

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

Financial Statements  
December 31, 2023

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

## **Index to the Financial Statements**

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Year ended December 31, 2023

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	Pages
Independent Auditor's Report	
Statement of Financial Position	1
Statement of Operations	2
Statement of Changes in funds balances	3
Statement of Cash Flows	4
Notes to Financial Statements	
Department of Social Development Revenue Reconciliation and Details of Non-Transferable Expenditures	
Schedule 1 - Operating fund - allocations by facility	10

## INDEPENDENT AUDITOR'S REPORT

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### To the Members of 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, 2023, 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, 2023, 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 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 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 concern, disclosing, as applicable, matters related to going concern and using the going concern basis of account in 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 organization's financial reporting process.

## INDEPENDENT AUDITOR'S REPORT

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### *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.

*Thiel Greene*

### **CHARTERED PROFESSIONAL ACCOUNTANTS**

Moncton, NB  
April 18, 2024

**GREATER MONCTON Y.M.C.A. INC.**  
**Statement of Financial Position**

1

For the year ended December 31                      Operating Fund                      Capital Fund                      2023                      2022

**ASSETS**

**Current assets**

Cash	\$	716,733	\$	-	\$	716,733	\$	364,725
Accounts receivable		157,220		35,831		193,051		436,191
Inventory		1,665		-		1,665		6,037
Prepaid expenses		54,837		-		54,837		55,997
		930,455		35,831		966,286		862,950
Restricted cash (Note 7)		-		354,711		354,711		166,305
Capital assets (Note 2)		-		18,376,835		18,376,835		18,513,878
	\$	930,455	\$	18,767,377	\$	19,697,832	\$	19,543,133

**LIABILITIES and NET ASSETS**

**Current liabilities**

Accounts payable and accrued liabilities	\$	347,860	\$	-	\$	347,860	\$	382,102
Bank loan		-		-		-		505,410
Custodial accounts		133,890		-		133,890		100,044
Unearned revenue		647,770		-		647,770		391,956
		1,129,520		-		1,129,520		1,379,512
Deferred contributions (Note 5)		-		14,595,993		14,595,993		14,987,701
Fund Balances:								
Invested in capital assets (Note 6)		-		3,897,374		3,897,374		3,126,070
Unrestricted (deficit)		(199,065)		-		(199,065)		(65,180)
Internally restricted (Note 7)		-		274,010		274,010		115,030
		(199,065)		4,171,384		3,972,319		3,175,920
	\$	930,455	\$	18,767,377	\$	19,697,832	\$	19,543,133

**Commitment**

**On Behalf of the Board**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

See accompanying notes to the financial statements.

**GREATER MONCTON Y.M.C.A. INC.**  
**Statement of Operations**

2

For the year ended December 31	Operating Fund (Schedule 1)	Capital Fund	2023 Total	2022 Total
<b>REVENUE</b>				
Program fees:				
Child care	\$ 882,240	\$ -	\$ 882,240	\$ 882,331
Health and wellness	3,148,278	-	3,148,278	2,403,854
	4,030,518	-	4,030,518	3,286,185
Food service sales	95,403	-	95,403	153,291
Contributions	164,849	-	164,849	47,759
Fundraising	348,628	-	348,628	170,990
Federal government	299,556	-	299,556	432,460
Provincial government	2,921,062	-	2,921,062	1,178,162
Provincial government, childcare fees	588,238	-	588,238	475,585
Municipal government	796,926	-	796,926	569,016
Administrative fees	878,099	-	878,099	429,186
Room rental	33,330	-	33,330	47,155
Consulting	19,100	-	19,100	28,043
Merchandise	34,746	-	34,746	22,393
Amortization of deferred contributions	-	819,673	819,673	762,162
Gain (loss) on sale of capital assets	-	8,826	8,826	-
Other	9,667	8,980	18,647	3,742
	10,220,122	837,479	11,057,601	7,606,129
<b>EXPENSES</b>				
Salaries and benefits	5,301,291	-	5,301,291	3,764,763
Occupancy:				
Utilities, maintenance and repairs	1,136,735	-	1,136,735	938,551
Insurance	115,805	-	115,805	93,805
Property taxes	44,318	-	44,318	46,386
Supplies and expenditures:				
Programs	585,060	-	585,060	566,919
Administration	725,445	-	725,445	334,365
Resale merchandise	18,014	-	18,014	7,218
Interest	-	4,327	4,327	33,045
National and area YMCA assessments	168,624	-	168,624	113,184
Advertising and promotion	66,592	-	66,592	31,796
Bad debts	1,429	-	1,429	1,014
Contract services	851,830	-	851,830	337,871
Telephone	22,078	-	22,078	18,552
Postage	547	-	547	1,509
Staff development	156,668	-	156,668	72,093
Travel and meals	26,740	-	26,740	32,173
Special events	13,187	-	13,187	8,748
Amortization of capital assets	-	1,022,512	1,022,512	920,595
	9,234,363	1,026,839	10,261,202	7,322,587
<b>Excess (deficiency) of revenues over expenses</b>	<b>\$ 985,759</b>	<b>\$ (189,360)</b>	<b>\$ 796,399</b>	<b>\$ 283,542</b>

See accompanying notes to the financial statements.

**GREATER MONCTON Y.M.C.A. INC.**  
**Statement of Changes In Fund Balances**

3

For the year ended December 31	Operating Fund	Capital Fund	Restricted Funds (Note 7)	2023 Total	2022 Total
<b>FUND BALANCE, BEGINNING OF YEAR</b>	\$ (65,180)	\$ 3,126,070	\$ 115,030	\$ 3,175,920	\$ 2,892,376
Excess (deficiency) of revenue over expenses	985,759	(198,340)	8,980	796,399	283,542
Inter-fund transfer (Note 6)	(1,119,644)	969,644	150,000	-	-
<b>FUND BALANCE, END OF YEAR</b>	\$ (199,065)	\$ 3,897,374	\$ 274,010	\$ 3,972,319	\$ 3,175,918

See accompanying notes to the financial statements.

**GREATER MONCTON Y.M.C.A. INC.**  
**Statement of Cash Flow**

4

For the year ended December 31	Operating Fund	Capital Fund	2023 Total	2022 Total
Cash provided by (used in):				
<b>OPERATING ACTIVITIES</b>				
Excess (deficiency) of revenues over expenses	\$ 985,759	\$ (189,360)	\$ 796,399	\$ 283,542
Amortization of capital assets	-	1,022,512	1,022,512	920,595
Amortization of deferred contributions	-	(819,673)	(819,673)	(762,163)
Gain on disposal of equipment	-	(8,826)	(8,826)	-
Net change in non-cash working capital	485,893	18,199	504,092	(14,794)
	1,471,652	22,852	1,494,504	427,180
<b>INVESTING ACTIVITIES</b>				
Proceeds on disposal of capital assets	-	8,826	8,826	-
Acquisition of capital assets	-	(885,469)	(885,469)	(344,563)
Increase in restricted cash	-	(188,408)	(188,408)	(57,932)
	-	(1,065,051)	(1,065,051)	(402,495)
<b>FINANCING ACTIVITIES</b>				
Inter-fund transfers to fund acquisition of capital assets	(1,119,644)	1,119,644	-	-
Deferred contributions	-	427,965	427,965	407,796
Construction financing (repayment of)	-	(505,410)	(505,410)	(253,506)
	(1,119,644)	1,042,199	(77,445)	154,290
<b>Increase (decrease) in cash</b>	<b>352,008</b>	<b>-</b>	<b>352,008</b>	<b>178,975</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>364,725</b>	<b>-</b>	<b>364,725</b>	<b>185,750</b>
<b>CASH, END OF YEAR</b>	<b>\$ 716,733</b>	<b>\$ -</b>	<b>\$ 716,733</b>	<b>\$ 364,725</b>

See accompanying notes to the financial statements.



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For the year ended December 31, 2023

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## **NATURE OF OPERATIONS**

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 (ASNFPPO).

#### **(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 or 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 expensed 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.

#### **(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:

<b>Asset</b>	<b>Rate</b>
Buildings	2.5%
Equipment	20%
Paving	8%

#### **(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.

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For the year ended December 31, 2023

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**1. SIGNIFICANT ACCOUNTING POLICIES, continued**

**(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 Vaughan 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.

For the year ended December 31, 2023

**2. CAPITAL ASSETS**

	Cost	Accumulated Amortization	2023 Net Book Value	2022 Net Book Value
Land	\$ 309,191	\$ -	\$ 309,191	\$ 309,191
Building	22,965,573	5,952,583	17,012,990	17,081,958
Equipment	4,347,092	3,622,042	725,050	905,968
Paving	487,088	157,484	329,604	216,760
	<b>\$ 28,108,944</b>	<b>\$ 9,732,109</b>	<b>\$ 18,376,835</b>	<b>\$ 18,513,877</b>

**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, 2023 its fiscal period end, the Foundation reported in its audited financial statements that its total assets were \$820,601 and its total liabilities were \$6,450.

During the year, the Organization received contributions for operations of \$40,000 and a capital contribution of \$50,000 towards the North End Centre from the Foundation (2022 - \$40,000 operations and \$100,000 capital contribution).

**5. DEFERRED CONTRIBUTIONS**

	Cost	Accumulated amortization	2023 Net	2022 Net
Vaughan Harvey	\$ 9,248,392	\$ 5,502,890	\$ 3,745,502	\$ 3,918,518
North End	11,247,332	508,149	10,739,183	10,988,480
Facility life-cycle improvement (Note 7)	111,308	-	111,308	80,703
Balance, end of year	<b>\$ 20,607,032</b>	<b>\$ 6,011,039</b>	<b>\$ 14,595,993</b>	<b>\$ 14,987,701</b>

For the year ended December 31, 2023

**6. INVESTED IN CAPITAL ASSETS**

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

Capital assets:	\$ 18,376,835	\$ 18,513,878
Amounts financed by:		
Deferred contributions	(14,484,685)	(14,906,998)
Accounts receivable and accounts payable	5,224	24,600
	\$ 3,897,374	\$ 3,631,480

(b) Changes in net assets invested in capital assets are calculated as follows:

Deficiency of revenues over expenses:		
Gain on disposal of equipment	\$ 8,826	\$ -
Amortization of deferred contributions related to capital assets	819,673	762,162
Other	8,980	2,228
Amortization of capital assets	(1,022,512)	(920,595)
Interest	(4,327)	(33,045)
	(189,360)	(189,250)
Net change in investment in capital assets:		
Purchase of capital assets	\$ (885,470)	\$ (344,563)
Proceeds on disposal of capital assets	8,826	-
Amounts funded by:		
Working capital	(129,298)	(111,022)
Deferred contributions	391,708	407,796
Construction financing	(505,410)	(253,506)
Inter-fund transfers	\$ (1,119,644)	\$ (301,295)

**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, 2023, the fund balance was \$222,616 (2022 - \$161,406) of which is \$111,308 recorded as restricted net assets and \$111,308 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, 2023, the fund balance was \$162,701 (2022 - \$34,325).

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For the year ended December 31, 2023

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**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 2023, the Organization contributed \$95,235 (2022 - \$80,970) to the plan.

**9. FINANCIAL INSTRUMENTS**

The Corporation is exposed to various risks through its financial instruments. The following analysis provides information about the company's risk exposure and concentration as of December 31, 2023.

**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.

**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, 2023, the City's share of operating expenses was \$301,559 (2022 - \$245,820), and its share of the operational deficit was \$nil (2022 - \$nil), 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.

# Operating Fund- Allocations by Facility

## Schedule 1

For the year ended December 31, 2023	Vanghan Harvey	North End	Total
<b>REVENUE</b>			
Program fees:			
Child care	\$ 537,155	\$ 345,085	\$ 882,240
Health and wellness	2,525,708	622,570	3,148,278
	3,062,863	967,655	4,030,518
Food service sales	95,403	-	95,403
Contributions	164,849	-	164,849
Fundraising	189,994	158,634	348,628
Federal government	239,830	59,726	299,556
Provincial government	2,784,750	136,312	2,921,062
Provincial government, childcare fees	537,405	50,833	588,238
Municipal government	495,369	301,557	796,926
Administrative fees	878,099	-	878,099
Room rental	28,492	4,838	33,330
Consulting	19,100	-	19,100
Merchandise	33,085	1,661	34,746
Other	9,667	-	9,667
	8,538,906	1,681,216	10,220,122
<b>EXPENSES</b>			
Salaries and benefits	4,340,164	961,127	5,301,291
Occupancy:			
Utilities, maintenance and repairs	875,758	260,977	1,136,735
Insurance	72,943	42,862	115,805
Property taxes	24,647	19,671	44,318
Supplies and expendables:			
Programs	539,291	45,769	585,060
Administration	555,140	170,305	725,445
Resale merchandise	18,014	-	18,014
National and area YMCA assessments	93,862	74,762	168,624
Advertising and promotion	53,088	13,504	66,592
Bad debts	1,120	309	1,429
Contract services	788,134	63,696	851,830
Telephone	18,153	3,925	22,078
Postage	547	-	547
Staff development	141,669	14,999	156,668
Travel and meals	23,283	3,457	26,740
Special events	13,187	-	13,187
	7,559,000	1,675,363	9,234,363
<b>Excess of revenue over expenses</b>	<b>\$ 979,906</b>	<b>\$ 5,853</b>	<b>\$ 985,759</b>