

# The YMCA of Greater Vancouver

Financial statements

December 31, 2022



# 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, 2022, 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, 2022, 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.

Vancouver, Canada  
June 14, 2023

*Ernst & Young LLP*

Chartered Professional Accountants



# The YMCA of Greater Vancouver

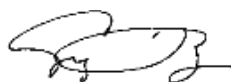
## Statement of financial position

As at December 31

	2022	2021
	\$	\$
<b>Assets</b>		
<b>Current</b>		
Cash	2,367,489	1,844,560
Accounts receivable <i>[note 17]</i>	3,319,928	2,691,552
Due from The YMCA of Greater Vancouver Foundation <i>[note 3]</i>	1,247,820	1,409,597
Due from The YMCA of Greater Vancouver Properties Foundation <i>[note 4]</i>	—	1,513,010
Derivative asset <i>[note 8]</i>	851,973	—
Prepaid expenses and other assets	629,047	486,181
<b>Total current assets</b>	<b>8,416,257</b>	<b>7,944,900</b>
Investments and restricted cash <i>[note 5]</i>	6,791,783	26,354,169
Facilities under development <i>[note 6]</i>	22,490,527	13,756,597
Property and equipment, net <i>[note 7]</i>	22,840,969	24,158,065
<b>Total assets</b>	<b>60,539,536</b>	<b>72,213,731</b>
<b>Liabilities and net assets</b>		
<b>Current</b>		
Bank indebtedness <i>[note 8]</i>	9,015,546	9,359,474
Accounts payable and accrued liabilities <i>[notes 14]</i>	5,704,465	5,571,125
Derivative liability <i>[note 8]</i>	—	900,378
Due to The YMCA of Greater Vancouver Properties Foundation <i>[note 4]</i>	6,557,443	—
Deferred revenue <i>[note 9]</i>	8,304,371	8,366,674
Current portion of term loans <i>[note 8]</i>	83,006	255,625
Current portion of capital lease obligations <i>[note 10]</i>	3,600	3,600
<b>Total current liabilities</b>	<b>29,668,431</b>	<b>24,456,876</b>
Term loans <i>[note 8]</i>	—	82,989
Capital lease obligations <i>[note 10]</i>	10,800	14,400
Deferred capital contributions <i>[note 9]</i>	28,837,290	27,218,108
<b>Total liabilities</b>	<b>58,516,521</b>	<b>51,772,373</b>
Commitments <i>[note 11]</i>		
<b>Net assets</b>		
Unrestricted	(2,789,704)	(2,921,264)
Externally restricted	—	—
Invested in property and equipment	4,334,281	22,960,506
Vehicle replacement fund	478,438	402,116
<b>Total net assets</b>	<b>2,023,015</b>	<b>20,441,358</b>
<b>Total liabilities and net assets</b>	<b>60,539,536</b>	<b>72,213,731</b>

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

	2022				2021	
	Unrestricted \$	Externally restricted \$	Invested in property and equipment \$	Vehicle replacement fund \$	Total \$	Total \$
<b>Net assets, beginning of year</b>	(2,921,264)	—	22,960,506	402,116	20,441,358	17,566,823
Excess (deficiency) of revenue over expenses for the year	(2,372,638)	—	(2,322,787)	4,322	(4,691,103)	2,874,535
Interfund transfers	2,504,198	—	(2,576,198)	72,000	—	—
Strategic reserve - deed of gift <i>[note 5]</i>	—	—	(13,727,240)	—	(13,727,240)	—
Donations and investment income	—	2,155,256	—	—	2,155,256	3,343,067
Deferred capital	—	(2,155,256)	—	—	(2,155,256)	(3,343,067)
Investments and restricted cash	—	2,629,393	(2,629,393)	—	—	—
Deferred capital contributions	—	(2,629,393)	2,629,393	—	—	—
<b>Net assets, end of year</b>	<b>(2,789,704)</b>	<b>—</b>	<b>4,334,281</b>	<b>478,438</b>	<b>2,023,015</b>	<b>20,441,358</b>

See accompanying notes

# The YMCA of Greater Vancouver

## Statement of operations

Year ended December 31

	2022	2021
	\$	\$
<b>Revenue</b>		
Program fees	18,976,967	14,346,186
Membership fees	7,553,205	3,387,667
Government sources – childcare <i>[note 17]</i>	13,635,754	15,184,220
Government sources – other <i>[note 17]</i>	11,643,712	10,436,718
Grants from the YMCA of Greater Vancouver Properties Foundation <i>[note 4]</i>	2,965,779	3,172,665
Grants from the YMCA of Greater Vancouver Foundation <i>[note 3]</i>	2,412,565	825,514
Donations	827,330	800,578
Allocations from the United Way	122,724	84,571
Gaming	475,000	225,000
Other revenue	1,088	86,487
	<b>58,614,124</b>	<b>48,549,606</b>
<b>Expenses</b>		
Salaries <i>[notes 3 and 15]</i>	32,987,451	25,221,228
Occupancy <i>[notes 3 and 4]</i>	11,135,378	9,384,934
Employee benefits	4,964,765	3,872,788
Supplies	4,185,744	2,538,008
Office, legal and contract services <i>[note 12]</i>	2,737,225	2,056,742
Repairs and maintenance	1,482,489	802,226
Grants and work study fees	747,182	518,672
Staff and volunteer training	684,303	448,571
National support	540,119	551,750
Conferences, employee expense and vehicle costs	500,311	247,702
Advertising and promotion	308,890	170,770
Bank charges	278,391	301,182
Miscellaneous	19,939	196,727
Recovery of commodity tax rebate	(205,880)	(73,057)
	<b>60,366,307</b>	<b>46,238,243</b>
Excess (deficiency) of revenue over expenses before the following	<b>(1,752,183)</b>	<b>2,311,363</b>
Other income (expenses)		
Investment income (loss) <i>[note 5]</i>	(2,164,834)	1,774,425
Unification cost	(635,289)	—
Loss on disposal of property and equipment	(3,591)	—
Gain on derivative <i>[note 8]</i>	1,752,351	835,655
Interest <i>[notes 8]</i>	(431,535)	(452,804)
Amortization of property and equipment <i>[note 7]</i>	(2,000,686)	(2,144,768)
Amortization of deferred capital contributions <i>[note 9]</i>	544,664	550,664
<b>Excess (deficiency) of revenue over expenses for the year</b>	<b>(4,691,103)</b>	<b>2,874,535</b>

See accompanying notes

# The YMCA of Greater Vancouver

## Statement of cash flows

Year ended December 31

	2022	2021
	\$	\$
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenses for the year	(4,691,103)	2,874,535
Add (deduct) non-cash items		
Amortization of deferred compensation	28,496	30,241
Amortization of deferred capital contributions	(544,664)	(550,664)
Amortization of property and equipment	2,000,686	2,144,768
Loss on disposal of property and equipment	3,591	—
Unrealized gain on derivative	(1,752,351)	(835,655)
Unrealized loss on investments	2,183,257	32,755
	<u>(2,772,088)</u>	3,695,980
Changes in non-cash working capital		
Accounts receivable	(628,376)	426,818
Due from The YMCA of Greater Vancouver Foundation	161,777	(1,371,649)
Due from The YMCA of Greater Vancouver Properties Foundation	1,768,439	(1,298,895)
Prepaid expenses and other assets	(171,362)	(76,284)
Accounts payable and accrued liabilities	133,340	(172,264)
Deferred revenue	(62,303)	1,347,131
<b>Cash provided by (used in) operating activities</b>	<u>(1,570,573)</u>	2,550,837
<b>Investing activities</b>		
Purchase of property and equipment	(382,892)	(371,489)
Additions to facilities under development	(2,736,205)	(2,809,162)
Proceeds from investments	2,850,000	850,000
Purchase of investments	—	(1,800,550)
Decrease (increase) in restricted cash	801,889	(3,496,261)
<b>Cash provided by (used in) investing activities</b>	<u>532,792</u>	(7,627,462)
<b>Financing activities</b>		
Repayment of term loans	(255,608)	(608,390)
Repayment of bank indebtedness	(343,928)	(237,803)
Receipt of contributions restricted for capital purposes	2,163,846	3,342,724
Payment of capital lease obligations	(3,600)	(3,600)
<b>Cash provided by financing activities</b>	<u>1,560,710</u>	2,492,931
<b>Net increase (decrease) in cash during the year</b>	<b>522,929</b>	<b>(2,583,694)</b>
Cash, beginning of year	1,844,560	4,428,254
<b>Cash, end of year</b>	<u><b>2,367,489</b></u>	<u><b>1,844,560</b></u>

See accompanying notes

# The YMCA of Greater Vancouver

## Notes to financial statements

December 31, 2022

### 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.

Subsequent to year end on January 3, 2023, the Association amalgamated with the Kamloops Community YMCA-YWCA and the Young Men’s Christian Association of Northern BC forming a new entity called YMCA BC. The new entity will continue the existing services provided by the Association’s servicing Metro Vancouver, Fraser Valley, Kamloops and Northern BC areas.

### COVID-19 outbreak

The coronavirus disease [“COVID-19”] restrictions were lifted in 2022, but the YMCA is still recovering from the impact of social distancing for leisure and business activities. The COVID-19 related government subsidies ended in May 2022.

### 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 initially 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.



# The YMCA of Greater Vancouver

## Notes to financial statements

December 31, 2022

### 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 assesses 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 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:

Intangible assets	5 years
Buildings	25 to 32 years
Program equipment	4 to 8 years
Office equipment	5 to 8 years
Kitchen equipment	5 to 8 years
Vehicles	5 years
Playground	4 to 8 years
Building equipment	5 years
Site service	5 years

### 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 estimated 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.

# The YMCA of Greater Vancouver

## Notes to financial statements

December 31, 2022

### 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.

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, 2022, \$7,400,000 [2021 – \$6,800,000] of this commitment has been received by the Association and recognized as a deferred capital contribution. During the year ended December 31, 2022, \$600,000 [2021 – \$600,000] 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 2022, the Foundation provided grants of \$2,571,972 [2021 – \$2,144,622] to the Association, of which \$2,412,565 [2021 – \$825,514] was recognized as revenue and \$159,407 [2021 – \$1,319,108] was recognized as deferred revenue.

## The YMCA of Greater Vancouver

### Notes to financial statements

December 31, 2022

The Foundation reimbursed the Association for salaries relating to administration support totaling \$324,708 [2021 – \$340,644], 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, 2022, the Association was charged rent of \$67,066 [2021 – \$66,215], which 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 \$181,440 [2021 – \$181,440] [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, 2022, \$1,247,820 [2021 – \$1,409,597] is receivable from the Foundation, that is unsecured, non-interest bearing, and without specified repayment terms.

As a result of the merger described in note 1, the YMCA of Greater Vancouver Foundation was renamed to YMCA BC Foundation.

#### 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.

In September 2015, the Association entered into 10-lease agreements with the Properties Foundation that expire in August 2025 and contains two renewal options of 10 years each for the rental of properties. The Association also has a 10-year lease for lands and buildings owned by the Properties Foundation for the Chilliwack Family YMCA Bob-Chan Kent facility which expires in August 2025 and contains two renewal options of 10 years each. For the year ended December 31, 2022, the Association was charged rent of \$3,971,661 [2021 – \$4,222,879] [note 11] by the Properties Foundation, which is recognized in occupancy expense. During 2022, the Properties Foundation provided grants of \$3,165,779 [2021 – \$3,372,665] to the Association, of which \$2,965,779 [2021 – \$3,172,665] was recognized as revenue and \$200,000 [2021 – \$200,000] was recognized as deferred capital contributions [note 9]. The Association charged the Properties Foundation an administration fee of \$33,061 [2021 – \$36,933] for the year ended December 31, 2022.

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

As at December 31, 2022, \$6,557,443 [2021 – \$1,513,010 receivable from] is payable to the Properties Foundation, that is unsecured, non-interest bearing, and without specified repayment terms.

As a result of the merger described in note 1, the YMCA of Greater Vancouver Properties Foundation was renamed to YMCA BC Properties Foundation.

# The YMCA of Greater Vancouver

## Notes to financial statements

December 31, 2022

### 5. Investments and restricted cash

	2022	2021
	\$	\$
<b>Restricted cash</b>		
[i] Internally restricted – vehicle replacement fund	478,438	402,116
[i] Internally restricted – holdback for capital fund	379,858	720,313
[i] Externally restricted – What Really Matters Campaign <i>[note 9]</i>	2,645,785	3,119,922
[i] Externally restricted – government <i>[note 9]</i>	1,787,702	1,851,322
	<b>5,291,783</b>	<b>6,093,673</b>
<b>Investments</b>		
[ii] Guaranteed investment certificates ["GICs"] for debt agreement <i>[note 8]</i>	1,500,000	1,500,000
[iii] Internally restricted for strategic reserve	—	18,760,496
	<b>1,500,000</b>	<b>20,260,496</b>
<b>Total investments and restricted cash</b>	<b>6,791,783</b>	<b>26,354,169</b>

[i] Restricted cash balances are held in savings accounts and earn interest at 1.11% [2021 – 0.30%] per annum.

[ii] Guaranteed investment certificate investments are held at the Royal Bank of Canada and earn interest at 0.263% [2021 – 0.10%] per annum.

[iii] On December 15, 2022, the Internally restricted strategic reserve funds were transferred to The Foundation by way of a Deed of gift and recognized as a direct charge to net assets.

### 6. Facilities under development

	2022	2021
	\$	\$
Betty Allard	20,026,591	12,041,488
South Vancouver	578,693	456,785
New child care facilities	39,066	39,066
Camp Elphinstone	252,154	233,484
Tong Louie YMCA	1,056,806	601,996
Robert Lee YMCA	537,217	383,778
	<b>22,490,527</b>	<b>13,756,597</b>

The YMCA of Greater Vancouver

Notes to financial statements

December 31, 2022

7. Property and equipment

	Cost \$	Accumulated amortization \$	Net book value \$
<b>December 31, 2022</b>			
Intangible assets	550,553	307,122	243,431
Buildings	27,584,242	5,998,275	21,585,967
Program equipment	8,205,093	8,133,194	71,899
Office equipment	4,874,825	4,476,570	398,255
Kitchen equipment	202,803	107,335	95,468
Vehicles	314,581	303,905	10,676
Playground	777,765	671,527	106,238
Building equipment	1,422,825	1,188,108	234,717
Site service	139,560	45,242	94,318
	<b>44,072,247</b>	<b>21,231,278</b>	<b>22,840,969</b>
<b>December 31, 2021</b>			
Intangible assets	246,265	246,265	—
Buildings	27,584,242	5,026,696	22,557,546
Program Equipment	8,166,274	7,729,329	436,945
Office Equipment	4,692,555	4,240,200	452,355
Kitchen Equipment	103,907	81,287	22,620
Vehicles	314,581	288,641	25,940
Playground	777,735	588,585	189,150
Building Equipment	1,384,656	1,006,401	378,255
Site service	131,887	36,633	95,254
	<b>43,402,102</b>	<b>19,244,037</b>	<b>24,158,065</b>

# The YMCA of Greater Vancouver

## Notes to financial statements

December 31, 2022

### 8. Bank debt

#### Bank indebtedness

	2022	2021
	\$	\$
Non-revolving term facility	<u>9,015,546</u>	<u>9,359,474</u>

#### *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, 2022, the swap was in a net favourable position of \$851,973 [2021 – \$900,378 unfavourable] and the gain, being the change in fair value, for 2022 of \$1,752,351 [2021 – \$835,655] has been recorded in the statement of operations. For the year ended December 31, 2022, interest expense recorded on the non-revolving term loan facility was \$426,530 [2021 – \$431,556].

#### *Revolving demand facility*

The Association has available a revolving demand loan facility for \$2,500,000 [2021 – \$2,500,000] bearing interest at the bank's prime rate plus 0.25% [2021 – bank's prime rate plus 0.25%] per annum. As at December 31, 2022 and 2021, no amount was outstanding under this facility.

#### Term loans

	2022	2021
	\$	\$
Term loans for equipment	83,006	338,614
Less current portion	<u>83,006</u>	<u>255,625</u>
Non-current portion	<u>—</u>	<u>82,989</u>

The Association has available combined revolving loan and lease line of credit facilities for \$3,500,000 [2021 – \$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 [2021 – \$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.

# The YMCA of Greater Vancouver

## Notes to financial statements

December 31, 2022

As at December 31, 2022, the Association had one [2021 – two] three-year term loan outstanding bearing interest at 2.48% [2021 – 2.48% to 3.82%] per annum, requiring blended monthly payments of principal and interest aggregating \$10,532 [2021 – \$37,257], and maturing in August 2023.

### Credit card facility

The Association has available a \$500,000 [2021 – \$500,000] credit card facility.

As at December 31, 2022, the bank's prime interest rate was 6.45% [2021 – 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], a guarantee and postponement of claim by the Properties Foundation for \$12,400,000 supported by a first fixed mortgage for \$12,400,000 over the Bob Chan-Kent Family YMCA, and a guarantee and postponement of claim by Properties Foundation for \$4,000,000 supported by a collateral mortgage on Tong Louie 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. The Association was not in compliance with this covenant. The Association has received acknowledgement and tolerance of the covenant breach from the lender.

### 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. As at December 31, 2022, \$25,326,630 was owed by the Properties Foundation under these credit facilities.

## 9. Deferred revenue and deferred capital contributions

### Deferred revenue

	2022	2021
	\$	\$
Community programs	4,714,017	5,356,970
Membership	1,438,078	645,217
Regional development centre	—	72,180
Childcare	1,535,022	1,838,727
Other	617,254	453,580
	<b>8,304,371</b>	<b>8,366,674</b>

The YMCA of Greater Vancouver

Notes to financial statements

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Deferred capital contributions

	2022	2021
	\$	\$
<b>Balance, beginning of year</b>	<b>27,218,108</b>	24,426,048
Amounts received during the year <i>[notes 3 and 4]</i>	<b>2,163,846</b>	3,342,724
Amortization of deferred capital contributions	<b>(544,664)</b>	(550,664)
<b>Balance, end of year</b>	<b>28,837,290</b>	27,218,108

Deferred capital contributions represent capital contributions for the following:

	2022	2021
	\$	\$
What Really Matters Campaign capital grants and contributions	<b>13,168,700</b>	11,299,172
Other deferred capital grants and contributions	<b>12,022,805</b>	11,799,014
Externally restricted – Government <i>[note 5]</i>	<b>1,000,000</b>	1,000,000
Externally restricted – What Really Matters Campaign <i>[note 5]</i>	<b>2,645,785</b>	3,119,922
	<b>28,837,290</b>	27,218,108

10. Capital lease obligations

The present value of future minimum annual lease payments for a childcare centre under capital lease as at December 31, 2022 is as follows:

	\$
2023	3,600
2024	3,600
2025	3,600
2026	3,600
	14,400
Less current portion of capital lease obligations	(3,600)
	10,800

The was no interest on capital lease obligations for 2022 [2021 – nil].



## The YMCA of Greater Vancouver

### Notes to financial statements

December 31, 2022

#### 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:

	\$
2023	8,608,976
2024	7,931,440
2025	8,203,634
2026	8,584,174
2027	8,975,205
Thereafter	9,823,133
	<u>52,126,562</u>

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, 2022, the Association purchased goods and services of \$3,805 [2021 – \$24,452] 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, accounts receivable, and due from the YMCA of Greater Vancouver Foundation. 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 and due from the YMCA of Greater Vancouver Foundation, by dealing only with what management believes to be financially sound counterparties.

## The YMCA of Greater Vancouver

### Notes to financial statements

December 31, 2022

#### **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, due to the YMCA of Greater Vancouver Properties Foundation, 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, 2022, the Association has cash denominated in US dollars of \$11,580 [2021 – \$22,754] and investments of nil [2021 – \$17,017,540].

#### **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 was exposed to other price risk from investments held by the Association for which future prices are uncertain. The Association managed 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 as at December 31, 2022 are government remittances aggregating \$40,186 [2021 – \$25,875], 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 \$1,851,100 [2021 – \$1,874,880].

#### **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, 2022

### 17. Government assistance

During the year ended December 31, 2022, the Association recognized \$3,047,055 [2021 – \$7,930,038] with respect to the Tourism and Hospitality Recovery Program [“THRP”] and \$454,767 [2021 – \$1,380,736] with respect to the Canada Emergency Rent Subsidy [“CERS”]. The 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 \$3,501,822 [2021 – \$9,310,774], \$1,647,128 [2021 – \$3,897,462] is recognized as revenue in government sources – other and \$1,854,675 [2021 – \$5,413,312] is recognized in government sources – childcare in the statement of operations. At December 31, 2022, nil [2021 – \$835,000] of this government assistance is included in accounts receivable.