

Financial Statements

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

Year ended December 31, 2016

Contents

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

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of The Greater Moncton Y.M.C.A. Foundation Inc. which comprise the statement of financial position as at December 31, 2016 and the statements of operations, changes in net assets 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 generally accepted auditing 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. Foundation Inc. as at December 31, 2016, and the results of its operations, changes in net assets 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 20, 2017

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

Statement of Financial Position

December 31, 2016

	2016	2015
Assets		
Current assets:		
Investments (note 2)	\$ 1,186,495	\$ 1,247,173
	<u>\$ 1,186,495</u>	<u>\$ 1,247,173</u>
Liabilities and Net Assets		
Current liabilities:		
Bank indebtedness	\$ 2,464	\$ 1,828
Accrued liabilities	2,600	2,600
Payable to the Greater Moncton Y.M.C.A. Inc.	-	31,391
	<u>5,064</u>	<u>35,819</u>
Net assets:		
Contributions by members and others	1,133,921	1,163,844
Endowments and contributions functioning as endowments	47,510	47,510
	<u>1,181,431</u>	<u>1,211,354</u>
	<u>\$ 1,186,495</u>	<u>\$ 1,247,173</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, 2016

	2016	2015
Revenues:		
Contributions	\$ 3,310	\$ 2,608
Investment income	38,498	124,085
Unrealized gains (losses) on investments	17,131	(42,315)
	58,939	84,378
Expenses:		
Honorarium	14,000	13,391
Endowment Horizons	6,970	10,863
Meeting expense	1,397	-
Audit fees	1,917	1,917
Printing and promotion	433	-
Bank fees	50	50
Other expenses	482	200
Investment management fees	12,105	12,185
Life insurance	1,508	1,508
Contributions to the Greater Moncton Y.M.C.A. Inc.	50,000	34,899
	88,862	75,013
Excess (deficiency) of revenues over expenses	(29,923)	9,365
Net assets, beginning of year	1,211,354	1,201,989
Net assets, end of year	\$ 1,181,431	\$ 1,211,354

See accompanying notes to financial statements.

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

Statement of Cash Flow

Year Ended December 31, 2016

	2016	2015
Cash provided by (used in):		
Operations:		
Cash received from:		
Contributions	\$ 3,310	\$ 2,608
Investment income	41,129	74,316
The Greater Moncton Y.M.C.A. Inc.	-	17,304
	44,439	94,228
Cash paid out to:		
Investment management fees	12,105	12,185
The Greater Moncton Y.M.C.A. Inc.	106,594	57,186
Interest and bank charges	50	50
Life insurance premiums	1,508	1,508
	120,257	70,929
	(75,818)	23,299
Investing activities:		
Purchases of investments	(90,056)	(251,976)
Proceeds on sales and maturities of investments	165,238	223,494
	75,182	(28,482)
Increase (decrease) in cash	(636)	(5,183)
Cash position, beginning of year	(1,828)	3,355
Cash position, end of year	\$ (2,464)	\$ (1,828)

See accompanying notes to financial statements.

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

Notes to Financial Statements

Year ended December 31, 2016

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. In the year of disposal, gains and losses are recorded as realized investment revenues and losses. Gains and losses as a result of changes in quoted market values of investment holdings are recorded as unrealized 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 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.

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

Notes to Financial Statements, page 2

Year ended December 31, 2016

2. Investments:

	2016		2015	
	Cost	Market value	Cost	Market value
Fixed income securities				
Bonds and term notes	\$ 781,880	\$ 766,161	\$ 770,580	\$ 765,003
Equities				
Mutual funds	347,186	420,334	421,303	482,170
	<u>\$ 1,129,066</u>	<u>\$ 1,186,495</u>	<u>\$ 1,191,883</u>	<u>\$ 1,247,173</u>

3. Financial instruments:

The Foundation is exposed to interest rate risk via its investments in money market funds, bonds and short term notes.

The Foundation is exposed to currency risk through its investments in shares of companies and mutual funds traded in USD with a fair market value at December 31, 2016 of \$244,278 CAD (2015-\$302,613).

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

4. Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation used in the current year.