

# Muskoka Victim Services

## Financial Statements

March 31, 2020

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## Independent Auditor's Report

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### To the Members of Muskoka Victim Services

#### **Qualified Opinion**

I have audited the accompanying financial statements of Muskoka Victim Services which comprise the statement of financial position as at March 31, 2020 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.

In my opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of Muskoka Victim Services as at March 31, 2020, 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.

#### **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, verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, I was not able to determine whether any adjustments might be necessary to donation and fundraising revenues, excess of revenues over expenses, cash flows from operations, assets and net assets.

My audit opinion on the financial statements for the year ended March 31, 2020 was modified accordingly because of the possible effects of this limitation in scope.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of Muskoka Victim Services in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 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.

In preparing the financial statements, management is responsible for assessing Muskoka Victim Services' 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 Muskoka Victim Services or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Muskoka Victim Services' financial reporting process.

***Auditor's Responsibilities for the Audit of the Financial Statements***

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Muskoka Victim Services' 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 Muskoka Victim Services' ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Muskoka Victim Services 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.

I 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 I identify during my audit.

*Dave Stevenson*

CPA, CA, Licensed Public Accountant

May 21, 2020

Bracebridge, Ontario

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

<b>March 31</b>	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 67,525	\$ 24,146
Accounts receivable	-	218
HST receivable	4,826	4,398
Prepaid expenses	3,900	-
	<u>76,251</u>	<u>28,762</u>
<b>Capital assets (Note 2)</b>	<u>13,955</u>	<u>4,285</u>
	<u>\$ 90,206</u>	<u>\$ 33,047</u>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 1,222	\$ 3,001
Government remittances payable	4,167	3,663
	<u>5,389</u>	<u>6,664</u>
<b>Commitment (Note 3)</b>		
<b>Unamortized capital grants</b>	<u>-</u>	<u>2,477</u>
	<u>5,389</u>	<u>9,141</u>
<b>Net Assets</b>		
Net assets invested in capital assets	13,955	1,808
Unrestricted	70,862	22,098
	<u>84,817</u>	<u>23,906</u>
	<u>\$ 90,206</u>	<u>\$ 33,047</u>

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	2020	2019
<b>Revenues</b>		
Ontario Ministry of the Attorney General funding	\$ 234,749	\$ 226,011
District Municipality of Muskoka grant	10,000	-
Donations and fundraising	63,301	18,294
Interest and miscellaneous income	133	93
Amortization of capital grants	-	726
	<b>308,183</b>	245,124
<b>Expenses</b>		
Salaries and benefits	184,319	173,548
Other program costs		
Building occupancy	14,363	16,053
Office and program supplies	6,744	8,752
Telephone	7,298	7,681
Public education	2,635	1,796
Staff expenses	5,205	7,176
Volunteer expenses	3,750	3,585
Client expenses	-	38
Purchased services	7,238	7,134
Insurance	4,577	4,333
	<b>51,810</b>	56,548
Total program costs	236,129	230,096
Amortization of capital assets	2,627	1,243
Fundraising disbursements	9,035	7,896
Fundraising expenses	458	98
Loss (gain) on disposal of capital assets	(977)	401
	<b>247,272</b>	239,734
<b>Excess of revenues over expenses for the year</b>	<b>60,911</b>	5,390
<b>Net assets - beginning of year</b>	<b>23,906</b>	18,516
<b>Net assets - end of year</b>	<b>\$ 84,817</b>	\$ 23,906
<b>Represented by</b>		
Net assets invested in capital assets	\$ 13,955	\$ 1,808
Unrestricted net assets	70,862	22,098
	<b>\$ 84,817</b>	\$ 23,906

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>2020</b>	<b>2019</b>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenues over expenses for the year	\$ 60,911	\$ 5,390
Adjustment for		
Amortization of capital assets	2,627	1,243
Amortization of capital grants	-	(726)
Loss (gain) on disposal of capital assets	(977)	401
	<u>62,561</u>	<u>6,308</u>
Changes in non-cash working capital balances		
Accounts receivable	218	(218)
HST receivable	(427)	(488)
Prepaid expenses	(3,900)	-
Accounts payable and accrued liabilities	(1,780)	-
Government remittances payable	504	(39)
	<u>57,176</u>	<u>5,563</u>
<b>Investing activities</b>		
Purchase of capital assets	<u>(13,797)</u>	<u>(759)</u>
<b>Increase in cash during the year</b>	<b>43,379</b>	<b>4,804</b>
<b>Cash - beginning of year</b>	<u><b>24,146</b></u>	<u>19,342</u>
<b>Cash - end of year</b>	<u><b>\$ 67,525</b></u>	<u>\$ 24,146</u>

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# Muskoka Victim Services

## Notes to the Financial Statements

March 31, 2020

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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, 2020 approximately 77% (2019 - 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

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# Muskoka Victim Services

## Notes to the Financial Statements

March 31, 2020

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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, 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, 2020

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#### 2. Capital Assets

	2020		2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 13,797	\$ 2,070	\$ 17,000	\$ 15,500
Office furniture and equipment	22,948	20,720	22,948	20,163
	<b>\$ 36,745</b>	<b>\$ 22,790</b>	<b>\$ 39,948</b>	<b>\$ 35,663</b>
Net book value		<b>\$ 13,955</b>		<b>\$ 4,285</b>

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#### 3. Commitment

The organization has leased its premises for a term of one year ending June 30, 2020. The minimum lease payments are \$12,600 plus HST per annum.

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#### 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.

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## Muskoka Victim Services

### Schedule 1 - Muskoka Victim Services Operations

For the year ended March 31	2020 Budget	2020 Actual	2019 Actual
<b>Revenue</b>			
Ontario Ministry of the Attorney General funding	\$ 195,499	\$ <b>195,499</b>	\$ 186,761
<b>Expenses</b>			
Salaries and benefits	152,865	<b>153,295</b>	142,710
Other program costs			
Building occupancy	13,762	<b>13,863</b>	15,553
Office and program supplies	3,100	<b>3,213</b>	3,863
Telephone	5,285	<b>5,446</b>	6,148
Office and program equipment	2,600	<b>2,645</b>	4,424
Public education	1,732	<b>1,947</b>	1,234
Staff expenses	2,945	<b>2,535</b>	3,552
Volunteer expenses	3,460	<b>3,550</b>	3,435
Purchased services	5,805	<b>6,013</b>	5,909
Insurance	3,945	<b>4,112</b>	4,018
Total other program costs	42,634	<b>43,324</b>	48,136
Total program costs	195,499	<b>196,619</b>	190,846
<b>Excess of expenses over revenue for the year</b>	\$ -	\$ <b>(1,120)</b>	\$ (4,085)

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## Muskoka Victim Services

### Schedule 2 - Human Trafficking Operations

For the year ended March 31	2020 Budget	2020 Actual	2019 Actual
<b>Revenue</b>			
Ontario Ministry of the Attorney General funding	\$ 23,000	\$ <b>23,000</b>	\$ 23,000
<b>Expenses</b>			
Salaries and benefits	20,842	<b>20,842</b>	20,656
Other program costs			
Telephone	670	<b>670</b>	803
Public education	178	<b>178</b>	-
Staff expenses	400	<b>400</b>	681
Volunteer expenses	200	<b>200</b>	150
Purchased services	710	<b>710</b>	710
Total other program costs	2,158	<b>2,158</b>	2,344
Total program costs	23,000	<b>23,000</b>	23,000
<b>Excess of revenue over expenses for the year</b>	\$ -	\$ -	\$ -

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## Muskoka Victim Services

### Schedule 3 - Court Support Worker Program Operations

For the year ended March 31	2020 Budget	2020 Actual	2019 Actual
<b>Revenue</b>			
Ontario Ministry of the Attorney General funding	\$ 16,250	\$ <b>16,250</b>	\$ 16,250
<b>Expenses</b>			
Salaries and benefits	10,182	<b>10,182</b>	10,182
Other program costs			
Office and program supplies	385	<b>885</b>	465
Telephone	730	<b>1,182</b>	730
Public education	650	<b>510</b>	562
Staff expenses	2,823	<b>2,271</b>	2,943
Client expenses	150	-	38
Purchased services	515	<b>515</b>	515
Insurance	315	<b>465</b>	315
Other expenses	500	<b>500</b>	500
Total other program costs	6,068	<b>6,328</b>	6,068
Total program costs	16,250	<b>16,510</b>	16,250
<b>Excess of expenses over revenue for the year</b>	\$ -	\$ <b>(260)</b>	\$ -

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## Muskoka Victim Services

### Schedule 4 - Project Funding Operations

<b>For the year ended March 31</b>	<b>2020</b>	<b>2019</b>
<b>Revenue</b>		
District of Muskoka funding	\$ 10,000	\$ -
Donations and fundraising	63,301	18,294
Interest and miscellaneous income	133	93
Amortization of capital grants	-	726
	<hr/>	<hr/>
	<b>73,434</b>	<b>19,113</b>
<b>Expenses</b>		
Fundraising expenses	458	98
Fundraising disbursements	9,035	7,896
Amortization of capital assets	2,627	1,243
Loss (gain) on disposal of capital assets	(977)	401
	<hr/>	<hr/>
	<b>11,143</b>	<b>9,638</b>
<b>Excess of revenue over expenses for the year</b>	<b>\$ 62,291</b>	<b>\$ 9,475</b>

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