

**YMCA of Simcoe/Muskoka  
Consolidated Financial Statements  
For the year ended June 30, 2019**

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## Independent auditor's report

To the Board of Directors of YMCA of Simcoe/Muskoka,

### Opinion

We have audited the consolidated financial statements of YMCA of Simcoe/Muskoka (the "YMCA"), which comprise the consolidated statement of financial position as at June 30, 2019, and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of YMCA of Simcoe/Muskoka as at June 30, 2019, 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.

### 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 consolidated financial statements section of our report. We are independent of the YMCA in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 YMCA'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 YMCA'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 consolidated 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 YMCA to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Barrie, Canada  
September 18, 2019

Chartered Professional Accountants  
Licensed Public Accountants

**YMCA of Simcoe/Muskoka**  
**Consolidated Statement of Financial Position**  
**As at June 30**

<b>(in Thousands 000s)</b>	<b>2019</b>	<b>2018</b>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 3,813	\$ 3,178
Accounts receivable	1,473	2,261
Inventory (Note 12)	133	154
Prepaid expenses	46	103
<b>Total Current Assets</b>	<b>5,465</b>	<b>5,696</b>
<b>Tangible Capital Assets</b> (Note 3)	<b>28,459</b>	<b>28,755</b>
<b>Other Assets</b>		
Portfolio investments (Note 2)	2,393	2,150
Intangible assets (Note 4)	1,354	1,381
	<b>3,747</b>	<b>3,531</b>
<b>Total Assets</b>	<b>\$ 37,671</b>	<b>\$ 37,982</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 3,497	\$ 3,153
Government remittances payable	837	801
Deferred revenue	2,507	3,757
Current portion of long-term debt (Note 6)	422	422
	<b>7,263</b>	<b>8,133</b>
<b>Long-term Debt</b> (Note 6)	<b>2,460</b>	<b>2,882</b>
<b>Deferred Contributions</b> (Note 7)	<b>16,101</b>	<b>16,087</b>
<b>Total Liabilities</b>	<b>25,824</b>	<b>27,102</b>
<b>Net Assets</b> (Note 13)		
Unrestricted	9,899	8,906
Internally restricted future fund	1,730	1,756
Endowment Fund	218	218
<b>Total Net Assets</b>	<b>11,847</b>	<b>10,880</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 37,671</b>	<b>\$ 37,982</b>

**Commitments** (Note 8)

On behalf of the Board:



Director



Director

The accompanying summary of significant accounting policies and notes are an integral part of these consolidated financial statements.

**YMCA of Simcoe/Muskoka**  
**Consolidated Statement of Operations**  
**For the year ended June 30**

<b>(in Thousands 000s)</b>	<b>2019</b>	2018
<b>Sources of Funding</b>		
Health wellness community recreation	\$ 11,759	\$ 11,638
Child development & family support (Note 10)	21,472	18,960
Camping, conference & youth engagement	7,546	7,202
Philanthropy & Association advancement (Note 14)	591	742
Government programs (Note 10)	8,409	7,068
<b>Total Sources of Funding</b>	<b>\$ 49,777</b>	\$ 45,610
<b>Direct Costs</b>		
Human resources direct costs	\$ 28,642	\$ 26,297
Government program costs - non salary	3,137	2,099
Supplies	4,759	4,206
<b>Total Direct Costs</b>	<b>\$ 36,538</b>	\$ 32,602
<b>Gross Contribution</b>	<b>\$ 13,239</b>	\$ 13,008
<b>Facilities Expenses</b>	<b>\$ 6,700</b>	\$ 6,290
<b>Other Expenses</b>	<b>\$ 445</b>	\$ 449
<b>Net Contribution from Operations</b>	<b>\$ 6,094</b>	\$ 6,269
<b>General &amp; Administration Expenses</b>	<b>\$ 3,942</b>	\$ 3,689
<b>Net Operating Before Other Items</b>	<b>\$ 2,152</b>	\$ 2,580
<b>Capital</b>		
Capital campaign contribution	\$ 14	\$ (22)
Interest on long-term debt	(117)	(114)
Amortization of deferred capital contributions	1,107	1,103
Amortization of tangible capital assets & software	(1,801)	(1,825)
Impairment loss on goodwill	(458)	-
<b>Total Capital Fund</b>	<b>\$ (1,255)</b>	\$ (858)
<b>Future</b>		
Investment income	\$ 32	\$ 55
Gain on investments	38	65
<b>Total Future Fund</b>	<b>\$ 70</b>	\$ 120
<b>Excess of revenue over expenses</b>	<b>\$ 967</b>	\$ 1,842

The accompanying summary of significant accounting policies and notes are an integral part of these consolidated financial statements.

**YMCA of Simcoe/Muskoka**  
**Consolidated Statement of Changes in Net Assets**  
**For the year ended June 30**

	(Note 1.3)				
	Unrestricted	Internally Restricted future fund	Endowment Fund	2019	2018
(in Thousands 000s)					
<b>Balance, beginning of year</b>	\$ 8,906	\$ 1,756	\$ 218	\$ 10,880	\$ 9,038
<b>Interfund Transfers</b>	96	(96)	-	-	-
<b>Excess of revenue over expenses</b>	897	70	-	967	1,842
<b>Balance, end of year</b>	<b>\$ 9,899</b>	<b>\$ 1,730</b>	<b>\$ 218</b>	<b>\$ 11,847</b>	<b>\$ 10,880</b>

The accompanying summary of significant accounting policies and notes are an integral part of these consolidated financial statements.

**YMCA of Simcoe/Muskoka**  
**Consolidated Statement of Cash Flows**  
**For the year ended June 30**

<b>(in Thousands 000s)</b>	<b>2019</b>	<b>2018</b>
<b>Cash flows from operating activities</b>		
Revenue in Excess of Expenditures	\$ 967	\$ 1,842
Charges (credits) to operations not involving cash		
Amortization of tangible capital assets & software	1,801	1,825
Amortization of deferred capital contributions	(1,107)	(1,103)
Impairment loss on goodwill	458	-
Net change in non-cash operating working capital balances related to operations (Note 9)	(4)	345
	<u>2,115</u>	<u>2,909</u>
<b>Cash flows from investing activities</b>		
Additions to tangible capital assets	(1,493)	(457)
Disposals of tangible capital assets	20	-
Additions to intangible assets	(463)	(454)
Change in portfolio investments	(243)	(17)
Increase in deferred contributions	1,121	279
	<u>(1,058)</u>	<u>(649)</u>
<b>Cash flows from financing activities</b>		
Decrease in long-term debt	(422)	(583)
<b>Net change in cash during the year</b>	<b>635</b>	<b>1,677</b>
<b>Cash, beginning of year</b>	<u>3,178</u>	<u>1,501</u>
<b>Cash, end of year</b>	<u>\$ 3,813</u>	<u>\$ 3,178</u>

The accompanying summary of significant accounting policies and notes are an integral part of these consolidated financial statements.

**YMCA of Simcoe/Muskoka**  
**Summary of Significant Accounting Policies**  
**As at June 30, 2019**

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**Nature of Association**

YMCA of Simcoe/Muskoka ("The Association") is a charitable, community-based organization open to all. It offers diverse services provided by a partnership of volunteers and staff and provides fellowship and opportunities for personal growth in spirit, mind and body including the provision of programs and services that foster health, education and the relief of poverty.

The Association is incorporated without share capital under the Corporations Act (Ontario) and is a charitable organization within the meaning of the Income Tax Act (Canada).

**Summary of Significant Accounting Policies**

<b>Basis of Preparation</b>	The YMCA of Simcoe/Muskoka has adopted the Canadian Accounting Standards for Not-for-profit organizations (ASNFPO) and are in accordance with Canadian generally accepted accounting principles (GAAP).
<b>Basis of Consolidation</b>	The consolidated financial statements include the accounts of the Association and its wholly owned subsidiary 2410518 Ontario Limited. The subsidiary's purpose is to make investments on behalf of the Association. It was incorporated on March 12, 2014 under the laws of Ontario and is subject to corporate income tax.
<b>Use of Estimates</b>	The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenditures during the reporting period. These estimates include, among others, useful lives of tangible capital assets, allowance for doubtful accounts and accruals. Actual results could differ from management's best estimates as additional information becomes available in the future.
<b>Revenue Recognition</b>	<p>The Association follows the deferral method of accounting for contributions.</p> <p>Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Contributions received in advance of the period to which they relate are recorded as deferred revenue. Unrestricted contributions include: child care fees, contributions from members, participants and agencies, expenditure recovery and recovery of allocated administration costs, fundraising, gain on disposal of tangible capital assets, interest, membership fees, conference income, sales and other income.</p> <p>Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of tangible capital assets excluding land are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets. Externally restricted contributions for land are recorded as a direct increase in unrestricted net assets. Externally restricted contributions that have not been expended are recorded as part of deferred capital contributions on the statement of financial position. Externally restricted contributions for the repayment of debt are deferred and amortized in the same manner as the related tangible capital</p>

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**YMCA of Simcoe/Muskoka**  
**Summary of Significant Accounting Policies**  
**As at June 30, 2019**

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**Cash and Cash  
Equivalents**

Cash and cash equivalents consist of cash on hand and bank balances.

**Financial Instruments**

The Association considers any contract that creates a financial asset, a financial liability or equity instrument as a financial instrument, except in limited items such as leases and loan commitments.

*Initial recognition and measurement*

A financial asset or a financial liability is recognized when the Association becomes a party to the contractual provisions of the financial instrument.

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction, are initially measured at their fair value.

*Subsequent measurement*

Changes in fair value of investments in equity instruments are recognized in operations in the period incurred. All other financial assets and financial liabilities are measured at amortized cost.

*Impairment*

At the end of each reporting period, the Association assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired.

**Contributed Services**

The Association is dependent on the voluntary services of many individuals. Since these services are not normally purchased by the Association and because of the difficulty in estimating their fair market value, these services are not recorded in these financial statements.

**Contributed Materials**

The Association has not recognized contributed materials in these financial statements as these materials are not normally purchased and because of the difficulty in estimating their fair market

**Inventory**

Inventory is valued at the lower of cost and replacement cost. Cost is generally determined on a specific item basis.

**YMCA of Simcoe/Muskoka**  
**Summary of Significant Accounting Policies**  
**As at June 30, 2019**

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**Tangible Capital Assets** Purchased tangible capital assets are recorded at cost. Cost includes the purchase price and other acquisition costs such as brokers' commissions, installation costs including architectural, design and engineering fees, legal fees, survey costs, site preparation costs, freight charges, transportation insurance costs, duties, testing and preparation charges. Contributed tangible capital assets are recorded at fair value at the date of contribution. Betterments which extend the estimated life of an asset are capitalized. When an asset no longer contributes to the Association's ability to provide services, its carrying amount is written off. Amortization is provided on assets placed into use on the straight-line basis over their estimated useful lives as follows:

Building and site improvements - 25 years  
Leasehold improvements - 25 years  
Program equipment - 3 years  
Furnishings and equipment - 5 years  
Computer hardware - 3 years

**Portfolio Investments** Portfolio investments are initially measured at fair value. Gains and losses are recognized in the period in which they occur.

**Intangible Assets**

**Goodwill**

Goodwill, being the excess of the purchase price of Geneva Park over the assigned values of the net assets acquired, is valued at the lower of cost and fair value of the reporting unit. The Association's goodwill is not amortized and is tested for impairment annually. An impairment loss would be recognized when the carrying amount of the goodwill of a reporting unit exceeds the fair value of the goodwill.

**Software**

Software consists of externally purchased programs and are stated at cost. Amortization is provided on a straight-line basis over their estimated useful service lives of 3 years.

**Impairment of Long Lived Assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be fully recoverable. The Association monitors the recoverability of long-lived assets, based on factors such as current market value, future asset utilization, business climate and future undiscounted cash flows expected to result from the use of the related assets. The Association's policy is to record an impairment loss in the period when it is determined that the carrying amount of the asset may not be recoverable. The impairment loss is calculated as the amount by which the carrying amount of the asset exceeds the undiscounted estimate of future cash flows from the asset.

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**YMCA of Simcoe/Muskoka**  
**Notes to the Consolidated Financial Statements**  
**As at June 30, 2019**

**(in Thousands 000s)**

**1. Financial Instruments**

a) Fair Values

The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. Fair values are determined by reference to quoted bid or asking prices as appropriate, in the most advantageous active market for that instrument to which the Association has immediate access.

The Association's financial instruments are comprised of cash, accounts receivable, portfolio investments, operating demand loan, accounts payable, government remittances payable and long-term debt.

b) Risks arising from financial instruments

- i) Credit Risk                      The Association has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The main source of credit risk to the Association is considered to relate to the class of assets described as "accounts receivable", and much of the amount is due from the government.
- ii) Interest Rate Risk              The Association has a term loan and an operating demand loan which bear interest at a variable rate and as a result, is subject to interest rate risk through fluctuations in the bank's prime interest rate.
- iii) Market Risk                      The portfolio investments are diversified in varying industries, but are still subject to fluctuations in the market.
- iv) Liquidity Risk                      The Association seeks to maintain sufficient liquidity and short-term borrowing capacity to enable it to meet its obligations as they become due. The Association maintains a backup short-term credit facility with a Canadian chartered bank to ensure sufficient liquidity.

**2. Portfolio Investments**

	<b>2019</b>	2018
	<b>Fair Value</b>	Fair Value
Bonds	\$ <b>124</b> \$	124
Common shares	<b>1,679</b>	1,493
Cash & Mutual Funds	<b>590</b>	533
	<b>\$ 2,393</b> \$	2,150

Bonds held at June 30, 2019 bear fixed rates of interest ranging from 4.15% to 4.50% (2018 – 4.15% to 4.50%) and have maturity dates ranging from November 25, 2019 to June 2, 2020 (2018 - November 25, 2019 to June 2, 2020).

\$218 (2018 - \$218) of the portfolio investments are restricted for the endowment fund, \$317 (2018 - \$132) is restricted for deferred contributions with a transfer to the unrestricted fund of \$84 outstanding as of year-end, and \$1,730 (2018 - \$1,756) has been internally restricted in the future fund by the Board of Directors.

**YMCA of Simcoe/Muskoka**  
**Notes to the Consolidated Financial Statements**  
**As at June 30, 2019**

(in Thousands 000s)

**3. Tangible Capital Assets**

	2019		2018	
	Cost	Accumulated Amortization	Transfers/Impairment	Net
Land	\$ 3,261	\$ -	\$ -	\$ 3,261
Building and site improvements	26,610	11,566	-	15,044
Leasehold improvements	16,324	6,847	-	9,477
Program equipment	256	54	-	202
Furnishings and equipment	58	44	-	14
Computer hardware	606	145	-	461
	\$ 47,115	\$ 18,656	\$ -	\$ 28,459
				Cost
				Accumulated Amortization
				Net
				\$ 3,261
				25,775
				16,343
				76
				11
				176
				\$ 45,642
				10,562
				6,195
				36
				7
				87
				\$ 16,887
				\$ 28,755

During the year, the Association purchased tangible capital assets in the amount of \$1,493 (2018 - \$457).

The Association's wholly owned subsidiary, 2410518 Ontario Limited, leased two buildings for gross rent of \$38 (2018 - \$38). The total value of land included in the above is \$553 (2018 - \$553).

**4. Intangible Assets**

	2019		2018	
	Cost	Accumulated Amortization	Transfers/Impairment	Net
Goodwill	\$ 458	\$ -	\$ 458	\$ -
Software	1,428	74	-	1,354
	\$ 1,886	\$ 74	\$ 458	\$ 1,354
				Cost
				Accumulated Amortization
				Net
				458
				966
				1,424
				43
				\$ 43
				\$ 1,381

Included in intangible assets is software of \$1,204 (2018 - \$869) not subject to amortization, as this software is still in development and not in use. The Association is not committed to any additional funding (2018 - \$150) for the development of this software in the next fiscal year.

**5. Credit Facilities**

The Association has a revolving demand facility with the Royal Bank of Canada. The line of credit bears interest at the bank's prime rate plus 0.25% for loans, calculated and payable monthly. The total credit available is \$2,000. Unused credit facilities at June 30, 2019 amounted to \$1,890 (2018 - \$1,890) because there is an outstanding Letter of Credit to the Ministry of the Environment re: de-commissioning the three sewage lagoons at Geneva Park in the unlikely event that the YMCA abandons the site, for \$110 (2018 - \$110).

The Association has three (2018 - three) non-revolving term facilities (Note 6) for the purpose of financing various construction projects, mortgages for investment properties owned by 2410518 Ontario Limited, and a mortgage for Geneva Park. All loans bear interest at the bank's prime rate plus 0.25%, calculated and payable monthly. All loans have a 12 month term.

The Association has a \$300 line of credit available for lease financing of facility equipment. As at year end, this line of credit has not been drawn upon.

The Association has a \$315 (2018 - \$315) limit on Association credit cards.

The banking agreement that covers these loans is secured by a general security agreement constituting a first ranking security interest on all property of the borrower, a collateral mortgage constituting a first fixed charge on the lands and improvements of 6604 Rama Road, Ramara, Ontario and 22 Grove Street West, Barrie, Ontario.

**YMCA of Simcoe/Muskoka**  
**Notes to the Consolidated Financial Statements**  
**As at June 30, 2019**

**(in Thousands 000s)**

**6. Long-term Debt**

	2019	2018
Royal Bank of Canada Committed Reducing Term Facility, prime plus .25%, equal monthly principal payments of \$2 plus interest due April 2026.	\$ 137	\$ 157
Royal Bank of Canada Committed Reducing Term Facility, prime plus .25%, equal monthly principal payments of \$1 plus interest due April 2026.	118	135
Royal Bank of Canada Committed Reducing Term Facility, prime plus .25%, equal monthly principal payments of \$32 plus interest due April 2026.	2,627	3,012
	2,882	3,304
Less: current portion	422	422
	\$ 2,460	\$ 2,882

Principal payments due in the next five years and thereafter are as follows:

2020	\$	422
2021		422
2022		422
2023		422
2023 and thereafter		1,194
Total	\$	2,882

The banking agreement with the Royal Bank of Canada contains a covenant with respect to the debt service ratio. As at year end, the Association is in compliance with this ratio.

**7. Deferred Contributions**

	2019	2018
Deferred capital contributions related to capital assets	\$ 15,665	\$ 15,858
Deferred contributions	436	229
<b>Total deferred contributions</b>	<b>\$ 16,101</b>	<b>\$ 16,087</b>

**Deferred capital contributions related to capital assets and repayment of debt**

	2019	2018
Balance, beginning of year	\$ 15,858	\$ 16,662
Additional contributions received	914	299
Amounts amortized to revenue	(1,107)	(1,103)
Balance, end of year	<b>\$ 15,665</b>	<b>\$ 15,858</b>

**Deferred contributions**

This balance represents the unexpended amounts of donations that have been received where the donor has specified that the amounts be used for designated purposes. The determination of the timing and the amount of these payments are at the discretion of the Board.

	2019	2018
Balance, beginning of year	\$ 229	\$ 249
Additional contributions received	528	282
Amounts amortized to revenue	(321)	(302)
Balance, end of year	<b>\$ 436</b>	<b>\$ 229</b>

**YMCA of Simcoe/Muskoka**  
**Notes to the Consolidated Financial Statements**  
**As at June 30, 2019**

**(in Thousands 000s)**

**8. Commitments**

The Association has obligations under long-term leases for certain premises and office equipment. Future minimum lease payments as at June 30, 2019 are as follows:

Year	Amount
2020	\$ 460
2021	75
2022	28
2023	-
Thereafter	-
	\$ 563

The Association has entered into an agreement with the Corporation of the Town of Wasaga Beach regarding the operation and management of a YMCA facility. The YMCA has agreed to operate the facility up to October 2026 with an optional renewal to 2046. As part of the agreement, the Association has committed to contribute furnishings and equipment valued at approximately \$1,000. As of June 30, 2019, \$823 (2018 - \$772) has been contributed.

The Association has entered into an agreement with the Town of Innisfil regarding the operation of a portion of the Multi-Use Recreation Facility for a term of fifteen years (2009 to 2024) with the option for another fifteen year renewal. As part of the agreement, the Association has committed to contribute cash, furnishings and equipment valued at \$1,500. As of June 30, 2019, the entire amount of \$1,500 (2018 - \$1,500) has been contributed.

The Association has entered into an agreement with the Town of Gravenhurst regarding the operation of a portion of the Multi-Use Recreation Facility for a term of twenty years (2011 to 2031) with an option to renew for another twenty years. As part of the agreement, the Association has committed to contribute furnishings and equipment required to operate the facility. As of June 30, 2019, the amount of \$612 (2018 - \$612) has been contributed.

**9. Change in Non-cash Operating Working Capital**

	2019	2018
Change in:		
Accounts receivable	\$ 788	\$ (453)
Inventory	21	(5)
Prepaid expenses	57	12
Accounts payable and accrued liabilities	344	368
Government remittances payable	36	(40)
Deferred revenue	(1,250)	463
	\$ (4)	\$ 345

Decreases in assets and increases in liabilities result in a source of funds. Increases in assets and decreases in liabilities result in a use of funds and are indicated by brackets.

**10. Government Program Revenue**

	2019	2018
Government programs consist of:		
Newcomer Services	\$ 660	\$ 632
Employment Services	3,595	3,617
Youth Services	4,154	2,789
Leadership Institute	-	30
	8,409	7,068
Childcare (included in Child Development & Family Support Revenue)		
County of Simcoe	5,344	4,051
District of Muskoka	44	57
District of Parry Sound	196	190
Program and Other (included in Philanthropy & Association Advancement Revenue)	-	15
	\$ 13,993	\$ 11,381

**YMCA of Simcoe/Muskoka**  
**Notes to the Consolidated Financial Statements**  
**As at June 30, 2019**

**(in Thousands 000s)**

**11. Pension Plan**

The employees of the Association participate in the Canadian YMCA Retirement Fund. Although the plan is a defined retirement benefit for employees, the related obligation of the Association cannot be identified. The Association has applied defined contribution plan accounting as it has insufficient information to apply defined benefit plan accounting. The Canadian YMCA Retirement Fund has several unrelated participating associations and costs are not specifically attributed to each participant. Amounts paid to the Canadian YMCA Retirement Fund by the Association during the year totaled:

	2019	2018
By employees	\$ 628	\$ 648
By employer	636	656
	\$ 1,264	\$ 1,304

**12. Inventory**

The Association has inventory at Geneva Park which consists of:

	2019	2018
Food	\$ 38	\$ 54
Fuel	2	2
Maintenance & Camp Supplies	84	88
Office Supplies	9	10
Total	\$ 133	\$ 154

**13. Net Assets**

The Association follows the deferral method of accounting for contributions:

The unrestricted fund accounts for the Association's program delivery and administrative activities. This fund reports unrestricted resources.

The internally restricted future fund represents a segregated fund designated by the Board to fund specific projects that enrich the programs of the Association.

The endowment fund accounts for endowments received for which the principal portion is to be invested and only the income earned on the original endowment can be expended, as stipulated by the donor. Endowments are recorded as a direct increase in net assets in the year received. Investment income on endowments is recorded as deferred revenue when earned and recognized as revenue on the Consolidated Statement of Operations when the designated expenditure is made.

**14. Total Fundraising Revenue & Related Expenses**

	2019	2018
Annual Campaign Revenue*	\$ 591	\$ 742
Campaign Revenue yet to be recognized	954	298
Capital Campaign Receipts	75	70
<b>Total Fundraising Revenue</b>	<b>\$ 1,620</b>	<b>\$ 1,110</b>
<b>Total Fundraising Expenses</b>	<b>\$ 395</b>	380
% of Fundraising revenues spent on Fundraising expenses	<b>24%</b>	34%

\*Annual campaign revenue is used to cover the cost of access to some YMCA community programs for families and individuals that have financial barriers.

**15. Financial Assistance**

	2019	2018
Financial Assistance	\$ 913	\$ 971

The Association proudly supports families in our communities by providing financial assistance to make our programs more affordable and accessible. The various revenue in the statement of operations is presented net of financial assistance.

**YMCA of Simcoe/Muskoka**  
**Notes to the Consolidated Financial Statements**  
**As at June 30, 2019**

**(in Thousands 000s)**

**16. Related Party Transactions**

Related party transactions noted below are in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

The following related party transactions occurred in the year:

	<u>2019</u>	<u>2018</u>
Facilities Expenses		
Waggs Ltd. - Owned by a Director of YMCA of Simcoe Muskoka	<u>\$ 262</u>	<u>\$ 280</u>

**17. Comparative Figures**

Certain figures presented in the prior year have been reclassified to conform with current year presentation standards.