

Financial Statements

The Young Men's Christian Association of
Edmonton

(Operating as YMCA of Northern Alberta)

December 31, 2021

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Independent Auditor's Report

To the Members of The Young Men's Christian Association of Edmonton (operating as YMCA of Northern Alberta)

Qualified Opinion

We have audited the financial statements of The Young Men's Christian Association of Edmonton (operating as YMCA of Northern Alberta) ("the Association"), which comprise the statements of financial position as at December 31, 2021, 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, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of The Young Men's Christian Association of Edmonton (operating as YMCA of Northern Alberta) as at December 31, 2021, and its results of operations and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

During the year ended December 31, 2020, the Association converted to a new membership tracking system. Prior to this, the previous system appeared unable to provide certain disaggregated information by member class to determine the proper allocation of membership dues received that was to be recognized into income versus recorded as deferred revenue for membership services not yet provided. As a result, we were unable to obtain sufficient appropriate audit evidence regarding the total amounts recorded in membership dues revenue for the years ended December 31, 2019 and December 31, 2020. Therefore, we were not able to determine whether any adjustments might be necessary to membership dues, deficiency of revenues over expenses, and cash flows from operations for the year ended December 31, 2020. Our audit opinion on the financial statements for the year ended December 31, 2020 was modified accordingly. As a result, our opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the current year figures and the corresponding figures.

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

Other Matter

Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole. The Schedule 2 and Schedule 3 on pages 32 and 33 are presented for purposes of additional information and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied only to the extent necessary to express an opinion in the audit of the financial statements taken as a whole.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Edmonton, Canada

May 24, 2022



Chartered Professional Accountants

**The Young Men's Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)
Statement of Operations**

Year ended December 31	2021	2020
Revenues		
Program fees	\$ 18,428,096	\$ 11,879,138
Membership dues (Note 15)	<u>2,870,214</u>	<u>3,199,556</u>
	21,298,310	15,078,694
Operating grants – government	19,361,528	17,243,352
Canada Emergency Wage Subsidy – government (Note 1)	7,130,760	13,448,508
Amortization of deferred capital contributions (Note 12)	3,286,091	4,014,632
Operating grants – other	3,024,776	2,159,973
Contributions	1,106,684	1,242,784
Housing	930,057	1,179,251
Rental and other revenue	723,134	963,966
Canadian Emergency Rent Subsidy – government (Note 1)	595,630	35,000
United Way	235,980	386,791
Investment income	60,571	61,966
Gain on disposal of capital assets	<u>-</u>	<u>3,000</u>
	<u>57,753,521</u>	<u>55,817,917</u>
Expenses		
Operating (Schedule 1)	51,382,602	49,960,604
Amortization of capital assets	4,403,487	4,948,895
Interest on long-term debt and capital leases	185,379	207,045
Amortization of intangible asset	126,300	126,300
Loss on disposal of capital assets	<u>55,411</u>	<u>-</u>
	<u>56,153,179</u>	<u>55,242,844</u>
Excess of revenues over expenses before other items	1,600,342	575,073
Other items		
Gain on disposition of land and building (Note 6)	3,241,049	-
Write off of capital assets (Note 5 (c))	<u>-</u>	<u>(711,629)</u>
Excess (deficiency) of revenues over expenses	<u>\$ 4,841,391</u>	<u>\$ (136,556)</u>

See accompanying notes to the financial statements

**The Young Men’s Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)**

Statement of Changes in Net Assets

Year Ended December 31	2021		2020	
	Investment in capital assets (Note 13)	<u>Unrestricted</u>	<u>Total</u>	<u>Total</u>
Balance, beginning of year	\$ 7,834,284	\$(1,852,853)	\$ 5,981,431	\$ 6,117,987
Excess (deficiency) of revenues over expenses	1,993,861	2,847,530	4,841,391	(136,556)
Transfer from unrestricted fund	<u>132,845</u>	<u>(132,845)</u>	-	-
Balance, end of year	<u>\$ 9,960,990</u>	<u>\$ 861,832</u>	<u>\$ 10,822,822</u>	<u>\$ 5,981,431</u>


See accompanying notes to the financial statements

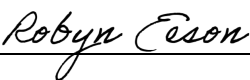
**The Young Men's Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)
Statement of Financial Position**

December 31	2021	2020
Assets		
Current		
Cash and cash equivalents	\$ 12,729,176	\$ 13,303,428
Accounts and grants receivable (Note 3)	2,521,960	3,311,731
Receivables from related parties (Note 4)	118,753	237,950
Inventories	50,832	64,903
Prepays and deposits	<u>455,282</u>	<u>373,714</u>
	15,876,003	17,291,726
Restricted cash and equivalents (Note 11), (Note 19)	836,724	847,340
Capital assets (Note 5 (a))	38,480,005	42,548,293
Intangible asset (Note 5 (b))	1,462,975	1,589,275
Long-lived assets held for sale (Note 6)	<u>-</u>	<u>1,593,951</u>
	\$ 56,655,707	\$ 63,870,585
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 8)	\$ 3,732,973	\$ 6,571,055
Deferred revenue (Note 9)	4,131,922	9,380,968
Current portion of obligations under capital leases	9,377	9,099
Current portion of long-term debt (Note 10)	<u>574,639</u>	<u>1,054,933</u>
	8,448,911	17,016,055
Obligations under capital leases	4,795	14,172
Long-term debt (Note 10)	4,711,014	5,102,561
Long-term payable (Note 19)	436,724	401,425
Long-term reserve fund payable (Note 11)	400,000	400,000
Deferred capital contributions (Note 12)	<u>31,831,441</u>	<u>34,954,941</u>
	45,832,885	57,889,154
Net Assets		
Investment in capital assets (Note 13)	9,960,990	7,834,284
Unrestricted	<u>861,832</u>	<u>(1,852,853)</u>
	10,822,822	5,981,431
	\$ 56,655,707	\$ 63,870,585

Commitments (Note 14)

On behalf of the Board

 Director

 Director

**The Young Men's Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)**

Statement of Cash Flows

Year Ended December 31

2021

2020

Increase (decrease) in cash and cash equivalents

Operating

Cash receipts from members, participants, donors, governments and delivery of services	\$ 50,066,781	\$ 54,285,468
Cash paid to employees, suppliers, and for program purposes	(54,252,882)	(47,782,366)
Investment income	60,571	61,966
Interest paid	(185,379)	(207,045)
	<u>(4,310,909)</u>	<u>6,358,023</u>

Financing

Capital contributions received	162,591	428,215
Proceeds from long-term debt	285,163	-
Repayment of long-term debt	(1,157,004)	(305,524)
Repayment of obligations under capital leases	(9,099)	(45,047)
Increase in long-term reserve fund payable	-	400,000
	<u>(718,349)</u>	<u>477,644</u>

Investing

Acquisition of capital assets	(414,451)	(1,373,654)
Decrease (increase) in restricted cash and equivalents	10,616	(491,266)
Proceeds from disposition of capital assets and long-lived assets held for sale	4,858,841	3,000
	<u>4,455,006</u>	<u>(1,861,920)</u>

Net (decrease) increase in cash and cash equivalents **(574,252)** 4,973,747

Cash and cash equivalents:

Beginning of year	<u>13,303,428</u>	<u>8,329,681</u>
End of year	<u>\$ 12,729,176</u>	<u>\$ 13,303,428</u>

**The Young Men’s Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)**

Statement of Cash Flows (cont’d)

Year Ended December 31 2021 2020

Supplemental cash flow information

Cash and cash equivalents are comprised of the following:

Cash, including bank savings accounts	\$ 10,355,301	\$ 5,906,127
Cashable guaranteed investment certificates	<u>2,373,875</u>	<u>7,397,301</u>
	<u>\$ 12,729,176</u>	<u>\$ 13,303,428</u>

The cashable guaranteed investment certificates bear interest at 0.80% and mature on December 29, 2022.

Non – cash financing and investing activities:

Capital assets purchased under capital leases \$nil (2020 - \$23,271).

Restricted cash and cash equivalents relate to the following:

The Association held cashable guaranteed investment certificates to fund the balances of the long-term payable of \$436,724 (Note 19) and the long-term reserve fund of \$400,000 (Note 11). The cashable guaranteed investment certificates held for these purposes bear interest at rates ranging from 0.45% to 0.80% and mature on dates ranging between February 10, 2022 to December 29, 2022.

The Young Men's Christian Association of Edmonton (Operating as YMCA of Northern Alberta)

Notes to the Financial Statements

December 31, 2021

1. Nature of operations

The Young Men's Christian Association of Edmonton (operating as YMCA of Northern Alberta), (the "Association") is part of the worldwide fellowship dedicated to creating life-enhancing opportunities for the growth and development of all people in spirit, mind, and body and to support the development of strong kids, healthy families and thriving communities. The Association provides services in each of the Edmonton, Grande Prairie, Wood Buffalo and Red Deer regions within the province of Alberta. The Association was incorporated in 1907 under an Act of the Alberta Legislature as a not-for-profit organization, is a registered charity under the Income Tax Act and is exempt from income taxes.

Since December 31, 2019, the spread of COVID-19 has severely impacted and slowed down local, national and international economies. Significant levels of the operations of the Association continued to be impacted throughout 2021, as in 2020, due to COVID-19 related conditions and government restrictions and closures. Subsequent to the year end, with the elimination of government restrictions relating to COVID-19, the Association is beginning to recover participation levels and related revenue levels.

The Association has continued, through 2021, to maximize and participate under the terms of the Canada Emergency Wage Subsidy (CEWS) program, the Canada Emergency Rent Subsidy (CERS) program, other Provincial government funding and grants from other funders. Government and other grant and support programs continue to be reviewed to maximize available financial support for the Association. During the year, the Association continued to be entitled to receive a subsidy equal to a percentage of an employee's wage, to a maximum weekly amount, under the CEWS program. Certain occupancy costs for owned and leased facilities qualified for the subsidy under the terms of the CERS program.

Management is actively pursuing a business interruption insurance claim and, in 2021, has been approved for additional line-of-credit bank financing to be accessed only if required to support future operations. Management and the Board of Directors continue to review operating levels under various sets of assumptions for 2022 relating to expected recovery of registrations, membership levels and revenues. The Association is continuing to develop and assess strategies for the long-term financial sustainability of the Association, post the COVID-19 pandemic.

The Young Men's Christian Association of Edmonton (Operating as YMCA of Northern Alberta)

Notes to the Financial Statements

December 31, 2021

1. Nature of operations (cont'd)

The duration and impact of the COVID-19 pandemic, as well as the long-term results from immunization programs and effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences or the timing of return to pre-pandemic operations, as well as their impact on the financial position and results of the Association for future periods.

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 useful lives and amortization basis for capital assets, fair value of contributed capital assets and intangible assets and valuation of allowance for doubtful accounts receivable.

**The Young Men's Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)**

Notes to the Financial Statements

December 31, 2021

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

Revenue recognition

The Association follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions received for the purchase of capital assets that will be amortized are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets. Restricted contributions for the purchase of capital assets that will not be amortized are recognized as a direct increase in the investment in capital asset fund. A liability to repay a restricted contribution with contingent repayment terms is accounted for in the period in which conditions arise that causes the restricted contribution to be repaid.

Pledged amounts represent promised contributions from individuals and corporations. Given that pledged amounts are not legally enforceable claims, they have not been reflected in the financial statements.

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.

Membership dues, program fees, rental and other revenue and housing revenues are recognized when the related service is performed and when reasonable assurance exists regarding the measurement and collection of the consideration received.

Interest on bank accounts is recorded as revenue when earned.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash, including bank savings accounts, and cashable guaranteed investment certificates which are highly liquid or convertible to cash in less than one year.

The Young Men's Christian Association of Edmonton (Operating as YMCA of Northern Alberta)

Notes to the Financial Statements

December 31, 2021

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

Financial instruments

The Canadian Accounting Standards Board recently issued amendments to Section 3856 Financial Instruments, which outline the accounting guidelines related to financial assets and financial liabilities in related party transactions. The Association applied the new accounting policy retrospectively, subject to certain transitional provisions. The adoption of the amendments did not have a significant impact on the Association's financial statements.

Initial measurement:

The Association'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 Association measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets). Association 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 and cash equivalents, accounts and grants receivable, accounts payable and accrued liabilities and long-term debt. 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 Association regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Association 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 Association initially measured the instrument. The Association does not have any financial assets or financial liabilities in related party transactions measured at fair value.

The Young Men's Christian Association of Edmonton (Operating as YMCA of Northern Alberta)

Notes to the Financial Statements

December 31, 2021

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

Controlled not-for-profit organization

The Association reports a controlled not-for-profit organization (YMCA of Northern Alberta Foundation (formerly The Edmonton YMCA Foundation)) by disclosing information about the controlled not-for-profit organization. As a result, the Association's financial statements do not include the financial position, financial performance or cash flows of YMCA of Northern Alberta Foundation.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is based on actual original purchase price of inventory. Net realizable value is defined as the estimated selling price less estimated selling costs.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution.

Amortization is provided using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	4 to 25 years
Building upgrades	10 years
Furniture and equipment	1 to 5 years
Computer software/hardware	1 to 10 years
Vehicles	5 years
Leasehold improvements	3 to 5 years
Equipment under capital leases	3 to 5 years

Capital assets under development are amortized in the year of significant completion and when useful life can be estimated.

The Young Men's Christian Association of Edmonton (Operating as YMCA of Northern Alberta)

Notes to the Financial Statements

December 31, 2021

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

Impairment of long-lived assets

The Association tests for impairment when events or changes in circumstances indicate the carrying amount of an item or class of capital 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 when available, otherwise on discounted cash flows over the life of the asset.

Intangible asset

The contributed intangible asset is recorded at fair value at the date of contribution. Amortization is provided using the straight-line method over the estimated useful life of the asset as follows:

Right-to-use land asset	20 years
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Long-lived assets held for sale

Long-lived assets are classified as held for sale when there is a commitment to sell and the sale is probable and is expected to be completed within one year. Long-lived assets classified as held for sale are measured at the lower of carrying amount or fair value less cost to sell. Long-lived assets will not be amortized while classified as held for sale and any expenses attributable to the assets will be accrued.

Employee future benefits

The Association has a defined contribution pension plan. Pension costs comprise the cost of the employer contributions for the current service of employees during the year.

Donated materials and contributed services

Donated materials and services are recorded at fair value when the fair value can be reasonably estimated and when the materials and services are normally purchased by the Association. The Association is dependent upon the services provided by its volunteers. Volunteers contributed numerous hours in carrying out the activities of the Association. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

**The Young Men's Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)**

Notes to the Financial Statements

December 31, 2021

3. Accounts and grants receivable	<u>2021</u>	<u>2020</u>
Program fees and membership dues	\$ 782,700	\$ 411,548
Less: allowance for doubtful accounts	<u>(165,030)</u>	<u>(111,898)</u>
	617,670	299,650
Operating grants – government	784,991	602,495
Rental and other	536,223	519,048
Canada Emergency Rent Subsidy – government	336,607	-
Operating grants – other	246,469	131,492
Canada Emergency Wage Subsidy – government	<u>-</u>	<u>1,759,046</u>
	<u>\$ 2,521,960</u>	<u>\$ 3,311,731</u>

Current receivables are non-interest bearing and are generally received within 30-day terms. A provision for impairment on trade accounts receivable (provision for bad and doubtful receivables) is recognized when there is objective evidence that a receivable from members or participants is impaired. These have been included in operating expenses as bad debt expense (recovery) (Schedule 1).

4. Related parties	<u>2021</u>	<u>2020</u>
Receivables from related parties:		
YMCA of Northern Alberta Foundation	\$ 94,031	\$ 212,069
Regional Council of YMCAs of Alberta	18,149	20,660
Boyle Renaissance Condominium Corporation	<u>6,573</u>	<u>5,221</u>
	<u>\$ 118,753</u>	<u>\$ 237,950</u>

All of the transactions with related organizations described below are conducted on the terms and conditions agreed to by the related parties and were recorded at the exchange amount.

	<u>2021</u>	<u>2020</u>
Revenue received from related parties:		
Rental and management fees from Regional Council of YMCAs of Alberta	\$ 13,000	\$ 13,000
Contributions from YMCA of Northern Alberta Foundation	\$ 157,000	\$ 164,150
Expenses paid to or on behalf of related parties:		
YMCA of Northern Alberta Foundation	\$ 145,039	\$ 159,017
Boyle Renaissance Condominium Corporation	\$ 106,864	\$ 103,604

The Young Men's Christian Association of Edmonton (Operating as YMCA of Northern Alberta)

Notes to the Financial Statements

December 31, 2021

4. Related parties (cont'd)

a) YMCA of Northern Alberta Foundation

YMCA of Northern Alberta Foundation (the "Foundation") is incorporated as a not-for-profit organization under the Alberta Societies Act and is a registered charity under the Income Tax Act. The mission of the Foundation is to act as a fundraising body collecting donations, gifts and bequests exclusively for the benefit of the Association. The Association exercises control over the Foundation through the appointment of the members of the Board of Directors.

A financial summary of the Foundation as at March 31, 2021, and March 31, 2020, are as follows:

Financial position as at March 31	<u>2021</u>	<u>2020</u>
Total assets	\$ 5,521,494	\$ 4,932,579
Total liabilities	\$ 76,482	\$ 311,842
Total net assets	\$ 5,445,012	\$ 4,620,737

Results of operations for the year ended March 31

Total revenues	\$ 210,801	\$ 190,856
Total expenses	\$ 321,142	\$ 351,953
Deficiency of revenues over expenditures	\$ (110,341)	\$ (161,097)
Contributions from the Association to the Foundation		
included in total revenues	\$ 153,530	\$ 168,000
Program funding expense to the Association		
included in total expenses	\$ 157,000	\$ 164,150

Cash flows for the year ended March 31

Decrease in cash from operating activities	\$ (141,462)	\$ (153,432)
Increase in cash from investing activities	\$ 81,094	\$ 212,570
Net (decrease) increase in cash	\$ (60,368)	\$ 59,138

There are no significant differences in the accounting policies of the Foundation from those followed by the Association.

There have been no significant events or transactions from March 31, 2021 to December 31, 2021 in the Foundation which would impact the Association's financial position or results of operations.

The Young Men's Christian Association of Edmonton (Operating as YMCA of Northern Alberta)

Notes to the Financial Statements

December 31, 2021

4. Related parties (cont'd)

b) Regional Council of YMCAs of Alberta

The Association exercises significant influence over the affairs of The Regional Council of YMCAs of Alberta (the "Regional Council") due to its right to appoint some members of its Board of Directors.

The mission of The Regional Council of Young Men's Christian Associations of Alberta ("YMCA Alberta") is to foster growth and development of local YMCAs throughout Alberta by providing leadership development programs, advocating for social policies which positively impact communities and the not for profit and charitable sector and supporting program development, delivery and stability, locally, nationally and internationally. The Regional Council has a commitment to work with the private sector, other not-for-profits, orders of government and community members to empower Albertans at all ages and stages so they can achieve their potential.

The Regional Council is incorporated as a not-for-profit organization under the Alberta Societies Act and is a registered charity under the Income Tax Act. Financial transactions between the Association and the Regional Council are in accordance with the annual budget approved by the Regional Council Board of Directors.

c) Boyle Renaissance Condominium Corporation

The Association exercises significant influence over the Boyle Renaissance Condominium Corporation ("BRCC") (Note 19) due to its ownership of units in the BRCC and representation on the Board of Directors. A member of the Association's Board of Directors has an ownership interest in the consulting company which had been engaged by the BRCC to provide administrative and management services.

d) Other

The Association paid professional fees during the year totalling \$82,933 (2020 – \$14,845) for purchased services expenses to two (2020 – two) firms in which an Association Director holds ownership interests. In addition, the Association has mortgages payable with a financial institution of which an Association Director is a member of senior management.

**The Young Men's Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)**

Notes to the Financial Statements

December 31, 2021

5. Capital and intangible assets

a) Capital assets			2021	2020
	<u>Cost</u>	<u>Accumulated Amortization</u>	Net Book Value	Net Book Value
Land	\$ 3,301,552	\$ -	\$ 3,301,552	\$ 3,301,552
Buildings and building upgrades	86,319,324	52,771,950	33,547,374	37,094,964
Furniture and equipment	13,102,816	12,105,893	996,923	1,510,524
Computer software/hardware	2,412,001	1,949,423	462,578	513,478
Vehicles	1,000	900	100	100
Leasehold improvements	1,342,905	1,194,527	148,378	104,575
Equipment under capital leases	<u>2,070,640</u>	<u>2,047,540</u>	<u>23,100</u>	<u>23,100</u>
	<u>\$ 108,550,238</u>	<u>\$ 70,070,233</u>	<u>\$ 38,480,005</u>	<u>\$ 42,548,293</u>

Buildings include \$1,635,577 (2020 – \$1,734,702), net of accumulated amortization, relating to an interest in the YMCA Welcome Village parkade, owned through the Association's interest in the Boyle Renaissance Condominium Corporation ("BRCC") (Note 19).

b) Intangible asset			2021	2020
	<u>Cost</u>	<u>Accumulated Amortization</u>	Net Book Value	Net Book Value
Right to use land asset	<u>\$ 2,526,000</u>	<u>\$ 1,063,025</u>	<u>\$ 1,462,975</u>	<u>\$ 1,589,275</u>

The intangible asset represents the Association's right to use the land represented by the Melcor YMCA Village unit ownership, a component of the Welcome Village. The asset has been recorded at fair market value for the land upon contribution in 2013, as a proxy for the value of the right to use land asset and will be amortized over the twenty years of expected use by the Association. The amortization period relates to the agreement with Civida (formally named Capital Region Housing Corporation), and the expectation that ownership will transfer to Civida in twenty years from acquisition in 2013 (Note 19).

The Young Men's Christian Association of Edmonton (Operating as YMCA of Northern Alberta)

Notes to the Financial Statements

December 31, 2021

5. Capital and intangible assets (cont'd)

c) Write off of capital assets

In 2020, the Association permanently closed the Westwood Family YMCA which was being leased from the Fort McMurray Public School District. Furniture and equipment were transferred to other YMCA operations when feasible. The remaining furniture and equipment and other capital assets, with a net book value of \$711,629, were written off upon the closure of the facility. The Association continues to serve the Wood Buffalo region through the Eagle Ridge Community Centre, Community and Housing Initiatives programs and a number of child care centres.

6. Long-lived assets held for sale

During 2020, the City of Edmonton entered into negotiations with the Association relating to their requirement to acquire the Bill Rees land and building site. These assets were disclosed in the 2020 financial statements as long-lived assets held for sale at a net book value of \$1,593,951, including \$1,582,052 related to the land. In 2021, the property was sold for proceeds totalling \$4,835,000. In addition, under the terms of the sale agreement, the City will reimburse the Association for occupancy costs related to a leased office location for a period of three years to March 31, 2024.

7. Bank operating lines of credit

The Association has two operating lines of credit as described below:

- \$1,500,000 (2020 – \$1,500,000) of which \$nil (2020 – \$nil) is outstanding at year end. This facility is due on demand and bears interest at the bank's prime rate plus 0.5% (2020 – prime rate plus 0.5%). Under the terms of the credit facility agreement, the lender has a second floating charge on all current land holdings of the Association, along with any future acquisitions of land. In addition, there is a second charge on all other property owned by the Association.
- In 2021, the Association was approved for an additional operating line of credit of \$3,000,000 of which \$nil is outstanding at year end. This facility is due on demand and bears interest at the bank's prime rate plus 0.5%. Under the terms of the credit facility agreement, security for this line of credit has the same components as those listed for the four mortgages in Note 10(b).

**The Young Men's Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)**

Notes to the Financial Statements

December 31, 2021

8. Accounts payable and accrued liabilities	<u>2021</u>	<u>2020</u>
Trade and accrued liabilities	\$ 2,960,976	\$ 3,832,891
Government payables	<u>771,997</u>	<u>2,738,164</u>
	<u>\$ 3,732,973</u>	<u>\$ 6,571,055</u>

Provisions are made for the Association's liability for employee future benefits arising from services rendered by employees to the balance sheet date. As such, the Association provides for unused vacation entitlement that has accumulated. The accrued amounts of \$952,664 (2020 – \$914,269) have been classified in trade and accrued liabilities. Government payables as at December 31, 2020 included \$1,914,930 estimated as excess funding for the period ended March 31, 2021 related to the Government of Alberta Early Learning Child Care (ELCC) centre funding. In 2021, this estimate was revised to \$2,260,980, which was repaid during the year.

9. Deferred revenue

Deferred contributions included in the deferred revenue balance of \$4,131,922 as at December 31, 2021 (December 31, 2020 - \$9,380,968) include:

	<u>2020</u>	<u>Net Additions</u>	<u>Revenue Recognized</u>	<u>2021</u>
Operating grants – government	\$ 6,754,009	\$ 6,365,310	\$ 10,861,810	\$ 2,257,509
Operating grants – other	1,044,663	2,429,710	3,024,776	449,597
Contributions	<u>252,827</u>	<u>665,746</u>	<u>340,175</u>	<u>578,398</u>
	<u>\$ 8,051,499</u>	<u>\$ 9,460,766</u>	<u>\$ 14,226,761</u>	<u>\$ 3,285,504</u>
Membership dues, program fees, housing and rental deposits and deferred revenue	<u>1,329,469</u>			<u>846,418</u>
	<u>\$ 9,380,968</u>			<u>\$ 4,131,922</u>

**The Young Men's Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)**

Notes to the Financial Statements

December 31, 2021

10. Long-term debt	<u>2021</u>	<u>2020</u>
Mortgage payable, bearing interest at 4.38%, repayable in blended monthly instalments of \$17,368, amortized until March 1, 2030 with terms renewing January 31, 2023 (Note 10 (a))	\$ 1,572,130	\$ 1,634,975
Mortgage payable, bearing interest at 2.8%, repayable in blended monthly instalments of \$17,113 amortized until March 1, 2030 with terms renewing April 1, 2023 (Note 10 (a))	1,552,839	1,630,151
Mortgage payable, bearing interest at 4.70%, repayable in blended monthly instalments of \$16,580 until fully repaid on November 1, 2022 (Note 10 (a))	322,090	413,937
Mortgage payable, with payment terms as described in Note 10 (b)	1,838,594	1,553,431
Mortgage payable, repaid during the year (Note 10 (c))	<u>-</u>	<u>925,000</u>
	5,285,653	6,157,494
Less: current portion	<u>574,639</u>	<u>1,054,933</u>
	<u>\$ 4,711,014</u>	<u>\$ 5,102,561</u>

The Young Men's Christian Association of Edmonton (Operating as YMCA of Northern Alberta)

Notes to the Financial Statements

December 31, 2021

10. Long-term debt (cont'd)

- a) The financing agreement for the Association's mortgage debt of \$1,572,130, \$1,552,839, \$322,090 and \$1,838,594 includes a demand feature that allows the lenders to demand repayment at any time. However, the financial institutions have committed to the Association that repayment will not be demanded on these mortgages payable prior to January 1, 2023. These commitments are based on the assumption that the Association will continue to meet all other related conditions and repayment terms of the agreement. As a result of these commitments, the Association has classified the liability as long-term debt.

In addition, under the terms of a financing agreement revision signed during the year, principal repayments on each of these four mortgage debts will be waived for a twelve-month period commencing in 2021, due to the Association's closure of operations related to COVID-19 provincial government restrictions.

Security for the four mortgages of \$1,572,130, \$1,552,839, \$322,090 and \$1,838,594 includes:

- A general security agreement providing a first charge over all assets pertaining specifically to the Don Wheaton Family YMCA facility and parkade, including all present and after acquired personal property and proceeds;
- A demand mortgage in the amount of \$18,500,000 on the Don Wheaton Family YMCA facility and the parkade, with a combined carrying value of \$11,694,571 (2020 – \$12,638,407);
- General assignment of rents, insurance proceeds and leases receivable by the Association;
- General assignment of material contracts and benefits with respect to the Don Wheaton Family YMCA, and;
- Demand notes.

The Young Men's Christian Association of Edmonton (Operating as YMCA of Northern Alberta)

Notes to the Financial Statements

December 31, 2021

10. Long-term debt (cont'd)

- a) In 2021, the Association received an additional advance of \$285,163 on the loan related to the funding for a software program. Interest only payments, at prime plus 0.5%, were paid throughout 2021 on this \$1,838,594 mortgage. As of January 1, 2022, the mortgage became repayable in blended monthly instalments of \$18,514, including interest at prime plus 0.5%, amortized until December 1, 2031, with terms renewing December 31, 2026. Subsequent to the year end, the mortgage was converted to a fixed interest rate of 5.31% for a term renewing June 1, 2027.
- b) In 2021, the \$925,000 mortgage payable, which had been secured by the Bill Rees YMCA land and building, was repaid in full upon the sale of the property (Note 6).
- c) The principal payments due within the next five years and thereafter, assuming the loans, are renewed at the current terms, are estimated as follows:

2022	\$	574,639
2023		605,583
2024		542,487
2025		561,529
2026		581,267
Thereafter		<u>2,420,148</u>
	\$	<u>5,285,653</u>

11. Long-term reserve fund payable

In 2020, the agreement with the City of Red Deer related to the Association's operations at the Northside Community Centre was amended to provide for a \$400,000 reserve fund payable. This balance relates to unexpended funding provided by the City of Red Deer for past operations and may be applied to future operational funding, upon application to and receipt of approval from the City. This reserve fund is fully funded through a \$400,000 cashable guaranteed investment certificate, bearing interest at 0.8% and maturing on December 29, 2022, which is included in restricted cash equivalents. At the end of the term of the agreement, on June 30, 2024, any amount left in the reserve fund is payable to the City of Red Deer.

**The Young Men's Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)**

Notes to the Financial Statements

December 31, 2021

12. Deferred capital contributions

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 34,954,941	\$ 38,541,358
Add: contributions received	162,591	487,923
Less: contributions refunded	-	(59,708)
Less: contributions recognized as revenue	<u>(3,286,091)</u>	<u>(4,014,632)</u>
Balance, end of year	<u>\$ 31,831,441</u>	<u>\$ 34,954,941</u>
Contributions received include:		
YMCA Welcome Village Capital Campaign	\$ 85,000	\$ 75,000
Allocated to YMCA Welcome Village operating support	<u>(85,000)</u>	<u>(75,000)</u>
	-	-
Capital grants (including \$nil (2020 – \$465,751)) from government sources for facility development projects and other capital acquisitions)	<u>162,591</u>	<u>487,923</u>
	<u>\$ 162,591</u>	<u>\$ 487,923</u>

The Association previously entered into a capital contribution campaign to raise \$3,300,000 in contributions for the YMCA Welcome Village and related fundraising costs. Contributions received to December 31, 2021 totalled \$3,481,957 (2020 – \$3,396,957). Outstanding pledges, totalling \$750,000 (2020 – \$825,000) as at December 31, 2021, are expected to be received within the next ten years. Contributions exceeding the original \$3,300,000 campaign goal will continue to be directed towards capital and operating support for the YMCA Welcome Village.

**The Young Men's Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)**

Notes to the Financial Statements

December 31, 2021

13. Investment in capital assets	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ <u>7,834,284</u>	\$ <u>8,618,181</u>
Amortization of capital assets	(4,403,487)	(4,948,895)
Amortization of intangible asset	(126,300)	(126,300)
Amortization of deferred capital contributions	3,286,091	4,014,632
Investment income	51,919	22,400
Gain on disposition of land and building	3,241,049	-
Write off of capital asset	-	(711,629)
(Loss) gain on disposal of capital assets	<u>(55,411)</u>	<u>3,000</u>
Excess (deficiency) of revenue over expenses	<u>1,993,861</u>	<u>(1,746,792)</u>
Other items:		
Acquisition of capital assets	414,451	1,373,654
Receipt of capital contributions	(162,591)	(428,215)
Repayment of long-term debt	1,157,004	305,524
Repayment of obligations under capital leases	9,099	45,047
Transfer of restricted cash equivalents	(10,616)	91,266
Increase in long-term payable	(35,299)	(45,351)
Proceeds from disposition of long-lived assets	(4,835,000)	-
Proceeds from disposition of capital assets	(23,841)	(3,000)
Proceeds from long-term debt	(285,163)	-
Transfer of cash and short-term investments between funds	<u>3,904,801</u>	<u>(376,030)</u>
Increase in net assets invested in capital assets	<u>132,845</u>	<u>962,895</u>
Balance, end of year	<u>\$ 9,960,990</u>	<u>\$ 7,834,284</u>

**The Young Men’s Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)**

Notes to the Financial Statements

December 31, 2021

14. Commitments

a) Operating leases and service contracts

The Association has forty-five leased premises subject to operating lease commitments.

The minimum annual lease payments under these operating leases are as follows:

2022	\$ 1,445,451
2023	1,027,250
2024	684,019
2025	539,674
Thereafter	<u>2,100,629</u>
	<u>\$ 5,797,023</u>

b) Electrical power purchase agreement

The Association has signed agreements to purchase power at a fixed rate for a specified volume for the period from January 1, 2021 to December 31, 2023 and for the period from January 1, 2024 to December 31, 2026.

c) Natural gas purchase agreement

The Association has signed agreements to purchase natural gas at a fixed rate for a specified volume for the period from January 1, 2022 to December 31, 2022 and for the period from January 1, 2023 to December 31, 2024.

d) Restriction of use

The Association has agreed to certain commitments to the City of Edmonton relating to the four Health, Fitness and Aquatic facilities located in the Edmonton region, intended to ensure the facilities continue to provide recreational services to members of the community.

The Young Men's Christian Association of Edmonton (Operating as YMCA of Northern Alberta)

Notes to the Financial Statements

December 31, 2021

15. YMCA Opportunity Fund

Given the impacts and challenges of the COVID-19 pandemic on the Association's program and service delivery, Y Giving contributions were administered as follows:

- To support children, youth, individuals and families who qualified for support through the YMCA Financial Assistance program (YMCA Opportunity Fund), in the areas of membership and programs (\$163,486 in 2021);
 - In support of international partnerships; and
 - To support the Association's "greatest needs" which arose due to the pandemic and related restrictions.
-

16. Pension expense

The Association has a defined contribution plan covering eligible employees. Contributions are computed as a percentage of compensation. The expense recorded in relation to the employee benefit plan for the year ended December 31, 2021 was \$891,234 (2020 – \$809,242).

17. Financial instrument risks

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

The Association holds 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 Association is subject to interest rate risk due to the variable rate applicable to the mortgages payable. It is management's opinion that the Association is not exposed to significant interest rate risk arising from financial instruments.

The Association is exposed to credit risk from members, program participants, organizations receiving services and related parties. Credit risk arises from the possibility that the individuals, families and entities to which the Association provides services may experience financial difficulty and be unable to fulfil their obligations. The Association's receivable balance is made up of numerous and diverse receivables, which reduces the concentration of credit risk.

The Association is exposed to liquidity risk as the Association could encounter difficulty in meeting obligations associated with its financial liabilities and commitments. The Association is, therefore, exposed to liquidity risk with respect to its accounts payable and accrued liabilities, obligations under capital leases and long-term debt. The Association actively monitors its obligations to ensure that it has available funds to meet current and foreseeable future financial requirements based on the forecasting and management of its operational cash flows. This expectation could be adversely affected by a material negative change in the Association's operations.

The Young Men's Christian Association of Edmonton (Operating as YMCA of Northern Alberta)

Notes to the Financial Statements

December 31, 2021

18. Fundraising

The Association creates opportunities for all participants and members to form relationships and gain a sense of belonging and involvement. This comprehensive fund development program incorporates a variety of activities, including community engagement, Endowment giving, grant writing, capital campaign administration and the annual Y Giving fundraising campaign. Total costs for the fund development program for the year ended December 31, 2021, were \$325,780 (2020 – \$499,501) including \$260,306 (2020 – \$410,824) in salaries, wages, and benefits. In addition, the direct cost of the 2021 Y Giving campaign of \$35,509 (2020 – \$63,363) was expensed.

19. YMCA Welcome Village

In 2009, the Association entered into a Memorandum of Understanding (“MOU”) with Civida relating to the development of the YMCA Welcome Village.

The Boyle Renaissance Condominium Corporation (“BRCC”) was registered in 2013 for the purpose of facilitating the long-term ownership structure of the YMCA Welcome Village units. In 2013, legal titles of the following BRCC units were transferred to the Association and are included in capital assets:

- Melcor YMCA Village;
- Shirley Stollery YMCA Child Care Centre;
- YMCA Family Resource Centre, and;
- A portion of the West Building external structure and parkade (Note 5(a)).

The right to use land asset related to the Melcor YMCA Village has been recorded as an intangible asset (Note 5 (b)), at the estimated fair market value of \$2,526,000 as a proxy for the value of the right-to-use land asset.

The Association has extended, to December 31, 2025, a long-term lease for \$1 per year, with the City of Edmonton, relating to the West building access and office administration.

The Association will hold title to the Melcor YMCA Village facility for a minimum of twenty years, the period of time that the Association is committed to operating affordable housing services under the terms of the provincial government capital grant.

The Young Men's Christian Association of Edmonton (Operating as YMCA of Northern Alberta)

Notes to the Financial Statements

December 31, 2021

19. YMCA Welcome Village (cont'd)

In 2013, an agreement was made with Civida which includes the following:

- Allowing Civida an option to purchase the Melcor YMCA Village and the related reserve fund for \$10. The option may be exercised at any time prior to January 18, 2034, with a transfer of ownership occurring not before January 18, 2034. The option period may be extended for an additional term of one year or such other period in excess of one year as agreed to by both parties.
- That the Association shall maintain a capital reserve to be used for major capital repairs, the balance of which will be transferred to Civida if ownership transfers. All expenditures from the reserve are subject to written approval of Civida.

The Association expects that the option will be exercised, and ownership will transfer to Civida in twenty years and accounts for the current access to the Melcor Village as a long-term operating lease. The Melcor YMCA Village building has been recorded as leasehold improvements, classified with buildings.

The Association allocates 4% of the housing revenue from the facility to the capital reserve, which is recorded as a long-term payable. Funding of the balance of the long-term payable is held in cashable guaranteed investment certificates, at \$436,724 (2020 - \$401,425). Subsequent to the year end, the Association is negotiating having up to \$96,000 in refurbishment expenditures funded from this capital reserve.

**The Young Men's Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)**

Schedule 1 - Operating Expenses

Year Ended December 31	2021	2020
Salaries, wages, and benefits	\$ 37,082,249	\$ 37,895,202
Occupancy	5,007,307	4,290,136
Participant support costs	2,249,589	1,166,429
Repairs and maintenance	1,934,066	1,726,921
Supplies	1,870,526	2,115,176
Purchased services and insurance	828,458	616,493
Membership and Association dues	524,834	308,614
Finance and program registration fees	479,419	482,800
Printing and promotion	454,160	441,731
Telephone and postage	283,928	363,648
Training	191,488	155,384
Goods and services tax	181,906	199,891
Employee and participant travel	139,334	222,457
International program support	35,000	19,900
Miscellaneous	28,849	29,166
Bad debt expense (recovery)	<u>91,489</u>	<u>(73,344)</u>
	<u>\$ 51,382,602</u>	<u>\$ 49,960,604</u>

See accompanying notes to the financial statements

**The Young Men's Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)
Schedule 2 – Homeward Trust Edmonton and Homeward Trust
Foundation**

Year Ended December 31 2021 2020

The revenues and expenses relating to operating grants from Homeward Trust Edmonton and Homeward Trust Foundation are as follows:

Revenues		
Operating grants – other	\$ 1,854,841	\$ 1,394,792
Miscellaneous revenue	<u>12,690</u>	<u>-</u>
	<u>1,867,531</u>	<u>1,394,792</u>
Expenses		
Salaries, wages, and benefits	902,428	742,854
Participant support costs	734,329	462,284
Administration costs	189,299	144,543
Training	11,120	1,198
Employee and participant travel	8,283	18,799
Telephone and postage	7,507	8,615
Miscellaneous	6,664	2,491
Occupancy	6,000	6,000
Supplies and allocation to capital costs	1,105	5,636
Purchased services, professional fees and insurance	<u>796</u>	<u>2,372</u>
	<u>1,867,531</u>	<u>1,394,792</u>
Revenues over expenses	\$ <u>-</u>	\$ <u>-</u>

The continuity of deferred contributions and operating grants is as follows:

Balance, beginning of year	\$ 489,728	\$ 149,522
Add: operating grants received	2,344,570	1,734,998
Less: operating grants recognized as revenue	<u>(1,854,841)</u>	<u>(1,394,792)</u>
Balance, end of year	<u>\$ 979,457</u>	<u>\$ 489,728</u>

See accompanying notes to the financial statements

The Young Men’s Christian Association of Edmonton
(Operating as YMCA of Northern Alberta)
Schedule 3 – Government of Alberta Early Learning Child Care (ELCC) Centre Funding
Year Ended December 31, 2021

The Association received support funding from the Government of Alberta relating to the operations of nineteen ELCC centres. The three-year pilot program sponsored \$25-a-day child care and was finalized on March 31, 2021. During 2021, the Association repaid \$2,260,980 to the provincial government, \$1,914,930 of which was reflected as accounts payable as at December 31, 2020.

	Deferred revenue at beginning of year	Funding received	Revenue recognized	Deferred capital contributions	Funding returned	Funding transferred to accounts payable and accrued liabilities	Deferred revenue at end of year
Year 1 Funding, April 1 to December 31, 2018							
Deferred interest revenue	\$ 119,057	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119,057
Year 1 and Year 2 Funding, January 1, 2019 to December 31, 2019							
Deferred interest revenue	132,234	-	-	-	-	-	132,234
Year 2 and Year 3 Funding, January 1, 2020 to December 31, 2020							
Deferred interest revenue	42,300	-	-	-	-	-	42,300
Year 3 Funding, January 1 to March 31, 2021							
Affordability	2,158,927	-	1,877,146	-	281,781	-	-
Quality	372,607	-	301,092	-	71,515	-	-
Wage	348,613	-	325,729	-	22,884	-	-
Improvements	199,876	-	230,006	-	(30,130)	-	-
	3,080,023	-	2,733,973	-	346,050	-	-
Deferred interest revenue	-	5,150	-	-	-	-	5,150
Total	\$ 3,373,614	\$ 5,150	\$ 2,733,973	\$ -	\$ 346,050	\$ -	\$ 298,741

See accompanying notes to the financial statements