Financial statements of
The YMCAs of Québec

December 31, 2019

Deloitte.

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Independent Auditor's Report

To the Members of
The YMCAs of Québec

Opinion

We have audited the financial statements of The YMCAs of Québec (the "YMCA"), which comprise the statement of financial position as at December 31, 2019, and the statements of operations, changes in net assets and 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 the YMCA 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 ("ASNPO").

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 the YMCA 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 audit opinion.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Community Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Community Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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 ASNPO, 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 YMCA's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the YMCA or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the YMCA'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 the YMCA'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 YMCA'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 YMCA 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[1]

March 17, 2020

[1] CPA auditor, CA, public accountancy permit No. A120628

The YMCAs of Québec
Statement of operations
Year ended December 31, 2019

	Notes	2019	2018
		$	$
Revenue			
Program activities		**30,546,339**	29,848,563
Grants for programs		**24,738,163**	21,207,749
Rent		**1,634,125**	1,602,418
Grants for installations		**1,822,002**	1,915,939
Grants for installations – interest		**133,047**	193,299
Donations from the YMCAs of Québec Foundation		**1,341,865**	1,185,891
Centraide of Greater Montréal		**1,883,918**	1,786,248
Investment revenue		**294,323**	167,478
		62,393,782	57,907,585
Expenses			
Salaries and social benefits		**36,712,367**	33,676,984
Program expenses		**5,833,307**	4,991,315
Repairs and replacements, maintenance supplies and service contracts		**6,521,690**	6,408,339
Heat and electricity		**1,635,308**	1,657,672
Rent fees		**1,259,340**	1,138,090
Office expenses		**1,230,406**	966,337
Professional fees		**1,382,644**	1,449,182
Advertising expenses		**862,200**	739,946
Employees expenses and development		**786,165**	791,708
Insurance and taxes		**796,947**	788,398
Bank charges		**352,629**	346,998
YMCA Canada fees and other dues		**732,496**	686,882
Bad debts		**266,450**	141,578
Other expenses		**362,268**	344,696
		58,734,217	54,128,125
Excess of revenue over expenses before the following items		**3,659,565**	3,779,460
Interest on mortgage loans and other financing costs		**(236,025)**	(309,748)
Amortization of capital assets		**(3,530,345)**	(3,304,786)
Amortization of intangible assets		**(197,870)**	(688)
Amortization of deferred contributions related to capital assets	8	**1,545,865**	1,530,294
Excess of revenue over expenses before the change in fair value of interest-rate swap agreements		**1,241,190**	1,694,532
Change in fair value of interest-rate swap agreements		**(10,345)**	12,775
Excess of revenue over expenses		**1,230,845**	1,707,307

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

The YMCAs of Québec

Statement of changes in net assets

Year ended December 31, 2019

	Invested in capital and intangible assets	Internally restricted	Unrestricted	Total
	$	$	$	$
Balance, December 31, 2017	11,355,482	2,000,000	4,904,178	18,259,660
Excess (deficiency) of revenue over expenses	(1,762,405)(1)	—	3,469,712	1,707,307
Investment in capital and intangible assets	3,455,378(2)	—	(3,455,378)	—
Balance, December 31, 2018	**13,048,455(3)**	**2,000,000**	**4,918,512**	**19,966,967**
Excess (deficiency) of revenue over expenses	**(2,192,695)(1)**	**—**	**3,423,540**	**1,230,845**
Investment in capital and intangible assets	**2,560,972(2)**	**—**	**(2,560,972)**	**—**
Balance, December 31, 2019	**13,416,732(3)**	**2,000,000**	**5,781,080**	**21,197,812**

	2019	2018
	$	$
(1) Composed of:		
Amortization of capital assets	**(3,530,345)**	(3,304,786)
Amortization of intangible assets	**(197,870)**	(688)
Amortization of deferred contributions related to capital assets	**1,545,865**	1,530,294
Change in fair value of interest-rate swap agreements	**(10,345)**	12,775
	(2,192,695)	(1,762,405)
(2) Composed of:		
Receipt of grants receivable	**(1,351,694)**	(1,379,640)
Additions to capital assets	**1,785,446**	2,300,763
Additions to intangible assets	**556,427**	814,691
Repayment of debt	**1,945,647**	2,441,738
Increase in debt	**—**	(605,200)
Increase in deferred contributions related to capital assets	**(374,854)**	(116,974)
	2,560,972	3,455,378
(3) Composed of:		
Short-term grants receivable	**968,447**	1,351,883
Long-term grants receivable	**1,990,611**	2,958,869
Capital assets	**30,852,987**	32,597,886
Intangible assets	**2,155,552**	1,796,995
Current portion of debt	**(6,206,999)**	(1,945,648)
Debt	**(105,055)**	(6,312,053)
Deferred contributions related to capital assets	**(16,232,391)**	(17,403,402)
Interest-rate swap agreements	**(6,420)**	3,925
	13,416,732	13,048,455

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

The YMCAs of Québec

Statement of financial position

As at December 31, 2019

	Notes	2019	2018
		$	$
Assets			
Current assets			
Cash		**2,198,582**	1,507,157
Investments	3	**8,150,486**	7,727,657
Accounts receivable	4	**3,854,114**	2,764,752
Grants receivable	7	**968,447**	1,351,883
Amount receivable from the YMCAs of Québec Foundation	10	**1,162,698**	1,049,724
Supplies and prepaid expenses		**745,713**	893,688
		17,080,040	15,294,861
Investments	3	**1,573,011**	1,519,905
Grants receivable	7	**1,990,611**	2,958,869
Interest-rate swap agreements		**—**	3,925
Capital assets	5	**30,852,987**	32,597,886
Intangible assets	6	**2,155,552**	1,796,995
		53,652,201	54,172,441
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**5,794,937**	4,740,331
Deferred revenue related to program activities		**2,543,882**	2,177,292
Deferred revenue – other		**1,564,705**	1,626,748
Current portion of debt	7	**6,206,999**	1,945,648
		16,110,523	10,490,019
Debt	7	**105,055**	6,312,053
Deferred contributions related to capital assets	8	**16,232,391**	17,403,402
Interest-rate swap agreements		**6,420**	—
		32,454,389	34,205,474
Commitments	12		
Net assets			
Invested in capital and intangible assets		**13,416,732**	13,048,455
Internally restricted	13	**2,000,000**	2,000,000
Unrestricted		**5,781,080**	4,918,512
		21,197,812	19,966,967
		53,652,201	54,172,441

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

Approved by the Board

Jean Ouellet, Director

Waguih Rabbat, Director

The YMCAs of Québec

Statement of cash flows

Year ended December 31, 2019

	Notes	2019	2018
		$	$
Operating activities			
Excess of revenue over expenses		**1,230,845**	1,707,307
Adjustments for:			
Change in fair value of investments		**(56,582)**	24,202
Amortization of capital assets		**3,530,345**	3,304,786
Amortization of intangible assets		**197,870**	688
Amortization of deferred contributions related to capital assets		**(1,545,865)**	(1,530,294)
Change in fair value of interest-rate swap agreements		**10,345**	(12,775)
		3,366,958	3,493,914
Changes in non-cash operating working capital items	11	**417,766**	168,678
		3,784,724	3,662,592
Investing activities			
Increase in the amount receivable from the YMCAs of Québec Foundation		**(112,974)**	(26,171)
Acquisition of investments		**(419,353)**	(42,743)
Additions to capital assets		**(1,785,446)**	(2,300,763)
Additions to intangible assets	11	**(556,427)**	(209,491)
		(2,874,200)	(2,579,168)
Financing activities			
Receipt of grants receivable		**1,351,694**	1,379,640
Repayment of debt	11	**(1,945,647)**	(2,441,738)
Increase in deferred contributions related to capital assets		**374,854**	116,974
		(219,099)	(945,124)
Net increase in cash		**691,425**	138,300
Cash, beginning of year		**1,507,157**	1,368,857
Cash, end of year		**2,198,582**	1,507,157

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

1. Status and nature of activities

The YMCAs of Québec (the "YMCA") is a registered charity committed to the fulfilment of people in spirit, mind and body, and to the development of self-reliance in the individual, family and to the community.

Through its actions, programs and services, the YMCA reflects the needs and aspirations of communities and works with individuals and local communities in developing countries to achieve social justice and control of their environment.

The YMCA is incorporated under Part III of the *Companies Act* (Québec) and is a registered charity under the *Income Tax Act*.

2. Accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Adoption of amendments to Sections 4433 and 4434

The YMCA adopted the amendments to Sections 4433 and 4434 of *CPA Canada Handbook – Accounting*, "Tangible capital assets held by not-for-profit organizations" and "Intangible assets held by not-for-profit organizations" for the fiscal years beginning January 1, 2019.
In accordance with the transitional provisions, the YMCA shall apply these amendments prospectively. The amendments relate to the componentization requirements for capital assets consisting of significant separate components and to the consideration of partial impairment. The adoption of these amendments had no impact on the disclosures or amounts recorded in the financial statements of the YMCA during the period.

Revenue recognition

The YMCA follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions related to capital assets are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets.

The revenue related to the program activities is recognized when the underlying services to such income were rendered.

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value when the YMCA becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost, except for investments that are recognized at fair value at the date of the financial statements. Fair value fluctuations, which include interest earned, accrued interests, realized gain and loss and unrealized gain and loss, are included in the investment revenue.

Transaction costs related to financial instruments measured at fair value are expensed as incurred. Transaction costs related to the other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the statement of operations as interest income or expense.

2. Accounting policies (continued)

Financial instruments (continued)

With respect to financial assets measured at amortized cost, the YMCA recognizes in the statement of operations an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed in the statement of operations in the period the reversal occurs.

Interest-rate swap agreements

The YMCA uses interest-rate swap agreements to manage the interest rate risk related to bank acceptances. The YMCA has chosen not to prepare the documentation necessary for the application of hedge accounting.

Therefore, the interest-rate swap agreements have been recorded at fair value as a liability in the statement of financial position. The fair value is determined based on stock quotes and prices obtained from financial institutions for identical or similar derivative financial instruments. Changes in the fair value of interest-rate swap agreements are presented in the statement of operations as a change in fair value of interest-rate swap agreements.

Supplies

Supplies are valued at the lower of cost or replacement value. The first-in, first-out method is used in the calculation of the cost.

Capital assets

Capital assets are recorded at cost and are amortized over their estimated useful lives using the straight-line method over the following periods:

Buildings	25 and 40 years
Leasehold improvements	Over the term of the lease
Major renovations	10 years
Vehicles, furniture and equipment	3 to 5 years

Intangible assets

Intangible assets are composed of a registration software and of another software. They are recorded at cost and are amortized over their estimated useful life using the straight-line method over a period of five years.

Write-downs of tangible capital assets and intangible assets

When conditions indicate that a tangible capital asset or an intangible asset is impaired, the net carrying amount of the tangible capital asset or the intangible asset shall be written down to the asset's fair value or replacement cost. The write-downs of tangible capital assets and intangible assets shall be accounted for as expenses in the statement of operations. A write-down shall not be reversed.

Deferred revenue related to program activities

Deferred revenue related to program activities relate to community development programs that are government funded, to contributions from various donors and to donations from the YMCAs of Québec Foundation.

2. Accounting policies (continued)

Deferred revenue – other

Other deferred revenue relate to amounts received for which services will be rendered during the next year.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations 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 dates of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

3. Investments

	2019	2018
	$	$
Term deposit, bearing interest at 1.05%, maturing in February 2020	**100,000**	100,000
Guaranteed investment certificates, bearing interest from 1.95% to 2.07%, maturing until October 2020 (as at December 31, 2018: bearing interest from 1.90% to 2.10%, maturing until October 2019)	**5,039,919**	5,029,160
Diversified mutual funds	**4,583,578**	4,118,402
	9,723,497	9,247,562
Current portion	**8,150,486**	7,727,657
Long-term portion	**1,573,011**	1,519,905

4. Accounts receivable

	2019	2018
	$	$
Clients	**455,211**	283,234
Allowance for doubtful accounts	**(197,558)**	(93,700)
	257,653	189,534
Accrued interest receivable on subsidized debts	**77,816**	114,462
Funders for community programs and others	**3,518,645**	2,460,756
	3,854,114	2,764,752

5. Capital assets

			2019	2018
	Cost	**Accumulated amortization**	**Net book value**	Net book value
	$	**$**	**$**	$
Lands	**2,601,730**	**—**	**2,601,730**	2,601,730
Buildings, leasehold improvements and major renovations	**85,530,854**	**58,571,442**	**26,959,412**	28,812,088
Vehicles, furniture and equipment	**10,417,169**	**9,125,324**	**1,291,845**	1,184,068
	98,549,753	**67,696,766**	**30,852,987**	32,597,886

6. Intangible assets

			2019	2018
	Cost	**Accumulated amortization**	**Net book value**	Net book value
	$	**$**	**$**	$
Softwares	**2,353,422**	**197,870**	**2,155,552**	1,796,995

7. Debt

	2019	2018
	$	$
Bankers' acceptances related to the Cartierville YMCA Center	**4,287,320**	4,737,431
Note payable related to the Cartierville YMCA Center	**1,779,624**	2,609,140
Du Parc YMCA Center mortgage loan	**—**	426,179
Loan from YMCA Canada	**245,110**	484,951
	6,312,054	8,257,701
Current portion	**6,206,999**	1,945,648
Long-term portion	**105,055**	6,312,053

Principal payments required in each of the forthcoming years are as follows:

	$
2020	6,206,999
2021	105,055

7. Debt (continued)

Bankers' acceptances related to the Cartierville YMCA Center

Under a credit agreement, the YMCA obtained, on March 31, 2010, credit facilities of an initial amount of $7,000,000 and $964,000 for periods of seven and five years, respectively, allowing it to borrow amounts in the form of discounted bankers' acceptances for a term varying from one month to one year. These credit facilities in the amount of $5,552,770 and $486,587 were renewed during the year ended December 31, 2015, and mature on November 30, 2020, and June 30, 2020. The discounted bankers' acceptances related to the Cartierville YMCA Center held as at December 31, 2019, have a term of one month, nominal values of $4,750,554 and $166,877, bear interest at an effective rate of 2.15% plus stamping fees of 0.93%, and mature on January 30, 2020. To protect against the risk of potential interest rate fluctuations on these bankers' acceptances, the YMCA has entered into interest-rate swap agreements.

These derivative contracts are as follows:

(a) Initial nominal amount of $5,552,770, periodically reduced based on a predetermined schedule until its expected maturity on November 30, 2020, bearing interest at a fixed rate of 3.08% in exchange for receiving a variable interest rate based on the one-month CDOR rate. Of this amount, an initial amount of $1,957,430 is subsidized by an external organization; and

(b) Nominal amount of $486,587, periodically reduced based on a predetermined schedule until its expected maturity on June 30, 2020, bearing interest at a fixed rate of 3.08% in exchange for receiving a variable interest rate based on the one-month CDOR rate.

To maintain this financing, the YMCA must satisfy financial ratios related to debt service coverage and minimum net assets. The YMCA was in compliance with these ratios as at December 31, 2019, with the exception of a debt service coverage ratio, given that the bankers' acceptances mature in 2020.

Note payable related to the Cartierville YMCA Center

This note payable bears interest at 4.77%, repayable in monthly principal instalments of $953,973, including interest and matures in January 2021.

A grant from the ministère de l'Éducation et de l'Enseignement supérieur for this project will repay the loan.

To maintain this financing, the YMCA must satisfy the same financial ratios as those of the bankers' acceptances related to the Cartierville YMCA Center. As at December 31, 2019, the YMCA was in compliance with these ratios, with the exception of the ratio mentioned above.

Du Parc YMCA Center mortgage loan

The YMCA has a mortgage loan for which the YMCA has signed an agreement with a donor organization (the "Organization"). The Organization has agreed to pay for the mortgage loan (capital and interest) associated with the construction of the Du Parc YMCA Center.
The mortgage loan bore interest at 3.63% and matured in October 2019.

Loan from YMCA Canada

YMCA Canada made a loan to the YMCA as part of a project to replace the registration software. The outstanding balance is non-interest-bearing and is repayable in variable monthly instalments maturing in 2021.

7. Debt (continued)

Grants receivable relating to subsidized debts

The balance of the grants receivable related to the subsidized debts, in the amount of $2,959,058 ($4,310,752 in 2018), is as follows:

	2019	2018
	$	$
Short-term grants receivable	**968,447**	1,351,883
Long-term grants receivable	**1,990,611**	2,958,869

The donor organizations have also agreed to pay the interest on the portion of the loans covered by the grants. The subsidized interest expense amounts to $133,047 ($193,299 in 2018).

8. Deferred contributions related to capital assets

Deferred contributions related to capital assets represent restricted contributions from the YMCAs of Québec Foundation, government organizations, the City of Montréal and private companies. These contributions relate primarily to the buildings of the Cartierville YMCA Center, the Du Parc YMCA Center, the Downtown YMCA Center, the West Island YMCA Center, the YMCA Kanawana Camp and the improvements of a daycare. Changes in deferred contribution balances are as follows:

	2019	2018
	$	$
Balance, beginning of year	**17,403,402**	18,816,722
Contributions received	**374,854**	116,974
Amortization for the year	**(1,545,865)**	(1,530,294)
Balance, end of year	**16,232,391**	17,403,402

9. Letter of guarantee

Under an agreement between the City of Montréal and the Downtown YMCA Center, the YMCA issued a $100,000 letter of guarantee in favour of the City of Montréal. This letter of guarantee expires in 2020, and is secured by a term deposit of the same amount.

10. The YMCAs of Québec Foundation

The financial statements do not include the assets, liabilities and activities of the YMCAs of Québec Foundation (the "Foundation"). The Foundation was established to perform the fundraising activities of the YMCA; therefore, the YMCA has an economic interest in the Foundation.

During the year, the YMCA recorded revenue of $1,341,865 ($1,185,891 in 2018), deferred contributions related to capital assets of $249,601 ($18,615 in 2018) and deferred revenue related to program activities by $260,762 ($402,467 in 2018), for a total of $1,852,228 ($1,606,973 in 2018) from the Foundation.

These transactions were carried out in the normal course of business and measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

10. The YMCAs of Québec Foundation (continued)

The following table is a summary of the Foundation's financial position as at December 31, 2019, and the results of its operations for the year ended December 31, 2019:

	2019	2018
	$	$
Financial position		
Total assets	**7,619,787**	7,039,094
Total liabilities	**2,107,884**	1,722,678
Total fund balances	**5,511,903**	5,316,416

Liabilities include a total amount of $1,162,698 ($1,049,724 in 2018) payable to the YMCA.

	2019	2018
	$	$
Results of operating activities		
Fund balances, beginning of year	**5,316,416**	5,447,309
Total revenue, excluding endowment contributions	**2,906,837**	2,438,633
Endowment contributions	**29,954**	41,102
Total expenses and donations	**(2,741,304)**	(2,610,628)
Net increase (decrease) in fund balances	**195,487**	(130,893)
Fund balances, end of year	**5,511,903**	5,316,416

11. Additional information to the statement of cash flows

Changes in non-cash operating working capital items

	2019	2018
	$	$
Accounts receivable	**(1,089,362)**	610,320
Supplies and prepaid expenses	**147,975**	(266,042)
Accounts payable and accrued liabilities	**1,054,606**	(350,245)
Deferred revenue related to program activities	**366,590**	451,160
Deferred revenue – other	**(62,043)**	(276,515)
	417,766	168,678

Non-cash transactions

Acquisition of intangible assets was financed by a new debt for an amount of nil ($605,200 in 2018).

12. Commitments

The YMCA is committed to leasing premises under leases and has signed service contracts with suppliers expiring through 2024. Future payments will total $11,970,567 and include the following amounts over the forthcoming years:

	$
2020	4,797,176
2021	4,216,159
2022	2,773,051
2023	158,891
2024	25,290

13. Internally restricted net assets

These internally restricted net assets represent the resources reserved by the Board of Directors for the realization of certain investment projects in the real estate portfolio of the YMCA.

14. Financial assistance

As part of its charitable mission, the YMCA provides a financial assistance program to individuals who meet specific criteria. The access for all program gives individuals with limited financial resources access to community or fitness activities at a reduced fee. The amount of financial assistance provided in 2019 is $1,283,302 ($1,275,129 in 2018).

15. Financial instruments

Because of its financial assets and liabilities, the YMCA is exposed to the following risks related to the use of financial instruments:

Credit risk

In the normal course of business, the YMCA grants credit to members and maintains allowances for potential bad debt, if applicable.

Market risk

Market risk is the risk that investments in diversified mutual funds are exposed to, caused by changes in interest rates, exchange rates, stock exchange indicators and the level of volatility of these rates and indicators.

Interest rate risk

A portion of the debt bears interest at a fixed rate, whereas the interest related to the other portion is subsidized. Consequently, cash flow risk is minimal.

The YMCA is exposed to interest rate risk due to changes in the prime rate since the bankers' acceptances bear interest at variable rates. To manage this volatility, the YMCA uses interest-rate swap agreements to set the interest rates of the bankers' acceptances at 3.08% and that mature on June 30, 2020, and November 30, 2020.

16. Subsequent event

Subsequent to the year-end, on March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the YMCA in future periods.