

YMCA Canada

Financial Statements

December 31, 2024

Independent auditor's report

Doane Grant Thornton LLP
11th Floor
200 King Street West, Box 11
Toronto, ON
M5H 3T4
T +1 416 366 0100
F +1 416 360 4949

To the Members of YMCA Canada

Opinion

We have audited the financial statements of YMCA Canada (the "Association"), which comprise the statement of financial position as at December 31, 2024, and 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 December 31, 2024, 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 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 these 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.



Toronto, Canada
March 7, 2025

Chartered Professional Accountants
Licensed Public Accountants

YMCA Canada

Statement of Financial Position

As at December 31

	2024 \$	2023 \$
Assets		
Current assets		
Cash (note 3)	6,150,190	6,210,804
Accounts receivable	764,486	694,860
Prepaid expenses	296,807	196,815
	<u>7,211,483</u>	<u>7,102,479</u>
Investments (note 4(a))	26,903,841	24,122,876
Capital assets (note 5)	877,027	1,015,085
Other long-term assets (note 6)	195,974	139,628
	<u>35,188,325</u>	<u>32,380,068</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 3)	1,739,432	1,350,230
Deferred contributions (note 7)	1,319,644	2,644,408
	<u>3,059,076</u>	<u>3,994,638</u>
Other long-term liabilities (note 8)	833,706	62,128
	<u>3,892,782</u>	<u>4,056,766</u>
Net Assets		
Endowments (note 9)		
Externally restricted	2,415,216	2,409,845
Internally restricted	17,646,792	15,506,566
Internally restricted reserves	6,456,409	7,068,917
Unrestricted	3,900,099	2,322,889
Invested in capital assets	877,027	1,015,085
	<u>31,295,543</u>	<u>28,323,302</u>
	<u>35,188,325</u>	<u>32,380,068</u>

Commitments (note 11)

On behalf of the Board:



Director



Director

See accompanying notes to the financial statements.

YMCA Canada

Statement of Operations

For the year ended December 31

	2024 \$	2023 \$
Revenue		
Allocations from YMCA Member Associations	12,737,273	11,246,764
Recoveries from YMCA Member Associations	3,124,912	983,359
Government grants	1,371,065	4,524,909
Dividend income (note 4(b))	782,439	1,413,558
National meetings, training, and services	772,533	451,257
Interest and other income	446,727	276,889
Foundation and other grants	309,531	266,337
Contributions	55,983	142,821
	<u>19,600,463</u>	<u>19,305,894</u>
Expenses		
Salaries and employee benefits	4,538,372	3,970,923
Travel and meetings (note 15)	2,322,272	1,548,626
Purchased services (note 15)	2,285,782	1,690,624
YMCA Resource Development Centre payments	2,274,569	2,194,316
Marketing and promotion	2,144,143	53,646
Communication and technology	1,238,338	1,114,486
YMCA Lead and other YMCA Member Association agreements	1,039,992	820,000
Grants distributed (note 15)	1,030,334	3,975,139
Rent and office	651,308	459,918
World YMCA services	638,729	379,471
Affiliations, professional services, and insurance	321,128	284,119
Amortization of capital assets	138,058	92,679
YMCA Resource Development Centre support	114,289	134,018
Bad debt expense (recovery) on YMCA Member Association charges	(231,109)	(525,246)
	<u>18,506,205</u>	<u>16,192,719</u>
Excess of revenue over expenses before the undernoted	1,094,258	3,113,175
Realized gain on sale of investments (note 4(b))	2,052,036	-
Change in fair value of investments (note 4(b))	(179,424)	764,461
Excess of revenue over expenses for the year	<u>2,966,870</u>	<u>3,877,636</u>

See accompanying notes to the financial statements.

YMCA Canada

Statement of Changes in Net Assets

For the year ended December 31

						2024	2023
	External restricted endowments \$	Internally restricted endowments \$	Internally restricted reserves \$	Unrestricted \$	Invested in capital assets \$	Total \$	Total \$
Balance – Beginning of year	2,409,845	15,506,566	7,068,917	2,322,889	1,015,085	28,323,302	24,438,166
Excess (deficiency) of revenue over expenses for the year	-	-	(815,359)	3,920,287	(138,058)	2,966,870	3,877,636
Endowment contributions	5,371	-	-	-	-	5,371	7,500
Net asset transfers:							
Investment income transfer in accordance with board policy (note 4)	-	2,140,226	-	(2,140,226)	-	-	-
Other transfers	-	-	202,851	(202,851)	-	-	-
Balance – End of year	2,415,216	17,646,792	6,456,409	3,900,099	877,027	31,295,543	28,323,302

See accompanying notes to the financial statements.

YMCA Canada

Statement of Cash Flows

For the year ended December 31

	2024 \$	2023 \$
Operating activities		
Excess of revenue over expenses for the year	2,966,870	3,877,636
Non-cash items		
Dividend income reinvested	(782,439)	(1,413,558)
Amortization of capital assets	138,058	92,679
Amortization of deferred lease inducement	(80,730)	-
Gain on sale of investments	(2,052,036)	-
Change in fair value of investments	179,424	(764,461)
	<u>369,147</u>	<u>1,792,296</u>
Change in non-cash working capital balances related to operations		
Accounts receivable	(69,626)	(44,567)
Prepaid expenses	(99,992)	(37,882)
Accounts payable and accrued liabilities	389,202	919,683
Deferred contributions	(1,450,678)	(1,808,236)
	<u>(861,947)</u>	<u>821,294</u>
Investing activities		
Purchase of capital assets	-	(1,074,050)
Change in other long-term assets	(56,346)	(39,422)
Change in other long-term liabilities	45,008	25,595
	<u>(11,338)</u>	<u>(1,087,877)</u>
Financing activities		
Receipt of lease inducement included in other long-term liabilities	807,300	-
Endowment contributions	5,371	7,500
	<u>812,671</u>	<u>7,500</u>
Change in cash during the year	(60,614)	(259,083)
Cash, beginning of year	<u>6,210,804</u>	<u>6,469,887</u>
Cash, end of year	<u><u>6,150,190</u></u>	<u><u>6,210,804</u></u>
Non-cash transactions		
Impact of externally restricted investment income on externally restricted endowment funds on:		
Deferred contributions (note 9)	(125,914)	(156,254)
Investments	125,914	156,254

See accompanying notes to the financial statements.

YMCA Canada

Notes to Financial Statements

December 31, 2024

1 Nature of organization

The National Council of Young Men's Christian Associations of Canada, which operates as YMCA Canada, is continued under the Canada Not-for-Profit Corporations Act. YMCA Canada is registered as a charitable organization and, as such, is exempt from income taxes under the Income Tax Act (Canada).

YMCA Canada is the national office of the Canadian YMCA Federation made up of 35 YMCA and 2 YMCA-YWCA Member Associations (Member Associations). YMCA Canada is a community-based charity, which has provided vital services to Canadians for over 160 years so they can enjoy healthy and active lives. YMCA Canada fosters supportive and inclusive spaces where people feel a sense of belonging that helps them achieve greater health and well-being.

As part of a federated entity, YMCA Canada represents Canadian YMCAs and YMCA-YWCAs nationally, fostering the development of strong Member Associations by encouraging collaborative initiatives, protecting and enhancing the reputation of the YMCA and advocating on behalf of Member Associations regionally, nationally, and internationally. YMCA Canada receives revenue from Member Associations through Federation membership allocations, fees for attending meetings, conferences, and training, and fees for other value-add services. YMCA Canada may also reimburse Member Associations for expenses incurred when conducting business on behalf of YMCA Canada.

2 Summary of significant accounting policies

The financial statements are prepared in accordance with Part III of the Chartered Professional Accountants of Canada Handbook – Accounting, which sets out Canadian accounting standards for not-for-profit organizations (ASNPO) and includes the significant accounting policies set out below.

Net assets

Net assets include the following balances:

- **Endowments** – Endowments consist of externally restricted amounts where the endowment principal is to be maintained indefinitely and internally restricted amounts that the board has internally restricted for endowment purposes.
- **Internally restricted reserves** – Internally restricted reserves comprise amounts restricted by the board of directors for future use.
- **Unrestricted** – Unrestricted net assets represent unrestricted resources available for immediate purposes.
- **Invested in capital assets** – Net assets shown as invested in capital assets represent the net investment in YMCA Canada's capital assets as described in note 5. Amounts required for the purchase of capital assets or representing donated capital assets are financed from unrestricted net assets or internally restricted reserves.

Revenue recognition

Allocations, fees for services, and recoveries from YMCA Member Associations are recognized in the year to which the amounts relate or when costs are incurred. Fees for national meetings and training are recognized in the year during which the event is held or the training is provided.

YMCA Canada

Notes to Financial Statements

December 31, 2024

2 Summary of significant accounting policies (continued)

Revenue recognition (continued)

YMCA Canada follows the deferral method of accounting for contributions, which include donations, government foundation, other grants and investment income earned on externally restricted endowments. Externally restricted contributions, including externally restricted investment income earned on externally restricted endowments are initially deferred when received and are not recognized until the year in which the related expenses are incurred. Externally restricted endowment contributions are recognized as direct increases in net assets. Unrestricted contributions are recognized when received since pledges are not legally enforceable claims.

When a YMCA Member Association is engaged by YMCA Canada to deliver programing related to government grants, and YMCA Canada is determined to be acting as a principal in the agreement, revenue is recorded on a gross basis.

Financial instruments

The Association records cash, accounts receivable and accounts payable initially at fair value and subsequently measures them at amortized cost, net of any provisions for impairment.

Investments are recorded at fair value with transaction costs initially and subsequently expensed as incurred. All investment transactions are recorded on a trade date basis.

Capital assets

Purchased capital assets are stated at acquisition cost. Contributed capital assets are recorded at fair value at the date of contribution.

Amortization is provided on a straight-line basis over the estimated useful lives of the assets when brought into use as follows:

Leasehold improvements	over term of lease
Office equipment	5 years
Computer equipment	3 years

YMCA Canada reviews the carrying amount, amortization, and useful lives of its long-lived assets regularly. If the long-lived asset no longer has any long-term service potential, the excess of the net carrying amount over fair values or replacement cost is recognized as an expense in the statement of operations.

Lease inducements

Payments received from landlords for leasehold improvements are deferred and accounted for as a reduction in rent expense over the term of the lease.

Pension plan

Contributions to the Canadian YMCA Retirement Fund, a multi-employer defined contribution pension plan, are expensed on an accrual basis.

YMCA Canada

Notes to Financial Statements

December 31, 2024

2 Summary of significant accounting policies (continued)

Contributed materials and services

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

Use of estimates

The financial statements of YMCA Canada have been prepared by management in accordance with ASNPO, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and revenue and expenses for the reporting period. Actual results could differ from those estimates. Significant items requiring estimates include the allowance for doubtful accounts, fair value of investments, and the estimated useful lives of capital assets.

3 Cash

Cash of \$964,664 (2023 – \$720,346) is externally restricted. This amount comprises contributions of \$nil (2023 - \$49,421) collected on behalf of Member Associations that will be paid out in the future and \$964,664 (2023 - \$670,925) will be used to fund future events and operations of the YMCA North American Networks and the YMCA Mid-Majors; a corresponding amount is included in accounts payable and accrued liabilities.

Line of credit

YMCA Canada has an unsecured \$500,000 revolving line of credit with interest payable at the bank's prime rate plus 0.50%. As at December 31, 2024 and 2023, no amounts had been drawn on the line of credit.

4 Investments

- a) YMCA Canada's investment portfolio consists of units of various funds and limited partnership units managed by Mawer Investment Management Ltd. As at December 31, the mix of assets held in those funds is as follows:

	2024		2023	
	\$	%	\$	%
Canadian equities	3,456,157	13	4,333,463	18
Global equities	12,093,469	45	9,754,490	40
Private equities	1,098,055	4	-	-
Fixed income	10,256,160	38	10,034,923	42
	<u>26,903,841</u>	<u>100</u>	<u>24,122,876</u>	<u>100</u>

YMCA Canada

Notes to Financial Statements

December 31, 2024

4 Investments (continued)

b) The investment income (loss) recorded in the statement of operations is calculated as follows:

	2024 \$	2023 \$
Investment income	2,847,143	2,395,441
Less: management fees	(66,178)	(61,168)
	<u>2,780,965</u>	<u>2,334,273</u>
Less: Externally restricted investment loss (income) on externally restricted endowment funds recognized as deferred contributions (notes 2, 7, 9)	(125,914)	(156,254)
	<u>2,655,051</u>	<u>2,178,019</u>
Net investment income recognized in the statement of operations		
	<u>2,655,051</u>	<u>2,178,019</u>
Net investment income recognized in the statement of operations is reflected as:		
Dividend income	782,439	1,413,558
Realized gain on sale of investments	2,052,036	-
Change in fair value of investments	(179,424)	764,461
	<u>2,655,051</u>	<u>2,178,019</u>

It is board policy that the net investment income recognized in the statement of operations, less amounts approved for spending, are transferred from unrestricted net assets to internally restricted endowments each year (note 9).

Rebalancing of investments occurred in 2024 resulting in a concurrent sale and purchase of investments totalling \$26,174,912 (2023 - \$nil) which resulted in a realized gain on sale of investments of \$2,052,036 (2023 - \$nil).

5 Capital assets

Capital assets consist of the following:

			2024	2023
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Leasehold improvements	884,916	(140,112)	744,804	831,262
Office equipment	173,297	(54,877)	118,420	152,283
Computer equipment	47,127	(33,324)	13,803	31,540
	<u>1,105,340</u>	<u>(228,313)</u>	<u>877,027</u>	<u>1,015,085</u>

YMCA Canada

Notes to Financial Statements

December 31, 2024

6 Other long-term assets

	2024 \$	2023 \$
Prepaid deposits for future events	92,500	77,500
Other assets	103,474	62,128
	<u>195,974</u>	<u>139,628</u>

7 Deferred contributions

Deferred contributions represent unspent externally restricted donations, government grants and externally restricted investment income earned on externally restricted endowments. The changes in the deferred contribution balance are as follows:

	2024 \$	2023 \$
Balance, beginning of year	2,644,408	4,296,390
Amounts received during the year	288,575	4,199,950
Amounts repaid during the year	(64,278)	(1,225,322)
Externally restricted investment income on externally restricted endowment funds (notes 2, 4(b), 9)	125,914	156,254
Amounts recognized in the year	<u>(1,674,975)</u>	<u>(4,782,864)</u>
Balance, end of year	<u>1,319,644</u>	<u>2,644,408</u>

Included in deferred contributions is \$nil (2023 - \$1,020,785) related to government grants.

8 Other long-term liabilities

	2024 \$	2023 \$
Deferred lease inducement	679,477	-
Other liabilities	154,229	62,128
	<u>833,706</u>	<u>62,128</u>

9 Endowments

Endowments consist of externally restricted amounts where the endowment principal is to be maintained intact indefinitely and internally restricted amounts that the board of directors has internally restricted for endowment purposes. The investment income generated from assets held for endowment purposes must be used in accordance with the various purposes established by the donors or the board of directors.

YMCA Canada

Notes to Financial Statements

December 31, 2024

9 Endowments (continued)

Endowments comprise the following:

	2024 \$	2023 \$
Externally restricted:		
Endowed balance on which investment income earned is restricted	1,464,595	1,464,595
Endowed balance on which investment income earned is unrestricted	950,621	945,250
	<u>2,415,216</u>	<u>2,409,845</u>
Internally restricted by the board of directors	17,646,792	15,506,566
	<u>20,062,008</u>	<u>17,916,411</u>

The externally restricted investment income earned on externally restricted endowments is recorded as a direct increase to deferred contributions to be spent in accordance with the related restrictions. In 2024, the externally restricted investment income on externally restricted endowments was \$125,914 (2023 – \$156,254) (note 4(b)) which was recorded as an increase to deferred contributions.

All other investment income earned is recorded in the statement of operations.

10 Internally restricted reserves

Internally restricted reserves comprise amounts restricted by the board of directors for future use as follows:

	2024 \$	2023 \$
Stabilization reserve	2,200,000	2,200,000
Technology reserve	684,116	684,116
Strategic plan reserve	3,000,000	3,000,000
Reserves for future events and programs	572,293	1,184,801
	<u>6,456,409</u>	<u>7,068,917</u>

11 Commitments

YMCA Canada has entered into a lease commitment for the rental of office space until May 2033. The minimum future annual lease payments, including estimated property taxes and operating costs, are estimated as follows:

YMCA Canada

Notes to Financial Statements

December 31, 2024

11 Commitments (continued)

	\$
2025	592,384
2026	599,986
2027	610,629
2028	618,231
2029	628,874
Thereafter	2,211,117

YMCA Canada has also entered into an agreement with World YMCA to host the 2026 World Council conference which includes a financial commitment of \$250,000 USD (\$359,725 CDN as at December 31, 2024).

12 Y.M.C.A. Properties Incorporated

YMCA Canada controls Y.M.C.A. Properties Incorporated (YMCA Properties), a corporation incorporated under the laws of Ontario. YMCA Properties is registered as a charitable organization and, as such, is exempt from income taxes under the Income Tax Act (Canada). The purpose of YMCA Properties is to purchase, lease or otherwise acquire, hold, sell or dispose of property in the province of Ontario for itself or in trust for local YMCAs or YMCA-YWCAs, or for any other organization affiliated with or connected in any way to the work of the YMCA. YMCA Canada's policy is to disclose the financial activities of its controlled entities. As at December 31, 2024, YMCA Properties had no assets and liabilities and had no revenue and expenses for the year then ended.

13 Pension plan

YMCA Canada contributed \$232,613 (2023 – \$217,716) to the Canadian YMCA Retirement Fund.

14 Financial risks and concentration of risk

YMCA Canada is exposed to various financial risks through transactions in financial instruments.

Foreign currency risk

YMCA Canada is exposed to foreign currency risk with respect to the underlying securities of its balances and investments denominated in foreign currencies because of fluctuations in the relative value of foreign currencies against the Canadian dollar. YMCA Canada is also exposed to currency risk with respect to its commitment to World YMCA as it is denominated in US dollars.

Liquidity risk

Liquidity risk is the risk YMCA Canada will not be able to meet its financial obligations as they come due. YMCA Canada manages liquidity through regular monitoring of forecasted and actual cash flows. A range of alternatives is available to YMCA Canada including cash flow provided by operations, the line of credit, a draw down of unrestricted investments or a combination thereof.

YMCA Canada

Notes to Financial Statements

December 31, 2024

14 Financial risks and concentration of risk (continued)

Credit risk

YMCA Canada is exposed to credit risk with respect to its accounts receivable and its fixed income investments included in the underlying investments of its pooled funds.

The accounts receivable are presented in the financial statements net of the allowance for doubtful accounts of \$573,921 (2023 – \$2,265,312).

Interest rate risk

YMCA Canada is exposed to interest rate risk with respect to its investments that hold fixed income securities, the fair values of which will fluctuate with changes in market interest rates. YMCA Canada is also exposed to interest rate risk with respect to its operating line of credit since the interest rate is linked to the bank's prime rate, which changes from time to time.

Other price risk

YMCA Canada is exposed to other price risk through changes in market prices (other than changes arising from interest rate or currency risks) in connection with its investments that hold equity securities. YMCA Canada manages its exposure to this risk by monitoring compliance with the investment policy approved by the board of directors.

15 Payments to YMCA Member Associations

The following expenses included in the statement operations were paid to YMCA Members Associations:

	2024	2023
	\$	\$
Grants distributed	1,027,334	3,826,917
Purchased services	616,406	601,025
Travel and meetings	121,819	67,321
	<u>1,765,559</u>	<u>4,495,263</u>

16 Corresponding figures

The prior year financial statements have been reclassified, where applicable, to conform to the current year's presentation.