

**YMCA of Northeastern Ontario  
Financial Statements  
For the year ended March 31, 2023**

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**Financial Statements**  
For the year ended March 31, 2023

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## Independent Auditor's Report

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**To the Members of and Board of Directors of the YMCA of Northeastern Ontario**

### **Opinion**

We have audited the financial statements of YMCA of Northeastern Ontario (the Association), which comprise the statement of financial position as at March 31, 2023, the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2023, and its financial performance and 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 Association 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 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.

In preparing the financial statements, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Association'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 Association 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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants  
North Bay, Ontario  
June 29, 2023

**YMCA of Northeastern Ontario**  
**Statement of Financial Position**

March 31 2023 2022

**Assets**

**Current**

Cash and cash equivalents (Note 2)	\$ 3,732,053	\$ 2,566,720
Investments (Note 3)	1,245,606	196,761
Accounts receivable (Note 4)	1,390,066	1,922,778
Prepaid expenses	127,698	96,022

6,495,423 4,782,281

Restricted investments (Note 3) 425,259 425,259

Capital assets (Note 5) 9,434,109 9,148,729

\$ 16,354,791 \$ 14,356,269

**Liabilities and Net Assets**

**Liabilities**

Accounts payable and accrued liabilities (Note 6)	\$ 894,487	\$ 970,868
Deferred revenue (Note 7)	4,029,151	2,525,941
Current portion of long-term debt (Note 9)	3,897,235	4,085,624
Current portion of capital lease obligation (Note 10)	22,305	22,305

8,843,178 7,604,738

Long-term debt (Note 9) 19,224 28,837

Capital lease obligation (Note 10) 18,687 40,991

Deferred capital contributions (Note 8) 2,024,341 1,366,571

10,905,430 9,041,137

**Net assets**



Internally restricted - capital repairs	425,259	425,259
Internally restricted - Invested in capital assets	3,481,154	3,633,238
Unrestricted	1,542,948	1,256,635

5,449,361 5,315,132

\$ 16,354,791 \$ 14,356,269

**Commitments (Note 11)**

On behalf of the Board:

 Kristian Gareau Director  
 Andrew Finlay Director

**YMCA of Northeastern Ontario**  
**Statement of Changes in Net Assets**

<b>For the year ended March 31</b>				<b>2023</b>	<b>2022</b>
	<b>Internally Restricted</b>	<b>Invested In Capital Assets</b>	<b>Unrestricted</b>	<b>Total</b>	<b>Total</b>
<b>Net assets, beginning of year</b> \$	<b>425,259</b>	<b>\$ 3,633,238</b>	<b>\$ 1,256,635</b>	<b>\$ 5,315,132</b>	<b>\$ 5,126,845</b>
Excess (deficiency) of revenues over expenses	-	(581,705)	715,934	134,229	188,287
Interfund adjustments	-	429,621	(429,621)	-	-
<b>Net assets, end of year</b> \$	<b>425,259</b>	<b>\$ 3,481,154</b>	<b>\$ 1,542,948</b>	<b>\$ 5,449,361</b>	<b>\$ 5,315,132</b>

The accompanying notes are an integral part of these financial statements.

## YMCA of Northeastern Ontario Statement of Operations

For the year ended March 31	2023	2022
<b>Revenues</b>		
Government funding	\$ 11,506,426	\$ 9,572,375
Program fees	6,959,061	5,792,777
Recoveries, administration and other	472,873	338,243
Fundraising and philanthropy	449,292	591,066
Membership fees	2,391,045	818,914
Rental revenue	351,548	236,552
Amortization of deferred capital contributions	95,879	63,077
	<u>22,226,124</u>	<u>17,413,004</u>
<b>Expenses</b>		
Compensation	14,215,041	13,050,654
Occupancy	1,782,553	1,598,516
Supplies	1,492,062	1,047,965
Professional services	1,191,402	619,373
Training subsidies	911,310	758,386
Child care funded expenses	273,409	171,355
Membership and association dues	268,732	255,799
Information technology and licenses	243,731	261,707
Interest on long term debt	226,750	138,110
Bad debts	163,783	120,975
Advertising and promotion	150,552	121,874
Minor equipment and maintenance	130,905	170,871
Bank and other service charges	125,885	111,721
Staff and volunteer development	87,141	40,123
Employee expenses and travel	84,006	33,813
Loss on disposal of capital assets	81,655	66,202
Program travel and vehicles	67,049	20,104
Amortization	595,929	661,993
	<u>22,091,895</u>	<u>19,249,541</u>
<b>Excess (deficiency) of revenues over expenses before item below</b>	<b>134,229</b>	<b>(1,836,537)</b>
Federal government subsidies	-	2,024,824
<b>Excess of revenue over expenses for the year</b>	<b>\$ 134,229</b>	<b>\$ 188,287</b>

**YMCA of Northeastern Ontario**  
**Statement of Cash Flows**

<b>For the year ended March 31</b>	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities:</b>		
Excess of revenue over expenses for the year	\$ 134,229	\$ 188,287
Items not involving cash:		
Amortization of capital assets	595,929	661,993
Amortization of deferred capital contributions	(95,879)	(63,077)
Loss on disposal of capital assets	81,655	66,202
	<u>715,934</u>	<u>853,405</u>
Changes in non-cash working capital balances:		
Accounts receivable	532,712	(514,237)
Prepaid expense	(31,676)	2,948
Accounts payable and accrued liabilities	(76,381)	(932,662)
Deferred revenue	1,503,210	380,808
	<u>2,643,799</u>	<u>(209,738)</u>
<b>Cash flows from investing activities:</b>		
Purchase of capital assets	(962,964)	(769,086)
Purchase of investments	(1,048,845)	(14,837)
	<u>(2,011,809)</u>	<u>(783,923)</u>
<b>Cash flows from financing activities:</b>		
Principal payments on long term debt	(198,002)	(250,024)
Deferred capital contributions received	753,649	703,152
(Repayments) proceeds from capital leases	(22,304)	63,296
	<u>533,343</u>	<u>516,424</u>
<b>Increase in cash and cash equivalents during the year</b>	<b>1,165,333</b>	<b>(477,237)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>2,566,720</b>	<b>3,043,957</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 3,732,053</b>	<b>\$ 2,566,720</b>



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# YMCA of Northeastern Ontario

## Notes to Financial Statements

March 31, 2023

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### 1. Summary of Significant Accounting Policies

**Nature of Organization** YMCA of Northeastern Ontario ("Association") is engaged in the delivery of programs and services that provide individual development of mind, body and spirit in the North Bay, Sudbury and the Timmins Ontario areas. Primary programs include: Child Care, Employment support, Health and Wellness and Leadership Training. On April 1, 2021 the Association amalgamated with Timmins Family YMCA.

**Income Tax** The Association is a registered charity under the Income Tax Act and is exempt from income taxation under section 149(1)(f) of the Income Tax Act.

**Basis of Accounting** The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. As the Association receives funding for various purposes, the accounts are maintained in a manner which segregates transactions according to the following funds.

**Internally Restricted** Funds are to be used for future capital acquisitions and for repair and replacement of existing property and equipment.

**Revenue Recognition** The Association follows the deferral method of accounting. Under this method, contributions are recorded as revenue in the fiscal year based on their nature, source and the restrictions stipulated by the donor. Unrestricted contributions are recognized in the year they are received. Contributions received for the purpose of purchasing capital assets are deferred and amortized into revenue on the same basis as the respective assets purchased are amortized into expenses.

Contributions including pledges and donations are recognized as revenue when received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.

Revenues are recognized in the fiscal year they relate to when reasonable certainty of collection is met. Unearned membership, program and grant revenues received are recorded as a liability and included in deferred revenue on the statement of financial position.

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# YMCA of Northeastern Ontario

## Notes to Financial Statements

March 31, 2023

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### 1. Summary of Significant Accounting Policies (continued)

#### Capital Assets

Capital assets are recorded at cost less accumulated amortization. Donated capital assets are recorded at fair value, if the amount is determinable, at the date of contribution. Amortization is calculated using the straight-line method over the estimated useful life of the asset as follows:

Buildings	-	20 to 40 years
Leasehold improvements	-	term of lease
Furnishings and equipment	-	10 years
Vehicles	-	5 years
Computer equipment	-	3 years
Leased fitness equipment	-	term of lease

#### Use of Estimates

The preparation of financial statements in accordance 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 revenue and expenses during the reported period. Actual results could differ from management's best estimates as additional information becomes available in the future.

#### Financial Instruments

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Association has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Association expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

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**YMCA of Northeastern Ontario  
Notes to Financial Statements**

**March 31, 2023**

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**2. Credit Facility Agreements**

The Association has two operating lines of credit, both \$200,000, and both bear interest at prime plus 1.00%. At year end \$Nil (2022 - \$Nil) was being used of these lines of credit.

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**3. Investments**

Investments and restricted investments are comprised of a combination of Equity investments (portfolio investments of public company shares recorded at market values) and Fixed Income Bond Funds and Exchange Traded Funds (recorded at amortized cost). The Fixed Income investments bear interest at 4.7% and mature in March 2024.

**YMCA of Northeastern Ontario**  
**Notes to Financial Statements**

**March 31, 2023**

**4. Accounts Receivable**

	2023	2022
Government funding and customers	\$ 1,547,342	\$ 2,022,563
Less allowance for doubtful accounts	\$ (157,276)	\$ (99,785)
	\$ 1,390,066	\$ 1,922,778

**5. Capital Assets**

	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 840,259	\$ -	\$ 840,259	\$ -
Building	15,756,118	7,861,167	15,458,060	7,693,035
Leasehold improvements	624,405	619,744	537,436	537,436
Furnishings and equipment	3,578,043	3,020,874	3,396,090	2,982,497
Computer equipment	374,054	286,386	526,340	466,423
Vehicles	174,906	167,858	170,631	166,150
Leased Fitness equipment	685,513	643,160	685,513	620,059
	22,033,298	12,599,189	21,614,329	12,465,600
<b>Net book value</b>		<b>\$ 9,434,109</b>		<b>\$ 9,148,729</b>

(i) The land on which the North Bay building has been constructed is the property of the City. The association has entered into a ninety-nine year lease commencing in 1967 with the City to lease the land at a nominal rental fee of \$1 per annum.

**6. Accounts Payable and Accrued Liabilities**

Included in accounts payable and accrued liabilities are government remittances payable of \$67,941 (2022 - \$35,392) for payroll related taxes.

**YMCA of Northeastern Ontario**  
**Notes to Financial Statements**

**March 31, 2023**

**7. Deferred Revenue**

	2023	2022
Children services	\$ 2,760,901	\$ 1,773,501
Membership, programs and camps	630,770	300,034
Donations and grants	332,351	167,062
Employment	305,129	285,344
	\$ 4,029,151	\$ 2,525,941

**8. Deferred Capital Contributions**

Deferred contributions consist of the unamortized amount of contributions received for the purchase of capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred contributions are as follows:

	2023	2022
Balance, beginning of year	\$ 1,366,571	\$ 726,496
Add: contributions received during the year	753,649	703,152
Less: amounts recognized as revenue during the year	(95,879)	(63,077)
Balance, end of year	\$ 2,024,341	\$ 1,366,571

**YMCA of Northeastern Ontario**  
**Notes to Financial Statements**

**March 31, 2023**

**9. Long-term Debt**

	2023	2022
\$3,962,819 mortgage, blended monthly payments of \$36,491, interest at 6.68%, due October 15, 2023.	3,887,622	4,085,624
\$28,837 government loan, yearly payments of \$9,612, zero percent interest, repayment starting June 30, 2023, due June 30, 2025.	28,837	28,837
	3,916,459	4,114,461
Less current/callable portion	3,897,235	4,085,624
	\$ 19,224	\$ 28,837

Anticipated principal payments and maturing debt over the next three years are as follows:

2024	\$ 3,897,235
2025	9,612
2026	9,612
	\$ 3,916,459

- (i) This loan is secured by a general security agreement constituting a first ranking security interest in all property and collateral mortgages in the amount of \$6,000,000 and \$410,000 constituting a first fixed charge on the land and improvements on certain real property.

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**YMCA of Northeastern Ontario**  
**Notes to Financial Statements**

**March 31, 2023**

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**10. Capital Lease Obligation**

	<b>2023</b>	<b>2022</b>
Capital lease obligation - 2.13%, due February 2025, repayable in monthly principal payments of \$2,157	\$ 40,992	\$ 63,296
 Less amounts due within one year included in current liabilities	 <u>22,305</u>	 <u>22,305</u>
	<b><u>\$ 18,687</u></b>	<b><u>\$ 40,991</u></b>

Obligation under capital lease is secured by fitness equipment with a carrying value of \$42,353.

The future minimum lease payment for the next two years is as follows:

2024		\$ 25,884
2025		<u>21,570</u>
		47,454
Less: imputed interest		<u>6,462</u>
		<b><u>\$ 40,992</u></b>

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**11. Commitments**

The Association leases premises under an operating lease, which expires on August 31, 2025. The minimum annual rental for the next three years are as follows:

2024		212,761
2025		218,080
2026		<u>91,800</u>
		<b><u>\$ 522,641</u></b>

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**YMCA of Northeastern Ontario**  
**Notes to Financial Statements**

**March 31, 2023**

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**12. Financial Instrument Risk**

The Association's management monitors, evaluates and manages the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include liquidity risk, credit risk and interest rate risk.

**Liquidity risk**

Liquidity risk arises from the Association's management of accounts payable and accrued liabilities, and current portion of long term debt and capital lease obligations. It is the risk that the Association will encounter difficulty in meeting its financial obligations as they fall due.

**Credit risk**

Credit risk arises principally from the Association's accounts receivable. The Association is exposed to credit risk resulting from the possibility that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association's accounts receivable is from government agencies and a wide range of clientele throughout Northeastern Ontario.

**Interest rate risk**

Interest rate risk arises from the Association's credit facility. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association's credit facility has a variable interest rate. Changes in the bank's prime lending rate can cause fluctuations in interest payments and cash flows. The Association does not use derivative financial instruments to alter the effect of this risk.



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**YMCA of Northeastern Ontario**  
**Schedule 1 - Lottery Accounts**

<b>For the year ended March 31</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>		
Proceeds	\$ 79,912	\$ 46,741
<b>Expenses</b>		
Program related expenses	30,559	54,261
Prizes paid	11,326	8,495
Licenses and other	10,720	10,029
	<u>52,605</u>	<u>72,785</u>
<b>Excess (deficiency) of revenues over expenses</b>	<b>\$ 27,307</b>	<b>\$ (26,044)</b>