

**Young Women's Christian
Association**

(of Vancouver, British Columbia)

Financial Statements
December 31, 2018



Independent auditor's report

To the Members of Young Women's Christian Association (of Vancouver, British Columbia)

Report on the audit of the financial statements

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Young Women's Christian Association (of Vancouver, British Columbia) (the Entity) as at December 31, 2018 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.

What we have audited

The Entity's financial statements comprise:

- the balance sheet as at December 31, 2018;
 - the statement of revenue and expenses for the year then ended;
 - the statement of changes in fund balances for the year then ended;
 - the statement of cash flows for the year then ended; and
 - the notes to the financial statements, which include a summary of significant accounting policies.
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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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 Entity'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 Entity'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 Entity 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 of British Columbia, we report that, in our opinion, Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
May 14, 2019

Young Women's Christian Association

(of Vancouver, British Columbia)

Balance Sheet

As at December 31, 2018

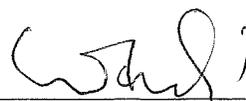
	Operating Fund		Capital Fund		Total	
	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
Assets						
Current assets						
Cash and cash equivalents (note 3)	8,289,179	6,172,611	-	-	8,289,179	6,172,611
Short-term investments (note 4)	5,418,083	1,045,421	-	-	5,418,083	1,045,421
Accounts receivable	1,107,213	1,497,126	-	-	1,107,213	1,497,126
Inventory and prepaid expenses	339,274	260,183	-	-	339,274	260,183
Interfund balances	(2,390,133)	(989,291)	2,390,133	989,291	-	-
	12,763,616	7,986,050	2,390,133	989,291	15,153,749	8,975,341
Restricted investments	2,844,573	2,431,884	-	-	2,844,573	2,431,884
Long-term investments (note 4)	4,082,434	4,487,310	-	-	4,082,434	4,487,310
Property and equipment (note 5)	-	-	34,895,439	34,124,638	34,895,439	34,124,638
	19,690,623	14,905,244	37,285,572	35,113,929	56,976,195	50,019,173
Liabilities						
Current liabilities						
Accounts payable and accrued liabilities	2,402,267	2,496,729	-	-	2,402,267	2,496,729
Deferred revenue (note 7)	4,577,111	1,322,485	-	-	4,577,111	1,322,485
Current portion of capital leases payable	-	-	-	33,844	-	33,844
Current portion of mortgages payable (note 8)	-	-	207,107	200,725	207,107	200,725
	6,979,378	3,819,214	207,107	234,569	7,186,485	4,053,783
Mortgages payable (note 8)	-	-	4,733,732	4,940,761	4,733,732	4,940,761
	6,979,378	3,819,214	4,940,839	5,175,330	11,920,217	8,994,544
Fund balances						
Unrestricted	769,282	803,126	-	-	769,282	803,126
Internally restricted	9,097,389	7,851,019	-	-	9,097,389	7,851,019
Externally restricted	1,053,296	980,751	-	-	1,053,296	980,751
Donor designated endowment funds	1,791,278	1,451,134	-	-	1,791,278	1,451,134
Capital funds	-	-	32,344,733	29,938,599	32,344,733	29,938,599
	12,711,245	11,086,030	32,344,733	29,938,599	45,055,978	41,024,629
	19,690,623	14,905,244	37,285,572	35,113,929	56,976,195	50,019,173

Commitments (note 12)

Approved by the Board of Directors



Director



Director

Woon Ai Tsang

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

Young Women's Christian Association

(of Vancouver, British Columbia)

Statement of Revenue and Expenses

For the year ended December 31, 2018

	Operating Fund		Capital Fund		Total	
	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
Revenue						
Government contracted programs (note 17)	13,913,813	13,432,738	429,091	2,016,084	14,342,904	15,448,822
Donations	4,219,109	3,202,468	2,678,349	2,661,458	6,897,458	5,863,926
Hotel/residence	4,872,145	4,475,262	-	-	4,872,145	4,475,262
Health and fitness	2,978,095	2,737,767	-	-	2,978,095	2,737,767
Early Learning and Care Centres	1,943,529	1,792,315	-	-	1,943,529	1,792,315
Investment and other revenue (note 4)	1,179,614	1,605,444	250,000	-	1,429,614	1,605,444
Women of Distinction Event	683,391	665,213	-	-	683,391	665,213
	<u>29,789,696</u>	<u>27,911,207</u>	<u>3,357,440</u>	<u>4,677,542</u>	<u>33,147,136</u>	<u>32,588,749</u>
Expenses (note 18)						
Government contracted programs	14,290,695	14,218,444	-	-	14,290,695	14,218,444
Hotel/residence	3,400,749	3,277,382	-	-	3,400,749	3,277,382
Health and fitness	2,820,848	2,654,796	-	-	2,820,848	2,654,796
Other community services	2,867,744	2,324,493	-	-	2,867,744	2,324,493
Early Learning and Care Centres	2,281,095	2,218,324	-	-	2,281,095	2,218,324
Fundraising	1,738,969	1,407,201	-	-	1,738,969	1,407,201
Depreciation	-	-	1,202,856	1,060,863	1,202,856	1,060,863
Women of Distinction Event	423,438	414,521	-	-	423,438	414,521
Head office	203,296	301,209	-	-	203,296	301,209
National and world allocation	136,097	124,263	-	-	136,097	124,263
	<u>28,162,931</u>	<u>26,940,633</u>	<u>1,202,856</u>	<u>1,060,863</u>	<u>29,365,787</u>	<u>28,001,496</u>
Excess of revenue over expenses	<u>1,626,765</u>	<u>970,574</u>	<u>2,154,584</u>	<u>3,616,679</u>	<u>3,781,349</u>	<u>4,587,253</u>

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

Young Women's Christian Association

(of Vancouver, British Columbia)

Statement of Changes in Fund Balances

For the year ended December 31, 2018

					2018		2017	
					Operating Fund		Capital Fund	
	Unrestricted \$	Internally restricted \$ (note 9)	Externally restricted \$	Donor designated endowment funds \$ (note 10(a))	Total \$	Total \$	Total \$	Total \$
Fund balances – Beginning of year	803,126	7,851,019	980,751	1,451,134	11,086,030	29,938,599	41,024,629	36,437,377
Excess of revenue over expenses	1,533,136	-	72,545	21,084	1,626,765	2,154,584	3,781,349	4,587,252
Transfer to internally restricted funds (note 9)	(1,464,076)	1,464,076	-	-	-	-	-	-
Transfer to Capital Fund -	(33,844)	(217,706)	-	-	(251,550)	251,550	-	-
Endowment contribution	(69,060)	-	-	319,060	250,000	-	250,000	-
Fund balances – End of year (note 15)	769,282	9,097,389	1,053,296	1,791,278	12,711,245	32,344,733	45,055,978	41,024,629

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

Young Women's Christian Association

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Statement of Cash Flows

For the year ended December 31, 2018

	2018 \$	2017 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses	3,781,349	4,587,252
Items not affecting cash		
Depreciation	1,202,856	1,060,863
Realized gain and change in unrealized gain on investments	177,055	(379,686)
	5,161,260	5,268,429
Net change in non-cash working capital balances, excluding current portion of mortgages payable and capital leases payable	3,470,985	(1,115,993)
	8,632,245	4,152,436
Financing activities		
Repayment of mortgages payable	(200,646)	(194,498)
Investing activities		
Grant from provincial government for development services	-	2,102,000
Repayment of capital leases	(33,847)	(36,924)
Increase in restricted investments	(412,683)	(164,528)
Endowment contributions	250,000	-
(Increase) decrease in investments	(4,144,841)	10,309
Purchase of property and equipment	(1,973,660)	(6,554,910)
	(6,315,031)	(4,644,053)
Increase (decrease) in cash and cash equivalents	2,116,568	(686,115)
Cash and cash equivalents – Beginning of year	6,172,611	6,858,726
Cash and cash equivalents – End of year	8,289,179	6,172,611
Supplementary information		
Interest paid	176,250	184,983

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

Young Women's Christian Association

(of Vancouver, British Columbia)

Notes to Financial Statements

December 31, 2018

1 Mission statement

The Young Women's Christian Association (of Vancouver, British Columbia) (the Association), a registered charity under the Income Tax Act, is a volunteer and membership based association and part of the YWCA network around the world.

Through its programs and services, staff and volunteers at the Association work for the achievement of women's equality. The Association's mission is to touch lives and build better futures for women and their families through advocacy and integrated services that foster economic independence, wellness and equal opportunities.

2 Significant accounting policies

Fund accounting

The Association maintains its accounts in accordance with the principles of fund accounting. Resources are classified for accounting and reporting purposes into funds according to the activity or objective specified.

The Operating Fund reports the general operating activities of the Association, the allocation of fund balances for internally and externally restricted purposes, and the activities of donor designated endowment funds.

The Capital Fund reports the Association's property that has been funded by government grants, capital contributions and amounts transferred from the Operating Fund.

Interfund balances of \$2,140,133 (2017 – \$989,291) reflect the amount of funds held by the Operating Fund that are to be used by the Capital Fund.

Revenue recognition

Operating Fund

The Association follows the deferral method of accounting for contributions in the Operating Fund. Donations are recorded as revenue when received or receivable except when the donor has specified that they are intended for use in a future period, in which case they are recorded in deferred revenue. Donations are recognized as revenue when the amount can be reasonably estimated and collection is reasonably assured. Hotel/residence revenue and health and fitness revenue are recognized when services are provided to the guests and members and ultimate collection is reasonably assured. Fees and government grants and contracts, are accounted for using the deferral method, whereby such amounts are deferred and recorded as income in the period in which the service is provided.

Endowment contributions are recognized as direct increases in fund balances when received.

Pledged funds and legacies are recorded as they are received.

Young Women's Christian Association

(of Vancouver, British Columbia)

Notes to Financial Statements

December 31, 2018

Capital Fund

The Association follows the restricted fund method of accounting for contributions in the Capital Fund. Contributions for capital expenditures are recorded as revenue when received.

Donated services

Approximately 731 volunteers contributed over 21,000 hours throughout the year to assist the Association in carrying out its program activities. Due to the difficulty of determining their fair value, donated services are not recognized in the financial statements.

Non-cash donations

As part of its programs, the Association receives non-cash donations consisting primarily of food, clothing and toys, which it distributes to families participating in its programs, and goods for sale at the Thrift Shop. Tax receipted donations totalling \$321,819 (2017 – \$147,162) have been recognized as both an in-kind revenue and an in-kind expense, at the fair market value of the gifts, as provided by the donors.

Cash and cash equivalents

Cash and cash equivalents comprise cash on deposit and a higher interest earning premium investment account.

Inventory

Inventory is valued at the lower of cost and estimated net realizable value.

Investments

Investments are recorded at fair value based on prices quoted in active markets, and changes in fair value are recognized in the statement of revenue and expenses. Short-term deposits and investments are disclosed separately and represent those investments with a maturity of less than one year.

Young Women's Christian Association

(of Vancouver, British Columbia)

Notes to Financial Statements

December 31, 2018

Property and equipment

Property and equipment are recorded at cost. Depreciation is provided at the following rates, with the half-year rule applied during the year of acquisition:

Buildings	4%
Leasehold equity interest	2%
Leasehold improvements	20%
Furniture and equipment	10%
Computer software	100%
Computer hardware	50%
Fitness equipment	30%

Investment income

Investment income includes interest and dividends which are recorded on an accrual basis, and realized and unrealized gains and losses on disposal of investments.

Use of estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations (ASNPO) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Pension plan

The Association is part of the United Way of the Lower Mainland multi-employer defined benefit pension plan. It provides this benefit for employees working 17.5 hours or more each week. The plan is accounted for on the defined contribution basis, as it is not possible to separately identify the assets and liabilities of the pension plan that relate to the Association.

Financial instruments

Financial assets and liabilities are measured at fair value with the exception of investments held to maturity, loans and receivables, and other liabilities that are measured at amortized cost using the effective interest rate method. The Association has designated its short-term and long-term investments as held-for-trading, and its cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and mortgages payable are measured at amortized cost.

Young Women's Christian Association

(of Vancouver, British Columbia)

Notes to Financial Statements

December 31, 2018

3 Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit, cash held in a high interest notice account and cash held in a premium investment account.

	2018 \$	2017 \$
Cash on deposit	2,885,662	1,583,428
Premium investment account	47,278	540,820
High interest notice account	5,356,239	4,048,363
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	8,289,179	6,172,611
	<hr/>	<hr/>

4 Investments and other income

Long-term investments consist of a portfolio of various equity and bond funds that are managed by a professional investment manager, and units in equity funds that were received as donations.

	2018 \$	2017 \$
GICs	4,400,000	-
Money market (Canadian and US dollars)	1,018,083	1,045,421
Bond funds	4,155,857	3,828,081
Equity funds		
Canadian	1,280,338	1,445,018
International	1,490,812	1,646,095
	<hr/>	<hr/>
	12,345,090	7,964,615
Less:		
Restricted investments	2,844,573	2,431,884
Short-term investments	5,418,083	1,045,421
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	4,082,434	4,487,310
	<hr/>	<hr/>

Investment and other income comprises:

	2018 \$	2017 \$
Other income	1,041,442	928,798
Gaming revenue	302,000	52,000
Dividend and interest income	263,227	244,960
Realized gain and change in unrealized gain	(177,055)	379,686
	<hr/>	<hr/>
	1,429,614	1,605,444
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Young Women's Christian Association

(of Vancouver, British Columbia)

Notes to Financial Statements

December 31, 2018

5 Property and equipment

	2018		
	Cost	Accumulated	Net
	\$	depreciation	\$
		\$	\$
Land and buildings	45,581,158	16,855,011	28,726,147
Leasehold equity interest – buildings (a)	2,030,625	249,798	1,780,827
Leasehold improvements	227,555	220,841	6,714
Furniture and equipment (b)	3,733,720	2,832,990	900,730
Computer equipment	451,367	445,910	5,457
Properties under development (c)	3,475,564	-	3,475,564
	55,499,989	20,604,550	34,895,439
	2017		
	Cost	Accumulated	Net
	\$	depreciation	\$
		\$	\$
Land and buildings	45,375,554	15,833,058	29,542,496
Leasehold equity interest - buildings (a)	2,030,625	213,455	1,817,170
Leasehold improvements	227,555	219,163	8,392
Furniture and equipment (b)	3,695,534	2,699,304	996,230
Computer equipment	451,367	436,714	14,653
Properties under development (c)	1,745,697	-	1,745,697
	53,526,332	19,401,694	34,124,638

- a) Under arrangements with BC Housing, the Association contributed in 2012 \$1,013,039 and \$1,017,586 for the single mothers' housing projects in Coquitlam and Surrey, and received a proportionate leasehold equity interest in the properties secured by Declaration of Trust agreements between the Association and Provincial Housing Rental Corporation.
- b) Included in furniture and equipment is equipment under capital lease of \$nil (2017 – \$167,622), with accumulated depreciation of \$nil (2017 – \$117,334).
- c) Included in properties under development at year-end are development costs for new housing projects under development in the City of Vancouver, the City of North Vancouver and the proposed expansion of the Beatty Hotel residence.

Young Women's Christian Association

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Notes to Financial Statements

December 31, 2018

6 Bank operating loan

At year-end, the Association has available a \$1 million line of credit with a Canadian chartered bank that bears interest at the bank's prime rate. A general assignment of accounts receivable and a letter of undertaking not to incur further indebtedness without prior consent from the bank have been pledged as collateral for the line of credit.

7 Deferred revenue

Deferred revenue represents cash received for projects and services that are designated to be provided in the following year. Significant categories of deferred revenue are as follows:

	2018 \$	2017 \$
Fees and other income received in advance	849,295	939,900
Fundraising and events received in advance	3,727,816	382,585
	<u>4,577,111</u>	<u>1,322,485</u>

Young Women's Christian Association

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Notes to Financial Statements

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8 Mortgages payable

	2018 \$	2017 \$
Semlin Gardens		
Peoples Trust Mortgage loan, bearing interest at 2.41% per annum with monthly repayments of \$6,445 commencing June 1, 2016 and maturing May 1, 2026 and amortized over a term of 15 years	830,171	886,916
Munroe House		
BC Housing mortgage loan, bearing interest at 1.14% per annum with monthly repayments of \$4,120 commencing July 1, 2016, maturing June 1, 2021 and amortized over a term of 14 years and 9 months	509,081	547,594
2nd mortgage: Peoples Trust mortgage loan, bearing interest at 2.76% per annum with monthly repayments of \$3,355 commencing July 1, 2015, maturing June 1, 2025 and amortized over a term of 35 years	848,545	865,276
Fraser Gardens		
Royal Bank mortgage loan, bearing interest at 4.87% per annum with monthly repayments of \$13,821 commencing June 1, 2007, maturing June 1, 2027 and amortized over a term of 30 years	2,027,569	2,093,922
2nd mortgage: Peoples Trust mortgage loan, bearing interest at 2.76% per annum with monthly repayments of \$468 commencing July 1, 2015, maturing June 1, 2025 and amortized over a term of 35 years	118,439	120,774
Crabtree Corner		
TD Bank loan, bearing interest at 3.8% per annum with monthly repayments of \$3,605 commencing December 1, 2010, maturing December 1, 2020 and amortized over a term of 28 years	607,034	627,004
	<hr/> 4,940,839	<hr/> 5,141,486
Less: Current portion	207,107	200,725
	<hr/> 4,733,732	<hr/> 4,940,761

For all of the above, funding of the principal and interest is being provided by the provincial government.

Young Women's Christian Association

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Notes to Financial Statements

December 31, 2018

Estimated principal repayments on the mortgages payable are as follows:

	\$
December 31	
2019	207,107
2020	778,502
2021	589,253
2022	164,280
2023	170,350
Thereafter	<u>3,031,347</u>
	<u>4,940,839</u>

Interest on the mortgages in 2018 was \$176,250 (2017 – \$182,399).

9 Internally restricted funds

Internally restricted funds consist of the following:

	2017 \$	Transfer from \$	Transfer to \$	2018 \$
Endowment fund	2,139,000	-	66,686	2,205,686
Capital reserve	2,809,905	(217,706)	885,895	3,478,094
Legacy fund	502,114	-	66,687	568,801
Employment fund	2,400,000	-	280,174	2,680,174
Sustainability fund	-	-	164,634	164,634
	<u>7,851,019</u>	<u>(217,706)</u>	<u>1,464,076</u>	<u>9,097,389</u>

a) Board-Designated Endowment Fund

The purpose of the Board-Designated Endowment Fund is to accumulate resources that may be used to meet future needs of the Association. The fund contains unrestricted contributions from donors as well as amounts allocated by the Board of Directors from operating surpluses. The principal amount of the fund will remain intact, and income from investing the fund will be used to support the activities of the Association. Any use of the principal balance would be on a temporary basis only and the fund would be replenished.

Young Women's Christian Association

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Notes to Financial Statements

December 31, 2018

b) Board-Designated Capital Repair and Replacement Reserve

The purpose of the Board-Designated Capital Repair and Replacement Reserve is to provide for the maintenance and replacement of major property and equipment such as furniture, equipment, building components, and computer systems. This fund is not intended to be used for the acquisition or replacement of land or buildings. Expenditures out of this fund will require the Board of Directors' approval in the annual capital budget.

c) Board-Designated Legacy Fund

The purpose of the Board-Designated Legacy Fund is to ensure that undesigned bequests that are greater than \$10,000 are used to fund important initiatives within the Association in a timely manner. By setting aside funds in the legacy fund, the Association has the flexibility to target resources to programs and activities with the greatest positive impact. Expenditures out of this fund will require the Board of Directors' approval.

d) Board-Designated Employment Program Fund

The purpose of the Board-Designated Employment Program Fund is to set aside resources for the future use of the employment programs as these programs transition from a guaranteed revenue model to a revenue generation model. As these programs are contracted for a period of five years, the Board of Directors will annually review the balance for this fund and decide on the level of funding required.

e) Board Designated Sustainability Fund

The purpose of the Board Designated Sustainability Fund is to ensure the long-term sustainability and viability of YWCA program and services by setting aside funds to support programs after 30 years, at a time when relationship based major gifts fundraising is expected to be greatly reduced. Expenditures out of the fund will require the Board of Directors' approval.

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Notes to Financial Statements

December 31, 2018

10 Donor designated endowment funds

a) Managed by the Association

	Balance – Beginning of year \$	Endowment Contributions	Inflation adjustment \$	Balance – End of year \$
May Brown	85,868	-	1,288	87,156
Charles Delmar Hill	186,580	-	2,799	189,379
Jean Giles	52,338	-	785	53,123
Rudy & Patricia North	77,742	-	1,166	78,908
Grace Fisher	123,033	-	1,845	124,878
Daryl Bramall	38,605	-	579	39,184
Dan Hill	35,655	-	535	36,190
Rina Hoendrick	805,813	-	12,087	817,900
Crabtree Corner endowment	-	250,000	-	250,000
Housing endowments	45,500	69,060	-	114,560
	<u>1,451,134</u>	<u>319,060</u>	<u>21,084</u>	<u>1,791,278</u>

The total investment (loss) income earned on resources held for endowment in the year amounts to \$(10,862) (2017 – \$138,865).

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The May Brown Leadership Endowment Fund for Young Women was established in 1999 to create an endowment fund for young women. Income from investing the fund, net of an inflation adjustment to the principal, is used to support the YWCA youth mentorship programs for young girls.

The Charles and Adeliene Hill Endowment Fund was established in 2000. The purpose of the fund is to help sustain the operations of the YWCA. Income from investing the fund, net of an inflation adjustment to the principal, is used to support YWCA operations.

The Jean Giles Memorial Endowment Fund for Women and Children Living in Poverty was created in 2004 using a bequest from Jean Giles' estate and contributions from Jean's friends. Income from investing the fund, net of an inflation adjustment to the principal, is used to support programs and services at Crabtree Corner.

The North Growth Foundation Endowment Fund was established in 2004. The purpose of the fund is to help sustain the operations of the YWCA. Income from investing the fund, net of an inflation adjustment to the principal, is used to support YWCA operations.

The Ralph and Grace Fisher Endowment Fund for YWCA Crabtree Corner was established in 2005. Income from investing the fund, net of an inflation adjustment to the principal, is used to support programs and services at Crabtree Corner.

The Daryl Bramall (Crabtree Corner) Endowment for Women and Children Living in Poverty was established in 2005. Income from investing the fund, net of an inflation adjustment to the principal, is used to support programs and services at Crabtree Corner.

The Dan Hill Memorial Endowment Fund for Women and Children Living in Poverty was established in 2008. Income from investing the fund, net of an inflation adjustment to the principal, is used to support women and children living in poverty through the programs and services at Crabtree Corner.

The Rina Maria Bidin Fund was established in 2011. Income from investing the fund, net of an inflation adjustment to the principal, is used to support programs serving single mothers and babies.

The housing endowments were established for the future use of the housing projects in North Vancouver and the City of Vancouver. Income from investing the fund, net of an inflation adjustment, will be used to support these programs when they open.

The Crabtree Corner endowment was established at the end of 2018. Income from investing the fund, net of an inflation adjustment to the principal, will be used to support programs and services at Crabtree Corner.

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- b) Managed by the Vancouver Foundation

YWCA Endowment Fund

The Association and the Vancouver Foundation have contributed to an Endowment Fund administered by the Vancouver Foundation. The Association receives all income from the Endowment Fund in its Operating Fund but does not have access to the capital, which is \$403,225 at December 31, 2018 (2017 – \$403,225). Interest income from the fund in 2018 was \$30,417 (2017 – \$28,937).

Mary C. Jordan Economic Independence for Women Fund

The Mary C. Jordan Economic Independence for Women Fund was established to support economic independence for women through programs offered by the Association. In October 2003, Mary C. Jordan contributed \$25,000 to this fund and assigned the administration to the Vancouver Foundation. The Association receives all income from the fund but does not have access to the capital, which is \$40,000 at December 31, 2018 (2017 – \$40,000). Interest income from the fund in 2018 was \$1,882 (2017 – \$1,790).

11 Pension plan

Funding contributions are made by the Association to the pension plan based on a percentage of employee compensation. The employer contribution rate to the pension plan is 175% (2017 – 175%) of employee contributions. In 2018, the Association's pension expenses were \$1,115,226 (2017 – \$1,153,215).

The Association is one of 11 agencies that comprise the United Way of the Lower Mainland pension plan (the Plan). As of the last valuation at December 31, 2017, the Plan had a solvency deficit of \$10.0 million and a going concern excess of \$15.1 million.

12 Commitments

The Association has entered into various leases for premises and equipment. Future minimum lease payments are as follows:

	\$
2019	651,491
2020	565,419
2021	570,185
2022	574,952
2023	553,718

13 Fair value of financial instruments

The carrying value of cash and cash equivalents, short-term investments, accounts receivable, and accounts payable and accrued liabilities reflects their fair value due to the relatively short period to maturity of the instruments.

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Capital leases payable and the mortgages payable are of a long-term nature and, as such, are impacted by changes in market yields, which can result in differences between carrying value and market value.

14 Credit, market, interest rate, and liquidity risk management

Credit risk

Credit risk is the risk of loss resulting from the failure of an individual or group to honour its financial obligations. The only financial instruments that potentially subject the Association to concentrations of credit risk are its accounts receivable and investments in bonds and debentures. However, a majority of the Association's accounts receivable relate to amounts owing from government grant programs and its investments are managed to maintain minimum credit criteria and are diversified within various asset pools held by the Association. Thus, the Association is not considered to be significantly exposed to credit risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Fair value risk is the potential for loss from an adverse movement in the value of a financial instrument. The Association is exposed to fair value risk on its investments held in short-term notes, bonds and debentures and marketable equity securities. These market risks are managed by establishing and monitoring asset allocation strategies and minimum credit criteria, and by diversifying investments within the various asset pools held by the Association. Exposure to any related foreign currency risk is limited to its investments in overseas equities as disclosed in note 4.

Interest rate risk

Interest rate risk is the risk that the Association's investments will change in fair value due to future fluctuations in market interest rates. The risk arises primarily on interest bearing financial instruments held in pooled money market and bond funds as well as the Association's fixed interest mortgage loans as disclosed in note 8.

Liquidity risk

Liquidity risk is the risk that the Association will not be able to meet its financial obligations as they fall due. The Association's approach to managing liquidity risk is to ensure that it will have sufficient working capital and cash flow generated from operations to fund the operations and settle debt and liabilities when due. The Association also maintains reserves to mitigate this risk (note 9). Contractual obligation payments related to financial liabilities as at December 31, 2018 are expected to be paid in accordance with the repayment schedules disclosed in notes 8 and 12.

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15 Capital disclosure

The Association defines its capital as the amounts included in its fund balances.

The Association's objective when managing its fund balances is to safeguard its ability to continue as a going concern so that it can continue to provide the appropriate level of benefits and services to its beneficiaries and its stakeholders.

A portion of the Association's fund balances is restricted as described in note 10. The Association has internal control processes to ensure that the restrictions are met prior to the utilization of these resources and has been in compliance with these restrictions throughout the year.

In addition, a portion of the Association's fund balances is internally restricted by the Board. The Board allocates the annual excess (deficiency) of revenue over expenses to various internally restricted funds, as detailed in note 9. The Board's policy is to allocate the excess (deficiency) of revenue over expenses from operations, before recognition of the change in fair value of investments. The Board has the discretion to utilize the internally restricted reserves to support the operations of the Association if required.

The Association sets the amount of fund balances in proportion to risk, manages the fund structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

Although the Association has external debt, as detailed in note 8, the repayment of the debt is financed by BC Housing through an annual grant to the Association.

16 Allocation of expenses

The Association incurs a number of head office support expenses and allocates these expenses to the programs and to fund development proportionately based on the total costs of the program. These head office support costs include accounting, human resources, IT, purchasing, marketing and central building costs. Fund development expenses are not included in head office support expenses. Head office support costs have been allocated to the following categories:

	2018	2017
	\$	\$
Hotel/residence	260,357	268,781
Health and fitness	663,046	635,737
Early Learning and Care Centres	196,005	225,504
Other community services	317,420	239,674
Government contracted programs	2,061,008	2,166,455
Fundraising	118,831	122,970
Events	30,795	36,996
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	3,647,462	3,696,117

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17 Supplemental information

Under the Homelessness Partnership Strategy funding agreements with Services Canada, the Association received \$136,670 (2017 – \$741,543) for the Pacific Spirit Terrace project. The Pacific Spirit Terrace project incurred expenditures of \$60,528 (2017 - \$1,300,767) during the year.

18 Expenses for the year

	2018 \$	2017 \$
Salaries and benefits	16,646,102	16,310,677
Purchased services	4,418,107	4,439,345
Building supplies, maintenance, insurance and utilities	2,420,487	1,664,223
Programming expenses and supplies	1,680,751	1,737,925
Depreciation	1,202,856	1,060,863
Rental and occupancy costs	960,955	911,095
Equipment	525,741	484,717
Office and administration	365,545	285,386
Staff/volunteer	355,691	227,847
Telephone, fax, internet, postage and courier	300,687	320,554
Marketing and communications	237,992	176,365
National and world allocation	136,098	124,263
Professional fees	114,775	258,237
	<u>29,365,787</u>	<u>28,001,497</u>

19 New Societies Act of British Columbia

Effective November 26, 2018, a new Societies Act came into force in British Columbia. The Association transitioned to the new Act in June 2018. Financial statements disclosure requirements are detailed below:

a) Remuneration paid to Directors

Directors received no remuneration for being a Director of or acting in another capacity with the Association.

b) Remuneration paid to highest paid employees and contractors

During the year, the Association paid a total of \$1,065,411 (2017 – \$1,170,518) in salaries to ten employees whose remuneration is \$75,000 (2017 – \$75,000) or more.

c) Financial assistance

The Association did not provide any financial assistance outside the ordinary course of activities during the year.