

**YMCA of Southwest Nova Scotia  
Association  
Financial Statements  
For the Year Ended December 31, 2017**

**YMCA of Southwest Nova Scotia Association**  
**Financial Statements**  
**For the Year Ended December 31, 2017**

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Tel: 902 444 5540

Fax: 902 444 5539

www.bdo.ca

BDO Canada LLP

230 Brownlow Avenue, Suite 120

Dartmouth, Nova Scotia B3B 0G5

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## Independent Auditor's Report

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**To the board of directors of  
YMCA of Southwest Nova Scotia Association**

We have audited the accompanying financial statements of YMCA of Southwest Nova Scotia Association, which comprise the statement of financial position as at December 31, 2017, 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 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, YMCA of Southwest Nova Scotia Association derives revenue from the general public in the form of donations and fundraising activities, the completeness of which is not susceptible to complete audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of YMCA of Southwest Nova Scotia Association. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, donation revenue, excess of revenue over expenses, and cash flows from operations for the years ended December 31, 2017 and 2016, current assets at December 31, 2017 and 2016, and net assets as at January 1 and December 31 for both the 2017 and 2016 years. Our audit opinion on the financial statements for the year ended December 31, 2016 was modified accordingly because of the possible effects of this limitation in scope.

**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 YMCA of Southwest Nova Scotia Association as at December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**Emphasis of Matter**

We draw attention to Note 2 of the financial statements, which explains that certain comparative information for the year ended December 31, 2016 has been restated.



Chartered Professional Accountants, Licensed Public Accountants

Dartmouth, Nova Scotia  
March 21, 2018

**YMCA of Southwest Nova Scotia Association**  
**Statement of Financial Position**

December 31	Lunenburg Operating Fund	Lunenburg Building Fund	Fundy Operating Fund	Fundy Building Fund	2017 Total	2016 Total (Restated)
<b>Assets</b>						
<b>Current</b>						
Cash	\$ 97,628	\$ -	\$ 12,821	\$ -	\$ 110,449	\$ 67,966
Short-term investments (Note 3)	152,258	50,000	-	-	202,258	151,500
Accounts receivable (Note 4)	19,064	-	99,925	-	118,989	151,300
Prepaid expenses	5,655	-	1,500	-	7,155	6,933
Due from related party (Note 5)	24,866	-	4,334	-	29,200	28,970
	<u>299,471</u>	<u>50,000</u>	<u>118,580</u>	<u>-</u>	<u>468,051</u>	<u>406,669</u>
Restricted cash	-	30,307	-	105,360	135,667	154,398
Long-term investments (Note 3)	-	-	-	-	-	50,000
Capital assets (Note 6)	127,221	-	-	515,542	642,763	651,076
	<u>\$ 426,692</u>	<u>\$ 80,307</u>	<u>\$ 118,580</u>	<u>\$ 620,902</u>	<u>\$ 1,246,481</u>	<u>\$ 1,262,143</u>
<b>Liabilities and Net Assets</b>						
<b>Current</b>						
Accounts payable and accrued liabilities (Note 8)	\$ 104,972	\$ -	\$ 88,230	\$ -	\$ 193,202	\$ 130,447
Deferred contributions (Note 9)	26,027	-	32,596	-	58,623	73,774
	<u>130,999</u>	<u>-</u>	<u>120,826</u>	<u>-</u>	<u>251,825</u>	<u>204,221</u>
Deferred capital contributions (Note 10)	-	-	-	554,157	554,157	605,247
	<u>130,999</u>	<u>-</u>	<u>120,826</u>	<u>554,157</u>	<u>805,982</u>	<u>809,468</u>
<b>Net Assets</b>	<u>295,693</u>	<u>80,307</u>	<u>(2,246)</u>	<u>66,745</u>	<u>440,499</u>	<u>452,675</u>
	<u>\$ 426,692</u>	<u>\$ 80,307</u>	<u>\$ 118,580</u>	<u>\$ 620,902</u>	<u>\$ 1,246,481</u>	<u>\$ 1,262,143</u>

Commitments (Note 12 & 13)

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

The accompanying notes are an integral part of these financial statements.

**YMCA of Southwest Nova Scotia Association**  
**Statement of Operations**

For the year ended December 31	Lunenburg Operating Fund	Lunenburg Building Fund	Fundy Operating Fund	Fundy Building Fund	2017 Total	2016 Total (Restated)
<b>Revenue</b>						
Memberships and program dues	\$ 356,774	\$ -	\$ 362,786	\$ -	\$ 719,560	\$ 791,580
Childcare operations	405,421	-	29,567	-	434,988	406,630
Grants and subsidies	312,572	-	188,576	51,142	552,290	540,786
Donation revenue	31,306	-	68,209	-	99,515	96,910
Interest income	758	550	-	-	1,308	2,327
	<b>1,106,831</b>	<b>550</b>	<b>649,138</b>	<b>51,142</b>	<b>1,807,661</b>	<b>1,838,233</b>
<b>Expenses</b>						
Operating and administration	669,852	-	649,138	3,419	1,322,409	1,373,521
Childcare operations	449,705	-	-	-	449,705	385,801
Building fund service charges	-	-	-	-	-	72
Amortization	-	-	-	47,723	47,723	48,194
	<b>1,119,557</b>	<b>-</b>	<b>649,138</b>	<b>51,142</b>	<b>1,819,837</b>	<b>1,807,588</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>\$ ( 12,726)</b>	<b>\$ 550</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ ( 12,176)</b>	<b>\$ 30,645</b>

The accompanying notes are an integral part of these financial statements.

**YMCA of Southwest Nova Scotia Association**  
**Statement of Changes in Net Assets**

<b>For the year ended December 31</b>	<b>Lunenburg Operating Fund</b>	<b>Lunenburg Building Fund</b>	<b>Fundy Operating Fund</b>	<b>Fundy Building Fund</b>	<b>2017 Total</b>	<b>2016 Total (Restated)</b>
Net assets, beginning of the year	\$ 296,118	\$ 79,869	\$ 21,875	\$ 54,813	\$ 452,675	\$ 460,630
Excess (deficiency) of revenues over expenses	( 12,726)	550	-	-	( 12,176)	30,645
Interfund transfers	12,301	( 112)	( 24,121)	11,932	-	-
Prior period adjustment (Note 2)	-	-	-	-	-	( 38,600)
<b>Net assets, end of the year</b>	<b>\$ 295,693</b>	<b>\$ 80,307</b>	<b>\$( 2,246)</b>	<b>\$ 66,745</b>	<b>\$ 440,499</b>	<b>\$ 452,675</b>

The accompanying notes are an integral part of these financial statements.

## YMCA of Southwest Nova Scotia Association Statement of Cash Flows

For the year ended December 31	2017	2016
<b>Cash flows from operating activities</b>		
Excess (deficiency) of revenues over expenses	\$( 12,176)	\$ 30,645
Items not affecting cash:		
Amortization of capital assets	71,123	73,823
	58,947	104,468
Changes in non-cash working capital:		
Accounts receivable	32,311	( 41,222)
Due from related party	( 230)	( 15,425)
Prepaid expenses	( 222)	( 1,808)
Accounts payable and accrued liabilities	62,753	34,965
Deferred contributions	( 66,241)	( 83,991)
	87,318	( 3,013)
<b>Cash flows from investing activities</b>		
Purchase of capital assets	( 62,808)	( 25,244)
Increase in short-term investments	( 50,758)	73,500
Decrease in long-term investments	50,000	-
	( 63,566)	48,256
<b>Net increase in cash</b>	23,752	58,044
<b>Cash, beginning of the year</b>	222,364	164,320
<b>Cash, end of the year</b>	\$ 246,116	\$ 222,364
<b>Represented by:</b>		
Operating and general fundraising accounts	\$ 110,449	\$ 67,966
Restricted cash - buildings funds	135,667	154,398
	\$ 246,116	\$ 222,364

The accompanying notes are an integral part of these financial statements.

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# YMCA of Southwest Nova Scotia Association

## Notes to Financial Statements

December 31, 2017

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### 1 .Significant Accounting Policies

<b>Nature and Purpose of Organization</b>	<p>YMCA of Southwest Nova Scotia Association (the "association") is incorporated under the Societies Act of Nova Scotia. It is a non-profit, registered charity which operates two recreational facilities and related educational programs in Bridgewater and Cornwallis, Nova Scotia.</p> <p>The association is a registered charity and, as such, is exempt from income tax and may issue tax receipts to donors.</p>
<b>Basis of Accounting</b>	<p>The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.</p>
<b>Fund Accounting</b>	<p>The association follows the deferral method of accounting for contributions and uses fund accounting.</p> <p>Revenues and expenses related to program delivery and administrative activities for the Lunenburg branch are reported in the Lunenburg Operating Fund.</p> <p>Investment income earned on the resources of the Building Fund are recorded in the Lunenburg Building Fund.</p> <p>Revenue and expenses related to program delivery and administration activities for the Fundy branch are reported in the Fundy Operating Fund.</p> <p>Restricted contributions are recognized in the Fundy Building Fund over the useful life of the acquired capital asset. Investment income earned on the resources of the Building Fund and amortization on the Fundy branch capital assets are reported in the Fundy Building Fund.</p>
<b>Cash and Cash Equivalents</b>	<p>Cash and cash equivalents consist of cash on hand, bank balances and operating lines of credit.</p>
<b>Pledges Receivable</b>	<p>Pledges receivable are recognized as an asset when the amounts to be received can be reasonably estimated and ultimate collection is reasonably assured.</p>

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## YMCA of Southwest Nova Scotia Association Notes to Financial Statements

December 31, 2017

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### 1. Significant Accounting Policies (continued)

#### Revenue Recognition

*Memberships* - In Lunenburg, most memberships are received by monthly debit of membership accounts, therefore no deferral is necessary. In Fundy, a significant portion of memberships are annual fees. Annual fees are received at registration, therefore they are deferred and then taken into income monthly. Monthly fees are taken into revenue as received.

*Childcare Fees* - These are received in advance, therefore deferred then taken into income as the services are provided.

*Contributions and Grants* - The deferred method of accounting is used for grants received but unspent at year end. In Fundy, capital contributions are deferred then taken into income at the same rate as the amortization of the capital asset. Management fees for the Fundy facility are deferred and taken into income over time as the management services are rendered.

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## YMCA of Southwest Nova Scotia Association Notes to Financial Statements

December 31, 2017

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### 1. Significant Accounting Policies (continued)

#### Capital Assets

Purchased capital assets are stated at cost less accumulated amortization. Expenditures for repairs and maintenance are expensed as incurred. Betterments that extend the useful life of the capital asset are capitalized.

Amortization based on the estimated useful life of the asset is calculated as follows:

	<b>Method</b>	<b>Rate</b>
Leaseholds		
Lunenburg	Declining balance	10% - 20%
Fundy	Declining balance	5%
Computer equipment	Declining balance	15% - 30%
Fitness equipment	Declining balance	10% - 20%
Furniture and equipment	Declining balance	10% - 20%
Signage	Declining balance	20%

When a capital asset no longer has any long-term service potential to the association, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Any unamortized deferred contribution amount related to the capital asset is recognized in revenue in the statement of operations, provided that all restrictions have been complied with.

When a capital asset is disposed of, the difference between the net proceeds on disposition and the net carrying amount is recognized in the statement of operations. Any unamortized deferred contribution amount related to the capital asset disposed of is recognized in revenue in the statement of operations, provided that all restrictions have been complied with.

#### Contributed Property and Materials

The association does not record donated goods or services related to general operating funds.

#### Contributed Services

Volunteers contribute many hours per year to assist the association in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

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# YMCA of Southwest Nova Scotia Association

## Notes to Financial Statements

December 31, 2017

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### 1. Significant Accounting Policies (continued)

**Financial Instruments** Financial instruments are recorded at fair value at initial recognition.

In subsequent periods, financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instrument.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

**Use of Estimates** The preparation of financial statements in accordance 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 at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Estimates consist of amortization of capital assets and deferred contributions from capital assets.

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## YMCA of Southwest Nova Scotia Association Notes to Financial Statements

**December 31, 2017**

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### 2. Prior Period Adjustment

During the current year, the association determined that revenue recognition on the deferred capital contributions was not in line with the accounting policy choice. The amortization methods used to calculate revenue each year were not consistent with amortization expense for the same capital assets. As a result, deferred capital contributions were understated in the prior year end. The result of this correction to the prior year is as follows:

Increase in deferred capital contributions, January 1, 2016	\$ 38,600
Decrease in net assets, January 1, 2016	\$( 38,600)
Decrease in 2016 Fundy building fund revenue	\$( 12,801)
Increase in deferred capital contributions, December 31, 2016	\$ 12,801

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### 3. Investments

The carrying amounts of investments are comprised of the following:

	<u>2017</u>	<u>2016</u>
GIC bearing interest at a rate of 0.50%, maturing September 2018	\$ 152,258	\$ -
GIC bearing interest at a rate of 1.10%, maturing November 2018	50,000	50,000
GIC bearing interest at a rate of 0.50%, maturing September 2017	-	150,000
	<u>\$ 202,258</u>	<u>\$ 200,000</u>

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## YMCA of Southwest Nova Scotia Association Notes to Financial Statements

December 31, 2017

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#### 4. Accounts Receivable

Fundy accounts receivable include a receivable due from the County of Annapolis to fund the operating deficit of Fundy YMCA. The remaining balances are due to both YMCA locations relating to the normal course of operations.

	<u>2017</u>	<u>2016</u>
Accounts receivable	\$ 85,757	\$ 114,009
HST receivable	2,938	-
County of Annapolis	35,565	43,875
Less: Allowance for doubtful accounts	( 5,271)	( 6,584)
	<u>\$ 118,989</u>	<u>\$ 151,300</u>

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#### 5. Due From Related Party

The association is related to the YMCA of Yarmouth as a result of shared CEO, CFO and Facility Director services. During the year, the association received \$74,505 (2016 - \$63,773) in management fees for these shared services.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties. The balances due on these transactions are included in the balance detail below:

	<u>2017</u>	<u>2016</u>
YMCA of Yarmouth	<u>\$ 29,200</u>	<u>\$ 28,970</u>

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**YMCA of Southwest Nova Scotia Association  
Notes to Financial Statements**

**December 31, 2017**

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**6. Capital Assets**

	2017		2016	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Leaseholds	\$ 588,037	\$ 154,489	\$ 584,520	\$ 130,039
Computer equipment	145,651	86,164	109,119	75,688
Fitness equipment	366,018	246,292	345,356	213,330
Furniture and equipment	38,739	13,669	36,640	11,395
Signage	13,874	8,942	13,874	7,981
	<b>1,152,319</b>	<b>509,556</b>	<b>1,089,509</b>	<b>438,433</b>
		<b>\$ 642,763</b>		<b>\$ 651,076</b>

During the prior and current year, the association began developing a new software program. The cost to date of \$44,124 is included in the computer equipment category above but no amortization has been recorded since the software program was not complete at year end.

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**7. Bank Operating Loan**

The association has a bank operating line of credit with a limit of \$35,000, secured by a general security agreement bearing an interest rate of prime with a NIL balance (2016 - NIL) at year end.

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**8. Government Remittances**

Included in accounts payable and accrued liabilities are government remittances payable of NIL (2016 - \$23,215).

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## YMCA of Southwest Nova Scotia Association Notes to Financial Statements

**December 31, 2017**

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### 9. Deferred Contributions

Deferred grant contributions reported in the Operating Fund represent restricted operating funding received in the current period that is related to expenses of a subsequent period.

Deferred membership and childcare revenue reported in the Operating Fund represent unearned fees that have been collected. Changes in the deferred contributions balance reported are as follows:

	Received in 2017	Spent in 2017	Deferred from 2016	Deferred to 2018
Canada Post Foundation	\$ 9,000	\$ 2,333	\$ -	\$ 6,667
Department of Community Services	-	344	344	-
Department of Early Childhood Development	152,284	160,939	8,655	-
Department of Justice	-	-	-	-
Recreation Nova Scotia	12,000	14,114	2,114	-
Telus	-	3,248	4,726	1,478
United Way	20,250	22,861	4,880	2,269
YMCA Canada	-	-	-	-
	<b>\$ 193,534</b>	<b>\$ 203,839</b>	<b>\$ 20,719</b>	<b>\$ 10,414</b>
Deferred childcare fees			7,552	2,809
Deferred gift certificates			1,225	540
Deferred memberships			25,665	25,945
Deferred facility rentals			6,113	6,415
Deferred management services - Fundy			12,500	12,500
			<b>\$ 73,774</b>	<b>\$ 58,623</b>

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## YMCA of Southwest Nova Scotia Association Notes to Financial Statements

**December 31, 2017**

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### 10. Deferred Contributions Related to Capital Assets

Deferred contributions related to capital assets include the unamortized portion of contributed capital assets and restricted contributions used to purchase capital assets.

The changes in the deferred contributions balance reported in the Fundy Building Fund for the period are as follows:

	<u>2017</u>	<u>2016</u>
Beginning balance	\$ 605,247	\$ 550,782
Less: non-capital expenditures approved by the Board	3,367	-
Less: amounts amortized to revenue	47,723	48,194
Add: building campaign contributions	-	6,271
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Ending balance	<u>\$ 554,157</u>	<u>\$ 605,247</u>

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# YMCA of Southwest Nova Scotia Association

## Notes to Financial Statements

December 31, 2017

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### 11. Financial Instruments

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The association is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The association's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts and contributions receivable. The majority of the association's receivables are from government sources and the association works to ensure it meets all eligibility criteria in order to qualify to receive the funding. There have not been any changes in the risk from the prior year.

#### Liquidity risk

Liquidity risk is the risk that the association will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the association will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The association is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The association's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions. The association maintains an available operating line of credit facility that provides flexibility in the short-term to meet operations needs and bridge long-term financing. There have not been any changes in the risk from the prior year.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The association is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed-interest instruments subject the association to a fair value risk. The association mitigates interest rate risk on investments by diversifying the durations of the fixed-income investments that are held at a given time. There have not been any changes in the risk from the prior year.

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## YMCA of Southwest Nova Scotia Association Notes to Financial Statements

December 31, 2017

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### 12. Lease Commitments

#### Facility Rental

The association leases its present facilities at the Nova Scotia Community College campus on High Street, Bridgewater, Nova Scotia under a service agreement requiring monthly payments of \$3,000.

#### Childcare and Youth Facilities

The association operates a childcare facility at the Nova Scotia Community College campus in Bridgewater, Nova Scotia, on a rent-free basis.

There is a youth centre located on King Street. Rent commitments are \$975 per month.

#### Equipment Leases

The association has the following operating lease agreement:

Lunenburg - Valley Stationers - \$444 every 3 months plus HST, expiring May 2018

Fundy - Valley Stationers - \$315 every 3 months plus HST, expiring November 2022

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## YMCA of Southwest Nova Scotia Association Notes to Financial Statements

December 31, 2017

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### 13. Other Commitments

#### Commitments with the County of Annapolis

The Fundy YMCA has a commitment in place with the County of Annapolis ("County") to operate and manage the Lifeplex Wellness Centre known as the Fundy YMCA for a period of 20 years until March 2031.

The association has responsibility for the facility design and management of programs and staff. This includes providing fitness, aquatics, family related recreation programs with adequate staff, equipment and supplies to respond to the community needs as mutually agreed between the County and the association. The association owns all furnishings and equipment of the operations.

The association is responsible for all annual operating costs and ordinary day to day maintenance and small repairs as well as exterior maintenance and structural repairs and costs. Small repairs are classified as repairs below \$1,000 that are not part of the building envelope, structure, or major systems such as mechanical and electrical systems.

The County is responsible for any operational deficit while managing the facility. Any operating subsidy required by association will be pre-approved by the County. Payments of the subsidy are based on a mutually agreed schedule and are based on the operating statements presented by the association and subject to audit by the association and reviewed by the County. Should the association realize any operating surplus, such surplus will be used to reinvest in the program operations and equipment of the Fundy YMCA facility. If any quarterly report submitted to the County by the association shows an unbudgeted deficit or any annual report shows an overall deficit in excess of 5% of the operating budget, then the association is required to terminate the agreement within 3 months.

Fundy YMCA operations are governed by the Board of Directors of the association and are managed by the CEO of the association.

#### Commitment with the YMCA of Yarmouth

The association has an agreement in place to provide CEO and CFO services to the YMCA of Yarmouth for a period of 3 years beginning on January 1, 2016. The YMCA of Yarmouth agrees to purchase CEO and CFO services based on one and a half days of work per week for each position.

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## YMCA of Southwest Nova Scotia Association Notes to Financial Statements

December 31, 2017

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### 14. Lunenburg Building Fund

In 2004, the association entered into a partnership agreement with the Nova Scotia Community College, Lunenburg Campus, for the facilities on the campus premises. The total cost of the project was \$1.68 million. Funding grants were received from the Canada/Nova Scotia Infrastructure Project for \$500,000. \$100,000 has been received from the Nova Scotia Sports and Recreation Commission. In addition, the association established a Building Fund Campaign to solicit corporate and private contributions towards the project. The remaining balance of the construction costs which was \$900,000, has been financed through the Nova Scotia Community College ("NSCC"). The remaining amount owing at December 31, 2017 is \$314,488 (2016 - \$379,786).

The association leases the facility space from the community college. The lease agreement is for a period of 25 years. The lease payments are based on the NSCC contribution amortized over 25 years at an interest rate of 0.083% until December 2027. Another amount payable on a monthly basis is the variable service fee which is an amount determined annually to compensate NSCC for the incremental operating costs incurred as a result of the operation of the association and includes heat, utilities, security, garbage collection, snow removal, pest control and building and grounds maintenance. The lease cost is \$3,000 per month and the operating costs are \$3,347 per month.

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## YMCA of Southwest Nova Scotia Association Lunenburg Operating and Administration Expenses

For the year ended December 31	Budget (unaudited)	2017	2016
<b>Revenue</b>			
Memberships and program dues	\$ 396,885	\$ 356,774	\$ 417,400
Grants and subsidies	150,080	159,150	144,322
Donation revenue	25,500	28,690	22,701
Interest income	1,500	758	1,500
	<u>573,965</u>	<u>545,372</u>	<u>585,923</u>
<b>Expenses</b>			
Active fees	7,800	12,058	12,239
Amortization	28,800	22,200	24,429
Bad debt	2,500	1,792	2,270
Bank charges and interest	6,300	4,328	3,870
Board education and travel	3,600	3,573	2,323
Computer costs	7,800	4,590	1,860
Equipment lease	1,000	955	955
Grant expenses	-	-	4,033
Insurance	10,800	11,084	10,018
International development	1,900	1,800	1,800
Occupancy and maintenance	60,940	51,962	52,775
Office and postage	4,000	3,512	3,717
Professional fees	8,400	9,084	8,248
Program supplies and fees	19,940	22,410	16,074
Promotional and advertising	3,800	3,073	3,598
Rent (Note 12)	76,260	56,279	78,133
Repairs and supplies	5,000	9,613	5,619
Snow removal and grounds maintenance	4,830	3,803	4,650
Staff and volunteer development	15,300	17,351	14,504
Telephone and communications	10,700	11,768	10,630
Wages and benefits	386,320	387,066	382,798
YMCA Canada association costs	32,400	31,551	33,060
	<u>690,590</u>	<u>669,852</u>	<u>677,603</u>
Net deficit before allocation costs	( 116,625)	( 124,480)	( 91,680)
Add: shared allocation costs	111,900	111,900	109,920
Net deficit	<u>\$ ( 4,725)</u>	<u>\$ ( 12,580)</u>	<u>\$ 18,240</u>

## YMCA of Southwest Nova Scotia Association Childcare Operations

For the year ended December 31	Budget (unaudited)	2017	2016
<b>Revenue</b>			
Childcare dues	\$ 411,855	\$ 405,421	\$ 387,113
Grants and subsidies	138,980	153,422	117,540
Donation revenue	4,500	2,616	2,718
	<u>555,335</u>	<u>561,459</u>	<u>507,371</u>
<b>Expenses</b>			
Amortization	1,200	1,200	1,200
Bad debt	1,000	1,457	4,404
Childcare activities	2,000	2,178	1,844
Food	20,600	21,246	19,438
General supplies	4,125	3,428	3,745
Professional fees	-	-	1,762
Program, equipment and office supplies	12,945	11,035	9,272
Staff and education	8,400	8,790	3,248
Wages and benefits	372,145	400,371	340,888
	<u>422,415</u>	<u>449,705</u>	<u>385,801</u>
Net surplus before allocation costs	132,920	111,754	121,570
Less shared allocation costs	111,900	111,900	109,920
Net surplus	<u>\$ 21,020</u>	<u>\$( 146)</u>	<u>\$ 11,650</u>

## YMCA of Southwest Nova Scotia Association Fundy Operating and Administration Expenses

For the year ended December 31	Budget (unaudited)	2017	2016
<b>Revenue</b>			
Memberships and program dues	\$ 385,120	\$ 362,786	\$ 374,180
Childcare operations	29,450	29,567	19,517
Grants and subsidies	200,650	188,576	230,730
Donation revenue	59,500	68,209	71,491
	<u>674,720</u>	<u>649,138</u>	<u>695,918</u>
<b>Expenses</b>			
Active fees	9,000	9,784	9,632
Administration services	13,860	11,702	43,867
Bad debt	1,500	2,010	1,375
Bank charges and interest	2,775	2,743	2,469
Computer costs	-	692	377
Equipment leases (Note 12)	1,250	1,430	1,373
Grant expenses	1,750	1,028	2,994
Insurance	3,000	3,000	3,000
Occupancy and maintenance	6,200	5,724	5,284
Office and postage	2,820	3,217	4,280
Professional fees	5,900	6,701	5,730
Program supplies and fees	9,100	11,560	19,142
Promotional and advertising	2,500	9,071	2,553
Repairs and pool supplies	15,000	17,027	11,833
Staff and volunteer development	8,950	8,769	8,668
Supplies for resale	2,500	3,882	2,218
Telephone and communications	10,625	9,872	10,552
Utilities	150,135	135,389	148,813
Wages and benefits	427,855	405,537	411,758
	<u>674,720</u>	<u>649,138</u>	<u>695,918</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## YMCA of Southwest Nova Scotia Association Fundy Grants, Subsidies and Donations

For the year ended December 31	2017		2016	
	Operating Fund	Building Fund	Operating Fund	Building Fund
Municipality of Annapolis				
Deficit coverage	156,406	-	155,368	-
Management agreement	50,000	-	50,000	-
Less: amounts allocated to Lunenburg Operating Fund	(37,500)	-	-	-
Donations recognized from deferred revenue	-	51,142	-	48,194
Facility grants	19,670	-	25,362	-
Donations	68,209	-	71,491	-
	<b>\$ 256,785</b>	<b>\$ 51,142</b>	<b>\$ 302,221</b>	<b>\$ 48,194</b>