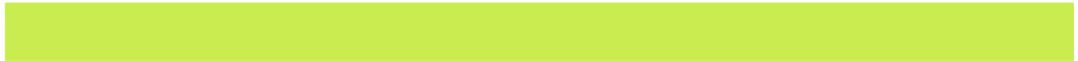


# **Volunteer Ottawa / Bénévoles Ottawa**



## **Financial Statements** For the year ended December 31, 2018

**Volunteer Ottawa / Bénévoles Ottawa**  
**Financial Statements**  
For the year ended December 31, 2018

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## Independent Auditor's Report

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### **To the Members of Volunteer Ottawa / Bénévoles Ottawa**

#### Qualified Opinion

We have audited the financial statements of Volunteer Ottawa / Bénévoles Ottawa, which comprise the statement of financial position as at December 31, 2018, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Volunteer Ottawa / Bénévoles Ottawa as at December 31, 2018 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, Volunteer Ottawa / Bénévoles Ottawa derives revenue from donations and fundraising activities 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 Volunteer Ottawa / Bénévoles Ottawa and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, assets and net assets.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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## Independent Auditor's Report (continued)

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### 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 Organization, 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 the entity's 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 the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

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

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

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## Independent Auditor's Report (continued)

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- ♦ 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.

We 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 we identify during our audit.

*Baker Tilly Ottawa LLP*

Chartered Professional Accountants, Licensed Public Accountants

April 29, 2019

Ottawa, Ontario

## Volunteer Ottawa / Bénévoles Ottawa Statement of Financial Position

December 31 2018 2017

### Assets

#### Current

Cash (Note 2)	\$	147,588	\$		183,597
Short-term investment		-			50,365
Accounts receivable		23,882			32,660
Prepaid expenses		6,774			4,414
		178,244			271,036

#### Tangible capital assets (Note 3)

		1,107			-
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	\$	179,351	\$		271,036
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### Liabilities and Net Assets

#### Current

Accounts payable and accrued liabilities	\$	28,125	\$		70,448
Deferred revenue (Note 4)		94,585			138,557
		122,710			209,005

#### Net assets

Internally restricted for reserve purposes		56,641			62,031
Unrestricted		-			-
		56,641			62,031

	\$	179,351	\$		271,036
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Approved on behalf of the board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

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## Volunteer Ottawa / Bénévoles Ottawa Statement of Changes in Net Assets

**For the year ended December 31**

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	<b>Internally Restricted for Reserve</b>	<b>Unrestricted</b>	<b>Total 2018</b>	<b>Total 2017</b>
<b>Balance, beginning of year</b>	\$ 62,031	\$ -	\$ 62,031	99,416
Deficiency of revenues over expenditures for the year	(5,390)	-	(5,390)	(37,385)
<b>Balance, end of year</b>	<b>\$ 56,641</b>	<b>\$ -</b>	<b>\$ 56,641</b>	<b>62,031</b>

## Volunteer Ottawa / Bénévoles Ottawa Statement of Operations

**For the year ended December 31**

**2018**

**2017**

**Revenues**

Corporate partnerships	\$ 54,933	\$ 30,250
Education and training	66,293	68,553
Memberships	76,581	67,137
Miscellaneous	16,882	25,422
Donations and fundraising	34,822	28,627
External program funding		
150 for 150	-	10,000
Program generated revenue	-	6,940
United Way allocation	83,660	101,989
ChangeTheWorld	-	25,000
DiverCity on Board	-	77,959
Community Engagement	36,165	54,682
Education	-	1,600
Diversity in Leadership Ottawa	159,405	-
	<b>528,741</b>	<b>498,159</b>

**Expenditures**

Amortization	1,107	1,167
Bank charges and interest	3,809	3,744
Board and committee expenses	954	700
Cleaning services	3,679	1,226
Contract service	78,307	34,117
Direct program costs	43,877	28,404
Fundraising	-	9,411
Insurance	5,879	5,890
Meals and entertainment	-	53
Membership dues	1,039	960
Occupancy	26,568	34,985
Postage, printing and photocopying	2,537	7,675
Professional fees	7,783	6,432
Public relations and advertising	2,988	11,198
Salaries and benefits	345,816	368,928
Stationary and supplies	3,042	7,671
Telecommunications	5,695	6,525
Travel	470	5,825
Volunteer recognition	581	633
	<b>534,131</b>	<b>535,544</b>

**Deficiency of revenues over expenditures for the year**      \$ (5,390)      \$ (37,385)

## Volunteer Ottawa / Bénévoles Ottawa Statement of Cash Flows

For the year ended December 31	2018	2017
<b>Cash flows from (used in) operating activities</b>		
Deficiency of revenues over expenditures for the year	\$ (5,390)	\$ (37,385)
Adjustments for		
Amortization of tangible capital assets	1,107	1,167
	(4,283)	(36,218)
Change in non-cash working capital items		
Accounts receivable	8,778	(14,347)
Prepaid expenses	(2,360)	(372)
Accounts payable and accrued liabilities	(42,323)	2,716
Deferred revenue	(43,972)	87,908
	(84,160)	39,687
<b>Cash flows from (used in) investing activity</b>		
Tangible capital asset additions	(2,214)	-
<b>Increase (decrease) in cash during the year</b>	<b>(86,374)</b>	<b>39,687</b>
<b>Cash, beginning of year</b>	<b>233,962</b>	<b>194,275</b>
<b>Cash, end of year</b>	<b>\$ 147,588</b>	<b>\$ 233,962</b>
<b>Cash consists of:</b>		
Cash	\$ 135,902	\$ 166,402
Restricted cash	11,686	17,195
Short-term investment	-	50,365
	<b>\$ 147,588</b>	<b>\$ 233,962</b>

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# Volunteer Ottawa / Bénévoles Ottawa

## Notes to the Financial Statements

December 31, 2018

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### 1. Significant Accounting Policies

**Nature of Organization** Volunteer Ottawa is a registered charity incorporated in Canada as a not-for-profit organization and was continued under the Canada Not-for-profit Corporations Act on March 19, 2013. It promotes volunteerism in the Ottawa region and is dependent on funds received from the United Way, as well as other grants and contributions to provide services.

The organization is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.

**Basis of Presentation** The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations which are part of Canadian generally accepted accounting principles.

**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 reporting periods. Actual results could differ from management's best estimates as additional information becomes available in the future. These estimates and assumption are reviewed periodically and as adjustments become necessary, they are reported in the periods in which they become known.

Significant estimates include assumptions used in estimating: the measurement and collectibility of accounts receivable, the fair value of financial instruments, the useful lives and related amortization of tangible capital assets, provisions for accrued liabilities, and the portion of government grants earned.

**Financial Instruments** Financial instruments are financial assets or liabilities of the organization where, in general, the organization has the right to receive cash or another financial asset from another party or the organization has the obligation to pay another party cash or other financial assets.

*Measurement of financial instruments*

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

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# Volunteer Ottawa / Bénévoles Ottawa

## Notes to the Financial Statements

December 31, 2018

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### 1. Significant Accounting Policies (continued)

#### Financial Instruments (continued)

#### Measurement of financial instruments (continued)

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

Financial assets and liabilities measured at amortized cost include cash, accounts receivable, and accounts payable and accrued liabilities.

There are no financial assets or financial liabilities measured at fair value.

#### Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down, if any, is recognized in operations. The previously recognized impairment loss may be reversed, to the extent of the improvement, directly or by adjusting the allowance account. The reversal may be recorded 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 and it does not exceed original cost. The amount of the reversal is recognized in operations.

#### Transaction costs

The organization recognizes its transaction costs in operations in the period incurred. However, the financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

#### Tangible Capital Assets

Capital assets are stated at cost less accumulated amortization. Amortization is provided over the estimated useful life of the assets at the following annual rates

Computer equipment	2 years straight-line
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#### Internally Restricted For Reserve Purposes

The reserve was created to provide financial stability for the organization and is not available for other purposes without approval of the Board of Directors.

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## Volunteer Ottawa / Bénévoles Ottawa Notes to the Financial Statements

December 31, 2018

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**1. Significant Accounting Policies (continued)**

**Revenue Recognition** The organization 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.

Membership fees are recognized as revenue over the period to which they relate.

**Contributed Materials and Services** Volunteers contribute a significant number of hours each year to assist the organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

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**2. Cash**

The organization's cash balances are held at a credit union and earn nominal interest.

Included in cash balances at year end are restricted cash amounts of \$11,686 (2017 - \$17,195). This restricted cash is held on behalf of other funders that have partnered with Volunteer Ottawa for an annual fundraising event. Volunteer Ottawa maintains the funds for the event on behalf of the other partners.

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**3. Tangible Capital Assets**

	2018		2017	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 28,015	\$ 26,908	\$ 25,801	\$ 25,801
Net Book Value		\$ 1,107		\$ -

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## Volunteer Ottawa / Bénévoles Ottawa Notes to the Financial Statements

**December 31, 2018**

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### 4. Deferred Revenue

Deferred revenue represents grants that are externally restricted for specific projects to be completed in a subsequent year. They are as follows:

	Balance beginning of year January 1, 2018	Contributions	Expenses Incurred and Revenue Recognized	Balance end of year December 31, 2018
Memberships	\$ 19,739	\$ 77,997	\$ 76,581	\$ 21,155
Ottawa Community Foundation	-	10,000	-	10,000
Volunteer Ottawa Connect	3,250	1,677	4,927	-
Ontario Trillium Foundation	89,200	128,600	159,405	58,395
Pillar Non-Profit	760	-	760	-
United Way Funding	20,530	10,000	30,530	-
Other	5,078	4,262	4,305	5,035
	<b>\$ 138,557</b>	<b>\$ 232,536</b>	<b>\$ 276,508</b>	<b>\$ 94,585</b>

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### 5. Commitments

The organization has a lease agreement for its premises with a cost of approximately \$24,996 annually until June 2019.

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### 6. Employee Benefit Plan

As of November 1, 2017, the organization withdrew from the Ottawa-Carleton Community Agencies Pension Plan. The expenditure for the plan for the year is \$nil (2017 - \$4,765).

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### 7. Financial Instruments Risks And Uncertainties

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations as at December 31, 2018.

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# Volunteer Ottawa / Bénévoles Ottawa

## Notes to the Financial Statements

December 31, 2018

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### 7. Financial Instruments Risks And Uncertainties (continued)

#### 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's main credit risks relate to its accounts receivable. The organization routinely assesses the financial strength of its contributors and establishes an allowance for doubtful accounts based on credit risk applicable to particular contributors, historical and other information.

#### Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting its obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable, accrued liabilities, and deferred revenue.

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The organization is not exposed to these risks.

#### Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The organization is not exposed to currency exchange risk.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is not exposed to interest rate risk due to the short term of the short-term investment.

#### Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because 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 the market. The organization is not exposed to significant other price risk.

#### Changes in risk

There have been no significant changes in the company's risk exposures from the 2017 fiscal year.

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## Volunteer Ottawa / Bénévoles Ottawa Notes to the Financial Statements

December 31, 2018

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### 8. Comparative Amounts

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

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