

Financial Statements of

**YMCA OF NORTH BAY  
AND DISTRICT**

Year ended March 31, 2017



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## INDEPENDENT AUDITORS' REPORT

To the Members of YMCA of North Bay and District

We have audited the accompanying financial statements of YMCA of North Bay and District which comprise the statement of financial position as at March 31, 2017 and the statements of operations and changes in fund balances and cash flows for the year then ended, and notes, comprising 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.

### *Auditors' 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 our 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, we consider 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 audit opinion.



*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of YMCA of North Bay and District as at March 31, 2017, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

September 12, 2017  
North Bay, Canada

# YMCA OF NORTH BAY AND DISTRICT

## Statement of Financial Position

March 31, 2017, with comparative information for March 31, 2016

	2017	2016
<b>Assets</b>		
Current:		
Cash	\$ 170,879	\$ 504,127
Short-term investments (note 3)	693,058	451,674
Accounts receivable (note 2)	220,611	276,774
Prepaid expenses and other	28,285	31,542
	<u>1,112,833</u>	<u>1,264,117</u>
Investments (note 3)	1,356,279	1,235,874
Capital assets (note 4)	839,089	776,609
	<u>\$ 3,308,201</u>	<u>\$ 3,276,600</u>
<b>Liabilities</b>		
Current:		
Accounts payable and accrued liabilities (note 5)	\$ 380,893	\$ 448,487
Deferred contributions - memberships and daycare	101,598	118,919
- government	876	79,266
	<u>483,367</u>	<u>646,672</u>
<b>Fund Balances</b>		
Operating funds:		
Unrestricted	209,375	152,267
Bingo and Nevada	47,126	38,571
Investment in capital assets	839,089	776,609
Internally restricted (note 6)	1,491,444	1,424,681
	<u>2,587,034</u>	<u>2,392,128</u>
Restricted fund:		
Restricted for endowment purposes	237,800	237,800
	<u>2,824,834</u>	<u>2,629,928</u>
Subsequent events (note 11)		
	<u>\$ 3,308,201</u>	<u>\$ 3,276,600</u>

See accompanying notes to financial statements.

On behalf of the Board:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

# YMCA OF NORTH BAY AND DISTRICT

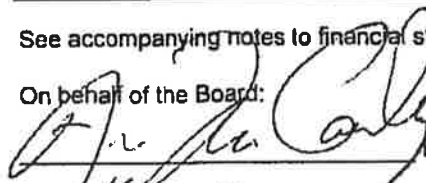
## Statement of Financial Position

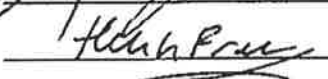
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See accompanying notes to financial statements.

On behalf of the Board:

 Director

 Director

# YMCA OF NORTH BAY AND DISTRICT

Statement of Operations and Changes in Fund Balances

Year ended March 31, 2017, with comparative information for the three months ended March 31, 2016

	Unrestricted	Bingo and Nevada	Operating Total	Capital	Internally Restricted	Restricted		2016 Total
						Endowment Fund	2017 Total	
Revenue:								
Program fees	\$ 3,158,170	-	3,158,170	-	-	-	\$ 3,158,170	\$ 759,773
Membership fees	1,350,530	-	1,350,530	-	-	-	1,350,530	358,896
Government	994,329	-	994,329	22,414	-	-	1,016,743	136,276
Fundraising	-	142,241	142,241	-	-	-	142,241	76,035
Rental and other revenues	124,305	-	124,305	-	-	-	124,305	39,668
Investment income (loss)	-	-	-	-	80,766	-	80,766	(6,480)
Contributions	184,480	-	184,480	-	-	-	184,480	16,131
Supplies and service fees	181,915	-	181,915	-	-	-	181,915	30,089
	5,993,729	142,241	6,135,970	22,414	80,766	-	6,239,150	1,410,388
Expenses:								
Wages	3,323,501	-	3,323,501	-	-	-	3,323,501	972,021
Purchased services	1,032,182	-	1,032,182	-	-	-	1,032,182	215,395
Wage benefits	556,588	-	556,588	-	-	-	556,588	139,934
Fundraising	32,819	133,686	166,505	-	-	-	166,505	73,899
Supplies	254,898	-	254,898	-	-	-	254,898	48,447
Occupancy	236,539	-	236,539	-	-	-	236,539	83,165
Finance, insurance and miscellaneous	127,507	-	127,507	-	-	-	127,507	36,765
Association dues	104,697	-	104,697	-	-	-	104,697	28,318
Equipment and building	57,931	-	57,931	-	-	-	57,931	14,684
Vehicle and transportation	21,499	-	21,499	-	-	-	21,499	96
Promotion	8,577	-	8,577	-	-	-	8,577	5,504
Communications	28,783	-	28,783	-	-	-	28,783	8,995
Travel and meals	12,602	-	12,602	-	-	-	12,602	2,142
Training and development	9,482	-	9,482	-	-	-	9,482	1,516
Amortization of capital assets	-	-	-	102,953	-	-	102,953	26,593
	5,807,605	133,686	5,941,291	102,953	-	-	6,044,244	1,657,474
Excess (deficiency) of revenue over expenses	186,124	8,555	194,679	(80,539)	80,766	-	194,906	(247,086)
Fund balances, beginning of year	152,267	38,571	190,838	776,609	1,424,681	237,800	2,629,928	2,877,014
Interfund transfers:								
Capital asset purchases	(129,016)	-	(129,016)	143,019	(14,003)	-	-	-
Fund balances, end of year	\$ 209,375	47,126	256,501	839,089	1,491,444	237,800	\$ 2,824,834	\$ 2,629,928

See accompanying notes to financial statements.

# YMCA OF NORTH BAY AND DISTRICT

## Statement of Cash Flows

Year ended March 31, 2017, with comparative information for the three months ended March 31, 2016

	2017	2016
Cash was provided by (used for):		
Operating activities:		
Excess (deficiency) of revenues over expenses	\$ 194,906	\$ (247,086)
Items not affecting cash:		
Amortization of capital assets	102,953	26,593
	<u>297,859</u>	<u>(220,493)</u>
Changes in non-cash working capital:		
Accounts receivable	56,163	34,192
Prepaid expenses and other	3,257	(7,136)
Accounts payable and accrued liabilities	(67,594)	259,793
Deferred contributions - memberships and daycare	(17,321)	11,668
- government	(78,390)	27,895
	<u>193,974</u>	<u>105,919</u>
Investing activities:		
Purchase of capital assets	(165,433)	-
Decrease (increase) in investments - net	(361,789)	21,899
	<u>(527,222)</u>	<u>21,899</u>
Increase (decrease) in cash position	(333,248)	127,818
Cash position beginning of year	504,127	376,309
Cash position end of year	<u>\$ 170,879</u>	<u>\$ 504,127</u>

See accompanying notes to financial statements.

# YMCA OF NORTH BAY AND DISTRICT

Notes to Financial Statements

Year ended March 31, 2017

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The YMCA of North Bay and District ("Organization") is a member of a world wide fellowship dedicated to the growth of persons in spirit, mind and body and in a sense of responsibility to each other and to the global community.

The Organization is a registered Canadian charity under the Income Tax Act and as such is not subject to Canadian income taxes.

## 1. Significant accounting policies:

The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Organization's significant accounting policies are as follows:

### (a) Basis of presentation:

As the Organization receives funding for various purposes, the accounts are maintained in a manner which segregates transactions according to the following funds:

- Operating funds, which represents the day-to-day fitness, recreational, administrative, child care and maintenance operations of the Organization.
- Capital fund, which represents the equity in property and equipment resulting from capital additions, disposals, funding, financing and amortization charges
- Restricted and endowment funds includes funds provided by various sources. The expense is internally restricted or endowed where the principal remains and investment income can be expended as specified by the donor.

### (b) Revenue and recognition:

Membership fees, daycare services, program revenues, interest and rental revenue are recognized in the fiscal period in which they are earned.

The Organization follows the deferral method of accounting for contributions. Revenue is recorded on the accrual basis, as earned. Revenue received but not earned is deferred to a subsequent period and revenue earned but not received is recorded as accounts receivable. Accordingly, membership fees, daycare services, program revenues and grants received prior to year end or receivable at year end and which relate to subsequent periods have been deferred.

### (c) Capital assets:

Capital assets are stated at cost, or fair value, if donated and amount is determinable. Amortization is provided on the straight-line basis using the following annual rates:

Assets	Rate
Building	2.5%
Equipment	10%
Fitness equipment	25%
Computer technology	20%
Leasehold improvements	20%



# YMCA OF NORTH BAY AND DISTRICT

Notes to Financial Statements

Year ended March 31, 2017

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## 1. Significant accounting policies (continued):

### (d) Investments:

Investments are recorded at market value.

### (e) Use of estimates:

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amounts of capital assets and valuation allowances for receivables. Actual results could differ from those estimates.

### (f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Organization has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

# YMCA OF NORTH BAY AND DISTRICT

Notes to Financial Statements

Year ended March 31, 2017

## 2. Accounts receivable:

Accounts receivable consist of:

	2017	2016
Memberships and daycare	\$ 168,883	230,891
Government funding	14,852	14,954
Other	51,876	36,429
	235,611	282,274
Less allowance for doubtful accounts	15,000	5,500
	\$ 220,611	276,774

## 3. Investments:

Investments consist of:

	2017	2016
Restricted for endowment purposes:		
Cash and fixed income	\$ 128,826	148,913
Canadian and foreign equities	138,220	88,887
	267,046	237,800
Restricted for internal purposes:		
Cash and fixed income	1,226,411	1,049,459
Canadian and foreign equities	555,880	400,289
	1,782,291	1,449,748
	\$ 2,049,337	1,687,548
Made up of:		
Cash and short-term fixed income	\$ 693,058	451,674
Long-term fixed income, equity	1,356,279	1,235,874
	\$ 2,049,337	1,687,548

# YMCA OF NORTH BAY AND DISTRICT

Notes to Financial Statements

Year ended March 31, 2017

## 4. Capital assets:

2017	Cost	Accumulated Amortization	Net Book Value
Building	\$ 1,521,298	969,066	552,232
Equipment	824,567	796,270	28,297
Fitness equipment	519,816	381,247	138,569
Computer technology	215,843	100,527	115,316
Leasehold improvements	82,062	77,387	4,675
	\$ 3,163,586	2,324,497	839,089

2016	Cost	Accumulated Amortization	Net Book Value
Building	\$ 1,521,298	937,924	583,374
Equipment	824,566	783,475	41,091
Fitness equipment	469,699	324,902	144,797
Computer technology	100,527	100,527	—
Leasehold improvements	82,062	74,715	7,347
	\$ 2,998,152	2,221,543	776,609

## 5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$Nil (2016 - \$7,705) which includes amounts payable for payroll related taxes.

## 6. Internally restricted funds:

Internally restricted funds are to be used for future capital acquisitions and/or repair and replacement of existing property and equipment.

## 7. Other information:

The land on which the building has been constructed is the property of the Corporation of the City of North Bay (City of North Bay). The City of North Bay has entered into a ninety nine year lease commencing in 1967 with the Organization to lease the land at a nominal rental fee of \$1 per annum. In addition, in 2004, the City of North Bay has entered into a ten year lease with the Organization to have the Organization operate the public pool facilities. The Organization pays an annual rental fee of \$10,000. A new lease is currently being negotiated. The operating expenses of the pool are paid by the City of North Bay.

# YMCA OF NORTH BAY AND DISTRICT

Notes to Financial Statements

Year ended March 31, 2017

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## 8. Financial risks and concentration of credit risk:

### (a) Liquidity risk:

Liquidity risk is the risk that the Organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Organization manages its liquidity risk by monitoring its operating requirements. The Organization prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2016.

### (b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Organization is exposed to credit risk with respect to the accounts receivable. The Organization assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts.

### (c) Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Consequently, some investments are exposed to foreign exchange fluctuations. There has been no change to risk exposures from 2016.

## 9. Change in accounting policies:

The YMCA of North Bay has retroactively modified the method of accounting from the deferral method to the restricted method of accounting. Previously, capital grants and donations were amortized into income consistent with the amortization of the related asset to expenses. Now, contributions for all funds, including capital funds, are reported as revenue, in the applicable fund, when received/receivable. The capital fund and the total fund balances increased, and deferred capital contributions decreased, effective January 1, 2016, by \$43,604.

## 10. Comparative information:

Certain comparative information has been reclassified from those previously presented to conform to the presentation of the 2017 financial statements.

## 11. Subsequent event:

The Sudbury Young Men's Christian Association and The Young Men's Christian Association of North Bay and District have amalgamated in accordance with the Corporation Act (Ontario) as of April 1, 2017. The amalgamated entity continues as the YMCA of Northeastern Ontario.