

Young Women's Christian Association

(of Vancouver, British Columbia)

Financial Statements
December 31, 2020



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 Association) as at December 31, 2020 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 Association's financial statements comprise:

- the balance sheet as at December 31, 2020;
- 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 significant accounting policies and other explanatory information.

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 Association 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 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 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 11, 2021

Young Women's Christian Association

(of Vancouver, British Columbia)

Balance Sheet

As at December 31, 2020

	Operating Fund		Restricted Fund		Total	
	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
Assets						
Current assets						
Cash and cash equivalents (note 3)	9,756,130	12,177,816	-	-	9,756,130	12,177,816
Short-term investments (note 4)	656,430	639,487	-	-	656,430	639,487
Accounts receivable	2,727,004	2,572,915	-	-	2,727,004	2,572,915
Inventory and prepaid expenses	567,898	393,953	-	-	567,898	393,953
Interfund balances	5,037,195	2,389,303	(5,037,195)	(2,389,303)	-	-
	18,744,657	18,173,474	(5,037,195)	(2,389,303)	13,707,462	15,784,171
Restricted investments	1,873,994	1,868,876	1,272,344	1,176,972	3,146,338	3,045,848
Long-term investments (note 4)	5,721,802	4,774,612	-	-	5,721,802	4,774,612
Property and equipment (note 5)	-	-	53,925,126	45,484,376	53,925,126	45,484,376
	26,340,453	24,816,962	50,160,275	44,272,045	76,500,728	69,089,007
Liabilities						
Current liabilities						
Accounts payable and accrued liabilities	3,173,422	5,290,333	-	-	3,173,422	5,290,333
Deferred revenue (note 7)	3,276,398	2,401,083	-	-	3,276,398	2,401,083
Current portion of capital lease payable	-	-	10,276	9,880	10,276	9,880
Current portion of mortgages payable (note 8)	-	-	616,914	778,501	616,914	778,501
	6,449,820	7,691,416	627,190	788,381	7,077,010	8,479,797
Capital lease payable	-	-	14,338	24,614	14,338	24,614
Mortgages payable (note 8)	-	-	3,903,285	3,955,312	3,903,285	3,955,312
Deferred revenue (note 7)	1,205,005	2,227,004	-	-	1,205,005	2,227,004
	7,654,825	9,918,420	4,544,813	4,768,307	12,199,638	14,686,727
Fund balances						
Unrestricted	524,073	647,209	-	-	524,073	647,209
Internally restricted	16,037,562	12,382,458	-	-	16,037,562	12,382,458
Donor designated endowment funds	2,123,993	1,868,875	-	-	2,123,993	1,868,875
BC Housing Reserve Fund	-	-	1,272,343	1,176,972	1,272,343	1,176,972
Capital fund	-	-	44,343,119	38,326,766	44,343,119	38,326,766
	18,685,628	14,898,542	45,615,462	39,503,738	64,301,090	54,402,280
	26,340,453	24,816,962	50,160,275	44,272,045	76,500,728	69,089,007

Commitments (note 13)

Approved by the Board of Directors

Liana Silivka

Director



Director

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, 2020

	Operating Fund		Restricted Fund		Total	
	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
Revenue						
Government contracted programs	23,268,862	19,330,786	5,148,489	5,879,047	28,417,351	25,209,833
Donations	4,681,863	4,061,071	1,889,820	786,598	6,571,683	4,847,669
Government wage subsidy (note 18)	2,810,646	-	-	-	2,810,646	-
Early Learning and Care Centres	1,879,580	2,319,091	-	-	1,879,580	2,319,091
Health and fitness	1,609,684	3,111,213	-	-	1,609,684	3,111,213
Other revenue	1,322,793	1,293,780	-	-	1,322,793	1,293,780
Investment income	1,101,882	1,228,576	64,733	57,930	1,166,615	1,286,506
Hotel/residence	734,477	4,538,761	-	-	734,477	4,538,761
Women of Distinction Event	415,407	568,640	-	-	415,407	568,640
Gaming revenue	52,000	52,000	-	243,000	52,000	295,000
	37,877,194	36,503,918	7,103,042	6,966,575	44,980,236	43,470,493
Expenses (note 19)						
Government contracted programs	20,638,291	18,435,000	41,076	5,967	20,679,367	18,440,967
Other community services	3,188,775	2,734,246	-	-	3,188,775	2,734,246
Hotel/residence	2,624,534	3,487,829	-	-	2,624,534	3,487,829
Health and fitness	2,509,024	3,034,315	-	-	2,509,024	3,034,315
Early Learning and Care Centres	2,255,789	2,623,821	-	-	2,255,789	2,623,821
Fundraising	1,669,011	1,625,755	-	-	1,669,011	1,625,755
Depreciation	-	-	1,419,826	1,340,872	1,419,826	1,340,872
Head office expense	375,366	330,760	-	-	375,366	330,760
Women of Distinction Event	228,542	429,200	-	-	228,542	429,200
National and world allocation	131,192	127,153	-	-	131,192	127,153
	33,620,524	32,828,079	1,460,902	1,346,839	35,081,426	34,174,918
Excess of revenue over expenses	4,256,670	3,675,839	5,642,140	5,619,736	9,898,810	9,295,575

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, 2020

					2020	2019	
	Operating Fund						
	Unrestricted \$	Internally restricted \$ (note 10)	Donor endowment \$	Total \$	Restricted Fund \$	Total \$	Total \$
Fund balances – Beginning of year	647,209	12,382,458	1,868,875	14,898,542	39,503,738	54,402,280	45,055,978
Excess of revenue over expenses	4,251,552	-	5,118	4,256,670	5,642,140	9,898,810	9,295,575
Transfer to internally restricted funds (note 9)	(4,185,000)	4,185,000	-	-	-	-	-
Transfer to Capital Fund	(189,688)	(529,896)	-	(719,584)	719,584	-	-
Transfer for donor endowment fund	-	-	250,000	250,000	(250,000)	-	50,727
Fund balances – End of year (note 16)	524,073	16,037,562	2,123,993	18,685,628	45,615,462	64,301,090	54,402,280

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, 2020

	2020 \$	2019 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses	9,898,810	9,295,575
Items not affecting cash		
Depreciation	1,419,826	1,340,872
Realized gain and change in unrealized gain on investments	884,319	(791,596)
	<u>12,202,955</u>	<u>9,844,851</u>
Net change in non-cash working capital balances, excluding current portion of mortgages payable and capital leases payable	(2,591,627)	1,418,660
	<u>9,611,328</u>	<u>11,263,511</u>
Financing activities		
Repayment of mortgages payable	(213,613)	(207,026)
New capital lease	-	40,999
	<u>(213,613)</u>	<u>(166,027)</u>
Investing activities		
Repayment of capital lease	(9,883)	(6,510)
Decrease in short-term investments	(16,943)	4,778,597
Increase in restricted investments	(100,490)	(201,275)
Endowment contributions	-	50,728
Decrease (increase) in investments	(1,831,509)	99,421
Purchase of property and equipment	(9,860,576)	(11,929,808)
	<u>(11,819,401)</u>	<u>(7,208,847)</u>
(Decrease) increase in cash and cash equivalents	(2,421,686)	3,888,637
Cash and cash equivalents – Beginning of year	12,177,816	8,289,179
Cash and cash equivalents – End of year	9,756,130	12,177,816
Supplementary information		
Interest paid	164,457	170,732

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, 2020

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 Restricted Fund reports a Capital Fund and a BC Housing Reserve Fund. The Capital Fund includes the Association's property that has been funded by government grants, capital contributions and amounts transferred from the Operating Fund. The BC Housing Reserve Fund includes the Association's net assets that are externally restricted for capital asset replacement activities within BC Housing properties.

Interfund balances of \$5,037,195 (2019 – \$2,389,303) reflect the amount of funds used by the Restricted Fund that are advanced by the Operating Fund.

Revenue recognition

The Association follows the restricted fund method, which includes a general fund and a restricted fund for certain restricted contributions.

a) Operating Fund

The Association's general fund, the Operating Fund, follows the deferral method of accounting for contributions that do not have a separate restricted fund.

Young Women's Christian Association

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Notes to Financial Statements

December 31, 2020

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.

b) Restricted Fund

The Association follows the restricted fund method of accounting for contributions in the Capital Fund and the BC Housing Reserve Fund. Contributions for capital expenditures are recorded as revenue when received. Contributions received from BC Housing for the replacement reserve fund have been reported as revenue in the BC Housing Reserve Fund.

c) Donated services

Approximately 145 volunteers contributed over 4,261 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.

d) 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 \$167,427 (2019 – \$177,626) 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.

Young Women's Christian Association

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Notes to Financial Statements

December 31, 2020

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 investments are disclosed separately and represent those investments with a maturity of less than one year.

Property and equipment

Property and equipment are recorded at cost. Depreciation is provided at the following rates on a pro rata basis once the assets are being used as intended by the Association:

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 that are recorded on an accrual basis and realized and unrealized gains and losses on disposal of investments.

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.

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Notes to Financial Statements

December 31, 2020

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.

Risks and uncertainties from COVID-19

In March 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic, and both a public health emergency and provincial state of emergency were declared in the province of British Columbia. In response to concern over the spread of the virus, various physical distancing measures and safety protocols were implemented in YWCA programs to ensure the safety of visitors and staff.

The Association experienced a material disruption in revenue due to the continued impact of the pandemic and took measures to deal with the resulting economic uncertainty and enhance sustainability, including applying for the Canada Emergency Wage Subsidy (CEWS) (note 18). The health and fitness centre and the early learning and child care centres were temporarily closed during the year and the hotel/residence operations were also dramatically reduced as a result of the COVID-19 pandemic. Management may continue to monitor cash flows and financial projections and available reserves.

Given the unprecedented and pervasive impact of changing circumstances surrounding the COVID-19 pandemic, there is inherently more uncertainty associated with the Association's future operating assumptions and expectations as compared to prior periods. As such, it is not possible to estimate the impacts COVID-19 will have on the Association's financial position or results of operations in future periods.

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.

	2020 \$	2019 \$
Cash on deposit	1,626,327	2,620,004
Premium investment account	3,607,632	3,090,860
High interest notice account	4,522,171	6,466,952
	<hr/> 9,756,130	<hr/> 12,177,816

Young Women's Christian Association

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Notes to Financial Statements

December 31, 2020

4 Investments

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.

	2020 \$	2019 \$
Money market (Canadian and US dollars)	656,430	639,487
Bond funds	4,907,047	4,441,311
Equity funds		
Canadian	1,658,908	1,557,123
International	2,302,185	1,822,026
	9,524,570	8,459,947
Less:		
Restricted investments	3,146,338	3,045,848
Short-term investments	656,430	639,487
	<u>5,721,802</u>	<u>4,774,612</u>

5 Property and equipment

	2020		
	Cost \$	Accumulated depreciation \$	Net \$
Land and buildings	50,866,063	18,900,489	31,965,574
Leasehold equity interest – buildings (a)	2,030,625	320,318	1,710,307
Leasehold improvements	511,397	340,132	171,265
Furniture and equipment (b)	4,402,468	3,102,316	1,300,152
Computer equipment	1,011,187	650,534	360,653
Properties under development (c)	18,417,175	-	18,417,175
	<u>77,238,915</u>	<u>23,313,789</u>	<u>53,925,126</u>
	2019		
	Cost \$	Accumulated depreciation \$	Net \$
Land and buildings	47,077,386	17,870,121	29,207,265
Leasehold equity interest – buildings (a)	2,030,625	285,414	1,745,211
Leasehold improvements	535,182	282,443	252,739
Furniture and equipment (b)	4,344,709	2,949,271	1,395,438
Computer equipment	977,487	530,453	447,034
Properties under development (c)	12,436,689	-	12,436,689
	<u>67,402,078</u>	<u>21,917,702</u>	<u>45,484,376</u>

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- 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 \$40,999 (2019 – \$40,999), with accumulated depreciation of \$15,375 (2019 – \$35,875).
- c) Included in properties under development at year-end are development costs for new housing projects under development in the City of North Vancouver and the City of Richmond, and the costs for the expansion of the Beatty Hotel residence.

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:

	2020	2019
	\$	\$
Fees and other income received in advance	3,055,999	897,432
Fundraising and events received in advance	1,425,404	3,730,655
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	4,481,403	4,628,087
Less: Long-term deferred revenue	1,205,005	2,227,004
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	3,276,398	2,401,083
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Notes to Financial Statements

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8 Mortgages payable

	2020 \$	2019 \$
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	712,528	772,053
Munroe House		
BC Housing mortgage loan, bearing interest at 1.14% per annum with monthly repayments of \$3,712 commencing July 1, 2016, maturing June 1, 2021 and amortized over a term of 14 years and 9 months	430,768	470,128
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	813,675	831,349
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	1,884,891	1,957,946
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	113,572	116,039
Crabtree Corner		
TD Bank loan, bearing interest at 1.439% per annum with monthly repayments of \$2,968 commencing December 1, 2020, maturing December 1, 2030 and amortized over a term of 18 years	564,765	586,298
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	4,520,199	4,733,813
Less: Current portion	616,914	778,501
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	3,903,285	3,955,312
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For all of the above, funding of the principal and interest is being provided by the provincial government.

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Estimated principal repayments on the mortgages payable are as follows:

	\$
2021	616,914
2022	192,378
2023	198,855
2024	205,586
2025	212,582
Thereafter	<u>3,093,884</u>
	<u>4,520,199</u>

Interest on the mortgages in 2020 was \$163,284 (2019 – \$169,870).

9 Internally restricted funds

Internally restricted funds consist of the following:

	2019 \$	Transfer from \$	Transfer to \$	2020 \$
Endowment fund	2,205,686	-	-	2,205,686
Capital reserve	4,133,469	(529,896)	1,000,000	4,603,573
Legacy fund	568,801	-	-	568,801
Employment fund	2,680,174	-	2,050,000	4,730,174
Sustainability fund	344,328	-	135,000	479,328
COVID fund	2,450,000	-	1,000,000	3,450,000
	<u>12,382,458</u>	<u>(529,896)</u>	<u>4,185,000</u>	<u>16,037,562</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.

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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 programs 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.

f) Board-Designated COVID Fund

The purpose of the Board-Designated COVID Fund is to set aside resources for future years and to mitigate the financial impact of the COVID-19 pandemic on future years' operations. Expenditures out of the fund will require the Board of Directors' approval.

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10 Donor designated endowment funds

a) Managed by the Association

	Balance – Beginning of year \$	Endowment contributions \$	Inflation adjustment \$	Balance – End of year \$
May Brown	110,503	-	303	110,806
Charles Delmar Hill	192,220	-	526	192,746
Jean Giles	55,607	-	152	55,759
Rudy & Patricia North	80,092	-	219	80,311
Grace Fisher	126,751	-	347	127,098
Daryl Bramall	39,772	-	109	39,881
Dan Hill	36,733	-	101	36,834
Rina Hondrich	830,169	-	2,274	832,443
Caroline Dunn	27,000	-	74	27,074
Crabtree Corner endowment	253,750	-	695	254,445
Housing endowments	116,278	250,000	318	366,596
	<u>1,868,875</u>	<u>250,000</u>	<u>5,118</u>	<u>2,123,993</u>

The total investment income earned on resources held for endowment in the years amounts to \$296,023 (2019 – \$253,845).

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.

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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 Biden 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.

The Caroline Dunn Endowment Fund was established in 2019. Income from investing the fund, net of an inflation adjustment to the principal, is used to support YWCA operations.

b) Managed by the Vancouver Foundation

i) 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 as at December 31, 2020 (2019 – \$403,225). Interest income from the fund in 2020 was \$32,596 (2019 – \$31,692).

ii) 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, 2020 (2019 – \$40,000). Interest income from the fund in 2020 was \$2,016 (2019 – \$1,961).

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11 Restricted fund

	2020			2019		
	Capital Fund \$	BC Housing Reserve Fund \$	Total \$	Capital Fund \$	BC Housing Reserve Fund \$	Total \$
Assets						
Current assets						
Interfund balances	(5,037,195)	-	(5,037,195)	(2,389,303)	-	(2,389,303)
Restricted investments	-	1,272,344	1,272,344	-	1,176,972	1,176,972
Property and equipment						
(note 5)	53,925,126	-	53,925,126	45,484,376	-	45,484,376
	<u>48,887,931</u>	<u>1,272,344</u>	<u>50,160,275</u>	<u>43,095,073</u>	<u>1,176,972</u>	<u>44,272,045</u>
Liabilities						
Current liabilities						
Current portion of capital lease payable	10,276	-	10,276	9,880	-	9,880
Current portion of mortgages payable (note 8)	616,914	-	616,914	778,501	-	778,501
	<u>627,190</u>	<u>-</u>	<u>627,190</u>	<u>788,381</u>	<u>-</u>	<u>788,381</u>
Capital lease payable	14,338	-	14,338	24,614	-	24,614
Mortgages payable						
(note 8)	3,903,285	-	3,903,285	3,955,312	-	3,955,312
	<u>4,544,813</u>	<u>-</u>	<u>4,544,813</u>	<u>4,768,307</u>	<u>-</u>	<u>4,768,307</u>
Fund balances	<u>44,343,118</u>	<u>1,272,344</u>	<u>45,615,462</u>	<u>38,326,766</u>	<u>1,176,972</u>	<u>39,503,738</u>
	<u>48,887,931</u>	<u>1,272,344</u>	<u>50,160,275</u>	<u>43,095,073</u>	<u>1,176,972</u>	<u>44,272,045</u>

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	2020			2019		
	Capital Fund \$	BC Housing Reserve Fund \$	Total \$	Capital Fund \$	BC Housing Fund \$	Total \$
Revenue						
Government contracted programs	5,076,775	71,714	5,148,489	5,807,334	71,713	5,879,047
Investment income	-	64,733	64,733	-	57,930	57,930
Gaming	-	-	-	243,000	-	243,000
Donations	1,889,820	-	1,889,820	786,598	-	786,598
	<u>6,966,595</u>	<u>136,447</u>	<u>7,103,042</u>	<u>6,836,932</u>	<u>129,643</u>	<u>6,966,575</u>
Expenses (note 19)						
Spending from reserve	-	41,076	41,076	-	5,967	5,967
Depreciation	1,419,826	-	1,419,826	1,340,872	-	1,340,872
	<u>1,419,826</u>	<u>41,076</u>	<u>1,460,902</u>	<u>1,340,872</u>	<u>5,967</u>	<u>1,346,839</u>
Excess of revenue over expenses	<u>5,546,769</u>	<u>95,371</u>	<u>5,642,140</u>	<u>5,496,060</u>	<u>123,676</u>	<u>5,619,736</u>
Fund balances – Beginning of year	38,326,766	1,176,972	39,503,738	32,344,733	1,053,296	33,398,029
Excess of revenue over expenses	5,546,769	95,371	5,642,140	5,496,060	123,676	5,619,736
Transfer from Operating Fund	469,584	-	469,584	485,973	-	485,973
Fund balances – End of year	<u>44,343,119</u>	<u>1,272,343</u>	<u>45,615,462</u>	<u>38,326,766</u>	<u>1,176,972</u>	<u>39,503,738</u>

12 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% (2019 – 175%) of employee contributions. In 2020, the Association's pension expenses were \$1,469,959 (2019 – \$1,221,800).

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The Association is one of ten agencies that comprise the United Way of the Lower Mainland pension plan (the Plan). As of the last valuation at December 31, 2019, the Plan had a solvency deficit of \$18,781,200 and a going concern excess of \$21,410,200.

13 Commitments

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

	\$
2021	1,382,807
2022	1,307,730
2023	1,200,197
2024	273,000
	<hr/>
	4,163,734
	<hr/>

The Association has a commitment to pay St. George's Nominee Ltd. the balance of \$5,007,634 in exchange for the 60-year leasehold on the units at May Brown Place housing.

14 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.

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.

15 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.

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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, 2020 are expected to be paid in accordance with the repayment schedules disclosed in notes 8 and 13.

16 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.

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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.

17 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:

	2020 \$	2019 \$
Hotel/residence	189,117	274,782
Health and fitness	556,604	712,960
Early Learning and Care Centres	180,720	257,908
Other community services	234,521	244,846
Government contracted programs	2,863,707	2,679,990
Fundraising	125,442	133,435
Events	17,853	35,102
	<hr/> 4,167,964	<hr/> 4,339,023

18 Supplemental information

Under the Fetal Alcohol Spectrum Disorder (FASD) National Strategic Projects Fund agreement with Public Health Agency Canada, the Association received \$116,390 (2019 – \$62,659) for the Culturally Sensitive Awareness to Prevent FASD in Marginalized Communities project. This project incurred expenditures of \$117,097 (2019 – \$62,659) during the year.

During 2019 and 2020, the Association has received government grants of \$2,487,807 for a housing building envelope restoration project and \$7,999,242 for the Beatty Hotel project expansion. These grants are secured against forgivable loans that are forgivable on condition that the Association meet certain requirements specified at the time of the grants.

Government assistance

During the year, the Association qualified for the CEWS. The subsidy covers employers who have suffered a drop in gross revenue during 2020 that exceeds certain thresholds. In the period from April to December, the Association received \$2,810,646 of CEWS funding, which has been used to offset the loss in revenues for the Hotel/residence and Health and fitness operations as a result of the COVID-19 pandemic.

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19 Expenses for the year

	2020 \$	2019 \$
Salaries and benefits	20,812,923	19,483,917
Purchased services	5,713,563	5,255,183
Building supplies, maintenance, insurance and utilities	2,249,601	2,586,160
Rental and occupancy costs	1,544,243	1,333,395
Depreciation	1,419,826	1,340,872
Programming expenses and supplies	1,398,037	1,924,829
Equipment expense	798,771	822,808
Telephone, fax, internet, postage and courier	379,675	345,173
Office and administration	263,778	387,268
Staff/volunteer expense	175,197	301,071
National and world allocation	131,192	127,153
Audit and legal fees	121,394	119,019
Marketing and communications	73,226	148,070
	<hr/>	<hr/>
	35,081,426	34,174,918

20 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 \$1,165,689 (2019 – \$1,199,757) in salaries to ten employees whose remuneration is \$75,000 (2019 – \$75,000) or more.

c) Financial assistance

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

Young Women's Christian Association

Ancillary Information

For the year ended December 31, 2020

Schedule of Revenue and Expenditures

	Crabtree Housing \$	Semlin Gardens \$	Fraser Gardens \$	Alder Gardens \$	Munroe House \$	Como Lake \$
Revenue						
BC Housing subsidy	118,571	77,964	175,268	159,558	317,949	83,200
BC Housing subsidy – NPAT subsidy	-	-	5,616	-	40,267	-
BC Housing subsidy – non- recurring maintenance	-	-	28,850	-	-	-
Federal Grant – CEWS	1,244	1,244	1,244	2,133	11,954	1,244
Rental revenue	66,298	181,854	128,263	208,259	36,820	177,553
Other revenue	-	551	14,554	3,438	591	5,103
	186,113	261,613	353,795	373,388	407,581	267,100
Expenditures						
Property taxes and licenses	3,125	27,459	-	-	1,045	-
Insurance	6,515	29,197	21,483	33,938	11,828	24,212
Utilities						
Heating and gas	2,682	10,416	6,135	-	6,042	-
Electricity/hydro	17,022	8,150	18,262	31,156	6,333	32,596
Water and sewer	2,706	19,528	10,251	9,781	3,657	25,297
Garbage removal	3,237	4,830	4,504	5,251	1,682	4,523
Maintenance						
Salaries and benefits	20,396	9,533	12,014	223,136	188,690	119,867
Building	12,905	41,269	39,244	72,189	32,313	33,953
Service contracts	3,059	10,563	7,953	5,253	5,201	8,535
Administration						
Salaries and benefits	243,253	41,816	39,324	37,425	40,498	26,737
Office overhead	6,743	6,031	5,435	11,454	13,880	5,935
Audit fee	3,100	3,100	3,100	3,096	3,193	3,100
Replacement reserve	-	24,192	-	25,920	-	21,600
Other programs expense	5,938	6,143	1,424	18,004	16,274	5,952
NPAT second mortgage payment	-	-	5,620	-	40,267	-
Mortgage payment	43,266	77,350	165,854	-	44,540	-
Non-recurring maintenance	-	-	28,850	-	-	-
	373,947	319,577	369,453	476,603	415,443	312,307
Deficiency of revenue over expenditures	(187,834)	(57,964)	(15,658)	(103,215)	(7,862)	(45,207)

Young Women's Christian Association

Ancillary Information...continued

For the year ended December 31, 2020

Replacement reserve

	Semlin \$	Fraser Gardens \$	Crabtree \$	Como Lake \$	Alder Gardens \$	Total \$
Beginning	212,502	270,506	107,503	273,053	313,408	1,176,972
Contributions	24,192	-	-	21,600	25,922	71,714
Expenses	(13,169)	(24,996)	(2,076)	(835)	-	(41,076)
Interest allocation	11,688	14,878	5,912	15,018	17,237	64,733
Ending	<u>235,213</u>	<u>260,388</u>	<u>111,339</u>	<u>308,836</u>	<u>356,567</u>	<u>1,272,343</u>