The Calgary Young Men's Christian Association

Financial Statements
December 31, 2021

Independent auditor's report

To the Members of The 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 The Calgary Young Men's Christian Association (the Association) as at December 31, 2021 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, 2021;
- 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.

Comparative information

The financial statements of the Association for the year ended December 31, 2020 (prior to the adjustments that were applied to restate certain comparative information explained in note 19) were audited by another auditor who expressed an unmodified opinion on those statements on April 13, 2021.

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Responsibilities of management and those charged with governance for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Calgary, Alberta
April 12, 2022

The Calgary Young Men's Christian Association

Statement of Financial Position

As at December 31, 2021

	2021 $	2020 $
Assets		
Current assets		
Cash	10,267,223	6,710,390
Restricted cash	118,499	5,206,960
Accounts receivable	1,429,581	1,869,670
Pledges receivable (note 3)	155,355	493,755
Prepaid expenses	680,673	490,830
Assets held for sale (note 6)	6,318,396	-
	18,969,727	14,771,605
Investments (note 4)	20,637,036	19,287,924
Capital assets (note 6)	23,423,320	33,484,613
	63,030,083	67,544,142
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	3,440,651	4,089,133
Current portion of obligations under capital leases (note 7)	881,472	796,792
Deferred revenue	2,539,520	2,013,258
Deferred contributions (note 10)	1,546,392	5,898,068
	8,408,035	12,797,251
Deferred sponsorship revenue	3,971,667	3,993,890
Deferred capital grants	544,680	492,688
Obligations under capital leases (note 7)	478,496	1,656,484
Asset lifecycle obligation (note 11)	15,140,000	11,030,000
	28,542,878	29,970,313
Net Assets		
Capital lifecycle reserve	3,760,439	3,285,975
Endowments (note 8)	7,945,152	7,768,302
Investment in capital assets	21,518,672	30,538,649
Unrestricted	1,262,942	(4,019,097)
	34,487,205	37,573,829
	63,030,083	67,544,142

Commitments (note 14)

Approved by the Board of Directors

Pat White ______________________ Director ______________________ Director

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

The Calgary Young Men's Christian Association

Statement of Operations

For the year ended December 31, 2021

	2021 $	2020 $
Revenue		
Memberships	7,093,528	11,714,077
Programs and services	8,244,517	4,719,337
Government grants	8,179,561	7,021,945
Government assistance (note 20)	9,518,035	8,755,439
Donations	3,167,780	3,488,042
Rentals	1,934,087	1,785,607
United Way of Calgary and Area	624,193	828,901
Other income	383,912	274,844
	39,145,613	38,588,192
Expenses		
Salaries and benefits	19,998,611	22,512,224
Building operations	8,314,770	8,841,406
Programs and services	2,073,864	2,418,299
Administration	4,230,108	3,841,771
Communications	385,649	375,227
Amortization	5,379,603	5,394,938
Asset lifecycle obligation	4,110,000	4,110,000
	44,492,605	47,493,865
Operating deficiency of revenue over expenses	(5,346,992)	(8,905,673)
Investment income (note 5)	1,888,042	1,622,638
Gain on disposal of capital assets	297,011	3,235
Deficiency of revenue over expenses for the year	(3,161,939)	(7,279,800)

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

The Calgary Young Men’s Christian Association

Statement of Changes in Net Assets

For the year ended December 31, 2021

	Capital lifecycle reserve $	Endowments $ (note 8)	Investments in capital assets $	Unrestricted $	2021 $	2020 $
Net assets – Beginning of year	3,285,975	7,768,302	30,538,649	(4,019,097)	37,573,829	44,853,629
(Deficiency) excess of revenue over expenses before investment income	-	-	(5,379,603)	329,622	(5,049,981)	(8,902,438)
Investment income	-	-	-	1,888,042	1,888,042	1,622,638
Contributions	-	44,904	41,440	(11,029)	75,315	-
Interfund transfers (note 13)	474,464	131,946	(3,681,814)	3,075,404	-	-
Net assets – End of year	3,760,439	7,945,152	21,518,672	1,262,942	34,487,205	37,573,829

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

The Calgary Young Men's Christian Association

Statement of Cash Flows

For the year ended December 31, 2021

	2021 $	2020 $ (Restated – note 19)
Cash provided by (used in)		
Operating activities		
Deficiency of revenue over expenses	(3,161,939)	(7,279,800)
Items not affecting cash		
Amortization	5,379,603	5,394,938
Asset lifecycle obligation (note 11)	4,110,000	4,110,000
Investment income less management fees (note 5)	(1,821,069)	(1,439,592)
Amortization of deferred sponsorship revenue (note 10)	(720,000)	(720,000)
Amortization of deferred capital contributions	(139,729)	(70,337)
Gain on disposal of capital assets	(297,011)	(3,235)
	3,349,855	(8,026)
Change in non-cash working capital (note 9)	(3,300,519)	(391,731)
	49,336	(399,757)
Financing activities		
Repayment of obligations under capital assets	(1,169,887)	(523,714)
Proceeds from capital contributions	233,161	52,772
	(936,726)	(470,942)
Investing activities		
Additions to investments	(22,223)	(191,936)
Withdrawals from investments	641,101	5,335,552
Additions to capital assets	(1,560,127)	(895,965)
Proceeds from disposal of capital assets	297,011	3,235
Change in restricted cash	5,088,461	(2,697,986)
	4,444,223	1,552,900
Increase in cash during the year	3,556,833	682,201
Cash – Beginning of year	6,710,390	6,028,189
Cash – End of year	10,267,223	6,710,390
Supplementary information		
Equipment acquired under capital lease	72,921	1,190,893

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

1 Description of Association

The Calgary Young Men's Christian Association (YMCA Calgary or the Association) strives to offer quality programs and services that give children, youth, and adults the opportunity to belong, grow, thrive and lead. YMCA Calgary operates health and wellness facilities, childcare development centres, outdoor camp sites and community program sites. 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 inactive for several years (note 21).

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) Government grants and United Way of Calgary and Area funding

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

d) 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.

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) 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.

g) Investment income

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 into revenue as the related expenditures are incurred.

h) Other

Other revenue includes fees collected from new members who are assessed a one-time capital expenditure fee of $45 to $75 for building maintenance and lifecycle costs. This fee is recognized as income when received.

Other revenue also includes 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. Other revenue also includes revenue from merchandise sales and Camp Hector staff room and board, which is recognized at the time the service is provided or sale has occurred.

Restricted cash

Restricted cash consists of cash that has been designated for future purposes by donors or under the terms of government grants and, therefore, is being held in separate bank accounts.

Investments

Investments represent funds that the board of directors considers as excess to current operating requirements, 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. 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. 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 – 25 years
Building improvements	10 – 50 years
Equipment under capital leases	over life of the lease
Furniture and equipment	4 – 5 years

Work-in-progress capital projects are not subject to amortization until the project is complete.

Capital assets are tested for impairment 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. Writedowns 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

Financial instruments are recorded at fair value on initial recognition. Equity and fixed income instruments quoted in an active market are subsequently recorded at fair value. Transaction costs related to financial instruments measured at fair value are expensed as incurred.

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 financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities 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, collectibility of pledges, 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, 2021, the Association had government remittances payable of $226,055 (2020 – $175,857), which are included in accounts payable and accrued liabilities.

Related party transactions

Executive search consulting services were provided by a local firm controlled by a YMCA Calgary board member, on a fee-for-service basis, $43,129 (2020 – $83,113) in consulting fees were incurred. These fees were measured at the exchange amount and recorded in the statement of operations within administration expenses.

In the prior year services, were provided for board member recruitment. No amount was recorded, as no consideration was paid for these services.

Asset lifecycle obligation 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 the 25-year term of the LOAs as prepared by an independent expert and is required to be updated by the 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 projected future costs. These expected costs are inflated to future values based on the long-term average observed. Changes to estimates of future expenditures are accounted for prospectively over the remaining term of the LOAs. Actual expenditures are recorded as a reduction of the liability.

3 Pledges receivable

Pledges receivable are expected to be received in the following fiscal years:

	2021 $	2020 $
2021	-	593,755
2022	155,355	230,000
2023	170,000	200,000
2024	150,000	150,000
2025	100,000	100,000
2026 – 2027	200,000	100,000
	775,355	1,373,755
Long-term and community program pledges	(620,000)	(880,000)
Current pledges recognized	155,355	493,755

The $30 million Power of Potential capital campaign is related to the Association's commitment to provide funding to operate and equip three new community recreation centres in a joint project undertaken with The City of Calgary, to fund Camp Chief Hector infrastructure, and for community programs. The campaign concluded in 2017 as the goal was reached.

The Association has pledge agreements from individual and corporate donors who have committed to donate in the future in accordance with the schedule above. The Association regularly consults with donors to either receive their pledged gift or to reaffirm their intent and timing to fulfill their commitment. Pledges are recognized on the statement of financial position based on the pledge's receivable in the next fiscal year, less those pledges to be received related to community programs, which are recognized based on the timing of the program and when expenses are incurred.

4 Investments

	2021 $	2020 $
Association unrestricted investments	8,813,572	8,233,647
Capital lifecycle reserves (note 11)	3,760,439	3,285,975
Endowments (note 8)	8,063,025	7,768,302
	20,637,036	19,287,924

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

	Association unrestricted investments $	Capital lifecycle reserves $	Endowments $	2021 $	2020 $
Cash and money market funds	643,238	273,958	621,692	1,538,888	1,666,410
Canadian					
Income funds	1,425,858	201,792	1,157,221	2,784,871	2,914,438
Equity funds	1,042,141	1,261,700	2,072,589	4,376,430	3,969,752
International					
Income funds	3,899,902	468,879	1,376,970	5,745,751	5,637,137
Equity funds	1,802,433	1,554,110	2,834,553	6,191,096	5,100,187
	8,813,572	3,760,439	8,063,025	20,637,036	19,287,924

5 Investment income

	Association unrestricted investments $	Capital lifecycle reserves $	Endowments $	2021 $	2020 $
Interest and dividend income	431,096	205,902	322,806	959,804	777,597
Realized gain on sale of investments	124,019	28,203	162,459	314,681	162,657
Change in unrealized gain on investments	50,994	253,186	241,877	546,057	682,384
Restricted endowment income recognized	-	-	67,500	67,500	-
	606,109	487,291	794,642	1,888,042	1,622,638

6 Capital assets

			2021	2020
	Cost $	Accumulated amortization $	Net $	Net $
Land	23,000	-	23,000	2,023,000
Buildings	14,097,801	8,648,369	5,449,432	7,081,263
Building improvements	26,188,055	12,966,644	13,221,411	16,032,318
Equipment under capital leases	2,939,161	1,579,193	1,359,968	2,453,276
Furniture and equipment	10,449,680	7,380,423	3,069,257	5,028,265
Work-in-progress capital projects	300,252	-	300,252	866,491
	53,997,949	30,574,629	23,423,320	33,484,613

On February 18, 2021, YMCA Calgary announced that, after extensive due diligence, the Association would begin a process to close the YMCA-owned Gray Family Eau Claire YMCA. As at December 31, 2021, the land, building and building improvements of the Gray Family Eau Claire YMCA were classified in the statement of financial position as held for sale. These assets hold a net book value as at December 31, 2021 of $6,318,396 (note 21).

Capital project commitments

As at December 31, 2020, authorizations for capital projects spending have been issued for $1,363,525 (2020 – $1,224,024), of which $883,442 (2020 – $367,214) remains unspent.

7 Obligations under capital leases

YMCA Calgary has entered into capital lease obligations for equipment. The minimum lease payments under capital leases are as follows:

	$
2022	919,046
2023	434,225
2024	56,128
	1,409,399
Less: Amount representing interest at a weighted-average rate of 7.53% (2020 – 7.57%)	49,431
Principal value of future minimum lease payments	1,359,968
Less: Current portion	881,472
	478,496

8 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 slightly from the below due to restricted endowment deferred investment income, investment management fees expensed and current year donations deposited in the following fiscal year.

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

	2021 $	2020 $
General endowments	6,217,649	6,076,142
Tom Perkins Memorial fund	134,718	121,228
Mike Dodds Memorial Fund	21,831	19,378
The Amy and Howard P. Miller Memorial Fund	126,164	117,240
J. Fish Memorial Fund	129,443	114,817
Lorne and Pat Larson Fund	849,510	789,727
Camp Chief Hector Endowment	528,200	490,255
Camp Chief Hector Bursary	55,510	39,515
	8,063,025	7,768,302

9 Change in non-cash working capital

	2021 $	2020 $ (Restated – note 19)
Accounts receivable	440,089	(786,570)
Pledges receivable	338,400	362,646
Prepaid expenses	(189,843)	(131,962)
Accounts payable and accrued liabilities	(614,608)	(971,911)
Proceeds from sponsorships	697,777	797,779
Unearned revenue	(3,972,334)	338,287
	(3,300,519)	(391,731)

10 Deferred contributions

	Opening – December 31, 2020 $	Additions $	Recognized in revenue $	Funds returned $	Reclassed from long-term portion $	Closing – December 31, 2021 $
Deferred ELCC Grant	3,726,729	-	(1,565,880)	(2,160,849)	-	-
Deferred sponsorship revenue (current)	720,000	697,777	(720,000)	-	22,223	720,000
Deferred donations	1,451,339	6,663,398	(7,288,345)	-	-	826,392
	5,898,068	7,361,175	(9,574,225)	(2,160,849)	22,223	1,546,392

The last fiscal period of the ELCC (Early Learning Childcare Centre) Grant was from April 1, 2020 to March 31, 2021. Grant funds are received prior to the commencement of the grant term based on an application process. Due to COVID-19, childcare centres were closed for periods of time over this grant period, in addition to experiencing reduced enrollment. This resulted in less funding being required and based on the terms of the agreements, unused grant funds of $2,160,849 were returned.

11 Asset lifecycle obligations

	2021 $	2020 $
Remington	3,700,000	2,960,000
Shane Homes	5,320,000	3,990,000
Brookfield	6,120,000	4,080,000
	15,140,000	11,030,000

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 total expenditures over the 25-year LOAs of approximately $18.4 million, $33.2 million and $51.0 million for the three facilities, respectively. In accordance with these plans, an asset lifecycle obligation provision has been recorded. The first expenditure under the plans is expected to be incurred at Remington in 2023, followed by 2024 for Shane Homes and 2026 for the Brookfield facility.

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, subject to an initial minimum reserve amount of $1 million for each facility. These reserves will become the property of The City of Calgary on expiry of the LOAs (note 4).

12 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.

	2021 $	2020 $
Opening fund balance	10,607,585	10,011,798
Investment income	760,312	535,212
Calgary Foundation – administration and management fees	(117,627)	(104,101)
Unrealized capital gains	803,025	264,676
Withdrawals	-	(100,000)
Ending fund balance	12,053,295	10,607,585

In 2016, the North East Centre of Community Society (NECCS) also 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, 2021, the investment balance was $5,569,581 (2020 – $4,923,935).

YMCA Calgary is a member of the Canadian Urban Group (CUG), consisting of the largest YMCAs in Canada. YMCA Calgary holds $33,180 (2020 – $97,856) of funds on their behalf, intended for future CUG initiatives. These funds have not been recorded in the financial statements.

13 Interfund transfers

In 2021, $6,318,396 (2020 – $nil) was transferred from the investment in capital assets fund to the unrestricted fund in relation to the former Gray Family Eau Claire YMCA land, building and building improvements, classified as held for sale as at December 31, 2021. $2,636,582 (2020 – $1,600,094) was transferred from the unrestricted fund to the investment in capital assets fund, to fund the cash outlays for capital asset acquisitions and capital lease payments made during the year.

$474,464 was transferred from the unrestricted fund to the capital lifecycle reserve; this represents the investment income generated from the capital lifecycle reserve investments. The investment income is internally restricted by the board of directors.

$705,546 was transferred from the unrestricted fund to the endowment fund; this represents the investment income generated from the general endowment investments, which are internally restricted by the board of directors. In addition, $573,600 (2020 – $335,540) 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.

14 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 20 years are outlined as follows:

	$
2022 to 2026	1,068,071
2027 to 2031	1,175,957
2032 to 2036	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 Shawnessy and Saddletowne facilities, management has prepared internal lifecycle plans that estimate approximately $10.0 million of capital maintenance (undiscounted) will be incurred over the remaining lease terms in aggregate. Management reviews these lifecycle plans on an annual basis. Future revisions to cost estimates could be material and no provision has been recorded for these costs.

At the Remington, Shane Homes and Brookfield facilities, the capital maintenance obligations in the LOAs are prescribed through a lifecycle plan prepared by an independent expert and YMCA Calgary has recorded an asset lifecycle obligation provision (note 11). 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 $200,000, which may be drawn on at any time. Two separate letters of credit have been issued in the amount of $100,000, expiring on March 16, 2023 and September 1, 2023, respectively, and 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 was no withdrawal on the letters of credit as at December 31, 2021.

15 Additional information regarding fund development expenses

Remuneration to employees whose principal duties are related to fundraising totalled $352,553 (2020 – $369,192), recorded in the statement of operations within salaries and benefits. Other fundraising expenses totalled $86,165 (2020 – $78,348), recorded in the statement of operations within administration expenses.

16 Financial instruments and risk management

Equity risk

The Association invests some of its investment assets in equity securities that are all listed on public exchanges, 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, 2021 was $20,637,036 (2020 – $19,287,924), with $10,567,526 (2020 – $9,069,939) 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, 2021, the foreign currency denominated content of the investments was 58% (2020 – 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 in 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 development plan, which includes a forecasted cash flow projection.

The Association has a demand operating line of credit of $2,500,000 (2020 – $5,500,000) 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 2021 (2020 – $nil).

Interest rate risk

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

17 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.

18 Comparative figures

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

19 Restatement of prior year figures

The following restatements were made to the comparative figures of the 2020 financial statements and specifically the statement of cash flows:

a) reclassifying proceeds from sponsorship agreements in the amount of $797,779 from investing activities to operating activities;

b) reclassifying changes in restricted cash in the amount of $(2,673,688) from changes in non-cash working capital within operating activities to investing activities;

c) reclassifying investment income relating to the reinvestment of dividend and interest income earned of $(594,551) from investing activities to operating activities; and

d) reclassifying proceeds from capital contributions in the amount of $52,772 from investing activities to financing activities.

Statement of cash flows

	As previously reported $	2020 adjustments $	Restated $
Operating activities	(3,276,673)	2,876,916	(399,757)
Financing activities	(523,714)	52,772	(470,942)
Investing activities	4,482,588	(2,929,688)	1,552,900
Increase in cash during the year	682,201	-	682,201
Cash – Beginning of year	6,028,189	-	6,028,189
Cash – End of year	6,710,390	-	6,710,390

20 COVID-19

The global pandemic declared by the World Health Organization on March 11, 2020 due to the outbreak of COVID-19 has cast uncertainty on the estimates, assumptions and critical judgments exercised by management. COVID-19 resulted in the shutdown of all health, fitness, and aquatics (HFA) facilities from January 1 to February 28 and from April 9 to June 27, 2021. Two HFA facilities were partially opened for group activities and one-on-one personal training, which were allowed under the then current health restrictions, from March 1 to April 8, 2021. Limited camp programs at Camp Chief Hector were offered in 2021, this included no overnight camp programs. These measures have had a significant impact on the revenue of the Association.

In response to the rapidly evolving and dynamic circumstances, the Association has and will continue to take mitigating actions to reduce non-essential operating and capital expenditures and continue to participate in government COVID-19 support programs when eligible, in efforts to preserve the financial health of the Association. The situation remains dynamic and the ultimate duration and magnitude of the impact on the economy and the overall financial effect on the Association is not known at this time.

The Association has recognized $9,518,035 in 2021 (2020 – $8,755,439) in federal wage and rent subsidies. $870,776 (2020 – $1,683,084) was included in accounts receivable as at December 31.

21 Subsequent events

On January 12, 2022, an official purchase and sale agreement was signed for the former Gray Family Eau Claire YMCA. The purchase and sale agreement is based on a property as-is basis. The transaction is expected to close 150 days after the agreement was signed.

In 2021, work began to remobilize the Foundation to run the Camp Chief Hector Capital Campaign. Effective March 22, 2022, YMCA Calgary has entered into a Services Agreement with the Foundation for the provision of services in connection with the fundraising campaign.