Financial statements of

The Calgary Young Men's Christian Association

December 31, 2020

Deloitte.

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Independent Auditor's Report

To the Members of
The Calgary Young Men's Christian Association

Opinion

We have audited the consolidated financial statements of The Calgary Young Men's Christian Association ("YMCA Calgary"), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statement of operations and consolidated statement of changes in net assets and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of YMCA Calgary as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 YMCA Calgary 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.

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 YMCA Calgary'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 YMCA Calgary or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing YMCA Calgary'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 GAAS 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 GAAS, 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 YMCA Calgary'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 YMCA Calgary'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 YMCA Calgary 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.

Deloitte LLP

Chartered Professional Accountants
April 13, 2021

The Calgary Young Men's Christian Association

Statement of Operations

Year Ended December 31, 2020

	Total 2020 $	Total 2019 $
Revenue		
Memberships	**11,714,077**	30,554,517
Programs and services	**4,719,337**	19,544,101
Government grants	**7,021,945**	8,483,660
Government assistance	**8,755,439**	-
Donations	**3,488,042**	4,176,871
Rentals	**1,785,607**	2,505,592
United Way of Calgary and Area	**828,901**	939,407
Other income	**274,844**	1,212,634
	38,588,192	67,416,782
Expenses		
Salaries and benefits	**22,512,224**	37,047,769
Building operations	**8,841,406**	12,048,066
Programs and services	**2,418,299**	5,893,022
Administration	**3,841,771**	4,826,918
Communications	**375,227**	791,319
Amortization	**5,394,938**	6,198,646
Asset lifecycle obligation	**4,110,000**	4,420,000
Impairment on capital assets	**-**	1,564,971
	47,493,865	72,790,711
Operating deficiency of revenue over expenses	**(8,905,673)**	(5,373,929)
Investment income (Note 5)	**1,622,638**	2,115,060
Gain on disposal of capital assets	**3,235**	58,067
Deficiency of revenue over expenses	**(7,279,800)**	(3,200,802)
Fund balance, beginning of year	**44,853,629**	48,054,431
Fund balance, end of year	**37,573,829**	44,853,629

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial statement.

The Calgary Young Men's Christian Association

Statement of Financial Position

As at December 31, 2020

	Total 2020 $	Total 2019 $
Assets		
Current assets		
Cash	**6,710,390**	6,028,189
Restricted cash	**5,206,960**	2,508,974
Accounts receivable	**1,869,670**	1,083,100
Pledges receivable (Note 3)	**493,755**	856,401
Prepaid expenses	**490,830**	358,868
	14,771,605	10,835,532
Investments (Note 4)	**19,287,924**	22,991,948
Capital assets (Note 6)	**33,484,613**	36,612,277
	67,544,142	**70,439,757**
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**4,089,133**	4,880,629
Current portion of obligations under capital leases (Note 7)	**796,792**	889,733
Unearned revenue (Note 10)	**7,911,326**	7,573,039
	12,797,251	13,343,401
Deferred sponsorship revenue	**3,993,890**	3,916,111
Deferred capital grants	**492,688**	510,253
Obligations under capital leases (Note 7)	**1,656,484**	896,363
Asset lifecycle obligation (Note 11)	**11,030,000**	6,920,000
	29,970,313	25,586,128
Commitments (Note 14)		
Net Assets (deficiency)		
Capital lifecycle reserve	**3,285,975**	3,106,571
Endowments (Note 8)	**7,768,302**	7,304,247
Investment in capital assets	**31,031,337**	34,826,181
Unrestricted	**(4,511,785)**	(383,370)
	37,573,829	44,853,629
	67,544,142	70,439,757

Approved by the Board

M Alderson. Director

P M White Director

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial statement.

The Calgary Young Men's Christian Association

Statement of changes in net assets

Year Ended December 31, 2020

	Capital lifecycle reserve	**Endowments (Note 8)**	**Investment in capital assets**	**Unrestricted**	**Total 2020**	Total 2019
	$	**$**	**$**	**$**	**$**	$
Net assets - beginning of year (note 2)	3,106,571	7,304,247	34,826,180	(383,369)	**44,853,629**	48,054,431
Deficiency of revenue over expenses before investment income	(10,632)	(25,057)	(5,394,937)	(3,471,812)	**(8,902,438)**	(5,315,862)
Investment income	190,036	632,716	-	799,886	**1,622,638**	2,115,060
Contributions	-	191,936	-	(191,936)	**-**	-
Interfund transfers	-	(335,540)	1,600,094	(1,264,554)	-	-
Net assets (deficiency), end of year	**3,285,975**	**7,768,302**	**31,031,337**	**(4,511,785)**	**37,573,829**	44,853,629

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial statement.

The Calgary Young Men's Christian Association

Statement of Cash Flows

Year Ended December 31, 2020

	Total 2020 $	Total 2019 $
Operating activities		
Deficiency of revenue over expenses	**(7,279,800)**	(3,200,802)
Items not affecting cash		
Amortization	**5,394,938**	6,198,646
Impairment of capital assets	**-**	1,564,971
Asset lifecycle obligation (Note 11)	**4,110,000**	4,420,000
Realized gain on sale of investments (Note 5)	**(162,657)**	(42,632)
Unrealized gain on investments (Note 5)	**(682,384)**	(1,040,274)
Amortization of deferred sponsorship contributions	**(720,000)**	(720,000)
Amortization of deferred capital contributions	**(70,337)**	(70,857)
Gain on disposal of capital assets	**(3,235)**	(58,067)
	586,525	7,050,985
Changes in non-cash working capital (Note 9)	**(3,863,198)**	2,438,880
	(3,276,673)	9,489,865
Financing activity		
Repayment of obligations under capital leases	**(523,714)**	(1,009,503)
Investing activities		
Net withdraws from (additions to) investments	**4,549,065**	(3,111,456)
Net additions to capital assets	**(1,076,381)**	(5,168,928)
Changes in accounts payable pertaining to capital assets	**180,416**	(249,909)
Proceeds from disposal of capital assets	**3,235**	58,067
Proceeds from sponsorship agreements	**797,779**	397,778
Proceeds from capital contributions	**52,772**	93,476
Changes in restricted cash	**(24,298)**	1,870,591
	4,482,588	(6,110,381)
Net increase in cash	**682,201**	2,369,981
Cash, beginning of year	**6,028,189**	3,658,208
Cash, end of year	**6,710,390**	6,028,189
Supplementary information		
Equipment acquired under capital lease	**1,190,893**	1,447,816

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial statement.

1. Description of the 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 programs 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.

The consolidated financial statements of the Association include the financial statements of 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 will continue to operate as a separate entity; however, has been 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").

Change in accounting policy

In 2020 YMCA Calgary adopted the deferral method of accounting for contributions and no longer follows the restricted fund method. No material adjustment to prior periods occurred as a result of this transition, therefore no prior period restatement is shown. Net asset opening balances have been adjusted between the funds because of the change.

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

Revenue recognition

Memberships

Membership revenue is recognized over the term of the membership in the statement of operations.

Programs and services

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

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 activities are commenced or as the related programs and services are delivered.

2. Significant accounting policies (continued)

Revenue recognition (continued)

Donations

General donations and bequests are recognized when received and are used to support individuals and families to purchase a YMCA Calgary membership or to attend 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. Current year donations to named restricted endowments are recognized only as a direct increase to investments and net assets on the statement of financial position. Current year unrestricted endowment donations are recognized as donation revenue as received.

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.

Investment income

Investment income from interest, dividends, and gains and losses is recognized in the period in which they are earned.

Other

Other revenue includes fees collected from new members who are assessed a one-time capital expenditure fee of $45 to $75 (including Goods and Services Tax) 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 Reserve to offset common area expenses of the Genesis Centre and is recognized once received. Other revenue also includes revenue from merchandise sales and Camp Chief Hector staff room and board. These revenues are 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 the board of directors, donors, or the terms of government grants and, therefore, is being held in separate bank accounts.

2. Significant accounting policies (continued)

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 with any unrealized gains or losses being recognized in investment income in the statement of operations.

Funds held in trust

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
Facility start-up	2 years

Capital development projects are not subject to amortization until the development 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. An impairment loss is recognized when and to the extent that management assesses the future useful life of the asset to be less than originally estimated.

Unearned revenue

Unearned revenue is comprised of deferred membership and program revenue, deferred donations designated for specific programs or operations, deferred government grants, deferred rental revenue for payments made in advance for the rental of YMCA facilities, 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 consolidated statements.

2. Significant accounting policies (continued)

Financial instruments

Financial instruments are recorded at fair value on initial recognition. Equity and fixed income instruments that are quoted in an active market are subsequently recorded at fair value. All other financial instruments are recorded at cost or amortized cost. 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 realized.

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 consolidated 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 collectability of accounts receivable, collectability 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

At December 31, 2020, the Association had government remittances payable of $175,857 ($321,026 in 2019), which are included in accounts payable and accrued liabilities.

Related party transactions

During the normal course of operations, YMCA Calgary may receive donations, goods and services from various parties who may be connected to YMCA Calgary. These goods and services may be received as donations or they may be received for exchange amounts which represent fair market value.

Asset lifecycle obligation provision

The Lease Operating Agreements ("LOA") 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 LOA 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 LOA. 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:

	2020	2019
	$	$
2020	**-**	1,336,430
2021	**593,755**	438,147
2022	**230,000**	305,000
2023	**200,000**	150,000
2024	**150,000**	150,000
2025 -2026	**200,000**	200,000
Total pledges	**1,373,755**	2,579,577
Long-term and community program pledges	**(880,000)**	(1,723,176)
Current pledges recognized	**493,755**	856,401

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 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 as these pledges are recognized based on the timing of the program and when expenses are incurred.

4. Investments

	2020	2019
	$	$
Association unrestricted investments	**8,233,647**	12,581,130
Capital lifecycle reserves (Note 11)	**3,285,975**	3,106,571
Endowments (Note 8)	**7,768,302**	7,304,247
	19,287,924	22,991,948

4. Investments (continued)

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

	Association unrestricted investments	**Capital lifecycle reserves**	**Endowments**	**Total 2020**	Total 2019
	$	**$**	**$**	**$**	$
Cash and money market funds	**136,104**	**781,557**	**748,749**	**1,666,410**	2,966,976
Canadian					
Income funds	**1,337,178**	**523,184**	**1,054,076**	**2,914,438**	7,457,755
Equity funds	**1,097,765**	**804,889**	**2,067,098**	**3,969,752**	4,325,951
International					
Income funds	**3,941,831**	**244,701**	**1,450,605**	**5,637,137**	4,002,187
Equity funds	**1,720,769**	**931,644**	**2,447,774**	**5,100,187**	4,239,079
	8,233,647	**3,285,975**	**7,768,302**	**19,287,924**	22,991,948

5. Investment income

	Association unrestricted investments	**Capital lifecycle reserves**	**Endowments**	**Total 2020**	Total 2019
	$	**$**	**$**	**$**	$
Interest and dividend income	**483,742**	**77,582**	**216,273**	**777,597**	1,032,154
Realized (loss) gain on sale of investments	**(5,333)**	**(5,178)**	**173,168**	**162,657**	42,632
Unrealized gain (loss) on investments	**321,477**	**117,632**	**243,275**	**682,384**	1,040,274
	799,886	**190,036**	**632,716**	**1,622,638**	2,115,060

6. Capital assets

			2020	2019
	Cost	**Accumulated amortization**	**Net book value**	Net book value
	$	**$**	**$**	$
Land	**2,023,000**	**-**	**2,023,000**	2,010,000
Buildings	**30,892,432**	**23,811,169**	**7,081,263**	9,383,751
Building improvements	**29,421,209**	**13,388,891**	**16,032,318**	14,896,160
Equipment under capital leases	**4,167,660**	**1,714,384**	**2,453,276**	1,786,096
Furniture and equipment	**12,539,166**	**7,510,901**	**5,028,265**	7,057,314
Facility start-up	**393,853**	**393,853**	**-**	196,926
Capital development projects	**866,491**	**-**	**866,491**	1,282,030
	80,303,811	**46,819,198**	**33,484,613**	36,612,277

Capital project commitments

As of December 31, 2020, authorizations for capital projects spending have been issued for $1,224,024 ($4,347,267 as of December 31, 2019), of which $856,809 ($2,941,010 in 2019) has been spent.

The Melcor YMCA at Crowfoot building with a net book value of $1,604,355 is on land under lease with The City of Calgary, having nominal costs and expiring in 2045. The use of the land is restricted under the lease, and the buildings will revert to the lessor if the lease is terminated. Therefore, to remain consistent with capital asset classification of other leased facilities the building was reclassed to building improvements in 2020.

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:

	$
2021	1,219,932
2022	910,310
2023	438,430
2024	9,244
Future minimum lease payments	**2,577,916**
Less: amount representing interest at a weighted-average rate of 7.57% (6.95% in 2019)	124,640
Principal value of future minimum lease payments	**2,453,276**
Less: current portion	796,792
Long term portion	**1,656,484**

8. Endowment funds

The endowment funds are comprised of unrestricted endowments as well as donor restricted endowment funds designated for specific charitable purposes by the donors. These donor restricted 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. Unrestricted endowments are internally restricted by the board of directors.

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

	2020	2019
	$	$
Unrestricted endowment	**6,076,142**	5,865,471
Tom Perkins Memorial fund	**121,228**	113,010
Mike Dodds Memorial Fund	**19,378**	18,626
The Amy and Howard P.Miller Memorial Fund	**117,240**	112,521
J.Fish Memorial Fund	**114,817**	110,314
Lorne and Pat Larson Fund	**789,727**	758,648
Camp Chief Hector Endowment	**490,255**	290,520
Camp Chief Hector Bursary	**39,515**	35,137
	7,768,302	7,304,247

9. Changes in non-cash working capital

	2020	2019
	$	$
Restricted cash - government grant	**(2,673,686)**	543,922
Accounts receivable	**(786,570)**	(261,828)
Pledges receivable	**362,646**	(72,621)
Prepaid expenses	**(131,962)**	59,361
Accounts payable and accrued liabilities	**(971,913)**	1,059,141
Unearned revenue	**338,287**	1,110,905
	(3,863,198)	2,438,880

10. Unearned revenue

	2020	2019
	$	$
Deferred membership, program, childcare, rental revenue	**2,013,658**	4,400,934
Deferred ELCC childcare grant	**3,726,729**	1,576,651
Deferred donations	**1,450,939**	875,454
Deferred sponsorships (current)	**720,000**	720,000
Total unearned revenue	**7,911,326**	7,573,039

11. Asset lifecycle obligations

	2020	2019
	$	$
Remington	**2,960,000**	2,220,000
Shane Homes	**3,990,000**	2,660,000
Brookfield	**4,080,000**	2,040,000
	11,030,000	6,920,000

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 LOA's 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 at expiry of the LOA (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 the YMCA Calgary consolidated financial statements as it is an asset of the Genesis Centre Governance Board.

	2020	2019
	$	$
Opening fund balance	**10,011,798**	8,875,402
Investment income	**535,212**	378,094
Calgary Foundation admin and management fees	**(104,101)**	(100,174)
Unrealized capital gains (losses)	**264,676**	858,476
Withdrawals	**(100,000)**	-
Ending fund balance	**10,607,585**	10,011,798

In 2016, the North East Center 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 the YMCA Calgary consolidated financial statements as it is an asset of the Genesis Centre Governance Board. At December 31, 2020 the investment balance was $4,923,935 ($4,258,138 in 2019).

YMCA Calgary is a member of the Canadian Urban Group, consisting of the largest YMCA's in Canada. YMCA Calgary holds $97,856 ($96,684 in 2019) of funds on their behalf, intended for future CUG initiatives. These funds have not been recorded in the financial statements.

13. Interfund transfers

In 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.

$335,540 was transferred to the Unrestricted fund from the Endowment fund. These funds were disbursed from the funds based on donor direction, in the case of restricted endowments and approved by the Board of Directors.

Of the $335,540, $275,000 was from the unrestricted endowment. The unrestricted endowment holds contributions collected from donors that intend for their contributions to be maintained in perpetuity but where no formal agreement exists. This transfer was approved by the Board of Directors. Internally restricted amounts are not available for other purposes without the approval of the Board of Directors.

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 Center. The annual rent payments over the 20 years are outlined in the following schedule.

	$
2022 to 2026	**1,068,071**
2027 to 2031	**1,175,957**
2032 to 2036	**1,292,834**

YMCA Calgary has entered into 5 to 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 which 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 LOA 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 September 1, 2023 and March 16, 2021 and will be renewed upon expiry. These were established as part of the agreements with The City of Calgary to operate the Remington, Shane Homes, and Brookfield facilities. There was no withdrawal on the letters of credit as at December 31, 2020.

15. Additional information regarding fund development expenses

Remuneration to employees whose principal duties are related to fundraising totalled $369,192 ($401,697 in 2019), and other fundraising expenses were $78,348 ($259,799 in 2019).

16. Financial instruments and risk management

Equity risk

The Association invests some of its investment assets in equity securities which 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 company 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 at December 31, 2020 was $19,287,924 ($22,991,949 in 2019), with $9,069,939 ($8,565,030 in 2019) 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. At December 31, 2020, the foreign content of the investments was 56% (36% in 2019) (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 a large number of 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. In addition, the Association has a $5,500,000 line of credit available if funds are promptly needed.

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 reclassed to conform to the financial statement presentation adopted in the current year.

19. 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 judgements exercised by management. Although the development of successful vaccine candidates towards the end of 2020 signals a turning point in the pandemic, ongoing delays in the deployment of these vaccines and continuing public health restrictions indicate that the pandemic will continue to negatively impact the Canadian economy for the foreseeable future.

COVID-19 resulted in the shutdown of all facilities from March 16th to July 20th, and December 14th to well into 2021. Limited childcare and other programs operated during closure. From July 20th, permitted operations have been subject to various health restrictions. These measures have had a significant impact on revenues of the Association.

20. Subsequent event

On February 18th, 2021 YMCA Calgary announced that, after extensive due diligence, the Association will begin a process to close the YMCA-owned Gray Family Eau Claire YMCA. The Association will continue an intentional process with expert partners to determine next steps for the land and building. The childcare centre within the facility will remain open until April 30, 2021.