

**YMCA of Northeastern Ontario
Financial Statements
For the year ended March 31, 2024**

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Financial Statements
For the year ended March 31, 2024**

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Independent Auditor's Report

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 Organization), which comprise the statement of financial position as at March 31, 2024, 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 Organization as at March 31, 2024, 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 Organization 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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.
- 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
North Bay, Ontario
July 17, 2024

YMCA of Northeastern Ontario Statement of Financial Position

March 31 **2024** **2023**

Assets

Current

Cash and cash equivalents (Note 3)	\$ 3,928,958	\$ 3,732,053
Investments (Note 4)	1,704,601	1,245,606
Accounts receivable (Note 5)	914,633	1,390,066
Prepaid expenses	103,973	127,698

6,652,165 **6,495,423**

Restricted investments (Note 4) 425,259 425,259

Capital assets (Note 6) 10,111,169 9,434,109

\$ 17,188,593 **\$ 16,354,791**

Liabilities and Net Assets

Liabilities

Accounts payable and accrued liabilities (Note 7)	\$ 1,007,885	\$ 894,487
Deferred revenue (Note 8)	3,353,886	4,029,151
Current portion of long-term debt (Note 10)	69,953	3,897,235
Current portion of capital lease obligation (Note 11)	18,687	22,305

4,450,411 **8,843,178**

Long-term debt (Note 10) 3,708,549 19,224

Capital lease obligation (Note 11) - 18,687

Deferred capital contributions (Note 9) 2,805,011 2,024,341

10,963,971 **10,905,430**

Net assets

Internally restricted - capital repairs	425,259	425,259
Internally restricted - Invested in capital assets	3,528,193	3,481,154
Unrestricted	2,271,170	1,542,948

6,224,622 **5,449,361**

\$ 17,188,593 **\$ 16,354,791**

Commitments (Note 12)

On behalf of the Board:

<i>Antoine Verjina</i>	Signed by:	Director
<i>Brian Getty</i>	Signed by:	Director

YMCA of Northeastern Ontario
Statement of Changes in Net Assets

For the year ended March 31				2024	2023
	Internally Restricted	Invested In Capital Assets	Unrestricted	Total	Total
Net assets, beginning of year	\$ 425,259	\$ 3,481,154	\$ 1,542,948	\$ 5,449,361	\$ 5,315,132
Excess (deficiency) revenues over expenses	-	(602,715)	1,377,976	775,261	134,229
Interfund adjustments	-	649,754	(649,754)	-	-
Net assets, end of year	\$ 425,259	\$ 3,528,193	\$ 2,271,170	\$ 6,224,622	\$ 5,449,361

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

YMCA of Northeastern Ontario
Statement of Operations

For the year ended March 31	2024	2023
Revenues		
Government funding	\$16,129,048	\$ 13,495,481
Program fees	4,855,698	4,964,951
Membership fees	3,398,903	2,370,333
Fundraising and philanthropy	635,425	476,599
Rentals	467,013	352,028
Recoveries, administration and other	361,050	440,731
Investment income	133,552	30,122
Amortization of deferred capital contributions	155,723	95,879
	26,136,412	22,226,124
Expenses		
Compensation	16,518,450	14,228,337
Facility and maintenance	2,340,408	2,072,829
Professional and contract services	1,528,869	1,321,700
Training subsidies	1,006,393	911,155
Supplies	815,295	780,307
Child care funded expenses	310,911	273,563
Association dues	300,313	246,642
Bank and other service charges	296,907	234,048
Information technology and licenses	262,748	271,265
Interest on long term debt	261,503	226,751
Staff and volunteer costs	259,507	189,227
Advertising and promotion	183,149	150,552
Bad debts	123,353	163,783
Events	118,629	150,671
Minor equipment	117,541	77,126
Program travel and vehicles	103,821	67,049
Membership, licenses and other	54,916	49,306
Loss on disposal of capital assets	136,044	81,655
Amortization	622,394	595,929
	25,361,151	22,091,895
Excess of revenue over expenses for the year	\$ 775,261	\$ 134,229

YMCA of Northeastern Ontario
Statement of Cash Flows

For the year ended March 31	2024	2023
Cash flows from operating activities:		
Excess of revenue over expenses for the year	\$ 775,261	\$ 134,229
Items not involving cash:		
Amortization of capital assets	622,394	595,929
Amortization of deferred capital contributions	(155,723)	(95,879)
Loss on disposal of capital assets	136,044	81,655
	<u>1,377,976</u>	<u>715,934</u>
Changes in non-cash working capital balances:		
Accounts receivable	475,433	532,712
Prepaid expense	23,725	(31,676)
Accounts payable and accrued liabilities	113,398	(76,381)
Deferred revenue	(675,265)	1,503,210
	<u>1,315,267</u>	<u>2,643,799</u>
Cash flows from investing activities:		
Purchase of capital assets	(1,435,498)	(962,964)
Purchase of investments	(458,995)	(1,048,845)
	<u>(1,894,493)</u>	<u>(2,011,809)</u>
Cash flows from financing activities:		
Principal payments on long term debt	(137,957)	(198,002)
Deferred capital contributions received	936,393	753,649
Repayments from capital leases	(22,305)	(22,304)
	<u>776,131</u>	<u>533,343</u>
Increase in cash and cash equivalents during the year	196,905	1,165,333
Cash and cash equivalents, beginning of year	3,732,053	2,566,720
Cash and cash equivalents, end of year	\$ 3,928,958	\$ 3,732,053

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

YMCA of Northeastern Ontario

Notes to Financial Statements

March 31, 2024

1. Summary of Significant Accounting Policies

Nature of Organization The YMCA of Northeastern Ontario ("Organization") is incorporated under the Ontario Not for Profit Corporations Act. The Organization is a registered charity dedicated to the growth of all persons in spirit, mind and body and to their sense of responsibility to each other and the global community. The Organization provides programs and services in Northeastern Ontario communities.

Income Tax The Organization 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 Organization 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 Organization 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.

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.

YMCA of Northeastern Ontario

Notes to Financial Statements

March 31, 2024

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 and watercraft	-	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 Organization 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 Organization 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 Organization 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.

YMCA of Northeastern Ontario
Notes to Financial Statements

March 31, 2024

2. Comparative Information

Certain comparative information has been reclassified to conform to current year presentation.

3. Credit Facility Agreements

The Organization has an operating line of credit for \$200,000, bearing interest at prime plus 1.00%. At year end \$Nil (2023 - \$Nil) was being used of this line of credit.

4. 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, a GIC and Exchange Traded Funds (recorded at amortized cost). The Fixed Income GIC is a prime linked cashable GIC at a variable rate. At original investment date, the GIC bore interest at 5.2% (2023 - 4.7%) and matures in March 2025 (2023 - March 2024) at a rate to be determined.

YMCA of Northeastern Ontario
Notes to Financial Statements

March 31, 2024

5. Accounts Receivable

	2024	2023
Government funding and customers	\$ 1,068,633	\$ 1,547,342
Less: allowance for doubtful accounts	(154,000)	(157,276)
	\$ 914,633	\$ 1,390,066

6. Capital Assets

	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 840,259	\$ -	\$ 840,259	\$ -
Building	16,208,567	8,009,324	15,838,180	7,943,229
Leasehold improvements	553,442	510,764	542,343	537,682
Furnishings and equipment	3,627,125	2,917,793	3,578,043	3,020,874
Computer equipment	521,656	263,970	374,054	286,386
Vehicles and watercraft	155,617	112,898	174,906	167,858
Leased Fitness equipment	685,513	666,261	685,513	643,160
	22,592,179	12,481,010	22,033,298	12,599,189
Net book value		\$ 10,111,169		\$ 9,434,109

(i) The land on which the North Bay building has been constructed is the property of the City. The Organization 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.

ii) The Organization's Durham Street Centre for Life land and building assets consist of two units of a six unit condominium structure. The City of Greater Sudbury owns the remaining units.

7. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$78,459 (2023 - \$67,941) for payroll related taxes.

YMCA of Northeastern Ontario
Notes to Financial Statements

March 31, 2024

8. Deferred Revenue

	2024	2023
Children services	\$ 2,015,909	\$ 2,760,901
Membership, programs and camps	686,895	630,770
Donations and grants	415,561	332,351
Employment	235,521	305,129
	\$ 3,353,886	\$ 4,029,151

9. 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:

	2024	2023
Balance, beginning of year	\$ 2,024,341	\$ 1,366,571
Add: contributions received during the year	936,393	753,649
Less: amounts recognized as revenue during the year	(155,723)	(95,879)
Balance, end of year	\$ 2,805,011	\$ 2,024,341

YMCA of Northeastern Ontario
Notes to Financial Statements

March 31, 2024

10. Long-term Debt

	2024	2023
\$3,783,422 loan, blended monthly payments of \$26,897, interest 7.02%, due October 15, 2025.	\$ 3,759,278	\$ -
\$3,962,819 loan, blended monthly payments of \$36,491, interest at 6.68%, due October 15, 2023.	-	3,887,622
\$28,837 government loan, yearly payments of \$9,612, zero percent interest, repayment starting June 30, 2023, due June 30, 2025.	19,224	28,837
	3,778,502	3,916,459
Less: current/callable portion	69,953	3,897,235
	\$ 3,708,549	\$ 19,224

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

2025	\$ 69,953
2026	3,708,549
	\$ 3,778,502

(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 (2023 - \$6,000,000 and \$410,000) constituting a first fixed charge on the land and improvements on certain real property.

YMCA of Northeastern Ontario
Notes to Financial Statements

March 31, 2024

11. Capital Lease Obligation

	2024	2023
Capital lease obligation - 2.13%, due February 2025, repayable in monthly principal payments of \$2,157	\$ 18,687	\$ 40,992
Less: amounts due within one year included in current liabilities	18,687	22,305
	\$ -	\$ 18,687

Obligation under capital lease is secured by fitness equipment with a carrying value of \$19,252 (2023 - \$42,353).

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

2025	\$ 21,570
Less: imputed interest	2,883
	\$ 18,687

12. Commitments

The Organization is party to an energy services agreement expiring February 6, 2040. This agreement is for the supply of chilled and hot water for the Centre for Life facility jointly owned by the organization and the City of Greater Sudbury. The agreement includes a fixed capacity charge owing regardless of water usage. The fixed capacity charge continues in the event of early termination of the agreement with the exception of default by the Supplier. The amount included in expenses in the fiscal year relating to this agreement is \$359,819 (2023 - \$337,126).

The Organization leases premises under an operating lease, which expires on August 31, 2025.

The minimum annual rental for the next two years are as follows:

2025	\$ 218,080
2026	91,800
	\$ 309,880

YMCA of Northeastern Ontario
Notes to Financial Statements

March 31, 2024

13. Financial Instrument Risk

The Organization'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 Organization'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 Organization will encounter difficulty in meeting its financial obligations as they fall due.

Credit risk

Credit risk arises principally from the Organization's accounts receivable. The Organization 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 Organization'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 Organization'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 Organization'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 Organization does not use derivative financial instruments to alter the effect of this risk.

YMCA of Northeastern Ontario
Schedule 1 - Lottery Accounts

For the year ended March 31	2024	2023
Revenue		
Bingo proceeds	\$ 62,131	\$ 53,070
Nevada proceeds	27,813	26,842
Interest income	1,410	523
	<u>91,354</u>	<u>80,435</u>
Expenses		
Prizes paid	10,362	11,326
Licenses and other	3,145	11,243
	<u>13,507</u>	<u>22,569</u>
Excess of revenues over expenses before program related expenses	77,847	57,866
Less: Program related expenses	(22,844)	(30,559)
Excess of revenues over expenses for the year	\$ 55,003	\$ 27,307