

TIMMINS FAMILY YMCA
Financial Statements
Year Ended December 31, 2014

TIMMINS FAMILY YMCA
Index to Financial Statements
Year Ended December 31, 2014

	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 (<i>Schedule 1</i>)	12



FJL CPAs
Chartered Professional Accountants
Comptables professionnels agréés
172 Algonquin Boulevard East
Timmins, Ontario P4N 1A9

Telephone (705) 268-0909
Facsimile: (705) 264-8581
email: info@fjl.ca
website: www.fjl.ca

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, 2014 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 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, 2014, 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 31, 2015

Handwritten signature in black ink, appearing to read "FJL CPA".

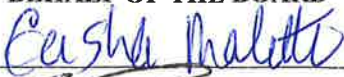

Chartered Professional Accountants
Licensed Public Accountants

TIMMINS FAMILY YMCA
Statement of Financial Position
December 31, 2014

	2014	2013
ASSETS		
CURRENT		
Cash	\$ 461,044	\$ 354,954
Marketable securities (Note 2)	130,810	123,718
Accounts receivable	142,073	159,105
Prepaid expenses	4,721	1,562
	738,648	639,339
CAPITAL ASSETS (Note 3)	345,502	374,199
	\$ 1,084,150	\$ 1,013,538
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 127,184	\$ 108,832
Government remittances	26,110	13,764
Deferred contributions (Note 5)	6,384	30,945
	159,678	153,541
DEFERRED CONTRIBUTIONS RELATING TO CAPITAL ASSETS (Note 6)	295,998	333,865
	455,676	487,406
NET ASSETS	628,474	526,132
	\$ 1,084,150	\$ 1,013,538

COMMITMENTS (Note 10)

ON BEHALF OF THE BOARD

 Director
 Director

TIMMINS FAMILY YMCA
Statement of Revenue and Expenditures
Year Ended December 31, 2014

	2014	2013
REVENUE		
Grants:		
Cochrane District Social Services Administration Board (CDSSAB):		
Resource Worker	\$ 84,000	\$ 84,000
Summer wage subsidies:		
Human Resources and Skills Development Canada	6,712	7,297
Ministry of Northern Development and Mines	3,362	3,156
Northern College of Applied Arts and Technology - Job Connect	7,683	7,030
Summer Experience Program	2,989	2,785
Other wage subsidies:		
CDSSAB	432,733	335,731
	537,479	439,999
Bingo	6,876	9,089
Child care fees	1,014,816	1,017,096
Contributed services - vehicle lease <i>(Note 7)</i>	3,254	2,596
Donations	21,057	3,322
Fundraising	9,415	26,797
Interest and miscellaneous	4,463	776
Program fees	138,252	143,637
Program sponsorship - Mobylye	17,354	19,600
Rental fees	7,320	10,845
Amortization of deferred contributions	42,633	43,574
	1,802,919	1,717,331
GENERAL AND ADMINISTRATIVE EXPENSES <i>(Schedule 1)</i>	1,707,668	1,608,077
EXCESS OF REVENUE OVER EXPENDITURES FROM OPERATIONS	95,251	109,254
OTHER INCOME (EXPENSES)		
Interest from foreign sources	1,058	373
Gain on disposal of marketable securities	279	840
Investment revenue	653	1,163
Unrealized gain (loss) on marketable securities	5,101	(6,304)
	7,091	(3,928)
EXCESS OF REVENUE OVER EXPENDITURES	\$ 102,342	\$ 105,326

TIMMINS FAMILY YMCA
Statement of Changes in Net Assets
Year Ended December 31, 2014

	2014	2013
NET ASSETS - BEGINNING OF YEAR	\$ 526,132	\$ 420,806
Excess of revenue over expenditures	102,342	105,326
NET ASSETS - END OF YEAR	\$ 628,474	\$ 526,132

TIMMINS FAMILY YMCA
Statement of Cash Flows
Year Ended December 31, 2014

	2014	2013
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 102,342	\$ 105,326
Items not affecting cash:		
Amortization of capital assets	44,555	45,763
Loss on disposal of capital assets	1,653	1,558
Gain on disposal of marketable securities	(279)	(840)
Amortization of deferred contributions	(42,633)	(43,574)
Unrealized loss (gain) on marketable securities	(5,101)	6,304
	100,537	114,537
Changes in non-cash working capital:		
Accounts receivable	17,032	(51,292)
Prepaid expenses	(3,159)	(896)
Accounts payable	18,353	(4,533)
Government remittances	12,346	(4,165)
Deferred contributions	(24,561)	(4,055)
	20,011	(64,941)
Cash flow from operating activities	120,548	49,596
INVESTING ACTIVITIES		
Purchase of marketable securities	(1,712)	(26,537)
Purchase of capital assets	(17,512)	(52,596)
Cash flow used by investing activities	(19,224)	(79,133)
FINANCING ACTIVITY		
Additions to deferred contributions relating to capital assets	4,766	51,869
INCREASE IN CASH FLOW	106,090	22,332
Cash - beginning of year	354,954	332,622
CASH - END OF YEAR	\$ 461,044	\$ 354,954

TIMMINS FAMILY YMCA
Notes to Financial Statements
Year Ended December 31, 2014

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. SIGNIFICANT 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.

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

The company 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 company 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.

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TIMMINS FAMILY YMCA
Notes to Financial Statements
Year Ended December 31, 2014

1. 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.

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 assets and the timing of revenue recognition.

2. MARKETABLE SECURITIES

	2014	2013
London Life Fixed Income Profile	\$ 130,810	\$ 123,718

TIMMINS FAMILY YMCA
Notes to Financial Statements
Year Ended December 31, 2014

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Land	\$ 10,000	\$ -	\$ 10,000	\$ 10,000
Building	445,160	191,745	253,415	275,673
Computer hardware	27,634	13,755	13,879	17,483
Equipment	218,194	153,738	64,456	66,866
Signs	8,493	4,741	3,752	4,177
	\$ 709,481	\$ 363,979	\$ 345,502	\$ 374,199

4. 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, 2014) plus 1½%. The entire balance remained unused as at December 31, 2014.

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 \$263,415 as disclosed in note 3; and
- (c) an assignment of fire insurance on the building.

5. DEFERRED CONTRIBUTIONS

	2014	2013
CDSSAB:		
Floor replacement	\$ -	\$ 14,323
Learning equipment	6,384	10,000
IT upgrades	-	6,622
	\$ 6,384	\$ 30,945

TIMMINS FAMILY YMCA
Notes to Financial Statements
Year Ended December 31, 2014

6. DEFERRED CONTRIBUTIONS RELATING TO CAPITAL ASSETS

	Revenue Deferred	Accumulated Amortization	2014 Net book value	2013 Net book value
Land	\$ 10,000	\$ -	\$ 10,000	\$ 10,000
Building	445,160	191,744	253,416	275,674
Computer hardware	16,517	6,326	10,191	11,740
Equipment	180,021	161,382	18,639	32,275
Signs	8,493	4,741	3,752	4,176
	\$ 660,191	\$ 364,193	\$ 295,998	\$ 333,865

7. CONTRIBUTED SERVICES

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

8. 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 \$30,787 (2013 - \$24,671) were recorded as an expense in the statement of revenues and expenditures.

9. 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, 2014.

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, 2014, 23% (2013 - 38%) 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, 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.

TIMMINS FAMILY YMCA
Notes to Financial Statements
Year Ended December 31, 2014

10. COMMITMENTS

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

2015	\$	3,380
2016		3,380
2017		3,380
2018		3,380
2019		1,408
		<hr/>
		\$ 14,928

TIMMINS FAMILY YMCA
General and Administrative Expenditures
Year Ended December 31, 2014

(Schedule 1)

	2014	2013
Advertising	\$ 4,692	\$ 14,364
Amortization of capital assets	44,555	45,763
Bad debts	6,569	7,014
Bank charges and interest	17,480	15,564
Board	1,331	2,206
Conferences and meetings	10,409	7,646
Consulting	1,284	3,492
Employee benefits	136,840	120,987
Equipment purchases and repairs	5,854	9,002
Food	52,775	51,476
Health and safety supplies	1,912	468
Instructors and contractors	2,997	2,910
Insurance	18,917	17,892
Loss on disposal of capital assets	1,653	1,558
Memberships, dues and licenses	31,057	27,937
Miscellaneous	1,739	2,462
Municipal taxes	5,893	5,654
Occupancy supplies	18,645	14,679
Office	7,040	9,104
Photocopying and printing	9,104	8,810
Professional fees	11,872	12,578
Program supplies	18,715	18,657
Rent	520	520
Repairs and maintenance	86,355	69,978
Sponsorships and awards	3,329	8,096
Telecommunications	10,163	8,546
Training	3,897	4,165
Transportation	3,231	4,806
Uniforms	4,237	5,648
Utilities	42,204	36,947
Vehicle lease - contributed services (Note 7)	3,254	2,596
Wages	1,139,145	1,066,552
	\$ 1,707,668	\$ 1,608,077