



## Financial Statements

YMCA-YWCA of Vancouver Island,  
British Columbia

December 31, 2020

YMCA-YWCA of Vancouver Island, British Columbia

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# Independent Auditors' Report

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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, 2020, and the statements of operations and changes in fund balance, 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, 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. 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  
April 29, 2021

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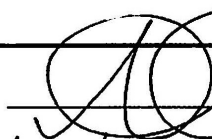
Chartered Professional Accountants

## YMCA-YWCA of Vancouver Island

### Statement of Financial Position

December 31	General Fund	Capital Fund	Endowment Fund	Downtown Fund	2020	2019
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ 989,271	\$ -	\$ -	\$ 8,000,000	\$ 8,989,271	\$ 10,318,677
Accounts receivable	295,014	-	-	50,445	345,459	270,156
Inventory	96,373	-	-	-	96,373	81,069
Prepaid expenses	131,968	-	-	-	131,968	69,902
	<u>1,512,626</u>	<u>-</u>	<u>-</u>	<u>8,050,445</u>	<u>9,563,071</u>	<u>10,739,804</u>
Tangible capital assets (Note 3)	3,161,184	-	-	87,301	3,248,485	3,506,216
Investments (Note 4)	-	-	1,296,754	-	1,296,754	1,175,105
Cash surrender value of life insurance policies	-	-	46,309	-	46,309	44,857
Deposits	35,314	-	-	-	35,314	160,314
Due to / from other funds	(954,264)	600,795	44,962	308,507	-	-
	<u>\$ 3,754,860</u>	<u>\$ 600,795</u>	<u>\$ 1,388,025</u>	<u>\$ 8,446,253</u>	<u>\$ 14,189,933</u>	<u>\$ 15,626,296</u>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Accounts payable and accrued liabilities (Note 5)	1,473,359	-	-	-	1,473,359	806,410
Deferred revenue (Note 6)	779,460	-	-	-	779,460	915,885
	<u>2,252,819</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,252,819</u>	<u>1,722,295</u>
Deferred lease liability	731,509	-	-	-	731,509	699,017
	<u>2,984,328</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,984,328</u>	<u>2,421,312</u>
<b>Fund Balances</b>						
Unrestricted	770,532	-	-	946,253	1,716,785	1,098,504
Externally restricted	-	600,795	1,181,425	-	1,782,220	1,642,013
Internally restricted	-	-	206,600	7,500,000	7,706,600	10,464,467
	<u>770,532</u>	<u>600,795</u>	<u>1,388,025</u>	<u>8,446,253</u>	<u>11,205,605</u>	<u>13,204,984</u>
	<u>3,754,860</u>	<u>600,795</u>	<u>1,388,025</u>	<u>8,446,253</u>	<u>14,189,933</u>	<u>15,626,296</u>

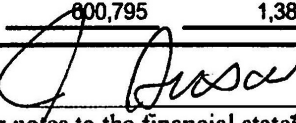
On behalf of the board:



N.A. MOSKY

, Director

See accompanying notes to the financial statements



J. DUSAN

, Director

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

Year Ended December 31, 2020

	Restricted Funds				2020	2019
	General Fund	Capital Fund	Endowment Fund	Downtown Fund		
<b>Revenue</b>						
Program	\$ 2,969,624	\$ -	\$ -	\$ -	\$ 2,969,624	\$ 10,701,297
Government (Note 7)	3,852,801	-	-	-	3,852,801	1,755,510
Gaming	99,996	-	-	-	99,996	99,947
Fundraising activities	274,528	29,345	6,897	-	310,770	295,025
Other revenue	59,029	-	-	-	59,029	29,072
Investment income	45,403	-	320	170,383	216,106	245,275
	<u>7,301,381</u>	<u>29,345</u>	<u>7,217</u>	<u>170,383</u>	<u>7,508,326</u>	<u>13,126,126</u>
<b>Expenses</b>						
Wages and benefits	\$ 4,839,006	\$ -	\$ -	\$ -	\$ 4,839,006	\$ 7,173,205
Operations	592,948	-	-	-	592,948	1,285,653
Occupancy	2,791,820	-	-	-	2,791,820	2,884,565
Purchased services	521,513	-	-	-	521,513	977,095
Amortization	409,649	-	-	-	409,649	389,330
Association dues	128,835	-	-	-	128,835	239,442
Interest and bank charges	89,376	-	-	-	89,376	259,899
Marketing and communications	124,702	-	-	-	124,702	159,793
Insurance	111,866	-	-	-	111,866	121,968
Bad debt	19,638	-	-	-	19,638	54,159
Scholarships	-	-	-	-	-	3,040
	<u>9,629,353</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,629,353</u>	<u>13,548,149</u>
(Deficiency) excess of revenues over expenses from operations	(2,327,972)	29,345	7,217	170,383	(2,121,027)	(422,023)
Unrealized gain (loss) on investments	-	-	121,649	-	121,649	119,838
(Deficiency) excess of revenues over expenses	(2,327,972)	29,345	128,866	170,383	(1,999,378)	(302,185)
Fund balances, beginning of year	1,098,504	571,450	1,259,159	10,275,870	13,204,983	13,507,168
Interfund transfers (Note 9)	2,000,000	-	-	(2,000,000)	-	-
Fund balances, end of year	<u>770,532</u>	<u>600,795</u>	<u>1,388,025</u>	<u>8,446,253</u>	<u>11,205,605</u>	<u>13,204,983</u>

See accompanying notes to the financial statements

## YMCA-YWCA of Vancouver Island

### Statement of Cashflow

Year Ended December 31	2020	2019
Cash provided by (used in):		
<b>Operations</b>		
(Deficiency) excess of revenue over expenses:		
General fund	(2,327,972)	(732,144)
Capital fund	29,345	111,919
Endowment fund	128,866	123,088
Downtown fund	170,383	194,953
	<u>(1,999,378)</u>	<u>(302,184)</u>
Items not involving cash		
Amortization of capital assets	409,649	389,330
Unrealized loss (gain) on investments	(121,649)	(118,648)
Increase in cash surrender value of life insurance policies	(1,452)	(1,190)
	<u>286,548</u>	<u>269,492</u>
Changes in non-cash operating working capital		
Accounts receivable	(75,303)	(160,771)
Inventory	(15,304)	44,218
Prepaid expenses	(62,066)	(59,392)
Deposits	125,000	141,929
Accounts payable and accrued liabilities	666,947	35,960
Deferred revenue	(136,425)	76,517
Deferred lease liability	32,492	47,434
	<u>535,341</u>	<u>125,895</u>
<b>Financing activities</b>		
Payment of long term debt	-	(70,039)
	-	(70,039)
<b>Investing activities:</b>		
Purchase of tangible capital assets	(151,918)	(478,504)
	<u>(151,918)</u>	<u>(478,504)</u>
Increase (decrease) in cash	(1,329,407)	(455,340)
Cash, beginning of year	<u>10,318,677</u>	<u>10,774,017</u>
Cash, end of year	<u>8,989,270</u>	<u>10,318,677</u>
Cash is comprised of:		
Cash	296	3,125
Donation Savings	210	210
Operating Account	988,764	621,342
GIC	8,000,000	9,694,000
	<u>8,989,270</u>	<u>10,318,677</u>

See accompanying notes to the financial statements

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# YMCA-YWCA of Vancouver Island, British Columbia

## Notes to the Financial Statements

December 31, 2020

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### 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.

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### 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.



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# YMCA-YWCA of Vancouver Island, British Columbia

## Notes to the Financial Statements

December 31, 2020

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### 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 where 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.

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# YMCA-YWCA of Vancouver Island, British Columbia

## Notes to the Financial Statements

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December 31, 2020

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### 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.

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## YMCA-YWCA of Vancouver Island, British Columbia

### Notes to the Financial Statements

December 31, 2020

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#### 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.

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3. Capital assets			<u>2020</u>	<u>2019</u>
	Cost	Accumulated Amortization	<u>Net Book Value</u>	Net Book Value
Land	\$ 7,300	\$ -	\$ 7,300	\$ 7,300
Leasehold improvements	2,631,699	776,720	<b>1,854,979</b>	1,985,456
Cabins	696,803	132,993	<b>563,810</b>	584,675
Camp improvements	1,687,642	1,200,516	<b>487,126</b>	541,084
Equipment	1,605,413	1,392,520	<b>212,893</b>	363,153
Work in process	122,377	-	<b>122,377</b>	24,548
	<u>\$ 6,751,234</u>	<u>\$ 3,502,749</u>	<u>\$ 3,248,485</u>	<u>\$ 3,506,216</u>

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## YMCA-YWCA of Vancouver Island, British Columbia

### Notes to the Financial Statements

December 31, 2020

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#### 4. Investments

**2020****2019**

The following investments are recorded at fair value.

Cash	\$	<b>8,818</b>	\$	44,419
Fixed income		<b>461,126</b>		394,718
Canadian equities		<b>270,119</b>		241,692
U.S. equities		<b>315,924</b>		270,395
International equities		<b>240,767</b>		223,881
		<u><b>1,296,754</b></u>		<u>1,175,105</u>

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#### 5. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$18,235 (2019 - \$62,629), which includes amounts payable for GST, payroll deductions and workers' compensation premiums.

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#### 6. Deferred Revenue

Deferred consist of the following:

		<b>2020</b>		<b>2019</b>
Grants	\$	<b>245,153</b>	\$	156,788
Bequests		<b>146,281</b>		145,579
Program revenue		<b>175,007</b>		488,695
Lease inducements		<b>102,734</b>		121,413
Miscellaneous		<b>110,285</b>		3,410
		<u><b>779,460</b></u>		<u>915,885</u>

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#### 7. Government funding

**2020****2019**

Federal	\$	<b>2,159,150</b>	\$	33,066
Provincial		<b>743,651</b>		772,444
Municipal		<b>950,000</b>		950,000
		<u><b>3,852,801</b></u>		<u>1,755,510</u>

Included in the Federal Government funding are the COVID-19 relief benefits received for the Canada Emergency Wage Subsidy (CEWS) and Canada Emergency Rent Subsidy (CERS) in the amounts of \$1,966,350 and \$167,469, respectively. Included in accounts receivable at December 31, 2020 relating to government subsidies is \$170,575 for CEWS and \$92,542 for CERS.

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## YMCA-YWCA of Vancouver Island, British Columbia

### Notes to the Financial Statements

December 31, 2020

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#### 8. Commitments

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

	<u>Office Equipment</u>	<u>Fitness Equipment</u>	<u>Other Services</u>
2021	\$ 218,382	\$ 64,955	\$ 5,100
2022	51,168	24,863	-
2023	39,738	11,773	-
2024	28,308	2,943	-
2025	13,138	-	-
Thereafter	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 350,734</u>	<u>\$ 104,534</u>	<u>\$ 5,100</u>

View Royal ten-year lease

2021	\$ 248,228
2022	286,097
2023	286,097
2024	304,355
2025	304,355
Thereafter	<u>105,899</u>
	<u>\$ 1,535,031</u>

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## YMCA-YWCA of Vancouver Island, British Columbia

### Notes to the Financial Statements

December 31, 2020

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#### 8. Commitments (continued)

Victoria Downtown three-year lease

2021	\$	-
	<u>\$</u>	<u>-</u>

Langford ten-year office lease

2021	\$	63,125
2022		69,043
2023		69,043
2024		72,989
2025		73,975
Thereafter		<u>24,658</u>
	<u>\$</u>	<u>372,833</u>

	<u>Future minimum lease payments</u>	<u>Future minimum service income</u>
Langford twenty-five-year lease		
2021	\$ 1,579,188	\$ 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	<u>25,267,008</u>	<u>14,250,000</u>
	<u>\$ 33,162,948</u>	<u>\$ 19,000,000</u>

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.

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## YMCA-YWCA of Vancouver Island, British Columbia

### Notes to the Financial Statements

December 31, 2020

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#### **9. Interfund transfers**

In 2020, Board approval was given to use a portion of the Downtown Fund to supplement working capital needs during the COVID-19 pandemic. The Association transferred \$2,000,000 in 2020 and has the approval to continue to supplement working capital needs in 2021 so long as the Downtown fund balance does not go below \$7,500,000.

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#### **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 \$ 5,304 (2019 - \$5,176) were received and recorded as investment income.

At December 31, 2020, the market value of this fund was \$144,017 (2019 - \$139,831).

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#### **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 \$NIL (2019 - \$37,719). 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 \$586,498 to six employees and contractors for services, whose remuneration during the year was at least \$75,000.

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#### **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.

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## YMCA-YWCA of Vancouver Island, British Columbia

### Notes to the Financial Statements

December 31, 2020

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#### 12. Financial risk and concentration of credit risk (continued)

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.

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#### 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 14) 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 (\$7,500,000) have been internally restricted by the Board of Directors to be used toward a new 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.

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#### 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.

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#### 15. Impacts of COVID-19

Shortly after December 31, 2019, the spread of the Novel Coronavirus (COVID-19) had severely impacted many local economies around the globe. In many countries, including Canada, businesses were being forced to cease or limit operations for long or indefinite periods of time. Measures were taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of nonessential services which triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets also experienced great volatility and a significant weakening. Governments and central banks responded with monetary and fiscal interventions to stabilize economic conditions. The Association closed its facilities to comply with government mandated social distancing protocols. This impacted revenues and the Association has taken measures to reduce their operating costs accordingly, which 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.

As a result of the COVID-19 pandemic conditions, the Association closed all of its Childcare Centre's and the Health, Fitness and Aquatics facilities on March 17, 2020. On July 2, 2020



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## YMCA-YWCA of Vancouver Island, British Columbia

### Notes to the Financial Statements

December 31, 2020

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#### 15. Impacts of COVID-19 (continued)

the Childcare facilities at the Westhills and Downtown locations re-opened, whereas the Health, Fitness and Aquatics facilities reopened on July 16, 2020. All facilities that were able to re-open were on a limited basis so as to adhere to the Provincial Health Orders put in place. 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. Day camps were run at the Outdoor Centre throughout the summer months as was permitted.

The closures and program cancellations have led to an average reduction in monthly revenue of approximately 73%, and a temporary layoff for 85% of staff. The Association continued to operate social housing programs and provide online mental health support with mostly government funding and continuously developed plans to resume other revenue generating operations throughout 2020 as provincial health orders permitted.

The Childcare Centre and Health, Fitness and Aquatics facilities at the Eagle Creek location remain closed at this time. The Association has secured a tenant that will sublease the Childcare space in early 2021. A tenant for the Health, Fitness and Aquatics facility is still being explored.

The Association has also utilized the government funded COVID-19 relief benefits such as the Canada Emergency Wage Subsidy (CEWS) and Canada Emergency Rent Subsidy (CERS) and will continue to do so until June 2021.

The overall 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.

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