Consolidated financial statements of
YMCA of Greater Saint John Inc.
(Incorporated under the laws of New Brunswick)

December 31, 2019

Deloitte.

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Independent Auditor's Report

To the Members of
YMCA of Greater Saint John Inc.

Opinion

We have audited the consolidated financial statements of YMCA of Greater Saint John (the "Organization"), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of changes in fund balances, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the consolidated "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2019, 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 ("Canadian GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization 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 for the Consolidated 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Organization'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 Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Deloitte LLP

Chartered Professional Accountants
March 30, 2020

YMCA of Greater Saint John Inc.
Consolidated statement of financial position
As at December 31, 2019

	Notes	Operating fund $	Capital fund $	Endowment fund $	2019 Total $	2018 Total $
Assets						
Current assets						
Cash						
Restricted	13	**1,278,095**	**19,652**	**25,907**	**1,323,654**	1,434,739
Unrestricted		**325,824**	**—**	**—**	**325,824**	948,478
Accounts receivable	3	**391,020**	**—**	**2,504**	**393,524**	375,777
Prepaid expenses		**127,081**	**—**	**—**	**127,081**	47,920
		2,122,020	**19,652**	**28,411**	**2,170,083**	2,806,914
Investments	4	**—**	**—**	**857,196**	**857,196**	795,223
Designated investments for capital reserve fund	2,4	**—**	**—**	**891,961**	**—** **891,961**	619,153
Property and equipment	5	**699,631**	**20,659,255**	**—**	**21,358,886**	21,046,706
		2,821,651	**20,678,907**	**1,777,568**	**25,278,126**	25,267,996
Liabilities						
Current liabilities						
Accounts payable and accrued liabilities	6	**390,000**	**3,800**	**2,700**	**396,500**	661,463
Deferred revenue	7	**1,770,943**	**—**	**—**	**1,770,943**	1,388,617
Demand term loan	8	**—**	**274,000**	**—**	**274,000**	370,000
Current portion of long-term debt	8	**—**	**288,000**	**—**	**288,000**	288,000
		2,160,943	**565,800**	**2,700**	**2,729,443**	2,708,080
Deferred contributions	9	**8,913**	**17,833,288**	**—**	**17,842,201**	17,994,287
Long-term debt	8	**—**	**596,000**	**—**	**596,000**	884,000
Inter-fund accounts payable (receivable)		**(452,245)**	**(444,996)**	**897,241**	**—** **—**	—
		1,717,611	**18,550,092**	**899,941**	**21,167,644**	21,586,367
Commitments	10					
Fund balances						
Invested in property and equipment		**—**	**1,236,854**	**—**	**1,236,854**	1,334,317
Externally restricted		**—**	**—**	**549,470**	**549,470**	438,157
Internally restricted		**—**	**—**	**328,157**	**328,157**	398,619
Restricted for capital replacement	2	**—**	**891,961**	**—**	**891,961**	619,153
Unrestricted		**1,104,040**	**—**	**—**	**1,104,040**	891,383
		1,104,040	**2,128,815**	**877,627**	**4,110,482**	3,681,629
		2,821,651	**20,678,907**	**1,777,568**	**25,278,126**	25,267,996

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

Approved on behalf of the Board

____________________ Director

____________________ Director

YMCA of Greater Saint John Inc.
Consolidated statement of changes in fund balances
Year ended December 31, 2019

	Notes	Operating fund $	Capital fund $	Endowment fund $	2019 Total $	2018 Total $
Balance, beginning of year		**891,383**	**1,953,470**	**836,776**	**3,681,629**	3,382,720
Endowment contributions		**—**	**—**	**66,564**	**66,564**	5,250
Transfer to fund balance restricted for capital replacement	2	**(200,000)**	**200,000**	**—**	**—**	—
Unrealized gain on investment		**—**	**72,808**	**—**	**72,808**	(6,913)
Excess (deficiency) of revenue over expenditure		**412,657**	**(97,463)**	**(25,713)**	**289,481**	81,227
Balance, end of year		**1,104,040**	**2,128,815**	**877,627**	**4,110,482**	3,462,284

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

YMCA of Greater Saint John Inc.
Consolidated statement of operations
Year ended December 31, 2019

	Notes	Operating fund $	Capital fund $	Endowment fund $	2019 Total $	2018 Total $
Revenue						
Newcomer services		3,370,647	—	—	3,370,647	3,231,979
Childcare centres		2,933,846	—	—	2,933,846	2,461,788
Health, fitness and aquatics		2,552,762	—	—	2,552,762	2,559,223
Community centres and after school sites		2,111,198	—	—	2,111,198	1,927,117
Camps		557,611	—	—	557,611	482,183
Other revenue and donations		95,201	—	45	95,246	183,295
Investment income		16,454	2,688	25,534	44,676	40,449
Amortization of deferred contributions	9	5,415	548,107	—	553,522	501,751
Rental income		—	—	—	—	4,336
		11,643,134	550,794	25,579	12,219,507	11,392,121
Expenditure						
Salaries and benefits		8,014,636	—	—	8,014,636	7,125,393
Programs supplies and equipment		918,012	—	—	918,012	982,346
Maintenance and utilities		697,676	—	—	697,676	736,082
Amortization		315,668	593,639	—	909,307	822,787
Rent		244,147	—	—	244,147	205,933
Professional fees		241,140	—	—	241,140	144,345
Office and general		203,753	737	—	204,490	404,022
Staff and volunteer development		198,479	—	—	198,479	202,171
Bank and financial		176,346	—	—	176,346	126,987
YMCA allocation fees	10	155,424	—	—	155,424	146,239
Advertising		45,750	—	—	45,750	38,898
Fundraising		19,446	—	—	19,446	18,285
Administrative		—	—	17,060	17,060	—
Contributions		—	—	116,530	116,530	33,092
Interest expense		—	53,882	—	53,882	70,555
Impairment		—	—	—	—	219,345
		11,230,477	648,258	133,590	12,012,325	11,276,480
Excess (deficiency) of revenue over expenditure before		412,657	(97,463)	(108,011)	207,183	115,641
Net gain (loss) on investments		—	—	82,298	82,298	(34,414)
Excess (deficiency) of revenue over expenditure		412,657	(97,463)	(25,713)	289,481	81,227

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

YMCA of Greater Saint John Inc.
Statement of cash flows
Year ended December 31, 2019

	Operating fund $	Capital fund $	Endowment fund $	2019 Total $	2018 Total $
Operating activities					
Excess (deficiency) of revenue over expenditure	412,657	(97,463)	(25,713)	289,481	300,572
Items not involving cash					
Amortization	315,668	593,639	—	909,307	822,787
Amortization of deferred contributions related to property and equipment	(5,415)	(548,107)	—	(553,522)	(501,751)
Impairment on property	—	—	—	—	150,041
Net (gain) loss on investments	—	—	(82,298)	(82,298)	34,414
	722,910	(51,931)	(108,011)	562,968	806,063
Changes in non-cash working capital balances					
Accounts receivable	(66,100)	43,056	17	(23,027)	(152,196)
Prepaid expenses	(79,161)	—	—	(79,161)	20,581
Accounts payable and accrued liabilities	(108,744)	(156,170)	5,230	(259,684)	210,621
Deferred revenue	382,327	—	—	382,327	471,012
	851,232	(165,045)	(102,764)	583,423	1,356,081
Investing activities					
Purchase of investments	—	—	(217,513)	(217,513)	(64,246)
Purchase of investments held in trust	—	—	(272,808)	(272,808)	(393,087)
Proceeds on disposal of investments	—	—	237,838	237,838	82,455
Purchase of property and equipment	(332,562)	(888,924)	—	(1,221,486)	(1,070,684)
Deferred contributions received	—	401,435	—	401,435	820,112
Transfer to capital replacement reserve	(200,000)	—	—	(200,000)	(400,000)
	(532,562)	(487,489)	(252,483)	(1,272,534)	(1,025,450)
Financing activities					
Repayment of demand term loan	—	(96,000)	—	(96,000)	(98,000)
Repayment of long term debt	—	(288,000)	—	(288,000)	(288,000)
Inter-fund accounts	(637,117)	637,117	—	—	(300)
Amount due to YMCA of Greater Saint John Inc.	—	—	—	—	—
Endowment contributions	—	—	66,564	66,564	5,250
Contributions from the YMCA of Greater Saint John Inc. for investment	—	—	200,000	200,000	393,087
Unrealized gain on investments	—		72,808	72,808	—
	(637,117)	253,117	339,372	(317,436)	12,037
Decrease (increase) in cash	(318,447)	(399,417)	(15,875)	(1,006,547)	342,668
Cash, beginning of year	1,922,366	419,069	41,782	2,383,217	2,040,549
Cash, end of year	1,603,919	19,652	25,907	1,376,670	2,383,217

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

Purpose of the organization

YMCA of Greater Saint John Inc. (the "Organization") is a membership and volunteer association committed to excellence in serving the community through the development of spirit, mind and body.

Additionally, the Organization controls the activities of YMCA of Greater Saint John Endowment Fund Inc. ("Endowment Fund") by virtue of its ability to approve the election or appointment of the majority of the Board of Directors. The purpose of the Endowment Fund is to raise, invest and direct the management of funds and distribute investment income for the purpose of providing for the future financial stability of the Organization and to enhance the "Y" presence in the community.

The Organization is incorporated under the laws of New Brunswick and, as a registered charities under the Income Tax Act, is exempt from paying income taxes.

1. Significant accounting policies

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

Consolidated financial statements

These consolidated financial statements have been prepared on a consolidated basis and include the accounts of both the Organization and the Endowment Fund.

Irving Oil Field House

The Organization has elected not to consolidate the operating results of the Irving Oil Field House. See note 10 for details of operations.

Fund accounting

The Organization follows the deferral method of accounting for contributions, uses three funds to record its transactions, the operating fund, the capital fund and the endowment fund.

Operating fund

The operating fund includes all revenue and expenditure related to program delivery and administrative activities.

Capital fund

The capital fund reports the assets, liabilities, revenue and expenditure related to the organization's land, buildings and leasehold improvements and revenue and expenditure related to the fundraising campaign to raise money for construction of the Saint John Regional Y and revitalization of Camp Glenburn and Glenn Carpenter Centre.

Endowment fund

The endowment fund consists of the assets, liabilities, revenue and expenditure of the Endowment Fund. Certain endowment contributions and the investment income earned thereon are subject to restrictions imposed by contributors. The remaining endowment fund balance has been internally restricted and is not available for operating purposes without the approval of the board of directors of the Endowment Fund.

1. Significant accounting policies (continued)

Cash and cash equivalents

The Organization's policy is to disclose bank balances under cash and cash equivalents, if applicable, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with a maturity period of three months or less from the date of acquisition.

Property and equipment

Purchased property and equipment are recorded at acquisition cost. Contributed property and equipment are recorded at fair value at the date of contribution. Land, building and leasehold improvements are recorded in the Capital Fund and equipment is recorded in the Operating Fund. Amortization is being provided for using the straight-line method at the following annual rates:

Buildings	2.5%-5%
Equipment	10%-33%
Leasehold improvements	33%

Revenue recognition

Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenditure is incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in the fund balance in the year.

Revenue from membership sales is recognized over the term of the memberships.

Pledges receivable are not recognized as revenue until collected because the organization cannot make a reasonable estimate of the amount that will be collected and collection is not reasonably assured. Pledges collected subsequent to December 31, 2019 for the construction of the Regional Y and the revitalization of Camp Glenburn will be deferred and amortized to income over the remaining estimated useful life of the assets.

All other revenue is recorded on an accrual basis.

Financial instruments

Measurement of financial instruments

The Organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net gain on investments, along with realized gains on disposals of investments. Interest income is recognized to revenue.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and demand term loan.

The Organization's financial assets measured at fair value include investments.

1. Significant accounting policies (continued)

Impairment

In the event of a write-down, financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenue over expenditure. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenue over expenditure.

Transaction costs

The Organization recognizes its transaction costs in excess of revenue over expenditure in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

Contributed services

Volunteers contribute an indeterminable number of hours per year. Due to the difficulty of determining their fair values, contributed services are not recognized in the consolidated financial statements.

Use of estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditure during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

2. Internal restriction for capital replacement

In November 2015, the Board of Directors established an internally restricted fund for capital replacement. The purpose of the restricted fund is to provide for major repairs to the Organization's three main assets: Regional Y, Glenn Carpenter Centre and Camp Glenburn. All contributions and withdrawals from the capital replacement fund must be approved by the Board of Directors

In 2017, the Organization and the Endowment Fund entered into an agreement whereby the Endowment Fund will hold the capital replacement reserve funds in trust for the Organization. The funds are held in a segregated investment account and are invested in accordance with the Endowment Fund's investment policy. Any investment income and related costs associated with the segregated funds are allocated to the segregated funds. No other costs are allocated.

For 2019, the Board of Directors approved a contribution of $200,000 (2018 - $200,000) to the internally restricted fund. The increase to the fund in 2019 was $272,808 (2018 – $193,087).

As at December 31, 2019, the balance in the fund is $891,961 (2018 - $619,153).

3. Accounts receivable

	Operating Fund $	Capital Fund $	Endowment Fund $	2019 Total $	2018 Total $
Provincial Government	**291,727**	–	–	**291,727**	135,613
Irving Oil Field House	**83,080**	–	–	**83,080**	–
Programs	**69,826**	–	–	**69,826**	144,035
Harmonized Sales Tax recoverable	**3,577**	–	–	**3,577**	70,865
Other	–	–	**2,504**	**2,504**	40,262
Allowance for doubtful accounts	**(57,190)**	–	–	**(57,190)**	(14,998)
	391,020	–	**2,504**	**393,524**	375,777

4. Investments

	2019 $	2018 $
Money market funds	**13,070**	22,676
Government of Canada bonds, bearing coupon rates of 5% to 8%, due 2027 to 2037, face value of $46,234 ($34,000 in 2018)	**49,776**	49,510
Provincial bonds, bearing coupon rates of 1.45% to 6.5%, due 2021 to 2037, face value of $36,582 ($35,507 in 2018)	**41,284**	39,957
Corporate bonds, bearing coupon rates of 2.00% to 3.46%, due 2019 to 2023, face value of $233,967 ($250,516 in 2018)	**239,725**	254,424
	330,785	343,891
Equities		
Canadian equities	**342,988**	301,846
Foreign equities	**170,353**	126,810
	513,341	428,656
	857,196	795,223

4. Investments (continued)

Designated investments for capital reserve fund

	2019 $	2018 $
Money market funds	**39,984**	32,810
Fixed income funds, bearing interest of 2.03% to 3.46%, face value of $350,447 ($258,202 in 2018)	**354,529**	259,406
	354,529	259,406
Equities		
Canadian equities	**336,996**	229,462
Foreign equities	**160,452**	97,475
	497,448	326,937
	891,961	619,153
Total of all investments	**1,749,157**	1,414,376

5. Property and equipment

	Cost $	Accumulated amortization $	2019 Net book value $	2018 Net book value $
Operating fund				
Equipment	**2,294,851**	**1,595,220**	**699,631**	682,737
Capital fund				
Land	**1,051,540**	**—**	**1,051,540**	1,051,540
Buildings	**22,150,272**	**2,542,557**	**19,607,715**	19,312,429
	23,201,812	**2,542,557**	**20,659,255**	20,363,969
	25,496,663	**4,137,777**	**21,358,886**	21,046,706

6. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities includes HST receivable of $7,715 (2018 - $28,848).

7. Deferred revenue

	2019 $	2018 $
Newcomer services	**1,016,944**	813,037
Child care centres	**249,693**	270,323
Membership fees	**147,988**	49,581
Grants and donations	**208,449**	153,360
Early Learning Centre	**102,500**	49,273
Overnight camp	**45,369**	53,042
	1,770,943	1,388,616

8. Credit facilities

At December 31, 2019, the Organization has drawn on their available credit facilities as follows:

	Capital Fund $	2019 Total $	2018 Total $
Current			
Facility 1- RBC non-revolving, term facility, interest rate of prime +0.70%, no fixed terms of repayment. Secured by collateral mortgage in the amount of $6,000,000.	**274,000**	**274,000**	370,000
Current portion of facility 2 and other	**288,000**	**288,000**	288,000
	562,000	**562,000**	658,000
Long-term			
Facility 2 - RBC non-revolving , term facility, fixed interest of 3.95% repayable in monthly installments of $24,000 plus interest. Secured by collateral mortgage in the amount of $6,000,000.	**596,000**	**596,000**	884,000
	1,158,000	**1,158,000**	1,542,000

Annual repayments for the next four years are as follows:

	$
2020	288,000
2021	288,000
2022	288,000
2022	20,000

9. Deferred contributions

Deferred contributions are related to property and equipment and represent contributions to the Organization from federal, provincial and municipal government and private capital campaign contributions for the purchase of property and equipment. These contributions are amortized to revenue on the same basis as the related property and equipment are amortized to expenditure. The change in the deferred contributions balance for the year is as follows:

	Operating Fund $	Capital Fund $	2019 Total $	2018 Total $
Balance, beginning of year	**14,328**	**17,979,959**	**17,994,287**	17,675,926
Contributions received during the year:				
Camp Glenburn	**—**	**378,898**	**378,898**	585,024
Regional Y	**—**	**22,538**	**22,538**	235,088
	—	**401,436**	**401,436**	820,112
Amount amortized to revenue	**(5,415)**	**(548,107)**	**(553,522)**	(501,751)
Balance, end of year	**8,913**	**17,833,288**	**17,842,201**	17,994,287

10. Commitments

The Organization has made commitments for leased equipment and service contracts. The minimum annual payments over the next five years are as follows:

	$
2020	71,412
2021	49,483
2022	29,041
2023	6,996
2024	4,651

The Organization has other committed lease payments with minimum annual lease payments that are as follows:

	$
2020	157,943
2021	67,204
2022	58,272
2023	43,625
2024	25,978

On an annual basis, the Organization incurs an allocation fee charged by YMCA Canada, which is based on approximately 1.5% of the organization's previous year's revenue. The allocation fee expense for 2019 was $155,424 (2018 - $146,239).

11. Irving Oil Field House

On September 27, 2018, the Organization entered into a five year Operating Agreement, expiring August 31, 2024, with a five-year renewal option with the Greater Saint John Field House Inc. whereby the Organization has agreed to control the operations of the Irving Oil Field House located in Saint John, New Brunswick. The Organization is responsible for the revenue generating activities, operating costs, administration and the general liability insurance for the Irving Oil Field House.

Under the terms of the agreement, the Greater Saint John Field House Inc. is responsible for the construction, property insurance, property taxes and capital upgrades of the Irving Oil Field House. The Organization does not influence or control these activities through voting rights nor does the Organization guarantee liabilities.

The Organization will receive 40% of each annual operating surplus and the Greater Saint John Field House Inc. is responsible for any deficits. In 2019, the Organization recognized a total of $98,689 from revenue generating activities, and incurred $98,689 in operating costs. The Organization receives a 15% administrative fee from the Greater Saint John Field House Inc. which amounted to $10,750 for 2019.

There are no significant differences in accounting policies between the Organization and the Greater Saint John Field House Inc.

12. Financial instruments

Risks and concentrations

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations at the balance sheet date:

Liquidity risk

The Organization's objective is to have sufficient liquidity to meet its liabilities when due. The Organization monitors its cash balances and cash flows generated from operations to meet its requirements. As at December 31, 2019, the most significant financial liabilities are accounts payable and accrued liabilities, demand term loan, long-term debt, and payables to related parties.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization's main credit risks relate to its accounts receivable. The Organization provides credit to its clients in the normal course of operations. Of total accounts receivable held at December 31, 2019, 63% (2018 – 56%) relate to amounts receivable from the Government of New Brunswick.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate *because* of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

12. Financial instruments (continued)

Risks and concentrations (continued)

Currency risk

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. Approximately, 18.8% (2018 – 15.9%) of the *organization's* investments are in foreign currency. Consequently, some assets are exposed to foreign exchange fluctuations.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Approximately 39.1% (2018 – 43.2%) of the organization's investments are fixed rate investments. The Organization is exposed to interest *rate* risk on its fixed rate investments. Fixed-rate instruments subject the organization to a fair value risk.

Other price risk

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

13. Restricted cash

These funds are reserved for a specific purpose and not available for use in operations.

	Operating Fund **$**	**Capital Fund** **$**	**2019 Total** **$**	2018 Total $
Newcomer services	**994,086**	**—**	**994,086**	813,037
Grants and donations	**184,668**	**19,652**	**204,320**	572,429
Early Learning Centre	**99,341**	**—**	**99,341**	49,273
Balance, end of year	**1,278,095**	**19,652**	**1,297,747**	1,434,739

14. Subsequent event

Subsequent to the year-end, on March 11 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. As a result, effective March 16, 2020, the YMCA ceased operations to the public in response to the COVID-19 pandemic for the foreseeable future. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial assets and condition of the Organization in future periods.