

***THE EXPLOITS VALLEY
YOUNG MEN'S CHRISTIAN ASSOCIATION
FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2014***

Blair J. Jewer
Chartered Professional Accountant

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1.

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, 2014, 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, 2014, 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.

April 30, 2015
Grand Falls-Windsor, NL


Chartered Professional Accountant

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 211,797	\$ 79,627
Accounts receivable	107,749	117,615
Prepaid expenses	5,530	6,210
	<u>325,076</u>	<u>203,452</u>
INTERNALLY RESTRICTED CASH (Note 3)	360,471	316,649
PROPERTY, PLANT AND EQUIPMENT (Note 4)	<u>341,119</u>	<u>332,858</u>
	<u>\$1,026,666</u>	<u>\$852,959</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 86,182	\$ 59,101
Accrued vacation pay	14,958	13,293
Due to NLHC (Note 5)	1,694	28,276
Deferred revenue (Note 6)	60,458	23,474
	<u>163,292</u>	<u>124,144</u>
NET ASSETS		
INVESTMENT IN CAPITAL ASSETS (Note 7)	341,119	332,858
INTERNALLY RESTRICTED (Note 7)	360,471	316,649
UNRESTRICTED (Note 7)	161,784	79,308
	<u>863,374</u>	<u>728,815</u>
	<u>\$1,026,666</u>	<u>\$852,959</u>

Signed on behalf of the board.

_____, Chairperson

_____, Treasurer

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

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STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
REVENUE		
Recreation Centre (Note 9)	\$ 690,396	\$ 645,034
Child Care Centres	1,545,973	1,552,571
Battcock Manor	83,559	53,620
Government employment grants	162,065	236,637
	<u>2,481,993</u>	<u>2,487,862</u>
 EXPENDITURES		
Wages and benefits	1,669,430	1,809,639
Electricity	170,709	177,604
Program expense	201,858	206,230
YMCA fees	48,178	44,573
Professional fees	7,721	12,980
Staff and volunteer training	31,607	19,920
Maintenance and cleaning	110,549	115,720
Office	16,903	15,453
Communications	15,345	21,491
Insurance	11,645	12,234
Bank fees and CLASS fees	34,792	33,450
Miscellaneous	440	1,279
Depreciation	28,257	32,729
Provision for doubtful accounts	-	15,000
	<u>2,347,434</u>	<u>2,518,302</u>
 EXCESS OF REVENUE OVER EXPENSES	 <u>\$ 134,559</u>	 <u>\$ (30,440)</u>

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

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Chartered Professional Accountant

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
CASH WAS DERIVED FROM (USED FOR)		
Operating		
Excess of revenue over expenses	\$ 134,559	\$(30,440)
Non-cash items, depreciation	28,257	32,729
	<u>162,816</u>	<u>2,289</u>
Changes in non-cash working capital		
Accounts receivable	9,866	(17,268)
Prepaid expenses	680	(35)
Accounts payable	27,081	(5,551)
Accrued vacation pay	1,665	1,134
Due to NLHC	(26,582)	28,276
Deferred revenue	36,984	20,300
	<u>212,510</u>	<u>29,145</u>
Investing		
Purchase of property, plant and equipment	(36,518)	-
Internally restricted cash	(43,822)	(30,925)
	<u>(80,340)</u>	<u>(30,925)</u>
INCREASE (DECREASE) IN CASH	132,170	(1,780)
CASH, BEGINNING OF YEAR	<u>79,627</u>	<u>81,407</u>
CASH END OF YEAR	<u>\$ 211,797</u>	<u>\$ 79,627</u>
CASH CONSISTS OF		
Cash	<u>\$ 211,797</u>	<u>\$ 79,627</u>

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

Blair J. Jewer
Chartered Professional Accountant

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2014

20142013**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.

<i>Buildings</i>	<i>4%</i>
<i>Land improvements</i>	<i>8%</i>
<i>Equipment</i>	<i>20, 30%</i>

(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.

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2014

2014

2013

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:

Current account	\$ 155,043	\$ 114,395
Short term 2.40% guaranteed investment certificates	205,428	202,254
	\$ 360,471	\$ 316,649
	\$ 360,471	\$ 316,649

4. PROPERTY, PLANT AND EQUIPMENT

	<u>Cost</u>	<u>Accumulated Depreciation</u>		
Land	\$ 20,882	\$ -	\$ 20,882	\$ 20,882
Land improvements	13,350	5,642	7,708	8,378
Building	358,828	156,208	202,620	211,063
Equipment	528,763	418,854	109,909	92,535
Equipment not being amortized	138,134	138,134	-	-
	\$ 1,059,957	\$ 718,838	\$ 341,119	\$ 332,858
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NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
5. PAYABLE TO NLHC		
<i>Balance, beginning</i>	\$ 28,276	\$ -
<i>Advances received</i>	-	95,825
<i>Repayments made - net</i>	(28,875)	(9,700)
<i>Replacement reserve flowthrough expenditures</i>	-	(78,244)
<i>Excess of revenue over expenses</i>	2,293	20,395
	<u>\$ 1,694</u>	<u>\$ 28,276</u>

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.

6. DEFERRED REVENUE		
<i>Government grants, other</i>	\$ 35,444	\$ 6,934
<i>Membership fees</i>	21,857	15,553
<i>Program revenue Recreation Center</i>	3,157	987
	<u>\$ 60,458</u>	<u>\$ 23,474</u>

7. STATEMENT OF CHANGES IN NET ASSETS

	<u>Invested In Capital Assets</u>	<u>Internally Restricted</u>	<u>Unrestricted</u>		
<i>Balance, beginning of year</i>	\$ 332,858	\$ 316,649	\$ 79,308	\$ 728,815	\$ 759,255
<i>Excess of expenditure over revenue</i>	(28,257)	4,222	158,594	134,559	(30,440)
<i>Capital expenditure from unrestricted resources</i>	36,518		(36,518)	-	-
<i>Cash transfer - net</i>		39,600	(39,600)	-	-
	<u>\$ 341,119</u>	<u>\$ 360,471</u>	<u>\$ 161,784</u>	<u>\$ 863,374</u>	<u>\$ 728,815</u>

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
8. OTHER		
<i>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.</i>		
9. RECREATION CENTRE REVENUE		
<i>Health, fitness, recreation (HFR)</i>	\$ 34,831	\$ 35,728
<i>Aquatics</i>	56,523	61,089
<i>Memberships</i>	542,614	522,930
<i>Miscellaneous</i>	12,174	12,454
<i>Donations and fundraising</i>	36	325
<i>Individual contributions - Strong Kids Campaign</i>	19,218	12,508
<i>Town of Grand Falls-Windsor operating grant</i>	25,000	-
	<u>\$ 690,396</u>	<u>\$ 645,034</u>

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.