

**The Lethbridge Young Men's Christian Association**  
**Financial Statements**  
For the year ended December 31, 2022

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For the year ended December 31, 2022

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**Contents**

<b>Independent Auditor's Report</b>	<b>2 - 3</b>
<b>Financial Statements</b>	
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Operations	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 17
Net Excess of Revenues over Expenses of Phase 2 (Cor Van Raay YMCA)	18

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## Independent Auditor's Report

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**To the Board of Directors of  
The Lethbridge Young Men's Christian Association**

### *Opinion*

We have audited the financial statements of The Lethbridge Young Men's Christian Association (the "Association"), which comprise the statement of financial position as at December 31, 2022, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2022, 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 Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

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

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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## Independent Auditor's Report (continued)

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- ◆ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Lethbridge, Alberta  
March 21, 2023

# The Lethbridge Young Men's Christian Association

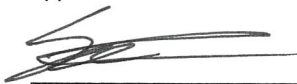
## Statement of Financial Position

December 31	2022	2021
<b>Assets</b>		
<b>Current</b>		
Cash (Note 2)	\$ 2,727,019	\$ 2,364,556
Investments (Note 3)	964,601	1,068,895
Accounts receivable	271,984	260,587
Inventory	37,417	47,263
Prepaid expenses	61,361	36,112
	<u>4,062,382</u>	<u>3,777,413</u>
Capital assets (Note 4)	<u>2,270,554</u>	<u>2,855,186</u>
	<u>\$ 6,332,936</u>	<u>\$ 6,632,599</u>

### Liabilities and Net Assets

<b>Current</b>		
Accounts payable and accrued liabilities (Note 5)	\$ 590,496	\$ 447,224
Due to the City of Lethbridge (Schedule 1) (Note 11)	113,373	285,533
Deferred revenue (Note 6)	1,053,194	1,068,450
Deposits	30,000	20,000
	<u>1,787,063</u>	<u>1,821,207</u>
Deferred capital contributions (Note 8)	<u>2,005,238</u>	<u>2,587,397</u>
	<u>3,792,301</u>	<u>4,408,604</u>
<b>Net assets</b>		
Unrestricted net assets	1,025,315	1,056,207
Net assets invested in capital assets	265,316	267,788
Net assets internally restricted (Note 10)	1,250,004	900,000
	<u>2,540,635</u>	<u>2,223,995</u>
	<u>\$ 6,332,936</u>	<u>\$ 6,632,599</u>

Approved on behalf of the board:

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*March 21/03* \_\_\_\_\_

The accompanying notes and schedule are an integral part of these financial statements.

## The Lethbridge Young Men's Christian Association Statement of Changes in Net Assets

For the year ended December 31

2022

	Unrestricted net assets	Invested in capital assets	Internally restricted	Total
<b>Balance, beginning of year</b>	\$ 1,056,207	\$ 267,788	\$ 900,000	\$ 2,223,995
Excess of revenue over expenses for the year	316,640	-	-	316,640
Purchase of capital assets	(100,226)	100,226	-	-
Disposal of capital assets	7,219	(7,219)	-	-
Additions to deferred capital contributions	54,109	(54,109)	-	-
Proceeds of capital assets	5,500	(5,500)	-	-
Lifecycle reserve and community reserve	(350,004)	-	350,004	-
Amortization expense	672,139	(672,139)	-	-
Amortization of deferred capital contribution	(636,269)	636,269	-	-
<b>Balance, end of year</b>	\$ 1,025,315	\$ 265,316	\$ 1,250,004	\$ 2,540,635

For the year ended December 31

2021

	Unrestricted net assets	Investment in capital assets	Endowment fund	Internally restricted	Total
<b>Balance, beginning of year</b>	\$ 837,212	\$ 286,759	\$ 34,774	\$ 550,000	\$ 1,708,745
Excess of revenue over expenses for the year	515,250	-	-	-	515,250
Purchase of capital assets	(38,876)	38,876	-	-	-
Disposal of capital assets	46,156	(46,156)	-	-	-
Proceeds of capital assets	5,162	(5,162)	-	-	-
Lifecycle reserve and community reserve	(350,000)	-	-	350,000	-
Amortization expense	680,876	(680,876)	-	-	-
Amortization of deferred capital contribution	(674,347)	674,347	-	-	-
Endowment fund	34,774	-	(34,774)	-	-
<b>Balance, end of year</b>	\$ 1,056,207	\$ 267,788	\$ -	\$ 900,000	\$ 2,223,995

The accompanying notes and schedule are an integral part of these financial statements.

# The Lethbridge Young Men's Christian Association

## Statement of Operations

For the year ended December 31	2022	2021
<b>Revenue</b>		
Covid-19 supports (Note 9)	\$ 125,297	\$ 1,528,415
Memberships	4,216,023	1,391,535
Programs (Note 7)	2,587,298	1,368,589
Grants and contributions (Note 9)	840,189	1,070,687
Day passes	814,734	371,617
Facility rent	328,399	242,449
Donation revenue	163,000	123,022
Fundraising & sponsorship income	45,000	38,577
GST revenue	100,926	20,155
Miscellaneous	12,044	10,814
	<b>9,232,910</b>	<b>6,165,860</b>
<b>Expenses</b>		
Advertising	73,592	32,123
Affiliation fees	141,477	91,591
Bad debt expense	3,633	81,015
Board expenses	10,180	5,684
Contracted services	142,049	148,480
Foreign exchange loss	199	336
Insurance, licences and memberships	39,407	35,786
Interest and bank charges	131,929	65,675
Office and telephone	292,081	248,695
Philanthropic development	8,960	2,916
Professional fees	38,685	50,950
Rent and utilities	158,937	142,186
Repairs and maintenance	168,939	25,691
Salaries and benefits	2,525,181	2,018,376
Staff and volunteer development	212,937	60,782
Supplies	376,243	197,743
Volunteer development and training	3,951	120
Wages and benefits	4,474,225	2,437,942
	<b>8,802,605</b>	<b>5,646,091</b>
<b>Excess of revenue over expenses before the following items</b>	<b>430,305</b>	<b>519,769</b>
Amortization of capital contributions	636,269	674,347
Investment income	65,807	50,827
Unrealized gain (loss) on investments	(122,022)	45,058
Gain (loss) on sale of marketable securities	(106)	1,139
Management fees on investments	(14,255)	(14,084)
Community Foundation donation	-	(34,774)
Loss on disposition of capital assets	(7,219)	(46,156)
Amortization	(672,139)	(680,876)
<b>Excess of revenue over expenses for the year</b>	<b>\$ 316,640</b>	<b>\$ 515,250</b>

The accompanying notes and schedule are an integral part of these financial statements.

## The Lethbridge Young Men's Christian Association Statement of Cash Flows

For the year ended December 31	2022	2021
<b>Cash flows from operating activities</b>		
Excess of revenue over expenses for the year	\$ 316,640	\$ 515,250
Adjustments for non-cash items		
Amortization	672,139	680,876
Amortization of deferred capital contributions	(636,269)	(674,347)
Loss on sale of capital assets	7,219	46,156
	<u>359,729</u>	<u>567,935</u>
Change in non-cash working capital items		
Decrease (increase) in investments	104,294	(75,529)
Increase in accounts receivable	(11,397)	(3,942)
Increase (decrease) in inventory	9,846	(47,265)
Increase in prepaid expenses	(25,249)	(3,412)
Increase in accounts payable and accrued liabilities	143,272	4,574
Decrease in due to the City of Lethbridge	(172,160)	(672,386)
Increase (decrease) in deposits	10,000	(2,600)
Decrease in deferred revenue	(15,256)	(89,261)
	<u>403,079</u>	<u>(321,886)</u>
<b>Cash flows from investing activities</b>		
Decrease in long-term investments	-	1,001
Purchase of capital assets	(100,226)	(38,876)
Proceeds on disposal of capital assets	5,500	5,162
Additions to capital contributions	54,110	-
	<u>(40,616)</u>	<u>(32,713)</u>
<b>Increase (decrease) in cash during the year</b>	<b>362,463</b>	<b>(354,599)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>2,364,556</b>	<b>2,719,155</b>
<b>Cash and cash equivalents, end of year (Note 2)</b>	<b>\$ 2,727,019</b>	<b>\$ 2,364,556</b>

The accompanying notes and schedule are an integral part of these financial statements.



# The Lethbridge Young Men's Christian Association

## Notes to the Financial Statements

December 31, 2022

### 1. Summary of significant accounting policies

**Nature and purpose of organization** The Lethbridge Young Men's Christian Association (the "Association") is a not-for-profit organization and a registered charity under the Income Tax Act that is dedicated to the growth of persons in spirit, mind, body and the development of a sense of responsibility to each other and to the global community. The Association utilizes its facilities, programs and services to achieve this objective.

**Basis of accounting** The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

**Use of estimates** The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are capital assets, deferred revenue, deferred capital contributions, accounts payable and accrued liabilities. Actual results may vary from these estimates.

**Cash and cash equivalents** Cash and cash equivalents include cash on deposit and term deposits with maturities of less than three months from the date of acquisition

**Restricted cash** Restricted cash consists of cash held in a savings account restricted to providing support to the Association.

**Capital assets** Capital assets are recorded at cost. The Association provides for amortization using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Asset	Rate
Leasehold improvements	10 - 20 years
Equipment	5 years
Furniture and fixtures	5 years
Sign	20 years

**Deferred capital contributions** Deferred capital contributions represent the unamortized portion of contributed capital assets and restricted contributions that were used to purchase the Association's capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

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# The Lethbridge Young Men's Christian Association

## Notes to the Financial Statements

December 31, 2022

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1. Summary of significant accounting policies (continued)

**Revenue recognition**

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted net investment income is recognized as revenue in the year in which the related expenses are incurred. Restricted net investment income that must be added to the principal amount of resources held for endowment is recognized as a direct increase in net assets. Unrestricted net investment income is recognized as revenue when earned.

Membership fees are recognized as revenue over the term of the membership. The portion of the annual memberships paid before year end which relates to months after year end has been included in deferred revenue.

Facility rental revenue is recognized monthly over the term of the lease agreement on a straightline basis.

All other revenue is recognized when the service is performed or the event takes place.

**Contributed services**

Directors and owners volunteer their time to assist in the Association's activities. These services materially benefit the Association; however, a reasonable estimate of the time spent and its fair market value cannot be made and accordingly, these contributed services are not recognized in the financial statements.

**Financial instruments**

The Association initially measures its financial assets and 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. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed up by the related parties.

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income.

Investments are initially measured at cost. These investments are listed on the market and are subsequently measured at fair market value and recognized in net income.

# The Lethbridge Young Men's Christian Association

## Notes to the Financial Statements

December 31, 2022

### 1. Summary of significant accounting policies (continued)

<b>Financial asset impairment</b>	The Association assesses impairment of all its financial assets, except those classified as fair value through profit and loss. Management considers whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. Impairment is measured as the difference between the asset's carrying value and its fair value. Any impairment, which is not considered temporary, is included in current year earnings.
<b>Leases</b>	Leases are classified as either capital or operating leases. Leases that transfer substantially all of the benefits and inherent risks of ownership of property to the Association are accounted for as capital leases. At the time a capital lease is entered into, an asset is recorded together with its related long-term obligation to reflect the acquisition and financing. Equipment recorded under capital leases is amortized on the same basis as described above. Payments under operating leases are recognized on a straightline basis.

### 2. Cash

	2022	2021
Chequing	\$ 640,033	\$ 303,937
Savings	51,289	1,039,856
Restricted cash - Casino	470	10,470
Cash on hand	1,000	1,457
US Chequing account	-	7,089
Bingo account	11,462	646
High interest savings account	1,019,457	1,001,101
Notice on amounts 90 days - interest savings account	1,003,308	-
	<b>\$ 2,727,019</b>	<b>\$ 2,364,556</b>

Chequing and savings accounts have varying interest rates from 0% to 5.25%.

The Association has an Independent Revolving Business Loan with a limit of \$150,000 and bears an interest rate of prime minus 1.20%. At year end, the balance owing was NIL (2021 - NIL).

# The Lethbridge Young Men's Christian Association

## Notes to the Financial Statements

December 31, 2022

### 3. Investments

Investments are a combination of pooled funds of fixed income and equities and are recorded at fair value. The cost of the mutual funds is \$996,615 (2021 - \$978,886). The chart below shows the break-down of the single pooled fund owned, ATB Compass Consolidated Balanced Fund.

	2022	2021
<b>Pooled Funds</b>		
Fixed income	\$ 590,817	\$ 669,690
Canadian equities	117,436	136,254
US equities	103,794	121,877
Foreign equities	152,554	141,074
	<u>\$ 964,601</u>	<u>\$ 1,068,895</u>

### 4. Capital assets

	2022			2021
	Cost	Accumulated Amortization	Net	Net
Leasehold improvements	\$ 1,521,384	\$ 322,711	\$ 1,198,673	\$ 1,272,614
Equipment	1,755,564	1,243,571	511,993	841,289
Furniture and fixtures	1,065,433	714,241	351,192	520,065
Sign	250,435	41,739	208,696	221,218
	<u>\$ 4,592,816</u>	<u>\$ 2,322,262</u>	<u>\$ 2,270,554</u>	<u>\$ 2,855,186</u>

## The Lethbridge Young Men's Christian Association Notes to the Financial Statements

**December 31, 2022**

**5. Accounts payable and accrued liabilities**

Included in accounts payable and accrued liabilities are government remittances of \$63,026 (2021 - \$47,972)

**6. Deferred revenue**

	December 31, 2021	Received	Recognized	Repayments	December 31, 2022
Community campaign	\$ 786,140	\$ -	\$ (17,819)	\$ -	\$ 768,321
Bequest	103,592	-	(3,811)	-	99,781
Membership revenue	27,169	13,012	(4,517)	-	35,664
Casino funds	10,470	-	(10,000)	-	470
Other deferred revenue	22,741	13,485	-	-	36,226
ECE grant	34,103	37,477	(71,580)	-	-
Deferred bingo grants	647	10,817	(97)	-	11,367
Deferred alternative suspension	50,000	50,000	(10,000)	(50,000)	40,000
Deferred non-government grant	1,100	-	(1,100)	-	-
Deferred program revenue	32,488	9,127	-	-	41,615
Deferred Y - Minds grant	-	37,152	(17,402)	-	19,750
	<u>\$ 1,068,450</u>	<u>\$ 171,070</u>	<u>\$ (136,326)</u>	<u>\$ (50,000)</u>	<u>\$ 1,053,194</u>

The Alternative Suspension program was repaid at the beginning of 2022 as the Association did not start the program until November 2022.

# The Lethbridge Young Men's Christian Association

## Notes to the Financial Statements

December 31, 2022

### 7. Program Revenues

Included in Program Revenues is the Affordability Grant of \$871,786 (2021 - NIL)

### 8. Deferred capital contributions

Deferred capital contributions represent the unamortized portion of contributions received and spent on capital projects. Changes in unamortized capital contributions are as follows:

	2022	2021
Opening balance	\$ 2,587,398	\$ 3,019,130
Capital contributions	54,109	242,614
Amortized capital contributions	(636,269)	(674,347)
	<u>\$ 2,005,238</u>	<u>\$ 2,587,397</u>

### 9. Grant revenues and COVID support

	2022	2021
City of Lethbridge - operating grant (note 11)	\$ 172,527	\$ 557,666
Government of Alberta - child care staff accreditation grant	-	129,656
Government of Alberta - child care subsidy grant	366,798	229,132
Government of Alberta - childcare transition grant	20,988	-
Alberta Jobs Now Program grant	31,000	-
Government of Canada - summer jobs grant	131,171	126,895
Canada Alberta Job grant	87,235	13,896
Other	3,752	13,442
Alternative Suspension grant	10,000	-
YMCA Y Mind grant	17,402	-
	<u>\$ 840,873</u>	<u>\$ 1,070,687</u>

	2022	2021
Canadian Emergency Wages Support (CEWS)	\$ 52,425	\$ 1,365,604
Relief Support Funding	-	38,686
Early Childhood Educator Recovery and Retention Grant	34,103	-
Early Childhood Educators Compensation Grant	37,477	-
Canada Emergency Rent Subsidy (CERS)	-	53,528
Alberta Government SME Relaunch Grant	-	32,000
Critical Worker Benefit	1,292	38,597
	<u>\$ 125,297</u>	<u>\$ 1,528,415</u>

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## The Lethbridge Young Men's Christian Association Notes to the Financial Statements

December 31, 2022

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**10. Restricted net assets**

Restricted net assets are amounts internally restricted and set aside by the Association's Board of Directors that are to be used for designated purposes. These internally restricted amounts are not available for other purposes without approval by the Board of Directors.

	<u>2022</u>	<u>2021</u>
Life Cycle reserve	\$ 600,000	\$ 450,000
Community reserve fund	<u>650,004</u>	<u>450,000</u>
	<u>\$ 1,250,004</u>	<u>\$ 900,000</u>

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# The Lethbridge Young Men's Christian Association

## Notes to the Financial Statements

December 31, 2022

### 11. Related party transactions

The City of Lethbridge (the "City") is a related party due to the City's ability to exercise influence over the operations of the Association. During the year, the Association received a net amount of \$172,527 (note 9) in grant funding for operations. If the Association has a net profit in any year from the operations of the Cor Van Raay ("CVR") YMCA, the Association shall reimburse the City in the amount equal to the net profits up to the funding support received in that year. In 2022, the initial advance was \$285,900, net profits for the operations of the CVR YMCA was \$113,373 (schedule 1), resulting in funding for the 2022 year of \$172,527.

The Association has signed an Operating Agreement with the City of Lethbridge for a term effective April 1, 2019 and ending December 31, 2059, at which point the agreement may be expanded for two additional 15 year terms that would end December 31, 2089. The parties can begin renegotiations on or about January 1, 2056 and must be finalized by December 31, 2057.

This agreement covers the operations of Phase 2 of the ATB Centre including the YMCA Area, Leasable Area, City Area, Shared Area and Common Area. The agreement includes funding support from the City of Lethbridge as noted below

The City had committed to provide funding to the Association up to a maximum of \$4,716,200 payable over a four year period which commenced in 2019. In 2019 and 2020, the expected funding was \$2,192,700 and \$1,394,400 respectively, which resulted in total funding actually received of \$4,515,022. The variance is due to a COVID-19 clawback when the facility was not operational. In 2022, \$285,900 was received of which \$113,373 is being paid back to the City of Lethbridge.

	Actual received	Returned	Revenue recognized
2019	\$ 2,190,280	\$ (832,222)	\$ 1,358,058
2020	1,195,642	(275,539)	920,103
2021	843,200	(285,533)	557,666
2022	285,900	(113,373)	172,527
	<b>\$ 4,515,022</b>	<b>\$ (1,506,667)</b>	<b>\$ 3,008,354</b>

- (a) In addition to the above, the City has committed to provide funding to the Association to a maximum of \$1,143,600 payable over a four year period, which will commence in January 2023.

2023	\$ 285,900
2024	285,900
2025	285,900
2026	285,900
	<b>1,143,600</b>



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## The Lethbridge Young Men's Christian Association

### Notes to the Financial Statements

December 31, 2022

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#### 12. Commitments

##### Melcor Lease

The Association has entered into a lease agreement with Melcor REIT Limited Partnership for the opening of the Roundstreet Early Learning and Child Care Centre, located at the Melcor Centre. The term is for 15 years beginning October 1, 2018. The first 18 months of the lease were rent free. The Association's total commitment under this lease agreement, exclusive of occupancy costs, on a calendar year basis is as follows:

2023	\$	65,951
2024		66,355
2025		70,793
2026		74,795
2027		74,795
Subsequent years		<u>464,070</u>
	\$	<u>816,759</u>

##### Enigma Lease

The Association has entered into a lease agreement with Enigma Properties Inc. for Redwood Day Early Learning and Child Care Centre, located in the Forestry Ave Mall. The term is for 10 years beginning February 1, 2020 and terminating on November 30, 2029. The Association's total commitment under this lease agreement, exclusive of occupancy costs, on a calendar year basis is as follows:

2023	\$	28,845
2024		29,115
2025		29,115
2026		32,080
2027		32,350
Subsequent years		<u>73,866</u>
	\$	<u>225,371</u>

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#### 13. Financial instruments

Transactions in financial instruments may result in an Association assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

##### (a) Fair value

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity dates. The fair value of long-term financial liabilities approximates their carrying value based on the presumption that the Association is a going concern and thus expects to fully repay the outstanding amounts.

##### (b) Market risk

The Association is subject to market risk with respect to its investments. The values of these investments fluctuate as a result of changes in equity prices, interest rates, or other factors affecting the values of the investments.

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# The Lethbridge Young Men's Christian Association

## Notes to the Financial Statements

December 31, 2022

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**13. Financial instruments (continued)**

**(c) Credit risk**

The Association does have credit risk in accounts receivable. Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Association reduces its exposure to credit risk by performing credit valuations on a regular basis; granting credit upon a review of the credit history of the applicant and creating an allowance for bad debts when applicable. The Association maintains strict credit policies and limits in respect to counterparties.

**(d) Liquidity risk**

The Association does have a liquidity risk in the accounts payable and accrued liabilities. Liquidity risk is the risk that the Association cannot repay its obligations when they become due to its creditors. The Association reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate line of credit to repay trade creditors and repays long term debt interest and principal as they become due.

**(e) Interest rate risk**

Interest rate risk arises from the possibility that change in interest rates will affect future cash flows or the fair values of interest-bearing financial instruments held by the Association.

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**14. Note to Schedule 1**

The schedule 1 provides the calculation to determine the amount due to the City of Lethbridge from the Operating Agreement.

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**15. Comparative Information**

The comparative figures have been restated to conform to current year financial statement presentation.

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**The Lethbridge Young Men's Christian Association**  
**Schedule 1 - Net Excess of Revenues over Expenses of Phase 2**  
**(Cor Van Raay YMCA)**

For the year ended December 31	2022
<b>Revenues</b>	
Grants	\$ 805,222
Memberships	4,216,023
Programs	1,426,370
Daily admissions	814,734
Facility rentals	328,399
Donation revenue	50,427
GST revenue	100,926
Miscellaneous	12,044
Fundraising and sponsorship income	10,000
	<u>7,764,145</u>
<b>Expenses</b>	
Salaries and wages	5,895,613
Office and telephone	272,918
Supplies	359,526
Contracted services	137,804
National	138,477
Bad debts expense	3,633
Interest and bank charges	125,440
Staff and volunteer development	192,822
Professional fees	38,684
Advertising	72,900
Insurance	35,440
Repairs & maintenance	157,252
Board	10,180
Philanthropy development	8,961
Rent and utilities	1,021
Volunteer development and training	3,951
Shared services allocations	(153,854)
	<u>7,300,768</u>
<b>Excess of revenues over expenses before allowable reserves</b>	<u>463,377</u>
<b>Allowable reserves</b>	
Community initiatives reserve	200,004
Lifecycle reserve	150,000
	<u>350,004</u>
<b>Due to the City of Lethbridge - Total (Note 11)</b>	<u>\$ 113,373</u>