



YMCA Christchurch Annual Accounts

For the year ended 31 January 2016

Annual Accounts and notes to accounts for the Young Men's Christian Association of Christchurch (YMCA Christchurch)
for the financial period 1 February 2015 – 31 January 2016

YMCA Christchurch

Statement of Financial Performance for the Year Ended 31 January 2016

	Note	\$ 2016	\$ 2015
Gross Revenue from Activities and Sales	13	7,816,915	7,185,484
Less:			
Wages		(4,274,825)	(3,859,511)
Other Operating Expenses	7	(3,151,629)	(2,751,288)
Interest		(210,900)	(293,566)
Operating Costs		(7,637,354)	(6,904,365)
Net Operating Surplus before Depreciation and Goodwill written off		179,561	281,119
Depreciation		(439,478)	(392,251)
Loss on sale		(24,870)	
Depreciation recovered		1,443	2,665
Goodwill written off		(36,497)	-
Gross Operating Surplus/(Deficit)		(319,841)	(108,467)
Plus income from:			
Investment Rentals		55,358	54,629
Investment Income		20,552	17,822
Grants		287,784	410,790
		363,694	483,241
Surplus/(Deficit)		43,853	374,774
Capital Project Fundraising		550,190	1,000
Surplus / (Deficit) After Capital Fundraising		594,043	375,774

Statement of Movements in Accumulated Funds

Opening balance as at 1 February 2015	7,920,999	7,545,225
Retained surplus (deficit)	594,043	375,774
Transfers from (to) Special Funds (from) to Retained Earnings		
Endowment Fund	105,543	-
Powell Fund	139,494	-
Rudkin Court Fund	10,121	
Insurance Fund	35,163	-
Earthquake Recovery Initiatives	-	25,006
Estate DR Murray	-	(88,445)
Capital Projects Fund	(550,590)	(1,000)
Net transfers from (to) Special Funds (from) to Retained Earnings	260,269	64,439
Closing balance	8,515,042	7,920,999

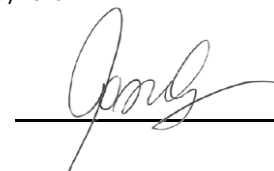
This statement should be read in conjunction with the following notes.

For and on behalf of the Trustees, who authorised the issue of these financial statements on 30 May 2016

President



Chief Executive Officer



YMCA Christchurch

Statement of Financial Position as at 31 January 2016

		\$	\$
	Note	2016	2015
Accumulated Funds			
Retained Surplus		7,851,436	7,517,662
Special Funds	4	663,606	403,337
TOTAL FUNDS		8,515,042	7,920,999
Represented by:			
Current assets			
Cash and Bank		711,944	439,848
Debtors		438,540	172,780
Payments in advance		225,617	175,894
Stocks		39,365	14,529
Total Current Assets		1,415,466	803,051
Intangible Assets			
Goodwill		-	36,497
Total Intangible Assets		-	36,497
Trust Funds			
Bank Account BGH	5	46,934	46,598
Bank Account YMCA Arts Trust	5	19	-
Total Trust Funds		46,953	46,598
Property, plant and equipment			
Land and Buildings	3	11,577,087	11,796,593
Equipment and Vehicles	3	971,827	1,009,526
Total Property, Plant & Equipment		12,548,914	12,806,119
Current Liabilities			
Accounts Payable and Bonds		618,872	582,777
Employee Entitlements		291,351	244,693
Income in Advance		686,448	622,454
Current Portion of Term Liabilities	6	259,858	3,995,001
Total Current Liabilities		1,856,529	5,444,925
Term Liabilities			
Mortgage - ASB	6	3,392,110	-
Loan from Canterbury Community Trust	6	200,818	279,754
Total Term Liabilities		3,592,928	279,754
Trust Funds			
Boys Gordon Hall	5	46,815	46,587
YMCA Arts Trust	5	19	-
Total Trust Funds		46,834	46,587
Net Assets		8,515,042	7,920,999

This statement should be read in conjunction with the following notes.

YMCA Christchurch

Movements in Special Funds for the Year Ended 31 January 2016

	\$ 2016	\$ 2015
Opening balance		
Endowment	105,543	105,543
G. Powell Fund	139,494	139,494
Rudkin Court Fund	10,121	10,121
Insurance Fund	35,163	35,163
YMCA Earthquake Recovery Initiatives	-	25,006
Capital Projects Fund	1,000	-
Estate DR Murray	112,016	23,571
Total Opening Balances	403,337	338,898
Sundry Receipts/Revaluation/Transfers from (to) Retained Earnings		
Endowment	(105,543)	-
G. Powell Fund	(139,494)	-
Rudkin Court Fund	(10,121)	-
Insurance Fund	(35,163)	-
YMCA Earthquake Recovery Initiatives	-	(25,006)
Estate DR Murray	-	88,445
Capital Projects Fund	550,590	1,000
Total Sundry Receipts (Transfers)	260,269	64,439
Closing Balance		
Endowment	-	105,543
G. Powell Fund	-	139,494
Rudkin Court Fund	-	10,121
Insurance Fund	-	35,163
Estate DR Murray	112,016	112,016
Capital Projects Fund	551,590	1,000
Total Closing Balances	663,606	403,337

This statement should be read in conjunction with the following notes.

YMCA Christchurch

Notes to the financial statements for the Year Ended 31 January 2016

1. Statement of Accounting Policies

1.1 General Accounting Policies

These financial statements have been prepared as special purpose financial statements. The Trustees believe that full disclosure as defined by general accepted accounting practice is unnecessary for the board of the Young Men's Christian Association of Christchurch Incorporated (YMCA).

The financial statements have been prepared according to the "Not for Profit Financial Reporting Guide" issued by the NZ Institute of Chartered Accountants (NZICA) in 2006 and utilizing the differential reporting concessions. This reflects the fact that the YMCA has no "members" in the conventional accounting sense of the term and the Annual Financial Statements are not used as the basis of decision making by anyone who does not have ready access to the full Financial Statements of the organisation.

The financial statements have not been prepared in accordance with New Zealand International Financial Reporting Standards (NZ IFRS). There are material differences between NZ IFRS and the basis of preparation described above.

The measurement basis adopted is historical cost accounting.

Reliance is placed on the fact the business is a going concern.

Accrual accounting is used to match expenses and revenues.

1.2 General Disclosures

The currency used is the \$NZ and figures are rounded to the nearest dollar.

1.3 Particular Accounting Policies

The following particular accounting policies have a material effect on the measurement of results and financial position.

(a) Depreciation

Depreciation is provided using the straight line method, writing off the cost over the estimated economic life of the asset. Average economic lives for the main classes of property, plant and equipment are as follows:

Assets	Economic Lives
Buildings	15-60 years
Plant and Equipment	2-20 years
Furniture and Fittings	3-15 years
Motor Vehicles	5-10 years

(b) Property, Plant and Equipment

Land is stated at cost. Other assets are stated at cost less accumulated depreciation.

(c) Accounts Receivable

Accounts receivable are stated at expected realisable value.

(d) Investments

Investments are stated at cost less provision for any loss on realisation.

YMCA Christchurch

Notes to the financial statements for the year ended 31 January 2016

1. Statement of Accounting Policies (continued)

(e) Liabilities

Liabilities are stated at the estimated amounts payable.

(f) Stock

Raw materials and inventory held for resale are stated at the lower of cost or net realisable value and determined on a first in, first out basis.

(g) GST

This set of financial statements has been prepared on a GST exclusive basis.

(h) Credit Risk

Financial instruments which potentially subject the YMCA to credit risk principally consist of bank balances and accounts receivable.

(i) Investments and other financial assets

All revenue related to the Association is accounted for on an accrual basis.

The interest earned by funds held in relation to Boys Gordon Hall Trust is credited directly to the Boys Gordon Hall Trust Liability recorded on the statement of Financial Position.

The interest earned by funds held in relation to the YMCA Arts Trust is credited directly to the YMCA Arts Trust Liability recorded on the statement of Financial Position.

2. Changes in Accounting Policies

There have been no changes in accounting policies from the previous year.

3. Property, Plant & Equipment

Asset	Cost		Accumulated depreciation		Current depreciation		Net book value	
	2016	2015	2016	2015	2016	2015	2016	2015
Furniture/Fittings	1,014,123	998,284	781,421	740,617	40,804	33,312	232,702	257,667
Plant/Equipment	2,445,608	2,293,757	1,708,397	1,547,536	167,700	128,176	737,211	746,221
Land	1,568,384	1,568,384	-	-	-	-	1,568,384	1,568,384
Vehicles	49,116	49,116	47,202	43,478	3,754	3,725	1,914	5,638
Buildings	13,751,171	13,743,456	3,742,468	3,515,247	227,220	227,038	10,008,703	10,228,209
Total	18,828,402	18,652,997	6,279,488	5,846,878	439,478	392,251	12,548,914	12,806,119

Property Valuations

All YMCA properties are insured for replacement values with excesses applicable to each property of 5% of sum insured in relation to earthquake peril.

Market valuations of YMCA properties are undertaken periodically. Valuation of properties exceed the book value.

A valuation of land and buildings at 12 Hereford Street was done by Ryan D Teear, Registered Valuer with Colliers International in 2010.

A valuation of land and buildings at Bishopdale YMCA was done by Ryan D Teear, Registered Valuer with Colliers International in March 2015.

12 Hereford Street valuation:	9,800,000	Bishopdale YMCA valuation:	7,580,000
12 Hereford Street book value:	2,650,788	Bishopdale YMCA book value:	7,061,467
12 Hereford Street Government valuation:	14,775,000	Bishopdale YMCA Government valuation:	7,425,000
Wainui Park Government valuation:	4,175,000		
Wainui Park book value:	1,850,042		

A valuation of the property at Wainui Park has not been undertaken since 2007.

YMCA Christchurch

Notes to the financial statements for the year ended 31 January 2016

4. Special Funds

The Board of Trustees considers that funds have been applied from the G Powell, Rudkin Court and Insurance Funds over a number of years and that these funds have now been used up in their entirety.

The endowment amount represents a number of bequests for general purposes prior to 1988. No endowment fund was required to be established. These funds have now been used up in their entirety for general YMCA purposes.

The Capital Projects Fund is to go towards the Hereford St building upgrade. Significant donations have been received by the Todd Foundation and the Christchurch City Council.

The amount received from the Estate of DR Murray is to be used for widowers children to attend Wainui camps.

5. Boys Gordon Hall & YMCA Arts Trusts

Boys Gordon Hall Trust

The trust is managed by the YMCA which is the beneficiary of the income. The funds held at the bank are restricted and can only be used for the purpose of assisting young people.

Opening Balance	46,587
Plus: Interest Received	228
Closing Balance	46,815
Represented by: ASB Term Deposit	\$ 46,934

YMCA Arts Trust

The trust was formed on 1 May 2015 and is registered with the Charities Commission. The purpose of the trust is to raise funds for arts related charitable activities in Christchurch. The trust is administered by the YMCA and is constitutionally bound to have YMCA Trustees involved in its governance. All revenue received by the YMCA Arts Trust was received with the intention that it would be used to fund the Spectrum Street Art Festival. Spectrum is administered by the YMCA Christchurch and all expenses pertaining to Spectrum are incurred by the YMCA Christchurch.

The revenue received by the YMCA Arts Trust has been transferred to the YMCA Christchurch as a contribution to the expenses incurred in administering Spectrum, in keeping with the overall purpose of the YMCA Arts Trust.

Grants Received	123,750
Donations Received - Spectrum	2,500
Plus: Interest Received	19
	126,269
Less: Contribution to Spectrum Expenses	(126,250)
Closing Balance	19
Represented by: ASB Bank Account	\$ 19

6. Term Liabilities

	Current	Term	Interest Rate	Security
ASB Bank Limited	174,449	3,392,110	4.80%	13A Bishopdale Court, Bishopdale

The loans with Westpac were refinanced with the ASB Bank in June 2015.

The loan is for a term of 15 years. The interest rate is the floating rate plus a margin of 1.1% per annum.

Repayments of interest and principal are \$28,486 monthly.

It is secured by a registered mortgage over all the property at 13A Bishopdale Court, Bishopdale, Christchurch.

Canterbury Community Trust	85,409	200,818	3.00%	Secured Adventure Centre assets
Total	\$ 259,858	\$ 3,592,928		

The Canterbury Community Trust loan was to help fund the purchase of The Adventure Centre. The loan is for a period of five years expiring in June 2019. It is secured over the equipment of the Adventure Centre.

YMCA Christchurch

Notes to the financial statements for the year ended 31 January 2016

7. Costs Included in Operating Accounts

	\$	\$
	2016	2015
Audit Fees	15,605	14,785
Doubtful/Bad debt adjustments	1,066	1,317
Cost of Leasing & Renting	229,920	216,750
	<u>246,591</u>	<u>232,852</u>

8. Ministry of Social Development

YMCA CHRISTCHURCH OSCAR PROGRAMMES INCOME & EXPENDITURE Jan 1 2015 –Dec 31 2015 (excl GST)

	Riccarton	City	Bishopdale	Hornby	Activ8	Creative Arts	Performing Arts	Wainui	Total
MSD Grant	10,761	9,495	13,926	6,330	9,495	6,963	6,330	12,656	75,956
User Fees	55,604	10,796	34,182	27,600	29,739	11,831	3,795	78,460	252,007
Total Income	<u>66,365</u>	<u>20,291</u>	<u>48,108</u>	<u>33,930</u>	<u>39,234</u>	<u>18,794</u>	<u>10,125</u>	<u>91,116</u>	<u>327,963</u>
Wages	24,878	17,022	23,568	15,712	32,734	11,784	5,237	17,145	148,080
Activities	9,042	2,197	7,483	5,921	8,335	1,929	826	51,966	87,699
Overheads	14,531	8,564	11,793	11,145	6,849	4,353	4,086	20,374	81,695
NQSM	753	665	975	443	665	487	443	886	5,317
Total Expenses	<u>49,204</u>	<u>28,448</u>	<u>43,819</u>	<u>33,221</u>	<u>48,583</u>	<u>18,553</u>	<u>10,592</u>	<u>90,371</u>	<u>322,791</u>
Net Profit (Loss)	17,161	(8,157)	4,289	709	(9,349)	241	(467)	745	5,172

Wages include:	All direct wages costs - OSCAR co-ordinator, supervisors, instructors.
Activities includes:	Venue hire, activity costs, equipment, transport, volunteer costs - all DIRECT costs related to the activity programme.
Overheads includes:	All costs that are shared by all programmes such as staff/volunteer training and recruitment, back office staff/ accounting, insurance, computer, cleaning, promotion, stationary, telephone, administration etc.
NQSM includes:	Levy paid for National quality assurance processes.

9. Liquidity and Going Concern

Current liabilities exceed current assets by \$441,063. This is due to the fact that a large proportion of current liabilities represents income in advance of \$686,448 relating to payments received in advance for gym memberships, booking deposits and grants.

All current and term loans are being progressively paid and financial commitments are being met.

Net assets remain positive at \$8,515,042 (2015; \$7,920,999).

YMCA Christchurch

Notes to the financial statements for the year ended 31 January 2016

10. Aggregate Lease Commitments

	\$	\$
Lease commitments:	2016	2015
Not later than one year	215,163	229,342
Later than one year but not later than two years	213,730	217,759
Later than two years but not later than five years	274,082	425,536
Greater than five years	500	32,840
Total Operating lease commitments	703,475	905,477

11. Volunteer Services

The value of volunteer services has not been included in the statement of Financial Performance because it cannot be reliably measured. It is estimated that in excess of 42,000 volunteer hours are contributed in the course of a year.

12. Fundraising Costs

Gross direct fundraising costs have not been separately shown as the amount of time and cost is too difficult to measure, the tasks involved being shared by the CEO, the CEO Executive Assistant, and Management. Direct costs other than time are minimal and include things such as printing of a regular donor newsletter.

13. Insurance Proceeds

Included in gross revenues are insurance receivables of \$363,743 for repairs required to the Stadium building at 12 Hereford Street, Christchurch.

14. Capital Commitments

Capital commitments are \$nil (2015 \$nil).

Independent Auditor's Report

To the Trustees of The Young Men's Christian Association of Christchurch Incorporated ("YMCA")

We have audited the accompanying financial statements of YMCA (the "trust") on pages 5 to 12 which comprise the statement of financial position as at 31 January 2016, and the statement of financial performance and movements in special funds for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared based on the "Not for Profit Financial Reporting Guide" issued by the New Zealand Institute of Chartered Accountants, which is the reporting framework adopted by the trustees.

Trustees Responsibility for the Financial Report

The trustees of YMCA are responsible for the preparation of the financial statements in accordance with the basis of accounting as described in note 1.1 to the financial statements and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Ernst and Young also provide other assurance services to the trust. We have no other relationship with, or interest in, the trust.

Partners and employees of our firm may deal with the trust on normal terms within the ordinary course of trading activities of the trust.

Opinion

In our opinion the financial statements of YMCA on pages 5 to 12 for the year ended 31 January 2016 have been prepared, in all material respects, in accordance with the reporting framework adopted by the trustees.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our audit opinion, we draw attention to note 1.1 of the financial statements which describes the basis of accounting. The financial statements are prepared to assist YMCA to meet the requirements of its Trust Deed, the Charitable Trust Act 1957 and other relevant provisions by which YMCA is governed. As a result the financial statements may not be suitable for another purpose. Our report is intended solely for the trustees of YMCA, as a body, and should not be distributed or used by parties other than the trustees of YMCA.


Christchurch
30 May 2016