

CHILD AND YOUTH FRIENDLY OTTAWA

FINANCIAL STATEMENTS

DECEMBER 31, 2017

CHILD AND YOUTH FRIENDLY OTTAWA

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INDEPENDENT AUDITOR'S REPORT

To the Directors of
Child and Youth Friendly Ottawa

We have audited the accompanying financial statements of Child and Youth Friendly Ottawa, which comprise the statement of financial position as at December 31, 2017, and the statements of operations and changes in net assets and cash flows 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

The Organization derives revenue from fundraising events and gala, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our audit of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses and cash flows from operations for the years ended December 31, 2017 and 2016, current assets as at December 31, 2017 and 2016 and net assets as at December 31, 2017 and 2016. Our audit opinion on the financial statements for the year ended December 31, 2016 was modified because of the possible effects of this limitation in scope.

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 Child and Youth Friendly Ottawa as at December 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.



Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
May 21, 2018

CHILD AND YOUTH FRIENDLY OTTAWA

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2017

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	2017	2016
REVENUE		
Grants and contributions		
- Ontario Trillium Foundation	\$ 243,076	\$ 133,750
- City of Ottawa	33,314	28,050
- Wage subsidies	14,884	-
- Other	10,000	10,000
Fundraising events and gala	73,123	81,949
Donations	3,302	8,964
	377,699	262,713
EXPENSES		
Salaries and benefits	294,271	175,145
Office expenses	26,618	19,554
Travel expenses	13,119	7,601
Awards and bursaries	10,419	9,500
Meals and entertainment	6,814	4,879
Telecommunications	4,451	1,530
Insurance	3,985	4,250
Advertising, printing and promotion	3,320	6,449
Fundraising events - room and equipment rental	2,117	1,720
Training	827	-
Professional fees	4,282	8,250
Interest and service charges	450	472
Amortization of capital assets	5,370	5,312
	376,043	244,662
EXCESS OF REVENUE OVER EXPENSES	1,656	18,051
NET ASSETS, BEGINNING OF YEAR	37,637	19,586
NET ASSETS, END OF YEAR	\$ 39,293	\$ 37,637

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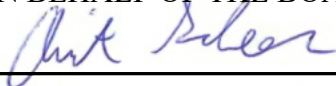
STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2017

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	2017	2016
ASSETS		
CURRENT ASSETS		
Cash	\$ 49,972	\$ 83,937
Accounts receivable (Note 3)	4,801	3,150
Grants and contributions receivable	23,723	1,900
Prepaid expenses	2,347	3,638
	80,843	92,625
CAPITAL ASSETS (Note 4)	14,004	16,436
	\$ 94,847	\$ 109,061
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	\$ 12,919	\$ 17,225
Deferred grants and contributions (Note 6)	30,500	38,888
	43,419	56,113
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 7)	12,135	15,311
	55,554	71,424
NET ASSETS		
Unrestricted	39,293	37,637
	\$ 94,847	\$ 109,061

ON BEHALF OF THE BOARD


_____, Director

Amit Scheer
June 25th, 2018


_____, Director

Kristine Puzon
June 25 2018

CHILD AND YOUTH FRIENDLY OTTAWA

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

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	2017	2016
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 1,656	\$ 18,051
Adjustments for:		
Amortization of capital assets	5,370	5,312
Amortization of deferred contributions related to capital assets	(4,844)	(4,831)
	2,182	18,532
Net change in non-cash working capital items:		
Accounts receivable	(1,651)	(2,638)
Grants and contributions receivable	(21,823)	(1,900)
Prepaid expenses	1,291	-
Accounts payable and accrued liabilities	(4,306)	(5,499)
Deferred grants and contributions	(8,388)	38,888
	(34,877)	28,851
	(32,695)	47,383
INVESTING ACTIVITY		
Acquisition of capital assets	(2,938)	(8,080)
FINANCING ACTIVITY		
Increase in deferred contributions related to capital assets	1,668	8,080
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(33,965)	47,383
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	83,937	36,554
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 49,972	\$ 83,937

Cash and cash equivalents consist of cash.

CHILD AND YOUTH FRIENDLY OTTAWA

NOTES TO THE FINANCIAL STATEMENTS

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1. STATUTE AND NATURE OF OPERATIONS

The Organization is a registered charitable organization, incorporated under the Canada Not-for-profit Corporations Act, established to promote the interests of children and youth and to provide opportunities for all children and youth to engage meaningfully in the civic life of the community. The Organization is a registered charity under the Income Tax Act and is exempt from income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

The Organization applies Canadian accounting standards for not-for-profit organizations (ASNFPO) in accordance with Part III of the CPA Canada Handbook – Accounting.

Use of estimates

The preparation of financial statements in compliance with the ASNFPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses for the periods covered.

Contribution receivable

A contribution receivable is recognized as an asset when the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

Revenue recognition

The Organization follows the deferral method of accounting for revenue. Unrestricted amounts are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue derived from donations and fundraising events and gala are recognized when received, due to the uncertainty of their collection.

Amounts restricted for specific purposes are deferred and recognized as revenue in the year in which the related expenses are incurred.

Contributed materials and services

The Organization would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Because of the inherent difficulty in compiling these hours and establishing their fair value, contributed services are not recognized in the financial statements.

The Organization does not recognize contributed materials and services in the financial statements.

Cash and cash equivalents

The Organization's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that can fluctuate from being positive to overdrawn.

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NOTES TO THE FINANCIAL STATEMENTS

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets

Computer, office and media equipment are accounted for at cost. Amortization is calculated on their estimated useful life using the diminishing balance method at the annual rate of 30%.

Financial instruments

Measurement of financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable and grants and contributions receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. The Organization determines whether a significant adverse change has occurred in the expected timing or amount of future cash flows from the financial asset. If this is the case, the carrying amount of the asset is reduced directly to the higher of the present value of the cash flows expected to be generated by holding the asset, and the amount that could be realized by selling the asset at the balance sheet date. The amount of the write-down is recognized in operations. The previously recognized impairment loss may be reversed to the extent of the improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in operations.

Transaction costs

Transaction costs related to financial instruments subsequently measured at amortized cost reduce the carrying amount of the financial asset or liability and are accounted for in the statement of operations using the straight-line method.

3. ACCOUNTS RECEIVABLE

	2017		2016
Harmonized sales tax receivable	\$ 4,451	\$	2,450
Other	350		700
	\$ 4,801	\$	3,150

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NOTES TO THE FINANCIAL STATEMENTS

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4. CAPITAL ASSETS

	Cost	Accumulated amortization	2017	2016
Computer equipment	\$ 24,502	\$ 20,028	\$ 4,474	\$ 2,822
Office and Media equipment	23,144	13,614	9,530	13,614
	\$ 47,646	\$ 33,642	\$ 14,004	\$ 16,436

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2017	2016
Trade accounts and accrued liabilities	\$ 2,181	\$ 8,792
Government remittances	10,738	8,433
	\$ 12,919	\$ 17,225

6. DEFERRED GRANTS AND CONTRIBUTIONS

	2017	2016
Ontario Trillium Foundation		
JIVA	\$ 30,500	\$ 31,000
City of Ottawa		
OYEC	-	7,888
	\$ 30,500	\$ 38,888
	2017	2016
Balance, beginning of year	\$ 38,888	\$ -
Plus: amount granted during the year	288,042	205,857
Less: amount recognized as revenue in the year	(296,430)	(166,969)
Balance, end of year	\$ 30,500	\$ 38,888

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7. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

The Organization received contributions for the purchase of capital assets. These contributions are amortized over the estimated useful life of the capital assets purchased using the diminishing balance method at a rate of 30% annually.

	2017		2016
Balance, beginning of year	\$ 15,311	\$	12,062
Less: amount recognized as revenue in the year	(4,844)		(4,831)
Plus: amount granted during the year	1,668		8,080
	\$ 12,135	\$	15,311

8. CONTINGENCIES

Other indemnification agreements

In the normal course of operations, the Organization signs agreements whereby funds are provided for the execution of projects which are subject to restrictions as to the use of the funds. The sponsors of these projects can execute an audit of the financial records of the Organization to ensure compliance with the project requirements. In the event that amounts to be reimbursed to the sponsor of a project are identified, the necessary adjustments will be recognized in the year they are identified.