

**THE FREDERICTON YMCA INC.**

**Financial Statements**

**Year Ended December 31, 2024**

**THE FREDERICTON YMCA INC.**

**Index to Financial Statements**

**Year Ended December 31, 2024**

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	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Revenues and Expenditures	5
Statement of Cash Flow	6
Notes to Financial Statements	7 - 12

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of The Fredericton YMCA Inc.

### *Qualified Opinion*

We have audited the financial statements of The Fredericton YMCA Inc. (the "organization"), which comprise the statement of financial position as at December 31, 2024, and the statements of changes in net assets, revenues and expenditures and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2024 and the results of its operations and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### *Basis for Qualified Opinion*

In common with many charitable organizations, the organization derives revenue from donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets. Our audit opinion on the financial statements for the year ended December 31, 2024 was modified accordingly because of the possible effects of this limitation of scope.

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 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 qualified audit 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 organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

(continues)

Independent Auditor's Report to the Members of The Fredericton YMCA Inc. *(continued)*

*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.



Fredericton, New Brunswick  
May 26, 2025

CHARTERED PROFESSIONAL ACCOUNTANTS

**THE FREDERICTON YMCA INC.**

**Statement of Financial Position**

**December 31, 2024**

	2024	2023
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 797,587	\$ 837,339
Short-term investments (Note 4)	1,275,217	1,249,422
Accounts receivable (Note 5)	299,445	310,226
Prepaid expenses	42,382	169,539
	<u>2,414,631</u>	2,566,526
<b>CAPITAL ASSETS (Note 6)</b>	<u>11,464,442</u>	11,983,758
	<u><b>\$ 13,879,073</b></u>	<u>\$ 14,550,284</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable (Note 7)	\$ 248,608	\$ 252,246
Deferred revenue (Note 8)	325,736	333,531
Current portion of long term debt (Note 9)	167,176	183,909
	<u>741,520</u>	769,686
<b>LONG TERM DEBT (Note 9)</b>	<u>959,507</u>	1,126,805
<b>DEFERRED CONTRIBUTIONS - CAPITAL ASSETS (Note 10)</b>	<u>5,719,716</u>	6,190,403
	<u>7,420,743</u>	8,086,894
<b>NET ASSETS</b>		
Unrestricted	1,600,287	1,940,749
Internally restricted (Note 11)	240,000	40,000
Invested in capital assets (Note 12)	4,618,043	4,482,641
	<u>6,458,330</u>	6,463,390
	<u><b>\$ 13,879,073</b></u>	<u>\$ 14,550,284</u>

**ON BEHALF OF THE BOARD**

X \_\_\_\_\_ Director

X \_\_\_\_\_ Director

**THE FREDERICTON YMCA INC.**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2024**

	Unrestricted	Internally Restricted <i>(Note 11)</i>	Invested in Capital Assets <i>(Note 12)</i>	<b>2024</b>	2023
NET ASSETS - BEGINNING OF YEAR	\$ 1,940,749	\$ 40,000	\$ 4,482,641	<b>\$ 6,463,390</b>	\$ 6,375,019
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	374,367	-	(379,427)	<b>(5,060)</b>	88,371
NET CHANGE IN INVESTMENT IN CAPITAL ASSETS	(514,829)	-	514,829	-	-
TRANSFERS	(200,000)	200,000	-	-	-
NET ASSETS - END OF YEAR	<b>\$ 1,600,287</b>	<b>\$ 240,000</b>	<b>\$ 4,618,043</b>	<b>\$ 6,458,330</b>	<b>\$ 6,463,390</b>

**THE FREDERICTON YMCA INC.**  
**Statement of Revenues and Expenditures**  
**Year Ended December 31, 2024**

	2024	2023
<b>REVENUE</b>		
Memberships	\$ 2,729,822	\$ 2,406,996
Childcare	1,049,122	1,074,620
Grants <i>(Note 13)</i>	917,820	751,035
Program fees	159,553	120,544
Donations and fundraising	354,583	271,896
Administration fees	57,433	47,435
Facility rental	58,023	32,850
Other	3,827	2,839
Interest	75,437	47,463
	<u>5,405,620</u>	<u>4,755,678</u>
<b>EXPENSES</b>		
Salaries and benefits	3,500,909	2,978,604
Building and maintenance	600,603	581,221
Programs and services	451,966	369,300
Administration	443,008	414,838
Interest on long term debt	32,905	41,979
Bad debts	1,862	-
	<u>5,031,253</u>	<u>4,385,942</u>
<b>EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	<u>374,367</u>	<u>369,736</u>
<b>OTHER INCOME (EXPENSES)</b>		
Amortization of deferred contributions - capital assets	470,687	470,687
Amortization of capital assets	(850,114)	(820,581)
Insurance proceeds	-	108,733
Impairment of assets	-	(40,204)
	<u>(379,427)</u>	<u>(281,365)</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>\$ (5,060)</u>	<u>\$ 88,371</u>

**THE FREDERICTON YMCA INC.****Statement of Cash Flow****Year Ended December 31, 2024**

	<b>2024</b>	<b>2023</b>
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	<b>\$ (5,060)</b>	\$ 88,371
Items not affecting cash:		
Amortization of capital assets	<b>850,114</b>	820,581
Amortization of deferred contributions - capital assets	<b>(470,687)</b>	(470,687)
Impairment of assets	<b>-</b>	40,204
	<b>374,367</b>	478,469
Changes in non-cash working capital:		
Accounts receivable	<b>10,781</b>	(13,105)
Prepaid expenses	<b>127,157</b>	(137,823)
Accounts payable	<b>(3,638)</b>	(41,815)
Deferred revenue	<b>(7,795)</b>	28,651
	<b>126,505</b>	(164,092)
	<b>500,872</b>	314,377
<b>INVESTING ACTIVITIES</b>		
Short-term investments	<b>(25,795)</b>	(1,049,422)
Purchase of capital assets	<b>(330,798)</b>	(247,454)
	<b>(356,593)</b>	(1,296,876)
<b>FINANCING ACTIVITY</b>		
Repayment of long term debt	<b>(184,031)</b>	(199,560)
<b>DECREASE IN CASH</b>	<b>(39,752)</b>	(1,182,059)
<b>CASH - BEGINNING OF YEAR</b>	<b>837,339</b>	2,019,398
<b>CASH - END OF YEAR</b>	<b>\$ 797,587</b>	\$ 837,339

**THE FREDERICTON YMCA INC.**

**Notes to Financial Statements**

**Year Ended December 31, 2024**

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1. PURPOSE OF THE ORGANIZATION

The Fredericton YMCA Inc. (the "Organization") is incorporated as a corporation without share capital under the Companies Act of the Province of New Brunswick. The Organization is an independent association of volunteers and professionals whose purpose is to offer people opportunities for personal growth and service to others. 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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP.

Financial instruments policy

The Organization considers any contracts a financial asset, liability, or equity instrument as a financial instrument, except in certain limited circumstances. The Organization accounts for the following as financial instruments: cash and cash equivalents, accounts receivables, accounts payables and long-term debt.

A financial asset or liability is recognized when the Organization becomes party to contractual provisions of the instrument.

The Organization initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

Financial assets or liabilities obtained in related party transactions are measured in accordance with the accounting policy for related party transactions except for those transactions that are with a person or entity whose sole relationship with the Organization is in the capacity of management in which case they are accounted for in accordance with financial instruments.

The Organization subsequently measures its financial assets and financial liabilities at cost or amortized cost less any reduction for impairment.

The Organization removes financial liabilities, or a portion of, when the obligation is discharged, cancelled, or expires.

Cash and cash equivalents

The Organization considers cash on hand, short-term deposits and balances with banks, net of overdrafts as cash or cash equivalents.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Buildings	4% straight-line method
Equipment	20% declining balance method

The organization regularly reviews its capital assets to eliminate obsolete items.

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**THE FREDERICTON YMCA INC.**

**Notes to Financial Statements**

**Year Ended December 31, 2024**

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Revenue recognition

The Fredericton YMCA Inc. follows the restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions for endowment are recognized as revenue in the Endowment Fund.

Investment income earned on Endowment Fund resources that must be spent on research activities is recognized as revenue of the Research Fund. Unrestricted investment income earned on Endowment Fund resources is recognized as revenue of the General Fund. Investment income earned on building campaign resources is recognized as revenue of the Capital Asset Fund. Other investment income is recognized as revenue of the General Fund when earned.

Seminar fees are recognized as revenue of the General Fund when the seminars are held.

Internally restricted net assets

Internally restricted net assets include amounts restricted by the Board of Directors for future facility repair and replacement and for international activities. These internally restricted amounts are not available for other purposes without approval by the Board of Directors.

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3. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2024.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from customers. In order to reduce its credit risk, the organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The organization has a significant number of customers which minimizes concentration of credit risk.

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**THE FREDERICTON YMCA INC.**

**Notes to Financial Statements**

**Year Ended December 31, 2024**

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3. FINANCIAL INSTRUMENTS *(continued)*

Liquidity risk

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

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 organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

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4. SHORT TERM INVESTMENTS

Short term investments consist of Guaranteed Investment Certificates with maturity dates ranging from January 13, 2025 - January 27, 2025 and interest rates ranging from 2.25% - 3.5%.

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5. ACCOUNTS RECEIVABLE

	<u>2024</u>	<u>2023</u>
Accounts receivable	\$ 198,135	\$ 243,726
HST Rebate	242	1,825
Fredericton YMCA Endowment Fund Inc. <i>(Note 16)</i>	<u>103,676</u>	<u>86,446</u>
	302,053	331,997
Allowance for doubtful accounts	<u>(2,608)</u>	<u>(21,771)</u>
	<u>\$ 299,445</u>	<u>\$ 310,226</u>

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6. CAPITAL ASSETS

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Land	\$ 2,529,000	\$ -	\$ 2,529,000	\$ 2,529,000
Buildings	17,715,528	9,253,219	8,462,309	9,182,054
Equipment	2,193,256	1,720,123	473,133	272,704
	<u>\$ 22,437,784</u>	<u>\$ 10,973,342</u>	<u>\$ 11,464,442</u>	<u>\$ 11,983,758</u>

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7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are government remittances payable (HST) of \$24,181 (2023 - \$20,332).

**THE FREDERICTON YMCA INC.**

**Notes to Financial Statements**

**Year Ended December 31, 2024**

8. DEFERRED REVENUE

	<u>2024</u>	<u>2023</u>
Memberships and program fees	\$ 155,663	\$ 159,158
Grants and donations	<u>170,073</u>	<u>174,373</u>
	<u>\$ 325,736</u>	<u>\$ 333,531</u>

Deferred contributions related to unearned membership and program fees and externally restricted grants and donations for which the expenses will be incurred in future periods.

9. LONG TERM DEBT

	<u>2024</u>	<u>2023</u>
TD mortgage bearing interest at 2.92% per annum, repayable in monthly blended payments of \$15,988. The loan matures on May 6, 2031 and is secured by a general security agreement and a specific property with a carrying value of \$10,991,309.	\$ 1,120,776	\$ 1,277,531
TD loan bearing interest at 4.6% per annum, repayable in monthly blended payments of \$2,008. The loan matured on February 22, 2024.	-	4,242
TD loan bearing interest at 4.1% per annum, repayable in monthly blended payments of \$1,983. The loan matures on March 26, 2025 and is secured by equipment with a carrying value of \$10,252.	<u>5,907</u>	<u>28,941</u>
	<u>1,126,683</u>	<u>1,310,714</u>
Amounts payable within one year	<u>(167,176)</u>	<u>(183,909)</u>
	<u>\$ 959,507</u>	<u>\$ 1,126,805</u>

Principal repayment terms are approximately:

2025	\$ 167,176
2026	166,042
2027	170,956
2028	176,016
2029	181,224
Thereafter	<u>265,269</u>
	<u>\$ 1,126,683</u>

The Organization is subject to certain financial and non-financial covenants relative to the TD loans. As at December 31, 2024 the Organization was compliant with the financial covenants.

**THE FREDERICTON YMCA INC.**

**Notes to Financial Statements**

**Year Ended December 31, 2024**

10. DEFERRED CONTRIBUTIONS - CAPITAL ASSETS

	<u>2024</u>	<u>2023</u>
Capital assets		
Balance, beginning of year	\$ 6,190,403	\$ 6,661,090
Less amounts amortized to revenue	<u>(470,687)</u>	<u>(470,687)</u>
Balance, end of year	<u>\$ 5,719,716</u>	<u>\$ 6,190,403</u>

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

11. INTERNALLY RESTRICTED

The Board has internally restricted the following:

	<u>2024</u>	<u>2023</u>
Major repairs	<u>\$ 240,000</u>	<u>\$ 40,000</u>

During the year, the board of directors approved a transfer of \$200,000 from the unrestricted reserve to the internally restricted reserve.

12. INVESTMENT IN CAPITAL ASSETS

	<u>2024</u>	<u>2023</u>
(a) Investment in capital assets is calculated as follows:		
Capital assets	\$ 11,464,442	\$ 11,983,758
Amounts financed by:		
Long-term debt	(1,126,683)	(1,310,714)
Deferred contributions - capital assets	<u>(5,719,716)</u>	<u>(6,190,403)</u>
	<u>\$ 4,618,043</u>	<u>\$ 4,482,641</u>

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

Deficiency of revenues over expenses:		
Amortization of deferred contributions related to capital assets	\$ (470,687)	\$ (470,687)
Amortization of capital assets	850,114	820,581
Insurance proceeds	-	(108,733)
Impairment of assets	<u>-</u>	<u>40,204</u>
	<u>\$ 379,427</u>	<u>\$ 281,365</u>

Net change in investment in capital assets:

Purchase of capital assets	\$ 330,798	\$ 247,454
Repayment of long-term debt	<u>184,031</u>	<u>199,561</u>
	<u>\$ 514,829</u>	<u>\$ 447,015</u>

**THE FREDERICTON YMCA INC.**

**Notes to Financial Statements**

**Year Ended December 31, 2024**

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13. GRANTS

	<u>2024</u>	<u>2023</u>
Provincial	\$ 784,615	\$ 678,057
Other	133,205	55,487
Federal	-	9,841
Municipal	-	7,650
	<u>\$ 917,820</u>	<u>\$ 751,035</u>

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14. PENSION COSTS AND OBLIGATIONS

The employees of the Organization participate in a multi-employer defined contribution pension plan administered by the Canadian YMCA Retirement Fund. Contributions by the Organization on behalf of the participating employees are expensed as incurred.

During the year \$35,237 (2023 - \$25,853) was contributed to the plan.

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15. CREDIT FACILITY

The Organization has a revolving demand credit facility is available with TD for \$250,000 for general business purposes at the bank's prime lending rate plus 0.25%, secured by a general security agreement.

As at year end, the facilities have not been drawn upon. The Organization is subject to certain financial and non-financial covenants relative to the TD facilities. As at December 31, 2024 the Organization was compliant with the financial covenants.

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16. RELATED PARTY TRANSACTIONS

The Fredericton YMCA Inc. has an economic interest in The Fredericton YMCA Endowment Fund Inc. (the "Endowment Fund"), a related entity by virtue of consistent objectives and common Board members and management. The purpose of the Endowment Fund is to grow and invest funds, with investment returns to provide for the future growth and stability of the Fredericton YMCA Inc.

The Endowment Fund was incorporated on November 13, 1986 and is registered a charitable foundation under the Income Tax Act. The accounts of the Endowment Fund have not been consolidated in these financial statements. The net assets of the Endowment Fund at market value as at December 31, 2024 are \$2,633,268, (2023 - \$2,442,086).

Related party transactions and balances in the financial statements include the following:

- i) an amount of \$12,000 (2023 - \$5,000) has been received from the Endowment Fund for management services and recorded in administration fees revenue;
- ii) amounts receivable from the Endowment Fund of \$103,676 (2023 - \$86,446) which is included in accounts receivable as at December 31, 2024; and
- iii) an amount of \$108,537 (2023 - \$110,252) has been received from the Endowment Fund and recorded as donation revenue for the Strong Communities campaign.

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17. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

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