

**Young Men's Christian Association of Brandon**  
**Financial Statements**  
*August 31, 2023*

## Management's Responsibility

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To the Board of Young Men's Christian Association of Brandon:

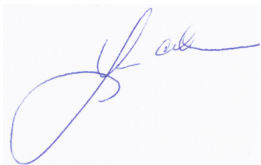
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Association. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Association's external auditors.

MNP LLP is appointed by the Board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

November 14, 2023



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Chief Executive Officer

To the Board of Young Men's Christian Association of Brandon:

## Opinion

We have audited the financial statements of Young Men's Christian Association of Brandon (the "Association"), which comprise the statement of financial position as at August 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at August 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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 opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

## Independent Auditor's Report - Continued

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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.

Brandon, Manitoba

November 14, 2023

*MNP* LLP

Chartered Professional Accountants

# Young Men's Christian Association of Brandon

## Statement of Financial Position

As at August 31, 2023

	2023	2022
<b>Assets</b>		
<b>Current</b>		
Cash (Note 3)	600,467	1,456,736
Marketable securities (Note 4)	800,000	750,000
Accounts receivable (Note 5)	351,913	137,481
Prepaid expenses and deposits	70,043	-
	1,822,423	2,344,217
<b>Capital assets (Note 6)</b>	<b>20,572,449</b>	<b>16,247,421</b>
<b>Intangible assets (Note 7)</b>	<b>22,023</b>	<b>31,461</b>
<b>Investments (Note 8)</b>	<b>1,009,559</b>	<b>891,302</b>
	<b>23,426,454</b>	<b>19,514,401</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals (Note 9)	845,728	620,637
Deferred revenue	485,662	892,466
Current portion of long-term debt	1,794,000	1,929,000
	3,125,390	3,442,103
Term loan due on demand (Note 10)	374,497	-
	3,499,887	3,442,103
<b>Long-term debt (Note 11)</b>	<b>2,110,611</b>	<b>971,886</b>
<b>Deferred contributions related to capital assets (Note 12)</b>	<b>12,464,576</b>	<b>10,431,518</b>
	<b>18,075,074</b>	<b>14,845,507</b>
<b>Net Assets</b>	<b>5,351,380</b>	<b>4,668,894</b>
	<b>23,426,454</b>	<b>19,514,401</b>

Approved on behalf of the Board



Director



Director

The accompanying notes are an integral part of these financial statements

# Young Men's Christian Association of Brandon

## Statement of Operations

For the year ended August 31, 2023

	2023	2022
<b>Revenue</b>		
Grants		
Province of Manitoba	2,685,267	2,291,466
United Way	32,333	31,667
City of Brandon	-	1,919
Parent fees	3,331,590	2,994,236
Memberships	1,952,677	1,389,332
Amortization of deferred contributions (Note 12)	575,166	410,043
Program fees	275,717	249,781
Fundraising and contributions	191,183	122,363
Investment income	177,940	(42,959)
Miscellaneous	46,779	22,047
Administration fees	27,747	29,142
Rental	6,880	-
	<b>9,303,279</b>	<b>7,499,037</b>
<b>Other revenue</b>		
Federal wage subsidy	-	49,293
Federal rent subsidy	-	4,213
	-	53,506
	<b>9,303,279</b>	<b>7,552,543</b>
<b>Expenses</b>		
Amortization	760,556	744,122
Bank interest and charges	87,118	91,471
Building maintenance	156,099	87,368
Contract services	13,611	10,316
Equipment	160,444	141,765
Fundraising	20,935	28,017
Insurance	73,634	60,124
Interest on long-term debt	146,143	109,314
Miscellaneous	3,691	519
Printing and promotion	3,778	3,725
Program supplies	350,672	215,945
Property tax	7,165	6,965
Rent	246,054	228,129
Salaries and benefits	6,037,143	5,084,594
Supplies	108,949	88,333
Telephone and postage	16,837	15,681
Training	61,084	76,567
Transportation	9,000	-
Travel	16,365	10,777
Utilities	220,249	197,191
YMCA affiliation dues	121,266	110,595
	<b>8,620,793</b>	<b>7,311,518</b>
<b>Total expenses</b>		
	<b>8,620,793</b>	<b>7,311,518</b>
<b>Excess of revenue over expenses</b>	<b>682,486</b>	<b>241,025</b>

The accompanying notes are an integral part of these financial statements

**Young Men's Christian Association of Brandon**  
**Statement of Changes in Net Assets**

*For the year ended August 31, 2023*

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	<b>2023</b>	<b>2022</b>
<b>Net assets, beginning of year</b>	<b>4,668,894</b>	4,427,869
<b>Excess of revenue over expenses</b>	<b>682,486</b>	241,025
<b>Net assets, end of year</b>	<b>5,351,380</b>	4,668,894

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*The accompanying notes are an integral part of these financial statements*

# Young Men's Christian Association of Brandon

## Statement of Cash Flows

*For the year ended August 31, 2023*

	<b>2023</b>	<b>2022</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess of revenue over expenses	682,486	241,025
Amortization of capital and intangible capital assets	760,556	744,122
Amortization of deferred contributions	(575,166)	(410,043)
Loss (gain) on investments	(118,257)	47,771
	<b>749,619</b>	<b>622,875</b>
Changes in working capital accounts		
Accounts receivable	(214,432)	(11,969)
Prepaid expenses and deposits	(70,043)	-
Accounts payable and accruals	225,091	309,584
Deferred capital contributions	2,608,224	844,250
Deferred revenue	(406,804)	794,652
	<b>2,891,655</b>	<b>2,559,392</b>
<b>Financing</b>		
Advances of short-term debt	374,497	-
Advances of long-term debt	1,138,725	971,886
Repayment of long-term debt	(135,000)	(130,000)
	<b>1,378,222</b>	<b>841,886</b>
<b>Investing</b>		
Purchase of marketable securities	(800,000)	(750,000)
Proceeds on disposal of marketable securities	750,000	-
Purchase of capital assets	(5,076,146)	(2,820,816)
Purchase of intangible assets	-	(31,461)
	<b>(5,126,146)</b>	<b>(3,602,277)</b>
<b>Decrease in cash resources</b>	<b>(856,269)</b>	<b>(200,999)</b>
<b>Cash resources, beginning of year</b>	<b>1,456,736</b>	<b>1,657,735</b>
<b>Cash resources, end of year</b>	<b>600,467</b>	<b>1,456,736</b>
<b>Supplementary cash flow information</b>		
Cash paid for interest	146,143	109,314

*The accompanying notes are an integral part of these financial statements*

# Young Men's Christian Association of Brandon

## Notes to the Financial Statements

For the year ended August 31, 2023

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### 1. Incorporation and nature of the organization

Young Men's Christian Association of Brandon (the "Association") is a charitable association serving Brandon and the surrounding geographical area. It was established in 1886, dedicated to providing quality programs and services for all individuals in the development of the spirit, mind, and body.

The Association is incorporated as a not-for-profit organization and is a registered charity under the Income Tax Act.

### 2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

#### **Cash and cash equivalents**

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

#### **Capital assets**

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	<b>Rate</b>
Buildings	5 %
Computer equipment	30 %
Equipment	20 %
Leasehold improvements	5 %
Park	5 %

#### **Intangible asset**

Specified intangible assets are recognized and reported apart from goodwill.

An intangible asset recognized separately from goodwill and subject to amortization is recorded at cost. Contributed intangible assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the declining balance method at a rate intended to amortize the cost of the intangible asset over its estimated useful life.

	<b>Rate</b>
Software licensing agreements	30%

When an intangible asset no longer contributes to the Association's ability to provide goods or services, or the value of future economic benefits or service potential associated with the intangible asset is less than its net carrying amount, its carrying amount is written down to fair value.

#### **Deferred contributions related to capital assets**

Deferred contributions related to capital assets represent the unamortized portion of contributed capital assets and restricted contributions that were used to purchase capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

#### **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. 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.

Memberships are recorded as deferred revenue upon receipt and recognized as revenue over the term of the membership. Program and parent fees are deferred upon receipt and recognized as revenue as the services are provided.

# Young Men's Christian Association of Brandon

## Notes to the Financial Statements

*For the year ended August 31, 2023*

**2. Significant accounting policies** *(Continued from previous page)*

**Revenue recognition** *(Continued from previous page)*

Government grants and subsidies are recognized as revenue when there is reasonable assurance that the grants will be received and that the conditions of the funds have been met.

Miscellaneous, rentals, administration fees and investment income are recognized as revenue when earned. Investment income consists of interest and loss or gain on investments.

The Association recognizes government assistance when there is reasonable assurance that the funds will be received and that the conditions of the funding will be met. The Association recognizes government assistance in the statement of operations as revenue in the same period as the expenses for which the grant is intended to compensate.

**Contributed materials**

Contributions of materials are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials are used in the normal course of the Association's operations and would otherwise have been purchased. No contributed materials were noted in the year.

**Financial instruments**

The Association recognizes financial instruments when the Association becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

At initial recognition, the Association may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Association has not made such an election during the year.

The Association subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by reference to quoted market prices. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. As of August 31, 2023, investments are quoted in active markets.

All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the statement of operations. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

The carrying values of financial assets measured at amortized cost or fair value, and of investments in equity instruments measured at cost less impairment are as follows:

	<b>2023</b>	<b>2022</b>
	<b>CAD\$</b>	<b>CAD\$</b>
<b>Financial assets measured at fair value:</b>		
Investments	<b>1,009,559</b>	891,302
<b>Financial assets measured at amortized cost:</b>		
Cash	<b>600,467</b>	1,456,736
Accounts receivable	<b>306,255</b>	96,113
<b>Equity instruments measured at cost less impairment:</b>		
Marketable securities	<b>800,000</b>	750,000

# Young Men's Christian Association of Brandon

## Notes to the Financial Statements

For the year ended August 31, 2023

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### 2. Significant accounting policies (Continued from previous page)

#### *Financial instruments (Continued from previous page)*

##### **Financial asset impairment**

The Association assesses impairment of all its financial assets measured at cost or amortized cost. The Association groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers whether the issuer is having significant financial difficulty in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Association determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Association reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year the statement of operations.

The Association reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the statement of operations in the year the reversal occurs.

##### **Measurement uncertainty (use of estimates)**

The preparation of financial statements in conformity 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 disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory as well as warranty and after sales service costs. Amortization of capital assets, intangible assets, and deferred contributions are based on the estimated useful lives of capital assets.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

##### **Derivative financial instruments**

Derivative financial instruments are financial contracts whose value changes in response to a change in an underlying variable, such as specified interest rate, financial instrument or commodity price, or foreign exchange rate. The Association enters into derivative contracts to manage its exposure to interest rate risks associated with loans. Derivative financial instruments may be designated as hedges, provided that certain criteria are met. As at August 31, 2023, the Association has no derivative financial instruments which have been designated as hedges (2022 - nil).

##### **Foreign currency translation**

These financial statements have been presented in Canadian dollars, the principal currency of the Association's operations.

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and monetary liabilities reflect the exchange rates at the statement of financial position date. Gains and losses on translation or settlement are included in the determination of excess of revenues over expenses for the current period.

### 3. Cash

The Association has an operating credit facility with the Royal Bank of Canada of up to \$500,000, none of which was drawn.

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# Young Men's Christian Association of Brandon

## Notes to the Financial Statements

*For the year ended August 31, 2023*

#### 4. Marketable securities

Marketable securities consist of non redeemable GIC's issued by Royal Bank of Canada, maturing on August 9, 2024, bearing interest between 4.80% - 5.00% per annum paid upon maturity.

	2023	2022
Marketable securities - Cost	800,000	750,000

#### 5. Accounts receivable

	2023	2022
Program fees	14,337	19,303
Goods and Services Tax	45,658	41,368
Government grants	282,726	61,737
Fee subsidy	9,192	15,073
	351,913	137,481

#### 6. Capital assets

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Land	665,452	-	665,452	665,452
Buildings	18,562,352	7,403,154	11,159,198	11,746,529
Computer equipment	263,811	211,541	52,270	3,168
Equipment	1,962,951	1,422,220	540,731	376,299
Leasehold improvements	1,325,295	612,291	713,004	599,148
Park	236,578	75,542	161,036	135,629
Assets under construction	7,280,758	-	7,280,758	2,721,196
	30,297,197	9,724,748	20,572,449	16,247,421

#### 7. Intangible assets

Intangible assets consist of start up costs for UKG payroll applications. These will be amortized over the term of the service agreement.

	2023	2022
Software licensing agreements	22,023	31,461

# Young Men's Christian Association of Brandon

## Notes to the Financial Statements

*For the year ended August 31, 2023*

### 8. Investments

	2023	2022
Measured at fair value:		
RBC capital fund investment	1,009,559	891,302

### 9. Accounts payable and accruals

Included in accounts payable is \$117,950 (2022 - \$77,518) of government remittances payable.

### 10. Term loan due on demand

Term loan due on demand consists of non-interest bearing forgivable advances from Manitoba Housing and Renewal Corporation ("MHRC") with no required principal repayment and with the first advance received in 2023 in the amount of \$374,497. The finance agreement lays out terms for future forgiveness subsequent to completion of construction of the facility at 231 8th St, Brandon, MB.

### 11. Long-term debt

	2023	2022
Construction mortgage payable to Sunrise Credit Union Limited bearing interest at 2.972% with monthly payments of interest only, secured by building at 231 - 8th Street Brandon having a net book value of \$11,746,619, due in full April 1, 2032.	2,110,611	971,886
Royal Bank revolving term loan, advanced by way of Bankers' Acceptances with 90 day maturities, with a variable interest rate at prime plus 0.50%, plus an annual acceptance fee of 1.90%, secured by the building with a net book value of \$12,368,360, maturing 2029.	1,794,000	1,929,000
	<b>3,904,611</b>	2,900,886
Less: Current portion	1,794,000	1,929,000
	<b>2,110,611</b>	971,886

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed are estimated as follows:

	<i>Principal</i>
2024	140,000
2025	147,000
2026	152,000
2027	158,000
2028	165,000
<b>Total</b>	762,000
<b>Thereafter</b>	1,032,000

# Young Men's Christian Association of Brandon

## Notes to the Financial Statements

*For the year ended August 31, 2023*

### 11. Long-term debt *(Continued from previous page)*

Monthly interest only payments made in the year amounted to \$61,784 (2022 - \$2,611).

The Association has entered into an interest rate swap agreement to fix the rate of interest on a portion of its term debt. As at August 31, 2023, the notional amount under the agreement was \$1,794,000 (2022 - \$1,929,000) fixed at a rate of 3.08% (2022 - 3.08%). The notional amount is reduced over the term of the arrangement pro-rata with principal repayments on the related debt. The agreement matures January 31, 2029. The estimated fair value of the resulting derivative financial instrument as at August 31, 2023 is an asset of \$69,000 (2022 - asset of \$34,000).

### 12. Deferred contributions related to capital assets

Deferred capital contributions consist of the unamortized amount of contributions received for the purchase of capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred capital contributions are as follows:

	2023	2022
Balance, beginning of year	10,431,518	9,997,311
Amount received during the year	2,608,224	844,250
Less: Amounts recognized as revenue during the year	(575,166)	(410,043)
Balance, end of year	12,464,576	10,431,518

### 13. Financial instruments

The Association, as part of its operations, carries a number of financial instruments. It is management's opinion that the Association is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

#### **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Association enters into investment and accounts payable transactions denominated in U.S. currency for which the related revenues, expenses, capital gains and losses, and equity balances are subject to exchange rate fluctuations. As at August 31, 2023, the following items are denominated in U.S. currency:

	2023 CAD\$	2022 CAD\$
Cash \$34,404 USD (2022 - \$nil)	47,035	-
Investments \$134,170 USD (2022 - \$116,297)	181,576	152,476

#### **Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Association is exposed to interest rate cash flow risk with respect to investments and term debt held. The Association has mitigated a portion of this risk through an interest rate swap agreement.

# Young Men's Christian Association of Brandon

## Notes to the Financial Statements

For the year ended August 31, 2023

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### 13. Financial instruments *(Continued from previous page)*

#### **Liquidity risk**

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities including the repayment of debt. A range of alternatives is available to the Association including cash flow provided by operations, additional debt, or a combination thereof. The Association expects to be able to meet its financial obligations and debt repayment requirements in the foreseeable future.

#### **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 foreign 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 Association's investments in publicly-traded securities and corporate bonds exposes the Association to price risk as these investments are subject to price changes in an open market due to a variety of reasons including changes in market rates of interest, general economic indicators and restrictions on credit markets.

### 14. Government assistance

During the year, the Association recognized \$nil (2022 - \$49,293) in Canada Emergency Wage Subsidy ("CEWS") as revenue of which \$nil (2022 - \$nil) was accrued in accounts receivable at year-end. CEWS, introduced in response to the COVID-19 pandemic, provides eligible employers with a subsidy to cover a portion of wage costs paid to eligible employees during prescribed claim periods. There are no unfulfilled conditions related to amounts recognized. However, amounts claimed under these programs are subject to validation and detailed verification by the federal government.

In addition, the Government of Canada announced the Canada Emergency Rent Subsidy ("CERS"), effective September 27, 2020 to help businesses cover a part of their occupancy related expenses. The Association met the eligibility criteria for these subsidies and recognized revenue of \$nil (2022 - \$4,213).