

Financial Statements

YMCA of Northern Alberta Foundation

March 31, 2024

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Independent Auditor's Report

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To the Members of
YMCA of Northern Alberta Foundation

Opinion

We have audited the financial statements of the YMCA of Northern Alberta Foundation (“the Foundation”), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

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

Edmonton, Canada

September 19, 2024

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Chartered Professional Accountants

YMCA of Northern Alberta Foundation**Statement of Operations**

Year Ended March 31

2024**2023**

	Unrestricted fund	Internally restricted fund	Total	Total
Revenues				
Contributions from YMCA of Northern Alberta (Note 8)	\$ 168,567	\$ -	\$ 168,567	\$ 146,424
Investment income (Note 6)	-	12,383	12,383	8,581
Contributions	6,035	-	6,035	400
Contributions of life insurance premiums	-	1,813	1,813	1,839
	<u>174,602</u>	<u>14,196</u>	<u>188,798</u>	<u>157,244</u>
Expenditures				
YMCA of Northern Alberta support funding	-	274,100	274,100	188,200
Professional fees	10,887	-	10,887	8,476
International support funding	-	7,900	7,900	5,800
Life insurance premiums	-	2,108	2,108	2,139
Decrease in fair value of financial instruments	-	382	382	303
Office supplies	497	-	497	1,586
	<u>11,384</u>	<u>284,490</u>	<u>295,874</u>	<u>206,504</u>
Expenditures contributed by YMCA of Northern Alberta (Note 8)				
Salaries and benefits	168,438	-	168,438	144,876
Promotion	129	-	129	1,548
	<u>168,567</u>	<u>-</u>	<u>168,567</u>	<u>146,424</u>
	<u>179,951</u>	<u>284,490</u>	<u>464,441</u>	<u>352,928</u>
Deficiency of revenues over expenditures	<u>\$ (5,349)</u>	<u>\$ (270,294)</u>	<u>\$ (275,643)</u>	<u>\$ (195,684)</u>

See accompanying notes to the financial statements.

YMCA of Northern Alberta Foundation**Statement of Changes in Net Assets**

Year Ended March 31

2024**2023**

	Unrestricted fund	Internally restricted fund (Note 5)	Endowment fund (Note 4)	Total	Total
Balance, beginning of year	\$ -	\$ 118,381	\$ 5,974,961	\$ 6,093,342	\$ 5,703,865
Deficiency of revenues over expenditures	<u>(5,349)</u>	<u>(270,294)</u>	<u>-</u>	<u>(275,643)</u>	<u>(195,684)</u>
	<u>(5,349)</u>	<u>(151,913)</u>	<u>5,974,961</u>	<u>5,817,699</u>	<u>5,508,181</u>
Endowment contributions	-	-	177,309	177,309	500,048
Decrease in fair value of financial instruments	-	-	(47,746)	(47,746)	(92,902)
Investment income	<u>-</u>	<u>-</u>	<u>493,016</u>	<u>493,016</u>	<u>178,015</u>
	<u>-</u>	<u>-</u>	<u>622,579</u>	<u>622,579</u>	<u>585,161</u>
Inter-fund transfers	<u>5,349</u>	<u>276,651</u>	<u>(282,000)</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ -</u>	<u>\$ 124,738</u>	<u>\$ 6,315,540</u>	<u>\$ 6,440,278</u>	<u>\$ 6,093,342</u>

See accompanying notes to the financial statements.

YMCA of Northern Alberta Foundation
Statement of Financial Position

March 31

2024

2023

	Unrestricted fund	Internally restricted fund	Endowment fund	Total	Total
Assets					
Current					
Cash	\$ -	\$ 128,683	\$ -	\$ 128,683	\$ 16,000
Contributions receivable	-	2,688	-	2,688	8,006
Accrued interest receivable	-	2,078	-	2,078	1,809
Due from YMCA of Northern Alberta (Note 8)	-	-	-	-	262
Receivable from other fund	<u>11,800</u>	<u>-</u>	<u>-</u>	<u>11,800</u>	<u>7,600</u>
	<u>11,800</u>	<u>133,449</u>	<u>-</u>	<u>145,249</u>	<u>33,677</u>
Long-term investments (Note 3)	<u>-</u>	<u>214,042</u>	<u>6,315,540</u>	<u>6,529,582</u>	<u>6,074,865</u>
	<u>\$ 11,800</u>	<u>\$ 347,491</u>	<u>\$ 6,315,540</u>	<u>\$ 6,674,831</u>	<u>\$ 6,108,542</u>
Liabilities					
Current					
Payables and accruals	\$ 10,700	\$ -	\$ -	\$ 10,700	\$ 7,600
Due to the Regional Council of YMCAs of Alberta (Note 8)	1,100	-	-	1,100	-
Due to YMCA of Northern Alberta (Note 8)	-	210,953	-	210,953	-
Payable to other fund	<u>-</u>	<u>11,800</u>	<u>-</u>	<u>11,800</u>	<u>7,600</u>
	<u>11,800</u>	<u>222,753</u>	<u>-</u>	<u>234,553</u>	<u>15,200</u>
Net Assets					
Endowment fund (Note 4)	-	-	6,315,540	6,315,540	5,974,961
Internally restricted fund (Note 5)	<u>-</u>	<u>124,738</u>	<u>-</u>	<u>124,738</u>	<u>118,381</u>
	<u>-</u>	<u>124,738</u>	<u>6,315,540</u>	<u>6,440,278</u>	<u>6,093,342</u>
	<u>\$ 11,800</u>	<u>\$ 347,491</u>	<u>\$ 6,315,540</u>	<u>\$ 6,674,831</u>	<u>\$ 6,108,542</u>

Approved by the Board of Directors

_____ Director

_____ Director

See accompanying notes to the financial statements.

YMCA of Northern Alberta Foundation
Statement of Cash Flows

Year Ended March 31

2024

2023

Increase (decrease) in cash

Operating

Deficiency of revenues over expenditures	\$ (275,643)	\$ (195,684)
Decrease in fair value of financial instruments	<u>382</u>	<u>303</u>
	(275,261)	(195,381)
Changes in non-cash operating working capital		
Contributions receivable	5,318	(8,006)
Accrued interest receivable	(269)	3,018
Payables and accruals	<u>3,100</u>	<u>500</u>
	(267,112)	(199,869)

Investing

Contributions to Endowment fund	177,309	500,048
Increase (decrease) in payable (net) to YMCA of Northern Alberta	211,215	(141,266)
Increase in payable to the Regional Council of YMCAs of Alberta	1,100	-
Net transactions for long-term investments	<u>(9,829)</u>	<u>(161,049)</u>
	379,795	197,733

Net increase (decrease) in cash	112,683	(2,136)
Cash, beginning of year	<u>16,000</u>	<u>18,136</u>
Cash, end of year	<u>\$ 128,683</u>	<u>\$ 16,000</u>

See accompanying notes to the financial statements.

YMCA of Northern Alberta Foundation

Notes to the Financial Statements

Year ended March 31, 2024

1. Nature of operations

YMCA of Northern Alberta Foundation (the “Foundation”) is incorporated as a not-for-profit organization under the Alberta Societies Act. The mission of the Foundation is to act as a fundraising body collecting donations, gifts, or bequests exclusively for the benefit of YMCA of Northern Alberta. The Foundation is a registered charity under the Income Tax Act and is exempt from income tax.

2. Summary of significant accounting policies

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (“ASNPO”) and include the following significant accounting policies:

Use of estimates and measurement uncertainty

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the period. Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Actual results could differ from those estimates.

Significant estimates included in these financial statements are the fair value of long-term investments.

Fund accounting

The operational and administrative activities of the Foundation, including unrestricted contributions from YMCA of Northern Alberta are reported by the unrestricted fund.

The internally restricted fund reports resources restricted by the Foundation’s Board of Directors for the eventual transfer to YMCA of Northern Alberta.

The endowment fund reports resources that have been permanently restricted by the Foundation’s Board of Directors for endowment purposes, including the internally restricted International Development Fund.

YMCA of Northern Alberta Foundation

Notes to the Financial Statements

Year ended March 31, 2024

2. Summary of significant accounting policies (cont'd)

Revenue recognition

The Foundation follows the deferral method of accounting for contributions.

Unrestricted contributions and unrestricted investment income are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions and investment income restricted for endowment purposes are recognized as a direct increase in net assets.

Planned gifts

The Foundation is the beneficiary of whole life insurance policies. Whole life insurance policies for which the Foundation is the registered owner are recorded as assets of the Foundation at their cash surrender value.

The Foundation is also the beneficiary of bequests stated in wills. Bequests are not recognized in the financial statements until the funds are received.

Long-term investments

The Foundation records its long-term investments at market value. Changes in the quoted market value for internally restricted investments are recognized in the statement of operations. Endowment investment changes are recorded directly to net assets.

Donated gifts and services

The Foundation records the fair market value of donated gifts and services in its accounts where such value is reasonably determinable and when the donations are normally purchased by the Foundation.

Impairment of long-lived assets

The Foundation tests for impairment when events or changes in circumstances indicate the carrying amount of an item or class of assets may not be recoverable. The recoverability of long-lived assets is based on the net recoverable amounts determined on an undiscounted cash flow basis. If the carrying amount of an asset exceeds its net recoverable amount, an impairment loss is recognized to the extent that fair value is below the asset's carrying amount. Fair value is determined based on quoted market prices where available, otherwise on discounted cash flows over the life of the asset.

YMCA of Northern Alberta Foundation

Notes to the Financial Statements

Year ended March 31, 2024

2. Summary of significant accounting policies (cont'd)

Financial instruments

Initial measurement:

The Foundation's financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Subsequent measurement:

At each reporting date, the Foundation measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for equities quoted in an active market, which must be measured at fair value. The Foundation has also irrevocably elected to measure its investments in bonds at fair value. All changes in fair value of the Foundation's investments in equities quoted in an active market and in bonds are recorded in the statement of operations for unrestricted investments and directly to net assets for endowed investments. The Foundation uses the effective interest method to amortize any premiums, discounts, transaction fees, and financing fees to the statement of operations. The financial instruments measured at amortized cost are cash, contributions receivable, accrued interest receivable, due from YMCA of Northern Alberta and payables and accruals. The carrying value of financial instruments approximates their fair value due to the short-term nature, unless otherwise noted.

For financial assets measured at cost or amortized cost, the Foundation regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Foundation determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Related party financial instruments:

Financial assets and financial liabilities in related party transactions are initially measured at cost, with the exception of certain instruments which are initially measured at fair value. Subsequent measurement is based on how the Foundation initially measured the instrument. The Foundation does not have any financial assets or financial liabilities in related party transactions measured at fair value.

YMCA of Northern Alberta Foundation

Notes to the Financial Statements

Year ended March 31, 2024

3. Long-term investments	<u>2024</u>	<u>2023</u>
Investments, at market value, cost \$6,130,540 (2023 - \$5,627,695)	\$ 6,442,172	\$ 5,988,025
Cash surrender value of life insurance	<u>87,410</u>	<u>86,840</u>
	<u>\$ 6,529,582</u>	<u>\$ 6,074,865</u>

4. Endowment funds	<u>2024</u>	<u>2023</u>
Endowed funds – Externally Restricted		
William Lutsky Trust Fund (Land Trust Fund)	\$ 2,010,919	\$ 1,957,950
Literacy Endowment Fund	735,289	715,921
Tim Melton Family Fund	541,178	478,240
Healthy Communities Fund	503,364	468,775
Eldon and Phyllis Fowler Fund	418,543	407,518
Larry Pollock Youth Recreation Fund	268,518	256,577
Bennett Clarke Memorial Scholarship Fund	194,192	189,077
Youth and Community Endowment Fund Jean-Louis Cloutier	156,404	152,285
Bill Rees Memorial Fund	141,575	135,228
Lammerink Family Fund	114,878	110,878
Robert J. Turnbull Trust Fund	89,210	86,860
William Lutsky Trust Fund	86,328	84,054
Phyllis Amerongen Memorial Fund	84,410	82,187
William Weir Memorial Fund	53,812	52,394
Wilfred Oliver (Mac) McLean Trust Fund	52,920	48,118
Amerongen Fund	51,353	50,000
Sam Gabriel Trust Fund	44,515	43,342
Grant and Irene Duncan Family Fund	44,273	42,864
Edwin S. Cook Leadership Fund	42,720	41,595
Al Maydonik Trust Fund	34,730	33,815
Scot McLeod Family Fund	34,561	33,650
1907 – 2007 Centennial Trust	33,064	32,193
Cecil and Helen Paull Scholarship Fund	30,489	29,686
Del Dilkie Leadership Fund	26,585	25,885
Patricia Ellen (Pattey) Ready Memorial Fund	26,270	25,578
Jill Zimmerman Memorial Fund	24,223	23,586
PD Fund	20,502	15,094
Bull Family Fund	16,117	15,108

YMCA of Northern Alberta Foundation

Notes to the Financial Statements

Year ended March 31, 2024

4. Endowment funds (cont'd)	<u>2024</u>	<u>2023</u>
Herbert Family Fund	15,411	15,005
Archie M. Langille Trust Fund	14,777	14,388
Michael Zolf Trust Fund	14,777	14,388
J.J. and Mary-Anne Tremblay Family Fund	14,212	12,621
Rebecca Suen Fund for the Homeless	13,972	13,604
Matthew Peddle Memorial Fund for Children with Disabilities	13,836	13,472
Investing in Youth Fund	13,649	12,121
Winnie Kwok Memorial Fund	12,901	12,561
Len Dolgoy and Catherine Miller Trust Fund	12,688	11,867
Franco and Barbara Savoia Star-Builder Scholarship Fund	12,345	12,020
Menegozzo Family Fund	11,029	10,739
Emerging Endowment Funds	121,291	34,319
	<hr/>	<hr/>
Endowment funds – Externally Restricted	6,151,830	5,815,563
	<hr/>	<hr/>
Endowment funds – Internally Restricted		
International Development Fund	163,710	159,398
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	\$ 6,315,540	\$ 5,974,961

The Endowment fund was established to raise funds for the benefit of YMCA of Northern Alberta. The assets held by the Endowment fund are endowed in perpetuity.

The Foundation accepts contributions intended towards establishing future Endowment funds, with the requested balance of \$10,000 or greater. These Emerging Endowment Funds receive, as do all of the Endowment funds, annual allocations of the Foundation's investment income. No annual transfer of funds to support YMCA of Northern Alberta is processed until an Emerging Endowment Fund balance exceeds a balance of \$10,000 (or a higher level, if directed by the donors.)

5. Internally restricted fund	<u>2024</u>	<u>2023</u>
Other internally restricted funds	\$ 124,738	\$ 118,381

Internally restricted funds are held for the purpose of generating investment income for the eventual transfer to YMCA of Northern Alberta.

YMCA of Northern Alberta Foundation

Notes to the Financial Statements

Year ended March 31, 2024

6. Investment income

Investment income earned is reported as follows:	<u>2024</u>	<u>2023</u>
Net investment income on long-term investments	\$ 502,276	\$ 179,531
Investment earnings from the Edmonton Community Foundation (Note 7)	1,814	1,775
Change in fair value of financial instruments	569	2,224
Interest on bank account and other	<u>740</u>	<u>3,066</u>
Net investment income for the year	505,399	186,596
Amount restricted for endowment purposes	<u>(493,016)</u>	<u>(178,015)</u>
Total investment income	<u>\$ 12,383</u>	<u>\$ 8,581</u>

7. Contribution to Edmonton Community Foundation

In 2001, the Foundation established an endowment fund with the Edmonton Community Foundation through a donation of \$30,000. The principal balance of the Endowment Fund is owned by the Edmonton Community Foundation. As the named beneficiary of the fund, the Foundation is eligible to receive an allocation from future investment earnings arising from the current balance, as well as from future donations to the fund.

8. Related not-for-profit organizations

The Foundation is influenced by YMCA of Northern Alberta by virtue of its ability to appoint the Foundation's Board of Directors. YMCA of Northern Alberta is incorporated as a not-for-profit organization and is a registered charity under the Income Tax Act.

YMCA of Northern Alberta is the beneficiary of the financial development operations of the Foundation and contributes staffing and other resources towards the work of the Foundation. The fair market value of these resources is estimated and reflected as contributions in the financial statements of the Foundation.

Contributions from YMCA of Northern Alberta during the year total \$168,567 (2023 - \$146,424). These have been recognized in the unrestricted fund.

The balance of \$210,953 payable (2023 - \$262 receivable) from YMCA of Northern Alberta is non-interest bearing and has no fixed terms of repayment.

YMCA of Northern Alberta Foundation

Notes to the Financial Statements

Year ended March 31, 2024

8. Related not-for-profit organizations (cont'd)

The balance of \$1,100 payable (2023 - \$nil) to the Regional Council of YMCAs of Alberta is non-interest bearing and has no fixed terms of repayment.

9. Financial instrument risks

The Foundation's main financial instrument risk exposure is detailed as follows:

The Foundation holds marketable security investments and guaranteed investment certificates, which are subject to various risks such as interest rate and market fluctuations. These risks are mitigated by restricting both the type and term of securities eligible for investment.

The Foundation is exposed to credit risk from financial institutions and community fundraising entities. Credit risk arises from the possibility that these entities may experience financial difficulty and be unable to fulfil their obligations. The Foundation's maximum exposure to credit risk is represented by the carrying amounts of accrued interest receivable and it is management's opinion that the likelihood of loss is low.

The Foundation is exposed to liquidity risk as the Foundation could encounter difficulty in meeting obligations associated with its financial liabilities. Therefore, the Foundation is exposed to liquidity risk with respect to its payables and accruals and amounts due to YMCA of Northern Alberta and the Regional Council of YMCAs of Alberta. The Foundation monitors its liquidity position and plans the purchase of investments accordingly.
