

Muskoka Victim Services

Financial Statements

March 31, 2017

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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, 2017 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, 2017, 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 21, 2017
Bracebridge, Ontario

Muskoka Victim Services
Statement of Financial Position

March 31	2017	2016
Assets		
Current		
Cash	\$ 21,760	\$ 36,342
HST receivable	4,116	3,231
Prepaid expenses	-	640
	<u>25,876</u>	<u>40,213</u>
Capital assets (Note 2)	<u>6,847</u>	<u>8,727</u>
	<u>\$ 32,723</u>	<u>\$ 48,940</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 3,133	\$ 3,481
Government remittances payable	4,073	3,758
Deferred contributions	5,500	5,500
	<u>12,706</u>	<u>12,739</u>
Unamortized capital grants	<u>4,157</u>	<u>5,415</u>
	<u>16,863</u>	<u>18,154</u>
Net Assets		
Net assets invested in capital assets	2,690	3,312
Unrestricted	13,170	27,474
	<u>15,860</u>	<u>30,786</u>
	<u>\$ 32,723</u>	<u>\$ 48,940</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	2017	2016
Revenues		
Ontario Ministry of the Attorney General funding	\$ 211,511	\$ 213,545
Donations and fundraising	15,112	14,290
Interest and miscellaneous income	673	94
Amortization of capital grants	1,258	1,666
	228,554	229,595
Expenses		
Salaries and benefits	173,894	171,548
Other program costs		
Office and program supplies	6,831	10,796
Telephone	7,957	7,364
Public education	1,652	3,160
Staff expenses	7,066	5,775
Volunteer expenses	3,018	3,282
Client expenses	-	718
Purchased services	6,926	6,874
Insurance	4,163	4,195
Association fees	400	-
	38,013	42,164
Total other program costs		
	211,907	213,712
Amortization of capital assets	1,880	2,963
Fundraising expenses	-	175
Fundraising disbursements	29,693	11,696
	243,480	228,546
Excess (deficiency) of revenues over expenses for the year	(14,926)	1,049
Net assets - beginning of year	30,786	29,737
Net assets - end of year	\$ 15,860	\$ 30,786
Represented by		
Net assets invested in capital assets	\$ 2,690	\$ 3,312
Unrestricted net assets	13,170	27,474
	\$ 15,860	\$ 30,786

The accompanying notes are an integral part of these financial statements

Muskoka Victim Services

Statement of Cash Flows

For the year ended March 31	2017	2016
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenses for the year	\$ (14,926)	\$ 1,049
Adjustment for		
Amortization of capital assets	1,880	2,963
Amortization of capital grants	(1,258)	(1,666)
	<u>(14,304)</u>	<u>2,346</u>
Changes in non-cash working capital balances		
HST receivable	(885)	649
Prepaid expenses	640	2,641
Accounts payable and accrued liabilities	(348)	481
Government remittances payable	315	(270)
Deferred contributions	-	(4,500)
	<u>(14,582)</u>	<u>1,347</u>
Change in cash during the year	(14,582)	1,347
Cash - beginning of year	36,342	34,995
Cash - end of year	\$ 21,760	\$ 36,342

The accompanying notes are an integral part of these financial statements

Muskoka Victim Services

Notes to the Financial Statements

March 31, 2017

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, 2017 approximately 93% (2016 - 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, 2017

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, 2017

2. Capital Assets

	2017		2016	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 17,000	\$ 13,938	\$ 17,000	\$ 12,625
Office furniture and equipment	23,889	20,104	23,889	19,537
	<u>\$ 40,889</u>	<u>\$ 34,042</u>	<u>\$ 40,889</u>	<u>\$ 32,162</u>
Net book value		<u>\$ 6,847</u>		<u>\$ 8,727</u>

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. 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	2017 Budget	2017 Actual	2016 Actual
Revenue			
Ontario Ministry of the Attorney General funding	\$ 186,761	\$ 186,761	\$ 194,795
Ontario MAG approved additional funding	-	-	2,500
Amortization of capital grants	-	1,258	1,666
	<u>186,761</u>	<u>188,019</u>	<u>198,961</u>
Expenses			
Salaries and benefits	156,304	156,156	160,403
Other program costs			
Office and program supplies	3,100	3,151	4,416
Telephone	6,575	7,072	6,554
Office and program equipment	2,925	2,845	3,100
Public education	1,142	679	2,495
Staff expenses	3,650	4,113	4,305
Volunteer expenses	2,650	2,668	2,932
Client expenses	-	-	663
Purchased services	6,165	6,216	6,164
Insurance	3,850	3,803	3,835
Other expenses	400	400	2,595
	<u>30,457</u>	<u>30,947</u>	<u>37,059</u>
Total other program costs	30,457	30,947	37,059
Total program costs	186,761	187,103	197,462
Amortization of capital assets	-	1,880	2,963
	<u>186,761</u>	<u>188,983</u>	<u>200,425</u>
Excess of expenses over revenue for the year	\$ -	\$ (964)	\$ (1,464)

Muskoka Victim Services

Schedule 2 - Human Trafficking Operations

For the year ended March 31	2017 Budget	2017 Actual	2016 Actual
Revenue			
Ontario Ministry of the Attorney General funding	\$ 8,500	\$ 8,500	\$ -
Expenses			
Salaries and benefits	6,593	6,593	-
Other program costs			
Office and program supplies	150	150	-
Telephone	75	75	-
Public education	400	253	-
Staff expenses	1,282	1,476	-
Total other program costs	1,907	1,954	-
Total program costs	8,500	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	2017 Budget	2017 Actual	2016 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			
Office and program supplies	685	685	685
Telephone	810	810	810
Public education	720	720	665
Staff expenses	1,470	1,477	1,470
Client expenses	-	-	55
Purchased services	710	710	710
Insurance	360	360	360
Other expenses	350	350	350
Total other program costs	5,105	5,112	5,105
Total program costs	16,250	16,257	16,250
Excess of expenses over revenue for the year	\$ -	\$ (7)	\$ -

Muskoka Victim Services

Schedule 4 - Project Funding Operations

For the year ended March 31	2017	2016
Revenue		
Donations and fundraising	\$ 15,112	\$ 14,290
Interest and miscellaneous income	673	94
	15,785	14,384
Expenses		
Fundraising expenses	-	175
Fundraising disbursements	29,693	11,696
	29,693	11,696
Excess (deficiency) of revenue over expenses for the year	\$ (13,908)	\$ 2,513