Financial statements of

The YMCAs of Québec

December 31, 2022

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

Deloitte.

Deloitte LLP
La Tour Deloitte
1190 Avenue des
Canadiens-de-Montréal
Suite 500
Montréal QC H3B 0M7
Canada

Tel.: 514-393-7115
Fax: 514-390-4116
www.deloitte.ca

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, 2022, 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, 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 ("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[1]

March 17, 2023

[1] CPA auditor, public accountancy permit No. A120628

The YMCAs of Québec

Statement of operations

Year ended December 31, 2022

	Notes	2022	2021
		$	$
Revenue			
Program activities		**12,249,695**	6,853,020
Service agreements and grants for programs		**31,729,989**	17,157,296
Canada Emergency Wage Subsidy and Canada Emergency Rent Subsidy		**1,967,049**	9,406,050
Rent		**1,318,198**	1,356,686
Grants for installations		**2,565,408**	2,170,975
Grants for installations – interest		**59,082**	29,698
Donations from the YMCAs of Québec Foundation		**2,459,614**	1,548,132
Centraide of Greater Montréal		**2,129,320**	1,832,286
Management fees		**1,673,299**	1,113,755
Investment revenue		**188,637**	28,374
Social impact agreements		**1,127,414**	520,512
		57,467,705	42,016,784
Expenses			
Salaries and social benefits		**35,960,609**	28,142,593
Program expenses		**6,597,463**	3,092,253
Repairs and replacements, maintenance supplies and service contracts		**6,022,314**	4,150,476
Heat and electricity		**1,191,024**	1,008,210
Rent fees		**1,365,883**	1,136,812
Office expenses		**1,385,953**	1,132,609
Professional fees		**1,083,484**	802,284
Advertising expenses		**811,530**	773,144
Employees expenses and development		**622,684**	327,257
Insurance and taxes		**1,213,892**	1,136,807
Bank charges		**231,364**	133,408
YMCA Canada fees and other dues		**648,782**	446,675
(Recovered) bad debts		**(59,049)**	39,514
Other expenses		**120,088**	64,022
		57,196,021	42,386,064
Excess (deficiency) of revenue over expenses before the following items		**271,684**	(369,280)
Interest on debt and other financing costs		**(89,691)**	(114,287)
Change in fair value of interest-rate swap agreement		**153,883**	114,305
Amortization of capital assets		**(2,892,435)**	(3,202,051)
Amortization of intangible assets		**(117,259)**	(71,558)
Amortization of deferred contributions related to capital assets	8	**1,675,586**	1,483,025
Deficiency of revenue over expenses before the gain on disposal of capital assets		**(998,232)**	(2,159,846)
Gain on disposal of capital assets		**—**	7,676,538
(Deficiency) excess of revenue over expenses		**(998,232)**	5,516,692

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, 2022

	Invested in capital and intangible assets	Internally restricted	Unrestricted	Total
	$	$	$	$
Balance, January 1st, 2021	11,527,704	2,000,000	15,491,928	29,019,632
Excess (deficiency) of revenue over expenses	6,000,259 (1)	—	(483,567)	5,516,692
Investment in capital and intangible assets	(7,977,204) (2)	—	7,977,204	—
Balance, December 31, 2021	**9,550,759 (3)**	**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**

	2022	2021
	$	$
(1) Composed of:		
Amortization of capital assets	**(2,892,435)**	(3,202,051)
Amortization of intangible assets	**(117,259)**	(71,558)
Amortization of deferred contributions related to capital assets	**1,675,586**	1,483,025
Gain on disposal of capital assets	**—**	7,676,538
Change in fair value of interest-rate swap agreement	**153,883**	114,305
	(1,180,225)	6,000,259
(2) Composed of:		
Receipt of grants receivable	**(239,561)**	(910,540)
Additions to capital assets	**434,533**	491,266
Additions to intangible assets	**291,580**	632,348
Proceeds on disposal of capital assets	**—**	(9,000,000)
Repayment of debt	**436,027**	1,418,400
Increase in deferred contributions related to capital assets	**(440,889)**	(608,678)
	481,690	(7,977,204)
(3) Composed of:		
Short-term grants receivable	**111,138**	239,561
Long-term grants receivable	**754,357**	865,495
Capital assets	**22,812,932**	25,270,834
Intangible assets	**1,079,385**	905,064
Current portion of debt	**(387,998)**	(436,026)
Debt	**(2,747,837)**	(3,135,836)
Deferred contributions related to capital assets	**(12,994,088)**	(14,228,785)
Interest-rate swap agreement	**224,335**	70,452
	8,852,224	9,550,759

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

The YMCAs of Québec
Statement of financial position
As at December 31, 2022

	Notes	2022	2021
		$	$
Assets			
Current assets			
Cash		**8,569,344**	11,761,986
Current portion of investments	3	**15,211,784**	17,481,660
Accounts receivable	4	**5,078,956**	4,373,011
Grants receivable	7	**111,138**	239,561
Amount receivable from the YMCAs of Québec Foundation	10	**1,157,457**	1,405,942
Supplies and prepaid expenses		**1,085,613**	947,790
		31,214,292	36,209,950
Investments	3	**7,418,194**	2,128,176
Grants receivable	7	**754,357**	865,495
Capital assets	5	**22,812,932**	25,270,834
Intangible assets	6	**1,079,385**	905,064
Interest-rate swap agreement		**224,335**	70,452
		63,503,495	65,449,971
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**6,272,922**	5,452,629
Deferred revenue related to program activities		**5,835,007**	6,443,839
Other deferred revenue		**1,727,551**	1,216,532
Current portion of debt	7	**387,998**	436,026
		14,223,478	13,549,026
Debt	7	**2,747,837**	3,135,836
Deferred contributions related to capital assets	8	**12,994,088**	14,228,785
		29,965,403	30,913,647
Commitments	12		
Net assets			
Invested in capital and intangible assets		**8,852,224**	9,550,759
Internally restricted	13	**2,000,000**	2,000,000
Unrestricted		**22,685,868**	22,985,565
		33,538,092	34,536,324
		63,503,495	65,449,971

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

Approved by the Board

Nancy Audette ____________________, Director

____________________, Director

The YMCAs of Québec

Statement of cash flows

Year ended December 31, 2022

	Notes	2022	2021
		$	$
Operating activities			
(Deficiency) excess of revenue over expenses		**(998,232)**	5,516,692
Adjustments for:			
Change in fair value of investments		**251,472**	114,343
Amortization of capital assets		**2,892,435**	3,202,051
Amortization of intangible assets		**117,259**	71,558
Amortization of deferred contributions related to capital assets		**(1,675,586)**	(1,483,025)
Gain on disposal of capital assets		**—**	(7,676,538)
Change in fair value of interest-rate swap agreement		**(153,883)**	(114,305)
		433,465	(369,224)
Changes in non-cash operating working capital items	11	**127,197**	3,781,709
		560,662	3,412,485
Investing activities			
Acquisition of investments		**(7,701,236)**	(16,581,854)
Disposal of investments		**4,429,622**	1,502,456
Proceeds on disposal of capital assets		**—**	19,000,000
Additions to capital assets		**(434,533)**	(491,266)
Additions to intangible assets		**(291,580)**	(632,348)
		(3,997,727)	2,796,988
Financing activities			
Receipt of grants receivable		**239,561**	910,540
Repayment of debt		**(436,027)**	(1,418,400)
Increase in deferred contributions related to capital assets		**440,889**	608,678
		244,423	100,818
Net (decrease) increase in cash		**(3,192,642)**	6,310,291
Cash, beginning of year		**11,761,986**	5,451,695
Cash, end of year		**8,569,344**	11,761,986

Non-cash transaction

The proceeds on disposal of capital assets of $10,000,000 as at December 31, 2021 was included in the balance receivable on sale of capital assets as at December 31, 2020.

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*.

Given the specific context of the years 2021 and 2022 related to the COVID-19 pandemic, certain activities were suspended during these years.

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:

Change in accounting policy - Section 3400, Revenue

Effective January 1, 2022, the YMCA has adopted the amendments to *CPA Canada Handbook* Section 3400, Revenue ("Section 3400"), which provided additional guidance relating to the accounting for multiple elements of a contract, percentage of completion, determination of principal or agent, and bill and hold transactions.

The application of this amendment did not have an impact on the YMCA's financial statements.

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.

2. Accounting policies (continued)

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.

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.

2. Accounting policies (continued)

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.

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

	2022	2021
	$	$
Term deposit, bearing interest at 0.30% (0.65% in 2021), maturing in February 2023 (in August 2021 in 2020)	**100,000**	100,000
Guaranteed investment certificate, bearing interest at 4.83% (0.45% in 2021), maturing in January 2023 (in January 2022 in 2021)	**10,000,000**	15,000,000
Guaranteed investment certificate, bearing interest at a variable rate (4.45% in December 2022), maturing in November 2023	**5,000,000**	—
Diversified mutual funds	**7,416,915**	4,501,211
Accrued interests	**113,063**	8,625
	22,629,978	19,609,836
Current portion	**15,211,784**	17,481,660
	7,418,194	2,128,176

4. Accounts receivable

	2022	2021
	$	$
Clients	**145,700**	220,729
Allowance for doubtful accounts	**(22,050)**	(62,922)
	123,650	157,807
Accrued interest receivable on subsidized debts	**34,587**	34,587
Funders for community programs and others	**4,784,663**	1,978,575
Canada Emergency Wage Subsidy and others	**—**	1,969,593
Taxes receivable	**136,056**	232,449
	5,078,956	4,373,011

5. Capital assets

			2022	2021
	Cost	**Accumulated amortization**	**Net book value**	Net book value
	$	**$**	**$**	$
Lands	**2,157,008**	**—**	**2,157,008**	2,157,008
Buildings, leasehold improvements and major renovations	**76,592,631**	**57,235,335**	**19,357,296**	21,542,375
Vehicles, furniture and equipment	**12,179,808**	**10,881,180**	**1,298,628**	1,571,451
	90,929,447	**68,116,515**	**22,812,932**	25,270,834

6. Intangible assets

			2022	2021
	Cost	**Accumulated amortization**	**Net book value**	Net book value
	$	**$**	**$**	$
Softwares	**1,294,796**	**215,411**	**1,079,385**	905,064

7. Debt

	2022	2021
	$	$
Bankers' acceptances related to the Cartierville YMCA Center	**3,135,835**	3,513,500
Loan from YMCA Canada	**—**	58,362
	3,135,835	3,571,862
Current portion	**387,998**	436,026
	2,747,837	3,135,836

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

	$
2023	387,998
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, 2022.

7. Debt (continued)

Grants receivable relating to subsidized debt

The balance of the grants receivable related to the subsidized debt, in the amount of $865,495 ($1,105,056 in 2021), is as follows:

	2022	2021
	$	$
Short-term grants receivable	**111,138**	239,561
Long-term grants receivable	**754,357**	865,495
	865,495	1,105,056

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 $24,495 ($29,698 in 2021).

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:

	2022	2021
	$	$
Balance, beginning of year	**14,228,785**	15,103,132
Contributions received	**440,889**	608,678
Amortization for the year	**(1,675,586)**	(1,483,025)
Balance, end of year	**12,994,088**	14,228,785

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 expires in 2023, 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 $2,459,614 ($1,548,132 in 2021), deferred contributions related to capital assets of $440,889 ($528,719 in 2021) and decreased deferred revenue related to program activities by $633,857 (increased of $163,966 in 2021), for a total of $2,266,646 ($2,240,817 in 2021) 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, 2022, and the results of its operations for the year ended December 31, 2022:

	2022	2021
	$	$
Financial position		
Total assets	**7,273,069**	8,699,501
Total liabilities	**2,007,477**	2,924,046
Total fund balances	**5,265,592**	5,775,455

Liabilities include a total amount of $1,157,457 ($1,405,942 in 2021) payable to the YMCA.

	2022	2021
	$	$
Results of operating activities		
Fund balances, beginning of year	**5,775,455**	5,517,622
Total revenue, excluding endowment contributions	**2,774,588**	3,102,266
Endowment contributions	**(21,501)**	21,501
Total expenses and donations	**(3,262,950)**	(2,865,934)
Net (decrease) increase in fund balances	**(509,863)**	257,833
Fund balances, end of year	**5,265,592**	5,775,455

11. Additional information to the statement of cash flows

Changes in non-cash operating working capital items

	2022	2021
	$	$
Accounts receivable	**(705,945)**	2,259,330
Amount receivable from the YMCAs of Québec Foundation	**248,485**	265,766
Supplies and prepaid expenses	**(137,823)**	(256,649)
Accounts payable and accrued liabilities	**820,293**	(68,606)
Deferred revenue related to program activities	**(608,832)**	1,703,215
Other deferred revenue	**511,019**	(121,347)
	127,197	3,781,709

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 $3,326,242 and include the following amounts over the forthcoming years:

	$
2023	1,736,288
2024	498,114
2025	305,760
2026	157,040
2027 and more	629,040

13. Internally restricted net assets

These internally restricted net assets represent the resources reserved by the Board of Directors for the realization of certain investment projects in the real estate portfolio of the YMCA.

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 2022 is $481,644 ($166,859 in 2021).

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)

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.

16. Comparative figures

Certain figures for the previous year have been reclassified to conform with the presentation adopted in the current year.