

***THE EXPLOITS VALLEY
YOUNG MEN'S CHRISTIAN ASSOCIATION***

FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2015

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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, 2015, and the statements of operations, 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 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, 2015, 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.

Grand Falls-Windsor, NL
April 26, 2016


Chartered Professional Accountant
Chartered Accountant

THE EXPLOITS VALLEY YOUNG MEN'S CHRISTIAN ASSOCIATION

2.

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2015

	<u>2015</u>	<u>2014</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 223,811	\$ 211,797
Accounts receivable, net of allowance for doubtful accounts \$ 29,936 (2014 - \$29,936)	107,139	107,749
Prepaid expenses	5,505	5,530
	<hr/>	<hr/>
INTERNALLY RESTRICTED CASH (Note 3)	336,455	325,076
TANGIBLE CAPITAL ASSETS (Note 4)	363,754	360,471
	385,587	341,119
	<hr/>	<hr/>
	\$1,085,796	\$1,026,666
	<hr/>	<hr/>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 43,065	\$ 86,182
Accrued vacation pay	15,122	14,958
Due to NLHC (Note 5)	16,433	1,694
Deferred revenue (Note 6)	63,632	60,458
	<hr/>	<hr/>
	138,252	163,292
	<hr/>	<hr/>
NET ASSETS		
INVESTMENT IN CAPITAL ASSETS	385,587	341,119
INTERNALLY RESTRICTED	363,754	360,471
UNRESTRICTED	198,203	161,784
	<hr/>	<hr/>
	947,544	863,374
	<hr/>	<hr/>
	\$1,085,796	\$1,026,666
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Signed on behalf of the board.

_____, Chairperson

_____, Treasurer

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

Blair J. Jewer
Chartered Professional Accountant

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>2015</u>	<u>2014</u>
REVENUE		
Recreation Centre (Note 8)	\$ 700,578	\$ 671,143
Child Care Centres	1,516,484	1,545,967
Battcock Manor	68,240	83,559
Fundraising	33,334	19,259
Government employment grants	87,923	162,065
	<u>2,406,559</u>	<u>2,481,993</u>
EXPENSES		
Wages and benefits	1,610,467	1,669,430
Electricity	176,505	170,710
YMCA fees	47,928	48,178
Professional fees	5,325	7,721
Staff and volunteer training	19,946	26,714
Advertising and promotion	3,146	4,893
Maintenance and cleaning	79,424	70,087
Rent	131,209	134,512
Other occupancy costs	48,020	42,765
Supplies	80,421	75,402
Communications	15,898	15,345
Insurance	10,932	11,645
Bank fees and CLASS fees	34,067	34,792
Consumable equipment	4,299	5,023
Fees and dues	5,031	1,960
Depreciation	39,086	28,257
Provision for doubtful accounts	10,685	-
	<u>2,322,389</u>	<u>2,347,434</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 84,170</u>	<u>\$ 134,559</u>

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

STATEMENT OF CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>2015</u>			<u>2014</u>
	<i>Invested In Capital Assets</i>	<i>Internally Restricted</i>	<i>Unrestricted</i>	
<i>Balance, beginning of year</i>	\$ 341,119	\$ 360,471	\$ 161,784	\$ 863,374
<i>Excess of revenue over expendes</i>	(39,086)	3,283	119,973	84,170
<i>Capital expenditure from unrestricted resources</i>	83,554	-	(83,554)	-
<i>Cash transfer - net</i>	-	-	-	-
	<u>\$ 385,587</u>	<u>\$ 363,754</u>	<u>\$ 198,203</u>	<u>\$ 947,544</u>
	<i>Invested In Capital Assets</i>	<i>Internally Restricted</i>	<i>Unrestricted</i>	
<i>Balance, beginning of year</i>	\$ 332,858	\$ 316,649	\$ 79,308	\$ 728,815
<i>Excess of revenue over expendes</i>	(28,257)	4,222	158,594	134,559
<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>

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

Blair J. Jewer
Chartered Professional Accountant

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>2015</u>	<u>2014</u>
CASH WAS DERIVED FROM (USED FOR)		
<i>Operating</i>		
Excess of revenue over expenses	\$ 84,170	\$ 134,559
Non-cash items, depreciation	39,086	28,257
	<u>123,256</u>	<u>162,816</u>
<i>Changes in non-cash working capital</i>		
Accounts receivable	610	9,866
Prepaid expenses	25	680
Accounts payable	(43,117)	27,081
Accrued vacation pay	164	1,665
Due to NLHC	14,739	(26,582)
Deferred revenue	3,174	36,984
	<u>98,851</u>	<u>212,510</u>
<i>Investing</i>		
Purchase of property, plant and equipment	(83,554)	(36,518)
Internally restricted cash	(3,283)	(43,822)
	<u>(86,837)</u>	<u>(80,340)</u>
INCREASE IN CASH	<u>12,014</u>	<u>132,170</u>
CASH, BEGINNING OF YEAR	<u>211,797</u>	<u>79,627</u>
CASH END OF YEAR	<u><u>\$ 223,811</u></u>	<u><u>\$ 211,797</u></u>
CASH CONSISTS OF		
Cash	<u><u>\$ 223,811</u></u>	<u><u>\$ 211,797</u></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, 2015

20152014**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) *Amortization was provided on tangible capital assets 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>Leasehold improvements</i>	<i>20%</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, 2015

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) Tangible capital assets are recorded as an asset addition in the year of purchase. Grants received towards the purchase of property, plant and equipment are deferred and amortized on the same basis as the underlying 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	\$ 155,852	\$ 155,043
Short term 1.57-2.00% guaranteed investment certificates	207,902	205,428
	<u>\$ 363,754</u>	<u>\$ 360,471</u>

4. TANGIBLE CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Depreciation</u>		
Land	\$ 20,882	\$ -	\$ 20,882	\$ 20,882
Land improvements	13,350	6,258	7,092	7,708
Leasehold improvements	30,256	3,026	27,230	-
Building	358,828	164,313	194,515	202,620
Equipment	582,061	446,193	135,868	109,909
Equipment not being amortized	138,134	138,134	-	-
	<u>\$ 1,143,511</u>	<u>\$ 757,924</u>	<u>\$ 385,587</u>	<u>\$ 341,119</u>

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2015

	<u>2015</u>	<u>2014</u>
5. PAYABLE TO NLHC		
<i>Balance, beginning</i>	\$ 1,694	\$ 28,276
<i>Advances received</i>	13,500	-
<i>Repayments made - net</i>	(10,200)	(28,875)
<i>Replacement reserve flowthrough expenditures</i>	-	-
<i>Excess of revenue over expenses</i>	11,439	2,293
	<u>\$ 16,433</u>	<u>\$ 1,694</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>	\$ 45,420	\$ 35,444
<i>Membership fees</i>	18,587	21,857
<i>Program revenue Recreation Center</i>	(375)	3,157
	<u>\$ 63,632</u>	<u>\$ 60,458</u>

7. 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.

8. RECREATION CENTRE REVENUE		
<i>Health, fitness, recreation (HFR)</i>	\$ 42,010	\$ 34,831
<i>Aquatics</i>	66,549	56,524
<i>Memberships</i>	555,545	542,614
<i>Miscellaneous</i>	11,474	12,174
<i>Town of Grand Falls-Windsor operating grant</i>	25,000	25,000
	<u>\$ 700,578</u>	<u>\$ 671,143</u>

9. 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.

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2015

2015

2014

10. COMPARATIVE FIGURES

The financial statements for 2014, which are presented for comparative purposes only, have been restated to reflect the financial statement presentation adopted for 2015.