



Financial Statements

YMCA-YWCA of Vancouver Island, British Columbia

December 31, 2019

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To the members of YMCA-YWCA of Vancouver Island, British Columbia

Opinion

We have audited the financial statements of YMCA-YWCA of Vancouver Island, British Columbia (the “Association”), which comprise the statement of financial position as at December 31, 2019, and the statements of operations and changes in fund balances, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of YMCA-YWCA of Vancouver Island, British Columbia as at December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for opinion

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

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

Management is responsible for the preparation and fair presentation of these 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 a 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 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.

Victoria, Canada
July 2, 2020

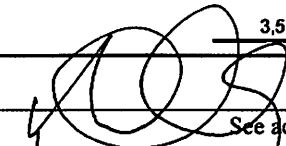
Grant Thornton LLP
Chartered Professional Accountants

YMCA-YWCA of Vancouver Island

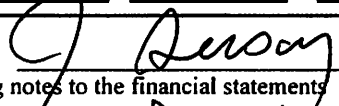
Statement of Financial Position

December 31	General Fund	Capital Fund	Endowment Fund	Downtown Fund	2019	2018
Assets						
Current Assets						
Cash and cash equivalents	\$ 624,677	\$ -	\$ -	\$ 9,694,000	\$ 10,318,677	\$ 10,774,017
Accounts receivable	188,286	-	-	81,870	270,156	109,385
Inventory	81,069	-	-	-	81,069	125,287
Prepaid expenses	69,902	-	-	-	69,902	10,510
	<u>963,934</u>	<u>-</u>	<u>-</u>	<u>9,775,870</u>	<u>10,739,804</u>	<u>11,019,199</u>
Tangible capital assets (Note 3)	3,506,216	-	-	-	3,506,216	3,417,042
Investments (Note 4)	-	-	1,175,105	-	1,175,105	1,056,459
Cash surrender value of life insurance policies	-	-	44,857	-	44,857	43,667
Deposits	160,314	-	-	-	160,314	302,243
Due to / from other funds	(1,110,648)	571,450	39,198	500,000	-	-
	<u>\$ 3,519,816</u>	<u>\$ 571,450</u>	<u>\$ 1,259,160</u>	<u>\$ 10,275,870</u>	<u>\$ 15,626,296</u>	<u>\$ 15,838,610</u>
Liabilities						
Current Liabilities						
Accounts payable and accrued liabilities (Note 5)	806,410	-	-	-	806,410	770,453
Current portion of long term debt (Note 7)	-	-	-	-	-	70,039
Deferred revenue (Note 6)	915,885	-	-	-	915,885	839,368
	<u>1,722,295</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,722,295</u>	<u>1,679,860</u>
Deferred lease liability	699,017	-	-	-	699,017	651,583
	<u>2,421,312</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,421,312</u>	<u>2,331,443</u>
Fund Balances						
Unrestricted	1,098,504	-	-	-	1,098,504	1,830,648
Externally restricted	-	571,450	1,070,563	-	1,642,013	1,425,338
Internally restricted	-	-	188,597	10,275,870	10,464,467	10,251,181
	<u>1,098,504</u>	<u>571,450</u>	<u>1,259,160</u>	<u>10,275,870</u>	<u>13,204,984</u>	<u>13,507,168</u>
	<u>3,519,816</u>	<u>571,450</u>	<u>1,259,160</u>	<u>10,275,870</u>	<u>15,626,296</u>	<u>15,838,610</u>

On behalf of the board:


N.A. MOSKY

, Director


J. DUSAN

, Director

See accompanying notes to the financial statements

YMCA-YWCA of Vancouver Island

Statement of Operations and Changes in Fund Balances

Year Ended December 31, 2019

	Restricted Funds				2019	2018
	General Fund	Capital Fund	Endowment Fund	Downtown Fund		
Revenue						
Program	\$ 10,701,297	\$ -	\$ -	\$ -	\$ 10,701,297	\$ 9,747,856
Government (Note 8)	1,755,510	-	-	-	1,755,510	1,700,003
Gaming (Note 8)	99,947	-	-	-	99,947	100,036
Fundraising activities	179,856	111,919	3,250	-	295,025	212,859
Other revenue	29,072	-	-	-	29,072	237,705
Investment income	47,282	-	3,040	194,953	245,275	128,190
	<u>12,812,964</u>	<u>111,919</u>	<u>6,290</u>	<u>194,953</u>	<u>13,126,126</u>	<u>12,126,649</u>
Expenses						
Wages and benefits	\$ 7,173,205	\$ -	\$ -	\$ -	\$ 7,173,205	\$ 7,221,140
Operations	1,285,653	-	-	-	1,285,653	1,289,957
Occupancy	2,884,565	-	-	-	2,884,565	2,791,557
Purchased services	977,095	-	-	-	977,095	1,009,421
Amortization	389,330	-	-	-	389,330	399,162
Association dues	239,442	-	-	-	239,442	218,375
Interest and bank charges	259,899	-	-	-	259,899	440,203
Marketing and communications	159,793	-	-	-	159,793	160,296
Insurance	121,968	-	-	-	121,968	88,795
Bad debt	54,159	-	-	-	54,159	50,082
Scholarships	-	-	3,040	-	3,040	2,868
	<u>13,545,108</u>	<u>-</u>	<u>3,040</u>	<u>-</u>	<u>13,548,148</u>	<u>13,671,856</u>
(Deficiency) excess of revenues over expenses from operations	(732,144)	111,919	3,250	194,953	(422,022)	(1,545,207)
Gain on sale of downtown property (Note 13)	-	-	-	-	-	20,512,241
Unrealized gain (loss) on investments	-	-	119,838	-	119,838	(72,065)
Payment to City of Victoria (Note 14)	-	-	-	-	-	(1,892,000)
Loss on software asset writeoff	-	-	-	-	-	(167,186)
(Deficiency) excess of revenues over expenses	(732,144)	111,919	123,088	194,953	(302,184)	16,835,784
Fund balances, beginning of year	1,830,648	459,531	1,136,072	10,080,917	13,507,168	(3,328,615)
Fund balances, end of year	<u>1,098,504</u>	<u>571,450</u>	<u>1,259,160</u>	<u>10,275,870</u>	<u>13,204,984</u>	<u>13,507,169</u>

See accompanying notes to the financial statements

YMCA-YWCA of Vancouver Island
Statement of Cashflow

Year Ended December 31	2019	2018
Cash provided by (used in):		
Operations		
(Deficiency) excess of revenue over expenses:		
General fund	(732,144)	16,751,865
Capital fund	111,919	72,367
Endowment fund	123,088	(69,366)
Downtown fund	194,953	80,917
	<u>(302,184)</u>	<u>16,835,783</u>
Items not involving cash		
Amortization of capital assets	389,330	399,162
Unrealized loss (gain) on investments	(118,648)	73,032
Increase in cash surrender value of life insurance policies	(1,190)	(967)
Loss on software WIP disposal	-	167,186
Gain on sale of downtown facility	-	(20,512,241)
	<u>269,492</u>	<u>(19,873,828)</u>
Changes in non-cash operating working capital		
Accounts receivable	(160,771)	(54,735)
Inventory	44,218	(40,199)
Prepaid expenses	(59,392)	1,999
Deposits	141,929	-
Accounts payable and accrued liabilities	35,960	57,104
Due to YMCA Canada	-	(51,121)
Deferred revenue	76,517	(97,156)
Deferred lease liability	47,434	152,583
	<u>125,895</u>	<u>(31,525)</u>
Financing activities		
Payment of long term debt	(70,039)	-
Payment of demand loan	-	(3,950,000)
	<u>(70,039)</u>	<u>(3,950,000)</u>
Investing activities:		
Proceeds on sale of tangible capital assets	-	21,310,133
Purchase of tangible capital assets	(478,504)	(71,941)
	<u>(478,504)</u>	<u>21,238,192</u>
Increase (decrease) in cash	(455,340)	14,218,622
Cash (bank indebtedness), beginning of year	10,774,017	(3,444,605)
Cash, end of year	<u>10,318,677</u>	<u>10,774,017</u>
Cash is comprised of:		
Cash	3,125	2,825
Donation Savings	210	229,596
Operating Account	621,342	541,596
GIC	9,694,000	10,000,000
	<u>10,318,677</u>	<u>10,774,017</u>

See accompanying notes to the financial statements

YMCA-YWCA of Vancouver Island, British Columbia

Notes to the Financial Statements

December 31, 2019

1. Purpose of the organization

The YMCA-YWCA of Vancouver Island, British Columbia ("YMCA-YWCA" or the "Association") is incorporated under the Society Act (British Columbia) as a not-for-profit organization and is a registered charity under the Income Tax Act. During the 2015 year, the Association changed its legal name from YMCA-YWCA of Greater Victoria, British Columbia to YMCA-YWCA of Vancouver Island, British Columbia.

The Association is a charitable, community-based association of volunteers and staff working together to enhance the quality of life in the local and global communities based on the principles of human dignity, justice and peace. The Association's mission is to provide quality community leadership, programs, services and education for individuals and families that encourage and support a balanced approach to development in body, mind and spirit.

2. Summary of significant accounting policies

Basis of presentation

The financial statements of the Association have been prepared in accordance with Canadian accounting standards for not-for-profit organizations using the significant accounting policies as described below:

(a) Fund accounting

The Association follows the restricted fund method of accounting for contributions. The Association records its activities in the following funds:

General Fund

The General Fund is established for the general operations of the Association. All operational transactions, including those of a capital nature, are recorded in the accounts of this fund.

Capital Fund

The Capital Fund is established to record restricted contributions that are to be used for the purchase of Camp Thunderbird capital assets and equipment for the Langford and View Royal facilities.

Endowment Fund

The Endowment Fund is established to record resources contributed for endowment. Other restricted funds are established as required.

Downtown Fund

The Downtown Fund is established to record restricted and unrestricted amounts that are to be used for the relocation of the downtown facility

YMCA-YWCA of Vancouver Island, British Columbia

Notes to the Financial Statements

December 31, 2019

2. Summary of significant accounting policies (continued)

(b) Tangible Capital assets

Purchased capital assets are stated at cost. Contributed capital assets are recorded at fair value at the date of contribution.

Amortization is provided on a straight-line basis over the assets' estimated useful lives as follows:

Buildings	40 years
Cabins	40 years
Camp improvements	40 years
Camp site services infrastructure	30 years
Equipment	2-10 years
Leasehold improvements	Term of the lease

Amortization on assets under construction commences when the asset is put into service.

When a capital asset no longer has any long-term service potential to the Association, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.

(c) Inventory

Inventory consists of goods held for resale and is carried at the lower of cost and net realizable value.

(d) Contributed services and materials

Volunteers contribute an indeterminable number of hours per year to assist the YMCA-YWCA in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements. Donated materials that would not otherwise have been purchased by the Association are not recognized in the financial statements.

(e) Revenue recognition

Program revenues are recognized as revenue of the General Fund in the year that they are earned and collection is reasonably assured.

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred.

Deferred revenue includes unearned program revenues, government grants received in advance of expenses, unearned lease inducements, unspent externally restricted bequests and unspent externally restricted investment income.

YMCA-YWCA of Vancouver Island, British Columbia

Notes to the Financial Statements

December 31, 2019

2. Summary of significant accounting policies (continued)

(e) Revenue recognition (continued)

Donations of life insurance policies are recorded when the funds are received by the Association. The cash surrender value of life insurance policies and changes in cash surrender value are recorded for those policies in which the Association is the beneficiary. Changes in the cash surrender value of life insurance policies are recorded in fundraising activities revenue.

Contributions for endowment are recognized as revenue in the Endowment Fund when received or receivable.

Contributions for the capital campaign are recognized in the Capital Campaign Fund when received or receivable.

Restricted investment income earned on resources of the Endowment Fund is reported in the General Fund or the Endowment Fund depending on the nature of any restrictions imposed by contributors of funds for endowment. Unrestricted investment income earned on resources of the Endowment Fund is recognized as revenue of the General Fund. Other investment income is recognized as revenue of the General Fund when earned.

Contributions for the relocation of the downtown facility are recognized in the Downtown Fund when received or receivable.

(f) Financial instruments

Financial instruments are recorded at fair value on initial recognition. Investments that are quoted in an active market are subsequently measured at fair value and all changes in the fair value are recognized in excess (deficiency) of revenue over expenses in the period incurred. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Association has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Association expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

YMCA-YWCA of Vancouver Island, British Columbia

Notes to the Financial Statements

December 31, 2019

2. Summary of significant accounting policies (continued)

(g) Employee future benefits

The Association and its employees make contributions to a multi-employer defined contribution pension plan. The Association's contributions are expensed as incurred.

(h) Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

3 Capital assets			<u>2019</u>	<u>2018</u>
	Cost	Accumulated <u>Amortization</u>	<u>Net Book Value</u>	Net <u>Book Value</u>
Land	7,300	-	7,300	7,300
Leasehold improvements	2,586,289	600,833	1,985,456	2,159,546
Cabins	696,803	112,128	584,675	584,142
Camp improvements	1,687,642	1,146,558	541,084	292,792
Equipment	1,596,735	1,233,582	363,153	367,090
Work in process	24,548	-	24,548	6,172
	<u>6,599,317</u>	<u>3,093,101</u>	<u>3,506,216</u>	<u>3,417,042</u>

YMCA-YWCA of Vancouver Island, British Columbia

Notes to the Financial Statements

December 31, 2019

4. Investments 2019 2018

The following investments are recorded at fair value.

Cash	\$ 44,419	\$ 26,306
Fixed income	394,718	392,791
Canadian equities	241,692	317,406
U.S. equities	270,395	168,901
International equities	<u>223,881</u>	<u>151,055</u>
	<u>\$ 1,175,105</u>	<u>\$ 1,056,459</u>

5. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$62,629 (2018: \$69,943), which includes amounts payable for GST, payroll deductions and workers' compensation premiums.

6. Deferred Revenue

Deferred consist of the following:

	<u>2019</u>	<u>2018</u>
Grants	\$ 156,788	\$ 169,228
Bequests	145,579	145,579
Program revenue	488,695	381,658
Lease inducements	121,413	140,092
Miscellaneous	<u>2,811</u>	<u>2,811</u>
	<u>\$ 915,885</u>	<u>\$ 839,368</u>

7. Due to YMCA Canada

In the prior year a decision was made to not continue with the Dynamics for Membership (DFM) YMCA Canada software project. Consequently, the amounts due to YMCA Canada became due in full. The current portion of long-term debt amount of \$70,039 was paid in January 2019.

YMCA-YWCA of Vancouver Island, British Columbia

Notes to the Financial Statements

December 31, 2019

8. Government funding	<u>2019</u>	<u>2018</u>
Federal	\$ 33,066	\$ 39,200
Provincial	772,444	710,803
Municipal	<u>950,000</u>	<u>950,000</u>
	<u>\$ 1,755,510</u>	<u>\$ 1,700,003</u>

9. Commitments

The Association has operating leases with future minimum aggregate lease payments as follows:

Office equipment, computer equipment and related services		
2020	6,379	
2021	<u>1,655</u>	
	<u>\$ 8,034</u>	

Fitness equipment		
2020	145,953	
2021	<u>33,013</u>	
	<u>\$ 178,966</u>	

View Royal ten year lease

2020	223,333
2021	233,828
2022	271,697
2023	271,697
2024	271,697
Thereafter	<u>409,101</u>
	<u>\$ 1,622,494</u>

YMCA-YWCA of Vancouver Island, British Columbia

Notes to the Financial Statements

December 31, 2019

9. Commitments (continued)

Victoria Downtown three year lease

2020	-
2021	-
	-
	\$ -

Langford ten year office lease

2020	54,421
2021	58,859
2022	64,777
2023	64,777
2024	64,777
Thereafter	96,891
	\$ 392,666

Langford twenty-five year lease

	Future minimum lease payments	Future minimum service income
2020	1,564,004	950,000
2021	1,579,188	950,000
2022	1,579,188	950,000
2023	1,579,188	950,000
2024	1,579,188	950,000
Thereafter	24,365,555	15,200,000
	\$ 32,140,020	\$ 19,950,000

On February 7, 2013, the Association signed a services agreement with the City of Langford (the "City") to provide services to the City operating a community recreation centre. The City agreed to purchase the operating services for an annual payment of \$750,000 which may increase every two years by an amount equal to the percentage increase in the population of the City during that period to a maximum of \$950,000 annually. The term of the agreement is 25 years and commenced on March 1, 2016 with lease payments beginning on May 1, 2016, two months after the completion date of the new recreation facility.

YMCA-YWCA of Vancouver Island, British Columbia

Notes to the Financial Statements

December 31, 2019

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

The Young Men's and Young Women's Christian Association of Victoria Endowment Fund, was established with the Victoria Foundation. and managed for the benefit of the Association. This fund is held permanently by the Victoria Foundation and is not recorded on the statement of financial position. In the current year. grants of \$ 5,176 (2018 \$5,030) were received and recorded as investment income.

At December 31, 2019, the market value of this fund was \$139,831 (2018: \$127,227).

11. Remuneration

On November 28, 2016 the British Columbia Societies Act came into force. Included in the new Act is a requirement to disclose the remuneration paid to all directors, the ten highest paid employees and contractors who are paid at least \$75,000 annually.

The directors of the association receive no compensation as a result of their board position. From time to time, the Association carries out business transactions with suppliers of goods and services whose officers or senior management are also directors of the Association. During the year, these transactions amounted to \$37,719 (2018 - \$8,181). These transactions are in the normal course of operations and are subject to regular review process.

During the year. the Society paid total remuneration of \$693,239 to seven employees and contractors for services, whose remuneration during the year was at least \$75,000.

12. Financial risk and concentration of credit risk

The Association is exposed to market risk through its investment portfolio.

The Association manages its investment portfolio to earn investment income and invests according to an investment policy approved by the Board. The Association is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

Investments that trade in foreign markets are exposed to currency risk as the price in local terms on the foreign stock exchange is converted to Canadian dollars to determine fair value. The Association's overall currency positions are monitored on a daily basis by the portfolio manager and exposure is limited by requirements of the Association's investment policy.

The Association believes that it is not exposed to significant credit or cash flow risk arising from its financial instruments.

Liquidity risk is the risk that the Association will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Association manages its liquidity risk by monitoring its operating requirements. The Association prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

There has been no change in the risk exposure from the prior year.

YMCA-YWCA of Vancouver Island, British Columbia

Notes to the Financial Statements

December 31, 2019

13. Downtown building sale

In 2018 the Association sold its downtown property resulting in a gain on the sale of \$20,512,370. This amount does not include a payment of \$1,892,000 remitted from the proceeds to the City of Victoria (See Note 15) but is net of transaction costs which amounted to \$660,667 including legal costs, real estate commissions and other expenses related to the sale. The proceeds from the sale were used to eliminate the Demand Loan and Bank indebtedness. A portion of these funds (\$10,080,917) have been internally restricted by the Board of Directors to be used in the relocation of the downtown facility. As part of the purchase and sale agreement the Association has entered into a 3-year lease with the purchaser (Concert Properties) with an annual lease rate of \$NIL. The lease is renewable after year 3 on an annual basis at an annual lease rate of \$935,000 per annum for year 1 and 2 and \$981,750 per annum for years 3 and 4.

14. Payment to City of Victoria

An amount has been remitted to the City of Victoria and becomes repayable upon the issuance of a building permit for the relocation of the downtown facility. This amount was paid to the City of Victoria in consideration for the removal of a covenant on the downtown property which was a condition of sale

15. Subsequent event

Since December 31, 2019, the spread of the Novel Coronavirus (COVID-19) has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of nonessential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. The Association has closed its facilities to comply with government mandated social distancing protocols. This has impacted revenues and the Association has taken measures to reduce their operating costs accordingly, which has included the reduction of its workforce through temporary layoffs. Management is closely monitoring the evolving situation and taking measures to mitigate any potential long-term negative impact to the Association's programs and operations and ensure immediate continuity of business when social distancing protocols have ended.

The Association has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2019 have not been adjusted to reflect their impact.

YMCA-YWCA of Vancouver Island, British Columbia

Notes to the Financial Statements

December 31, 2019

16. Subsequent event (continued)

As a result of the COVID-19 pandemic conditions, the Association closed all of its Childcare Centres and the Health, Fitness and Aquatics facilities on March 17, 2020. Regularly scheduled programs at the Outdoor Centre (Camp Thunderbird) were also cancelled, resulting in the necessary repayment of all registration deposits received for the 2020 season. The closures and program cancellations have led to a reduction in monthly revenue of approximately 85%, and a temporary layoff for 85% of staff.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Association for future periods.
