

Financial Statements

**THE GREATER MONCTON Y.M.C.A.
FOUNDATION INC.**

Year ended December 31, 2018

Contents

	<u>Page</u>
Independent Auditors' Report	2-3
Statement of Financial Position	4
Statement of Operations and Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7-8

100 Cameron St, Suite 5002
PO Box 903
Moncton, NB
Canada E1C 8N8

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Greater Moncton Y.M.C.A. Foundation Inc., which comprise the statement of financial position as at December 31, 2018, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the entity 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 entity 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 the financial statements in accordance with ASNPO, 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 entity'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 entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT, continued

- 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 organization'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 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 organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

Thiel Greene

CHARTERED PROFESSIONAL ACCOUNTANTS

Moncton, NB

April 25, 2019

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

Statement of Financial Position

December 31,

	2018	2017
Assets		
Current assets:		
Cash	\$ 3,669	\$ 1,123
Investments (note 2)	1,037,503	1,187,169
	<u>\$ 1,041,172</u>	<u>\$ 1,188,292</u>

Liabilities and Net Assets

Current liabilities:		
Bank indebtedness	\$ -	\$ -
Accrued liabilities	5,100	5,100
	<u>5,100</u>	<u>5,100</u>
Net assets:		
Contributions by members and others	988,562	1,135,682
Endowments and contributions functioning as endowments	47,510	47,510
	<u>1,036,072</u>	<u>1,183,192</u>
	<u>\$ 1,041,172</u>	<u>\$ 1,188,292</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director _____ Director

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

Statement of Operations and Changes in Net Assets

Year Ended December 31,

	2018	2017
Revenues:		
Contributions	\$ 4,104	\$ 9,108
Investment income	59,883	36,177
Gains (losses) on investments	(119,347)	39,940
	(55,360)	85,225
Expenses:		
Honorarium	16,000	16,000
Planned Giving Program	5,945	8,713
Meeting expense	798	846
Audit fees	2,150	2,498
Printing and promotion	858	1,185
Bank fees	49	305
Other expenses	582	1,000
Investment management fees	9,870	9,409
Life insurance	1,508	1,508
Contributions to the Greater Moncton Y.M.C.A. Inc.	54,000	42,000
	91,760	83,464
Excess (deficiency) of revenues over expenses	(147,120)	1,761
Net assets, beginning of year	1,183,192	1,181,431
Net assets, end of year	\$ 1,036,072	\$ 1,183,192

See accompanying notes to financial statements.

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

Statement of Cash Flow

Year Ended December 31,

	2018	2017
Cash provided by (used in):		
Operations:		
Cash received from:		
Contributions	\$ 4,104	\$ 9,108
Investment income	-	36,177
	4,104	45,285
Cash paid out to		
Investment management fees	9,870	6,909
The Greater Moncton Y.M.C.A. Inc.	80,332	72,144
Interest and bank charges	49	305
Life insurance premiums	1,508	1,508
	91,759	80,866
	(87,655)	(35,581)
Investing activities:		
Purchases of investments	-	(1,238,544)
Proceeds on sales and maturities of investments	90,201	1,277,712
	90,201	39,168
Increase in cash	2,546	3,587
Cash position, beginning of year	1,123	(2,464)
Cash position, end of year	\$ 3,669	\$ 1,123

See accompanying notes to financial statements.

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

Notes to Financial Statements

Year ended December 31, 2018

The Greater Moncton Y.M.C.A. Foundation Inc. ("the Foundation") is a not-for-profit organization without share capital incorporated under the laws of New Brunswick. The Foundation receives and invests donations from its members and others and makes contributions to the charitable activities of the Greater Moncton YMCA Inc. from the revenue earned. The Foundation is a registered public charitable foundation under the Income Tax Act of Canada 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 (ASNFPO).

(b) Revenue recognition:

Contributions are recognized as revenue as they are received. Certain members of the Foundation have indicated that they will contribute amounts for a number of years. These commitments have not been recorded as receivable.

Interest and dividends on investments are recognized as revenue as they are earned.

(c) Investments:

Investments are recorded at quoted market values. Gains and losses as a result of changes in quoted market values of investment holdings are recorded as gains and losses on investments.

(d) Net asset transfers:

The Foundation transfers any excess of revenues over expenses (expenses over revenues) incurred on the net assets represented by contributions by others, revenue producing property and earnings retained and endowments and contributions functioning as endowments to its net assets recorded as contributions by members and earnings retained.

(e) 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 gains and losses from changes in fair value 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 expensed when incurred.

(f) Cash and cash equivalents:

The Foundation considers its operating bank account to be cash and cash equivalents.

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

Notes to Financial Statements, page 2

Year ended December 31, 2018

2. Investments:

	2018		2017	
	Cost	Market value	Cost	Market value
Cash and equivalent				
Money market funds	\$ 51,941	\$ 51,941	\$ 45,042	\$ 45,042
Fixed income securities				
Bonds, term notes and preferred stocks	455,570	444,316	683,287	699,247
Equities				
Stock and mutual funds	610,264	541,246	419,236	442,880
	<u>\$ 1,117,775</u>	<u>\$ 1,037,503</u>	<u>\$ 1,147,565</u>	<u>\$ 1,187,169</u>

3. Financial instruments:

The Foundation is exposed to interest rate risk via its investments in fixed income securities.

The Foundation is exposed to currency risk through its investments in equities outside of Canada with a fair market value at December 31, 2018 of \$272,658 (2017- \$252,260).

The Foundation is not exposed to significant credit or liquidity risk.

4. Commitment:

The Foundation has committed to a \$250,000 gift over 5 years to the YMCA Capital Campaign for construction of the new North End Centre, with the first installment to occur in 2019.
