

YMCA-YWCA of Vancouver Island
Financial Statements
December 31, 2023

YMCA-YWCA of Vancouver Island Contents

For the year ended December 31, 2023

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Independent Auditor's Report

To the Members of YMCA-YWCA of Vancouver Island:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of YMCA-YWCA of Vancouver Island (the "Association"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations and changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 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.

Basis for Opinion

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

Other Information

Management is responsible for the other information consisting of an annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia) we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Nanaimo, British Columbia

May 30, 2024

MNP LLP

Chartered Professional Accountants

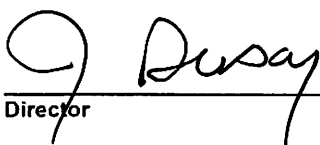
YMCA-YWCA of Vancouver Island
Statement of Financial Position
As at December 31, 2023

	<i>General</i>	<i>Capital</i>	<i>Endowment</i>	<i>Downtown</i>	2023	2022
Assets						
Current						
Cash and cash equivalents	967,976	-	-	4,500,001	5,467,977	4,494,156
Accounts receivable	156,796	-	-	231,754	388,550	118,297
Prepaid expenses	78,944	-	-	-	78,944	65,787
Inventory	42,801	-	-	-	42,801	60,789
Interfund balances (Note 3)	(3,531,280)	905,570	203,805	2,421,905	-	-
	(2,284,763)	905,570	203,805	7,153,660	5,978,272	4,739,029
Capital assets (Note 4)	2,340,040	-	-	87,617	2,427,657	2,650,416
Investments (Note 5)	-	-	1,245,122	1,250,000	2,495,122	4,699,675
Cash surrender value of life insurance policies	-	-	23,797	-	23,797	59,273
Deposits	160,314	-	-	-	160,314	160,314
	215,591	905,570	1,472,724	8,491,277	11,085,162	12,308,707
Liabilities						
Current						
Accounts payable and accruals (Note 6)	983,070	-	-	-	983,070	2,488,387
Deferred revenue (Note 7)	708,026	-	-	-	708,026	646,944
Current portion of deferred lease liability (Note 8)	157,373	-	-	-	157,373	101,708
	1,848,469	-	-	-	1,848,469	3,237,039
Deferred lease liability (Note 8)	259,572	-	-	-	259,572	523,826
	2,108,041	-	-	-	2,108,041	3,760,865
Commitments (Note 9)						
Net Assets						
Unrestricted	(1,892,450)	-	-	-	(1,892,450)	(1,737,711)
Externally restricted	-	905,570	890,522	642,774	2,438,866	2,109,668
Internally restricted	-	-	582,202	7,848,503	8,430,705	8,175,885
	(1,892,450)	905,570	1,472,724	8,491,277	8,977,121	8,547,842
	215,591	905,570	1,472,724	8,491,277	11,085,162	12,308,707

Approved on behalf of The Board of Director



 Director



 Director

The accompanying notes are an integral part of these financial statements

YMCA-YWCA of Vancouver Island
Statement of Operations and Changes in Fund Balances

For the year ended December 31, 2023

	<i>General</i>	<i>Capital</i>	<i>Endowment</i>	<i>Downtown</i>	2023	2022
Revenue						
Program	6,000,067	-	-	-	6,000,067	4,659,097
Government (Note 9)	3,237,860	-	-	-	3,237,860	2,674,505
Fundraising	860,580	250,000	2,805	75,084	1,188,469	463,080
Other revenue	540,540	-	-	-	540,540	457,465
Investments	43,253	-	-	256,129	299,382	138,419
Gaming	86,850	-	-	-	86,850	99,997
Other grants	45,435	-	-	-	45,435	58,199
	10,814,585	250,000	2,805	331,213	11,398,603	8,550,762
Expenses						
Amortization	286,303	-	-	-	286,303	322,822
Association dues	212,535	-	-	-	212,535	179,569
Bad debts	24,156	-	-	-	24,156	15,987
Bank charges and interest	262,654	-	-	-	262,654	134,000
Insurance	150,071	-	-	-	150,071	128,900
Marketing and communications	135,779	-	-	-	135,779	155,832
Occupancy costs	3,017,792	-	-	-	3,017,792	3,052,695
Operations	845,202	-	-	-	845,202	685,656
Purchased services	623,885	-	-	-	623,885	375,377
Scholarships	5,515	-	-	-	5,515	3,464
Wages and benefits	5,477,323	-	-	-	5,477,323	5,023,093
	11,041,215	-	-	-	11,041,215	10,077,395
Excess (deficiency) of revenue over expenses before other items						
	(226,630)	250,000	2,805	331,213	357,388	(1,526,633)
Other items						
Gain (loss) on disposal of marketable securities	(1,503)	-	-	-	(1,503)	(158)
Gain (loss) on disposal of capital assets	-	-	-	-	-	(13,611)
Gain (loss) on change in fair value of financial instruments	73,394	-	-	-	73,394	(199,170)
	71,891	-	-	-	71,891	(212,939)
Excess (deficiency) of revenue over expenses						
	(154,739)	250,000	2,805	331,213	429,279	(1,739,572)
Fund Balances, beginning of year						
	(1,737,711)	655,570	1,469,919	8,160,064	8,547,842	10,287,414
Fund balances, end of year						
	(1,892,450)	905,570	1,472,724	8,491,277	8,977,121	8,547,842

The accompanying notes are an integral part of these financial statements

YMCA-YWCA of Vancouver Island

Statement of Cash Flows

For the year ended December 31, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenue over expenses	429,279	(1,739,572)
Amortization	286,303	322,822
Bad debts	24,156	15,987
Gain on disposal of marketable securities	1,503	158
Gain on disposal of capital assets	-	13,611
Gain on change in fair value of financial instruments	73,394	199,170
Decrease (increase) in cash surrender value of life insurance policies	35,476	(11,162)
Recognition of deferred lease liability	(208,589)	(101,708)
	641,522	(1,300,694)
Changes in working capital accounts		
Accounts receivable	(270,253)	360,228
Inventory	17,988	19,017
Prepaid expenses and deposits	(13,157)	(56,648)
Accounts payable and accruals	(1,505,319)	537,806
Deferred revenue	61,083	40,461
	(1,068,136)	(399,830)
Investing		
Purchase of capital assets	(63,544)	(31,286)
Purchase of investments	(5,750,000)	(1,500,000)
Proceeds on disposal of investments	6,563,000	2,500,000
Change in maturity of long-term investments	1,292,501	464,000
	2,041,957	1,432,714
Increase (decrease) in cash resources	973,821	1,032,884
Cash resources, beginning of year	4,494,156	3,461,272
Cash resources, end of year	5,467,977	4,494,156

The accompanying notes are an integral part of these financial statements

YMCA-YWCA of Vancouver Island

Notes to the Financial Statements

For the year ended December 31, 2023

1. Incorporation and nature of the organization

YMCA-YWCA of Vancouver Island (the "Association") was incorporated under the British Columbia Societies Act and is a registered charity and thus is exempt from income taxes under section 149(1)(l) of the Income Tax Act ("the Act").

The Association is a charitable, community-based association of volunteers and staff working together to enhance the quality of life in the local and global communities based on the principles of human dignity, justice and peace. The Association's mission is to build strong communities on Vancouver Island by improving the health, fitness and well-being of individuals and families, nurturing the potential of youth, promoting equality and providing opportunities for giving back.

2. Significant accounting policies

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

Fund accounting

The Association follows the restricted fund method of accounting for contributions, and maintains four funds: General Fund, Capital Fund, Endowment, and Downtown Fund.

The General Fund reports the Association's assets, liabilities, revenue and expenses related to program delivery and administrative activities.

The Capital Fund reports the Association's assets, liabilities, revenue and expenses related to the purchase of Camp Thunderbird capital assets and equipment for the Langford and View Royal facilities.

The Endowment Fund reports the Association's resources contributed for endowment. Investment income earned on resources of the Endowment Fund are reported in the General Fund, Capital or Downtown Fund or recorded as Deferred revenue depending on whether the contributor stipulated restrictions on the use of the investment income. Gains and losses on disposals of investments are reflected in the appropriate fund depending on the nature of the external restrictions imposed by the contributor.

The Downtown Fund reports the Association's assets, liabilities, revenue and expenses related to the relocation of the downtown facility.

Revenue recognition

The Association uses the restricted fund method of accounting for contributions. Restricted contributions related to the purchase of Camp Thunderbird capital assets and equipment for the Langford and View Royal facilities are recognized as revenue of the Capital Fund in the year received or receivable. Restricted contributions related to the relocation of the downtown facility are recognized as revenue in the Downtown Fund in the year received or receivable. All other restricted contributions are recognized as revenue of the General Fund when the related expenses have been incurred.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as revenue in the Endowment Fund.

Restricted investment income earned on Endowment Fund resources is recognized as revenue in the related fund. Investment income earned on the Downtown Fund is recognized as revenue in the Downtown Fund. Unrestricted investment income is recognized as revenue in the General Fund when earned.

Program revenue is recognized when services are rendered if the amount can be reasonably estimated and the collection is reasonably assured.

Other revenue, consisting of rental and other revenue, is recognized over the term of the rental on a straight line basis or as services are rendered if the amount can be reasonably estimated and collection is reasonably assured.

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

Contributed materials and services

Contributions of materials are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials are used in the normal course of the Association's operations and would otherwise have been purchased.

Volunteers contribute an indeterminable number of hours per year to assist the Association in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Financial instruments

The Association recognizes its financial instruments when the Association becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with Section 3840 *Related Party Transactions*.

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

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

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

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Investments

Other investments are portfolio investments recorded at fair value for those with prices quoted in an active market, and cost less impairment for those that are not quoted in an active market. They have been classified as long-term assets in concurrence with the nature of the investment.

Inventory

Inventories held for distribution at no charge or for a nominal charge are recognized at the lower of cost and current replacement cost. Cost is determined by the first in, first out method.

YMCA-YWCA of Vancouver Island
Notes to the Financial Statements
For the year ended December 31, 2023

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

Capital assets

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

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

	Rate
Cabins	40 years
Equipment	2-10 years
Leasehold improvements	term of lease years
Camp improvements	40 years

Measurement uncertainty (use of estimates)

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

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory as well as warranty and after sales service costs. Amortization is based on the estimated useful lives of capital assets.

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

Leases

Long-term operating leases (10 years and over) are included in the determination of net income over the lease term on a straight-line basis. The difference between the annual base lease amount and the straight line lease amount is recorded as a deferred lease liability.

3. Interfund balances

The interfund loans outstanding as at December 31, 2023 bear no interest and have no repayment terms or conditions.

4. Capital assets

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Land	7,300	-	7,300	7,300
Cabins	696,803	195,589	501,214	522,079
Equipment	1,654,802	1,563,726	91,075	71,795
Leasehold improvements	2,649,699	1,308,360	1,341,339	1,500,721
Camp improvements	1,775,631	1,383,277	392,354	454,146
Work in Progress	94,375	-	94,375	94,375
	6,878,610	4,450,952	2,427,657	2,650,416

Work in progress includes preliminary design work for the new downtown location with a carrying value of \$94,375 (2022 (\$94,375). No amortization of this asset has been recorded during the current year because it is currently under construction.

YMCA-YWCA of Vancouver Island
Notes to the Financial Statements
For the year ended December 31, 2023

5. Investments

The following investments are recorded at fair value:

	2023	2022
Cash	33,992	32,249
Guaranteed Investment Certificates	1,250,000	3,527,000
Fixed Income	489,084	450,659
Canadian Equities	233,726	222,312
U.S. Equities	314,018	289,220
International Equities	174,302	178,235
	2,495,122	4,699,675

6. Accounts payable and accruals

	2023	2022
Accounts payable and accrued liabilities	414,049	1,996,561
Wages payable	436,901	396,570
Government remittances payable	132,120	95,256
	983,070	2,488,387

7. Deferred revenue

Deferred revenue consists of the following:

	2023	2022
Grants	156,768	231,228
Donations	144,351	145,521
Program revenue	375,999	239,287
Miscellaneous	30,908	30,908
	708,026	646,944

8. Deferred lease liability

The deferred lease liability is being recognized over the term of various lease agreements and is the difference between the amount paid or payable and the straight-line lease expense.

	2023	2022
Eagle Creek Village	111,032	170,445
Westhills Centre	305,913	455,089
	416,945	625,534
Less: current portion	157,373	101,708
	259,572	523,826

YMCA-YWCA of Vancouver Island
Notes to the Financial Statements
For the year ended December 31, 2023

9. Government funding

	2023	2022
City of Langford	1,662,500	1,000,000
Government assistance - Canada Emergency Wage Subsidy	-	915,490
Childcare services funding - \$10 per day	780,403	148,563
Other	794,957	610,452
	3,237,860	2,674,505

During the year, the Association entered into an amended service agreement with the City of Langford, increasing the City's funding commitment to \$1,900,000 annually.

10. Commitments

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

2024	1,974,864
2025	1,859,993
2026	1,603,846
2027	1,579,188
2028	1,579,188
Thereafter, to February 28, 2041	18,048,803
	26,645,882

11. Victoria Foundation - The Young Men's and Young Women's Christian Association of Victoria Endowment Fund

The Young Men's and Young Women's Christian Association of Victoria Endowment Fund was established with the Victoria Foundation and managed for the benefit of the Association. This fund is held permanently by the Victoria Foundation and is not recorded on the statement of financial position. In the current year grants of \$6,994 (2022 - \$6,494) were received and recorded as investment income

At December 31, 2023, the market value of this fund was \$149,381 (2022 - \$139,320).

12. Director, employee and contractor compensation

During the year, the Association paid \$722,275 (2022 - \$714,707) to 7 employees and contractors whose compensation was greater than \$75,000. No remuneration was paid to any members of the Board of Directors

13. Internally restricted Downtown Fund

A portion of the proceeds from the sale of the Downtown building (\$7,500,000) have been transferred by the Board of Directors to the Downtown Fund to be used toward a new downtown facility.

YMCA-YWCA of Vancouver Island
Notes to the Financial Statements
For the year ended December 31, 2023

14. City of Victoria - holdback

An amount of \$1,892,000 has been remitted to the City of Victoria (the "City") as a holdback in order for the City to agree to remove a covenant on donated land that formed part of the sale of the downtown location. The City will repay the funds to the Association upon issuance of a building permit from the City for the construction of a replacement facility. If the Association has not or does not intend to start construction of a replacement facility in Victoria, within a certain period, the City may use the holdback for any capital project that relates to recreation, health or well-being of residents of Victoria.

15. Financial instruments

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

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Association enters into transactions to purchase and sell investments denominated in foreign currencies for which the related revenues, expenses, accounts receivable and accounts payable balances are subject to exchange rate fluctuations. As at December 31, 2023, the following items are denominated in foreign currency currency:

	2023	2022
	CAD\$	CAD\$
U.S Equities	314,018	289,220
International Equities	174,302	178,235
	488,320	467,455

Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument of its issuer, or factors affecting all similar financial instruments traded in the market.

The Association is exposed to price risk through its investments with a value of \$1,245,122 (2022 - \$1,172,675) as at December 31, 2023. In seeking to minimize the risk from price risk, the Association manages exposure by a diversified investment portfolio consisting of lower risk investments.