

# **SIMCOE COUNTY YOUTHREACH**

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**Financial Statements**

**Year Ended August 31, 2018**

# **SIMCOE COUNTY YOUTHREACH**

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**Year Ended August 31, 2018**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Simcoe County YouthReach

We have audited the accompanying financial statements of Simcoe County YouthReach, which comprise the statement of financial position as at August 31, 2018 and the statements of receipts and disbursements, changes in net assets and cash flow for the year then ended, and 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Basis for Qualified Opinion

In common with many not-for-profit organizations, Simcoe County YouthReach derives revenue from 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 Simcoe County YouthReach. 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 August 31, 2018, current assets and net assets as at August 31, 2018.

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Independent Auditor's Report to the Members of Simcoe County YouthReach *(continued)*

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Simcoe County YouthReach as at August 31, 2018 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Lardner Nixon LLP*

***Lardner Nixon LLP***  
Chartered Professional Accountants  
Licensed Public Accountants  
Barrie, Ontario  
December 27, 2018

# SIMCOE COUNTY YOUTHREACH

## Statement of Financial Position

August 31, 2018

### ASSETS

#### CURRENT

Cash	\$ 121,402
Term deposits	1,000
Accounts receivable (Note 5)	4,750
Harmonized sales tax recoverable	3,816
Prepaid expenses	709
	<u>131,677</u>

### LIABILITIES AND NET ASSETS

#### CURRENT

Accounts payable and accrued liabilities	\$ 7,836
Deferred income (Note 6)	28,698
	<u>36,534</u>

#### NET ASSETS

<u>95,143</u>
<u>\$ 131,677</u>

ON BEHALF OF THE BOARD

  
\_\_\_\_\_  
Director

See notes to financial statements

Lardner Nixon LLP, Chartered Professional Accountants

# SIMCOE COUNTY YOUTHREACH

## Statement of Receipts and Disbursements

Year Ended August 31, 2018

### RECEIPTS

Grant - County of Simcoe (Note 7)	\$ 27,000
Grant - Ontario Trillium Fund (Note 7)	36,202
YMCA Simcoe Muskoka (Note 8)	54,784
Donations	35,788
Fundraising revenue	<u>94,231</u>
	<u>248,005</u>

### DISBURSEMENTS

Advertising and promotion	2,424
Consulting and administrative fees	42,574
Fundraising expenses	16,084
Insurance	1,301
Interest and bank charges	335
Office	1,953
Professional fees	18,157
Program supplies	58,539
Strategic planning	9,874
Telephone	<u>1,621</u>
	<u>152,862</u>

### EXCESS OF RECEIPTS OVER DISBURSEMENTS

\$ 95,143

# SIMCOE COUNTY YOUTHREACH

## Statement of Changes in Net Assets

Year Ended August 31, 2018

	General Fund	2018
NET ASSETS - BEGINNING OF YEAR	\$ -	\$ -
EXCESS OF RECEIPTS OVER DISBURSEMENTS	95,143	<u>95,143</u>
NET ASSETS - END OF YEAR	<u>\$ 95,143</u>	<u>\$ 95,143</u>

See notes to financial statements

Lardner Nixon LLP, Chartered Professional Accountants



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**SIMCOE COUNTY YOUTHREACH****Statement of Cash Flow****Year Ended August 31, 2018**

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**OPERATING ACTIVITIES**

Excess of receipts over disbursements	\$ 95,143
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Changes in non-cash working capital:

Accounts receivable	(4,750)
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Accounts payable and accrued liabilities	7,836
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Deferred income	28,698
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Prepaid expenses	(709)
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Harmonized sales tax payable	(3,816)
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**27,259****INCREASE IN CASH FLOW****122,402**

Cash - beginning of year

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**-****CASH - END OF YEAR**

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**\$ 122,402****CASH CONSISTS OF:**

Cash	\$ 121,402
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Term deposits	1,000
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**\$ 122,402**



**1. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS**

During the year the Organization adopted Canadian accounting standards for not-for-profit organizations (ASNFP). These financial statements are the first prepared in accordance with these standards.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFP).

Harmonized Sales Tax

Contributed materials and services are recoverable at 50% of the federal part of the HST as a rebate. Contributed materials and services are recoverable at 82% of the provincial part of the HST as a rebate. The unrecoverable portion is recorded as an expense with the rebate treated as a receivable.

Revenue recognition

Simcoe County YouthReach follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are 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. Endowment contributions are recognized as direct increases in net assets.

Fundraising revenue is recorded as income at the time the fundraising event is held and there is reasonable assurance that the funds will be received.

Government grants

Government grants are recorded when there is a reasonable assurance that the Organization had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

Contributed services

The operations of the Organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

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. Such estimates include allowance for doubtful accounts, prepaid expenses and accrued liabilities.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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**3. PURPOSE OF THE ORGANIZATION**

Simcoe County YouthReach (the "Organization") is a not-for-profit organization incorporated federally under the Canada Not-for-profit Corporations Act. As a registered charity the organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Organization operates within Simcoe County supporting youth and families who might not otherwise participate in recreational activities. We administrate funding to assist financially challenged families and youth trying to access recreational and social programs. We engage committed volunteers, community organizations, municipalities and young people to promote opportunity to our youth.

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**4. FINANCIAL INSTRUMENTS**

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of August 31, 2018.

***(a) Credit risk***

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk from customers. In order to reduce its credit risk, the Organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Organization has a significant number of customers which minimizes concentration of credit risk.

***(b) Liquidity risk***

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources and accounts payable.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant other price risks arising from these financial instruments.

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**5. ACCOUNTS RECEIVABLE**Accounts receivable

Accounts Receivable

\$ 4,750



**6. DEFERRED INCOME**

<u>Grants and Donations</u>	
Ontario Trillium Fund	<u>\$ 28,698</u>

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**7. GRANTS**

<u>Grants</u>	
County of Simcoe	\$ 27,000
Ontario Trillium Fund	<u>36,202</u>
	<u>\$ 63,202</u>

The County of Simcoe approved funding of \$36,000 to be paid over 12 months. The funding is to support the provision of better opportunities for low income families by addressing poverty and/or reducing the effects of child poverty, collaborating service delivery approaches with community partners, and building on the foundation of delivering effective and efficient services tailored to provide direct services for children and families living in poverty.

The Ontario Trillium Fund is a grant consisting of \$312,000 to be paid over 60 months ending December 31, 2019. The funds are to assist in hiring a coordinator to develop partnerships and raise funds for a sports and recreational program in Simcoe County. These funds will be used to help disadvantaged youth participate in sporting programs that otherwise would be unavailable to them.

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**8. YMCA SIMCOE MUSKOKA**

Prior to incorporation the Organization operated through a memorandum of understanding under the umbrella of the YMCA Trillium charitable registration number. After incorporation, the Organization's funds retained within YMCA amounting to \$54,784 were distributed and recognized as revenue.

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