

Financial Statements

GREATER MONCTON Y.M.C.A. INC.

Year ended December 31, 2016

INDEPENDENT AUDITOR'S REPORT

To the Members of The Greater Moncton Y.M.C.A. Inc.

We have audited the accompanying financial statements of The Greater Moncton Y.M.C.A. Inc. which comprise the statement of financial position as at December 31, 2016 and the statements of operations, changes in fund balances and cash flow for the year then ended; and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian Audit Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of 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 the auditor's 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, the auditor considers internal control relevant to the entity's preparation and fair presentation 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 control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Greater Moncton Y.M.C.A. Inc. as at December 31, 2016, and the results of its operations, changes in fund balances and its cash flow for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Thiel Greene

Chartered Professional Accountants

Moncton, New Brunswick
April 6, 2017

GREATER MONCTON Y.M.C.A. INC.

Statement of Financial Position

December 31, 2016

			2016	2015
	Operating Fund	Capital Fund	Total	Total
Assets				
Current assets:				
Marketable securities & other investments	\$ 1,071,288	\$ -	\$ 1,071,288	\$ 1,031,608
Accounts receivable	76,355	3,474	79,829	67,913
Inventory	3,701	-	3,701	4,042
Prepaid expenses	27,958	-	27,958	27,456
	1,179,302	3,474	1,182,776	1,131,019
Capital assets (note 2)	-	8,133,683	8,133,683	8,248,596
Receivable from The Moncton YMCA Foundation Inc. (note 4)	-	-	-	31,391
	\$ 1,179,302	\$ 8,137,157	\$ 9,316,459	\$ 9,411,006
Liabilities and Net Assets				
Current liabilities:				
Bank indebtedness (note 3)	\$ 183,289	\$ -	\$ 183,289	\$ 254,780
Accounts payable and accrued liabilities	132,883	-	132,883	83,524
Custodial accounts	16,766	-	16,766	18,826
Unearned revenue	237,861	-	237,861	230,319
	570,799	-	570,799	587,449
Deferred contributions (note 5)	1,071,288	5,338,942	6,410,230	6,622,071
Fund balances:				
Invested in capital assets (note 6)	-	2,798,215	2,798,215	2,658,555
Unrestricted	(462,785)	-	(462,785)	(457,069)
	(462,785)	2,798,215	2,335,430	2,201,486
	\$ 1,179,302	\$ 8,137,157	\$ 9,316,459	\$ 9,411,006

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director _____ Director

GREATER MONCTON Y.M.C.A. INC.

Statement of Operations

Year ended December 31, 2016

			2016	2015
	Operating Fund	Capital Fund	Total	Total
Revenue:				
Program fees:				
Child care	\$ 663,539	\$ -	\$ 663,539	\$ 677,853
Health and wellness	2,233,362	-	2,233,362	2,230,252
	2,896,901	-	2,896,901	2,908,105
Food service sales	168,414	-	168,414	197,987
Contributions	73,934	-	73,934	52,061
Fundraising	309,745	-	309,745	382,730
Federal government	107,612	-	107,612	124,536
Provincial government	380,926	-	380,926	377,670
Provincial government, childcare fees	252,116	-	252,116	230,408
Municipal government	147,000	-	147,000	45,000
Century Club and Strong Kids	29,945	-	29,945	30,011
Administrative fees	214,836	-	214,836	206,624
Room rental	21,358	-	21,358	23,707
Consulting	94,233	-	94,233	55,768
Merchandise	42,575	-	42,575	48,287
Investment Income	5,418	-	5,418	5,638
Amortization of deferred contributions	-	251,521	251,521	273,065
Gain on disposal of equipment	-	1,457	1,457	16,040
	4,745,013	252,978	4,997,991	4,977,637
Expenses:				
Salaries and benefits	2,846,618	-	2,846,618	2,773,444
Occupancy:				
Utilities, maintenance and repairs	649,822	-	649,822	663,600
Insurance	56,998	-	56,998	56,058
Property taxes	23,859	-	23,859	24,269
Supplies and expendables:				
Programs	312,904	-	312,904	313,611
Administration	109,127	-	109,127	101,397
Resale merchandise	18,425	-	18,425	22,456
Interest	4,233	-	4,233	4,541
Youth Employment Program participant allowance	-	-	-	30,911
National and area YMCA assessments	100,736	-	100,736	99,564
Advertising and promotion	34,586	-	34,586	30,011
Bad debts	19,754	-	19,754	19,232
Contract services	146,510	-	146,510	145,690
Telephone	28,589	-	28,589	28,323
Postage	5,425	-	5,425	3,506
Staff development	86,048	-	86,048	135,062
Travel and meals	39,996	-	39,996	49,733
Special events	30,137	-	30,137	33,860
Amortization of capital assets	-	350,280	350,280	381,452
	4,513,767	350,280	4,864,047	4,916,720
Excess (deficiency) of revenue over expenses	\$ 231,246	\$ (97,302)	\$ 133,944	\$ 60,917

See accompanying notes to financial statements.

GREATER MONCTON Y.M.C.A. INC.

Statement of Changes in Fund Balances

Year ended December 31, 2016

			2016	2015
	Operating Fund	Capital Fund	Total	Total
Fund balance, beginning of year	\$ (457,069)	\$ 2,658,555	\$ 2,201,486	\$ 2,140,569
Excess (deficiency) of revenue over expenses	231,246	(97,302)	133,944	60,917
Inter-fund transfers (note 6)	(236,962)	236,962	-	-
Fund balances, end of year	\$ (462,785)	\$ 2,798,215	\$ 2,335,430	\$ 2,201,486

See accompanying notes to financial statements.

GREATER MONCTON Y.M.C.A. INC.

Statement of Cash Flow

Year ended December 31, 2016

			2016	2015
	Operating Fund	Capital Fund	Total	Total
Cash provided by (used in):				
Operations:				
Excess (deficiency) of revenue over expenses	\$ 231,246	\$ (97,302)	\$ 133,944	\$ 60,917
Amortization of capital assets	-	350,280	350,280	381,452
Amortization of deferred contributions	-	(251,521)	(251,521)	(273,065)
Gain on disposal of equipment	-	(1,457)	(1,457)	(16,040)
Net change in non-cash working capital	85,496	(3,052)	82,444	(156,394)
	316,742	(3,052)	313,690	(3,130)
Financing activities:				
Inter-fund transfers to fund acquisition of capital assets	(236,962)	236,962	-	-
Deferred contributions	(21,242)	-	(21,242)	(762)
Proceeds on disposal of marketable securities	20,000	-	20,000	60,000
Change in receivable from the Moncton Y.M.C.A. Foundation Inc.	31,391	-	31,391	(21,509)
	(206,813)	236,962	30,149	37,729
Investing activities:				
Proceeds on disposal of capital assets	-	1,457	1,457	16,040
Acquisition of capital assets	-	(235,367)	(235,367)	(141,818)
Investment income deferred	(38,438)	-	(38,438)	(59,238)
	(38,438)	(233,910)	(272,348)	(185,016)
Increase (decrease) in cash position	71,491	-	71,491	(150,417)
Bank indebtedness, beginning of year	(254,780)	-	(254,780)	(104,363)
Bank indebtedness, end of year	\$ (183,289)	\$ -	\$ (183,289)	\$ (254,780)

See accompanying notes to financial statements.

GREATER MONCTON Y.M.C.A. INC.

Notes to Financial Statements

Year ended December 31, 2016

Greater Moncton Y.M.C.A. Inc. is incorporated as a corporation without share capital under the laws of Province of New Brunswick. The Organization provides physical, cultural, social and other charitable programs for the community of Greater Moncton. The Organization is a registered charity under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

1. Significant accounting policies:

(a) Basis of presentation:

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNFPPO).

(b) Fund accounting:

Revenues and expenses related to program delivery and administrative activities are reported in the Operating Fund.

Assets and expenses related to the Organization's capital assets are reported in the Capital Fund.

(c) Financial instruments:

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expenses when incurred.

(d) Revenue recognition:

The Organization follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable.

Contributions restricted for the construction or purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

Investment income is recognized as revenue in the applicable Fund when earned, with the exception of investment income generated by marketable securities purchased with the proceeds of restricted contributions, which is deferred until such time as the related expenses are incurred.

GREATER MONCTON Y.M.C.A. INC.

Notes to Financial Statements, page 2

Year ended December 31, 2016

1. Significant accounting policies: continued

(e) Capital assets:

Capital assets are stated at cost in the Capital Fund. Amortization is provided using the straight-line basis at the following annual rates:

Asset	Rate
Building	2.5%
Equipment	20%
Paving	8%

(f) Contributed services:

Volunteers contribute hundreds of hours each year to the Organization in carrying out its service delivery and fund-raising activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

(g) Impairment of long-lived assets:

Long-lived assets, including capital assets, subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset.

(h) Use of estimates:

The preparation of financial statements in conformity 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 revenues and expenses during the reporting period. The significant area requiring the use of management estimates relates to the determination of impairment in the value of assets, and provision of contingencies. Actual results could differ from those estimates.

(i) Cash and cash equivalents:

The Corporation defines its cash position to consist of its petty cash and its bank indebtedness.

GREATER MONCTON Y.M.C.A. INC.

Notes to financial statements, page 3

Year ended December 31, 2016

2. Capital assets:

			2016	2015
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 309,190	\$ -	\$ 309,190	\$ 309,190
Building	10,690,949	3,027,224	7,663,725	7,738,578
Equipment	2,153,056	1,993,798	159,258	196,324
Paving	37,528	36,018	1,510	4,504
	\$ 13,190,723	\$ 5,057,040	\$ 8,133,683	\$ 8,248,596

3. Bank indebtedness:

The bank has provided a credit facility which provides a demand operating credit line of \$750,000 bearing interest at the lender's prime rate. The credit facility is secured by a General Security Agreement creating a first priority interest in all present and future undertakings and personal property of the Organization; a collateral mortgage of \$8 million conveying a first priority mortgage over properties located at 30 War Veterans Avenue, Moncton; assignment of fire insurance; and assignment of all present and future pledges committed to the YMCA building.

4. The Moncton Y.M.C.A. Foundation Inc.:

The Moncton Y.M.C.A. Foundation Inc. was established to receive and invest donations and to make contributions from revenue earned to the charitable activities of the Organization. The Organization neither controls nor exerts significant influence over the Foundation. The Foundation is incorporated under the laws of New Brunswick and is a registered charity under the Income Tax Act. As at December 31, 2016 its fiscal period end, the Foundation reported in its audited financial statements that its total assets were \$1,187,067 and its total liabilities were \$5,636.

During the year, the Organization received contributions for operations of \$50,000 from the Foundation (2015 - \$34,899).

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Year ended December 31, 2016

5. Deferred contributions:

(a) Capital Fund:

	2016	2015
Contributions:		
Moncton Y.M.C.A. Foundation Inc.	\$ 646,275	\$ 646,275
Public campaign	8,414,867	8,414,867
Proceeds from sale of old building	350,000	350,000
Interest	33,889	33,889
ACOA, for building renovations	96,435	96,435
Other	241,363	241,363
	9,782,829	9,782,829
Less:		
Campaign administration	718,386	718,386
New facility start-up costs	113,196	113,196
Amortization	3,612,305	3,360,784
	\$ 5,338,942	\$ 5,590,463

(b) Operating Fund:

	2016	2015
Contributions		
Les Filles de Marie de - l'Assomption	\$ 1,000,000	\$ 1,000,000
Other	21,242	-
Investment income deferred	130,046	91,608
Transferred to operations	(80,000)	(60,000)
Deferred contribution, end of year	\$ 1,071,288	\$ 1,031,608

GREATER MONCTON Y.M.C.A. INC.

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Year ended December 31, 2016

6. Investment in capital assets:

(a) Investment in capital assets is calculated as follows:

	2016	2015
Capital assets:	\$ 8,133,683	\$ 8,248,596
Amounts financed by:		
Deferred contributions	(5,338,942)	(5,590,463)
Accounts receivable and accounts payable	3,474	422
	\$ 2,798,215	\$ 2,658,555

(b) Change in net assets invested in capital assets is calculated as follows:

	2016	2015
Deficiency of revenues over expenses:		
Gain on disposal of equipment	\$ 1,457	\$ 16,040
Amortization of deferred contributions related to capital assets	251,521	273,065
Amortization of capital assets	(350,280)	(381,452)
	\$ (97,302)	\$ (92,347)

	2016	2015
Net change in investment in capital assets:		
Purchase of capital assets	\$ (235,367)	\$ (141,818)
Proceeds on disposal of capital assets	1,457	16,040
Amounts funded by:		
Working capital	(3,052)	(14,766)
Inter-fund transfers	\$ (236,962)	\$ (140,544)

7. Pension plan:

The Organization is a member of the Canadian YMCA Retirement Fund, which operates as a defined contribution pension plan. Full-time employees of the Organization are required to join the plan following two years of continuous service. Members are required to make regular contributions, by payroll deduction, of an amount equal to 5% of their earnings, which is matched by the Organization. Members over the age of 55 may elect to contribute up to 9%, which is matched by the Organization.

In 2016, the Organization contributed \$ 67,318 (2015 - \$ 69,663) to the plan.

GREATER MONCTON Y.M.C.A. INC.

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Year ended December 31, 2016

8. Financial instruments:

The Corporation is exposed to various risks through its financial instruments. The following analysis provides information about the Corporation's risk exposure and concentration as of December 31, 2016.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Corporation is exposed to credit risk from customers. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Corporation has a significant number of customers which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation is exposed to this risk mainly in respect of its receipt of funds from its members and other related sources, bank indebtedness and accounts payable.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Corporation is mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Corporation manages exposure through its normal operating and financing activities. The Corporation is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

9. Comparative figures:

Certain comparative figures have been re-classified to conform with the financial statement presentation adopted in the current year.