

**YMCA OF PICTOU COUNTY**  
**Financial Statements**  
**December 31, 2024**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of YMCA of Pictou County

### *Opinion*

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

### *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 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 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.

### *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.



Independent Auditor's Report to the Members of YMCA of Pictou County (*continued*)

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.

New Glasgow, Nova Scotia  
May 27, 2025

*MacDonald +  
Murphy Inc.*

Chartered Professional Accountants

**YMCA OF PICTOU COUNTY**  
**Statement of Revenues and Expenditures**  
**Year Ended December 31, 2024**

	Total 2024	Total 2023
<b>Revenues</b>		
Childcare and after school programs (Note 4)	\$ 3,313,237	\$ 2,350,219
Memberships and fees	2,149,438	1,899,468
HST credits	105,323	95,392
	<u>5,567,998</u>	<u>4,345,079</u>
<b>Expenses</b>		
Wages and benefits	4,266,677	3,266,725
Occupancy costs	553,814	573,781
Program costs and supplies	341,983	322,159
Administration costs	112,757	98,753
Dues Y Canada	95,363	86,873
Repairs and maintenance	100,300	107,345
Insurance	55,256	49,156
Professional fees	37,726	30,457
	<u>5,563,876</u>	<u>4,535,249</u>
<b>Excess revenue (expenses) before other items</b>	<u>4,122</u>	<u>(190,170)</u>
<b>Other revenues</b>		
Donations	158,519	130,808
Unrestricted investment income	97,250	73,999
Forgivable loan	29,463	29,463
Contribution from Endowment Trust	15,000	30,000
	<u>300,232</u>	<u>264,270</u>
<b>Other expenses</b>		
Amortization	52,687	32,854
Interest on long term debt	15,709	16,256
Bad debts	6,524	4,000
Interest on obligations under capital lease		611
	<u>74,920</u>	<u>53,721</u>
<b>Excess revenue before unrealized gain on investments</b>	<u>229,433</u>	<u>20,380</u>
<b>Unrealized gain on investments</b>	<u>134,992</u>	<u>59,083</u>
<b>Excess revenue</b>	<u>\$ 364,425</u>	<u>\$ 79,463</u>

**YMCA OF PICTOU COUNTY**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2024**

	Operating Fund	Capital Fund	Endowment Fund (note 5)	2024	2023
<b>Net assets - beginning of year</b>	\$ 1,100,689	\$ 85,396	\$ 586,219	\$ 1,772,304	\$ 1,676,982
<b>Excess revenues (expenses)</b>	364,425			364,425	79,463
<b>Amortization of capital assets</b>	52,687	(52,687)			
<b>Repayment of lease obligations</b>	(3,372)	3,372			
<b>Repayment of long term debt</b>	(18,036)	18,036			
<b>Contributions received</b>		71,957		71,957	14,570
<b>Capital purchases funded out of operations</b>	(62,717)	62,717			
<b>Gain on disposal of capital assets</b>					1,296
<b>Funding disbursed - transfer to operations</b>			(15,000)	(15,000)	(30,000)
<b>Restricted investment income</b>			25,932	25,932	26,704
<b>Unrealized gain on restricted investments</b>			29,521	29,521	3,289
<b>Change in net assets</b>	332,987	103,395	40,453	476,835	(95,322)
<b>Net assets - end of year</b>	\$ 1,433,676	\$ 188,791	\$ 626,672	\$ 2,249,139	\$ 1,772,304



**YMCA OF PICTOU COUNTY**  
**Statement of Financial Position**  
**December 31, 2024**

	2024	2023
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 716,584	\$ 234,256
Accounts receivable (Note 5)	160,190	317,533
Prepaid expenses	91,720	5,765
	<u>968,494</u>	<u>557,554</u>
<b>Capital assets (Note 7)</b>	278,085	196,098
<b>Investments - Unrestricted (Note 8)</b>	1,899,850	1,722,656
<b>Investments - Restricted (Note 9)</b>	626,051	585,598
	<u>\$ 3,772,480</u>	<u>\$ 3,061,906</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accruals (Note 10)	\$ 524,547	\$ 427,359
Deferred revenue (Note 11)	455,562	258,188
Current portion of long term debt (Note 13)	18,058	17,971
Current portion of obligations under capital lease (Note 12)		3,372
	<u>998,167</u>	<u>706,890</u>
<b>Deferred revenue (Note 11)</b>	214,435	243,896
<b>Long term payable (Note 17)</b>	115,072	125,113
<b>Long term debt (Note 13)</b>	195,667	213,703
	<u>1,523,341</u>	<u>1,289,602</u>
<b>NET ASSETS</b>		
<b>Operating fund</b>	1,433,676	1,100,689
<b>Capital fund</b>	188,791	85,396
<b>Endowment fund (Note 5)</b>	626,672	586,219
	<u>2,249,139</u>	<u>1,772,304</u>
	<u>\$ 3,772,480</u>	<u>\$ 3,061,906</u>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

**YMCA OF PICTOU COUNTY**  
**Statement of Cash Flows**  
**Year Ended December 31, 2024**

	2024	2023
<b>Operating activities</b>		
Cash receipts	\$ 6,186,961	\$ 4,345,181
Cash paid to suppliers and employees	(5,562,684)	(4,479,616)
Interest paid	(15,709)	(16,867)
	<u>608,568</u>	<u>(151,302)</u>
<b>Investing activities</b>		
Purchase of capital assets, net of grants received	(62,717)	(115,410)
Proceeds on disposal of capital assets		8,000
Unrestricted investments		
Investment income reinvested	(92,202)	(73,288)
Cash withdrawn	50,000	175,000
	<u>(104,919)</u>	<u>(5,698)</u>
<b>Financing activities</b>		
Repayment of Child Care expansion loan	(5,504)	(5,420)
Repayment of Municipality of Pictou County loan	(12,445)	(12,453)
Repayment of obligations under capital lease	(3,372)	(19,682)
	<u>(21,321)</u>	<u>(37,555)</u>
<b>Increase (decrease) in cash flow</b>	<b>482,328</b>	<b>(194,555)</b>
<b>Cash - beginning of year</b>	<u>234,256</u>	<u>428,811</u>
<b>Cash - end of year</b>	<u><b>\$ 716,584</b></u>	<u><b>\$ 234,256</b></u>



**1. Purpose of the Organization**

YMCA of Pictou County (the "Organization") is a not-for-profit organization incorporated provincially under the Societies Act of Nova Scotia. As a registered charity the Organization is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

The YMCA of Pictou County is part of a worldwide fellowship dedicated to the growth of persons in spirit, mind and body through programs such as physical activity for youth and adults, adult education, leadership training, co-programming with other associations, child care, and other social programs.

**2. Summary of significant accounting policies**

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

**Cash and cash equivalents**

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting date.

**Basis of accounting**

Revenue and expenses are recorded on the accrual basis. Revenue related to services to be provided in the future is deferred until that accounting period.

**Investments**

All gains and losses from the sale, collection, or other disposition of investments and other non-cash assets are accounted for in the fund that owned the assets.

Income from investments is accounted for in the fund owning the assets.

**Fund accounting**

The operating fund consists of revenue and expenses related to programs and administrative activities.

The capital fund reports on assets and liabilities related to the Organizations' capital assets.

The endowment fund consists of a donation from Citizens for a Healthy Pictou County. The principal amount is restricted in perpetuity. Investment income earned in the fund is available to finance specific operations programming (note 5)

**Revenue recognition**

Member fees are recognized as revenue proportionately over the fiscal year to which they relate. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. External funding approved for expenses is recognized when the expense is incurred.

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**2. Summary of significant accounting policies (continued)**

**Measurement uncertainty**

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the Organization's best information and judgment. Actual results could differ from these estimates.

Examples of significant estimates include:

- providing for amortization of capital assets;
- the estimated useful lives of assets;
- the allowance for doubtful accounts;
- the recoverability of tangible assets;
- the recoverability of long term investments;

**Capital assets**

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

Furniture and equipment	20% declining balance method
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The Organization regularly reviews its capital assets to eliminate obsolete items. Government grants and other funds are treated as an increase to the equity of the Capital Fund.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

**Financial instrument measurement**

Financial instruments consist of cash, term deposits, investments, accounts receivable, trade accounts payable, accrued liabilities and long term debt. They are classified and measured in accordance with CPA Handbook Part II Section 3856.

Long term debt is initially measured at fair value. All other financial instruments are considered to be carried at amounts which approximate fair value.

**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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**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.

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Organization is exposed to this risk in respect of its marketable securities.

**Currency risk**

Currency risk is the risk to the Organization that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Organization is exposed to foreign currency exchange risk through its foreign marketable securities. The Organization does not use derivative instruments to reduce its exposure to foreign currency risk.

**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 marketable securities 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.

**4. Childcare and after school programs**

	<b>2024</b>	<b>2023</b>
Childcare and after school program fees	\$ 711,592	\$ 543,490
Province of Nova Scotia	<b>2,601,645</b>	1,806,729
	<b><u>\$ 3,313,237</u></b>	<b><u>\$ 2,350,219</u></b>

The Organization receives funding from the Province of Nova Scotia to support the delivery of childcare and after school programs, including wage and supply grants, as well as childcare fee subsidies.

**5. Accounts receivable**

	<b>2024</b>	<b>2023</b>
Government grants and contributions	\$ 128,672	\$ 287,097
Trade accounts receivable	25,217	20,497
Allowance for doubtful accounts	(6,408)	
Investment income accrual	12,709	9,939
	<b><u>\$ 160,190</u></b>	<b><u>\$ 317,533</u></b>

**YMCA OF PICTOU COUNTY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024**

**6. Endowment fund**

As part of the agreement with Citizens for a Healthy Pictou County, the Organization will accumulate 5% of investment income earned during each year as endowment capital. The remaining 95% of investment income can be used at the discretion of the Organization to finance specific operations programming. Unrealized gains or losses on investments are recorded as an adjustment to the Endowment capital.

	Endowment capital	Investment income	2024	2023
Beginning of year	\$ 582,032	\$ 4,187	\$ 586,219	\$ 585,606
Investment income for the year		25,932	25,932	26,704
5% of investment income	1,297	(1,297)		
Unrealized gain on investments	29,521		29,521	3,289
Capital received during the year				620
Funds disbursed during the year		(15,000)	(15,000)	(30,000)
End of year	\$ 612,850	\$ 13,822	\$ 626,672	\$ 586,219

**7. Capital assets**

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Furniture and equipment	\$ 599,059	\$ 320,974	\$ 278,085	\$ 196,098

**8. Investments - Unrestricted**

	2024	2023
Long term investments, at cost	\$ 1,593,521	\$ 1,551,319
Unrealized change in market value	306,329	171,337
Market value	\$ 1,899,850	\$ 1,722,656

An unrestricted portfolio of investments, comprised of a mix of high interest savings, longer term fixed income and equity securities.



**9. Investments - Restricted**

	<u>2024</u>	<u>2023</u>
Long term investments, at cost	\$ 609,896	\$ 598,964
Unrealized change in market value	<u>16,155</u>	<u>(13,366)</u>
Market value	<u>\$ 626,051</u>	<u>\$ 585,598</u>

A restricted portfolio of investments, comprised of a mix of high interest savings and equity securities.

**10. Accounts payable**

	<u>2024</u>	<u>2023</u>
Accounts payable and accruals	\$ 444,324	\$ 316,849
HST payable	55,876	42,226
Employee source deductions payable	14,306	58,243
Current portion of Wellness Centre payable (a)	<u>10,041</u>	<u>10,041</u>
	<u>\$ 524,547</u>	<u>\$ 427,359</u>

(a) Due to the pandemic, the Organization and Pictou County Wellness Centre have agreed to defer a portion of some expenses. See note 17.

**11. Deferred revenue**

	<u>2024</u>	<u>2023</u>
Deferred revenue - Membership, Child Care and other	\$ 259,244	\$ 110,373
Deferred revenue - child care expansion - Wellness Centre	215,940	242,117
Child Care Centre and Afterschool program grants	85,707	34,999
Membership assistance funding	60,840	60,840
Child Care Centre loan - discount on initial recognition	27,951	31,240
Strategic Growth Child Care Funding	<u>20,315</u>	<u>22,515</u>
Total deferred revenue	<u>669,997</u>	<u>502,084</u>
Long term portion		
Child Care Centre - long term portion (a)	189,773	215,943
Child Care Centre loan - discount on initial recognition - long term portion	<u>24,662</u>	<u>27,953</u>
Total long term portion of deferred revenue	<u>214,435</u>	<u>243,896</u>
Current portion of deferred revenue	<u>\$ 455,562</u>	<u>\$ 258,188</u>

(a) During 2013, the Organization received a loan from the Nova Scotia Housing Development Corporation which is to be used for the child care centre. Of the total proceeds received of \$697,987, 25% is considered repayable (note 13), and the remaining 75% is forgivable over a term of 20 years, recognizing \$2,181 as government grant revenue each month. The forgivable portion will be fully recognized as income in March 2033.

**12. Obligations under capital lease**

	<u>2024</u>	<u>2023</u>
Lease repaid during the year	\$	\$ 3,372
Amounts payable within one year		(3,372)
	<u>\$</u>	<u>\$</u>

**13. Long term debt**

	<u>2024</u>	<u>2023</u>
Nova Scotia Housing Development Corporation loan with a stated interest rate of 1%, repayable in monthly blended payments of \$802, due July, 2033, net of unamortized fair value discount of \$27,951 (2023 - \$31,240) calculated using an effective interest rate of prime + 3%. The loan is secured by a general security agreement including a first priority and sole security interest in all of the personal property.	\$ 50,788	\$ 56,292
Equipment loan with a stated interest rate of 0%, payable \$2,030 monthly, due January, 2038, net of unamortized fair value discount of \$155,703 (2023 - \$167,604) calculated using an effective interest rate of prime + 3%. The loan is secured by equipment with net book value of \$29,300.	162,937	175,382
	213,725	231,674
Amounts payable within one year	(18,058)	(17,971)
	<u>\$ 195,667</u>	<u>\$ 213,703</u>

Principal repayment terms are approximately:

2025	\$ 18,058
2026	18,147
2027	18,236
2028	18,325
2029	18,416
Thereafter	104,485
	<u>\$ 195,667</u>

On initial recognition of the loans, the Organization adjusts non-market rates of interest to fair value using the commercial borrowing rate of prime + 3%. The Organization recognizes the difference (discount) between the stated value and the fair value of the loan over the term of the loan, using the effective interest method. During the year, the Organization incurred \$15,709 (2023 - \$16,256) of interest on long term debt, including amortization of the discounts of \$15,189 (2023 - \$15,189).



**14. Membership assistance**

The Organization provides financial assistance to a number of its afterschool program members as well as for families, adults, youth and seniors. The Organization provides these members assistance, without expectation of payment, based on their assessed need.

The value of the financial assistance provided has been determined to be \$78,945 (2023 - \$72,908) for the child care, day camps & afterschool programs while the value for general members has been determined as \$319,102 (2023 - \$234,747).

**15. Pension plan**

The Organization has contributed \$60,841 (2023 - \$67,778) to the employees' defined contribution plan for the year ended December 31, 2024.

**16. Comparative figures**

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

**YMCA OF PICTOU COUNTY**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024**

**17. Commitments**

- 1) Commencing in November of the 2012 fiscal year, the YMCA of Pictou County entered into an operating agreement with the Pictou County Wellness Centre Building Authority Incorporated. The agreement is for a period of 25 years, requiring monthly payments that include rental of office, fitness, pool, and child care spaces, loan repayments (note 13), and the YMCA's proportionate share of utilities and other common costs. Proportionate share is based on the YMCA's ratio of floor area to that of the entire facility, or 29.31%. At the end of the 25 year period, the cost of the furniture, fixtures and equipment will be repaid, and at that time the operating agreement will be renegotiated.
- 2) During the 2021 fiscal year, an agreement was reached with the Pictou County Wellness Centre Building Authority Incorporated to defer a portion of the monthly rent payments between the periods of February 2021 and May 2022. The YMCA of Pictou County will repay this balance over the remaining life of the agreement with the Pictou County Wellness Centre Building Authority in monthly payments of \$837 from June 2022 until December 2038. Total balance remaining as of December 31, 2024 is \$125,113, of which \$10,041 represents the current portion (note 10) and \$115,072 represents the long term portion.
- 3) The YMCA of Pictou County has entered into a 5 year agreement to lease premises to house a new child care centre. Under terms of the agreement the Organization is committed to annual payments of \$66,000 which commenced March 1, 2020. The agreement does not provide for any options for renewal at the end of the five year term.
- 4) The YMCA of Pictou County has entered into a 10 year agreement that commenced June 19, 2023, to lease premises to house a new child care and fitness centre. Under terms of the agreement, the Organization is committed to annual payments of \$63,600 for years 1-3, \$73,800 for years 4-6, and \$87,600 for years 7-10, which begin once building renovations have been completed, expected in January 2025. The agreement does not provide for any options for renewal at the end of the ten year term.
- 5) The YMCA of Pictou County has entered into a 25 year agreement to lease premises for a child care centre. Under terms of the agreement the Organization is committed to annual payments of \$9,913 which commenced May 25, 2024. The agreement does not provide for any options for renewal at the end of the twenty five year term.

Total payments the Organization has committed to over the next 5 years are as follows;

	2025	2026	2027	2028	2029
1) Pictou County Wellness Centre rent	\$ 9,441	\$ 9,441	\$ 9,441	\$ 9,441	\$ 9,441
2) Pictou County Wellness Centre rent deferral	10,041	10,041	10,041	10,041	10,041
3) Child care centre	11,000				
4) Child care and fitness centre	63,600	63,600	72,100	73,800	73,800
5) Child care centre	9,913	9,913	9,913	9,913	9,913
<b>Totals</b>	<b>\$ 103,995</b>	<b>\$ 92,995</b>	<b>\$ 101,495</b>	<b>\$ 103,195</b>	<b>\$ 103,195</b>