# Financial statements of
# The YMCA of Hamilton/Burlington/Brantford

December 31, 2024

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# Independent Auditor's Report

To the Members of
The YMCA of Hamilton/Burlington/Brantford

## Opinion

We have audited the financial statements of The YMCA of Hamilton/Burlington/Brantford (the "YMCA" or "Association"), which comprise the statement of financial position as at December 31, 2024, 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 (collectively, the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the YMCA 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 YMCA 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 YMCA'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 YMCA or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the YMCA'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 YMCA’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 YMCA’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 YMCA 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
May 29, 2025

## The YMCA of Hamilton/Burlington/Brantford

**Statement of financial position**

As at December 31, 2024

| | Notes | 2024 $ | 2023 $ |
|---|---|---|---|
| **Assets** | | | |
| Current assets | | | |
| Cash and cash equivalents | 2 | **528,674** | 310,512 |
| Accounts receivable | | **4,874,324** | 5,269,653 |
| Inventories and prepaid expenses | | **1,210,011** | 1,200,166 |
| Restricted cash | 3 | **123,909** | 181,726 |
| Current portion of capital project receivables | 4 | **260,897** | 261,166 |
| Special program funds receivable | 5 | **832,509** | 1,368,763 |
| | | **7,830,324** | 8,591,986 |
| Capital campaign pledges receivable | 4 | **3,000** | 3,000 |
| Investments | 6 | **10,770,825** | 10,208,649 |
| Capital assets | 4 | **59,953,167** | 59,702,836 |
| Capital project receivables | 4 | **—** | 260,897 |
| | | **78,557,316** | 78,767,368 |
| **Liabilities** | | | |
| Current liabilities | | | |
| Bank indebtedness | 8 | **3,501,057** | 3,467,960 |
| Accounts payable and accrued liabilities | | **4,539,052** | 4,763,535 |
| Deferred revenue | 7 | **8,343,519** | 6,566,380 |
| Special programs funds payable | 5 | **204,566** | 1,472,568 |
| Current portion of capital project payables | 4 | **260,897** | 261,166 |
| | | **16,849,091** | 16,531,609 |
| Capital project payables | 4 | **—** | 260,897 |
| Deferred capital contributions | 9 | **36,083,563** | 37,222,907 |
| | | **52,932,654** | 54,015,413 |
| **Net assets** | | | |
| Internally restricted | | | |
| Invested in endowment | 11 | **8,745,507** | 8,183,331 |
| Internally restricted | 12 | **252,982** | 754,651 |
| Invested in capital assets | 10 | **23,676,956** | 22,287,281 |
| General | | **(7,050,783)** | (6,473,308) |
| | | **25,624,662** | 24,751,955 |
| | | **78,557,316** | 78,767,368 |

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

Approved by the Board

Paul Sibel
________________________________, Director

________________________________, Director

**The YMCA of Hamilton/Burlington/Brantford**

## Statement of changes in net assets

Year ended December 31, 2024

| | | Internally restricted | | | Unrestricted | | |
|---|---|---|---|---|---|---|---|
| | Notes | Invested in endowment $ | Internally restricted $ | Invested in capital assets $ | General $ | 2024 $ | 2023 $ |
| **Balance, beginning of year** | | **8,183,331** | **754,651** | **22,287,281** | **(6,473,308)** | **24,751,955** | 21,352,114 |
| (Deficiency) excess of revenue over expenses | | **—** | **—** | **(1,715,098)** | **2,587,805** | **872,707** | 3,399,841 |
| Investment in capital assets | 10 | **—** | **—** | **3,104,773** | **(3,104,773)** | **—** | — |
| Donations for future capital projects | | **—** | **—** | **—** | **—** | **—** | — |
| Transfers | 11 and 12 | **562,176** | **(501,669)** | **—** | **(60,507)** | **—** | — |
| **Balance, end of year** | | **8,745,507** | **252,982** | **23,676,956** | **(7,050,783)** | **25,624,662** | 24,751,955 |

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

## The YMCA of Hamilton/Burlington/Brantford

**Statement of operations**

Year ended December 31, 2024

| | Notes | 2024 $ | 2023 $ |
|---|---|---|---|
| **Revenue** | | | |
| Child care fees | | **25,531,180** | 23,155,265 |
| Membership fees | | **10,337,165** | 9,388,693 |
| Program fees | | **7,892,433** | 6,799,282 |
| Government grants | 14 | **20,410,225** | 20,258,782 |
| Other | | **1,247,753** | 1,009,884 |
| Donations | | **2,524,684** | 2,413,154 |
| United Way | | **152,125** | 116,915 |
| Investment income | | **1,472,278** | 234,190 |
| CWELCC operating grants | 17 | **4,260,229** | 3,818,268 |
| | | **73,828,072** | 67,194,433 |
| **Expenses (other income)** | | | |
| Salaries and benefits | | **51,463,226** | 44,884,198 |
| Program costs | | **9,123,314** | 8,807,487 |
| Facility costs | | **10,790,924** | 8,484,495 |
| Financing costs | | **178,038** | 154,369 |
| Allocation to YMCA Canada | | **874,049** | 761,108 |
| Harmonized Sales Tax rebates and other | 12 | **(747,984)** | (663,651) |
| | | **71,681,567** | 62,428,006 |
| Excess of revenue over expenses before the under noted | | **2,146,505** | 4,766,427 |
| Amortization of capital assets | | **(3,264,695)** | (3,009,702) |
| Amortization of deferred capital contributions | 9 | **1,549,597** | 1,502,591 |
| Fair value changes in investments | | **441,300** | 140,525 |
| | | **(1,273,798)** | (1,366,586) |
| **Excess of revenue over expenses** | | **872,707** | 3,399,841 |

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

# The YMCA of Hamilton/Burlington/Brantford

## Statement of cash flows

Year ended December 31, 2024

| | 2024 | 2023 |
|---|---|---|
| | $ | $ |
| **Operating activities** | | |
| Excess of revenue over expenses | **872,707** | 3,399,841 |
| Items not affecting cash and cash equivalents | | |
| Amortization of capital assets | **3,264,695** | 3,009,702 |
| Amortization of deferred capital contributions | **(1,549,597)** | (1,502,591) |
| Fair value changes in investments | **(441,300)** | (140,525) |
| Changes in non-cash working capital balances | | |
| Accounts receivable | **395,329** | (390,678) |
| Inventories and prepaid expenses | **(9,845)** | (50,523) |
| Capital project receivables | **—** | 261,166 |
| Special program funds receivable/payable | **(731,748)** | (221,578) |
| Accounts payable and accrued liabilities | **(224,483)** | (541,971) |
| Deferred revenue | **1,777,139** | 1,045,570 |
| Capital project payables | **—** | (261,166) |
| | **3,352,897** | 4,607,247 |
| **Investing activities** | | |
| Capital asset purchases | **(3,515,026)** | (3,257,556) |
| Endowment net purchases | **(120,876)** | (1,082,443) |
| Proceeds from capital campaign pledges receivable | **—** | 7,500 |
| Change in restricted cash | **57,817** | (55,300) |
| | **(3,578,085)** | (4,387,799) |
| **Financing activities** | | |
| Capital contributions received/receivable | **410,253** | 920,694 |
| Repayment of long-term debt | **—** | (190,410) |
| Increase (decrease) in bank indebtedness | **33,097** | (956,169) |
| | **443,350** | (225,885) |
| Increase (decrease) in cash and cash equivalents | **218,162** | (6,437) |
| Cash and cash equivalents, beginning of year | **310,512** | 316,949 |
| **Cash and cash equivalents, end of year** | **528,674** | 310,512 |

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

## 1. Significant accounting policies

*Nature of business*

The charitable mission and vision statements of The YMCA of Hamilton/Burlington/Brantford (the "YMCA" or "Association") are:

*Charitable mission*

The YMCA is a charitable organization helping people achieve personal growth in spirit, mind and body through participation and service to the community.

*Vision*

The YMCA will focus on healthy communities in which individuals and families have opportunities to reach their potential.

The YMCA was founded in 1856 and was incorporated under the Ontario Corporations Act without share capital in 1886. The YMCA 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.

The YMCA's core offerings include provision of child care through 23 (23 in 2023) licensed pre-school childcare centres and 79 (79 in 2023) licensed before and after school programs throughout Hamilton, Burlington and Brantford. The YMCA operates 5 (5 in 2023) health, fitness and recreation centres and provides numerous community, outreach, settlement and newcomer services throughout the communities it serves.

*Basis of accounting*

The financial statements of the YMCA have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

*Fund accounting*

In order to ensure observation of limitations and restrictions placed on the use of resources available to the YMCA, the accounts of the YMCA are maintained in accordance with the principles of fund accounting. This requires that resources for various purposes be classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives.

*Invested in Endowment*

Invested in Endowment represents funds which have been internally restricted by the Board of Directors as endowments. Investment income (losses) of the assets of the endowment net asset balance are added to the endowed principal. The endowment donations are administered by the YMCA's Audit/Enterprise Risk Management/Endowment Fund Committee.

*Internally restricted*

Internally restricted net assets are administered by the YMCA's Endowment Fund Committee. The Board of Directors determines the amount, if any, to be transferred between general and internally restricted net assets.

## 1. Significant accounting policies (continued)

*Fund accounting (continued)*

*Invested in capital assets*

The YMCA has established a Capital asset fund for the purposes of recording the grants received and funds allocated for the premises and equipment used in its operations. The balance in this fund represents the net investment in capital assets.

*General*

The YMCA has established a General fund for the purposes of recording the excess of revenue over expenses related to ongoing programs and activities. All community investments and YMCA programs and services and operations are financed from this fund.

*Revenue recognition*

The YMCA follows the deferral method of accounting for contributions and donations.

Child care fees, membership fees and program fees are recognized over the related period of service.

Government grants and general operating grants are recorded as revenue when the service is provided.

Government grants are recognized as revenue on a systematic basis over the periods in which the YMCA recognizes as expenses the related costs for which the grants are intended to compensate, or the performance obligations associated with the grants have been fulfilled.

Unrestricted revenues, including donations, are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Deferred capital contributions related to capital assets represent the unamortized and unallocated amount of donations and grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

Capital contributions received for the purchase of non-depreciable capital assets are recognized as direct increases to net assets.

The Association runs a Greatest Needs Campaign to raise much needed funds to ensure every child, no matter what challenges they face, can access the YMCA. A portion of the donations received that are intended for programs that will occur subsequent to year end are deferred. The revenue related to the Greatest Needs Campaign is included in donations revenue on the statement of operations.

*Contributed services*

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

*Cash and cash equivalents*

Cash and cash equivalents include amounts on deposit with financial institutions and money market funds that are readily convertible to cash.

*Inventories*

Inventories include maintenance, program and office supplies and are measured at the lower of cost and net realizable value.

## 1. Significant accounting policies (continued)

*Capital campaign pledges receivable*

Capital campaign pledges are recorded as an asset when there is a written pledge, the amount to be received can be reasonably estimated and collection is reasonably assured. Actual amounts collected could differ from the amounts recorded.

*Leased assets*

Leases are classified as capital or operating leases. A lease that transfers substantially all of the benefits and risks incidental to the ownership of property is classified as a capital lease. At the inception of a capital lease, an asset and an obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair value. All other leases are accounted for as operating leases wherein rental payments are expensed on a straight-line basis.

*Capital assets*

Capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments, which extend the estimated life of an asset are capitalized. When capital assets no longer contribute to the YMCA's ability to provide services, the carrying amount is written down to net realizable value.

Capital assets are amortized on a straight-line basis at the following annual rates:

| | |
|---|---|
| Buildings | 30 to 40 years |
| Fixtures and equipment | 3 to 5 years |

Building additions are amortized over the remaining life of the related building. Projects in progress are not amortized as the assets are not in use. Fixtures and equipment recorded under capital leases are amortized on a straight-line basis over the term of the lease, which is the estimated useful life of the assets.

*Deferred revenue*

Membership and program fees received and receivable before December 31 that relate to member privileges and programs for the time periods after December 31 are deferred to the following year and disclosed as deferred revenue on the statement of financial position.

*Special program funds receivable/payable*

The YMCA operates various special programs which are funded by specifically designated provincial, federal and municipal grants. To the extent such grants are unspent at December 31, they are disclosed as special program funds payable on the statement of financial position. To the extent such grants received are in deficiency of amounts expended at December 31, they are disclosed as special program funds receivable on the statement of financial position.

*Third party programs*

The YMCA administers third party programs for which they receive funds to carry out the programs. As the YMCA is considered the agent in the transaction, amounts have been recorded on a net basis. During the year, approximately $267,318 ($300,846 in 2023) of revenue and expenditures were incurred with respect to the administration of third party programs.

## 1. Significant accounting policies (continued)

*Financial instruments*

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities, fixed income and pooled fund investments (included in investments) traded in an active market and money market funds (included in cash and cash equivalents) are reported at fair value, with any unrealized gains and losses reported in the statement of operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

*Foreign currency translation*

Foreign currency transactions are translated at the rates of exchange in effect at the dates of the transaction. Resulting foreign currency denominated monetary assets and liabilities are translated at the rates of exchange in effect at the statement of financial position date. Gains and losses on translation of monetary assets and liabilities are included in the excess of revenue over expenses.

*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 amount of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Management's estimates and assumptions used in determining amortization methods and rates and useful life of capital assets and intangible assets are reviewed annually and are based on management's best estimates. These estimates are subject to measurement uncertainty, and the effect on the financial statements in future periods could be significant.

## 2. Cash and cash equivalents

| | **2024** | 2023 |
|---|---:|---:|
| | **$** | $ |
| Cash | **41,418** | 40,535 |
| Money market funds | **487,256** | 269,977 |
| | **528,674** | 310,512 |

## 3. Restricted cash

Included in restricted cash are jointly restricted amounts to be expended on capital-related expenditures for the Laurier Brantford YMCA. These expenditures are jointly agreed upon between YMCA and Wilfrid Laurier University based on the cost sharing agreement (see Note 4).

| | **2024** | 2023 |
|---|---:|---:|
| | **$** | $ |
| Laurier Brantford Capital Reserve Fund | **123,909** | 181,726 |

## 4. Capital assets

| | Cost | Accumulated amortization | 2024 Net book value | Cost | Accumulated amortization | 2023 Net book value |
|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ |
| Land | **7,917,358** | **—** | **7,917,358** | 7,917,356 | — | 7,917,356 |
| Buildings | **81,051,748** | **32,375,404** | **48,676,344** | 79,788,303 | 30,308,520 | 49,479,783 |
| Fixtures and equipment | **6,334,475** | **2,991,640** | **3,342,835** | 5,271,757 | 2,966,060 | 2,305,697 |
| Projects in progress | **16,630** | **—** | **16,630** | — | — | — |
| | **95,320,211** | **35,367,044** | **59,953,167** | 92,977,416 | 33,274,580 | 59,702,836 |

Projects in progress relate to incurred costs for Wanakita Camp renovations.

*Joint development of athletic and recreation complex*

In 2013, Wilfrid Laurier University ("Laurier") and the YMCA entered into a joint development of the Laurier Brantford Family YMCA, an athletic and recreation complex (the "complex"). The development was funded by the Province of Ontario, Infrastructure Canada, City of Brantford, Laurier, and YMCA. In addition to funding received, Laurier and YMCA agreed on a joint fundraising campaign to fund remaining development costs.

Construction of the complex was completed and the complex was opened in the fall of 2018, at which time amortization of the associated capital assets commenced. As at December 31, 2024, the net book value of capital assets related to the complex were $28,033,513 ($28,606,845 in 2023), representing the YMCA's portion of shared costs.

The YMCA's capital project payables balance of $260,897 ($522,063 in 2023) consists of development expenses payable to Laurier at year end and relate to the contributions from the City of Brantford. Contributions from the City of Brantford are receivable in accordance with the contributions receivable schedule, and terms and conditions of the agreements. Capital project receivables in the statement of financial position consist of amounts from:

| | 2024 | 2023 |
|---|---|---|
| | $ | $ |
| City of Brantford | **260,897** | 522,063 |
| Less: current portion | **260,897** | 261,166 |
| | **—** | 260,897 |

In addition to the initial joint development agreement, Laurier and the YMCA have an on-going cost sharing agreement in place to manage both operating and capital costs going forward.

## 5. Special program funds

| | 2024 | 2023 |
|---|---|---|
| | $ | $ |
| Funding in deficiency of amounts expended | **832,509** | 1,368,763 |
| Less: funding received unexpended | **(204,566)** | (1,472,568) |
| Net special program funds receivable (payable) | **627,943** | (103,805) |

## 6. Investments

| | | 2024 | | 2023 |
|---|---|---|---|---|
| | **Fair value** | **Cost** | Fair value | Cost |
| | **$** | **$** | $ | $ |
| Equities | **7,536,848** | **5,670,457** | 7,121,314 | 5,727,424 |
| Fixed income | **2,964,302** | **2,889,434** | 2,861,226 | 2,827,230 |
| Pooled funds | **104,033** | **104,032** | 80,083 | 80,083 |
| Cash held in investment accounts | **165,642** | **165,642** | 146,026 | 140,974 |
| | **10,770,825** | **8,829,565** | 10,208,649 | 8,775,711 |

The effective interest rate on fixed income securities during the year varied from 1.65% (1.65% in 2023) to 5.75% (5.75% in 2023). The maturities of these securities range from 2025 to 2030 (from 2024 to 2031 in 2023). The YMCA manages its investments as a single pool with a long-term investment strategy and has therefore classified the entire portfolio as long-term in the statement of financial position.

The investments are monitored by the YMCA Endowment Fund Committee for compliance with the YMCA's Statement of Investment Policy.

## 7. Deferred revenue

| | 2024 | 2023 |
|---|---|---|
| | **$** | $ |
| Child care fees | **3,145,630** | 1,283,130 |
| Donations | **473,426** | 822,816 |
| Membership fees | **506,473** | 500,467 |
| Program fees | **4,217,991** | 3,959,967 |
| | **8,343,520** | 6,566,380 |

As at year end, $3,097,965 ($2,881,638 in 2023) of deferred revenues have a corresponding amount included in accounts receivable. These receivables relate to completed registrations for the upcoming summer camp season and are collectible on an automated scheduled installment plan that is optional at the point of registration.

## 8. Credit facilities

The following credit facilities are available to the YMCA:

(i) A revolving lease line of credit, to a maximum of $1,000,000 ($1,000,000 in 2023). As at year end, the amount drawn on this facility was $nil (nil in 2023)

(ii) A revolving operating line, to a maximum of $3,500,000 ($3,500,000 in 2023), bearing interest at prime plus 0.5% (prime plus 0.5% in 2023). As at year end, the amount drawn on this facility was $3,501,057 ($3,467,690 in 2023), which has been included as part of bank indebtedness on the statement of financial position.

(iii) A $1,000,000 ($1,000,000 in 2023) revolving demand facility, available only from July 1 to October 31 inclusive of each year, bearing interest at prime plus 0.5% (prime plus 0.5% in 2023).

(iv) All of the above facilities are secured by a general security agreement, and collateral mortgages of $7,300,000 on three properties owned by the YMCA. Restrictive covenants were not in violation as of December 31, 2024 (not in violation as of December 31, 2023).

## 9. Deferred capital contributions

Restricted capital contributions are amortized on the same basis as the underlying capital assets.

| | **2024** | 2023 |
|---|---|---|
| | **$** | $ |
| Balance, beginning of year | **37,222,907** | 37,804,804 |
| Add: contributions received and receivable | **410,253** | 920,694 |
| Less: contributions recognized as revenue | **(1,549,597)** | (1,502,591) |
| | **36,083,563** | 37,222,907 |

The balance of deferred capital contributions related to capital assets consists of the following:

| | **2024** | 2023 |
|---|---|---|
| | **$** | $ |
| Unamortized capital contributions | **34,920,633** | 36,242,766 |
| Unallocated contributions | **1,162,930** | 980,141 |
| | **36,083,563** | 37,222,907 |

Included in unallocated contributions above is $201,870 (nil in 2023) of donations received for the purpose of future capital projects.

## 10. Net assets invested in capital assets

| | **2024** | 2023 |
|---|---|---|
| | **$** | $ |
| Capital assets, net | **59,953,167** | 59,702,836 |
| Restricted cash | **123,909** | 181,726 |
| Borrowings related to capital assets | **(701,086)** | (576,115) |
| Donation for land purchase | **(778,401)** | (778,401) |
| Unspent buildings funds | **1,162,930** | 980,141 |
| Deferred capital contributions - unamortized | **(36,083,563)** | (37,222,906) |
| | **23,676,956** | 22,287,281 |

## 11. Net assets invested in endowment

The amounts invested in endowments are internally restricted investment funds that are to be used for programs run by the YMCA at the discretion of the Board of Directors.

| | **2024** | 2023 |
|---|---|---|
| | **$** | $ |
| Investments | **10,770,825** | 10,208,649 |
| Less: transfers to operations | **(1,217,222)** | (202,817) |
| Less: investments in unrestricted net assets | **(808,096)** | (1,822,501) |
| | **8,745,507** | 8,183,331 |

## 11. Net assets invested in endowment (continued)

The net amount transferred between general net assets and net assets invested in endowment during the year is comprised of:

| | **2024** | 2023 |
|---|---|---|
| | **$** | $ |
| Investment income | **1,201,880** | 431,992 |
| Donations | **228,504** | 936,521 |
| Fair value changes in investments | **441,300** | 140,525 |
| Investment management fees | **(92,286)** | (83,253) |
| Transfer to general net assets | **(1,217,222)** | (400,817) |
| | **562,176** | 1,024,968 |

During the year, the Board of Directors approved a transfer of $1,217,222 ($202,817 in 2023) to support operating cash flows. In 2024, the Board of Directors approved a transfer of nil ($198,000 in 2023) from net assets invested in endowment to general net assets to support programs of the YMCA.

## 12. Net assets internally restricted

The internally restricted balance includes funds for capital projects at Wanakita, funds reserved for funding increases in childcare staff base wages, and funds reserved for emergencies. All reserved via Board of Director's approval.

During the year, a transfer of commodity tax rebates of nil ($663,651 in 2023) from general net assets to net assets internally restricted. Also, capital expenditures incurred throughout the year of $241,376 ($15,617 in 2023) on the Wanakita renovation project and $260,293 (nil in 2023) to support emergencies were funded from internally restricted net assets.

## 13. Commitments

Future minimum payments under operating leases with terms in excess of one year are as follows:

| | $ |
|---|---|
| 2025 | 1,372,016 |
| 2026 | 434,760 |
| 2027 | 403,336 |
| 2028 | 257,127 |
| 2029 | 137,296 |

## 14. Government grants

Government grants revenue consists of amounts received and receivable from federal, provincial and municipal governments relating to programs and services provided by the YMCA.

| | 2024 $ | 2023 $ |
|---|---|---|
| Contracted programs | | |
| Special program funding received and receivable from federal and provincial governments to operate programs related to | | |
| Employment services | **3,989,991** | 3,655,546 |
| Education and training | **659,221** | 645,817 |
| Immigrant services | **4,894,296** | 4,894,295 |
| Community initiatives | **730,614** | 1,229,379 |
| | **10,274,122** | 10,425,037 |
| Subsidies and grants | | |
| Wage Enhancement Grants | | |
| Region of Halton | **566,719** | 510,670 |
| The City of Hamilton | **655,472** | 611,823 |
| The City of Brantford | **725,327** | 647,483 |
| | **1,947,518** | 1,769,976 |
| CWELCC Workforce Compensation | | |
| Region of Halton | **420,419** | 113,385 |
| The City of Hamilton | **631,949** | 277,975 |
| The City of Brantford | **812,412** | 297,224 |
| | **1,864,780** | 688,584 |
| Child care General Operating Grant | | |
| Region of Halton | **1,201,307** | 1,249,332 |
| The City of Hamilton | **1,163,385** | 1,346,914 |
| The City of Brantford | **1,794,706** | 1,743,414 |
| | **4,159,398** | 4,339,660 |
| Child care System Priorities and Special Purpose Funding | | |
| Region of Halton | **150,091** | 185,605 |
| The City of Hamilton | **403,814** | 376,548 |
| The City of Brantford | **115,267** | 364,664 |
| | **669,172** | 926,817 |
| Canada Summer Jobs Grants | **271,490** | 497,621 |
| Other | **1,223,745** | 1,611,087 |
| | **20,410,225** | 20,258,782 |

## 15. Employee future benefits

The YMCA makes matching contributions to a defined contribution pension plan for its employees. Total pension expense in the financial statements is $1,102,781 ($1,011,554 in 2023).

The YMCA has no obligations in excess of the contributions discussed above, as it does not have any defined benefit pension plans.

## 16. Financial instruments

*Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The YMCA is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations. The YMCA's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable, capital campaign pledges receivable and capital project receivable balances. This risk has not changed from the prior year.

*Interest rate risk*

Interest rate risk 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 YMCA's exposure to this risk previously arose primarily from long-term debt with fixed interest rates, which had been repaid in prior years and thus this risk exposure no longer exists and has changed from the prior year.

*Liquidity risk*

Liquidity risk is the risk that the YMCA encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the YMCA will not have sufficient funds to settle a transaction on a due date; will be forced to sell financial assets at a value which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from the YMCA's accounts payable and accrued liabilities, capital project payables, long-term debt and commitments. This risk has not changed from the prior year.

*Market risk*

Market risk arises from the possibility that changes in market prices will affect the level of investments held by the YMCA. The YMCA is exposed to market risk through its investment in money market funds, pooled fund investments and equities. This risk has not changed from the prior year.

*Currency risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Investments in equities and pooled funds of $2,088,309 ($2,191,533 in 2023) were held in US dollars and converted into Canadian dollars at year end. The YMCA considers this risk to be acceptable and therefore does not hedge its foreign exchange rate risks. This risk has not changed from the prior year.

## 17. CWELCC operating grants

Canada-Wide Early Learning & Child Care (CWELCC) one-time grants were provided to support the delivery of high-quality early learning and child care programs offered by the YMCA, as well as support additional administrations costs associated with the enrollment in the CWELCC System.

| | **2024** | 2023 |
|---|---|---|
| | **$** | $ |
| Region of Halton | **1,589,090** | 1,492,322 |
| The City of Hamilton | **1,781,622** | 1,691,731 |
| The City of Brantford | **889,517** | 257,933 |
| Association | **—** | 376,282 |
| | **4,260,229** | 3,818,268 |

## 18. Contingent liabilities

The YMCA has been named as the defendant in certain legal actions in which damages have been sought. The outcome of these actions is not determinable as at December 31, 2024, therefore, no provision has been made for these claims in the financial statements. Any losses arising from these actions will be recorded in the year that the related litigation is settled or it is determined that the claim is likely and a reasonable estimate can be made.

## 19. Comparative figures

Certain comparative figures have been reclassified to conform with the method of presentation adopted for the current year.