

**YMCA of Southwest Nova Scotia
Association
Financial Statements
For the Year Ended December 31, 2018**

YMCA of Southwest Nova Scotia Association
Financial Statements
For the Year Ended December 31, 2018

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Independent Auditor's Report

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

Qualified Opinion

We have audited the financial statements of YMCA of Southwest Nova Scotia Association (the Association), which comprise the statement of financial position as at December 31, 2018, the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis of Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2018, and its results and operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Association derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Entity. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2018 and 2017, current assets as at December 31, 2018 and 2017, and net assets as at January 1 and December 31 for both the 2018 and 2017 years. Our audit opinion on the financial statements for the year ended December 31, 2018 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.



In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Dartmouth, Nova Scotia
April 17, 2019

YMCA of Southwest Nova Scotia Association
Statement of Financial Position

December 31	Lunenburg Operating Fund	Lunenburg Building Fund	Fundy Operating Fund	Fundy Building Fund	2018 Total	2017 Total
Assets						
Current						
Cash	\$ 51,609	\$ -	\$ 13,155	\$ -	\$ 64,764	\$ 110,449
Short-term investments (Note 2)	153,019	50,000	-	-	203,019	202,258
Accounts receivable (Note 3)	33,274	-	48,828	-	82,102	118,989
Prepaid expenses	35,091	-	1,500	-	36,591	7,155
Due from related party (Note 4)	-	-	16,454	-	16,454	29,200
	<u>272,993</u>	<u>50,000</u>	<u>79,937</u>	<u>-</u>	<u>402,930</u>	<u>468,051</u>
Restricted cash	-	30,787	-	105,794	136,581	135,667
Capital assets (Note 5)	<u>136,503</u>	<u>-</u>	<u>-</u>	<u>486,117</u>	<u>622,620</u>	<u>642,763</u>
	<u>\$ 409,496</u>	<u>\$ 80,787</u>	<u>\$ 79,937</u>	<u>\$ 591,911</u>	<u>\$ 1,162,131</u>	<u>\$ 1,246,481</u>
Liabilities and Net Assets						
Current						
Accounts payable and accrued liabilities (Note 7)	\$ 121,498	\$ -	\$ 6,085	\$ -	\$ 127,583	\$ 193,202
Deferred contributions (Note 8)	<u>18,238</u>	<u>-</u>	<u>29,882</u>	<u>-</u>	<u>48,120</u>	<u>58,623</u>
	<u>139,736</u>	<u>-</u>	<u>35,967</u>	<u>-</u>	<u>175,703</u>	<u>251,825</u>
Deferred capital contributions (Note 9)	-	-	-	512,682	512,682	554,157
	<u>139,736</u>	<u>-</u>	<u>35,967</u>	<u>512,682</u>	<u>688,385</u>	<u>805,982</u>
Net Assets	<u>269,760</u>	<u>80,787</u>	<u>43,970</u>	<u>79,229</u>	<u>473,746</u>	<u>440,499</u>
	<u>\$ 409,496</u>	<u>\$ 80,787</u>	<u>\$ 79,937</u>	<u>\$ 591,911</u>	<u>\$ 1,162,131</u>	<u>\$ 1,246,481</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	2018 Total	2017 Total
Revenue						
Memberships and program dues	\$ 358,058	\$ -	\$ 346,509	\$ -	\$ 704,567	\$ 719,560
Childcare operations	453,681	-	42,177	-	495,858	434,988
Grants and subsidies	344,254	-	195,504	41,909	581,667	552,290
Donation revenue	22,553	-	81,682	-	104,235	99,515
Interest income	761	552	-	-	1,313	1,308
	1,179,307	552	665,872	41,909	1,887,640	1,807,661
Expenses						
Operating and administration	669,234	79	665,872	-	1,335,185	1,322,409
Childcare operations	477,299	-	-	-	477,299	449,705
Amortization	-	-	-	41,909	41,909	47,723
	1,146,533	79	665,872	41,909	1,854,393	1,819,837
Excess (deficiency) of revenues over expenses	\$ 32,774	\$ 473	\$ -	\$ -	\$ 33,247	\$ (12,176)

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

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

For the year ended December 31	Lunenburg Operating Fund	Lunenburg Building Fund	Fundy Operating Fund	Fundy Building Fund	2018 Total	2017 Total
Net assets, beginning of the year	\$ 295,693	\$ 80,307	\$(2,246)	\$ 66,745	\$ 440,499	\$ 452,675
Excess of revenues over expenses	32,774	473	-	-	33,247	(12,176)
Interfund transfers	(58,707)	7	46,216	12,484	-	-
Net assets, end of the year	\$ 269,760	\$ 80,787	\$ 43,970	\$ 79,229	\$ 473,746	\$ 440,499

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	2018	2017
Cash flows from operating activities		
Excess (deficiency) of revenues over expenses	\$ 33,247	\$(12,176)
Items not affecting cash:		
Amortization of capital assets	61,218	71,123
	94,465	58,947
Changes in non-cash working capital:		
Accounts receivable	36,887	32,311
Prepaid expenses	(29,436)	(222)
Due from related party	12,746	(230)
Accounts payable and accrued liabilities	(65,617)	62,753
Deferred contributions	(51,979)	(66,241)
	(2,934)	87,318
Cash flows from investing activities		
Purchase of capital assets	(41,076)	(62,808)
Increase in short-term investments	(50,761)	(50,758)
Decrease in long-term investments	50,000	50,000
	(41,837)	(63,566)
Net (decrease) increase in cash	(44,771)	23,752
Cash, beginning of the year	246,116	222,364
Cash, end of the year	\$ 201,345	\$ 246,116
Represented by:		
Operating and general fundraising accounts	\$ 64,764	\$ 110,449
Restricted cash - buildings funds	136,581	135,667
	\$ 201,345	\$ 246,116

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

YMCA of Southwest Nova Scotia Association

Notes to Financial Statements

December 31, 2018

1. Significant Accounting Policies

Nature and Purpose of Organization	<p>YMCA of Southwest Nova Scotia Association (the "Association") is incorporated under the Societies Act of Nova Scotia. The Association is a not-for-profit organization 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>
Basis of Accounting	<p>The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.</p>
Fund Accounting	<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>
Cash and Cash Equivalents	<p>Cash and cash equivalents consist of cash on hand, bank balances and operating lines of credit.</p>
Pledges Receivable	<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>

YMCA of Southwest Nova Scotia Association

Notes to Financial Statements

December 31, 2018

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.

Endowment contributions - Recognized as direct increases in net assets.

Restricted net investment income - Recognized as revenue in the year in which the related expenses are incurred. Restricted net investment income must be added to the principal amount of resources held for endowment and is recognized as a direct increase in net assets when earned. Unrestricted net investment income is recognized as revenue when earned.

YMCA of Southwest Nova Scotia Association

Notes to Financial Statements

December 31, 2018

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:

	Method	Rate
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.

YMCA of Southwest Nova Scotia Association Notes to Financial Statements

December 31, 2018

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.

YMCA of Southwest Nova Scotia Association Notes to Financial Statements

December 31, 2018

2. Investments

The carrying amounts of investments are comprised of the following:

	2018	2017
GIC bearing interest at a rate of 0.50%, maturing September 2019	\$ 153,019	\$ 152,258
GIC bearing interest at a rate of 1.75%, maturing November 2019	50,000	50,000
	\$ 203,019	\$ 202,258

3. 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.

	2018	2017
Accounts receivable	\$ 54,674	\$ 85,757
HST receivable	-	2,938
County of Annapolis	34,229	35,565
Less: Allowance for doubtful accounts	(6,801)	(5,271)
	\$ 82,102	\$ 118,989

4. 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 \$64,500 (2017 - \$64,410) 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:

	2018	2017
YMCA of Yarmouth	\$ 16,454	\$ 29,200

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

December 31, 2018

5. Capital Assets

	2018		2017	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Leaseholds	\$ 588,037	\$ 177,545	\$ 588,037	\$ 154,489
Computer equipment	183,358	94,807	145,651	86,164
Fitness equipment	366,914	272,941	366,018	246,292
Furniture and equipment	41,211	15,770	38,739	13,669
Signage	13,874	9,711	13,874	8,942
	1,193,394	570,774	1,152,319	509,556
		\$ 622,620		\$ 642,763

During the prior and current year, the Association began developing a new software program. The cost to date of \$61,138 is included in the computer equipment category above but no amortization has been recorded since the software program was not complete at year end.

6. 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 (2017 - \$NIL) at year end.

7. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$24,389 (2017 - \$22,742). In addition, in the current year all accounts payable for Fundy Operating Fund are grouped with Lunenburg Operating Fund because the new accounting system does not allow for two payable subledgers.

YMCA of Southwest Nova Scotia Association Notes to Financial Statements

December 31, 2018

8. 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:

	Deferred from 2017	Received in 2018	Spent in 2018	Deferred to 2019
Canada Post Foundation	\$ 6,667	\$ -	\$(6,667)	\$ -
Canadian Mental Health NS	-	2,000	(2,000)	-
Department of Community Services	-	12,911	(12,911)	-
Department of Justice	-	12,000	(12,000)	-
Lunenburg County Community Health Board	-	3,000	(3,000)	-
Municipality of the County of Annapolis	936	5,150	(4,650)	1,436
Municipality of the District of Digby	3,125	12,500	(12,500)	3,125
Municipality of the District of Lunenburg	-	2,000	(2,000)	-
Nova Scotia Health Authority	-	3,000	-	3,000
Other	2,264	400	(1,813)	851
Telus	1,478	-	(1,478)	-
Town of Bridgewater	-	3,000	(3,000)	-
United Way	2,269	22,500	(24,769)	-
	\$ 16,739	\$ 78,461	\$(86,788)	\$ 8,412
Deferred childcare fees	2,809			4,838
Deferred gift certificates	540			1,115
Deferred memberships	25,946			21,105
Deferred facility rentals	89			150
Deferred management services - Fundy	12,500			12,500
	\$ 58,623			\$ 48,120

YMCA of Southwest Nova Scotia Association Notes to Financial Statements

December 31, 2018

9. 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>2018</u>	<u>2017</u>
Beginning balance	\$ 554,157	\$ 605,247
Less: non-capital expenditures approved by the Board	(434)	(3,367)
Less: amounts amortized to revenue	<u>(41,909)</u>	<u>(47,723)</u>
Ending balance	<u>\$ 512,682</u>	<u>\$ 554,157</u>

YMCA of Southwest Nova Scotia Association

Notes to Financial Statements

December 31, 2018

10. 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.

YMCA of Southwest Nova Scotia Association

Notes to Financial Statements

December 31, 2018

11. Lunenburg Building Fund

In 2004, the Association entered into a partnership agreement with the Nova Scotia Community College ("NSCC"), 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 NSCC. The balance owing to NSCC at December 31, 2018 is \$308,752 (2017 - \$341,488).

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.

12. Lease Commitments

Facility Rental

The Association leases its present facilities at the NSCC campus on High Street. Rent commitments over the next five years are as follows:

2019	\$ 36,000
2020	\$ 36,000
2021	\$ 36,000
2022	\$ 36,000
2023	\$ 36,000
Thereafter	\$ 144,000

Childcare and Youth Facilities

The Association operates a childcare facility at the NSCC campus in Bridgewater, Nova Scotia, on a rent-free basis.

There is a youth centre located on King Street. Rent commitments over the next three years are as follows:

2019	\$12,173
2020	\$12,538
2021	\$12,538

Equipment Leases

The Association has the following operating lease agreement:

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

YMCA of Southwest Nova Scotia Association Notes to Financial Statements

December 31, 2018

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.

YMCA of Southwest Nova Scotia Association Lunenburg Operating and Administration Expenses

For the year ended December 31	Budget (unaudited)	2018	2017
Revenue			
Memberships and program dues	\$ 364,900	\$ 358,058	\$ 356,774
Grants and subsidies	159,220	182,609	159,150
Donation revenue	30,500	21,994	28,690
Interest income	1,000	761	758
	<u>555,620</u>	<u>563,422</u>	<u>545,372</u>
Expenses			
Active fees	7,500	23,409	12,058
Amortization	29,600	18,109	22,200
Bad debt	2,500	1,484	1,792
Bank charges and interest	6,600	4,888	4,328
Board education and travel	2,550	2,012	3,573
Computer costs	7,400	5,794	4,590
Equipment lease	1,000	952	955
Insurance	11,400	10,418	11,084
International development	-	150	1,800
Occupancy and maintenance	51,940	51,481	51,962
Office and postage	4,000	3,172	3,512
Professional fees	9,100	8,057	9,084
Program supplies and fees	22,050	29,700	22,410
Promotional and advertising	2,500	4,057	3,073
Rent (Note 12)	49,800	50,406	56,279
Repairs and supplies	6,000	6,501	9,613
Snow removal and grounds maintenance	4,650	5,701	3,803
Staff and volunteer development	11,400	10,161	17,351
Telephone and communications	10,700	11,404	11,768
Wages and benefits	389,795	390,417	387,066
YMCA Canada association costs	30,015	30,961	31,551
	<u>660,500</u>	<u>669,234</u>	<u>669,852</u>
Net deficit before allocation costs	(104,880)	(105,812)	(124,480)
Add: shared allocation costs	106,920	106,920	111,900
Net surplus (deficit)	<u>\$ 2,040</u>	<u>\$ 1,108</u>	<u>\$(12,580)</u>

YMCA of Southwest Nova Scotia Association Lunenburg Childcare Operations

For the year ended December 31	Budget (unaudited)	2018	2017
Revenue			
Childcare dues	\$ 419,600	\$ 453,681	\$ 405,421
Grants and subsidies	144,580	161,645	153,422
Donation revenue	4,500	559	2,616
	<u>568,680</u>	<u>615,885</u>	<u>561,459</u>
Expenses			
Amortization	1,200	1,200	1,200
Bad debt	1,000	2,513	1,457
Childcare activities	1,000	2,336	2,178
Food	20,995	23,811	21,246
General supplies	2,000	4,546	3,428
Program, equipment and office supplies	14,355	23,946	11,035
Staff and education	4,600	5,604	8,790
Wages and benefits	408,730	413,343	400,371
	<u>453,880</u>	<u>477,299</u>	<u>449,705</u>
Net surplus before allocation costs	114,800	138,586	111,754
Less shared allocation costs	106,920	106,920	111,900
Net surplus (deficit)	<u>\$ 7,880</u>	<u>\$ 31,666</u>	<u>\$ (146)</u>

YMCA of Southwest Nova Scotia Association Fundy Operating and Administration Expenses

For the year ended December 31	Budget (unaudited)	2018	2017
Revenue			
Memberships and program dues	\$ 349,500	\$ 346,509	\$ 362,786
Childcare operations	37,900	42,177	29,567
Grants and subsidies	214,025	195,504	188,576
Donation revenue	62,500	81,682	68,209
	<u>663,925</u>	<u>665,872</u>	<u>649,138</u>
Expenses			
Active fees	10,150	17,589	9,784
Administration services	8,450	-	11,702
Bad debt	2,000	2,209	2,010
Bank charges and interest	2,375	1,054	2,743
Computer costs	600	2,466	692
Equipment leases (Note 12)	1,400	1,354	1,430
Grant expenses	2,250	-	1,028
Insurance	3,000	3,000	3,000
Occupancy and maintenance	6,000	8,336	5,724
Office and postage	3,500	4,094	3,217
Professional fees	7,000	3,163	6,701
Program supplies and fees	9,700	19,180	11,560
Promotional and advertising	3,000	7,450	9,071
Repairs and pool supplies	15,000	21,824	17,027
Staff and volunteer development	3,750	5,819	8,769
Supplies for resale	3,500	3,231	3,882
Telephone and communications	9,000	9,421	9,872
Utilities	150,000	144,503	135,389
Wages and benefits	423,250	411,179	405,537
	<u>663,925</u>	<u>665,872</u>	<u>649,138</u>
Net surplus (deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

For the year ended December 31	2018		2017	
	Operating Fund	Building Fund	Operating Fund	Building Fund
Municipality of Annapolis				
Deficit coverage	158,078	-	156,406	-
Management agreement	-	-	50,000	-
Less: amounts allocated to Lunenburg Operating Fund	-	-	(37,500)	-
Donations recognized from deferred revenue	-	41,909	-	51,142
Facility grants	24,176	-	19,670	-
Donations	81,682	-	68,209	-
	\$ 263,936	\$ 41,909	\$ 256,785	\$ 51,142