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THE EXPLOITS VALLEY YOUNG MEN'S CHRISTIAN ASSOCIATION

FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2013

Blair J. Jewer
Chartered Accountant

DRAFT

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INDEPENDENT AUDITOR'S REPORT

To The Members
The Exploits Valley Young Men's Christian Association

I have audited the accompanying financial statements of The Exploits Valley Young Men's Christian Association, which comprise the statement of financial position as at December 31, 2013, and the statements of operations, 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 generally accepted accounting standards for not for profit entities 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 audit opinion.

Opinion
In my opinion the financial statements present fairly, in all material respects, the financial position of The Exploits Valley Young Men's Christian Association as at December 31, 2013, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting standards for not for profit organizations.

TBD, 2014
Grand Falls-Windsor, NL

Chartered Accountant

THE EXPLOITS VALLEY YOUNG MEN'S CHRISTIAN ASSOCIATION

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2013

	2013	2012
ASSETS		
CURRENT ASSETS		
Cash	$ 79,627	$ 81,407
Accounts receivable	117,615	100,347
Prepaid expenses	6,210	6,175
	203,452	187,929
INTERNALLY RESTRICTED CASH (Note 3)	316,649	285,724
PROPERTY, PLANT AND EQUIPMENT (Note 4)	332,858	365,587
	$ 852,959	$ 839,240
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	$ 59,101	$ 64,652
Accrued vacation pay	13,293	12,159
Due to NLHC (Note 5)	28,276	-
Deferred revenue (Note 6)	23,474	3,174
	124,144	79,985
NET ASSETS		
INVESTMENT IN CAPITAL ASSETS (Note 6)	332,858	365,587
INTERNALLY RESTRICTED (Note 6)	316,649	285,724
UNRESTRICTED (Note 6)	79,308	107,944
	728,815	759,255
	$ 852,959	$ 839,240

Signed on behalf of the board.

________________________, *Chairperson*

________________________, *Treasurer*

The accompanying notes form an integral part of this financial statement.

THE EXPLOITS VALLEY YOUNG MEN'S CHRISTIAN ASSOCIATION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2013

	2013	2012
REVENUE		
Recreation Centre (Note 8)	$ 645,034	$ 677,102
Child Care Centres	1,552,571	1,462,663
Battcock Manor	53,620	34,602
Government employment grants	236,637	247,858
	2,487,862	2,422,225
EXPENDITURES		
Wages and benefits	1,809,639	1,749,611
Electricity	177,604	151,652
Program expense	206,230	193,630
YMCA fees	44,573	40,843
Professional fees	12,980	5,325
Staff and volunteer training	19,920	31,607
Maintenance and cleaning	115,720	101,361
Office	15,453	19,066
Communications	21,491	22,279
Insurance	12,234	14,778
Bank fees and CLASS fees	33,450	30,821
Miscellaneous	1,279	1,256
Depreciation	32,729	36,230
Provision for doubtful accounts	15,000	-
Interest on long-term debt	-	147
	2,518,302	2,398,606
EXCESS OF REVENUE OVER EXPENSES	$(30,440)	$ 23,619

The accompanying notes form an integral part of this financial statement.

Blair J. Jewer
Chartered Accountant

THE EXPLOITS VALLEY YOUNG MEN'S CHRISTIAN ASSOCIATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2013

	2013	2012
CASH WAS DERIVED FROM (USED FOR)		
Operating		
Excess of revenue over expenses	$(30,440)	$ 23,619
Non-cash items, depreciation	32,729	36,230
	2,289	59,849
Changes in non-cash working capital		
Accounts receivable	(17,268)	(15,679)
Prepaid expenses	(35)	3,607
Accounts payable	(5,551)	19,701
Accrued vacation pay	1,134	(694)
Due to NLHC	28,276	
Deferred revenue	20,300	(10,655)
	29,145	56,129
Investing		
Purchase of property, plant and equipment	-	(12,109)
Internally restricted cash	(30,925)	(45,858)
	(30,925)	(57,967)
(DECREASE) IN CASH	(1,780)	(1,838)
CASH, BEGINNING OF YEAR	81,407	83,245
CASH END OF YEAR	$ 79,627	$ 81,407
CASH CONSISTS OF		
Cash	$ 79,627	$ 81,407
INTEREST PAID	$ -	$ 147

The accompanying notes form an integral part of this financial statement.

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2013

2013 2012

1. PURPOSE OF THE ORGANIZATION

The Exploits Valley Young Men's Christian Association is a charity, offering opportunities for personal growth in spirit, mind and body through participation and service to the community.

2. ACCOUNTING POLICY

The financial statements were prepared in accordance with Canadian generally accepted accounting standards for not for profit entities and include the following significant accounting policies:

(a)Cash consists of cash on hand and balances with bank including authorized overdrafts and recurring operating loans. Cash components included in the cash flow statement is detailed thereon.

(b)Depreciation was provided on property, plant and equipment at the following rates per annum using the declining balance method.

Buildings	4%
Land improvements	8%
Equipment	20, 30%

(c) Estimates

The preparation of these financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically and adjustments are made to excess of revenue over expenses as appropriate in the year they become known.

(d) Financial Instruments

The organization initially measures financial instruments at fair value, except for certain non-arms length transactions. The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for equity investments 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 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 provided it is no greater than the amount that would have been reported at the date of reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Transaction costs are recognized in net income in the period incurred.

2013 2012

2. ACCOUNTING POLICY (Cont'd)

(e)Revenue Recognition

Revenue is recognized using the deferral basis of accounting.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of activities. Revenue is shown, net of value-added tax, estimated returns, rebates and discounts and after eliminated revenues within the organization. Revenue is recognized on the following basis:

(i)Sales of goods - retail

Sales of goods are recognized when products are sold to the customer. Retail sales are usually in cash or by credit card.

(ii)Sales of services

Sales of services are recognized in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

(iii)Grant revenue

Restricted contributions received for operating expenses are recognized as revenue in the year the expenses are incurred.

(f)Property, plant and equipment purchased is recorded as an asset addition in the year of purchase. The organizations equity in property, plant and equipment is reflected on the balance sheet as "Investment in Capital Assets". Grants received towards the purchase of property, plant and equipment are reflected as a reduction in the cost of the asset.

(g)The value of donated goods, services and labour is not reflected in the financial statements.

3. INTERNALLY RESTRICTED CASH

The organization has designated short term guaranteed investment certificates as internally restricted funds for use on future capital expenditures. Internally restricted cash consists of:

	2013	2012
Current account	$114,395	$133,897
Short term 2.40% guaranteed investment certificates	202,254	151,827
	$316,649	$285,724

4. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated Depreciation	2013	2012
Land	$ 20,882	$ -	$ 20,882	$ 20,882
Land improvements	13,350	4,972	8,378	9,107
Building	358,828	147,765	211,063	219,857
Equipment	492,245	399,710	92,535	115,741
Equipment not being amortized	138,134	138,134	-	-
	$1,023,439	$ 690,581	$332,858	$365,587

	2013	2012
5. PAYABLE TO NLHC		
Advances received	95,825	-
Repayments made	(9,700)	-
Replacement reserve flowthrough expenditures	(78,244)	-
Excess of revenue over expenses	20,495	-
	$ 28,276	$ -

The organization has entered into an agreement with Newfoundland and Labrador Housing Corporation (NLHC) to oversee administration of Battcock Manor. Under the terms of the agreement, any surplus in excess of a prescribed amount is repayable to NLHC.

	2013	2012
6. DEFERRED REVENUE		
Government grants, other	$ 6,934	$(12,494)
Membership fees	15,553	17,401
Program revenue Recreation Center	987	(1,733)
	$ 23,474	$ 3,174

7. STATEMENT OF CHANGES IN NET ASSETS

	Invested In Capital Assets	Internally Restricted	Unrestricted		
Balance, beginning of year	$ 365,587	$ 285,724	$ 107,944	$ 759,255	$ 735,636
Excess of expenditure over revenue	(32,729)	-	2,289	(30,440)	23,619
Capital expenditure from unrestricted resources	-	-	-	-	-
Cash transfer - net	-	30,925	(30,925)	-	-
	$ 332,858	$ 316,649	$ 79,308	$ 728,815	$ 759,255

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2013

8. OTHER

The Exploits Valley Young Men's Christian Association signed an agreement with the Town of Grand Falls-Windsor to manage the Francis M. Nichols Community Centre which the YMCA currently occupies. The Town provides an annual operating grant in return for the management services. Ownership of the building and mortgage liabilities remain with the Town.

9. RECREATION CENTRE REVENUE

	2013	2012
Health, fitness, recreation (HFR)	$ 35,728	$ 40,580
Aquatics	61,089	80,047
Memberships	522,930	489,344
Miscellaneous	12,454	13,531
Donations and fundraising	325	2,037
Individual contributions - Strong Kids Campaign	12,508	11,563
Town of Grand Falls-Windsor operating grant	-	40,000
	$ 645,034	$ 677,102

10. FINANCIAL INSTRUMENTS & RISK MANAGEMENT

The organization carries various forms of financial instruments. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Blair J. Jewer
Chartered Accountant