

**VOLUNTEER CENTRE OF  
GUELPH/WELLINGTON  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2017**

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**INDEPENDENT AUDITOR'S REPORT**

**To: The Members of Volunteer Centre of Guelph/Wellington**

We have audited the accompanying financial statements of **Volunteer Centre of Guelph/Wellington**, which comprise the statement of financial position as at **March 31, 2017**, the statement of operations, the statement of changes in net assets and the statement of 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**

In common with many non-profit organizations, the Organization derives revenue from donations the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenditures for the year and cash flows from operations for the years ended March 31, 2017 and March 31, 2016, current assets as at March 31, 2017 and March 31, 2016, and net assets as at April 1, 2016 and 2015 and March 31, 2017 and 2016.

**Qualified Opinion**

In our opinion, except for the 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 Volunteer Centre of Guelph/Wellington at March 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Weiler & Company*  
Chartered Accountants  
Licensed Public Accountants

Guelph, Ontario  
May 23, 2017

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**VOLUNTEER CENTRE OF GUELPH/WELLINGTON**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2017**

	Unrestricted Fund	Invested in Capital Assets	Internally Restricted Fund	Externally Restricted Fund	Total 2017	Total 2016
<b>ASSETS</b>						
<b>CURRENT</b>						
Cash	\$ 167,857	\$ 0	\$ 0	\$ 0	\$ 167,857	\$ 60,641
Internally restricted cash	0	0	65	0	65	65
Short-term investments (note 2)	0	0	27,767	0	27,767	27,127
Accrued interest receivable	801	0	0	0	801	617
Accounts receivable (note 3)	12,932	0	0	0	12,932	18,205
Government remittances receivable	6,969	0	0	0	6,969	3,524
Prepaid expenses	7,683	0	0	0	7,683	4,932
	196,242	0	27,832	0	224,074	115,111
<b>CAPITAL ASSETS (note 4)</b>	0	7,258	0	0	7,258	5,005
	<u>\$ 196,242</u>	<u>\$ 7,258</u>	<u>\$ 27,832</u>	<u>\$ 0</u>	<u>\$ 231,332</u>	<u>\$ 120,116</u>
<b>LIABILITIES</b>						
<b>CURRENT</b>						
Accounts payable and accrued liabilities	\$ 12,511	\$ 0	\$ 0	\$ 0	\$ 12,511	\$ 11,288
Deferred revenue (note 6)	129,030	0	0	46,777	175,807	114,880
Interfund loan (note 7)	48,781	0	0	(48,781)	0	0
<b>Total Liabilities</b>	190,322	0	0	(2,004)	188,318	126,168
<b>NET ASSETS</b>						
<b>NET ASSETS</b>	5,920	7,258	27,832	2,004	43,014	(6,052)
	<u>\$ 196,242</u>	<u>\$ 7,258</u>	<u>\$ 27,832</u>	<u>\$ 0</u>	<u>\$ 231,332</u>	<u>\$ 120,116</u>

**APPROVED BY THE BOARD:**

\_\_\_\_\_ Director  
 \_\_\_\_\_ Director

**VOLUNTEER CENTRE OF GUELPH/WELLINGTON**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

	Unrestricted Fund	Invested in Capital Assets	Internally Restricted Fund	Externally Restricted Fund	Total 2017	Total 2016
Balance at beginning of the year	\$ (11,122)	\$ 5,005	\$ 65	\$ 0	\$ (6,052)	\$ (11,084)
Excess (deficiency) of revenue over expenses for the year	49,310	(2,248)	0	2,004	49,066	5,032
Interfund transfers (note 8)	<u>(32,268)</u>	<u>4,501</u>	<u>27,767</u>	<u>0</u>	<u>0</u>	<u>0</u>
Balance at end of the year	<u>\$ 5,920</u>	<u>\$ 7,258</u>	<u>\$ 27,832</u>	<u>\$ 2,004</u>	<u>\$ 43,014</u>	<u>\$ (6,052)</u>

**VOLUNTEER CENTRE OF GUELPH/WELLINGTON**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

	Unrestricted Fund	Invested in Capital Assets	Internally Restricted Fund	Externally Restricted Fund	Total 2017	Total 2016
<b>REVENUE</b>						
United Way allocation	\$ 165,000	\$ 0	\$ 0	\$ 0	\$ 165,000	\$ 164,163
Fee for service	107,460	0	0	7,200	114,660	116,713
Grants and donations	53,977	0	0	58,582	112,559	78,217
Training and consultation	28,424	0	0	8,370	36,794	18,439
Membership fees	35,509	0	0	0	35,509	30,499
Project administrative fee	25,503	0	0	0	25,503	28,721
Other income	8,004	0	0	0	8,004	6,249
Expense reimbursements	0	0	0	0	0	68,230
	<u>423,877</u>	<u>0</u>	<u>0</u>	<u>74,152</u>	<u>498,029</u>	<u>511,231</u>
<b>EXPENSES</b>						
Wages and benefits	254,867	0	0	0	254,867	334,306
Fee for service	3,232	0	0	70,496	73,728	55,695
Promotion and printing	25,700	0	0	0	25,700	10,412
Rent	24,668	0	0	0	24,668	22,342
Office	15,887	0	0	176	16,063	22,968
Programs	7,121	0	0	0	7,121	5,740
Training and consultation	4,413	0	0	1,037	5,450	3,667
Membership fees	5,151	0	0	0	5,151	5,576
Professional fees	4,979	0	0	0	4,979	3,638
Telephone and internet	4,144	0	0	0	4,144	5,720
Utilities	3,427	0	0	0	3,427	3,187
Insurance	3,385	0	0	0	3,385	3,252
Professional development	3,276	0	0	0	3,276	4,010
Repairs and maintenance	3,113	0	0	0	3,113	4,582
Board expenditures	2,943	0	0	0	2,943	1,330
Bank charges and interest	2,409	0	0	353	2,762	4,090
Travel	2,203	0	0	86	2,289	3,384
Equipment rental	2,208	0	0	0	2,208	2,174
Depreciation	0	2,028	0	0	2,028	1,667
National Volunteer Week	1,441	0	0	0	1,441	1,184
WWLA partner distributions	0	0	0	0	0	5,997
Postage	0	0	0	0	0	533
	<u>374,567</u>	<u>2,028</u>	<u>0</u>	<u>72,148</u>	<u>448,743</u>	<u>505,454</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS</b>						
	49,310	(2,028)	0	2,004	49,286	5,777
<b>LOSS ON DISPOSAL OF CAPITAL ASSETS</b>						
	0	220	0	0	220	745
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES for the year</b>						
	<u>\$ 49,310</u>	<u>\$ (2,248)</u>	<u>\$ 0</u>	<u>\$ 2,004</u>	<u>\$ 49,066</u>	<u>\$ 5,032</u>

see accompanying notes

**VOLUNTEER CENTRE OF GUELPH/WELLINGTON**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

	<b>Total 2017</b>	<b>Total 2016</b>
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses for the year	\$ 49,066	\$ 5,032
Items not involving cash		
Depreciation	2,028	1,667
Loss on disposal of capital assets	220	745
	51,314	7,444
Changes in non-cash working capital items		
(Increase) in government remittances receivable	(3,445)	(468)
(Increase) in accrued interest receivable	(184)	(229)
Decrease (increase) in accounts receivable	5,273	(3,196)
(Increase) in prepaid expenses	(2,751)	(2,100)
Increase (decrease) in accounts payable and accrued liabilities	1,213	(6,022)
Increase in deferred revenue	60,927	22,834
	112,347	18,263
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(4,501)	(709)
(Increase) in short-term investments	(640)	(401)
	(5,141)	(1,110)
<b>NET INCREASE IN CASH</b>	107,216	17,163
<b>CASH, BEGINNING OF YEAR</b>	60,706	43,543
<b>CASH, END OF YEAR</b>	\$ 167,922	\$ 60,706
<b>CASH CONSISTS OF:</b>		
Cash	\$ 167,857	\$ 60,641
Internally restricted cash	65	65
	\$ 167,922	\$ 60,706

**VOLUNTEER CENTRE OF GUELPH/WELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

**NATURE OF BUSINESS**

The Volunteer Centre of Guelph/Wellington is a charitable organization incorporated without share capital under the Ontario Business Corporations Act. The Organization promotes and supports effective volunteerism throughout the City of Guelph and Wellington County by working with existing organizations and individuals. The organization is exempt from income taxes.

**1. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles.

**(a) FUND ACCOUNTING**

The activities of the Organization are recorded through the following funds:

**Unrestricted Fund**

The unrestricted fund records the ongoing operations of the Organization.

**Investment in Capital Assets**

The investment in capital assets fund reports the activities of the Organization related to its capital assets.

**Internally Restricted Fund**

The internally restricted fund is to be used under the discretion of the Board of Directors of the Organization.

**Externally Restricted Fund**

The externally restricted fund reports activities of the Organization related to funding received from restricted sources. This fund is comprised of the following:

*(i) WWLA Fund*

The WWLA fund is a restricted fund that reflects the transactions associated with the collaborative agreement between the Organization, Volunteer Action Centre of Kitchener-Waterloo & Area and United Way of Waterloo Region Communities.

*(ii) Partnership Grant Program Fund*

The Partnership Grant Program Fund (PGP) is a restricted fund that reflects the transactions associated with the collaborative agreement between the Organization and the Ontario Volunteer Centre Network. Funding is provided by the Ministry of Citizenship, Immigration and International Trade.

**VOLUNTEER CENTRE OF GUELPH/WELLINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES (*continued*)**

**(b) REVENUE RECOGNITION**

The Organization follows the deferral method for contributions. Under this method:

- Contributions received for specific purposes are deferred and recognized as revenue in the year in which expenses are incurred.
- Unrestricted contributions are recognized when received.

**(c) SHORT-TERM INVESTMENTS**

Short-term investments are valued at fair value. Fair value is determined by the closing sale price on the recognized stock exchange on which the investments are listed or principally traded.

**(d) CASH**

Cash consists principally of funds held at financial institutions.

**(e) CAPITAL ASSETS**

Capital assets are recorded at cost. Depreciation is calculated using the diminishing balance method at the following annual rates, except in the year of acquisition, when one-half of the annual rate is used:

Office equipment	20%
Furniture and fixtures	20%
Computer equipment	30%
Signs	20%
Computer software	100%

Leasehold improvements are depreciated using the straight-line method over 10 years.

**(f) CONTRIBUTED SERVICES**

Volunteers contribute a significant amount of time per year to assist the Organization in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.



**VOLUNTEER CENTRE OF GUELPH/WELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES (*continued*)**

**(g) FINANCIAL INSTRUMENTS**

*Measurement of financial instruments*

The Organization initially measures its financial assets and liabilities at fair value.

The Organization subsequently measures all its financial assets and liabilities at amortized cost, except for cash, short term investments and investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include accounts receivable and government remittances recoverable.

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

*Impairment*

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, 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 net income.

*Transaction costs*

For financial instruments subsequently measured at fair value, the Organization recognizes transaction costs directly attributable to their origination, issuance or assumption in net income in the period incurred. When a financial instrument is measured at amortized cost, transaction costs are included in the initial measurement of the instrument.

**(h) USE OF ESTIMATES**

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the year. Actual results could differ from those estimates. Estimates are reviewed on a regular basis and, as adjustments become necessary, they are reported in income in the periods in which they become known. The assets and liabilities which require management to make significant estimates and assumptions in determining carrying values include accounts receivable, capital assets, and accounts payable and accrued liabilities.

**VOLUNTEER CENTRE OF GUELPH/WELLINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2017**

**2. SHORT-TERM INVESTMENTS**

Short-term investments as at March 31, 2017 consists of the following:

	2017	2016
GIC - bears interest at 3% (2016 - 2.35%), with a maturity date of April 12, 2017	<u>\$ 27,767</u>	<u>\$ 27,127</u>

**3. ACCOUNTS RECEIVABLE**

Accounts receivable is net of an allowance for impairment in the amount of \$0 (2016 - \$0).

**4. CAPITAL ASSETS**

Capital assets as at March 31, 2017 consist of the following:

	COST	ACCUM. DEPRN.	2017 NET BOOK VALUE	2016 NET BOOK VALUE
Office equipment	\$ 4,220	\$ 3,820	\$ 400	\$ 501
Furniture and fixtures	8,888	8,528	360	450
Computer equipment	15,440	8,942	6,498	4,036
Signs	436	436	0	18
Computer software	1,054	1,054	0	0
Leasehold improvements	<u>25,116</u>	<u>25,116</u>	<u>0</u>	<u>0</u>
	<u>\$ 55,154</u>	<u>\$ 47,896</u>	<u>\$ 7,258</u>	<u>\$ 5,005</u>

**5. BANK INDEBTEDNESS**

The Company has a line of credit with an authorized limit of \$25,000. The interest rate is at the Meridian Credit Union's prime plus 1%. The line of credit is secured by short term investments. The Company did not use the line of credit in the 2017 fiscal year. The carrying value of the short term investment is \$27,767 at year end.

**6. DEFERRED REVENUE**

Deferred revenue consists of membership fees, grants and fee-for-service payments received in advance for the following year as well as other amounts received by the Organization for specific programs and projects that will be expended in future years.

**7. INTERFUND LOAN**

Interfund loans are non-interest bearing and have no specific terms of repayment.

**VOLUNTEER CENTRE OF GUELPH/WELLINGTON  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2017**

**8. INTERFUND TRANSFERS**

During the year, \$4,501 was transferred from the Unrestricted Fund to the Invested in Capital Fund for the purchase of computer hardware. In addition, \$27,767 was transferred from the Unrestricted Fund to the Internally Restricted Fund for contingency purposes.

**9. COMMITMENTS**

Subsequent to the year end, the entity committed under a long-term lease for premises which expires April 30, 2020. Minimum annual rentals (exclusive of the requirement to pay taxes, insurance and maintenance costs) for the next four years is approximately as follows:

2018		\$ 15,956
2019		16,100
2020		16,100
2021		<u>1,342</u>
		<u>\$ 49,498</u>

**10. WATERLOO WELLINGTON LEARNING ALLIANCE (WWLA)**

On January 1, 2012 the Organization entered into a partnership (collaborative) agreement with Volunteer Action Centre of Kitchener-Waterloo & Area and United Way of Waterloo Region Communities involving training and consultation services for Waterloo and Guelph-Wellington regions. The mission is to collaboratively facilitate a learning program that will enable, fuel and empower community oriented work in the voluntary sector in Cambridge, Kitchener-Waterloo, Guelph, Wellington County and surrounding areas. The WWLA fund is externally restricted. The Organization and Volunteer Action Centre of Kitchener-Waterloo & Area and United Way of Waterloo Region Communities are jointly and equally responsible for any cash flow shortages or budget shortfalls of the Waterloo Wellington Learning Alliance. The excess of revenue over expenses are to be shared equally to reimburse for services provided by their respective Organizations. Payments of surplus are disclosed as WWLA partner distributions and interfund transfers.

During the year, the member organizations agreed to retain the surplus from the 2017 fiscal year for future operations.

**VOLUNTEER CENTRE OF GUELPH/WELLINGTON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

**11. FINANCIAL RISK MANAGEMENT**

The Organization may be exposed to a variety of financial risks including credit risk, liquidity risk and market risk (including interest rate risk, currency risk, and other price risk). It is management's opinion that the organization's risk exposure is unchanged from the prior year.

a) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation that is entered into with the Organization. It is management's opinion that the Organization is not exposed to significant credit risk.

b) Liquidity risk

Liquidity risk is the risk that the Organization will not be able to meet a demand for cash or fund its obligations as they come due. It is management's opinion that the Organization is not exposed to significant liquidity risk.

c) Market risk

Interest rate risk arises from the possibility that changes in interest rates will affect the fair value of financial instruments.

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign currencies.

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market.

It is management's opinion that the Organization is not exposed to significant market risk.

**12. COMPARATIVE FIGURES**

Certain reclassifications for the year ended March 31, 2016 have been made for the purpose of comparability.

**VOLUNTEER CENTRE OF GUELPH/WELLINGTON  
SCHEDULE OF EXTERNALLY RESTRICTED FUNDS  
FOR THE YEAR ENDED MARCH 31, 2017**

	WWLA Fund	PGP Fund	Total 2017	Total 2016
<b>REVENUE</b>				
Grants and donations	\$ 0	\$ 58,582	\$ 58,582	\$ 23,600
Training and consultation	8,370	0	8,370	13,664
Fee for service	7,200	\$ 0	7,200	10,800
	<u>15,570</u>	<u>58,582</u>	<u>74,152</u>	<u>48,064</u>
<b>EXPENSES</b>				
Fee for service	12,000	58,496	70,496	49,800
Training and consultation	1,037	0	1,037	3,442
Office	176	0	176	1,957
Bank charges and interest	353	0	353	601
Travel	0	86	86	0
Professional development	0	0	0	358
WWLA partner distributions	0	0	0	5,997
	<u>13,566</u>	<u>58,582</u>	<u>72,148</u>	<u>62,155</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES for the year</b>				
	<u>\$ 2,004</u>	<u>\$ 0</u>	<u>\$ 2,004</u>	<u>\$ (14,091)</u>