

Financial Statements

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

Year ended December 31, 2021

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

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For the year ended December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Greater Moncton Y.M.C.A Inc., which comprise the statement of financial position as at December 31, 2021, 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, 2021, 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:

INDEPENDENT AUDITOR'S REPORT, continued

- 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.

Thiel Greene

Chartered Professional Accountants
Moncton, New Brunswick
April 21, 2022

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

Statement of Financial Position

December 31, 2021

			2021	2020
	Operating Fund	Capital Fund	Total	Total
Assets				
Current assets:				
Cash	\$ 185,750	\$ -	\$ 185,750	\$ 97,333
Accounts receivable	145,608	31,755	177,363	303,376
Inventory	1,805	-	1,805	979
Prepaid expenses	43,789	-	43,789	36,549
	376,952	31,755	408,707	438,237
Restricted cash (note 7)	-	108,373	108,373	27,000
Capital assets (note 2)	-	19,089,910	19,089,910	19,808,203
	\$ 376,952	\$ 19,230,038	\$ 19,606,990	\$ 20,273,440
Liabilities and Net Assets				
Current liabilities:				
Bank indebtedness (note 3)	\$ -	\$ 758,916	\$ 758,916	\$ 1,367,385
Accounts payable and accrued liabilities	233,571	-	233,571	266,403
Custodial accounts	94,656	-	94,656	65,183
Unearned revenue	285,401	-	285,401	186,868
	613,628	758,916	1,372,544	1,885,839
Deferred contributions (note 5)	-	15,342,068	15,342,068	15,491,188
Fund balances:				
Invested in capital assets (note 6)	-	3,045,681	3,045,681	3,022,167
Unrestricted (deficit)	(236,676)	-	(236,676)	(152,754)
Internally restricted (note 7)	-	83,373	83,373	27,000
	(236,676)	3,129,054	2,892,378	2,896,413
	\$ 376,952	\$ 19,230,038	\$ 19,606,990	\$ 20,273,440

Subsequent event (note 11)

See accompanying notes to financial statements

On behalf of the Board:

Director _____ Director

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

Statement of Operations

Year ended December 31, 2021

			2021	2020
	Operating Fund (Schedule 1)	Capital Fund	Total	Total
Revenue:				
Program fees:				
Child care	\$ 817,285	\$ -	\$ 817,285	\$ 501,775
Health and wellness	1,833,622	-	1,833,622	1,433,589
	2,650,907	-	2,650,907	1,935,364
Food service sales	99,594	-	99,594	67,161
Contributions	101,830	-	101,830	119,518
Fundraising	205,447	-	205,447	197,506
Federal government	734,658	-	734,658	969,073
Provincial government	505,669	-	505,669	484,782
Provincial government, childcare fees	314,559	-	314,559	301,986
Municipal government	476,784	-	476,784	308,848
Administrative fees	376,247	-	376,247	205,641
Room rental	44,887	-	44,887	39,623
Consulting	14,753	-	14,753	9,726
Merchandise	15,636	-	15,636	10,573
Amortization of deferred contributions	-	787,640	787,640	518,160
Gain on disposal of equipment	-	30,435	30,435	7,261
Other	-	98	98	-
	5,540,971	818,173	6,359,144	5,175,222
Expenses:				
Salaries and benefits	3,253,097	-	3,253,097	2,696,481
Occupancy:				
Utilities, maintenance and repairs	756,808	-	756,808	572,258
Insurance	74,534	-	74,534	64,499
Property taxes	48,217	-	48,217	33,794
Supplies and expendables:				
Programs	415,071	-	415,071	289,639
Administration	295,297	-	295,297	161,738
Resale merchandise	9,909	-	9,909	3,335
Interest	-	36,520	36,520	246
National and area YMCA assessments	109,644	-	109,644	63,940
Advertising and promotion	42,025	-	42,025	18,638
Bad debts	11,560	-	11,560	(1,492)
Contract services	229,539	-	229,539	161,488
Telephone	15,949	-	15,949	15,036
Postage	920	-	920	1,716
Staff development	34,757	-	34,757	43,194
Travel and meals	86,828	-	86,828	14,704
Special events	354	-	354	264
Amortization of capital assets	-	942,150	942,150	650,188
	5,384,509	978,670	6,363,179	4,789,666
Excess (deficiency) of revenue over expenses	\$ 156,462	\$ (160,497)	\$ (4,035)	\$ 385,556

See accompanying notes to financial statements.

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

Statement of Changes in Fund Balances

Year ended December 31, 2021

	2021			2020	
	Operating Fund	Capital Fund	Restricted Funds (Note 7)	Total	Total
Fund balance, beginning of year	\$ (152,754)	\$ 3,022,167	\$ 27,000	\$ 2,896,413	\$ 2,510,857
Excess (deficiency) of revenue over expenses	156,462	(160,595)	98	(4,035)	385,556
Inter-fund transfer (note 6)	(240,384)	184,109	56,275	-	-
Fund balances, end of year	\$ (236,676)	\$ 3,045,681	\$ 83,373	\$ 2,892,378	\$ 2,896,413

See accompanying notes to financial statements.

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

Statement of Cash Flow

Year ended December 31, 2021

			2021	2020
	Operating Fund	Capital Fund	Total	Total
Cash provided by (used in):				
Operations:				
Excess (deficiency) of revenue over expenses	\$ 156,462	\$ (160,497)	\$ (4,035)	\$ 385,556
Amortization of capital assets	-	942,150	942,150	650,188
Amortization of deferred contributions	-	(787,640)	(787,640)	(518,160)
Gain on disposal of equipment	-	(30,435)	(30,435)	(7,261)
Net change in non-cash working capital	172,339	40,782	213,121	827,190
	328,801	4,360	333,161	1,337,513
Financing activities:				
Inter-fund transfers to fund acquisition of capital assets	(240,384)	240,384	-	-
Deferred contributions	-	638,520	638,520	4,480,662
Construction financing (repayment of)	-	(608,469)	(608,469)	360,175
	(240,384)	270,435	30,051	4,840,837
Investing activities:				
Proceeds on disposal of capital assets	-	30,435	30,435	7,261
Acquisition of capital assets	-	(223,857)	(223,857)	(6,088,541)
Increase in restricted cash	-	(81,373)	(81,373)	(27,000)
	-	(274,795)	(274,795)	(6,108,280)
Increase in cash position	88,417	-	88,417	70,070
Cash, beginning of year	97,333	-	97,333	27,263
Cash, end of year	\$ 185,750	\$ -	\$ 185,750	\$ 97,333

See accompanying notes to financial statements.

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

Notes to Financial Statements

Year ended December 31, 2021

Greater Moncton Y.M.C.A. Inc. is incorporated as a corporation without share capital under the laws of Province of New Brunswick. The Organization provides physical, cultural, social and other charitable programs for the community of Greater Moncton. The Organization is a registered charity under the Income Tax Act 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) Fund accounting:

Revenues and expenses related to program delivery and administrative activities are reported in the Operating Fund.

Revenues and expenses related to the Organization's capital assets are reported in the Capital Fund.

(c) 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.

(d) Revenue recognition:

The Organization follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable.

Contributions restricted for the construction or purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

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

Notes to Financial Statements, page 2

Year ended December 31, 2021

1. Significant accounting policies: continued

(e) Capital assets:

Capital assets are stated at cost in the Capital Fund. Amortization is provided using the straight-line basis at the following annual rates:

Asset	Rate
Building	2.5%
Equipment	20%
Paving	8%

Corresponding deferred contributions are amortized at the same rates.

(f) Contributed services:

Volunteers contribute hundreds of hours each year to the Organization in carrying out its service delivery and fund-raising activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

(g) Impairment of long-lived assets:

Long-lived assets, including capital assets, subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset.

(h) Use of estimates:

The preparation of financial statements in conformity 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 revenues and expenses during the reporting period. The significant area requiring the use of management estimates relates to the determination of impairment in the value of assets, and provision of contingencies. Actual results could differ from those estimates.

(i) Cash and cash equivalents:

The Corporation defines its cash position to consist of its petty cash, bank account balances and its operating line of credit.

(j) Allocations of revenues and expenses:

The Corporation allocates operating fund revenues and expenses between its Vaughn Harvey and North End centres as follows:

Child/adult care fees are allocated based on the location of the service. Membership revenue is allocated based on a percentage of card scans at each facility. Government funding is allocated based on the location of the programs being offered.

Salaries and wages are allocated based on departmental locations for full-time staff, and based on location of shifts worked for part-time employees. A portion of administrative staff salaries are allocated to each centre, as are any shared contract services. Other expenses are allocated based on specific locations to which they applied.

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

Notes to financial statements, page 3

Year ended December 31, 2021

2. Capital assets:

			2021	2020
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 309,101	\$ -	\$ 309,101	\$ 309,101
Building	22,237,756	4,820,483	17,417,273	17,835,653
Equipment	4,013,027	2,886,707	1,126,320	1,403,720
Paving	318,938	81,722	237,216	259,729
	\$ 26,878,822	\$ 7,788,912	\$ 19,089,910	\$ 19,808,203

3. Bank indebtedness:

The bank has provided a credit facility which provides a demand operating credit line of \$750,000 bearing interest at the lender's prime rate as well as a revolving line of credit of up to \$3 million bearing interest at the lenders prime rate plus 1.25% to finance construction of the North End Centre. The credit facility is secured by a General Security Agreement creating a first priority interest in all present and future undertakings and personal property of the Organization; a collateral mortgage of \$8 million conveying a first priority mortgage over properties located at 30 War Veterans Avenue, Moncton; assignment of fire insurance; and assignment of all present and future pledges committed to the YMCA building.

4. The Greater Moncton Y.M.C.A. Foundation Inc.:

The Moncton Y.M.C.A. Foundation Inc. was established to receive and invest donations and to make contributions from revenue earned to the charitable activities of the Organization. The Organization neither controls nor exerts significant influence over the Foundation. The Foundation is incorporated under the laws of New Brunswick and is a registered charity under the Income Tax Act. As at December 31, 2021 its fiscal period end, the Foundation reported in its audited financial statements that its total assets were \$1,061,732 and its total liabilities were \$5,950.

During the year, the Organization received contributions for operations of \$40,030 and a capital contribution of \$50,000 towards the North End Centre from the Foundation (2020 - \$40,000 operations).

5. Deferred contributions:

			2021	2020
	Cost	Accumulated amortization	Net	Net
Vaughn Harvey	\$ 9,065,723	\$ 4,949,148	\$ 4,116,575	\$ 4,375,231
North End	11,959,653	785,435	11,174,218	11,090,957
Facility life-cycle improvement (note 7)	51,275	-	51,275	25,000
	\$ 21,076,651	\$ 5,734,583	\$ 15,342,068	\$ 15,491,188

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

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Year ended December 31, 2021

6. Investment in capital assets:

(a) Investment in capital assets is calculated as follows:

	2021	2020
Capital assets:	\$ 19,089,910	\$ 19,808,203
Amounts financed by:		
Deferred contributions	(15,290,793)	(15,466,188)
Accounts receivable and accounts payable	5,480	47,537
Bank indebtedness	(758,916)	(1,367,385)
	\$ 3,045,681	\$ 3,022,167

(b) Change in net assets invested in capital assets is calculated as follows:

	2021	2020
Deficiency of revenues over expenses:		
Capital contributions	\$ -	\$ 50,000
Gain on disposal of equipment	30,435	7,261
Amortization of deferred contributions related to capital assets	787,640	518,160
Other	98	-
Amortization of capital assets	(942,150)	(650,188)
Interest	(36,520)	-
	\$ (160,497)	\$ (74,767)

	2021	2020
Net change in investment in capital assets:		
Purchase of capital assets	\$ (223,857)	\$ (6,088,541)
Proceeds on disposal of capital assets	30,435	7,261
Amounts funded by:		
Working capital	(77,013)	944,442
Deferred contributions	638,520	4,455,662
Construction financing	(608,469)	360,175
Capital contributions	-	50,000
Inter-fund transfers	\$ (240,384)	\$ (271,001)

7. Restricted funds:

The Corporation is party to an externally restricted facility life-cycle and improvement fund for the North End Centre as a result of its agreement with the City of Moncton. Both the Corporation and the City are to contribute \$25,000 per year to the fund, indexed to the annual increase in the non-residential Construction Price Index, which is to be used only for capital maintenance, repairs and improvements of the Centre. As of December 31, 2021, the fund balance was \$102,648, (2020-\$50,000) of which \$51,373 is recorded as restricted net assets and \$51,275 is recorded as deferred contributions.

The Corporation has also established an internally restricted fund of a similar nature for its Vaughn Harvey facility, with allocations to be made from time to time as designated by the Corporation's Board of Directors. As of December 31, 2021, the fund balance was \$32,000.

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

Notes to Financial Statements, page 6

Year ended December 31, 2021

8. Pension plan:

The Organization is a member of the Canadian YMCA Retirement Fund, which operates as a defined contribution pension plan. Full-time employees of the Organization are required to join the plan following two years of continuous service. Pension plan members are required to make regular contributions, by payroll deduction, of an amount equal to 5% of their earnings, which is matched by the Organization. Pension plan members with more than five years of service may elect to contribute up to 9%, which is matched by the Organization.

In 2021, the Organization contributed \$ 79,913 (2020 - \$ 72,316) to the plan.

9. Financial instruments:

The Corporation is exposed to various risks through its financial instruments. The following analysis provides information about the Corporation's risk exposure and concentration as of December 31, 2021.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Corporation is exposed to credit risk from customers. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Corporation has a significant number of customers which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation is exposed to this risk mainly in respect of its receipt of funds from its members and other related sources, bank indebtedness and accounts payable.

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 rate risk, interest rate risk and other price risk. The Corporation is mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Corporation manages exposure through its normal operating and financing activities. The Corporation is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

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

Notes to Financial Statements, page 7

Year ended December 31, 2021

10. North End Centre:

The Corporation has signed an agreement with the City of Moncton covering a 20 year term to operate a fitness and community centre in Moncton's North End, during which the City has agreed to cover 18% of the centre's operating expenses, as well as 50% of the total amount of any operational deficit incurred by the Centre in any given year

The City will also contribute \$25,000 per year to the Centre's facility life-cycle and improvement fund, indexed to inflation, which will be matched by the Corporation (note 7)

For the year ended December 31, 2021, the City's share of operating expenses was \$226,636 (2020 - \$74,474), and its share of the operational deficit was \$7,553 (2020 - \$47,774), both of which are included in municipal government revenue. Its contribution to the facility life-cycle and improvement fund has been recorded as a deferred contribution.

11. Covid -19 Impact:

In March 2020, the World Health Organization declared a global pandemic due to COVID-19. The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies. The duration and impact remains unclear at this time. It is not possible to reliably estimate the duration and severity of the consequences as well as their impact on the financial position and results of the Corporation in future periods.

As a result of the pandemic, the Corporation closed its health and wellness facilities from January 6 until February 12, 2021, and again subsequent to year end from January 15 until January 29, 2022. Childcare and community programs continued to be offered throughout the facility closure.

The Corporation has determined that these are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2021 have not been adjusted to reflect their impact.

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

Schedule 1

Operating Fund – Allocations by Facility

Year ended December 31, 2021

	Vaughan Harvey	North End	Total
Revenue:			
Program fees:			
Child care	\$ 573,677	\$ 243,608	\$ 817,285
Health and wellness	1,407,422	426,200	1,833,622
	1,981,099	669,808	2,650,907
Food service sales	99,594	-	99,594
Contributions	101,830	-	101,830
Fundraising	112,712	92,735	205,447
Federal government	556,153	178,505	734,658
Provincial government	452,028	53,641	505,669
Provincial government, childcare fees	301,233	13,326	314,559
Municipal government	242,595	234,189	476,784
Administrative fees	376,247	-	376,247
Room rental	36,147	8,740	44,887
Consulting	14,753	-	14,753
Merchandise	15,051	585	15,636
	4,289,442	1,251,529	5,540,971
Expenses:			
Salaries and benefits	2,527,533	725,564	3,253,097
Occupancy:			
Utilities, maintenance and repairs	547,001	209,807	756,808
Insurance	56,642	17,892	74,534
Property taxes	26,812	21,405	48,217
Supplies and expendables:			
Programs	365,708	49,363	415,071
Administration	143,104	152,193	295,297
Resale merchandise	9,909	-	9,909
National and area YMCA assessments	109,644	-	109,644
Advertising and promotion	25,386	16,639	42,025
Bad debts	11,571	(11)	11,560
Contract services	180,139	49,400	229,539
Telephone	12,646	3,303	15,949
Postage	876	44	920
Staff development	23,458	11,299	34,757
Travel and meals	84,644	2,184	86,828
Special events	354	-	354
	4,125,427	1,259,082	5,384,509
Excess (deficiency) of revenue over expenses	\$ 164,015	\$ (7,553)	\$ 156,462

See accompanying notes to financial statements.