

Oakville Family YMCA
(a corporation without share capital)
Financial Statements
For the year ended December 31, 2018



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Independent Auditor's Report

**To the Board of Directors of
Oakville Family YMCA (a corporation without share capital)**

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2018, 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.

Basis for Opinion

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 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.

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.

Oakville Family YMCA
(a corporation without share capital)
Statement of Financial Position

December 31 **2018** **2017**

Assets

Current

Cash - unrestricted	\$ 3,116,832	\$ 3,339,927
Accounts receivable	542,164	535,498
Prepaid expenses	4,117	9,157

3,663,113 **3,884,582**

Investments (Note 2 and 8)

2,530,895 **2,026,679**

Capital assets (Note 3)

7,458,905 **8,031,168**

Intangible assets (Note 4)

587,028 **339,596**

\$ 14,239,941 **\$ 14,282,025**

Liabilities

Current

Accounts payable and accrued liabilities	\$ 1,169,106	\$ 920,356
Deferred revenue	49,976	286,199

1,219,082 **1,206,555**

Deferred capital donations and grants (Note 6)

3,197,644 **3,565,625**

4,416,726 **4,772,180**

Net Assets

Net assets invested in capital and intangible assets (Note 7) 4,848,289 4,805,139

Net assets internally restricted for capital expenditures (Note 8) 2,500,000 2,000,000

Unrestricted net assets 2,474,926 2,704,706

9,823,215 **9,509,845**

\$ 14,239,941 **\$ 14,282,025**

On behalf of the Board:



Director



Director

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

Oakville Family YMCA
(a corporation without share capital)
Statement of Revenue and Expenses

For the year ended December 31	2018	2017
Revenue		
Childcare - fees (Note 9)	\$ 15,045,883	\$ 14,049,313
- wage subsidy grants (Note 10)	<u>2,032,617</u>	<u>2,041,783</u>
	17,078,500	16,091,096
Membership	3,935,995	3,896,905
Program (Note 9)	1,703,177	1,735,925
Donations, grants and fundraising	717,629	491,849
Amortization of capital donations and grants (Note 6)	374,990	370,107
Other income	48,410	27,481
Investment income	21,449	38,362
	<u>23,880,150</u>	<u>22,651,725</u>
Expenses		
Childcare (Page 14)	16,319,983	15,033,868
Programs and membership (Page 14)	7,246,797	6,946,701
	<u>23,566,780</u>	<u>21,980,569</u>
Excess of revenue over expenses	<u>\$ 313,370</u>	<u>\$ 671,156</u>

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

Oakville Family YMCA
(a corporation without share capital)
Notes to Financial Statements

December 31, 2018

1. Significant Accounting Policies

Nature of Business

The Association was created without share capital on October 6, 1964 under Supplementary Letters Patent. The Association is a registered charity and accordingly is not subject to income tax.

The YMCA of Oakville is a charity that strengthens community in Spirit, Mind and Body.

The Association's sources of revenue are largely from childcare, memberships in the membership centre, day camps and community programs. The Association operated 41 (2017 - 43) offsite locations and delivered 88 (2017 - 91) childcare programs during the year.

Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Capital Assets

Capital assets are recorded at cost less accumulated amortization. Amortization based on the estimated useful life of the asset, is calculated on a straight-line basis as follows:

Building and site costs	-	25 years
Furniture, equipment and leasehold improvements		
Childcare	-	4 years
Health, fitness and recreation	-	5 years
Association services	-	5 years

Building additions are amortized over the remaining life of the building, which was constructed in 2003.

Intangible Asset

Purchased intangible assets are initially recorded at cost. As the Dynamics for Membership IT system is currently under development and has yet to be implemented by the Association, amortization has not been recorded in the current year. In subsequent years, the intangible assets with a finite useful life are amortized over their estimated useful life.

Revenue Recognition

Childcare, membership and program fees are recognized over the related period of service.

The Association follows the deferral method of accounting for contributions.

Unrestricted donations, grants and fundraising revenue are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Deferred capital contributions related to capital assets represent the unamortized and unallocated amount of donations and grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of revenue and expenses.

Oakville Family YMCA
(a corporation without share capital)
Notes to Financial Statements

December 31, 2018

1. Significant Accounting Policies (Continued)

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 amount of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Management's estimates and assumptions used in determining amortization methods and rates and useful life of capital assets and intangible assets are reviewed annually and are based on management's best estimates. These estimates are subject to measurement uncertainty, and the effect on the financial statements in future periods could be significant.

2. Investments

	2018		2017	
	Fair Value	Cost	Fair Value	Cost
Equities	\$ 635,349	\$ 641,132	\$ 513,164	\$ 477,706
Fixed income	1,852,432	1,897,440	1,478,312	1,507,174
Cash	43,114	43,114	35,203	35,203
	\$ 2,530,895	\$ 2,581,686	\$ 2,026,679	\$ 2,020,083

The effective interest rate on fixed income securities during the year varied from 0.75% to 4.50% (2017 - 1.25% to 4.50%). The maturities of these securities range from 2019 to 2023.

During the year, the Association transferred \$Nil (2017 - \$1,600,000) of previously internally restricted cash and \$500,000 (2017 - \$400,000) (Note 8) of additional cash to investments. Dividends, interest and realized gains/losses on investments of \$61,603 (2017 - \$20,083) were reinvested during the year.

3. Capital Assets

	2018		2017	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 39,825	\$ -	\$ 39,825	\$ -
Building and site costs	15,577,312	9,289,013	15,288,648	8,617,990
Furniture, equipment and leasehold improvements				
- Childcare	1,858,575	1,310,792	1,620,127	1,013,922
- Health, fitness and recreation	1,424,315	1,097,234	1,410,046	973,235
- Association services	1,567,694	1,311,777	1,475,122	1,197,453
	\$ 20,467,721	\$ 13,008,816	\$ 19,833,768	\$ 11,802,600
Net book value		\$ 7,458,905		\$ 8,031,168

Oakville Family YMCA
(a corporation without share capital)
Notes to Financial Statements

December 31, 2018

7. Net Assets Invested in Capital and Intangible Assets

	2018	2017
Capital assets, net	\$ 7,458,905	\$ 8,031,168
Intangible assets, net	587,028	339,596
Deferred capital donations and grants - unamortized	(3,197,644)	(3,565,625)
	\$ 4,848,289	\$ 4,805,139

8. Net Assets Internally Restricted for Capital Expenditures

Net assets internally restricted for capital expenditures represent funds specifically set aside by the Board of Directors to be used solely for the purpose of capital expenditures. Net assets internally restricted for capital expenditures are not available for other purposes without approval by the Board of Directors.

During the year, the Board of Directors approved a transfer of \$500,000 (2017 - \$400,000) from unrestricted net assets to net assets internally restricted for capital expenditures.

9. Regional Municipality Fee Subsidies

The Association receives fee subsidies on behalf of qualifying families based on income eligibility from the Regional Municipality of Halton, which are included with the revenues of the Association as follows:

	2018	2017
Childcare revenue	\$ 1,466,210	\$ 1,372,665
Program revenue	458,347	410,245
	\$ 1,924,557	\$ 1,782,910

10. Government Grants

During the year, grants in the following amounts were received from the Regional Municipality of Halton as direct wage subsidies to childcare workers. They were recognized in the Association's revenue.

	2018	2017
General Operating Grant	\$ 1,058,525	\$ 1,058,525
Wage Enhancement	841,079	874,878
Special Needs School Age Support	133,013	108,380
	\$ 2,032,617	\$ 2,041,783

Continued government support for direct wage subsidies to childcare workers is not guaranteed, but is typically renewed on an annual basis. Should this support cease, the Association is prepared to take measures to reduce the impact on its childcare services and staff.

Oakville Family YMCA
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Expense Schedules

For the year ended December 31 **2018** **2017**

Childcare

Wages and benefits (Note 13)	\$ 11,209,812	\$ 10,638,134
Association services	1,732,389	1,366,617
Program supplies	1,471,524	1,283,706
Facility rental	894,579	851,125
Amortization of capital assets	296,870	222,452
Program delivery costs	253,367	180,244
YMCA Canada and other dues	200,419	194,234
Bank charges	135,577	133,352
Repairs and maintenance	125,446	164,004

\$ 16,319,983 **\$ 15,033,868**

Programs and memberships

Wages and benefits (Note 13)	\$ 4,001,287	\$ 3,797,537
Amortization of capital assets	909,346	912,419
Association services	640,746	558,196
Repairs and maintenance	446,583	427,306
Program delivery costs	424,218	335,468
Utilities	388,081	415,816
Program supplies	175,365	181,397
Facility rental	136,898	184,759
YMCA Canada and other dues	74,128	79,335
Bank charges	50,145	54,468

\$ 7,246,797 **\$ 6,946,701**