



Consolidated Financial Statements

YMCA of Simcoe/Muskoka

June 30, 2021

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Independent Auditor's Report

Grant Thornton LLP

Suite 400
85 Bayfield Street
Barrie, ON
L4M 3A7

T +1 705 728 3397
F +1 705 728 2728
www.GrantThornton.ca

To the Board of Directors of
YMCA of Simcoe/Muskoka

Opinion

We have audited the consolidated financial statements of YMCA of Simcoe/Muskoka (the "Association"), which comprise the consolidated statement of financial position as at June 30, 2021, and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at June 30, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which describes events and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Association's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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.

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ◆ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Association to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

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

Barrie, Canada
November 10, 2021

Chartered Professional Accountants
Licensed Public Accountants

YMCA of Simcoe/Muskoka

Consolidated Statement of Financial Position

June 30
(in Thousands 000s)

2021

2020

Assets

Current

Cash	\$ 10,860	\$ 2,199
Accounts receivable	2,341	1,193
Inventory (Note 13)	120	124
Prepaid expenses	116	36

13,437 **3,552**

Tangible capital assets (Note 5)	21,343	27,479
Portfolio investments (Note 4)	1,690	2,815
Intangible assets (Note 6)	309	101

23,342 **30,395**

Total assets **\$ 36,779** **\$ 33,947**

Liabilities and Net Assets

Current liabilities

Bank loan (Note 7)	\$ -	\$ 1,985
Accounts payable and accrued liabilities	2,327	2,223
Government remittances payable	438	699
Deferred revenue	3,409	1,502
Current portion of long-term debt (Note 8)	1,789	422
Current portion of deferred contributions (Note 9)	1,093	1,094

9,056 **7,925**

Long-term debt (Note 8)	-	2,038
Deferred contributions (Note 9)	15,325	15,825

Total liabilities **24,381** **25,788**

Net assets (Page 5)

Unrestricted	10,539	5,235
Internally restricted funds	1,174	2,239
Endowment fund	685	685

Total Net Assets **12,398** **8,159**

Total Liabilities and Net Assets **\$ 36,779** **\$ 33,947**

Going concern (Note 2)

Commitments (Note 10)

Approved on behalf of the board

Director, Lynn Strachan

Director, Robert Reid

YMCA of Simcoe/Muskoka

Consolidated Statement of Operations

Year ended June 30
(in Thousands 000s)

2021

2020

Revenue

Health wellness community recreation	\$ 492	\$ 7,458
Child development & family support (Note 11)	11,335	17,105
Camping, conference & youth engagement	1,125	6,492
Philanthropy & Association advancement	471	552
Government programs (Note 11)	14,254	6,599
Amortization of deferred capital contributions	1,094	1,095
Other revenue	125	50
	<u>28,896</u>	<u>39,351</u>

Expenses

Human resources direct costs	17,427	22,955
Supplies	2,721	4,800
Facilities expenses	3,081	6,096
Other expenses	129	1,317
General & administration expenses	3,397	4,686
Amortization of tangible capital assets & software	1,881	2,226
Interest on long-term debt	55	94
Impairment loss on intangible assets	-	865
	<u>28,691</u>	<u>43,039</u>

Excess (deficiency) of revenue over expenses before other items 205 (3,688)

Gain on sale of capital assets 4,034 -

Excess (deficiency) of revenue over expenses \$ 4,239 \$ (3,688)

YMCA of Simcoe/Muskoka

Consolidated Statement of Changes in Net Assets

Year ended June 30
(in Thousands 000s)

	Unrestricted	Internally Restricted Funds	Endowment Fund	2021	2020
Balance, beginning of year	\$ 5,235	\$ 2,239	\$ 685	\$ 8,159	\$ 11,847
Interfund transfers	1,268	(1,268)	-	-	-
Excess (deficiency) of revenue over expenses	<u>4,036</u>	<u>203</u>	<u>-</u>	<u>4,239</u>	<u>(3,688)</u>
Balance, end of year	<u>\$ 10,539</u>	<u>\$ 1,174</u>	<u>\$ 685</u>	<u>\$ 12,398</u>	<u>\$ 8,159</u>

YMCA of Simcoe/Muskoka

Consolidated Statement of Cash Flows

Year ended June 30
(in Thousands 000s)

2021

2020

Operating

Excess (deficiency) of revenue over expenses	\$ 4,239	\$ (3,688)
Adjustments for		
Amortization of tangible capital assets & software	1,881	2,226
Amortization of deferred capital contributions	(1,094)	(1,095)
Impairment loss on intangible assets	-	865
	<u>5,026</u>	<u>(1,692)</u>

Change in non-cash working capital items

Accounts receivable	(1,148)	280
Inventory	4	9
Prepaid expenses	(80)	10
Accounts payable and accrued liabilities	104	(1,274)
Government remittances payable	(261)	(139)
Deferred revenue	1,907	(1,005)
	<u>526</u>	<u>(2,119)</u>
	<u>5,552</u>	<u>(3,811)</u>

Investing

Additions to tangible capital assets	(531)	(871)
Disposals of tangible capital assets	4,860	25
Additions to intangible assets	(280)	(11)
Change in portfolio investments	1,125	(422)
Increase in deferred contributions	592	1,913
	<u>5,766</u>	<u>634</u>

Financing

Bank loan advances	-	1,985
Repayment of bank loan	(1,985)	-
Decrease in long-term debt	(672)	(422)
	<u>(2,657)</u>	<u>1,563</u>

Increase (decrease) in cash	8,661	(1,614)
Cash		
Cash, beginning of year	2,199	3,813
Cash, end of year	<u>\$ 10,860</u>	<u>\$ 2,199</u>

YMCA of Simcoe/Muskoka

Notes to the Consolidated Financial Statements

Year ended June 30, 2021
(in Thousands 000s)

1. Nature of Association

YMCA of Simcoe/Muskoka (the "Association") is a charitable, community-based organization open to all. It offers diverse services provided by a partnership of volunteers and staff and provides fellowship and opportunities for personal growth in spirit, mind and body including the provision of programs and services that foster health, education and the relief of poverty.

The Association is incorporated without share capital under the Corporations Act (Ontario) and is a charitable organization within the meaning of the Income Tax Act (Canada).

2. COVID-19 Pandemic and Going concern

Throughout the fiscal 2021 period the consequences of the COVID-19 pandemic have materially and adversely affected the ability of the Association to offer its services and therefore, its operating results have been negatively impacted. Furthermore, the Association made the decision to permanently cease the operations of its health and fitness centres in Orillia and Parry Sound and suspend the operations of its health and fitness centre in Barrie. The Association completed sales transactions for both the Barrie and Orillia facilities, but continues to use the Parry Sound facility for child care programs.

At June 30, 2021, the Association had current assets in excess of current liabilities of \$5.7M including cash of \$10.9M and a net surplus of \$4.2M. It is uncertain whether the Association will maintain profitability into the foreseeable future. The Association anticipates having sufficient funds to meet its corporate and administrative expenses for at least the next twelve months. However, given limited financial resources, the Association will need to obtain additional funding to continue its operations. The Association will seek grant funding and will continue to apply for the Canada Emergency Wage Subsidy ("CEWS") program. Additionally, management and the Board have developed a recovery plan moving into the 2022 fiscal period, which was the result of a rigorous budgeting process. The plan anticipates future operating conditions and pandemic restrictions imposed on the Association for the foreseeable future. There is no assurance that management's initiatives will be successful, and uncertainty remains as to the ability of the Association to continue operating as a going concern.

These consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations on a going concern basis, meaning the Association is viewed as being able to realize its assets and discharge its liabilities in the normal course of operations. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Association's ability to continue as a going concern. The carrying amounts of the assets, liabilities and expenses presented in these consolidated financial statements and the statement of financial position classifications have not been adjusted as would be required if the going concern assumption was not appropriate. Such adjustments could be material.

YMCA of Simcoe/Muskoka

Notes to the Consolidated Financial Statements

Year ended June 30, 2021
(in Thousands 000s)

3. Significant accounting policies

Basis of preparation

The Association has adopted the Canadian accounting standards for not-for-profit organizations (ASNPO) and are in accordance with Canadian generally accepted accounting principles (GAAP).

Basis of consolidation

The consolidated financial statements include the accounts of the Association and its wholly owned subsidiary 2410518 Ontario Limited. The subsidiary's purpose is to make investments on behalf of the Association. It was incorporated on March 12, 2014 under the laws of Ontario and is subject to corporate income tax.

Fund accounting

The Association follows the deferral method of accounting for contributions:

The unrestricted fund accounts for the Association's program delivery and administrative activities. This fund reports unrestricted resources.

The internally restricted future fund represents a segregated fund designated by the Board to fund specific projects that enrich the programs of the Association.

The endowment fund accounts for endowments received for which the principal portion is to be invested and only the income earned on the original endowment can be expended, as stipulated by the donor. Endowments are recorded as a direct increase in net assets in the year received. Investment income on endowments is recorded as deferred revenue when earned and recognized as revenue on the Consolidated Statement of Operations when the designated expenditure is made.

Fund transfers

The Board approves fund transfers to the internally restricted funds for the specific purposes as described above. The internally restricted net assets are not available for other purposes without the approval of the Board.

Use of estimates

The preparation of consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenditures during the reporting period. These estimates include, among others, useful lives of tangible capital assets, allowance for doubtful accounts and accruals. Actual results could differ from management's best estimates as additional information becomes available in the future.

Cash

Cash consists of cash on hand and bank balances.

YMCA of Simcoe/Muskoka

Notes to the Consolidated Financial Statements

Year ended June 30, 2021
(in Thousands 000s)

3. Significant accounting policies, continued

Revenue recognition

The Association follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Contributions received in advance of the period to which they relate are recorded as deferred revenue. Unrestricted contributions include: contributions from members, participants and agencies and fundraising.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of tangible capital assets excluding land are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets. Externally restricted contributions for land are recorded as a direct increase in unrestricted net assets. Externally restricted contributions that have not been expended are recorded as part of deferred contributions on the consolidated statement of financial position. Externally restricted contributions for the repayment of debt are deferred and amortized in the same manner as the related tangible capital asset is amortized to expense.

Child care fees, membership fees and conference income are recognized as revenue as the services are provided. Interest income, sales and other income are recognized when earned.

Where the Association has an obligation to provide ongoing services, revenues are recognized as the service is performed. Any amounts received in advance are recognized as deferred revenue until the period in which the services have been performed.

Financial instruments

The Association considers any contract that creates a financial asset, a financial liability or equity instrument as a financial instrument, except in limited items such as leases and loan commitments.

Initial recognition and measurement

A financial asset or a financial liability is recognized when the Association becomes a party to the contractual provisions of the financial instrument.

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction, are initially measured at their fair value.

Subsequent measurement

Changes in fair value of investments in equity instruments are recognized in operations in the period incurred. All other financial assets and financial liabilities are measured at amortized cost.

Impairment

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 consolidated statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

YMCA of Simcoe/Muskoka

Notes to the Consolidated Financial Statements

Year ended June 30, 2021
(in Thousands 000s)

3. Significant accounting policies, continued

Contributed services

The Association is dependent on the voluntary services of many individuals. Since these services are not normally purchased by the Association and because of the difficulty in estimating their fair market value, these services are not recorded in these consolidated financial statements.

Contributed materials

The Association has not recognized contributed materials in these consolidated financial statements as these materials are not normally purchased and because of the difficulty in estimating their fair market value.

Inventory

Inventory is valued at the lower of cost and replacement cost. Cost is generally determined on a specific item basis.

Tangible capital assets

Purchased tangible capital assets are recorded at cost. Cost includes the purchase price and other acquisition costs such as brokers' commissions, installation costs including architectural, design and engineering fees, legal fees, survey costs, site preparation costs, freight charges, transportation insurance costs, duties, testing and preparation charges. Contributed tangible capital assets are recorded at fair value at the date of contribution. Betterments which extend the estimated life of an asset are capitalized. When conditions indicate that a tangible capital asset no longer contributes to the Association's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the tangible capital assets are less than their net carrying amounts, the tangible capital asset will be written down to fair value or replacement cost to reflect partial impairments. Amortization is provided on assets placed into use on the straight-line basis over their estimated useful lives as follows:

Building and site improvements	Straight-line	25 years
Leasehold improvements	Straight-line	25 years
Program equipment	Straight-line	3 years
Furnishings and equipment	Straight-line	5 years
Computer hardware	Straight-line	3 years

Intangible assets

Software consists of externally purchased programs and are stated at cost. Amortization is provided on a straight-line basis over their estimated useful service lives of 3 years. Intangible assets are written down to fair value or replacement cost when conditions indicate that an intangible asset no longer contributes to the Association's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the intangible assets are less than their net carrying amounts. An impairment loss is not reversed if the fair value of the intangible asset subsequently increases.

YMCA of Simcoe/Muskoka

Notes to the Consolidated Financial Statements

Year ended June 30, 2021
(in Thousands 000s)

3. Significant accounting policies, continued

Portfolio investments

Portfolio investments are initially measured at fair value. Gains and losses are recognized in the period in which they occur.

Pension plan

The Association offers a multi-employer defined benefit pension plan to employees. Due to the nature of the plan, the Association does not have sufficient information to account for the plan as a defined benefit plan; therefore, the multi-employer defined benefit pension plan is accounted for in the same manner as a defined contribution plan. An expense is recorded in the period when the Association is obligated to make contributions for services rendered by the employee.

4. Portfolio investments

	2021	2020
	Fair value	Fair value
Common shares	\$ 996	\$ 1,608
Mutual funds	694	1,207
	\$ 1,690	\$ 2,815

\$685 (2020 - \$685) of the portfolio investments are restricted for the endowment fund, \$105 (2020 - \$59) is restricted for deferred contributions and \$933 (2020 - \$2,084) has been internally restricted by the Board of Directors.

5. Tangible capital assets

	Cost	Accumulated Amortization	2021 Net Book Value	2020 Net Book Value
Land	\$ 2,388	\$ -	\$ 2,388	\$ 3,261
Building and site improvements	18,353	8,221	10,132	14,712
Leasehold improvements	16,323	8,153	8,170	8,823
Program equipment	222	176	46	122
Furnishings and equipment	44	23	21	37
Computer hardware	818	232	586	524
	\$ 38,148	\$ 16,805	\$ 21,343	\$ 27,479

During the year, the Association purchased tangible capital assets in the amount of \$531 (2020 - \$871).

The Association's wholly owned subsidiary, 2410518 Ontario Limited, leased two buildings for gross rent of \$38 (2020 - \$38).

The total value of land included in the above is \$553 (2020 - \$553).

YMCA of Simcoe/Muskoka

Notes to the Consolidated Financial Statements

Year ended June 30, 2021
(in Thousands 000s)

6. Intangible assets

	2021			
	Cost	Accumulated amortization	Transfers/ impairment	Net
Software	\$ 419	\$ 110	\$ -	\$ 309

	2020			
	Cost	Accumulated amortization	Transfers/ impairment	Net
Software	\$ 1,439	\$ 473	\$ 865	\$ 101

7. Credit facilities

The Association has a revolving demand facility with the Royal Bank of Canada. The bank loan bears interest at the bank's prime rate plus 0.25% for loans, calculated and payable monthly. The total credit available is \$3,300. Unused credit facilities at June 30, 2021 amounted to \$3,300 (2020 - \$3,295).

There is an outstanding Letter of Credit to the Ministry of the Environment re: de-commissioning the three sewage lagoons at Geneva Park in the unlikely event that the YMCA abandons the site for \$110 (2020 - \$110).

The Association has three (2020 - three) non-revolving term facilities (Note 8) for the purpose of financing various construction projects, mortgages for investment properties owned by 2410518 Ontario Limited, and a mortgage for Geneva Park. All loans bear interest at the bank's prime rate plus 0.25%, calculated and payable monthly. All loans have a 12 month term.

The Association has a \$300 line of credit available for lease financing of facility equipment. As at year end, this line of credit has not been drawn upon.

The Association has a \$150 (2020 - \$315) limit on Association credit cards.

The banking agreement that covers these loans is secured by a general security agreement constituting a first ranking security interest on all property of the borrower, a collateral mortgage constituting a first fixed charge on the lands and improvements of 6604 Rama Road, Ramara, Ontario.

YMCA of Simcoe/Muskoka

Notes to the Consolidated Financial Statements

Year ended June 30, 2021
(in Thousands 000s)

8. Long-term debt

	<u>2021</u>	<u>2020</u>
Royal Bank of Canada Committed Reducing Term Facility, prime plus 0.25%, equal monthly principal payments of \$2 plus interest due July 2021.	\$ 97	\$ 116
Royal Bank of Canada Committed Reducing Term Facility, prime plus 0.25%, equal monthly principal payments of \$1 plus interest due June 2022.	83	101
Royal Bank of Canada Committed Reducing Term Facility, prime plus 0.25%, equal monthly principal payments of \$32 plus interest due July 2021.	<u>1,609</u>	<u>2,243</u>
	<u>1,789</u>	2,460
Less current portion	<u>1,789</u>	<u>422</u>
Due beyond one year	<u>\$ -</u>	<u>\$ 2,038</u>

Subsequent to year-end, the Association successfully renewed term loans with July 2021 due dates with the Royal Bank of Canada, with maturity dates extended to July 2022.

The banking agreement with the Royal Bank of Canada contains a covenant with respect to the debt service ratio. As at year end, the Association is in compliance with this ratio.

YMCA of Simcoe/Muskoka

Notes to the Consolidated Financial Statements

Year ended June 30, 2021
(in Thousands 000s)

9. Deferred contributions

	<u>2021</u>	<u>2020</u>
Deferred contributions related to capital assets	\$ 15,393	\$ 16,275
Deferred contributions	<u>1,025</u>	<u>644</u>
Total deferred contributions	16,418	16,919
Less current portion of deferred contributions	<u>(1,093)</u>	<u>(1,094)</u>
Non current deferred contributions	<u>\$ 15,325</u>	<u>\$ 15,825</u>

Deferred capital contributions related to capital assets and repayment of debt

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 16,275	\$ 15,665
Additional contributions received	212	1,705
Amounts amortized to revenue	<u>(1,094)</u>	<u>(1,095)</u>
	<u>\$ 15,393</u>	<u>\$ 16,275</u>

Deferred contributions

This balance represents the unexpended amounts of donations that have been received where the donor has specified that the amounts be used for designated purposes. The determination of the timing and the amount of these payments for designated purposes are at the discretion of the Board.

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 644	\$ 436
Additional contributions received	793	2,430
Amounts amortized to revenue	<u>(412)</u>	<u>(2,222)</u>
	<u>\$ 1,025</u>	<u>\$ 644</u>

YMCA of Simcoe/Muskoka

Notes to the Consolidated Financial Statements

Year ended June 30, 2021
(in Thousands 000s)

10. Commitments

The Association has obligations under long-term leases for certain premises and office equipment. Future minimum lease payments over the next four years are as follows:

2022	\$	1,070
2023		860
2024		493
2025		<u>52</u>
	<u>\$</u>	<u>2,475</u>

11. Government program revenue

Government programs consist of:

	<u>2021</u>	<u>2020</u>
Newcomer Services	\$ 581	\$ 598
Employment Services	2,733	3,232
Youth Services	1,459	1,608
Canada Emergency Wage Subsidy	<u>9,481</u>	<u>1,161</u>
	<u>\$ 14,254</u>	<u>\$ 6,599</u>

Childcare from Governments (included in Child Development & Family Support Revenue)

County of Simcoe	\$ 2,820	\$ 4,412
District of Muskoka	-	46
District of Parry Sound	57	165
Grey County	2	-

YMCA of Simcoe/Muskoka

Notes to the Consolidated Financial Statements

Year ended June 30, 2021
(in Thousands 000s)

12. Pension plan

The employees of the Association participate in the Canadian YMCA Retirement Fund. Although the plan is a defined retirement benefit for employees, the related obligation of the Association cannot be identified. The Association has applied defined contribution plan accounting as it has insufficient information to apply defined benefit plan accounting. The Canadian YMCA Retirement Fund has several unrelated participating associations and costs are not specifically attributed to each participant. Amounts paid to the Canadian YMCA Retirement Fund by the Association during the year totaled:

	<u>2021</u>	<u>2020</u>
By employees	\$ 572	\$ 610
By employer	<u>580</u>	<u>619</u>
	<u>\$ 1,152</u>	<u>\$ 1,229</u>

13. Inventory

The Association has inventory at Geneva Park which consists of:

	<u>2021</u>	<u>2020</u>
Food	\$ 34	\$ 38
Fuel	3	3
Maintenance & camp supplies	72	76
Office supplies	<u>11</u>	<u>7</u>
	<u>\$ 120</u>	<u>\$ 124</u>

14. Related party transactions

Related party transactions noted below are in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

The following related party transactions occurred in the year:

	<u>2021</u>	<u>2020</u>
Facilities expenses		
Waggs Ltd. - Owned by a Director of YMCA of Simcoe/Muskoka	<u>\$ 3</u>	<u>\$ 196</u>

YMCA of Simcoe/Muskoka

Notes to the Consolidated Financial Statements

Year ended June 30, 2021
(in Thousands 000s)

15. Financial instruments

(a) Fair values

The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. Fair values are determined by reference to quoted bid or asking prices as appropriate, in the most advantageous active market for that instrument to which the Association has immediate access.

The Association's financial instruments are comprised of cash, accounts receivable, portfolio investments, bank loan, accounts payable, government remittances payable and long-term debt.

(b) Credit risk

The Association has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The main source of credit risk to the Association is considered to relate to the class of assets described as "accounts receivable", and much of the amount is due from the government.

(c) Interest rate risk

The Association has term loans and an operating demand loan which bear interest at a variable rate and as a result, is subject to interest rate risk through fluctuations in the bank's prime interest rate.

(d) Market risk

The portfolio investments are diversified in varying industries, but are still subject to fluctuations in the market.

(e) Liquidity risk

The Association seeks to maintain sufficient liquidity and short-term borrowing capacity to enable it to meet its obligations as they become due. The Association maintains a backup short-term credit facility with a Canadian chartered bank to ensure sufficient liquidity.

16. Comparative figures

The consolidated financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.
