

Young Women's Christian Association

(of Vancouver, British Columbia)

Financial Statements

December 31, 2023

(in thousands of dollars)



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, 2023 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, 2023;
- 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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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



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

Surrey, British Columbia
May 16, 2024

Young Women's Christian Association

(of Vancouver, British Columbia)

Balance Sheet

As at December 31, 2023

(in thousands of dollars)

	Operating Fund \$	Capital Fund \$	2023 Total \$	2022 Total \$
Assets				
Current assets				
Cash and cash equivalents	18,446	-	18,446	16,469
Accounts receivable	3,166	-	3,166	3,102
Inventory and prepaid expenses	740	-	740	625
Interfund balances	420	(420)	-	-
	22,772	(420)	22,352	20,196
Investments (note 3)	8,715	1,049	9,764	9,030
Property and equipment (note 4)	-	72,513	72,513	70,479
	31,487	73,142	104,629	99,705
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	3,563	-	3,563	3,648
Deferred revenue (note 5)	4,642	-	4,642	3,816
Loans payable (note 6)	-	261	261	252
Current portion of mortgages payable (note 6)	-	247	247	240
	8,205	508	8,713	7,956
Loans payable (note 6)	-	9,295	9,295	9,554
Mortgages payable (note 6)	-	3,576	3,576	3,822
Deferred revenue (note 5)	656	-	656	473
	8,861	13,379	22,240	21,805
Fund Balances				
Unrestricted	1,448	-	1,448	43
Internally and externally restricted (note 8)	18,228	-	18,228	18,194
Donor designated endowment funds (note 9)	2,950	-	2,950	2,790
BC Housing Reserve Fund	-	1,046	1,046	1,196
Capital fund	-	58,717	58,717	55,677
	22,626	59,763	82,389	77,900
	31,487	73,142	104,629	99,705

Commitments (note 11)

Approved by the Board of Directors

DocuSigned by:

Cathy Imrie

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Director

DocuSigned by:

LAWRIE FERGUSON

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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, 2023

(in thousands of dollars)

	Operating Fund \$	Capital Fund \$	2023 Total \$	2022 Total \$
Revenue				
Government contracted programs	29,332	239	29,571	30,373
Hotel/residence	10,236	-	10,236	7,150
Donations	4,343	4,209	8,552	7,513
Early Learning and Care Centres	2,733	-	2,733	2,672
Health and fitness	2,678	-	2,678	2,380
Housing rental revenue	2,528	-	2,528	2,586
Interest income	626	-	626	145
Other revenue	584	-	584	571
Gaming revenue	100	-	100	100
	<u>53,160</u>	<u>4,448</u>	<u>57,608</u>	<u>53,490</u>
Expenses				
Salaries and benefits	30,101	-	30,101	27,499
Professional fees and contracted services	7,313	-	7,313	7,152
Facilities, operations and maintenance	5,865	830	6,695	4,480
Programming expenses and supplies	2,752	148	2,900	2,650
Rental and occupancy	1,882	-	1,882	1,753
Office and administration	1,108	-	1,108	1,034
Staff and volunteer expenses	377	-	377	313
Depreciation	-	3,477	3,477	3,065
	<u>49,398</u>	<u>4,455</u>	<u>53,853</u>	<u>47,946</u>
Excess (deficiency) of revenue over expenses from operations	3,762	(7)	3,755	5,544
Unrealized gain (loss) on investments	734	-	734	(1,277)
Excess (deficiency) of revenue over expenses	<u>4,496</u>	<u>(7)</u>	<u>4,489</u>	<u>4,267</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, 2023

(in thousands of dollars)

	Unrestricted \$	Internally and Externally Restricted \$	Donor Endowment \$	Capital Fund \$	BC Housing Reserve Fund \$	2023 Total \$	2022 Total \$
Fund balances – Beginning of year	43	18,194	2,790	55,677	1,196	77,900	73,633
Excess (deficiency) of revenue over expenses	1,997	2,499	-	(7)	-	4,489	4,267
Transfer to internally and externally restricted fund	(34)	34	-	-	-	-	-
Transfer to capital fund	(398)	(2,499)	-	3,047	(150)	-	-
Transfer to donor endowment	(160)	-	160	-	-	-	-
Fund balances – End of year	1,448	18,228	2,950	58,717	1,046	82,389	77,900

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

Young Women's Christian Association

(of Vancouver, British Columbia)

Statement of Cash Flows

For the year ended December 31, 2023

(in thousands of dollars)

	2023 \$	2022 \$
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenses	4,489	4,267
Items not affecting cash		
Depreciation	3,477	3,065
Unrealized (gain) loss on investments	(734)	1,277
	<u>7,232</u>	<u>8,609</u>
Net change in non-cash working capital	747	163
	<u>7,979</u>	<u>8,772</u>
Financing activities		
Repayment of mortgages payable	(239)	(236)
Repayment of loans payable	(250)	(158)
Proceeds from loans payable	-	5,100
	<u>(489)</u>	<u>4,706</u>
Investing activities		
Purchase of property and equipment	(5,513)	(13,908)
Increase (decrease) in cash and cash equivalents	1,977	(430)
Cash and cash equivalents – Beginning of year	<u>16,469</u>	<u>16,899</u>
Cash and cash equivalents – End of year	<u>18,446</u>	<u>16,469</u>
Supplementary information		
Interest paid	525	296
Forgivable loan proceeds paid directly for purchase of property by a funder (note 7)	-	2,700

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, 2023

(in thousands of dollars)

1 Mission statement

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

The Association's mission is to advance gender equity alongside women, families, Two-Spirit and gender diverse people through advocacy and integrated services that help support personal, collective and economic well-being.

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 a general 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, borrowings 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 \$420 (2022 – \$931) reflect the amount of funds used by the Restricted Fund that are advanced by the Operating Fund.

Revenue recognition

The Association's revenue recognition policy is outlined below.

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.

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.

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(of Vancouver, British Columbia)

Notes to Financial Statements

December 31, 2023

(in thousands of dollars)

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

Pledged funds and legacies are recorded as they are received.

b) Capital 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 500 volunteers contributed over 10,264 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. Amounts are not rounded.

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. Tax receipted donations totalling \$405 (2022 – \$190) 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, a high interest earning premium investment account and government investment certificates that will mature within one year.

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.

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Notes to Financial Statements

December 31, 2023

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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%
Building components	8%
Leasehold equity interest	2%
Leasehold improvements	over the term of the lease
Furniture and equipment	10%
Computer software	100%
Computer hardware	50%
Fitness equipment	30%

Properties under development are not amortized until the related assets are put into use.

Investment income and loss

Investment income includes interest and dividends that are recorded on an accrual basis. Investment loss includes unrealized 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 investments as held-for-trading, and its cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, loans payable and mortgages payable are measured at amortized cost.

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 as 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.

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(in thousands of dollars)

3 Investments

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.

	2023 \$	2022 \$
Money market (Canadian and US dollars)	453	426
Bond funds	4,258	4,302
Equity funds		
Canadian	2,042	1,831
International	3,011	2,471
	9,764	9,030

4 Property and equipment

	2023		
	Cost \$	Accumulated depreciation \$	Net \$
Land and buildings	91,130	26,363	64,767
Leasehold equity interest – buildings (a)	2,031	421	1,610
Leasehold improvements	511	511	-
Furniture and equipment	5,860	3,862	1,998
Computer equipment	1,074	954	120
Properties under development (b)	4,018	-	4,018
	104,624	32,111	72,513
	2022		
	Cost \$	Accumulated depreciation \$	Net \$
Land and buildings	88,925	23,401	65,524
Leasehold equity interest – buildings (a)	2,031	388	1,643
Leasehold improvements	511	467	44
Furniture and equipment	5,386	3,606	1,780
Computer equipment	1,029	771	258
Properties under development (b)	1,230	-	1,230
	99,112	28,633	70,479

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- a) Under arrangements with BC Housing, the Association contributed in 2012 \$1,013 and \$1,018 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 properties under development as at year-end are development costs for a new housing project under development in the City of Burnaby.

5 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:

	2023 \$	2022 \$
Deferred grant revenues	4,010	3,387
Deferred contributions	1,288	902
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	5,298	4,289
Less: Long-term deferred revenue	656	473
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	4,642	3,816
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6 Debt payable

Mortgages

	2023 \$	2022 \$
Semlin Gardens Peoples Trust Mortgage loan, bearing interest at 2.41% per annum with monthly repayments of \$6 commencing June 1, 2016 and maturing May 1, 2026 and amortized over a term of 15 years	525	589
Munroe House BC Housing mortgage loan, bearing interest at 1.34% per annum with monthly repayments of \$4 commencing June 1, 2021, maturing June 1, 2026 and amortized over a term of 9 years and 9 months	310	351
2nd mortgage: Peoples Trust mortgage loan, bearing interest at 2.76% per annum with monthly repayments of \$3 commencing July 1, 2015, maturing June 1, 2025 and amortized over a term of 35 years	758	777
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Carried forward	1,593	1,717

Young Women's Christian Association

(of Vancouver, British Columbia)

Notes to Financial Statements

December 31, 2023

(in thousands of dollars)

	2023 \$	2022 \$
Brought forward	1,593	1,717
Fraser Gardens		
Royal Bank mortgage loan, bearing interest at 4.87% per annum with monthly repayments of \$14 commencing June 1, 2007, maturing June 1, 2027 and amortized over a term of 30 years	1,643	1,728
2nd mortgage: Peoples Trust mortgage loan, bearing interest at 2.76% per annum with monthly repayments of \$1 commencing July 1, 2015, maturing June 1, 2025 and amortized over a term of 35 years	106	108
Crabtree Corner		
TD Bank loan, bearing interest at 1.439% per annum with monthly repayments of \$3 commencing December 1, 2020, maturing December 1, 2030 and amortized over a term of 18 years	481	509
	<u>3,823</u>	<u>4,062</u>
Less: Current portion	247	240
	<u>3,576</u>	<u>3,822</u>

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

Estimated principal repayments on the mortgages payable are as follows:

	\$
2024	247
2025	1072
2026	562
2027	1,438
Thereafter	504
	<u>3,823</u>

Interest on the mortgages in 2023 was \$130 (2022 – \$137).

Loans payable

The Association has two loans payable:

- A loan with a balance of \$4,561 (2022 – \$4,714) as at year-end. The loan bears interest at 2.46% per annum with monthly repayments of \$22 commencing February 15, 2021, with a 25-year amortization period. The loan is secured against the hotel building located at 733 Beatty Street.

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Notes to Financial Statements

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(in thousands of dollars)

- A loan with a balance of \$4,995 (2022 – \$5,092) as at year-end. The loan bears interest at 5.53% per annum with monthly repayments of \$31 commencing December 16, 2022, with a 25-year amortization period. The loan is secured against the housing units at 4105 Arbutus Street.

Estimated principal repayments on the loans are as follows:

	\$
2024	261
2025	271
2026	281
2027	292
Thereafter	<u>8,451</u>
	<u>9,556</u>

7 Bank operating loan

As at year-end, the Association had available a \$1,000 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. As at December 31, 2023, \$nil was drawn (2022 – \$nil).

Forgivable loan

During 2019, the Association entered into a forgivable loan agreement for \$8 million relating to the renovation of the YWCA hotel. This loan is forgivable over a 25-year period in equal yearly instalments beginning on May 19, 2029. Under the terms of the agreement, the Association must meet certain conditions for the 25-year period.

During 2020, the Association entered into a forgivable loan agreement for \$3.2 million relating to capital renovations for a housing building. This loan is forgivable over a 10-year period in equal yearly instalments beginning on July 15, 2020. Under the terms of the agreement, the Association must meet certain conditions for the ten-year period.

During 2021, the Association entered into a forgivable loan agreement for \$1.8 million relating to a new housing project in North Vancouver. This loan is forgivable over a 25-year period in equal yearly instalments beginning on March 19, 2031. Under the terms of the agreement, the Association must meet certain conditions for the 25-year period.

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During 2022, the Association entered into a forgivable loan agreement for \$2.7 million relating to a new housing project in Richmond. This loan is forgivable over a 25-year period in equal yearly instalments beginning on February 25, 2032. Under the terms of the agreement, the Association must meet certain conditions for the 25-year period.

8 Internally restricted funds

Internally restricted funds consist of the following:

	2022 \$	Transfer from \$	Transfer to \$	2023 \$
Endowment fund	2,206	-	-	2,206
Capital reserve	6,701	(2,499)	2,499	6,701
Legacy fund	589	-	-	589
Employment fund	5,500	-	-	5,500
Sustainability fund	781	-	34	815
Operations fund	1,725	-	-	1,725
Housing fund	692	-	-	692
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	18,194	(2,499)	2,533	18,228

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.

b) Board-Designated Capital Reserve

The purpose of the Board-Designated Capital 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 undesignated bequests that are greater than \$10 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.

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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. The fund will mitigate any future losses arising from performance based employment programs as well as provide resources to address needs and gaps in employment programming. 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) Housing Fund

The purpose of the Housing Fund is to set aside an operating reserve for the Arbutus Housing in accordance with the requirements of the City of Vancouver.

g) Board-Designated Operations Fund

The purpose of the Board-Designated Operations Fund is to set aside resources for stabilizing the Association's finances and long-term organizational inflationary cost pressures. Expenditures out of this fund will require the Board of Directors' approval.

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9 Donor designated endowment funds

a) Managed by the Association

	2023 \$	2022 \$
May Brown	120	118
Charles Delmar Hill	203	203
Jean Giles	61	61
Rudy & Patricia North	84	84
Grace Fisher	133	133
Daryl Bramall	42	42
Dan Hill	39	39
Rina Hondrich	874	874
Caroline Dunn	38	33
Crabtree Corner Endowment	270	267
Housing Endowments	936	936
Moyna Krussel Memorial Endowment	50	-
Housing Action Fund Endowment	100	-
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	2,950	2,790

The total investment income earned on resources held for endowment in the year amounted to \$nil (2022 – \$nil).

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 was \$403 as at December 31, 2023 (2022 – \$403). Interest income from the fund in 2023 was \$41 (2022 – \$38).

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 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 was \$40 at December 31, 2023 (2022 – \$40). Interest income from the fund in 2023 was \$2 (2022 – \$2).

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December 31, 2023

(in thousands of dollars)

10 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 for the year was 175% (2022 – 175%) of employee contributions. In 2023, the Association's pension expenses were \$1,953 (2022 – \$1,662).

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, 2021, the Plan had a solvency deficit of \$3,275 and a going concern excess of \$23,256.

11 Commitments

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

	\$
2024	745
2025	483
2026	304
2027	257
2028	258
2029 and subsequent years	108
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	2,155
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12 Fair value of financial instruments

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

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.

13 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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December 31, 2023

(in thousands of dollars)

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 3.

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 mortgages and loans as disclosed in note 6.

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 8). Contractual obligation payments related to financial liabilities as at December 31, 2023 are expected to be paid in accordance with the repayment schedules disclosed in notes 6 and 11.

14 Societies Act of British Columbia

Remuneration paid to Directors

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

Remuneration paid to highest paid employees and contractors

During the year, the Association paid a total of \$5,361 to 56 employees (2022 – \$4,638 to 47 employees) in salaries whose remuneration was \$75 (2022 – \$75) or more.

Financial assistance

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

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15 Supplemental information

Under the Reaching Home: Canada's Homelessness Strategy Program, the Association received grants during the year of \$501 (2022 – \$194) for the Transitional Housing for Women and Children. This program has incurred expenditures during the year of \$501 (2022 – \$194).

BC Housing has provided a one-time grant in the amount of \$119 for IT-related costs for 2023. The Association spent \$122 in total for network-attached storage, a file server and back-up, switches and firewalls.

Leveraging Gender Program

The Association signed a Contribution Agreement with the Minister for the Department for Women and Gender Equality to deliver a project called Leveraging Gender-based Analysis Plus to Advance Women's Participation and Prosperity:

	\$
Revenue	<u>204</u>
Expenses	
Salaries and benefits	125
Consulting, honoraria and travel	47
Materials and supplies	6
Administration and office	18
Other (mileage, parking, staff development)	<u>8</u>
	<u>204</u>
	<u>-</u>

16 Subsequent events

Subsequent to December 31, 2023, the Association entered an agreement to purchase 36 residential units and three commercial units for \$32,000, which are currently under construction.

In addition, subsequent to December 31, 2023, to support the acquisition of the new residential units, the Association has filed to incorporate a new society under the Societies Act (British Columbia). The Association will be the sole member of the new society. The new society will lease from and operate residential and commercial units on behalf of the Association.

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Ancillary Information

Schedule of Revenue and Expenditures for Housing Programs

For the year ended December 31, 2023

(amounts not rounded)

	Crabtree Housing \$	Semlin Gardens \$	Fraser Gardens \$	Alder Gardens \$	Munroe House \$	Como Lake \$
Revenue						
BC Housing subsidy	170,748	71,721	210,996	201,528	398,676	131,904
BC Housing subsidy – NPAT subsidy	-	-	5,616	-	40,267	-
Rental revenue	49,023	213,699	120,166	234,082	51,558	241,214
Other revenue	-	389	10,383	6,745	6,720	5,697
	<u>219,771</u>	<u>285,809</u>	<u>347,161</u>	<u>442,355</u>	<u>497,221</u>	<u>378,815</u>
Expenditures						
Property taxes and licences	3,278	8,777	-	-	1,020	-
Insurance	11,520	49,090	39,314	65,334	18,944	48,341
Utilities						
Heating and gas	4,896	1,539	9,102	-	10,532	-
Electricity/hydro	18,293	24,379	15,333	36,066	5,781	30,918
Water and sewer	3,399	15,978	6,091	14,544	4,282	27,180
Garbage removal	3,970	5,622	5,719	12,444	1,983	5,449
Maintenance						
Salaries and benefits	26,653	19,372	12,413	220,333	252,044	140,573
Building	67,253	73,620	92,151	84,263	90,203	62,864
Service contracts	12,594	11,569	9,652	11,207	6,799	18,267
Administration						
Salaries and benefits	433,219	90,417	52,302	62,181	56,843	33,419
Office overhead	15,922	12,544	7,673	51,746	15,716	7,930
Audit fee	3,355	3,355	3,355	3,355	3,355	3,355
Replacement reserve	10,368	24,192	-	-	-	-
Other programs expense	14,988	3,303	1,689	20,230	31,895	14,295
NPAT second mortgage payment	-	-	5,620	-	40,267	-
Mortgage payment	35,620	77,350	165,854	-	44,517	-
	<u>665,328</u>	<u>421,107</u>	<u>426,268</u>	<u>581,703</u>	<u>584,181</u>	<u>392,591</u>
Deficiency of revenue over expenditures	<u>(445,557)</u>	<u>(135,298)</u>	<u>(79,107)</u>	<u>(139,348)</u>	<u>(86,960)</u>	<u>(13,776)</u>

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Schedule of Replacement Reserve for Housing Programs

For the year ended December 31, 2023

(amounts not rounded)

	Semlin \$	Fraser Gardens \$	Crabtree \$	Como Lake \$	Alder Gardens \$	Total \$
Beginning	277,617	225,598	12,793	316,133	364,614	1,196,755
Contributions	24,192	-	10,368	-	-	34,560
Expenses	(25,858)	(76,230)	(1,622)	(54,897)	(27,040)	(185,647)
Ending	<u>275,951</u>	<u>149,368</u>	<u>21,539</u>	<u>261,236</u>	<u>337,574</u>	<u>1,045,668</u>