



MCISAAC · DARRAGH
CHARTERED ACCOUNTANTS

A Member Firm of The AC Group of Independent Accounting Firms Limited

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CUMBERLAND YMCA
Financial Statements
Year Ended March 31, 2008

CUMBERLAND YMCA
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Year Ended March 31, 2008

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AUDITORS' REPORT

To the Members of Cumberland YMCA

We have audited the statement of financial position of Cumberland YMCA as at March 31, 2008 and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the organization derives revenue from donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

Note 2 indicates that capital assets are expensed as purchased. Canadian generally accepted accounting principles require certain not-for-profit organizations to record capital assets at cost and amortize this cost over the useful life of the asset. The Cumberland YMCA meets the criteria for this reporting requirement. The effect of this departure from Canadian generally accepted accounting principles on these financial statements is not determinable.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the contributions referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

M. Isaac Darragh

Amherst, Nova Scotia
June 23, 2008

CHARTERED ACCOUNTANTS

CUMBERLAND YMCA
Statement of Financial Position
March 31, 2008

	General Fund 2008	Endowment Fund 2008	Total 2008	Total 2007
ASSETS				
CURRENT				
Cash	\$ 118,629	\$ 11,760	\$ 130,389	\$ 10,969
Accounts receivable	50,160	-	50,160	33,535
Inventory	211	-	211	3,046
Prepaid expenses	199	-	199	377
	<u>\$ 169,199</u>	<u>\$ 11,760</u>	<u>\$ 180,959</u>	<u>\$ 47,927</u>
LIABILITIES AND NET ASSETS				
CURRENT				
Bank indebtedness (Note 3)	\$ -	\$ -	\$ -	\$ 20,163
Accounts payable and accrued liabilities	144,240	-	144,240	137,354
Current portion of long term debt (Note 4)	4,156	-	4,156	5,131
Due to Endowment (from General)	61,533	(61,533)	-	-
	209,929	(61,533)	148,396	162,648
LONG TERM DEBT (Note 4)	-	-	-	4,156
DEFERRED REVENUE (Note 5)	93,153	-	93,153	55,962
	303,082	(61,533)	241,549	222,766
NET ASSETS				
General Fund	(133,883)	-	(133,883)	(246,470)
Endowment Fund	-	73,293	73,293	71,631
	(133,883)	73,293	(60,590)	(174,839)
	<u>\$ 169,199</u>	<u>\$ 11,760</u>	<u>\$ 180,959</u>	<u>\$ 47,927</u>

ON BEHALF OF THE BOARD

_____ Director

_____ Director

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

CUMBERLAND YMCA
Statement of Revenues and Expenditures
Year Ended March 31, 2008

	General Fund 2008	Endowment Fund 2008	Total 2008	Total 2007
REVENUE				
Aquatics	\$ 110,512	\$ -	\$ 110,512	\$ 105,949
Childcare	155,177	-	155,177	131,884
Daycare	447,257	-	447,257	332,681
Donations and fundraising (Note 7)	79,584	1,687	81,271	74,030
Fitness	10,518	-	10,518	28,835
Membership and administrative	327,104	-	327,104	346,138
Youth and teen	38,694	-	38,694	25,392
Municipality operating funds	167,000	-	167,000	-
	<u>1,335,846</u>	<u>1,687</u>	<u>1,337,533</u>	<u>1,044,909</u>
EXPENSES				
Aquatics	103,067	-	103,067	105,991
Childcare	120,513	-	120,513	124,637
Daycare	355,215	-	355,215	264,328
Donations and fundraising	14,175	-	14,175	15,107
Fitness	27,181	-	27,181	44,339
Membership and administrative	275,530	25	275,555	283,809
Plant and facility (Note 7)	280,870	-	280,870	282,635
Youth and teen	46,708	-	46,708	34,315
	<u>1,223,259</u>	<u>25</u>	<u>1,223,284</u>	<u>1,155,161</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 112,587</u>	<u>\$ 1,662</u>	<u>\$ 114,249</u>	<u>\$ (110,252)</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

CUMBERLAND YMCA
Statement of Changes in Net Assets
Year Ended March 31, 2008

	General Fund	Endowment Fund	2008	2007
NET ASSETS - BEGINNING OF YEAR	\$ (246,470)	\$ 71,631	\$ (174,839)	\$ (64,587)
Excess of revenue over expenses	112,587	1,662	114,249	(110,252)
NET ASSETS - END OF YEAR	\$ (133,883)	\$ 73,293	\$ (60,590)	\$ (174,839)

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

CUMBERLAND YMCA
Statement of Cash Flow
Year Ended March 31, 2008

	2008	2007
OPERATING ACTIVITIES		
Cash receipts from customers	\$ 917,945	\$ 704,737
Cash paid to suppliers and employees	(1,212,769)	(1,095,890)
Cash from government assistance (Note 8)	440,153	352,518
Interest paid	(615)	(391)
Cash flow from (used by) operating activities	<u>144,714</u>	<u>(39,026)</u>
FINANCING ACTIVITY		
Repayment of long term debt	<u>(5,131)</u>	<u>(7,716)</u>
Cash flow used by financing activity	<u>(5,131)</u>	<u>(7,716)</u>
INCREASE (DECREASE) IN CASH FLOW	139,583	(46,742)
Cash (deficiency) - beginning of year	<u>(9,194)</u>	<u>37,548</u>
CASH (DEFICIENCY) - END OF YEAR	\$ 130,389	\$ (9,194)
CASH (DEFICIENCY) CONSISTS OF:		
Cash and cash equivalents	\$ 130,389	\$ 10,969
Bank overdraft	-	(20,163)
	<u>\$ 130,389</u>	<u>\$ (9,194)</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

CUMBERLAND YMCA
Notes to Financial Statements
Year Ended March 31, 2008

1. DESCRIPTION OF OPERATIONS

The organization operates a YMCA in Cumberland County, Nova Scotia. The organization is incorporated as a not-for-profit organization and is a registered charity under the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared on the basis of the Canadian generally accepted accounting principles applicable to a going concern. However, the organization has experienced significant operating losses and is currently in a deficit position. The ability of the Cumberland YMCA to continue as a going concern is dependent upon the success of the Board and management's efforts to operate at a breakeven level and the continued support of funding partners and creditors. The Board and management believe that actions already taken or planned will mitigate the adverse conditions which raise doubts about the validity about the going concern assumption. Accordingly, these financial statements do not reflect adjustments that might have been necessary if the going concern assumptions were not valid.

Fund accounting

The Cumberland YMCA follows the restricted fund method of accounting for contributions.

The General Fund accounts for the organization's program delivery and administrative activities. This fund reports unrestricted resources and externally restricted contributions for which no separate fund exists.

The Endowment Fund reports resources contributed for endowment. Investment income earned on resources of the Endowment Fund is reported in the General Fund.

Contributed services

Volunteers contribute many hours per year to assist the Cumberland YMCA in carrying out its operations. Because of the difficulty in determining the fair value, contributed labour is not recognized in the financial statements.

Benefits payable

The likely future cost of vacation days earned but not used by the employees up to March 31, 2008 has been accrued in the financial statements.

(continues)

CUMBERLAND YMCA
Notes to the Financial Statements
Year Ended March 31, 2008

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Government assistance is recognized in the year in which the related expenses are incurred (Note 8).

Contributions for endowment are recognized as revenue in the Endowment Fund in the year received.

Interest revenue is recognized in the year in which it is receivable.

Membership and program revenues are recognized over the period for which the membership is valid or the program is held.

Donations and pledged donations are recognized in the year in which collectibility of the funds is certain.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates include providing for allowance for doubtful accounts and calculation of approved benefits payable. Actual results could differ from these estimates.

Statement of cash flows

For the purpose of the statement of cash flows the YMCA considers cash on hand and balances with banks, net of overdrafts, and highly liquid temporary money market instruments with original maturities of three months or less as cash and cash equivalents. Bank borrowings are considered to be financing activities.

3. **BANK INDEBTEDNESS**

The Cumberland YMCA has an approved overdraft of \$60,000, bearing interest at prime + 3.25%. The credit facility is secured by a claim against all property that is owned by the Cumberland YMCA, demand notes and a borrowing resolution executed by the approved signing officers. The credit facility expires in July 2008.

CUMBERLAND YMCA
Notes to the Financial Statements
Year Ended March 31, 2008

4. LONG TERM DEBT

T&W Holdings Ltd renovation loan bearing interest at 9% per annum, repayable in monthly blended payments of \$479. The loan matures on December 1, 2008 and is secured by leasehold improvements.

	2008	2007
	\$ 4,156	\$ 9,287
	(4,156)	(5,131)
	\$ -	\$ 4,156

Amounts payable within one year

5. DEFERRED REVENUE

The Cumberland YMCA deferred revenue is made up of the following:

	2008	2007
Memberships	\$ 14,532	\$ 13,932
Grants	69,551	38,437
Programs	4,686	-
Gift certificates	902	720
Credit requests	1,607	1,298
Childcare fees	1,875	1,575
	\$ 93,153	\$ 55,962

6. COMMITMENT

The Cumberland YMCA has entered into leases for premises and equipment. Minimum annual lease payments due in the next five years are as follows:

Contractual obligation repayment schedule:

2009		\$ 30,500
2010		9,000
2011		5,900
2012		4,800
		\$ 50,200

7. DONATED SERVICES

Included in donation and fundraising revenue and plant and facility expenses in the General Fund are donated services from the Town of Amherst in the amount of \$19,296 (2007 - \$18,000).

CUMBERLAND YMCA
Notes to the Financial Statements
Year Ended March 31, 2008

8. GOVERNMENT ASSISTANCE

Government assistance received in the form of grants and subsidies were recorded as follows:

	<u>2008</u>	<u>2007</u>
Included in revenue	\$ 358,551	\$ 340,419
Included in receivables	12,926	5,247
Included in deferred revenue	<u>68,676</u>	<u>38,437</u>
	<u>\$ 440,153</u>	<u>\$ 384,103</u>

9. FINANCIAL INSTRUMENTS

Credit Risk

The organization's exposure to concentration of credit risk is limited due to the large number of customers comprising the organization's customer base. As at March 31, 2008 there was no concentration of credit risk.

Fair Value

The organization's carrying value of cash, accounts receivable, and accounts payable and accrued liabilities, and long term debt approximates fair value due to the immediate or short term maturity of these instruments.

Interest Rate Risk

The interest rate risk is the risk to the organization's earnings that arises from fluctuations in interest rates. Exposure to interest rate risk results if the YMCA uses its overdraft, which has a floating interest rate (Note 3).
