Calgary Young Men's Christian Association

(YMCA Calgary)

Financial Statements

December 31, 2023

Independent auditor's report

To the Members of Calgary Young Men's Christian Association

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Calgary Young Men's Christian Association (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 statement of financial position as at December 31, 2023;
- the statement of operations for the year then ended;
- the statement of changes in net assets 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.

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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Calgary, Alberta
April 2, 2024

YMCA Calgary

Statement of Financial Position

As at December 31, 2023

	2023 $	2022 $
Assets		
Current assets		
Cash	9,730,272	7,483,109
Restricted cash	987,956	2,127,945
Accounts receivable	1,444,039	3,291,456
Prepaid expenses	1,096,983	1,057,250
Short-term investments	2,000,000	-
	15,259,250	13,959,760
Restricted cash (note 3)	-	8,216,465
Investments (note 4)	28,846,254	18,196,528
Capital assets (note 6)	24,233,623	23,716,239
	68,339,127	64,088,992
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	4,252,864	4,913,627
Current portion of obligations under capital leases	-	742,297
Deferred revenue	3,214,024	2,171,935
Deferred contributions (note 9)	1,640,803	1,820,012
	9,107,691	9,647,871
Deferred contributions	3,877,222	3,899,444
Deferred capital contributions	2,687,772	2,450,163
Obligations under capital leases	-	348,964
Asset lifecycle obligations (note 10)	15,186,887	12,871,000
	30,859,572	29,217,442
Net Assets		
Investment in capital assets	21,545,850	20,174,815
Endowments (note 7)	7,744,045	7,017,898
Capital lifecycle reserve	3,812,681	3,442,227
Internally restricted	-	8,216,465
Unrestricted	4,376,979	(3,979,855)
	37,479,555	34,871,550
	68,339,127	64,088,992

Commitments (note 13)

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

YMCA Calgary

Statement of Operations

For the year ended December 31, 2023

	2023 $	2022 $
Revenue		
Memberships	29,415,307	22,323,838
Programs and services	18,489,443	14,488,432
Rentals	2,875,224	2,667,226
Government grants (schedule 1)	5,860,523	6,930,413
Donations	2,995,048	2,601,368
United Way of Calgary and Area	905,815	918,200
Government assistance	-	1,156,424
Other income	2,307,834	1,461,985
	62,849,194	52,547,886
Expenses		
Salaries and benefits (schedule 1)	34,573,420	29,013,565
Building operations	14,579,655	12,534,467
Administration	6,850,670	6,328,745
Programs and services	3,887,950	3,241,401
Amortization	3,454,803	4,211,501
Asset lifecycle obligations (note 10)	2,376,000	2,721,000
	65,722,498	58,050,679
Operating deficiency of revenue over expenses	(2,873,304)	(5,502,793)
Investment income (loss) (note 5)	2,481,625	(1,583,896)
Gain on disposal of capital assets (note 3)	2,506,860	64,927
Gain on sale of assets held for sale	-	2,398,054
Excess (deficiency) of revenue over expenses for the year	2,115,181	(4,623,708)

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

YMCA Calgary

Statement of Changes in Net Assets

For the year ended December 31, 2023

	Investments in capital assets $	Endowments $ (note 7)	Capital lifecycle reserve $	Internally restricted $	Unrestricted $	2023 Total $	2022 Total $
Net assets – Beginning of year	20,174,815	7,017,898	3,442,227	8,216,465	(3,979,855)	34,871,550	39,477,205
(Deficiency) excess of revenue over expenses before investment income	(3,454,803)	-	-	-	3,088,359	(366,444)	(3,039,812)
Investment income (loss)	-	120,700	-	-	2,360,925	2,481,625	(1,583,896)
Contributions	52,314	440,510	-	-	-	492,824	18,053
Interfund transfers (notes 3 and 12)	4,773,524	164,937	370,454	(8,216,465)	2,907,550	-	-
Net assets – End of year	21,545,850	7,744,045	3,812,681	-	4,376,979	37,479,555	34,871,550

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

YMCA Calgary

Statement of Cash Flows

For the year ended December 31, 2023

	2023 $	2022 $
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenses for the year	2,115,181	(4,623,708)
Items not affecting cash		
Amortization	3,454,803	4,211,501
Asset lifecycle obligations (note 10)	2,315,887	2,721,000
Investment loss (income) less management fees (note 5)	(2,432,773)	1,657,878
Amortization of deferred sponsorship revenue (note 9)	(720,000)	(720,000)
Amortization of deferred capital contributions	(315,952)	(94,517)
Gain on disposal of capital assets	(2,506,860)	(64,927)
Gain on sale of assets held for sale	-	(2,398,054)
	1,910,286	689,173
Change in non-cash working capital (note 8)	2,707,579	89,727
	4,617,865	778,900
Financing activities		
Repayment of obligations under capital assets	(1,091,261)	(992,469)
Proceeds from capital contributions	605,875	2,000,000
Contribution received for endowment purposes	440,510	-
	(44,876)	1,007,531
Investing activities		
Purchase of investments	(32,491,284)	(22,681)
Withdrawals from investments	22,274,331	659,275
Additions to capital assets	(3,972,187)	(3,780,657)
Proceeds from disposal of capital assets	2,506,860	64,927
Proceeds from sale of assets held for sale	-	8,716,450
Change in restricted cash	9,356,454	(10,207,859)
	(2,325,826)	(4,570,545)
Increase (decrease) in cash during the year	2,247,163	(2,784,114)
Cash – Beginning of year	7,483,109	10,267,223
Cash – End of year	9,730,272	7,483,109
Supplementary information		
Equipment acquired under capital lease	-	714,785

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

1 Description of Association

Since inception in 1902, Calgary Young Men's Christian Association (YMCA Calgary or the Association) has evolved into a vibrant charity offering health and wellness programs, leadership and community outreach programs, childcare and day and overnight camps. YMCA Calgary operates seven health and wellness facilities, six childcare development centres with licensed childcare, two outdoor campsites and dozens of community program sites. YMCA Calgary delivers programs, services, and opportunities to help Calgarians connect, build life-long skills and keep active and healthy. YMCA Calgary is a registered charity and, as such, is exempt from income and property taxes and may issue tax-deductible receipts to donors.

YMCA Calgary controls The Calgary YMCA Foundation (the Foundation). The Foundation is a public foundation under the Income Tax Act (Canada) and was incorporated in 1990 under the Companies Act of the province of Alberta. The Foundation is a registered charity and, as such, is exempt from income taxes and may issue tax-deductible receipts to donors. On December 31, 2002, the assets of the Foundation were transferred to the Association. The Foundation still exists for purposes of flowing through existing known and unknown bequests for the Association. Thus, the Foundation has continued to operate as a separate entity; however, it has been operationally inactive for several years.

2 Significant accounting policies

The financial statements of YMCA Calgary have been prepared by management in accordance with Part III of the CPA Canada Handbook, accounting standards for not-for-profit organizations (ASNPO).

The financial statements have been prepared using the accounting policies summarized below.

Revenue recognition

YMCA Calgary follows the deferral method of accounting for contributions, which includes grants and donations.

a) Memberships

Membership revenue is recognized over the term of the membership.

b) Programs and services

Revenue for programs and services is recorded over the duration of the related activities.

c) Rentals

Rental income earned from operating subleases is recognized over the lease term. Facility or space rental is recognized once the rental period has occurred.

d) Government grants and United Way of Calgary and Area funding

Government grants and United Way of Calgary and Area funding are recognized in income as the related expenses are incurred.

e) Donations

General donations and bequests are recognized when used to support individuals and families with purchasing a YMCA Calgary membership or attending a YMCA Calgary program. Donations received and designated for specific programs or operations are recognized as the related expenditures are incurred. Contributions received towards the acquisition of capital assets are deferred and amortized to revenue on the same basis as the related depreciable capital assets are amortized.

Endowment donations received from individuals' planned giving are set aside in perpetuity. The investment income from these donations is used to support YMCA Calgary as directed by the board of directors and donors. Endowment donations are recognized only as a direct increase to investments and net assets on the statement of financial position.

f) Investment income

Unrestricted investment income from interest, dividends and gains and losses is recognized in the period in which it is earned. Restricted endowment investment income is recognized as deferred revenue and recognized in revenue as the related expenditures are incurred.

g) Other

Other revenue includes $974,934 (2022 – $378,000) of interest earned on operating cash held by the Association as well as $337,361 (2022 – $446,998) in fees collected from new members who are assessed a one-time building fee for building maintenance and lifecycle costs. This interest and fees are recognized as income when earned and received.

Other revenue also includes $374,035 (2022 – $420,000) in disbursements from the Genesis Centre of Community Wellness (Genesis Centre) Operating and Capital Reserves to offset common area expenses of the Genesis Centre and is recognized once common area expenses are incurred.

h) Government assistance

YMCA Calgary may receive government assistance that provides immediate financial assistance as compensation for costs or expenditures incurred. YMCA Calgary recognizes government assistance as revenue when received or receivable and when there is reasonable assurance that conditions attached to the subsidies are met.

Restricted cash (short-term)

Restricted cash consists of cash that has been designated for future purposes by donors, under the terms of government grants, or by other internal or external restrictions.

Investments

Short-term investments represent funds held in guaranteed investment certificates as collateral to secure credit facilities. They are expected to be redeemed within the next fiscal year.

Long-term investments represent internally restricted reserves, externally restricted investments held as capital lifecycle reserves for the Remington YMCA in Quarry Park (Remington), Shane Homes YMCA at Rocky Ridge (Shane Homes), and the Brookfield Residential YMCA at Seton (Brookfield), as well as endowment investments, representing funds that individuals have donated through planned giving and other donations to provide for the future of the Association. In 2023 an internally restricted capital reserve was created from the funds realized from the sale of the Eau Claire YMCA. These investments are financial instruments recorded at fair value.

Funds held on behalf of other parties

YMCA Calgary holds an investment on behalf of the partners of the Genesis Centre that is administered by the Calgary Foundation. As the related investment is not owned by YMCA Calgary, the funds have been excluded from the financial statements.

Capital assets

Expenditures for capital assets are recorded at cost. The cost of capital assets made up of significant separable component parts is allocated to the component parts when practicable and when estimates can be made of the lives of the separate components. Amortization is provided on a straight-line basis at the following rates, which are designed to amortize the cost of these assets over their estimated useful lives:

Buildings	20 – 50 years
Building improvements	10 – 50 years
Furniture and equipment	3 – 15 years

Work-in-progress capital projects are not subject to amortization until the project is complete and the asset is ready for its intended use.

Capital assets are tested for impairment on a material basis annually or whenever events or changes in circumstances indicate that an asset can no longer be used as originally expected and its carrying amount may not be fully recoverable. When conditions indicate that a capital asset is impaired, the net carrying amount of the capital asset is written down to the asset's fair value or replacement cost. Write downs of capital assets are recognized as expenses in the statement of operations.

Deferred revenue

Deferred revenue is comprised of deferred membership, program, childcare, rental revenue, and investment income generated from restricted endowments.

Deferred contributions

Deferred contributions are comprised of deferred donations designated for specific programs or operations, deferred government grants and deferred sponsorship dollars received.

Donated services

The work of YMCA Calgary is dependent on the voluntary services of many people. Since these services are not normally purchased by YMCA Calgary and because of the difficulty in determining their fair value, donated services are not recognized in these financial statements.

Financial instruments

A financial asset or a financial liability is initially recognized when the Association becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished. The Association initially measures financial assets originated or acquired and financial liabilities issued or assumed in an arm's length transaction at fair value. These financial assets and liabilities are subsequently measured at amortized cost, except for investments quoted in active markets, which are measured at fair value. Changes in fair value are recognized in the statement of operations, with transaction and management costs expensed as incurred. Financial assets measured at amortized cost include cash, restricted cash accounts receivable and short-term investments. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and obligations under capital leases.

Financial assets originated or acquired, and financial liabilities issued or assumed in a related party transaction are initially measured at cost. For financial instruments with repayment terms, cost is determined as the sum of undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. For financial instruments with no repayment terms, cost is determined by reference to the consideration transferred or received by the Association in the transaction. All other financial instruments resulting from related party transactions are subsequently measured at cost less any reduction for impairment.

At the end of each reporting period, the Association assesses whether there are any indications that a financial asset measured at cost or amortized cost may be impaired. If there are indicators of impairment, and the Association determines there has been a significant adverse change in the expected amount or timing of future cash flows, an impairment is recognized.

Foreign currency translation

Investments denominated in foreign currencies are translated into Canadian dollars at the rate of exchange in effect on the date of the statement of financial position. Investment income from these securities is translated at the exchange rate in effect when earned.

Use of estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Areas requiring the use of management estimates relate to the determination of collectibility of accounts receivable, useful lives and potential impairment of capital assets, provisions for estimated future expenditure under the asset management plans of certain YMCA facilities and accrued liabilities. Actual results could differ from these estimates.

Government remittances payable

As at December 31, 2023, the Association had government remittances payable of $312,198 (2022 – $226,453), which are included in accounts payable and accrued liabilities.

Related party transactions

Board member or executive recruitment services were provided by a local firm controlled by a YMCA Calgary board member and, on a fee-for-service basis, $71,429 (2022 – $76,267) in consulting fees were incurred. These fees were measured at cost and recorded in the statement of operations within administration expenses.

Asset lifecycle obligations provision

The Lease Operating Agreements (the LOAs) for Remington, Shane Homes and Brookfield require that YMCA Calgary prepare a lifecycle asset management plan (lifecycle plan) for submission to the City of Calgary. The lifecycle plan estimates major maintenance obligations over a rolling 25-year period. The lifecycle plans are prepared by an independent expert and are required to be updated by an independent expert every five years.

With respect to these three City of Calgary owned facilities, YMCA Calgary is required under the LOAs to perform the major maintenance in accordance with lifecycle plans, prepared by an independent expert over the term of the lease. As a result, YMCA Calgary records an asset lifecycle obligation provision for each of these facilities over the 25-year term of each LOA based on the present value of projected future costs. These expected costs are inflated to future values based on long-term inflation averages. These costs are then discounted to present value using long-term Government of Canada benchmark bond yields. Changes to estimates are accounted for prospectively over the remaining term of the LOAs. Actual expenditures are recorded as a reduction of the liability.

3 Restricted cash (long-term)

Within restricted cash (long-term) at the end of 2022 on the statement of financial position, the Board of Directors had internally restricted $8,216,465 for investment funds. These funds were initially received from the sale of the land and building of the Eau Claire YMCA and were not considered to be available for operating cash reserves. These funds were invested in the third quarter of 2023 and formed a new investment capital reserve (note 4), along with additional proceeds of $2,506,860 received in 2023.

4 Investments

	2023 $	2022 $
Operating reserve	6,662,496	8,003,684
Capital reserve	11,381,023	-
Capital lifecycle reserves (note 10)	3,812,681	3,442,227
Endowments (note 7)	6,990,054	6,750,617
	28,846,254	18,196,528

The composition of the Association's investments by type is as follows:

	Operating reserve $	Capital reserve $	Capital lifecycle reserves $	Endowments $	2023 $	2022 $
Cash and money market funds	-	-	1,747,429	-	1,747,429	735,697
Canadian						
Income funds	1,665,654	2,871,703	1,606,687	1,744,258	7,888,302	3,009,673
Equity funds	664,749	1,137,897	-	698,543	2,501,189	3,898,867
International						
Income funds	1,060,239	1,808,793	458,565	1,111,500	4,439,097	4,903,515
Equity funds	3,271,854	5,562,630	-	3,435,753	12,270,237	5,297,036
Alternative funds	-	-	-	-	-	351,740
	6,662,496	11,381,023	3,812,681	6,990,054	28,846,254	18,196,528

5 Investment income (loss)

	Operating reserve $	Capital reserve $	Capital lifecycle reserves $	Endowments $	2023 $	2022 $
Interest and dividend income	320,753	244,309	108,889	241,453	915,404	646,714
Realized gain on sale of investments	190,509	58,976	208,764	301,003	759,252	77,922
Change in unrealized gain (loss) on investments	220,900	360,937	63,496	223,091	868,424	(2,296,223)
Restricted endowment deferred income	-	-	-	(61,455)	(61,455)	(12,309)
	732,162	664,222	381,149	704,092	2,481,625	(1,583,896)

6 Capital assets

			2023	2022
	Cost $	Accumulated amortization $	Net $	Net $
Land	23,000	-	23,000	23,000
Buildings	14,764,665	9,552,394	5,212,271	4,928,305
Building improvements	21,119,031	6,757,763	14,361,268	12,839,330
Equipment under capital leases	-	-	-	1,091,262
Furniture and equipment	7,110,546	4,824,531	2,286,015	1,709,445
Work-in-progress capital projects	2,351,069	-	2,351,069	3,124,897
	45,368,311	21,134,688	24,233,623	23,716,239

Capital project commitments

As at December 31, 2023, authorizations for capital projects spending have been issued for $6,625,270 (2022 – $6,421,860), of which $4,608,926 (2022 – $2,602,455) remains unspent.

7 Endowment funds

The endowment funds are comprised of general endowments as well as donor restricted endowment funds designated for specific charitable purposes by the donors. These endowment funds include trusts, which provide that the principal assets are to be maintained in perpetuity. The investment income generated from assets held for endowment purposes must be used in accordance with the various purposes established by the donors or by the board of directors. Endowments as presented in the statement of changes in net assets differ from the below due to restricted endowment deferred investment income, investment management fees expensed, and current year donations invested in the following fiscal year.

A summary of the fund balances as at year-end is as follows:

	2023 $	2022 $
General endowments	5,302,724	5,136,314
Tom Perkins Memorial Fund	128,523	119,716
Mike Dodds Memorial Fund	20,027	18,961
The Amy and Howard P. Miller Memorial Fund	115,769	109,352
J. Fish Memorial Fund	118,542	112,174
Lorne and Pat Larson Fund	740,290	736,145
Camp Chief Hector Endowment	489,944	457,949
Camp Chief Hector Bursary	74,235	60,006
	6,990,054	6,750,617

8 Change in non-cash working capital

	2023 $	2022 $
Accounts receivable	1,847,417	(1,706,520)
Prepaid expenses	(39,733)	(376,577)
Accounts payable and accrued liabilities	(660,763)	1,472,976
Proceeds from sponsorships	697,778	647,777
Unearned revenue	862,880	52,071
	2,707,579	89,727

9 Deferred contributions (current)

	2022 $	Additions $	Recognized in revenue $	2023 $
Deferred sponsorship revenue (current)	720,000	720,000	(720,000)	720,000
Deferred donations	1,100,012	4,393,843	(4,573,052)	920,803
	1,820,012	5,113,843	(5,293,052)	1,640,803

10 Asset lifecycle obligations

	2023 $	2022 $
Remington	3,008,000	2,763,000
Shane Homes	5,590,887	4,633,000
Brookfield	6,588,000	5,475,000
	15,186,887	12,871,000

Lifecycle plans for the Remington, Shane Homes and Brookfield facilities have been prepared by independent experts and submitted to the City of Calgary. The plans estimate a total present value of expenditures over the LOAs of approximately $7.4 (2022 – $7.8) million, $25.0 (2022 – $25.3) million, and $28.8 (2022 – $35.4) million for the three facilities, respectively. In accordance with these plans, an asset lifecycle obligation provision has been recorded.

YMCA Calgary is also required to maintain capital lifecycle investment reserves that are sufficient to fund the following 24 months of expenditures under the respective lifecycle plans. These reserves will become the property of the City of Calgary on expiry of the LOAs.

11 Funds held on behalf of other parties

In 2016, YMCA Calgary received $8,125,736 on behalf of the Governance Board of the Genesis Centre to establish the Common Area Lifecycle Reserve Fund. These funds are to be used for the capital lifecycle of the common areas of the Genesis Centre and are administered by the Calgary Foundation. This investment has been excluded from these financial statements as it is managed indirectly and remains an asset of the Genesis Centre Governance Board.

	2023 **$**	**2022** **$**
Opening fund balance	10,574,021	12,053,295
Investment income	513,058	398,084
Calgary Foundation – administration and management fees	(113,374)	(113,908)
Unrealized capital gains (losses)	320,400	(919,450)
Withdrawals	(200,000)	(844,000)
Ending fund balance	11,094,105	10,574,021

In 2016, the North East Centre of Community Society (NECCS) received $5,062,503 on behalf of the Governance Board of the Genesis Centre to establish the Common Area Operating Reserve Fund. These funds are to be used for the operating and maintenance expenses of the common areas of the Genesis Centre and are administered by the Calgary Foundation. This investment has been excluded from these financial statements as it is an asset of the Genesis Centre Governance Board. As at December 31, 2023, the investment balance was $4,531,195 (2022 – $5,021,860).

12 Interfund transfers

In 2023, $4,773,524 (2022 – $2,867,644) was transferred from the unrestricted fund to the investment in capital assets fund, representing the net cash outlays for capital asset acquisitions and capital lease payments made during the year and funded by the unrestricted fund.

$370,454 was transferred from the unrestricted fund to the capital lifecycle reserve fund, representing investment income generated from the capital lifecycle reserve investments. In 2022, $318,212 was transferred from the capital lifecycle reserve to the unrestricted fund, representing investment losses on the capital lifecycle reserve incurred during the year.

$567,637 was transferred from the unrestricted fund to the endowment fund, representing investment income generated on the general endowment investments. In 2022, $511,343 was transferred from the endowment fund to the unrestricted fund, representing investment losses on the general endowment investments. Unrestricted net investment income is internally restricted by the Board of Directors.

In addition, $402,700 (2022 – $580,000) was transferred to the unrestricted fund from the endowment fund, representing the board-approved disbursement from the general endowment. The general endowment holds contributions collected from donors that intend for their contributions to be maintained in perpetuity, but where no restrictions exist on the disbursements of income generated by the fund.

Finally, $8,216,465 was transferred from the internally restricted fund to the unrestricted fund, these funds were transferred to the internally restricted fund from the unrestricted fund in 2022. These funds represent the funds internally restricted by the Board of Directors in the previous year to establish the new capital reserve fund in 2023.

13 Commitments

During 2014, YMCA Calgary entered into a 20-year occupancy lease with Remington Development Corporation at a starting rate of $27 per square foot per year for approximately 36,000 square feet, effective September 1, 2016, for the Quarry Park Child Development Centre. The annual rent payments over the term are outlined as follows:

	$
2024 to 2025	1,068,071
2026 to 2030	1,175,957
2031 to 2035	1,292,834

YMCA Calgary has entered into 5 – 25-year occupancy leases with the City of Calgary at nominal fees, with one renewal term each, for a YMCA presence at various locations. For the duration of each lease term, YMCA Calgary is responsible for its portion of the lifecycle and capital replacement of the facility or for the repair and maintenance of equipment owned and supplied by YMCA Calgary.

At the Melcor YMCA at Crowfoot (Crowfoot), Shawnessy and Saddletowne facilities, management has prepared internal lifecycle plans that estimate approximately $59.0 million of capital maintenance will be incurred over the next 25 years. Management reviews these lifecycle plans on an annual basis. Future revisions to cost estimates could be material. The LOAs for the Shawnessy and Saddletowne facilities dictate that the lifecycle plan should be used as a guideline only. The LOA for the Crowfoot facility includes no specific ongoing asset lifecycle obligation. Based on this and that no obligation exists to incur expenses at specific time periods throughout the term, no annual asset lifecycle provision or liability has been recorded for these facilities.

At the Remington, Shane Homes and Brookfield facilities, the capital maintenance obligations in the LOAs are prescribed through a lifecycle plan prepared by independent experts and YMCA Calgary has recorded an asset lifecycle obligation provision (note 10). Lifecycle plans for these facilities are required to be updated every five years and future revisions to cost estimates could be material.

No provision has been recorded for future costs at the remaining facilities.

YMCA Calgary has irrevocable letters of credit in favour of the City of Calgary up to an aggregate amount of $300,000, which may be drawn on at any time. Three separate letters of credit have been issued in the amount of $100,000. The letters automatically renew on expiry. These were established as part of the agreements with the City of Calgary to operate certain facilities owned by the City of Calgary. There has been no withdrawal on the letters of credit as at December 31, 2023 or as at December 31, 2022.

YMCA Calgary has pledged $2,000,000 (2022 – $4,000,000) as collateral to a financial institution to secure a credit card facility and revolving lease line. Second priority on assets has also been secured by this financial institution.

14 Additional information regarding fund development expenses

Remuneration to employees whose principal duties are related to fundraising totalled $545,244 (2022 – $467,495), recorded in the statement of operations within salaries and benefits. Other fundraising expenses totalled $396,192 (2022 – $347,992), recorded in the statement of operations within administration expenses. The year over year increase is due to the progression of the Love, Camp – Camp Chief Hector Capital Campaign.

15 Financial instruments and risk management

Equity risk

The Association invests some of its investment assets in equity securities, such as common shares, or in equity-like securities, such as mutual funds. The values of these securities change as the business, financial condition, management, and other relevant factors affecting the companies that issued the securities change, as well as changes in the general economic condition of the markets in which they operate, thereby exposing the Association to these fluctuations in value. The fair market value of the investments as at December 31, 2023 was $28,846,254 (2022 – $18,196,528), with $14,771,426 (2022 – $9,195,903) invested in equities (note 4).

Foreign exchange risk

A portion of the Association's investment portfolio is denominated in foreign currencies; therefore, the Association is exposed to fluctuations in those currencies. As at December 31, 2023, the foreign currency denominated content of the investments was 58% (2022 – 56%) (note 4).

Credit risk

The Association is exposed to credit risk to the extent that its donors may experience financial difficulty and would be unable to meet their obligations. However, the Association has many diverse donors, which minimizes the concentration of credit risk.

Credit risk is also attributable to the Association's fixed income investments. To mitigate the risk, the Association invests in fixed income investments with a predetermined minimum investment grade.

Liquidity risk

The Association has mitigated the risk of being unable to meet short or intermediate-term obligations by continually monitoring and adjusting an annual long range development plan, which includes a forecasted cash flow projection.

The Association has a demand operating line of credit of $2,000,000 (2022 – $2,000,000) if funds are promptly needed. The facility's interest rate is calculated at prime and repayment terms include interest only monthly. No amount was drawn in 2023 (2022 – $nil). First priority on assets has been secured by the financial institution providing the operating line of credit.

Interest rate risk

The Association is exposed to interest rate risk with respect to fixed income investments that are managed by professional investment advisors.

16 Contingency

In the normal course of operations, the Association is involved, from time to time, in various legal claims. Management believes the exposure to current claims and potential claims would not have a material impact on the financial position or operating results of the Association.

17 Comparative figures

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.

YMCA Calgary

Schedule 1 – Child Care Affordability Grant

Schedule of Revenue and Expenses

For the year ended December 31, 2023

	Quarry Park Child Development Centre $	Seton YMCA Child Development Centre $	Shane Homes YMCA at Rocky Ridge Child Development Centre $	Remington YMCA Child Development Centre $	Shawnessy YMCA Child Development Centre $	Saddletowne YMCA Child Development Centre $
Affordability Grant revenues	1,913,903	439,880	305,814	317,928	242,475	164,128
	1,913,903	439,880	305,814	317,928	242,475	164,128
Allowable expenditures						
Salaries and benefits	2,985,085	579,991	573,506	569,476	447,410	444,189
	2,985,085	579,991	573,506	569,476	447,410	444,189
Deficiency of revenue over expenses	(1,071,182)	(140,111)	(267,692)	(251,548)	(204,935)	(280,061)

The above is based on the reporting requirements under the Affordability Grant, provided under the Alberta-Canada Early Learning and Child Care Agreement. The Government of Alberta allocates funding to eligible programs that have signed an Affordability Grant Agreement as a licensed child care program.

The Affordability Grant is an operating grant for eligible programs that provides monthly funding that must be used to help cover the day-to-day costs of operating a licensed child card program. The funding must be used only for the purposes of operating the program. The Affordability Grant revenue in the schedule represents all funds received under the agreements in fiscal 2023 and the salaries and benefits of the licensed child care programs that YMCA Calgary has selected to allocate towards the grant revenue.