The YMCA of Greater Vancouver

Financial statements
December 31, 2021

Building a better working world

Independent auditor's report

To the Members of
The YMCA of Greater Vancouver

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **The YMCA of Greater Vancouver** [the "Association"] which comprise the statement of financial position as at December 31, 2021, and the statement of changes in net assets, statement of operations and statement of 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 December 31, 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 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.

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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.

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.

Report on other legal and regulatory requirements

As required by the *Societies Act* (British Columbia), we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Ernst & Young LLP

Vancouver, Canada
June 9, 2022

Chartered Professional Accountants

The YMCA of Greater Vancouver

Statement of financial position

As at December 31

	2021	2020
	$	$
Assets		
Current		
Cash	**1,844,560**	4,428,254
Accounts receivable *[note 17]*	**2,691,552**	3,118,370
Due from The YMCA of Greater Vancouver Foundation *[note 3]*	**1,409,597**	37,948
Due from The YMCA of Greater Vancouver Properties Foundation *[note 4]*	**1,513,010**	214,115
Prepaid expenses and other assets	**486,181**	440,138
Total current assets	**7,944,900**	8,238,825
Investments and restricted cash *[note 5]*	**26,354,169**	21,940,113
Facilities under development *[note 6]*	**13,756,597**	10,947,435
Property and equipment, net *[note 7]*	**24,158,065**	25,931,344
Total assets	**72,213,731**	67,057,717
Liabilities and net assets		
Current		
Bank indebtedness *[note 8]*	**9,359,474**	9,597,277
Accounts payable and accrued liabilities *[notes 3 and 14]*	**5,571,125**	5,743,389
Derivative liability *[note 8]*	**900,378**	1,736,033
Deferred revenue *[note 9]*	**8,366,674**	7,019,543
Current portion of term loans *[note 8]*	**255,625**	608,277
Current portion of capital lease obligations *[note 10]*	**3,600**	3,600
Total current liabilities	**24,456,876**	24,708,119
Term loans *[note 8]*	**82,989**	338,727
Capital lease obligations *[note 10]*	**14,400**	18,000
Deferred capital contributions *[note 9]*	**27,218,108**	24,426,048
Total liabilities	**51,772,373**	49,490,894
Commitments *[note 11]*		
Contingency *[note 8]*		
Net assets (deficiency)		
Unrestricted	**(2,921,264)**	(1,352,181)
Externally restricted	**—**	—
Invested in property and equipment	**22,960,506**	18,589,853
Vehicle replacement fund	**402,116**	329,151
Total net assets	**20,441,358**	17,566,823
Total liabilities and net assets	**72,213,731**	67,057,717

See accompanying notes

On behalf of the Board:

Director

Director

The YMCA of Greater Vancouver

Statement of changes in net assets

Year ended December 31, 2021

	2021					2020
	Unrestricted	Externally restricted	Invested in property and equipment	Vehicle replacement fund	Total	Total
	$	$	$	$	$	$
Net assets, beginning of year	**(1,352,181)**	**—**	**18,589,853**	**329,151**	**17,566,823**	18,141,827
Excess (deficiency) of revenue over expenses for the year	**2,317,027**	**—**	**556,543**	**965**	**2,874,535**	(575,004)
Interfund transfers	**(3,886,110)**	**—**	**3,814,110**	**72,000**	**—**	—
Donations and investment income	**—**	**3,343,067**	**—**	**—**	**3,343,067**	1,137,928
Deferred capital	**—**	**(3,343,067)**	**—**	**—**	**(3,343,067)**	(1,137,928)
Investments and restricted cash	**—**	**(1,000,934)**	**1,000,934**	**—**	**—**	—
Deferred capital contributions	**—**	**1,000,934**	**(1,000,934)**	**—**	**—**	—
Net assets (deficiency), end of year	**(2,921,264)**	**—**	**22,960,506**	**402,116**	**20,441,358**	17,566,823

See accompanying notes

The YMCA of Greater Vancouver

Statement of operations

Year ended December 31

	2021	2020
	$	$
Revenue		
Program fees	**14,346,186**	10,831,677
Membership fees	**3,387,667**	4,617,885
Government sources – child care *[note 17]*	**15,184,220**	16,543,032
Government sources – other *[note 17]*	**10,436,718**	8,799,104
Grants from the YMCA of Greater Vancouver Properties Foundation *[note 4]*	**3,172,665**	3,317,343
Grants from the YMCA of Greater Vancouver Foundation *[note 3]*	**825,514**	485,378
Donations	**800,578**	1,058,650
Allocations from the United Way	**84,571**	95,964
Gaming	**225,000**	225,000
Investment income	**1,774,425**	1,946,320
Other revenue	**86,487**	12,402
	50,324,031	47,932,755
Expenses		
Salaries *[notes 3 and 15]*	**25,221,228**	25,443,851
Occupancy *[notes 3 and 4]*	**9,384,934**	8,857,491
Employee benefits	**3,872,788**	3,735,831
Supplies	**2,538,008**	2,227,103
Office, legal and contract services *[note 12]*	**2,056,742**	1,584,597
Grants and work study fees	**518,672**	437,706
Conferences, employee expense and vehicle costs	**247,702**	224,980
National support	**551,750**	453,907
Staff and volunteer training	**448,571**	175,119
Advertising and promotion	**170,770**	278,402
Bank charges	**301,182**	264,079
Repairs and maintenance	**802,226**	354,052
Miscellaneous	**196,727**	203,844
Recovery of commodity tax rebate	**(73,057)**	(85,729)
	46,238,243	44,155,233
Excess of revenue over expenses before the following	**4,085,788**	3,777,522
Other income (expenses)		
Severance payments	**—**	(916,080)
Gain on disposal of property and equipment	**—**	25,040
Write-off of facilities and projects under development *[note 6]*	**—**	(229,380)
Gain (loss) on derivative *[note 8]*	**835,655**	(982,697)
Interest *[notes 8 and 10]*	**(452,804)**	(483,792)
Amortization of property and equipment	**(2,144,768)**	(2,318,781)
Amortization of deferred capital contributions *[note 9]*	**550,664**	553,164
Excess (deficiency) of revenue over expenses for the year	**2,874,535**	(575,004)

See accompanying notes

The YMCA of Greater Vancouver

Statement of cash flows

Year ended December 31

	2021	2020
	$	$
Operating activities		
Excess (deficiency) of revenue over expenses for the year	**2,874,535**	(575,004)
Add (deduct) non-cash items		
Amortization of deferred compensation	**30,241**	29,078
Amortization of deferred capital contributions	**(550,664)**	(553,164)
Amortization of property and equipment	**2,144,768**	2,318,781
Gain on disposal of equipment	**—**	(25,040)
Write-off of facilities and project under development	**—**	229,380
Unrealized loss (gain) on derivative	**(835,655)**	982,697
Unrealized loss (gain) on investments	**32,755**	(617,851)
	3,695,980	1,788,877
Changes in non-cash working capital		
Accounts receivable	**426,818**	(1,008,372)
Due from The YMCA of Greater Vancouver Foundation	**(1,371,649)**	(441,850)
Due from The YMCA of Greater Vancouver Properties Foundation	**(1,298,895)**	(1,058)
Prepaid expenses and other assets	**(76,284)**	(81,406)
Accounts payable and accrued liabilities	**(172,264)**	1,837,545
Deferred revenue	**1,347,131**	2,519,545
Cash provided by operating activities	**2,550,837**	4,613,281
Investing activities		
Purchase of property and equipment	**(371,489)**	(270,623)
Proceeds on sale of property and equipment	**—**	25,850
Additions to facilities under development	**(2,809,162)**	(4,519,339)
Proceeds from Investments	**850,000**	2,016,823
Purchase of investments	**(1,800,550)**	(1,274,444)
Decrease (increase) in restricted cash	**(3,496,261)**	2,609,456
Cash used in investing activities	**(7,627,462)**	(1,412,277)
Financing activities		
Proceeds from term loans	**—**	375,000
Repayment of term loans	**(608,390)**	(765,158)
Repayment of bank indebtedness	**(237,803)**	(190,133)
Receipt of contributions restricted for capital purposes	**3,342,724**	1,130,118
Payment of capital lease obligations	**(3,600)**	(3,600)
Cash provided by financing activities	**2,492,931**	546,227
Net increase (decrease) in cash during the year	**(2,583,694)**	3,747,231
Cash, beginning of year	**4,428,254**	681,023
Cash, end of year	**1,844,560**	4,428,254

See accompanying notes

Notes to financial statements

December 31, 2021

1. Purpose of organization

The YMCA of Greater Vancouver [the "Association" or the "YMCA"] is an independent, charitable organization dedicated to the development of people in spirit, mind and body as well as the improvement of local, national and international communities. The Association is incorporated under the *Societies Act* of British Columbia and is a registered charity under the *Income Tax Act* (Canada) and, accordingly, is not subject to income taxes.

COVID-19 outbreak

The outbreak of the coronavirus disease ["COVID-19"] has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally, resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak are unknown at this time, as is the efficacy of the Canadian government and central bank monetary and fiscal interventions designed to stabilize economic conditions. The restrictions, especially the social distancing, have a significant adverse impact on the local communities the Association is serving. The extent of such adverse effects on the Association's business and financial and operational performance will depend on future developments, including the duration, spread and severity of the outbreak, the duration and geographic scope of related restrictions and the extent of the impact of COVID-19 on overall demand for leisure and business activities, all of which are highly uncertain. The extent to which the outbreak affects the Association's future operations will depend in part on the Association's ability to implement various measures intended to manage expenses.

2. Summary of significant accounting policies

Accounting standards

These financial statements are prepared in accordance with Part III of the *CPA Canada Handbook – Accounting*, "Accounting Standards for Not-for-Profit Organizations".

Revenue recognition

The Association follows the deferral method of accounting for contributions, which includes grants and donations. Externally restricted contributions are initially deferred and then recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions, including grants and donations, are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Pledges are recognized as revenue if collection is reasonably assured, otherwise they are not recognized until the cash or asset is received. Contributions related to capital development projects and capital assets represent restricted contributions and are deferred and recognized as income on the same basis as the related assets are amortized. Endowment contributions are recognized as direct increases in net assets in the period received.

Program fees and membership fees are recognized as revenue over the period to which the fees relate. Funds from government sources for services are recognized as revenue as the services to which the funds relate are delivered or performed. Amounts received in advance of meeting the criteria for revenue recognition are initially deferred and then recognized as revenue when earned.

Investment income includes interest and dividend income, pooled fund income, realized investment gains and losses on sales of investments, and unrealized gains and losses on investments measured at fair value. Interest income is recognized with the passage of time, dividend income is recognized based on the ex-dividend date, pooled fund income is recognized on the date of distribution by the fund, realized gains and loss are recognized based on the trade date, and unrealized gains and losses are recognized based on the statement of financial position date.

Financial instruments

The Association initially and subsequently measures its investments in marketable securities at fair value. Directly attributable costs incurred on the acquisition of those investments are expensed as incurred. Derivative financial instruments are initially and subsequently measured at fair value.

All other financial assets and financial liabilities are initially measured at fair value, net of directly attributable costs of acquisition, and subsequently measured at cost or amortized cost. At each reporting date, the Association assess whether there are any indications that a financial asset measured at cost or amortized may be impaired. The amount of any impairment provision is recognized in the statement of operations. A previously recognized impairment provision may be reversed to the extent of any improvements relating to events occurring after the impairment was recognized. The amount of the reversal is recognized in the statement of operations in the period in which it is determined.

Cash

Cash consists of cash on deposit, account overdrafts and highly liquid short-term investments with a term to maturity of approximately three months or less from the date of purchase, unless they are held for investment rather than liquidity purposes, in which case they are classified as investments.

Property and equipment

Property and equipment are recorded at cost less accumulated amortization. The Association charges amortization on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings and infrastructure	25 to 32 years
Program and operating equipment	4 to 8 years
Computer and office equipment	5 years
Automobiles	5 years
Leasehold improvements	Lesser of term of the lease or useful life of asset

Facilities under development

Facilities under development are recorded at cost and are not amortized. When project construction is complete, the facility or project under development is transferred to the appropriate asset categories within property and equipment and amortized over its useful life. Consultants cost and internal salaries and wages directly attributable to the development projects are capitalized as part of the facilities under development.

Impairment of long-lived assets

When conditions indicate that an item of property and equipment or facility under development 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 item is less than its net carrying amount, the item is written down to its fair value or replacement cost. The write-down is recognized as an expense in the statement of operations and is not reversed.

Leases

Leases are classified as either capital or operating leases. Those leases that transfer substantially all the benefits and risks of ownership of the property to the Association are accounted for as capital leases. Capital lease obligations reflect the present value of future lease payments discounted at appropriate interest rates. All other leases are accounted for as operating leases, wherein rental payments are charged to operations as incurred.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates in effect at the statement of financial position date. Non-monetary assets and liabilities are translated at rates of exchange in effect when the assets are acquired or obligations incurred. Revenues and expenses are translated at the exchange rates prevailing at the time the transaction occurs. All exchange gains and losses are recognized in the statement of operations in the period in which they arise.

Contributed materials and services

Volunteers contribute an indeterminable number of hours per year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements. Contributed materials are also not recognized in the financial statements.

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 amounts reported in the financial statements and accompanying notes. Management believes that the estimates utilized in preparing its financial statements are reasonable and prudent; however, actual results could differ from these estimates.

3. The YMCA of Greater Vancouver Foundation

The YMCA of Greater Vancouver Foundation [the "Foundation"] is an independent organization incorporated under the *Societies Act* of British Columbia and is a registered foundation under the *Income Tax Act* (Canada). Its primary purpose is to attract charitable gifts to support the Association's mandate. The by-laws of the Association provide that the Chair of the Board of the Foundation, or designate of the Foundation, is also a member of the Association's Board of Directors.

In April 2016, the Trustees of the Foundation committed to provide the Association with $3,000,000 over 10 years for the purpose of creating four new centres of community in Surrey, Vancouver, Coquitlam and Chilliwack. In April 2018, the Foundation made further pledges totalling $7,000,000 to bring its aggregate gift to $10,000,000. As at December 31, 2021, $6,800,000 [2020 – $6,200,000] of this commitment has been received by the Association and recognized as a deferred capital contribution. During the year ended December 31, 2021, $600,000 [2020 – $500,000] was recognized as deferred capital contributions *[note 9].*

In addition, the Foundation makes grants and donations to the Association in accordance with donor's restrictions at the direction of the Foundation Trustees. During 2021, the Foundation provided grants of $2,144,622 [2020 – $1,106,155] to the Association, of which $825,514 [2020 – $485,378] was recognized as revenue and $1,319,108 [2020 – $620,777] was recognized as deferred revenue.

The Foundation reimbursed the Association for salaries relating to administration support totaling $340,644 [2020 – $302,891], which has been recorded as a reduction of salaries expense.

In July 2015, the Association entered into a 10-year lease for Camp Deka, which is owned by the Foundation, that contains two renewal options of 10 years each *[note 11]*. For the year ended December 31, 2021, the Association was charged rent of $66,215 [2020 – $63,077] that is recognized in occupancy expense.

The Association has entered into a 10-year lease that expires in 2031, with two renewal options of five years each, for its head office space, which is owned by the Foundation, with an annual base rent of approximately $181,000 *[note 11]* which is included in occupancy expense.

The transactions are recorded at the exchange amounts agreed and established between the Association and the Foundation.

As at December 31, 2021, $1,409,597 [2020 – $37,948] is receivable from the Foundation that is unsecured, non-interest bearing, and without specified repayment terms.

4. The YMCA of Greater Vancouver Properties Foundation

The YMCA of Greater Vancouver Properties Foundation [the "Properties Foundation"] is an independent organization incorporated under the *Societies Act* of British Columbia and is a registered foundation under the *Income Tax Act* (Canada). It is concerned with assisting in the funding, support and promotion of the Association. The by-laws of the Properties Foundation provide that the immediate past-Chair of the Association also be an ex-officio member of the Properties Foundation Board of Directors.

In September 2015, the Association entered into 10-year lease agreements with the Properties Foundation for the rental of properties that expire in August 2025 and that contain two renewal options of 10 years each. The Association also has a 10-year lease for lands and buildings owned by the Properties Foundation for the Chilliwack Family YMCA Hocking facility which expires in August 2025 and contains two renewal options of 10 years each. For the year ended December 31, 2021, the Association was charged rent of $4,222,879 [2020 – $4,513,919] *[note 11]* by the Properties Foundation, which is recognized in occupancy expense. During 2021, the Properties Foundation provided grants of $3,372,665 [2020 – $3,517,343] to the Association, of which $3,172,665 [2020 – $3,317,343] was recognized as revenue and $200,000 [2020 – $200,000] was recognized as deferred capital contributions *[note 9]*. The Association charged the Properties Foundation an administration fee of $36,933 [2020 – $37,423] for the year ended December 31, 2021.

The transactions are recorded at the exchange amounts agreed and established between the Association and the Properties Foundation.

As at December 31, 2021, $1,513,010 [2020 – $214,115] is receivable from the Properties Foundation that is unsecured, non-interest bearing, and without specified repayment terms.

5. Investments and restricted cash

	2021	2020
	$	$
Restricted cash		
[i] Internally restricted – vehicle replacement fund	**402,116**	329,151
[i] Internally restricted – holdback for capital fund	**720,313**	490,977
[i] Externally restricted – What Really Matters Campaign *[note 9]*	**3,119,922**	1,777,284
[i] Externally restricted – government	**1,851,322**	—
	6,093,673	2,597,412
Investments		
[ii] Guaranteed investment certificates [“GICs”] for debt agreement *[note 8]*	**1,500,000**	1,500,000
[iii] Internally restricted for strategic reserve	**18,760,496**	17,842,701
	20,260,496	19,342,701
Total investments and restricted cash	**26,354,169**	21,940,113

[i] Bank account balances are held in savings accounts and earn interest at 0.30% [2020 – 0.30%] per annum.

[ii] Guaranteed investment certificate investments are held at the Royal Bank of Canada and earn interest at 0.10% [2020 – 0.10%] per annum.

[iii] Internally restricted strategic reserve funds are invested with a portfolio manager, subject to investment oversight by the Investment Committee of the Foundation through an agreement between the Foundation and the Association. The purpose of the funds is to support the Association’s capital growth and enhancement strategy to develop new community facilities.

The investments in pooled funds for the strategic reserve comprise the following:

	2021	**2020**
	%	%
Money market	**4.8**	5.2
Fixed income	**28.1**	31.4
Equities and equity funds	**67.1**	63.4
	100.0	100.0

6. Facilities under development

	2021	**2020**
	$	$
Coquitlam	**12,041,488**	9,688,444
South Vancouver	**456,785**	314,575
New child care facilities	**39,066**	39,066
Camp Elphinstone	**233,484**	215,198
Tong Louie YMCA	**601,996**	536,597
Robert Lee YMCA	**383,778**	153,555
	13,756,597	10,947,435

Notes to financial statements

December 31, 2021

7. Property and equipment

	Buildings, infrastructure and leasehold improvements	Program and operating equipment	Computer and office equipment	Automobiles	Total	Accumulated amortization	Net book value
	$	$	$	$	$	$	$
December 31, 2021							
Robert Lee YMCA – Downtown	**180,692**	**2,173,735**	**433,948**	**—**	**2,788,375**	**(2,478,738)**	**309,637**
Langara Family YMCA	**216,704**	**1,967,210**	**275,439**	**—**	**2,459,353**	**(2,170,455)**	**288,898**
Tong Louie Family YMCA – Surrey	**496,904**	**2,991,403**	**447,440**	**—**	**3,935,747**	**(3,431,710)**	**504,037**
Chilliwack Family YMCA	**19,445,991**	**1,042,305**	**276,711**	**—**	**20,765,007**	**(2,898,535)**	**17,866,472**
Camp Elphinstone	**2,230,798**	**1,476,379**	**250,367**	**314,581**	**4,272,125**	**(2,182,554)**	**2,089,571**
Camp Deka	**345,088**	**167,795**	**—**	**—**	**512,883**	**(343,992)**	**168,891**
Child Care Unit	**4,259,343**	**910,964**	**303,287**	**—**	**5,473,594**	**(3,107,930)**	**2,365,664**
Association Services	**408,721**	**27,764**	**2,676,683**	**—**	**3,113,168**	**(2,550,908)**	**562,260**
Community Services	**—**	**53,199**	**28,651**	**—**	**81,850**	**(79,215)**	**2,635**
	27,584,241	**10,810,754**	**4,692,526**	**314,581**	**43,402,102**	**(19,244,037)**	**24,158,065**
December 31, 2020							
Robert Lee YMCA – Downtown	180,692	2,153,064	417,400	—	2,751,156	(2,282,454)	468,702
Langara Family YMCA	216,704	1,967,210	274,295	—	2,458,209	(2,028,997)	429,212
Tong Louie Family YMCA – Surrey	496,904	2,991,403	445,128	—	3,933,435	(3,237,445)	695,990
Chilliwack Family YMCA	19,445,991	998,746	276,711	—	20,721,448	(1,936,729)	18,784,719
Camp Elphinstone	2,050,032	1,476,379	250,367	314,581	4,091,359	(1,996,556)	2,094,803
Camp Deka	345,088	215,179	—	—	560,267	(326,165)	234,102
Child Care Unit	4,259,343	893,257	265,695	—	5,418,295	(2,861,956)	2,556,339
Association Services	408,721	9,631	2,596,242	—	3,014,594	(2,355,254)	659,340
Community Services	—	53,199	28,651	—	81,850	(73,713)	8,137
	27,403,475	10,758,068	4,554,489	314,581	43,030,613	(17,099,269)	25,931,344

8. Bank debt

Bank indebtedness

	2021	2020
	$	$
Non-revolving term facility	**9,359,474**	9,597,277

Non-revolving term facility

In February 2019, the Association drew on its $10,000,000 non-revolving term loan facility that has been drawn by way of one-year Bankers' Acceptances ["BA"] bearing interest at the one-year BA rate plus an acceptance fee of 1.70% per annum. The repayment of the facility is amortized over 25 years.

The Association has entered into a 25-year interest rate swap contract [the "swap"] with a notional amount of $10,000,000. The swap has been entered into in order to hedge the floating rate of interest associated with the non-revolving term loan facility. As a result of entering into the swap agreement, the fixed interest rate payable by the Association is 2.90% per annum. Quarterly interest and principal payments required under the facility are $169,000.

As at December 31, 2021, the swap was in a net unfavourable position of $900,378 [2020 – $1,736,033] and the gain, being the change in fair value, for 2021 of $835,655 [2020 – loss of $982,697] has been recorded in the statement of operations. For the year ended December 31, 2021, interest expense recorded on the non-revolving term loan facility was $431,556 [2020 – $442,733].

Revolving demand facility

The Association has available a revolving demand loan facility for $2,500,000 [2020 – $2,500,000] bearing interest at the bank's prime rate plus 0.25% [2020 – bank's prime rate plus 0.25%] per annum. At December 31, 2021 and 2020, no amount was outstanding under this facility.

Term loans

	2021	2020
	$	$
Term loans for equipment	**338,614**	947,004
Less current portion	**255,625**	608,277
	82,989	338,727

The Association has available combined revolving loan and lease line of credit facilities for $3,500,000 [2020 – $3,500,000] such that the aggregate borrowings outstanding under the loan facility and the aggregate amount owing under the lease facility can not exceed $3,500,000 [2020 – $3,500,000]. The loans can be drawn by way of advances bearing interest at the bank's prime rate plus 0.25% per annum with a one-year repayment term or by way of fixed interest rate loans with up to a three-year term and an interest rate determined at the time of borrowing. Lease rates are determined based on separate lease agreements.

At December 31, 2021, the Association had two [2020 – three] three-year term loans outstanding bearing interest at rates ranging from 2.48% to 3.82% [2020 – 2.48% to 3.99%] per annum, requiring blended monthly payments of principal and interest aggregating $37,257 [2020 – $57,538], and maturing in June 2022 and August 2023.

The total estimated annual principal repayments of the term loans in the next two years are as follows:

	$
2022	255,625
2023	82,989
	338,614

Credit card facility

The Association has available a $500,000 [2020 – $500,000] credit card facility.

At December 31, 2021, the bank's prime interest rate was 2.45% [2020 – 2.45%] per annum.

A security agreement creating a first charge over all of the Association's equipment and amounts receivable, an assignment of term deposits and/or guaranteed investment certificates for $1,500,000 *[note 5]*, and a guarantee and postponement of claim by Properties Foundation for $12,400,000 supported by a first fixed mortgage for $12,400,000 over the Chilliwack Family YMCA, are provided as collateral for all of the Association's bank debt.

The Association's credit facilities agreement contains a Debt Service Coverage ratio covenant. Measurement of the covenant is defined in the agreement and is as interpreted by the lender. At December 31, 2021, the Association was in compliance with this covenant.

Guarantee

The Association has provided a guarantee and postponement of claim for $31,500,000 supported by security agreements covering all of the Association's equipment and accounts receivable, and an assignment of term deposits and/or guaranteed investment certificates for $1,500,000 *[note 5]* to a bank for credit facilities provided to the Properties Foundation. At December 31, 2021, $11,206,935 was owed by the Properties Foundation under these credit facilities.

9. Deferred revenue and deferred capital contributions

Deferred revenue

	2021	**2020**
	$	$
Community programs	**5,356,970**	3,677,321
Membership	**645,217**	402,368
Regional development centre	**72,180**	38,308
Child care	**1,838,727**	2,486,771
Other	**453,580**	414,775
	8,366,674	7,019,543

Deferred capital contributions

	2021	2020
	$	$
Balance, beginning of year	**24,426,048**	23,841,204
Amounts received during the year *[notes 3 and 4]*	**3,342,724**	1,130,118
Amortization of deferred capital contributions	**(550,664)**	(553,164)
Transfer from deferred revenue	**—**	7,890
Balance, end of year	**27,218,108**	24,426,048

Deferred capital contributions represent capital contributions for the following:

	2021	2020
	$	$
Other deferred capital grants and contributions	**11,799,014**	11,013,326
What Really Matters capital grants and contributions	**11,299,172**	11,635,438
Externally restricted – Government *[note 5]*	**1,000,000**	—
Externally restricted – What Really Matters Campaign *[note 5]*	**3,119,922**	1,777,284
	27,218,108	24,426,048

10. Capital lease obligations

The present value of future minimum annual lease payments for a child care centre under capital lease at December 31, 2021 is as follows:

	$
2022	3,600
2023	3,600
2024	3,600
2025	3,600
2026	3,600
	18,000
Less amount representing interest	—
Less current portion of capital lease obligations	(3,600)
	14,400

The interest on capital lease obligations for 2021 was nil [2020 – nil].

Notes to financial statements

December 31, 2021

11. Commitments

The Association is committed to premises leases expiring at various dates through 2031 *[notes 3 and 4]*. The estimated annual minimum lease payments under the leases are as follows:

	$
2022	5,165,000
2023	4,452,000
2024	4,539,000
2025	4,551,000
2026	234,000
Thereafter	771,000
	19,712,000

In addition to minimum rent, leases for premises generally require the payment of various operating costs.

12. Related party transactions

During the year ended December 31, 2021, the Association purchased goods and services of $24,452 [2020 – $21,908] from entities whose officers are also directors of the Association. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount established and agreed to by the parties.

Other related party transactions are disclosed in notes 3 and 4.

13. Financial instruments

Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association's restricted cash earns interest at deposit rates and the Association has investments in certain fixed income securities. Certain of the Association's bank indebtedness bears interest at the one-year BA rate and other debt at a rate that varies with the prime rate. The term loans bear interest at fixed interest rates. The Association has entered into an interest rate swap to manage the effects of changes in the BA rates.

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 Association is exposed to credit risk in the event of non-performance by counterparties primarily in connection with its cash, restricted cash, investments in GICs and accounts receivable. The Association mitigates its credit risk with respect to cash, restricted cash and investments in GICs by dealing with Canadian financial institutions with no publicly known liquidity problems and, with respect to accounts receivable, by dealing only with what management believes to be financially sound counterparties.

Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to liquidity risk primarily from its bank indebtedness, accounts payable and accrued liabilities, term loans, credit card facility and operating lease commitments. The Association's ability to meet its obligations depends on generating cash flows from operations and the ability to obtain financing from other sources including its existing and other potential lenders.

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. The Association has cash and investments denominated in US dollars and thus the Association is exposed to the risk of fluctuations in earnings and cash flows arising from changes in the exchange rate between the Canadian dollar and the US dollar and the degree of volatility in that rate. As at December 31, 2021 the Association has cash denominated in US dollars of $22,754 [2020 – $17,839] and investments of $17,017,540 [2020 – $16,066,988].

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, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market. The Association is exposed to other price risk from investments held by the Association for which future prices are uncertain. The Association manages price risk by allocating its investments across different investment managers and different types of investments and underlying industries.

14. Government remittances

Included in accounts payable and accrued liabilities at December 31, 2021 are government remittances aggregating $25,875 [2020 – $21,264], such as sales taxes and withholding taxes, which are required to be paid to government authorities.

15. Remuneration to directors, employees, and contractors

The Directors of the Association are not remunerated. The aggregate remuneration paid to the Association's 10 employees and contractors with the highest individual remuneration in excess of $75,000 per annum is $1,874,880 [2020 – $1,890,145].

16. Pension plan

The Association has a multi-employer defined contribution pension plan in which eligible employees are entitled to participate. Contributions made by the Association to the plan are recognized as an expense in the period in which the contributions are made.

Notes to financial statements

December 31, 2021

17. Government assistance

During the year ended December 31, 2021, the Association recognized $7,930,038 [2020 – $8,435,394] with respect to the Canada Emergency Wage Subsidy ["CEWS"] and Tourism and Hospitality Recovery program ["THRP"] and $1,380,736 [2020 – $450,000] with respect to the Canada Emergency Rent Subsidy ["CERS"]. The CEWS, THRP, and CERS were implemented by the Canadian government to assist organizations that have been negatively impacted by the COVID-19 pandemic. Of the total assistance of $9,310,774 [2020 – $8,885,394], $3,897,462 [2020 – $4,099,843] is recognized as revenue in government sources – other and $5,413,312 [2020 – $4,785,551] is recognized in government sources – child care in the statement of operations. At December 31, 2021, $835,000 [2020 – $1,981,915] of this government assistance is included in accounts receivable.