

TIMMINS FAMILY YMCA
Financial Statements
Year Ended December 31, 2015

TIMMINS FAMILY YMCA
Index to Financial Statements
Year Ended December 31, 2015

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenue and Expenditures	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 11
General and Administrative Expenditures	12



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INDEPENDENT AUDITOR'S REPORT

To the Management and Directors 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, 2015 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 revenue over expenditures, current assets and net assets.

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Independent Auditor's Report to the Management and Directors 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, 2015, and its financial performance and its cash flow for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Timmins, Ontario
March 29, 2016

A handwritten signature in black ink, appearing to read "FJL CPA". The letters are stylized and cursive.

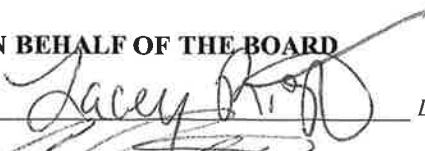
Chartered Professional Accountants
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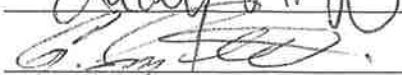
TIMMINS FAMILY YMCA
Statement of Financial Position
December 31, 2015

	2015	2014
ASSETS		
CURRENT		
Cash	\$ 424,624	\$ 461,044
Marketable securities (Note 2)	106,967	130,810
Accounts receivable (Note 3)	110,883	142,073
Inventory	4,258	-
Prepaid expenses	4,781	4,721
	651,513	738,648
PROPERTY, PLANT AND EQUIPMENT (Note 4)	348,939	345,502
	\$ 1,000,452	\$ 1,084,150
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable (Note 6)	\$ 85,572	\$ 127,184
Government remittances	40,614	26,110
Deferred contributions (Note 7)	-	6,384
	126,186	159,678
DEFERRED CONTRIBUTIONS RELATING TO PROPERTY, PLANT AND EQUIPMENT (Note 8)	251,495	295,998
	377,681	455,676
NET ASSETS	622,771	628,474
	\$ 1,000,452	\$ 1,084,150

COMMITMENTS (Note 12)

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

TIMMINS FAMILY YMCA
Statement of Revenue and Expenditures
Year Ended December 31, 2015

	2015	2014
REVENUE		
Grants:		
Cochrane District Social Services Administration Board (CDSSAB):		
Resource Worker	\$ 144,000	\$ 84,000
Summer wage subsidies:		
Human Resources and Skills Development Canada	8,950	6,712
Ministry of Northern Development and Mines	8,216	3,362
Northern College of Applied Arts and Technology - Job Connect	7,551	7,683
Summer Experience Program	-	2,989
Other wage subsidies:		
CDSSAB	453,912	432,733
March of Dimes	2,981	-
	625,610	537,479
Bingo	7,553	6,876
Child care fees	1,000,455	1,014,816
Contributed services - vehicle lease (Note 9)	4,190	3,254
Donations	5,392	21,057
Fundraising	30,173	9,415
Interest and miscellaneous	474	4,463
Program fees	151,057	138,252
Program sponsorship - Mobylye	25,754	17,354
Rental fees	7,281	7,320
Amortization of deferred contributions	46,269	42,633
	1,904,208	1,802,919
GENERAL AND ADMINISTRATIVE EXPENDITURES, page 12	1,909,237	1,706,015
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FROM OPERATIONS	(5,029)	96,904
OTHER INCOME (LOSS)		
Interest from foreign sources	929	1,058
Gain on disposal of marketable securities	1,786	279
Investment revenue	703	653
Loss on disposal of property, plant and equipment	(2,194)	(1,653)
Unrealized gain (loss) on marketable securities	(1,898)	5,101
	(674)	5,438
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ (5,703)	\$ 102,342

TIMMINS FAMILY YMCA
Statement of Changes in Net Assets
Year Ended December 31, 2015

	2015	2014
NET ASSETS - BEGINNING OF YEAR	\$ 628,474	\$ 526,132
Excess (deficiency) of revenue over expenditures	(5,703)	102,342
NET ASSETS - END OF YEAR	\$ 622,771	\$ 628,474

TIMMINS FAMILY YMCA
Statement of Cash Flows
Year Ended December 31, 2015

	2015	2014
Cash flows from operating activities		
Excess (deficiency) of revenue over expenditures	\$ (5,703)	\$ 102,342
Items not affecting cash:		
Amortization of property, plant and equipment	42,507	44,555
Loss on disposal of property, plant and equipment	2,194	1,653
Amortization of deferred contributions	(46,269)	(42,633)
Gain on disposal of marketable securities	(1,786)	(279)
Unrealized loss (gain) on marketable securities	1,898	(5,101)
	(7,159)	100,537
Changes in non-cash working capital:		
Accounts receivable	31,190	17,032
Inventory	(4,258)	-
Prepaid expenses	(60)	(3,159)
Accounts payable	(41,611)	18,353
Government remittances	14,504	12,346
Deferred contributions	(6,384)	(24,561)
	(6,619)	20,011
Cash flow from (used by) cash flows from operating activities	(13,778)	120,548
Cash flows from investing activities		
Purchase of marketable securities	(1,269)	(1,712)
Proceeds on disposal of marketable securities	25,000	-
Purchase of property, plant and equipment	(48,138)	(17,512)
Cash flow used by cash flows from investing activities	(24,407)	(19,224)
Cash flows from financing activity		
Additions to deferred contributions relating to property, plant and equipment	1,765	4,766
INCREASE (DECREASE) IN CASH FLOW	(36,420)	106,090
Cash - beginning of year	461,044	354,954
CASH - END OF YEAR	\$ 424,624	\$ 461,044

TIMMINS FAMILY YMCA
Notes to Financial Statements
Year Ended December 31, 2015

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.

1. SUMMARY OF ACCOUNTING POLICIES

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.

Financial instruments

The organization initially measures its financial assets and financial liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The organization subsequently measures all its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which is measured at fair value. Changes in fair value of these financial instruments are recognized in the statement of revenue and expenditures.

Financial assets measured at amortized cost on a straight-line basis include cash and accounts receivable.

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable and government remittances.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Property, plant and equipment

Property, plant and equipment is 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.

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TIMMINS FAMILY YMCA
Notes to Financial Statements
Year Ended December 31, 2015

1. SUMMARY OF ACCOUNTING POLICIES *(continued)*

Revenue recognition

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

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

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

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

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

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

Revenue 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 property, plant and equipment. Amounts are recorded as income over the same period as the amortization expense for the specific property, plant and equipment.

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.

Use of estimates

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 the statement of revenue and expenditures 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 property, plant and equipment and the timing of revenue recognition.

2. MARKETABLE SECURITIES

	2015	2014
London Life Fixed Income Profile	\$ 106,967	\$ 130,810

TIMMINS FAMILY YMCA
Notes to Financial Statements
Year Ended December 31, 2015

3. ACCOUNTS RECEIVABLE

	2015	2014
Accounts receivable	\$ 101,099	\$ 127,292
Allowance for doubtful accounts	(12,182)	(11,803)
Subtotal	88,917	115,489
HST Rebate	21,966	26,584
	\$ 110,883	\$ 142,073

4. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Land	\$ 10,000	\$ -	\$ 10,000	\$ 10,000
Building	478,144	213,636	264,508	253,415
Computer hardware	27,954	18,914	9,040	13,879
Equipment	229,384	167,320	62,064	64,456
Signs	8,493	5,166	3,327	3,752
	\$ 753,975	\$ 405,036	\$ 348,939	\$ 345,502

5. 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 (2.7% at December 31, 2015) plus 1½%. The entire balance remained unused as at December 31, 2015.

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 \$274,508 as disclosed in note 4; and
- (c) an assignment of fire insurance on the building.

6. ACCOUNTS PAYABLE

	2015	2014
Trade accounts payable and accrued liabilities	\$ 28,513	\$ 74,221
Salaries and wages payable	57,059	52,963
	\$ 85,572	\$ 127,184

TIMMINS FAMILY YMCA
Notes to Financial Statements
Year Ended December 31, 2015

7. DEFERRED CONTRIBUTIONS

	2015	2014
CDSSAB:		
Learning equipment	\$ -	\$ 6,384

8. DEFERRED CONTRIBUTIONS RELATING TO PROPERTY, PLANT AND EQUIPMENT

	Revenue Deferred	Accumulated Amortization	2015 Net book value	2014 Net book value
Land	\$ 10,000	\$ -	\$ 10,000	\$ 10,000
Building	442,183	212,885	229,298	253,416
Computer hardware	15,852	9,297	6,555	10,192
Equipment	181,786	179,471	2,315	18,639
Signs	8,493	5,166	3,327	3,751
	\$ 658,314	\$ 406,819	\$ 251,495	\$ 295,998

9. CONTRIBUTED SERVICES

During the year, the organization received a contribution of a vehicle lease with a fair value of \$4,190 (2014 - \$3,254). The cost of the vehicle lease was based on the current value of a similar rental.

10. PENSION PLAN

Timmins Family YMCA employees participate in the Canadian YMCA Retirement Fund, a multi-employer registered deferred contribution pension plan. During the year, Timmins Family YMCA's contributions to the plan of \$38,885 (2014 - \$30,787) were recorded as an expense in the statement of revenue and expenditures.

11. 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, 2015.

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, 2015, 21% (2014 - 23%) of the organization's accounts receivable were from one funder.

The organization also maintains cash balances at financial institutions, which at times exceed the maximum amount insured by the Canada Deposit Insurance Corporation of \$100,000. However, the organization does not believe there is a significant credit risk associated with these financial institutions.

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TIMMINS FAMILY YMCA
Notes to Financial Statements
Year Ended December 31, 2015

11. FINANCIAL INSTRUMENTS *(continued)*

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, funders 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 credit facilities.

12. COMMITMENTS

The organization has entered into an equipment lease agreement for a photocopier requiring the following annual payments:

2016	\$	3,380
2017		3,380
2018		3,380
2019		1,408
		<hr/>
		\$ 11,548

TIMMINS FAMILY YMCA
General and Administrative Expenditures
Year Ended December 31, 2015

	2015	2014
Advertising	\$ 8,870	\$ 4,692
Amortization of property, plant and equipment	42,507	44,555
Bad debts	9,916	6,569
Bank charges and interest	19,011	17,480
Board	3,383	1,331
Conferences and meetings	11,037	10,409
Consulting	10,392	1,284
Employee benefits	157,655	136,840
Equipment purchases and repairs	8,523	5,854
Food	62,486	52,775
Health and safety supplies	1,041	1,912
Instructors and contractors	6,137	2,997
Insurance	20,933	18,917
Memberships, dues and licenses	33,357	31,057
Miscellaneous	1,347	1,739
Municipal taxes	6,072	5,893
Occupancy supplies	17,139	18,645
Office (Note 12)	7,863	7,040
Photocopying and printing	9,196	9,104
Professional fees	10,914	11,872
Program supplies	43,216	18,715
Rent	260	520
Repairs and maintenance	77,894	86,355
Sponsorships and awards	3,680	3,329
Telecommunications	8,322	10,163
Training	4,240	3,897
Transportation	5,095	3,231
Uniforms	4,757	4,237
Utilities	44,302	42,204
Vehicle lease - contributed services (Note 9)	4,190	3,254
Wages	1,265,502	1,139,145
	\$ 1,909,237	\$ 1,706,015