

YMCA OF GREATER SAINT JOHN INC.

(Incorporated under the laws of New Brunswick)

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

YMCA OF GREATER SAINT JOHN INC.

DECEMBER 31, 2015

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INDEPENDENT AUDITORS' REPORT

To the Members of YMCA of Greater Saint John Inc.

We have audited the accompanying consolidated financial statements of YMCA of Greater Saint John Inc., which comprise the consolidated statement of financial position as at December 31, 2015, and the consolidated statement of operations, statement of changes in fund balances and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the consolidated 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 organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of YMCA of Greater Saint John Inc. as at December 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

CHARTERED PROFESSIONAL ACCOUNTANTS

Saint John, NB
April 28, 2016

YMCA OF GREATER SAINT JOHN INC.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION


AS AT DECEMBER 31, 2015

	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Endowment Fund</u>	<u>Total 2015</u>	<u>Total 2014</u>
ASSETS					
CURRENT					
Cash	\$ 786,617	\$ 699,129	\$ 10,616	\$ 1,496,362	\$ 4,071,906
Accounts receivable (Note 2)	282,272	980,688	2,938	1,265,898	1,586,216
Prepaid expenses	<u>60,007</u>	<u>-</u>	<u>-</u>	<u>60,007</u>	<u>49,440</u>
	1,128,896	1,679,817	13,554	2,822,267	5,707,562
INVESTMENTS (Note 3)	-	-	756,463	756,463	897,466
PROPERTY, PLANT AND EQUIPMENT (Note 4)	<u>1,198,257</u>	<u>20,390,883</u>	<u>170,634</u>	<u>21,759,774</u>	<u>11,278,800</u>
	<u>\$ 2,327,153</u>	<u>\$ 22,070,700</u>	<u>\$ 940,651</u>	<u>\$ 25,338,504</u>	<u>\$ 17,883,828</u>
LIABILITIES					
CURRENT					
Accounts payable and accrued liabilities	\$ 265,376	\$ 2,013,119	\$ 3,195	\$ 2,281,690	\$ 1,386,656
Holdback payable	-	-	-	-	1,228,211
Deferred revenue (Note 5)	837,041	-	-	837,041	584,826
Deferred capital contributions (Note 6)	-	-	-	-	2,053,279
Demand term loan (Note 7)	<u>1,096,763</u>	<u>1,403,237</u>	<u>-</u>	<u>2,500,000</u>	<u>-</u>
	2,199,180	3,416,356	3,195	5,618,731	5,252,972
DEFERRED CONTRIBUTIONS (Note 8)	45,570	17,022,371	-	17,067,941	10,073,393
INTER-FUND ACCOUNTS PAYABLE (RECEIVABLE)	<u>24,962</u>	<u>(22,258)</u>	<u>(2,704)</u>	<u>-</u>	<u>-</u>
	<u>2,269,712</u>	<u>20,416,469</u>	<u>491</u>	<u>22,686,672</u>	<u>15,326,365</u>
FUND BALANCES					
INVESTED IN PROPERTY, PLANT AND EQUIPMENT	-	1,654,231	-	1,654,231	1,627,138
EXTERNALLY RESTRICTED	-	-	589,554	589,554	649,218
INTERNALLY RESTRICTED	-	-	350,606	350,606	251,917
UNRESTRICTED	<u>57,441</u>	<u>-</u>	<u>-</u>	<u>57,441</u>	<u>29,190</u>
	<u>57,441</u>	<u>1,654,231</u>	<u>940,160</u>	<u>2,651,832</u>	<u>2,557,463</u>
	<u>\$ 2,327,153</u>	<u>\$ 22,070,700</u>	<u>\$ 940,651</u>	<u>\$ 25,338,504</u>	<u>\$ 17,883,828</u>

See accompanying notes to financial statements.

COMMITMENTS (Notes 9)

APPROVED ON BEHALF OF THE BOARD:

 Director

 Director



YMCA OF GREATER SAINT JOHN INC.

CONSOLIDATED STATEMENT OF CHANGES IN FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31, 2015

	Operating Fund	Capital Fund	Endowment Fund	Total 2015	Total 2014
BALANCE AT BEGINNING OF YEAR	\$ 29,190	\$ 1,627,138	\$ 901,135	\$ 2,557,463	\$ 1,750,802
ENDOWMENT CONTRIBUTIONS	-	-	106,600	106,600	90,427
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	28,251	(22,907)	(17,575)	(12,231)	323,034
CONTRIBUTION OF LAND (Note 4)	-	-	-	-	393,200
INTER-FUND TRANSFERS					
Capital campaign contributions from Endowment Fund to Capital Fund	<u>-</u>	<u>50,000</u>	<u>(50,000)</u>	<u>-</u>	<u>-</u>
BALANCE AT END OF YEAR	<u>\$ 57,441</u>	<u>\$ 1,654,231</u>	<u>\$ 940,160</u>	<u>\$ 2,651,832</u>	<u>\$ 2,557,463</u>

See accompanying notes to financial statements.

YMCA OF GREATER SAINT JOHN INC.

CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Endowment Fund</u>	<u>Total 2015</u>	<u>Total 2014</u>
REVENUE					
Childcare centres	\$ 2,148,167	\$ -	\$ -	\$ 2,148,167	\$ 2,255,808
Community centres	1,608,836	-	-	1,608,836	1,379,450
Immigrant services	1,344,202	-	-	1,344,202	1,404,365
Health, fitness and aquatics	650,362	-	-	650,362	345,535
Camps	524,731	-	-	524,731	508,636
Other revenue and donations	194,785	8,471	1,270	204,526	200,999
Investment income	-	16,556	25,077	41,633	66,114
Rental income	-	-	12,000	12,000	12,000
Employment services	-	-	-	-	24,157
Amortization of deferred contributions (Note 8)	<u>49,425</u>	<u>157,543</u>	<u>-</u>	<u>206,968</u>	<u>66,252</u>
	<u>6,520,508</u>	<u>182,570</u>	<u>38,347</u>	<u>6,741,425</u>	<u>6,263,316</u>
EXPENDITURE					
Salaries and benefits	4,606,553	-	-	4,606,553	4,190,053
Programs supplies and equipment	442,594	-	-	442,594	416,245
Rent	299,105	-	-	299,105	416,696
Maintenance and utilities	281,946	-	-	281,946	69,858
Professional fees	207,947	-	-	207,947	169,069
Office and general	184,643	-	-	184,643	153,053
Staff and volunteer development	137,953	-	-	137,953	183,642
Bank and financial	74,720	-	-	74,720	95,060
Advertising	67,160	-	-	67,160	64,048
Endowment	-	-	41,912	41,912	32,016
Fundraising	15,987	25,027	-	41,014	75,288
Amortization	<u>173,649</u>	<u>180,450</u>	<u>9,700</u>	<u>363,799</u>	<u>138,061</u>
	<u>6,492,257</u>	<u>205,477</u>	<u>51,612</u>	<u>6,749,346</u>	<u>6,003,089</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE BEFORE NET (LOSS) GAIN ON INVESTMENTS					
	28,251	(22,907)	(13,265)	(7,921)	260,227
NET (LOSS) GAIN ON INVESTMENTS					
	<u>-</u>	<u>-</u>	<u>(4,310)</u>	<u>(4,310)</u>	<u>62,807</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE					
	<u>\$ 28,251</u>	<u>\$ (22,907)</u>	<u>\$ (17,575)</u>	<u>\$ (12,231)</u>	<u>\$ 323,034</u>

See accompanying notes to financial statements.

YMCA OF GREATER SAINT JOHN INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Endowment Fund</u>	<u>Total 2015</u>	<u>Total 2014</u>
CASH PROVIDED BY (USED IN)					
Operating activities					
Excess (deficiency) of revenue over expenditure	\$ 28,251	\$ (22,907)	\$ (17,575)	\$ (12,231)	\$ 323,034
Items not involving cash					
Amortization	173,649	180,450	9,700	363,799	138,061
Amortization of deferred contributions related to property, plant and equipment	(49,425)	(157,543)	-	(206,968)	(66,252)
Gain on disposal of property, plant and equipment	(3,404)	-	-	(3,404)	-
Net loss on investments	-	-	4,310	4,310	(62,807)
	<u>149,071</u>	<u>-</u>	<u>(3,565)</u>	<u>145,506</u>	<u>332,036</u>
Changes in non-cash working capital balances					
Accounts receivable	(129,279)	450,170	(573)	320,318	(1,487,058)
Prepaid expenses	(10,960)	393	-	(10,567)	(5,784)
Accounts payable and accrued liabilities	111,056	786,110	(2,132)	895,034	1,208,614
Holdback payable	-	(1,228,211)	-	(1,228,211)	1,228,211
Deferred revenue	252,215	-	-	252,215	191,320
Deferred capital contributions	-	-	-	-	284,860
	<u>372,103</u>	<u>8,462</u>	<u>(6,270)</u>	<u>374,295</u>	<u>1,752,199</u>
Investing activities					
Purchase of investments	-	-	(403,615)	(403,615)	(273,310)
Proceeds on disposal of investments	-	-	540,308	540,308	149,356
Purchase of property, plant and equipment	(1,196,214)	(9,660,173)	-	(10,856,387)	(9,429,873)
Proceeds on disposal of property, plant and equipment	15,018	-	-	15,018	-
	<u>(1,181,196)</u>	<u>(9,660,173)</u>	<u>136,693</u>	<u>(10,704,676)</u>	<u>(9,553,827)</u>
Financing activities					
Demand term loan	1,096,763	1,403,237	-	2,500,000	-
Repayment of long-term debt	-	-	-	-	(23,511)
Deferred contributions received	12,835	5,135,402	-	5,148,237	9,586,025
Inter-fund accounts	25,462	231,526	(256,988)	-	-
Endowment contributions	-	-	106,600	106,600	90,427
Inter-fund transfers	-	50,000	(50,000)	-	-
	<u>1,135,060</u>	<u>6,820,165</u>	<u>(200,388)</u>	<u>7,754,837</u>	<u>9,652,941</u>
INCREASE (DECREASE) IN CASH	325,967	(2,831,546)	(69,965)	(2,575,544)	1,851,313
CASH AT BEGINNING OF YEAR	<u>460,650</u>	<u>3,530,675</u>	<u>80,581</u>	<u>4,071,906</u>	<u>2,220,593</u>
CASH AT END OF YEAR	<u>\$ 786,617</u>	<u>\$ 699,129</u>	<u>\$ 10,616</u>	<u>\$ 1,496,362</u>	<u>\$ 4,071,906</u>

See accompanying notes to financial statements.

YMCA OF GREATER SAINT JOHN INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

PURPOSE OF THE ORGANIZATION

YMCA of Greater Saint John Inc. is a membership and volunteer association committed to excellence in serving the community through the development of spirit, mind and body.

Additionally, YMCA of Greater Saint John Inc. controls the activities of YMCA of Greater Saint John Endowment Fund Inc. by virtue of its ability to approve the election or appointment of the majority of the Board of Directors. The purpose of YMCA of Greater Saint John Endowment Fund Inc. is to raise, invest and direct the management of funds and distribute investment income for the purpose of providing for the future financial stability of YMCA of Greater Saint John Inc. and to enhance the "Y" presence in the community.

These organization are incorporated under the laws of New Brunswick and, as a registered charities under the Income Tax Act, are exempt from paying income taxes.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Consolidated Financial Statements

These financial statements have been prepared on a consolidated basis and include the accounts of both YMCA of Greater Saint John Inc. and YMCA of Greater Saint John Endowment Fund Inc.

Fund Accounting

YMCA of Greater Saint John Inc., which follows the deferral method of accounting for contributions, uses three funds to record its transactions, the Operating Fund, the Capital Fund and the Endowment Fund.

Operating Fund

The Operating Fund includes all revenue and expenditure related to program delivery and administrative activities.

Capital Fund

The Capital Fund reports the assets, liabilities, revenue and expenditure related to the organization's land, buildings and leasehold improvements and revenue and expenditure related to the fundraising campaign to raise money for construction of the Saint John Regional Y.

Endowment Fund

The Endowment Fund consists of the assets, liabilities, revenue and expenditure of YMCA of Greater Saint John Endowment Fund Inc. Certain endowment contributions and the investment income earned thereon are subject to restrictions imposed by contributors. The remaining Endowment Fund balance has been internally restricted and is not available for operating purposes without the approval of the board of directors of YMCA of Greater Saint John Endowment Fund Inc.

Cash and Cash Equivalents

The organization's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with a maturity period of three months or less from the date of acquisition.

YMCA OF GREATER SAINT JOHN INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, Plant and Equipment

Purchased property, plant and equipment are recorded at acquisition cost. Contributed property, plant and equipment are recorded at fair value at the date of contribution. Land, building and leasehold improvements are recorded in the Capital Fund and equipment is recorded in the Operating Fund. Amortization is being provided for using the straight-line method at the following annual rates:

Buildings	5%
Equipment	10-33%
Leasehold improvements	33%

Revenue Recognition

Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenditure is incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in the fund balance in the year.

Revenue from membership sales is recognized over the term of the memberships.

Pledges receivable are not recognized as revenue until collected because the organization cannot make a reasonable estimate of the amount that will be collected and collection is not reasonably assured. Pledges collected subsequent to December 31, 2015 will be deferred and amortized to income over the remaining estimated useful life of the Regional Y.

All other revenue is recorded on an accrual basis.

Financial Instruments

Measurement of Financial Instruments

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess of revenue over expenditure.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and demand term loan.

The organization's financial assets measured at fair value include investments.

YMCA OF GREATER SAINT JOHN INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenue over expenditure. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenue over expenditure.

Transaction Costs

The organization recognizes its transaction costs in excess of revenue over expenditure in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

Contributed Services

Volunteers contribute an indeterminable number of hours per year. Because of the difficulty of determining their fair value, contributed services are not recognized in the consolidated financial statements.

Use of Estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditure during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

2. ACCOUNTS RECEIVABLE

	Operating Fund	Capital Fund	Endowment Fund	Total 2015	Total 2014
Federal Government	\$ -	\$ 525,001	\$ -	\$ 525,001	\$ 260,173
HST Recoverable	-	455,687	-	455,687	252,488
Provincial Government	196,053	-	-	196,053	1,050,528
Other accounts receivable	61,468	-	2,938	64,406	28,121
Programs	37,134	-	-	37,134	29,676
Allowance for doubtful accounts	<u>(12,383)</u>	<u>-</u>	<u>-</u>	<u>(12,383)</u>	<u>(34,770)</u>
	<u>\$ 282,272</u>	<u>\$ 980,688</u>	<u>\$ 2,938</u>	<u>\$ 1,265,898</u>	<u>\$ 1,586,216</u>

YMCA OF GREATER SAINT JOHN INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015

3. INVESTMENTS

	<u>2015</u>	<u>2014</u>
Money market funds	\$ <u>4,563</u>	\$ <u>42,932</u>
Government of Canada bonds, bearing coupon rates of 5% to 8%, due 2027 to 2037, face value of \$34,000 (2014 - \$34,000)	53,581	53,318
Provincial bonds, bearing coupon rates of 1.45% to 6.5%, due 2018 to 2037, face value of \$45,507 (2014 - \$28,000)	51,373	35,822
Corporate bonds, bearing coupon rates of 1.58% to 3.709%, due 2016 to 2023, face value of \$215,524 (2014 - \$233,000)	<u>212,049</u>	<u>235,824</u>
	<u>317,003</u>	<u>324,964</u>
Equities:		
Canadian equities	298,582	386,133
Foreign equities	<u>136,315</u>	<u>143,437</u>
	<u>434,897</u>	<u>529,570</u>
	<u>\$ 756,463</u>	<u>\$ 897,466</u>

4. PROPERTY, PLANT AND EQUIPMENT

	<u>2015</u>			<u>2014</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Operating Fund				
Equipment	\$ 1,686,815	\$ 488,558	\$ 1,198,257	\$ 186,786
Leasehold improvements	<u>66,142</u>	<u>66,142</u>	<u>-</u>	<u>520</u>
	<u>1,752,957</u>	<u>554,700</u>	<u>1,198,257</u>	<u>187,306</u>
Capital Fund				
Land	917,620	-	917,620	917,620
Buildings	19,868,990	395,727	19,473,263	84,011
Construction in progress	-	-	-	9,907,217
Leasehold improvements	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,312</u>
	<u>20,786,610</u>	<u>395,727</u>	<u>20,390,883</u>	<u>10,911,160</u>
Endowment Fund				
Land	51,000	-	51,000	51,000
Building	<u>194,000</u>	<u>74,366</u>	<u>119,634</u>	<u>129,334</u>
	<u>245,000</u>	<u>74,366</u>	<u>170,634</u>	<u>180,334</u>
	<u>\$ 22,784,567</u>	<u>\$ 1,024,793</u>	<u>\$ 21,759,774</u>	<u>\$ 11,278,800</u>

YMCA OF GREATER SAINT JOHN INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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5. DEFERRED REVENUE

	<u>2015</u>	<u>2014</u>
Grants and donations	\$ 245,848	\$ 164,061
Childcare centres	231,757	160,575
Immigrant services	190,150	78,076
Early Learning Centre	124,494	103,610
Fitness	37,863	23,953
Residential camp	<u>6,929</u>	<u>54,551</u>
	<u>\$ 837,041</u>	<u>\$ 584,826</u>

6. DEFERRED CAPITAL CONTRIBUTIONS

The organization undertook a capital campaign to raise funding for the construction of the new Regional Y over the period 2011 to 2015. A summary of the cumulative campaign results to December 31, 2015 are as follows:

	<u>2015</u>	<u>2014</u>
Accumulated contributions received	\$ 7,337,572	\$ 6,417,908
Accumulated campaign costs	<u>272,744</u>	<u>247,717</u>
	7,064,828	6,170,191
Allocated to deferred contributions related to property, plant and equipment	<u>7,064,828</u>	<u>4,116,912</u>
Deferred capital contributions at end of year	<u>\$ -</u>	<u>\$ 2,053,279</u>

7. DEMAND TERM CREDIT FACILITIES

The organization has the following credit facilities available at December 31, 2015:

Facility 1: A \$200,000 revolving demand facility at an interest rate of prime plus ½%.

Facility 2: A \$3,000,000 non-revolving demand term facility with an interest rate of prime plus 0.70%, repayable in blended monthly payments after one year of interest only payments.

Facility 3: A \$3,000,000 non-revolving demand term facility with an interest rate of prime plus 0.70%, repayable in full on December 31, 2017.

The total of the credit facilities cannot exceed \$6,000,000 at any time.

YMCA OF GREATER SAINT JOHN INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

7. DEMAND TERM CREDIT FACILITIES (continued)

At December 31, 2015, YMCA of Greater Saint John Inc. has drawn on their available credit facilities as follows:

	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Total 2015</u>	<u>Total 2014</u>
Facility 1	\$ -	\$ -	\$ -	\$ -
Facility 2	-	-	-	-
Facility 3	<u>1,096,763</u>	<u>1,403,237</u>	<u>2,500,000</u>	<u>-</u>
	<u>\$ 1,096,763</u>	<u>\$ 1,403,237</u>	<u>\$ 2,500,000</u>	<u>\$ -</u>

8. DEFERRED CONTRIBUTIONS RELATED TO PROPERTY, PLANT AND EQUIPMENT

Deferred contributions are related to property, plant and equipment and represent contributions to YMCA of Greater Saint John Inc. from federal, provincial & municipal government & private capital campaign contributions for the purchase of property, plant and equipment. These contributions are amortized to revenue on the same basis as the related property, plant and equipment are amortized to expenditure. The change in the deferred contributions balance for the year is as follows:

	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Total 2015</u>	<u>Total 2014</u>
Balance at beginning of year	\$ 82,160	\$ 9,991,233	\$10,073,393	\$ 553,620
Contributions received during the year	12,835	7,188,681	7,201,516	9,586,025
Amount amortized to revenue	<u>(49,425)</u>	<u>(157,543)</u>	<u>(206,968)</u>	<u>(66,252)</u>
Balance at end of year	<u>\$ 45,570</u>	<u>\$17,022,371</u>	<u>\$17,067,941</u>	<u>\$10,073,393</u>

9. LEASE COMMITMENTS AND SERVICE CONTRACTS

The organization has made commitments for leased equipment and service contracts. The minimum annual payments over the next five year are as follows:

2016	\$ 79,082
2017	6,250
2018	5,472
2019	5,116
2020	49

The organization leases facilities with minimum annual lease payments over the next five years as follows:

2016	\$ 67,681
2017	69,385
2018	58,217
2019	55,842
2020	58,090

YMCA OF GREATER SAINT JOHN INC.
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DECEMBER 31, 2015

10. FINANCIAL INSTRUMENTS

Risks and Concentrations

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at the balance sheet date:

Liquidity Risk

Liquidity risk is the risk that an organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its demand term loan and accounts payable and accrued liabilities.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization's main credit risks relate to its accounts receivable. The organization provides credit to its clients in the normal course of operations.)

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 risk, interest rate risk and other price risk.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Approximately 18% (2014 - 16%) of the organization's investments are in foreign currency. Consequently, some assets are exposed to foreign exchange fluctuations.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Approximately 42% (2014 - 36%) of the organization's investments are fixed rate investments. The organization is exposed to interest rate risk on its fixed rate investments. Fixed-rate instruments subject the organization to a fair value risk.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The organization is exposed to other price risk through its investments in quoted shares.