
Financial statements of The YMCAs of Québec

December 31, 2023

Independent Auditor's Report	1-3
Statement of operations.....	4
Statement of changes in net assets	5
Statement of financial position	6
Statement of cash flows	7
Notes to the financial statements	8-16

Independent Auditor's Report

To the Members of
The YMCAs of Québec

Opinion

We have audited the financial statements of The YMCAs of Québec (the "YMCA"), which comprise the statement of financial position as at December 31, 2023, 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 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the YMCA as at December 31, 2023, 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 ("ASNPO").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 YMCA 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 audit opinion.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Community Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Community Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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 YMCA'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 YMCA or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the YMCA'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 GAAS 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 GAAS, 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 YMCA'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 YMCA'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 YMCA 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.

Deloitte LLP

March 18, 2024

¹ CPA auditor, public accountancy permit No. A120628

The YMCAs of Québec
Statement of operations
Year ended December 31, 2023

	Notes	2023	2022
		\$	\$
Revenue			
Program activities		17,627,934	12,249,695
Service agreements and grants for programs		38,570,378	31,729,989
Canada Emergency Wage Subsidy and Canada Emergency Rent Subsidy		—	1,967,049
Rent		1,384,123	1,318,198
Grants for installations and interest		3,422,334	2,624,490
Donations from the YMCAs of Québec Foundation		2,026,703	2,459,614
Centraide of Greater Montréal		1,283,130	2,129,320
Management fees		2,157,679	1,673,299
Investment revenue		2,401,707	188,637
Social impact agreements		1,107,383	1,127,414
		69,981,371	57,467,705
Expenses			
Salaries and social benefits		39,399,851	35,960,609
Program expenses		7,577,816	6,597,463
Repairs and replacements, maintenance supplies and service contracts		6,770,951	6,022,314
Heat and electricity		1,207,006	1,191,024
Rent fees		1,903,975	1,365,883
Office expenses		1,392,283	1,385,953
Professional fees		1,519,257	1,083,484
Advertising expenses		1,108,999	811,530
Employees expenses and development		836,036	622,684
Insurance and taxes		1,366,800	1,213,892
Bank charges		341,156	231,364
YMCA Canada fees and other dues		788,825	648,782
Recovered bad debts		(7,613)	(59,049)
Other expenses		131,486	120,088
		64,336,828	57,196,021
Excess of revenue over expenses before the following items		5,644,543	271,684
Interest on debt and other financing costs		(79,348)	(89,691)
Change in fair value of interest-rate swap agreement		(79,832)	153,883
Amortization of capital assets		(2,660,908)	(2,892,435)
Amortization of intangible assets		(154,143)	(117,259)
Amortization of deferred contributions related to capital assets	8	1,537,199	1,675,586
Excess (deficiency) of revenue over expenses before the gain on disposal of capital assets		4,207,511	(998,232)
Gain on disposal of capital assets		504,295	—
Excess (deficiency) of revenue over expenses		4,711,806	(998,232)

The accompanying notes are an integral part of the financial statements.

The YMCAs of Québec
Statement of changes in net assets
Year ended December 31, 2023

	Invested in capital and intangible assets	Internally restricted	Unrestricted	Total
	\$	\$	\$	\$
Balance, January 1 st , 2022	9,550,759	2,000,000	22,985,565	34,536,324
(Deficiency) excess of revenue over expenses	(1,180,225) ⁽¹⁾	—	181,993	(998,232)
Investment in capital and intangible assets	481,690 ⁽²⁾	—	(481,690)	—
Balance, December 31, 2022	8,852,224⁽³⁾	2,000,000	22,685,868	33,538,092
Excess (deficiency) of revenue over expenses	(853,389)⁽¹⁾	—	5,565,195	4,711,806
Investment in capital and intangible assets	464,209⁽²⁾	—	(464,209)	—
Transfer	—	18,000,000	(18,000,000)	—
Balance, December 31, 2023	8,463,044⁽³⁾	20,000,000	9,786,854	38,249,898

	2023	2022
	\$	\$
(1) Composed of:		
Amortization of capital assets	(2,660,908)	(2,892,435)
Amortization of intangible assets	(154,143)	(117,259)
Amortization of deferred contributions related to capital assets	1,537,199	1,675,586
Gain on disposal of capital assets	504,295	—
Change in fair value of interest-rate swap agreement	(79,832)	153,883
	(853,389)	(1,180,225)
(2) Composed of:		
Receipt of grants receivable	(83,077)	(239,561)
Additions to capital assets	591,245	434,533
Additions to intangible assets	308,642	291,580
Proceeds on disposal of capital assets	(504,295)	—
Repayment of debt	387,998	436,027
Increase in deferred contributions related to capital assets, net of amount transferred to deferred revenue related to program activities	(236,304)	(440,889)
	464,209	481,690
(3) Composed of:		
Short-term grants receivable	142,180	111,138
Long-term grants receivable	640,238	754,357
Assets held for sale	139,837	—
Capital assets	20,603,432	22,812,932
Intangible assets	1,233,884	1,079,385
Current portion of debt	(397,807)	(387,998)
Debt	(2,350,030)	(2,747,837)
Deferred contributions related to capital assets	(11,693,193)	(12,994,088)
Interest-rate swap agreement	144,502	224,335
	8,463,044	8,852,224

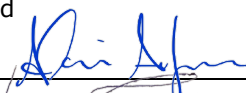
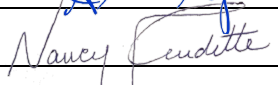
The accompanying notes are an integral part of the financial statements.

The YMCAs of Québec
Statement of financial position
As at December 31, 2023

	Notes	2023	2022
		\$	\$
Assets			
Current assets			
Cash		8,361,516	8,569,344
Investments	3	14,191,337	15,211,784
Accounts receivable	4	8,203,371	5,078,956
Grants receivable	7	142,180	111,138
Amount receivable from the YMCAs of Québec Foundation	10	951,543	1,157,457
Supplies and prepaid expenses		1,263,407	1,085,613
Assets held for sale - current		139,837	—
		33,253,191	31,214,292
Investments	3	13,839,932	7,418,194
Grants receivable	7	640,238	754,357
Capital assets	5	20,603,432	22,812,932
Intangible assets	6	1,233,884	1,079,385
Interest-rate swap agreement		144,503	224,335
		69,715,180	63,503,495
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		7,246,449	6,272,922
Deferred revenue related to program activities		8,003,720	5,835,007
Other deferred revenue		1,774,083	1,727,551
Current portion of debt	7	397,807	387,998
		17,422,059	14,223,478
Debt	7	2,350,030	2,747,837
Deferred contributions related to capital assets	8	11,693,193	12,994,088
		31,465,282	29,965,403
Commitments	12		
Net assets			
Invested in capital and intangible assets		8,463,044	8,852,224
Internally restricted	13	20,000,000	2,000,000
Unrestricted		9,786,854	22,685,868
		38,249,898	33,538,092
		69,715,180	63,503,495

The accompanying notes are an integral part of the financial statements.

Approved by the Board

_____, Director

_____, Director


The YMCAs of Québec
Statement of cash flows
Year ended December 31, 2023

	Notes	2023	2022
		\$	\$
Operating activities			
Excess (deficiency) of revenue over expenses		4,711,806	(998,232)
Adjustments for:			
Change in fair value of investments		(1,093,881)	251,472
Amortization of capital assets		2,660,908	2,892,435
Amortization of intangible assets		154,143	117,259
Amortization of deferred contributions related to capital assets		(1,537,199)	(1,675,586)
Gain on disposal of capital assets		(504,295)	—
Change in fair value of interest-rate swap agreement		79,832	(153,883)
		4,471,314	433,465
Changes in non-cash operating working capital items	11	44,077	127,197
		4,515,391	560,662
Investing activities			
Acquisition of investments		(5,327,857)	(7,701,236)
Disposal of investments		1,020,447	4,429,622
Proceeds on disposal of capital assets		504,295	—
Additions to capital assets		(591,245)	(434,533)
Additions to intangible assets		(308,642)	(291,580)
		(4,703,002)	(3,997,727)
Financing activities			
Receipt of grants receivable		83,077	239,561
Repayment of debt		(387,998)	(436,027)
Increase in deferred contributions related to capital assets		284,704	440,889
		(20,217)	244,423
Net decrease in cash		(207,828)	(3,192,642)
Cash, beginning of year		8,569,344	11,761,986
Cash, end of year		8,361,516	8,569,344

The accompanying notes are an integral part of the financial statements.

1. Status and nature of activities

The YMCAs of Québec (the "YMCA") is a registered charity committed to the fulfilment of people in spirit, mind and body, and to the development of self-reliance in the individual, family and to the community.

Through its actions, programs and services, the YMCA reflects the needs and aspirations of communities and works with individuals and local communities in developing countries to achieve social justice and control of their environment.

The YMCA is incorporated under Part III of the *Companies Act* (Québec) and is a registered charity under the *Income Tax Act*.

2. Accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Revenue recognition

The YMCA 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 contributions related to capital assets are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets.

The revenue related to the program activities is recognized when the underlying services to such income were rendered.

Management fees related to the municipal community and sports center Saint-Roch's management are recognized when the corresponding services are rendered.

Financial instruments

Initial measurement

Financial assets and financial liabilities originated or exchanged in arm's length transactions are initially recognized at fair value when the YMCA becomes a party to the contractual provisions of the financial instrument. Financial assets and financial liabilities originated or exchanged in related party transactions are initially recognized at cost. The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. The cost of financial instruments with repayment terms is determined using its undiscounted cash flows, excluding interest payments, less any impairment losses previously recognized by the transferor. The cost of financial instruments without repayment terms is determined using the consideration transferred or received by the YMCA in the transaction.

Subsequent measurement

All financial instruments are subsequently measured at amortized cost, except for investments that are recognized at fair value at the date of the financial statements. The fair value of interests in pooled funds is based on the value of losses determined by the fund manager. Fair value fluctuations, which include interest earned, accrued interests, realized gain and loss and unrealized gain and loss, are included in the investment revenue.

2. Accounting policies (continued)

Financial instruments (continued)

Transaction costs

Transaction costs related to financial instruments measured at fair value are expensed as incurred. Transaction costs related to the other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the statement of operations as interest income or expense.

Impairment

With respect to financial assets measured at amortized cost, the YMCA recognizes in the statement of operations an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed in the statement of operations in the period the reversal occurs.

Interest-rate swap agreement

The YMCA uses an interest-rate swap agreement to manage the interest rate risk related to bank acceptances. The YMCA has chosen not to prepare the documentation necessary for the application of hedge accounting.

Therefore, the interest-rate swap agreement has been recorded at fair value as an asset or a liability in the statement of financial position. The fair value is determined based on stock quotes and prices obtained from financial institutions for identical or similar derivative financial instruments. Changes in the fair value of the interest-rate swap agreement are presented in the statement of operations as a change in fair value of interest-rate swap agreement.

Supplies

Supplies are valued at the lower of cost or replacement value. The first-in, first-out method is used in the calculation of the cost.

Capital assets

Capital assets are recorded at cost and are amortized over their estimated useful lives using the straight-line method over the following periods:

Buildings	25 and 40 years
Leasehold improvements	Over the term of the lease
Major renovations	10 years
Vehicles, furniture and equipment	3 to 5 years

Intangible assets

Intangible assets are composed of softwares. They are recorded at cost and are amortized over their estimated useful life using the straight-line method over a period of five years.

2. Accounting policies (continued)

Write-downs of tangible capital assets and intangible assets

When conditions indicate that a tangible capital asset or an intangible asset is impaired, the net carrying amount of the tangible capital asset or the intangible asset shall be written down to the asset's fair value or replacement cost. The write-downs of tangible capital assets and intangible assets shall be accounted for as expenses in the statement of operations. A write-down shall not be reversed.

Deferred revenue related to program activities

Deferred revenue related to program activities relate to community development programs that are government funded, to contributions from various donors and to donations from the YMCAs of Québec Foundation.

Other deferred revenue

Other deferred revenue relate to amounts received for which services will be rendered during the next year.

Use of estimates

The preparation of financial statements in accordance 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 and disclosures of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

3. Investments

	2023	2022
	\$	\$
Term deposit, bearing interest at 3.25% (0.30% in 2022), maturing in August 2024 (in February 2023 in 2022)	100,000	100,000
Guaranteed investment certificate, bearing interest at 5.72% (4.83% in 2022), maturing in February 2024 (in January 2023 in 2022)	2,000,000	10,000,000
Guaranteed investment certificate, bearing interest at 5.83%, maturing in April 2024	2,000,000	—
Guaranteed investment certificate, bearing interest at 5.75% maturing in March 2024	2,000,000	—
Guaranteed investment certificate, bearing interest at 5.86% maturing in May 2024	2,000,000	—
Guaranteed investment certificate, bearing interest at 5.71% maturing in January 2024	3,000,000	—
Guaranteed investment certificate, bearing interest at 5.41% maturing in January 2024	1,000,000	—
Guaranteed investment certificate, bearing interest at 5.65% maturing in February 2024	1,000,000	—
Guaranteed investment certificate, bearing interest at a variable rate (5.20% in December 2023), maturing in December 2024	1,000,000	—

3. Investments (continued)

	2023	2022
	\$	\$
Guaranteed investment certificate, bearing interest at a variable rate (4.45% in December 2022), matured in November 2023	—	5,000,000
Diversified mutual funds	13,838,652	7,416,915
Accrued interests	92,617	113,063
	28,031,269	22,629,978
Current portion	14,191,337	15,211,784
	13,839,932	7,418,194

4. Accounts receivable

	2023	2022
	\$	\$
Clients	347,313	145,700
Allowance for doubtful accounts	(7,321)	(22,050)
	339,992	123,650
Accrued interest receivable on subsidized debts	—	34,587
Funders for community programs and others	7,737,885	4,784,663
Taxes receivable	125,494	136,056
	8,203,371	5,078,956

5. Capital assets

	2023			2022
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Lands	2,095,141	—	2,095,141	2,157,008
Buildings, leasehold improvements and major renovations	68,115,249	50,850,371	17,264,878	19,357,296
Vehicles, furniture and equipment	12,353,431	11,110,018	1,243,413	1,298,628
	82,563,821	61,690,389	20,603,432	22,812,932

6. Intangible assets

	2023			2022
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Softwares	1,603,437	369,553	1,233,884	1,079,385

7. Debt

	2023	2022
	\$	\$
Bankers' acceptances related to the Cartierville YMCA Center	2,747,837	3,135,835
Current portion	397,807	387,998
	2,350,030	2,747,837

Principal payments required in each of the forthcoming years are as follows:

	\$
2024	397,807
2025	2,350,030

Bankers' acceptances related to the Cartierville YMCA Center

Under a credit agreement, the YMCA obtained, on March 31, 2010, credit facilities of an initial amount of \$7,000,000 and \$964,000 for periods of seven and five years, respectively, allowing it to borrow amounts in the form of discounted bankers' acceptances for a term varying from one month to one year. These credit facilities in the amount of \$5,552,770 and \$486,587 were renewed during the year ended December 31, 2015, and matured in the year ended December 31, 2021. One of those credit facilities in the amount of \$3,881,303 was renewed during the year ended December 31, 2021, and mature on December 30, 2025. The discounted bankers' acceptances related to the Cartierville YMCA Center held as at December 31, 2022, have a term of one month, a nominal value of \$3,881,303 and mature on December 30, 2025. In order to hedge the risk related to potential interest rate fluctuations on these bankers' acceptances, the YMCA has entered into an interest rate swap agreement. This contract, with an initial nominal amount of \$3,881,303 and reducing periodically according to a predetermined schedule until its scheduled maturity on December 30, 2025, allows the YMCA to pay an effective interest rate of 1.06% plus a stamping fee of 1.59% on its bankers' acceptances. An initial amount of \$1,957,430 of the loan is subsidized by an external organization.

To maintain this financing, the YMCA must satisfy financial ratios related to debt service coverage and minimum net assets. The YMCA was in compliance with these ratios as at December 31, 2023.

7. Debt (continued)

Grants receivable relating to subsidized debt

The balance of the grants receivable related to the subsidized debt, in the amount of \$782,418 (\$865,495 in 2022), is as follows:

	2023	2022
	\$	\$
Short-term grants receivable	142,180	111,138
Long-term grants receivable	640,238	754,357
	782,418	865,495

The donor organizations have also agreed to pay the interest on the portion of the loan covered by the grants. The subsidized interest expense amounts to \$21,592 (\$24,495 in 2022).

8. Deferred contributions related to capital assets

Deferred contributions related to capital assets represent restricted contributions from the YMCAs of Québec Foundation, government organizations, the City of Montréal and private companies. These contributions relate primarily to the buildings of the Cartierville YMCA Center, the Du Parc YMCA Center, the Downtown YMCA Center, the YMCA Kanawana Camp and the improvements of a daycare. Changes in deferred contribution balances are as follows:

	2023	2022
	\$	\$
Balance, beginning of year	12,994,088	14,228,785
Contributions received	284,704	440,889
Amortization for the year	(1,537,199)	(1,675,586)
Amount transferred to deferred revenue related to program activities	(48 400)	—
Balance, end of year	11,693,193	12,994,088

9. Letter of guarantee

Under an agreement between the City of Montréal and the Downtown YMCA Center, the YMCA issued a \$100,000 letter of guarantee in favour of the City of Montréal. This letter of guarantee expired in 2024 and is secured by a term deposit of the same amount.

10. The YMCAs of Québec Foundation

The financial statements do not include the assets, liabilities and activities of the YMCAs of Québec Foundation (the "Foundation"). The Foundation was established to perform the fundraising activities of the YMCA; therefore, the YMCA has an economic interest in the Foundation.

During the year, the YMCA recorded revenue of \$2,026,703 (\$2,459,614 in 2022), deferred contributions related to capital assets of \$284,704 (\$440,889 in 2022) and decreased deferred revenue related to program activities by \$306 479 (decreased deferred revenue of \$633,857 in 2022), for a total of \$2,004,928 (\$2,266,646 in 2022) from the Foundation.

These transactions were carried out in the normal course of business and measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

10. The YMCAs of Québec Foundation (continued)

The following table is a summary of the Foundation's financial position as at December 31, 2023, and the results of its operations for the year ended December 31, 2023:

	2023	2022
	\$	\$
Financial position		
Total assets	7,061,521	7,273,069
Total liabilities	2,007,051	2,007,477
Total fund balances	5,054,470	5,265,592

Liabilities include a total amount of \$951,543 (\$1,157,457 in 2022) payable to the YMCA.

	2023	2022
	\$	\$
Results of operating activities		
Fund balances, beginning of year	5,265,592	5,775,455
Total revenue, excluding endowment contributions	2,849,057	2,774,588
Endowment contributions	—	(21,501)
Total expenses and donations	(3,060,179)	(3,262,950)
Net decrease in fund balances	(211,122)	(509,863)
Fund balances, end of year	5,054,470	5,265,592

11. Additional information to the statement of cash flows

Changes in non-cash operating working capital items

	2023	2022
	\$	\$
Accounts receivable	(3,124,415)	(705,945)
Amount receivable from the YMCAs of Québec Foundation	205,914	248,485
Supplies and prepaid expenses	(177,794)	(137,823)
Accounts payable and accrued liabilities	973,527	820,293
Deferred revenue related to program activities	2,120,313	(608,832)
Other deferred revenue	46,532	511,019
	44,077	127,197

12. Commitments

The YMCA is committed to leasing premises under leases and has signed service contracts with suppliers expiring through 2028. Future payments will total \$2,540,678 and include the following amounts over the forthcoming years:

	\$
2024	1,448,838
2025	305,760
2026	157,040
2027	128,840
2028	500,200

13. Internally restricted net assets

These internally restricted net assets represent the resources reserved by the Board of Directors to ensure that activities related to the YMCA's mission are maintained.

14. Financial assistance

As part of its charitable mission, the YMCA provides a financial assistance program to individuals who meet specific criteria. The access for all program gives individuals with limited financial resources access to community or fitness activities at a reduced fee. The amount of financial assistance provided in 2023 is \$672,077 (\$481,644 in 2022).

15. Financial instruments

Because of its financial assets and liabilities, the YMCA is exposed to the following risks related to the use of financial instruments:

Market risk

Market risk is the risk that the fair value or future cash flows of the YMCA's financial instruments will fluctuate because of changes in market prices. Market risk is comprised of other price risk, interest rate risk and currency risk. The YMCA is exposed to certain of these risks, as described below.

a) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The YMCA is exposed to other price risk through its investments in diversified mutual funds for which the value fluctuates with the quoted market price.

15. Financial instruments (continued)

Market risk (continued)

b) Interest rate risk

Interest related to a portion of the debt is subsidized. Consequently, cash flow risk is minimal.

The YMCA is exposed to interest rate risk due to changes in the prime rate since the bankers' acceptances bear interest at variable rates. To manage this volatility, the YMCA uses an interest-rate swap agreement to set the interest rates of the bankers' acceptances at 1.06% and that mature on December 30, 2025.

Investments in term deposits and guaranteed investment certificates bear interest at a fixed rate. A change in the market interest rate will affect the fair value of these investments.

Credit risk

In the normal course of business, the YMCA grants credit to members and maintains allowances for potential bad debt, if applicable.