

**TIMMINS FAMILY YMCA**  
**Financial Statements**  
**Year Ended December 31, 2013**

**TIMMINS FAMILY YMCA**  
**Index to Financial Statements**  
**Year Ended December 31, 2013**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Timmins Family YMCA

We have audited the accompanying financial statements of Timmins Family YMCA, which comprise the statement of financial position as at December 31, 2013 and the statements of revenue and expenditures, 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 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 not-for-profit organizations, the organization derives donations from the general public and generates program fees, 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 donations and program fees, excess of revenues over expenditures, current assets and net assets.

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Independent Auditor's Report to the Members of Timmins Family YMCA *(continued)*

Qualified Opinion

In our opinion, except for the possible 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 Timmins Family YMCA as at December 31, 2013, and its financial performance and its cash flow for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

A handwritten signature in black ink that reads "Fuller Jenks Landon". The signature is written in a cursive style with a large, prominent 'F' and 'L'.

Timmins, Ontario  
May 27, 2014

Chartered Accountants  
Licensed Public Accountants

**TIMMINS FAMILY YMCA**  
**Statement of Financial Position**  
**December 31, 2013**

	2013	2012
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 354,954	\$ 332,622
Marketable securities (Note 4)	123,718	102,645
Accounts receivable (Note 5)	159,105	107,813
Prepaid expenses	1,562	666
	<b>639,339</b>	<b>543,746</b>
<b>CAPITAL ASSETS (Note 6)</b>	<b>374,199</b>	<b>368,923</b>
	<b>\$ 1,013,538</b>	<b>\$ 912,669</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 108,832	\$ 113,365
Government remittances	13,764	17,929
Deferred contributions (Note 8)	30,945	35,000
	<b>153,541</b>	<b>166,294</b>
<b>DEFERRED CONTRIBUTIONS RELATING TO CAPITAL ASSETS (Note 11)</b>	<b>333,865</b>	<b>325,569</b>
	<b>487,406</b>	<b>491,863</b>
<b>NET ASSETS</b>	<b>526,132</b>	<b>420,806</b>
	<b>\$ 1,013,538</b>	<b>\$ 912,669</b>

COMMITMENTS (Note 13)

**ON BEHALF OF THE BOARD**

 Director  
 Director

See notes to financial statements

**TIMMINS FAMILY YMCA**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2013**

	<b>2013</b>	<b>2012</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 420,806</b>	<b>\$ 306,343</b>
Excess of revenue over expenditures	<b>105,326</b>	<b>114,463</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 526,132</b>	<b>\$ 420,806</b>

**TIMMINS FAMILY YMCA**  
**Statement of Revenue and Expenditures**  
**Year Ended December 31, 2013**

	2013	2012
<b>REVENUE</b>		
Grants:		
Cochrane District Social Services Administration Board (CDSSAB):		
Resource Worker	\$ 84,000	\$ 84,000
Summer wage subsidies:		
Ministry of Northern Development and Mines	3,156	2,190
Human Resources and Skills Development Canada	7,297	7,284
Northern College of Applied Arts and Technology - Job Connect	7,030	3,513
Summer Experience Program	2,785	2,785
Other wage subsidies:		
CDSSAB	335,731	273,545
	<b>439,999</b>	<b>373,317</b>
Bingo	9,089	10,574
Child care fees	1,017,096	899,694
Contributed services - vehicle lease <i>(Note 10)</i>	2,596	4,981
Donations	3,322	4,661
Fundraising	26,797	18,733
Interest and miscellaneous	776	1,786
Program fees	143,637	126,438
Program sponsorship - Mobylye	19,600	24,000
Rental fees	10,845	15,890
Amortization of deferred contributions	43,574	47,208
	<b>1,717,331</b>	<b>1,527,282</b>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b> <i>page 6</i>	<b>1,608,077</b>	<b>1,415,464</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES FROM OPERATIONS</b>	<b>109,254</b>	<b>111,818</b>
<b>OTHER INCOME (EXPENSES)</b>		
Interest from foreign sources	373	-
Gain on disposal of marketable securities	840	-
Investment revenue	1,163	-
Unrealized gain (loss) on marketable securities	(6,304)	2,645
	<b>(3,928)</b>	<b>2,645</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>\$ 105,326</b>	<b>\$ 114,463</b>

**TIMMINS FAMILY YMCA**  
**General and Administrative Expenditures**  
**Year Ended December 31, 2013**

	2013	2012
Wages	\$ 1,066,552	\$ 938,076
Employee benefits	120,987	102,556
Advertising	14,364	10,626
Bad debts	7,014	2,162
Bank charges and interest	15,564	10,735
Board	2,206	5,250
Conferences and meetings	7,646	3,146
Consulting	3,492	3,768
Equipment purchases and repairs	9,002	8,157
Food	51,476	44,856
Health and safety supplies	468	-
Instructors and contractors	2,910	2,695
Insurance	17,892	21,365
Loss on disposal of capital assets	1,558	11,461
Memberships, dues and licenses	27,937	25,466
Miscellaneous	2,462	594
Municipal taxes	5,654	5,372
Occupancy supplies	14,679	15,158
Office	9,104	7,765
Photocopying and printing	8,810	8,060
Professional fees	12,578	10,308
Program supplies	18,657	22,649
Rent	520	4,651
Repairs and maintenance	69,978	40,702
Sponsorships and awards	8,096	3,350
Telecommunications	8,546	7,700
Training	4,165	3,051
Transportation	4,806	8,564
Uniforms	5,648	4,077
Utilities	36,947	33,952
Vehicle lease - contributed services (Note 10)	2,596	4,981
Amortization	45,763	44,211
	<b>\$ 1,608,077</b>	<b>\$ 1,415,464</b>

See notes to financial statements



**TIMMINS FAMILY YMCA**  
**Statement of Cash Flows**  
**Year Ended December 31, 2013**

	2013	2012
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures	\$ 105,326	\$ 114,463
Items not affecting cash:		
Amortization of capital assets	45,763	44,211
Loss on disposal of capital assets	1,558	11,461
Gain on disposal of marketable securities	(840)	-
Amortization of deferred contributions	(43,574)	(47,208)
Unrealized loss (gain) on marketable securities	6,304	(2,645)
	<b>114,537</b>	<b>120,282</b>
Changes in non-cash working capital:		
Accounts receivable	(51,292)	(17,346)
Prepaid expenses	(896)	3,040
Accounts payable	(4,533)	25,445
Government remittances	(4,165)	(2,709)
Deferred contributions	(4,055)	15,000
	<b>(64,941)</b>	<b>23,430</b>
Cash flow from operating activities	<b>49,596</b>	<b>143,712</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(52,596)	(20,332)
Purchase of marketable securities	(26,537)	(100,000)
Additions to deferred contributions relating to capital assets	51,869	12,280
Cash flow used by investing activities	<b>(27,264)</b>	<b>(108,052)</b>
<b>INCREASE IN CASH FLOW</b>	<b>22,332</b>	<b>35,660</b>
Cash - beginning of year	<b>332,622</b>	<b>296,962</b>
<b>CASH - END OF YEAR</b>	<b>\$ 354,954</b>	<b>\$ 332,622</b>

**TIMMINS FAMILY YMCA**  
**Notes to Financial Statements**  
**Year Ended December 31, 2013**

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1. STATUS AND NATURE OF ACTIVITIES

Timmins Family YMCA was incorporated without share capital under the laws of Ontario on October 26, 1994. The corporation is registered as a charitable organization and, as such, is exempt from income tax under section 149 of the Income Tax Act. The organization delivers programs designed to meet the recreational, physical, social, intellectual and spiritual needs of the community.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (GAAP). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP.

3. SIGNIFICANT ACCOUNTING POLICIES

Cash and short term investments

Short-term debt securities purchased with maturity of three months or less to are classified as cash equivalents.

Capital assets

Capital assets are recorded at cost and amortized on a straight-line basis as follows:

Building	20 years
Computer hardware	5 years
Equipment	10 years
Signs	20 years

Pension Plan

Contributions to a multi-employer defined contribution pension plan are expensed when due.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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**TIMMINS FAMILY YMCA**  
**Notes to Financial Statements**  
**Year Ended December 31, 2013**

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3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Timmins Family YMCA follows the deferral method of accounting for contributions.

Revenues from child care fees and program fees are recognized when earned.

Revenues from grants are recognized in the period to which they relate.

Revenues from wage subsidies are recognized as the related wage expense is incurred.

Revenues from donations are recognized on a cash basis, with no accrual being made for amounts pledged but not received.

Bingo and fundraising revenues are recognized on completion of the events.

Revenues from rental are recognized on a daily basis as earned.

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.

Deferred capital contributions consist of unamortized amount of contributions received for the purchase of capital assets. These amounts are recorded as income over the same period as the amortization expense for the specific capital asset.

Contributed materials and services

The organization recognizes contributions of materials and services when a fair value can be reasonably estimated and when the materials and services would otherwise have been purchased. A revenue and an expenditure are then recognized in the statement of operations. Because of the difficulty of determining the fair value, services in the form of volunteer time are not recognized in the financial statements.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

The significant areas requiring management estimates include the determination of the allowance for doubtful accounts receivable, the useful life of assets and the timing of revenue recognition.

4. MARKETABLE SECURITIES

	2013	2012
London Life Fixed Income Profile	\$ 123,718	\$ 102,645

**TIMMINS FAMILY YMCA**  
**Notes to Financial Statements**  
**Year Ended December 31, 2013**

5. ACCOUNTS RECEIVABLE

	2013	2012
Accounts receivable	\$ 157,359	\$ 102,284
Allowance for doubtful accounts	(10,538)	(3,869)
Subtotal	146,821	98,415
HST rebate	12,284	9,398
	<b>\$ 159,105</b>	<b>\$ 107,813</b>

6. CAPITAL ASSETS

	Cost	Accumulated amortization	2013 Net book value	2012 Net book value
Land	\$ 10,000	\$ -	\$ 10,000	\$ 10,000
Building	445,160	169,487	275,673	254,274
Computer hardware	27,889	10,406	17,483	19,220
Equipment	206,155	139,289	66,866	80,828
Signs	8,493	4,316	4,177	4,601
	<b>\$ 697,697</b>	<b>\$ 323,498</b>	<b>\$ 374,199</b>	<b>\$ 368,923</b>

7. SECURITY FOR BANK INDEBTEDNESS

The organization has an operating line of credit facility in the maximum amount of \$50,000 bearing interest at the bank's prime rate (3% at December 31, 2013) plus 1½%. The entire balance remained unused as at December 31, 2013.

The following has been pledged as security for bank indebtedness:

- (a) a general security agreement;
- (b) demand collateral mortgage in the amount of \$100,000 over land and building with the carrying value of \$285,674 as disclosed in note 6; and
- (c) an assignment of fire insurance on the building.

8. DEFERRED CONTRIBUTIONS

	2013	2012
<b>CDSSAB:</b>		
Floor replacement	\$ 14,323	\$ -
Learning equipment	10,000	-
IT upgrades	6,622	-
Infant room	-	35,000
	<b>\$ 30,945</b>	<b>\$ 35,000</b>

**TIMMINS FAMILY YMCA**  
**Notes to Financial Statements**  
**Year Ended December 31, 2013**

9. DEFERRED CONTRIBUTIONS RELATING TO CAPITAL ASSETS

	Revenue Deferred	Accumulated Amortization	2013 Net book value	2012 Net book value
Land	\$ 10,000	\$ -	\$ 10,000	\$ 10,000
Building	445,160	169,486	275,674	254,274
Computer hardware	15,773	4,033	11,740	11,052
Equipment	179,063	146,788	32,275	45,642
Signs	8,493	4,317	4,176	4,601
	\$ 658,489	\$ 324,624	\$ 333,865	\$ 325,569

10. CONTRIBUTED SERVICES

During the year, the organization received a contribution of a vehicle lease with a fair value of \$2,596. The cost of the vehicle lease was based on the current value of a similar rental.

11. PENSION PLAN

Timmins Family YMCA employees participate in the Canadian YMCA Retirement Fund, a multi-employer registered pension plan. During the year, Timmins Family YMCA's contributions to the plan of \$24,671 (2012 - \$20,977) were recorded as an expense in the statement of operations.

12. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2013.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from customers and funders. In order to reduce its credit risk, the organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information.

As at December 31, 2013, 38% (2012 - 23%) of the organization's accounts receivable were from one funder.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, contributions to the pension plan, accounts payable and government remittances.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

**TIMMINS FAMILY YMCA**  
**Notes to Financial Statements**  
**Year Ended December 31, 2013**

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13. COMMITMENTS

The organization has entered into an equipment lease agreement for a photocopier requiring annual payments of \$2,548 in 2014.

14. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.