3,803
Other expenses	-	-	400
	25,966	27,900	30,947
Total program costs	186,761	193,055	187,103
Amortization of capital assets	-	1,676	1,880
	186,761	194,731	188,983
Excess of expenses over revenue for the year	\$ -	\$ (7,016)	\$ (964)

Muskoka Victim Services

Schedule 2 - Human Trafficking Operations

For the year ended March 31	2018 Budget	2018 Actual	2017 Actual
Revenue			
Ontario Ministry of the Attorney General funding	\$ 18,000	\$ 18,000	\$ 8,500
Expenses			
Salaries and benefits	15,736	15,736	6,593
Other program costs			
Building occupancy	328	328	-
Office and program supplies	-	-	150
Telephone	565	565	75
Public education	72	72	253
Staff expenses	799	799	1,476
Purchased services	500	500	-
Total other program costs	2,264	2,264	1,954
Total program costs	18,000	18,000	8,547
Excess of expenses over revenue for the year	\$ -	\$ -	\$ (47)

Muskoka Victim Services

Schedule 3 - Court Support Worker Program Operations

For the year ended March 31	2018 Budget	2018 Actual	2017 Actual
Revenue			
Ontario Ministry of the Attorney General funding	\$ 16,250	\$ 16,250	\$ 16,250
Expenses			
Salaries and benefits	11,145	11,145	11,145
Other program costs			
Building occupancy	985	985	-
Office and program supplies	685	685	685
Telephone	810	810	810
Public education	-	-	720
Staff expenses	1,470	1,470	1,477
Purchased services	710	710	710
Insurance	360	360	360
Other expenses	85	115	350
Total other program costs	5,105	5,135	5,112
Total program costs	16,250	16,280	16,257
Excess of expenses over revenue for the year	\$ -	\$ (30)	\$ (7)

Muskoka Victim Services

Schedule 4 - Project Funding Operations

For the year ended March 31	2018	2017
Revenue		
Donations and fundraising	\$ 35,733	\$ 15,112
Interest and miscellaneous income	96	673
	<hr/>	<hr/>
	35,829	15,785
Expenses		
Fundraising expenses	4,641	-
Fundraising disbursements	21,484	29,693
	<hr/>	<hr/>
	26,125	29,693
Excess (deficiency) of revenue over expenses for the year	\$ 9,704	\$ (13,908)