YMCA BC
Financial Statements
For the year ended December 31, 2024

To the Members of YMCA BC:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of YMCA BC (the "Association"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

Other Matter

The financial statement for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on June 20, 2024.

Other Information

Management is responsible for the other information. The other information comprises the Annual Report.

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 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. We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MNP LLP

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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.

Surrey, British Columbia

MNP LLP

June 16, 2025

Chartered Professional Accountants

YMCA BC
Statement of Financial Position
As at December 31, 2024

	2024	2023
Assets		
Current		
Cash	**1,489,203**	4,778,652
Accounts receivable	**4,113,207**	3,681,199
Due from YMCA BC Foundation *(Note 3)*	**369,983**	1,074,995
Derivative asset *(Note 8)*	**327,333**	497,691
Prepaid expenses and deposits	**1,365,998**	1,027,829
	7,665,724	11,060,366
Investments and restricted cash *(Note 5)*	**10,396,352**	11,311,533
Facilities under development *(Note 6)*	**4,930,822**	5,412,484
Property and equipment *(Note 7)*	**52,562,964**	49,240,983
	75,555,862	77,025,366

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	2024	2023
Liabilities		
Current		
Bank indebtedness *(Note 8)*	**9,039,000**	8,740,856
Accounts payable and accruals *(Note 19)*	**8,477,623**	6,867,231
Deferred revenue *(Note 13)*	**15,681,264**	16,564,256
Due to YMCA BC Properties Foundation *(Note 4)*	**6,330,859**	3,699,539
Current portion of term loans *(Note 9)*	**296,278**	275,059
Current portion of mortgage loan *(Note 11)*	**104,197**	98,936
Current portion of note payable *(Note 12)*	**4,600**	4,600
Current portion of capital lease obligations *(Note 15)*	**3,600**	3,600
	39,937,421	36,254,077
Term loans *(Note 9)*	**319,842**	616,091
Mortgage loan *(Note 11)*	**428,998**	533,541
Note payable *(Note 12)*	**23,000**	27,600
Deferred capital contributions *(Note 14)*	**38,341,439**	36,789,842
Capital lease obligations *(Note 15)*	**3,600**	7,200
	79,054,300	74,228,351
Contingency *(Note 10)*		
Commitments *(Note 16)*		
Subsequent event *(Note 24)*		
Net Assets		
Invested in property and equipment	**7,913,112**	7,953,084
Vehicle replacement fund	**632,316**	572,747
Unrestricted	**(12,043,866)**	(5,728,816)
	(3,498,438)	2,797,015
	75,555,862	77,025,366

Approved on behalf of the Board

e-Signed by Greg D'Avignon
2025-06-12 13:32:17:17 PDT
Director

e-Signed by Andre Powell
2025-06-16 12:01:57:57 PDT
Director

The accompanying notes are an integral part of these financial statements

YMCA BC
Statement of Operations
For the year ended December 31, 2024

	2024	*2023*
Revenue		
Program fees	**23,331,599**	20,748,334
Memberships	**19,915,327**	16,311,715
Government source - other	**18,094,633**	20,353,705
Government sources - childcare	**40,322,934**	30,087,594
Grants from YMCA BC Foundation	**2,993,412**	1,354,628
Gaming	**3,964,825**	4,800,093
Donations	**1,442,029**	1,610,849
Other revenue	**317,019**	170,356
Allocations from the United Way	**735**	56,630
	110,382,513	95,493,904
Expenses		
Salaries and benefits	**67,990,962**	57,094,370
Rent	**13,142,744**	11,228,983
Employee benefits	**10,007,534**	8,293,567
Supplies	**11,396,871**	8,988,720
Office, legal and contract services	**3,254,042**	3,921,412
National support	**1,110,682**	1,136,917
Conferences, employee expense and vehicle costs	**1,271,763**	1,066,218
Advertising and promotion	**1,074,461**	882,600
Staff and volunteer training	**925,525**	891,491
Bank charges and interest	**777,397**	592,549
Grants and work study fees	**739,888**	1,869,525
Repairs and maintenance	**578,755**	753,095
Miscellaneous	**(114,201)**	31,543
Recovery of commodity tax rebate	**(497,485)**	(418,406)
Total expenses	**111,658,938**	96,332,584
Deficiency of revenue over expenses before other items	**(1,276,425)**	(838,680)
Other items		
Unrealized fair value loss on derivative	**(170,374)**	(354,086)
Unification cost	**(159,673)**	(869,112)
Gain on disposal of capital assets	**9,426**	50,150
Interest	**(537,442)**	(1,117,474)
Amortization of property and equipment	**(3,504,301)**	(2,850,741)
Amortization of deferred capital contributions	**1,386,265**	1,151,399
Grants from YMCA BC Properties Foundation *(Note 4)*	**7,542,766**	6,047,575
Rents to the Foundations *(Note 3), (Note 4)*	**(9,240,895)**	(6,954,711)
Childcare Prototype deferred revenue adjustment	**(344,800)**	-
	(5,019,028)	(4,897,000)
Deficiency of revenue over expenses	**(6,295,453)**	(5,735,680)

The accompanying notes are an integral part of these financial statements

	Unrestricted	*Externally restricted*	*Invested in property and equipment*	*Vehicle replacement fund*	***2024***	*2023*
Net assets, beginning of year	(5,728,816)	-	7,953,084	572,747	2,797,015	9,737,338
Deficiency of revenue over expenses	(3,322,742)	-	(2,960,280)	(12,431)	(6,295,453)	(5,735,680)
Deed of gift - Kamloops property	-	-	-	-	-	(1,204,643)
Donations and investment income	2,937,862	(2,937,862)	-	-	-	-
Receipt of deferred capital contribution	-	2,937,862	(2,937,862)	-	-	-
Investments and restricted cash	(1,543,370)	1,543,370	-	-	-	-
Deferred capital contributions	-	(1,543,370)	1,543,370	-	-	-
Interfund transfers	(4,386,800)	-	4,314,800	72,000	-	-
Net assets, end of year	(12,043,866)	-	7,913,112	632,316	(3,498,438)	2,797,015

YMCA BC
Statement of Cash Flows
For the year ended December 31, 2024

	2024	*2023*
Cash provided by (used for) the following activities		
Operating		
Deficiency of revenue over expenses	**(6,295,453)**	(5,735,680)
Amortization of property and equipment	**3,504,301**	2,850,741
Loss on disposal of capital assets	**(9,426)**	(50,150)
Amortization of deferred compensation	**-**	19,828
Amortization of deferred capital contributions	**(1,386,265)**	(1,151,399)
Gain on investment	**(3,093)**	(196)
Unrealized loss on derivative	**170,358**	354,282
	(4,019,578)	(3,712,574)
Changes in working capital accounts		
Accounts receivable	**(432,008)**	2,190,816
Due from YMCA BC Foundation	**705,012**	172,825
Prepaid expenses and other assets	**(338,169)**	(272,981)
Accounts payable and accruals	**1,610,393**	390,883
Due to YMCA BC Properties Foundation	**2,631,320**	(2,857,904)
Deferred revenue	**(882,992)**	3,560,965
	(726,022)	(527,970)
Financing		
Repayments of capital lease obligations	**(3,600)**	(3,600)
Repayment of mortgage loan	**(99,282)**	(94,758)
Receipt of contributions restricted for capital assets	**2,937,862**	6,431,518
Receipt of term loans	**-**	808,144
Repayment of term loans	**(275,030)**	-
Repayment of note payable	**(4,600)**	(4,600)
Repayment of bank indebtedness	**(151,856)**	(274,690)
Receipt of bank indebtedness	**450,000**	-
	2,853,494	6,862,014
Investing		
Purchase of property and equipment	**(1,207,400)**	(2,537,121)
Proceeds on disposal of capital assets	**9,426**	50,150
Net proceeds (purchases) of investments and restricted cash	**918,274**	(3,619,783)
Purchases of facilities under development	**(5,137,221)**	(3,513,844)
	(5,416,921)	(9,620,598)
Decrease in cash resources	**(3,289,449)**	(3,286,554)
Cash resources, beginning of year	**4,778,652**	8,065,206
Cash resources, end of year	**1,489,203**	4,778,652

The accompanying notes are an integral part of these financial statements

1. Organization

YMCA BC (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.

On January 3, 2023, The YMCA of Greater Vancouver, Kamloops Community YMCA-YWCA ("Kamloops") and Young Men's Christian Association of Northern BC ("NBC") unified as one new entity, YMCA BC, recognizing that the combined entity was financially stronger and able to use the combined resources to offer more programs and services within their communities.

2. Significant accounting policies

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

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 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 or receivable.

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. Revenue from gaming is recognized at the conclusion of the gaming event, which is typically the date of the draw and awarding of prizes.

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 losses are recognized based on the trade date, and unrealized gains and losses are recognized based on the statement of financial position date.

Cash and cash equivalents

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.

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

Property and equipment

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

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

Buildings	15 to 40 years
Vehicles	5 years
Program equipment	3 to 8 years
Office equipment	5 years
Intangible assets	5 years
Kitchen equipment	5 years
Playground	4 to 8 years
Building equipment	15 to 40 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. Consultant costs and internal salaries and wages directly attributable to the development projects are capitalized as part of the facilities under development.

Long-lived assets

Long-lived assets consist of property and equipment and facilities under development. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Association writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Association's ability to provide goods and services. The asset are also written-down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the Association determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value or replacement cost as determined on an asset-by-asset basis. 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 lease. 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 on a straight-line basis over the term of the lease.

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.

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

Financial instruments

The Association recognizes financial instruments when the Association becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm’s length transaction (“arm’s length financial instruments”) are initially recorded at their fair value.

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

The Association subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Association’s performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

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

Related party financial instruments

The Association measures financial instruments at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

At initial recognition, the Association may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value.

The Association has not made such an election during the year.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess of revenues over expenses.

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

Financial instruments *(Continued from previous page)*

Financial asset impairment

The Association assesses impairment of all its financial assets measured at cost or amortized cost. The Association groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; no asset is individually significant, etc. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments; etc. in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Association determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Association reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Association reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party equity instruments initially measured at cost, the Association reduces the carrying amount of the asset (or group of assets), to the amount that could be realized by selling the asset(s) at the statement of financial position date.

Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

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

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of property and equipment.

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

3. The YMCA BC Foundation

The YMCA BC 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 totaling $7,000,000 to bring its aggregate gift to $10,000,000. As at December 31, 2024, $8,600,000 (2023 - $8,000,000) of this commitment has been received by the Association and recognized as a deferred capital contribution *(note 14)*.

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 2024, the Foundation provided grants of $2,934,691 (2023 - $2,466,698) to the Association.

The Foundation reimbursed the Association for salaries relating to administration support totaling $409,224 (2023 - $404,472), 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 16). For the year ended December 31, 2024, the Association was charged rent of $67,915 (2023 - $67,915).

The Association has entered into a 10-year lease that expires in 2031, with two renewal options at five years each, for its head office space, which is owned by the Foundation, with an annual base rent of $182,940 (2023 - $181,440) *(note 16)*.

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

As at December 31, 2024, $369,983 (2023 - $1,074,995) is receivable from the Foundation. The receivable from the Foundation is unsecured, non-interest bearing, and without specified repayment terms.

4. The YMCA BC Properties Foundation

The YMCA BC 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 separate lease agreements with the Properties Foundation that expire in August 2025, each of which contains two renewal options of 10 years each for the rental of the respective 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, 2024, the Association was charged rent of $8,824,181 (2023 – $6,954,711) (*note 16)* by the Properties Foundation. During 2024, the Properties Foundation provided grants of $7,542,766 (2023 – $6,247,575) to the Association, of which $7,542,766 (2023 – $6,047,575) was recognized as revenue and $200,000 (2023 – $200,000) was recognized as deferred capital contributions (*note 1*4). The Association charged the Properties Foundation an administration fee of $78,862 (2023 – $60,309) for the year ended December 31, 2024.

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

As at December 31, 2024, $6,330,859 (2023 - $3,699,539) is payable to the Properties Foundation. The payable to the Properties Foundation is unsecured, non-interest bearing, and without specified repayment terms.

5. Investments and restricted cash

	2024	2023
Restricted cash		
Internally restricted - vehicle replacement (I)	**632,316**	565,503
Internally restricted - capital grant	**489,720**	-
Externally restricted - shelter donations	**1,303,836**	852,111
Externally restricted - Battle Street	**236,348**	185,838
Externally restricted - Gaming	**250,000**	553,464
Externally restricted - What Really Matters Campaign (note 14)	**1,875,476**	1,597,557
Externally restricted - government (Note 14) (i)	**3,489,377**	5,437,781
	8,277,073	9,192,254
Investments		
Guaranteed investment certificates ("GIC") for debt agreement (Note 10) (II)	**2,119,279**	2,119,279
	10,396,352	11,311,533

(i) Restricted cash for vehicle replacement fund and $1,489,377 (2023 - $3,437,781) of the externally restricted government balances are held in a savings account and earn interest at 2.50% (2023 - 3.50%) per annum.

(ii) Guaranteed investment certificate investments are held at the Royal Bank of Canada and earn interest at 3.45% (2023 - 4.77%) per annum.

6. Facilities under development

	2024	2023
South Vancouver	**851,715**	740,606
Kamloops	**596,822**	256,172
Chilliwack	**196,943**	82,738
IT related	**-**	172,989
Royal Avenue	**17,693**	122,230
Camp Elphinstone	**582,684**	414,794
Tong Louie YMCA	**1,556,342**	2,643,336
Robert Lee YMCA	**1,045,291**	882,738
Miscellaneous	**83,332**	96,881
	4,930,822	5,412,484

7. Property and equipment

	Cost	Accumulated amortization	2024 Net book value
Buildings	**61,514,736**	**14,981,209**	**46,533,527**
Vehicles	**365,884**	**217,952**	**147,932**
Program equipment	**2,602,885**	**1,073,903**	**1,528,982**
Office equipment	**1,889,421**	**1,136,427**	**752,994**
Intangible assets	**1,001,266**	**304,615**	**696,651**
Kitchen equipment	**283,259**	**76,178**	**207,081**
Playground	**742,963**	**515,983**	**226,980**
Building equipment	**3,031,460**	**757,370**	**2,274,090**
Site services	**260,111**	**65,384**	**194,727**
	71,691,985	**19,129,021**	**52,562,964**

	Cost	Accumulated amortization	2023 Net book value
Buildings	**58,124,638**	**12,870,792**	**45,253,846**
Vehicles	**377,653**	**174,969**	**202,684**
Program equipment	**2,356,602**	**521,761**	**1,834,841**
Office equipment	**1,382,679**	**906,467**	**476,212**
Intangible assets	**466,644**	**146,279**	**320,365**
Kitchen equipment	**162,949**	**50,633**	**112,316**
Playground	**574,646**	**458,946**	**115,700**
Building equipment	**1,319,946**	**509,028**	**810,918**
Site services	**169,032**	**54,931**	**114,101**
	64,934,789	**15,693,806**	**49,240,983**

8. Bank indebtedness

	2024	2023
Demand loan	**450,000**	-
Non-revolving term facility	**8,589,000**	8,740,856
	9,039,000	8,740,856

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. In 2024, the agreement was amended to replace the borrowing structure with the Daily Simple CORRA rate at 1.79% per annum.

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% (2024 - 2.61%) per annum. Quarterly interest and principal payments required under the facility are $166,000.

As at December 31, 2024, the swap has a fair value of $327,333 (2023 - $497,691) and the loss, being the change in fair value, for 2024 of $170,358 (2023 - $354,282) has been recorded in the statement of operations. For the year ended December 31, 2024, interest expense recorded on the non-revolving term loan facility was $386,521 (2023 - $407,480).

8. Bank indebtedness *(Continued from previous page)*

Revolving demand facilities

1. The Association has available a revolving demand loan facility of $3,000,000 (2023 - $3,000,000) bearing interest at the bank's prime rate (2023 - bank's prime rate plus 0.25%) per annum. As at December 31, 2024, $450,000 (2023 - nil) was outstanding under this facility. For the year ended December 31, 2024, interest expense recorded on the demand loan was $2,705 (2023 - nil).

2. The Association has available a revolving demand loan facility of $1,600,000 (2023 - $1,600,000) available by way of letters of credit or letters of guarantee. Fees to be advised on a transaction by transaction basis. As at December 31, 2024, no amount was outstanding under this facility (2024 - $Nil).

The aggregate of Revolving Demand Facilities 1 and 2 shall not exceed $4,000,000 at any time.

9. Term loans

	2024	*2023*
Term loans	**616,120**	891,150
Less: current portion	**296,278**	275,059
	319,842	616,091

The Association has available a revolving loan available by the way of a series of term loans for $3,500,000 (2023 - $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.

As at December 31, 2024, the Association had one (2023 - one) three-year term loan outstanding bearing interest at 7.38% (2023 - 7.38%) per annum, requiring blended monthly payments of principal and interest of $27,561 (2023 - $27,651), maturing in December 2026.

10. Credit card facilities

The Association has available a $500,000 (2023 - $500,000) credit card facility.

The credit card facility bears interest at a rate of 7.38% (2023 - 7.38%). As at December 2024, the bank's prime interest rate was 7.20% (2023 - 7.20%) 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 $2,119,279 (2023 - $2,124,000) *(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 Associations'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 $2,119,279 *(note 5)* to a bank for a credit facility provided to the Properties Foundation. As at December 31, 2024, $1,182,250 (2023 - $1,182,250) was owed by the Properties Foundation under this credit facility.

11. Mortgage loan

	2024	*2023*
Mortgage loan bearing interest at 4.84% (2023 – 4.84%) per annum, repayable in blended monthly installments of principal and interest $10,643 and maturing on August 14, 2029. A General Security Agreement covering all assets of the Association and a mortgage of lease over the property with a carrying amount $4,734,929 (2023 - $5,042,263) at December 31, 2024.	**533,195**	632,477
Less: Current portion	**104,197**	98,936
	428,998	533,541

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

	Principal
2025	104,197
2026	109,361
2027	114,773
2028	120,427
2029	84,437
Total	533,195

Interest on mortgage loan amounted to $28,434 (2023 – $33,107) for the year ended December 31, 2024.

12. Note payable

	2024	2023
Note payable	**27,600**	32,200
Less: current portion	**4,600**	4,600
	23,000	27,600

13. Deferred revenue

The following table represents the deferred revenue balance attributable to each major category:

	2024	2023
Community programs	**9,102,248**	9,101,264
Membership	**963,539**	898,475
Childcare	**3,339,986**	3,615,831
Other	**2,275,491**	2,948,686
	15,681,264	16,564,256

14. Deferred capital contributions

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

	2024	2023
Balance, beginning of year	**36,789,842**	31,509,723
Amount received during the year (notes 3 and 4)	**2,937,862**	6,431,518
Less: Amortization of deferred capital contributions	**(1,386,265)**	(1,151,399)
Balance, end of year	**38,341,439**	36,789,842

Deferred capital contributions represent capital contributions for the following:

	2024	2023
	$	$
What Really Matters Campaign capital grants and contributions	23,268,184	23,947,448
Other deferred capital grants and contributions	11,197,779	9,244,837
Externally restricted - Government (note 5)	2,000,000	2,000,000
Externally restricted - What Really Matters Campaign (note 5)	1,875,476	1,597,557
	38,341,439	36,789,842

15. Capital lease obligations

	2024	*2023*
Capital lease obligation payable in equal annual instalments of $3,600, non-interest bearing, maturing in 2026	**7,200**	10,800
Less: Current portion	**3,600**	3,600
	3,600	7,200

The present value of future minimum annual lease payments for a childcare centre under capital lease as at December 31, 2024 is as follows:

2025	3,600
2026	3,600
	7,200

16. Commitments

The Association has the following commitments for future payments under operating lease agreements as listed below:
(a) Premises leases expiring at various dates through 2031 (note 3 and 4).
(b) Equipment leases expiring at various dates until 2026.

The Association has entered into various lease agreements with estimated minimum annual payments as follows:

2025	7,477,250
2026	7,760,923
2027	7,862,393
2028	8,261,197
2029	8,657,587
Thereafter	9,088,253
	49,107,603

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

17. Economic dependence

The Association receives roughly 45% (2023 - 38%) of its revenue from the Province of British Columbia. The Association's continued operations are dependent on these funding programs and on satisfying the terms of the various contracts.

18. Related party transactions

During the year ended December 31, 2024, the Association purchased goods and services of $23,491 (2023 - $31,672) 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 amount established and agreed to by the parties.

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

19. Government remittances

Included in accounts payable and accruals as at December 31, 2024 are government remittances aggregating $117,279 (2023 - $137,643) such as sales taxes and withholding taxes, which are required to be paid to government authorities.

20. Remuneration to directors, employees and contractors

The Directors of the Association are not remunerated. Included in wages and benefits are 89 (2023 - 60) employees and contractors with annual remuneration over $75,000. The aggregate remuneration paid to these employees and contractors was $10,702,418 (2023 - $6,944,531).

21. Employee future benefits

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.

22. Financial instruments

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

Credit Risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations. 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 BC 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 BC Foundation, by dealing only with what management believes to be financially sound counterparties.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Association 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 the rate. As at December 31, 2024, the following items are denominated in US currency:

	2024 ***CAD$***	*2023* *CAD$*
Cash	**27,519**	124,102

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. 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 and mortgage loan 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.

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 accrual, term loans, mortgage loan, credit card facility, due to YMCA BC Properties Foundation, capital lease obligation, 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.

22. Financial instruments *(Continued from previous page)*

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 manages price risk by allocating its investments across different investment managers and different types of investments and underlying industries.

23. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

24. Subsequent event

Subsequent to year end, the United States government announced new tariffs on imported goods. The Canadian government then announced retaliatory tariffs and other measures. This has caused significant economic uncertainty and the effects on the Association are currently uncertain.