

FINANCIAL STATEMENTS OF
YMCA NORTHUMBERLAND
December 31, 2024

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Baker Tilly KDN LLP
17 Queen Street
PO Box 87
Cobourg, ON
K9A 4K2

D: 905.372.5757
btcobourg@bakertilly.ca
www.bakertilly.ca

INDEPENDENT AUDITOR'S REPORT

To the Members of
YMCA Northumberland
Qualified Opinion

We have audited the accompanying financial statements of YMCA Northumberland (the "Organization"), which comprise the statement of financial position as at December 31, 2024, 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, 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 its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, YMCA Northumberland derives revenue from fundraising events and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were unable to determine whether any adjustments might be necessary to fundraising and donation revenues, excess of revenues over expenditures, and cash flows from operations for the years ended December 31, 2024 and 2023, current assets as at December 31, 2024 and 2023, and net assets as at January 1 and December 31 for both the 2024 and 2023 years. As noted in the Other Matter paragraph, the audit opinion on the financial statements for the year ended December 31, 2023 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 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 qualified opinion.

Other Matter

The financial statements of the Organization for the year ended December 31, 2023 were audited by another auditor who expressed a qualified opinion on those financial statements on April 24, 2024.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

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INDEPENDENT AUDITOR'S REPORT, continued

Those charged with governance are responsible for overseeing the Organization'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 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.



Chartered Professional Accountants
Licensed Public Accountants

Cobourg, Ontario
May 7, 2025

YMCA NORTHUMBERLAND
STATEMENT OF FINANCIAL POSITION
As at December 31, 2024

	General Fund \$	Capital Fund \$	2024 \$	2023 \$
ASSETS				
Current assets				
Cash (note 3)	3,218,665	8,463	3,227,128	2,194,953
Investments (note 4)	-	1,270,587	1,270,587	623,634
Accounts receivable	851,859	-	851,859	202,371
Prepaid expenses and deposits	86,989	-	86,989	29,970
	4,157,513	1,279,050	5,436,563	3,050,928
Other assets				
Tangible capital assets (note 5)	-	5,987,122	5,987,122	4,977,665
	4,157,513	7,266,172	11,423,685	8,028,593
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	797,122	-	797,122	349,040
Current portion of term loan payable (note 6)	-	8,802	8,802	321,857
Deferred revenue (note 7)	2,758,755	-	2,758,755	798,863
Current portion of obligation under capital lease (note 8)	-	77,527	77,527	-
	3,555,877	86,329	3,642,206	1,469,760
Long-term liabilities				
Term loan payable (note 6)	-	304,569	304,569	-
Obligation under capital lease (note 8)	-	346,952	346,952	-
Deferred capital contributions (note 9)	-	2,672,823	2,672,823	2,116,030
	-	3,324,344	3,324,344	2,116,030
	3,555,877	3,410,673	6,966,550	3,585,790
NET ASSETS				
Investment in capital assets	-	2,576,449	2,576,449	2,609,689
Internally restricted	-	1,279,050	1,279,050	981,642
Unrestricted	601,636	-	601,636	832,482
Externally restricted - M Moore Fund	-	-	-	18,990
	601,636	3,855,499	4,457,135	4,442,803
	4,157,513	7,266,172	11,423,685	8,028,593

Approved on behalf of the Board

Director

Director

The accompanying notes are an integral part of these financial statements

YMCA NORTHUMBERLAND
STATEMENT OF OPERATIONS
For the year ended December 31, 2024

	Operating Fund	Capital Fund	2024	2023
	\$	\$	\$	\$
Revenue				
Government funding (note 11)	3,953,017	-	3,953,017	3,700,330
Child services & camp	2,081,109	-	2,081,109	1,920,576
Membership	1,809,476	-	1,809,476	1,517,314
Programs	304,168	-	304,168	299,181
Other income	208,210	-	208,210	161,597
Amortization of deferred capital contributions (note 9)	-	242,690	242,690	210,804
Investment Income (note 4)	-	134,383	134,383	137,876
Fundraising	82,492	-	82,492	84,845
Donations	74,260	-	74,260	70,801
	8,512,732	377,073	8,889,805	8,103,324
Expenses				
Advertising	45,555	-	45,555	41,026
Affiliation fees	121,695	-	121,695	118,271
Amortization	-	514,412	514,412	581,328
Automotive	6,914	-	6,914	3,754
Bank and service charges	102,058	-	102,058	78,408
Employee benefits	740,700	-	740,700	667,719
Equipment & facility repairs	121,483	-	121,483	40,096
Insurance	79,681	-	79,681	82,457
Interest on long term debt	-	24,180	24,180	8,023
International projects	10,496	-	10,496	15,950
Meals and travel	40,027	-	40,027	26,754
Occupancy	594,489	-	594,489	455,378
Professional fees	317,730	-	317,730	280,746
Salaries and related benefits	5,474,434	-	5,474,434	5,109,651
Service provider	111,487	-	111,487	98,230
Staff & volunteer development	31,853	-	31,853	22,128
Office and general	498,883	-	498,883	413,885
Telephone and fax	39,396	-	39,396	37,162
	8,336,881	538,592	8,875,473	8,080,966
Excess (deficiency) of revenue over expenditures	175,851	(161,519)	14,332	22,358

The accompanying notes are an integral part of these financial statements

YMCA NORTHUMBERLAND
STATEMENT OF CHANGES IN NET ASSETS
For the year ended December 31, 2024

	General Fund (unrestricted) \$	Capital Fund (internally restricted) \$	M Moore Fund (externally restricted) \$	2024 \$	2023 \$
Net assets, beginning of year	832,482	3,591,331	18,990	4,442,803	4,420,445
Excess (deficiency) of Revenue over Expenditures	175,851	(161,519)	-	14,332	22,358
Interfund transfers	(406,697)	425,687	(18,990)	-	-
Net assets, end of year	601,636	3,855,499	-	4,457,135	4,442,803

The accompanying notes are an integral part of these financial statements

YMCA NORTHUMBERLAND

STATEMENT OF CASH FLOWS

For the year ended December 31, 2024

	General Fund \$	Capital Fund \$	2024 \$	2023 \$
CASH PROVIDED FROM (USED FOR)				
Operating activities				
Excess (deficiency) of revenue over expenditures	175,851	(161,519)	14,332	22,358
Adjustments for non-cash items				
Amortization	-	514,412	514,412	581,328
Amortization of deferred capital contributions	-	(242,690)	(242,690)	(210,804)
Change in fair value of investments	-	(33,884)	(33,884)	(24,504)
	175,851	76,319	252,170	368,378
Change in non-cash working capital items				
Accounts receivable	(649,488)	-	(649,488)	153,970
Prepaid expenses (and deposits)	(57,019)	-	(57,019)	11,884
Accounts payable and accrued liabilities	448,082	-	448,082	21,092
Deferred revenue	1,959,892	-	1,959,892	(279,311)
	1,877,318	76,319	1,953,637	276,013
Investing activities				
Purchase of tangible capital assets	-	(1,089,600)	(1,089,600)	(1,345,371)
Externally restricted deferred capital contributions received (note 9)	-	799,483	799,483	311,629
Acquisition of investments	-	(1,283,055)	(1,283,055)	(628,518)
Proceeds on disposal of investments	-	669,986	669,986	504,308
Interfund transfers	(425,687)	425,687	-	-
	(425,687)	(477,499)	(903,186)	(1,157,952)
Financing activities				
Proceeds from term loan	-	318,006	318,006	324,350
Repayment of capital lease obligation	-	(9,790)	(9,790)	(22,412)
Repayment of term loan	-	(326,492)	(326,492)	(2,493)
	-	(18,276)	(18,276)	299,445
Increase (decrease) in cash	1,451,631	(419,456)	1,032,175	(582,494)
Cash, beginning of year	1,767,034	427,919	2,194,953	2,777,447
Cash, end of year	3,218,665	8,463	3,227,128	2,194,953

SUPPLEMENTARY CASH FLOW INFORMATION (note 13)

The accompanying notes are an integral part of these financial statements

YMCA NORTHUMBERLAND
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024

1. NATURE OF OPERATIONS

The YMCA Northumberland (the "Organization") was incorporated without share capital under the Ontario Corporations Act on January 12, 1956, and is a registered Canadian charity under the Income Tax Act and accordingly, it is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

Mission Statement:

YMCA Northumberland is dedicated to the growth of all persons in spirit, mind and body, and fostering a sense of responsibility to each other and the global community. We are committed to strengthening the foundations of community; nurturing the potential of children, teens and adults; promoting healthy living; fostering a sense of social responsibility; and delivering lasting social and personal change.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

(a) Revenue Recognition

The Organization follows the deferral method of accounting for contributions which includes donations, fundraising, sponsorships and government grants.

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 if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted capital contributions related to the acquisition of real property not subject to amortization are recognized as an addition to net assets in the year of acquisition.

Investment income is recognized as revenue when earned.

Membership fees are recognized as revenue in the period covered by the membership fee. Membership fees received in advance are deferred.

Child services and camp, programs and other income are recognized as revenue when the services have been rendered.

YMCA NORTHUMBERLAND
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(b) Fund accounting

The General Fund accounts for the Organization's programs and administrative activities. Unrestricted contributions (donations and grants) and restricted contributions to be used for operations are reported in this fund.

The Michael Moore Scholarship Fund ("M Moore Fund") is a trust fund created in 2003 with an initial donation from the Moore family of \$5,000 and transfer from operations of \$10,000. This fund is to be used to award at least one deserving student each year with a minimum of \$500 towards their post-secondary studies. These funds are to be invested and the interest used to cover the awards.

The Capital Fund represents the tangible capital assets of the Organization and the investments for future expansion. Any donations or funding received for specific assets is amortized at the same rate as the amortization of those related tangible capital assets. Interest earned on the investments in this fund is recognized in this fund.

(c) Tangible capital assets

Tangible capital assets are recorded at cost and are amortized over their estimated useful life using the following methods and annual rates:

Administrative equipment	Straight-line	5 years
Buildings and improvements	Straight-line	5 - 20 years
Electronic data equipment	Straight-line	3 years
Equipment under capital lease	Straight-line	5 years
Leasehold improvements	Straight-line	5 - 20 years
Parking lot	Straight-line	20 years
Program equipment	Straight-line	5 - 20 years
Vehicles	Straight-line	5 years

Gains and losses on tangible capital assets are charged to operations in the year of disposal if significant, otherwise to amortization for the year.

(d) Contributed Services

Directors, committee members and volunteers contribute their time to assist in the Organization's activities. While these services benefit the Organization considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Investments

Investments are recorded at fair value. Fair value of the investments are determined by reference to published price quotations provided by the Organization's investment broker. Transaction costs on the acquisition and sale of investments are expensed in operations. Unrealized gains and losses are reported in operations. Realized gains and losses on the disposal of investments are determined on a completed transaction basis.

(f) Measurement uncertainty

The preparation of the 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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting year. Estimates are used when accounting for items and matters such as the determination of the allowance for uncollectible accounts receivable, the estimated useful life of tangible capital assets, deferred capital contributions, deferred revenue, accounts payable and accrued liabilities, and amortization. Actual results could differ from management's best estimates as additional information becomes available in the future.

(g) Financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Organization subsequently measures its financial assets and financial liabilities at amortized cost, except for investments which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial assets measured at fair value include investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and demand loan payable.

YMCA NORTHUMBERLAND
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(h) Government Assistance

Government funding for operational purposes (i.e. child care) is recognized as revenue in the general fund when received or receivable.

Government grants related to capital projects are recorded as unearned revenue in the capital fund when received, and are amortized to revenue in the capital fund on the same basis as the amortization of the related capital assets.

(i) Donations in Kind

Donated capital assets are recorded in the financial statements at fair market value at the time of acquisition and then amortized to operations in accordance with the amortization policies.

(j) Cloud computing arrangements

The Organization applies the simplification approach to account for expenditures in cloud computing arrangements. The expenditures in the arrangements are expensed as incurred.

3. CASH

	2024	2023
	\$	\$
Cash	3,227,128	2,175,963
Cash - M Moore fund	-	18,990
	3,227,128	2,194,953

The Organization maintains a high cash balance to support future strategic growth and expansion of its programs. These funds have been internally designated by the Organization to ensure the sustainability of programmatic activities in alignment with its long-term strategic objectives.

YMCA NORTHUMBERLAND
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024

4. **INVESTMENTS**

	2024 \$	2023 \$
Cashable guaranteed investment certificates	506,234	-
Equities (Cost \$348,928, 2023 - \$269,675)	398,624	289,159
Other investments (Cost \$224,395, 2023 - \$183,797)	231,629	191,316
Fixed income mutual funds (Cost \$130,963, 2023 - \$143,979)	134,100	143,159
	1,270,587	623,634

Cashable GIC's with maturity dates from April to October 2025, earning interest from 0.4% to RBC prime rate less 2.25% (3.2% at December 31, 2024).

Investment income (expense):

	2024 \$	2023 \$
Interest on cash accounts	48,650	94,913
Interest on GIC's	6,233	-
Dividends and other income	35,561	27,442
Realized gain (loss) on disposals	20,417	(157)
Investment management fees	(10,362)	(8,826)
Change in fair value of investments	33,884	24,504
	134,383	137,876

YMCA NORTHUMBERLAND
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024

5. TANGIBLE CAPITAL ASSETS

Tangible capital assets consist of the following:

	Cost \$	Accumulated Amortization \$	2024 Net Book Value \$	2023 Net Book Value \$
Land	1,365,326	-	1,365,326	1,365,326
Buildings	7,848,306	5,060,498	2,787,808	3,161,367
Program equipment	813,478	578,827	234,651	172,480
Vehicles	35,534	17,767	17,767	24,875
Parking lot	199,669	112,192	87,477	97,461
Leasehold improvements	1,067,249	59,222	1,008,027	133,575
Electronic equipment	153,203	114,416	38,787	19,770
Administrative equipment	20,228	7,219	13,009	2,811
Equipment under capital lease	434,270	-	434,270	-
	11,937,263	5,950,141	5,987,122	4,977,665

6. TERM LOAN PAYABLE

Repayable in monthly instalments of \$2,513 including interest calculated at a fixed rate of 6.99%, maturing on July 31, 2027, secured by land and building with a net book value of \$492,816 (2023- \$507,455).

Principal repayments are as follows:

	\$
2025	8,802
2026	9,429
2027	295,140
	313,371

YMCA NORTHUMBERLAND
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024

7. DEFERRED REVENUE

	Balance, beginning of year \$	Received \$	Recognized \$	Balance, end of year \$
Child care	554,856	8,716,770	(6,951,484)	2,320,142
Memberships and program fees	244,007	1,599,102	(1,404,496)	438,613
	798,863	10,315,872	(8,355,980)	2,758,755

The deferred revenue balance related to child care programs primarily consists of prefunded amounts for the 2025 fiscal year. These funds are externally restricted and will be recognized as revenue in the period in which the related program expenditures are incurred.

8. CAPITAL LEASE OBLIGATION

	2024 \$
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Capital lease obligation bearing interest at 5.540% per annum, repayable in monthly blended payments of \$8,265. The lease is secured by specific equipment and matures in December 2029.	424,479
Less principal payments due within one year	(77,527)
Due beyond one year	346,952

Estimated lease payments are as follows:

	\$
2025	99,179
2026	99,179
2027	99,179
2028	99,179
2029	89,387
Total future minimum lease payments	486,103
Interest included in minimum payments	(61,624)
	424,479

YMCA NORTHUMBERLAND
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024

9. **DEFERRED CAPITAL CONTRIBUTIONS**

	2024	2023
Balance, beginning of year	2,116,030	1,945,294
Externally restricted contributions received	799,483	381,540
	2,915,513	2,326,834
Amortization of deferred capital contributions to revenue	(242,690)	(210,804)
Balance, end of year	2,672,823	2,116,030

10. **CREDIT FACILITIES**

The Organization has an undrawn revolving demand credit facility of \$250,000, bearing interest at the bank's prime rate plus 0.5%, an undrawn revolving lease line of credit facility of \$900,000, and an undrawn revolving term facility in the amount of \$900,000. The aggregate of the revolving lease line and revolving term facility shall not exceed \$900,000 at any time. The Organization also has a VISA credit facility of \$150,000 available. Borrowings are subject to a general security agreement granting first security interest in all present and after acquired personal property and a collateral mortgage in the amount of \$2,500,000 constituting a first fixed charge on the lands and improvements at 339 Elgin Street West, Cobourg.

11. **GOVERNMENT FUNDING**

	2024	2023
	\$	\$
Government Funding for Child Care		
Municipal	435,323	206,879
County of Northumberland	1,954,762	1,508,184
Provincial	1,234,849	1,609,220
Five Counties	305,963	360,790
	3,930,897	3,685,073
Federal support		
Canada summer jobs	22,120	15,257
	3,953,017	3,700,330

12. **SUBSIDIES**

YMCA Northumberland provided \$133,051 (2023 - \$157,187) of financial assistance through the YMCA Strong Kids Assistance Program allowing people of all ages in the community to participate in programs, membership, swimming lessons and summer day camp.

YMCA NORTHUMBERLAND
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024

13. CLOUD COMPUTING ARRANGEMENTS

During the year, the Organization expensed \$220,609 (2023 - \$196,980) with respect to cloud computing arrangements which is included in professional fees.

14. SUPPLEMENTARY CASH FLOW INFORMATION

During the year the Organization acquired equipment under a capital lease. The obligation under capital lease of \$434,270 and the related equipment cost have not been included in the statement of cash flows.

15. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure as at December 31, 2024:

(a) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The organization is exposed to currency fluctuations as the Organization has investment in foreign equities and mutual funds.

(b) Market risk

Market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, other than those arising from interest rate risk or currency risk. The Organization is exposed to market risk on its investments through fluctuations in the bond and equity markets and these investments are not guaranteed. To manage these risks, the Organization uses independent investment advisors and has developed an investment policy guideline to reduce risk. The Organization receives monthly statements and meets on an annual basis with investment counsel.

(c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of fixed income investments disclosed in note 4 to these financial statements. The Organization is also exposed to interest rate risk on the credit facilities disclosed in note 10 when it is utilized, and the demand loan disclosed in note 6.

YMCA NORTHUMBERLAND
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2024

15. FINANCIAL INSTRUMENTS, continued

(d) 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 Organization is exposed to credit risk arising from its accounts receivable and cash and investments.

The Organization's accounts receivable consists of a large number of smaller balances from individuals, government organizations and entities as well as amounts from two government organizations which account for 67% (2023 - one government organization accounted for 70%) of total accounts receivable. Accounts receivable is presented net of an allowance for doubtful accounts of \$16,894 (2023 - \$43,188). The large number of smaller balances in accounts receivable reduce the credit risk for the Organization, as well as the reliability of funds receivable from government organizations.

The Organization's cash and investments are held at two major financial institutions, however the Organization's cash at one institution exceeds the \$100,000 federally insured limit by Canada's Deposit Insurance Corporation, exposing the Organization to credit risk on the amounts over the limit. This risk is mitigated by using a major bank that is a high credit quality financial institution as determined by ratings agencies.

(e) Liquidity risk

Liquidity risk is the risk that the Organization encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Organization will not have sufficient funds to settle a transaction on the 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 liabilities such as accounts payable, demand loan, and obligation under capital lease.

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

16. COMMITMENT

The Organization has signed a 20 year commitment with the Municipality of Trent Hills to operate the YMCA-designated portion of the facility known as the Trent Hills YMCA. The agreement commenced upon opening of the facility on November 27, 2024. The agreement shall be renewable for additional periods of up to 20 years, with a regular review of the agreement and its schedules at the end of each 5 year period. The Municipality will provide an annual operating grant up to an agreed upon amount to cover annual operating deficits (if any) incurred by the YMCA during the 5 year start up period. The Municipality will provide further annual operating grants beyond the initial 5 year period based on YMCA budgets provided at that time. All associated costs and grants received or receivable are included in these financial statements.

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17. CONTINGENT LIABILITY

The Organization maintains a sick day policy, allowing current employees to carry forward a maximum of 120 sick days for use in the event of required short term disability leave from work.

The likelihood of occurrence of events triggering this possible contingency are not determinable. As a result, no liability has been accrued for the possible impact of these future sick leave payments.

18. COMPARATIVE AMOUNTS

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year excess of revenue over expenditures.