Consolidated financial statements of

The Calgary Young Men's Christian Association

December 31, 2012, December 31, 2011 and January 1, 2011

The Calgary Young Men's Christian Association
December 31, 2012, December 31, 2011 and January 1, 2011

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Deloitte.

Deloitte LLP
700 Bankers Court
850 Second Street S.W.
Calgary AB T2P 0R8
Canada

Tel: (403) 267-1700
Fax: (403) 213-5791
www.deloitte.ca

Independent Auditor's Report

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

We have audited the accompanying consolidated financial statements of The Calgary Young Men's Christian Association, which comprise the consolidated statements of financial position as at December 31, 2012, December 31, 2011 and January 1, 2011 and the consolidated statements of operations and changes in fund balances and cash flows for the years ended December 31, 2012 and December 31, 2011 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of The Calgary Young Men's Christian Association as at December 31, 2012, December 31, 2011 and January 1, 2011 and the results of its operations, changes in fund balances and its cash flows for the years ended December 31, 2012 and December 31, 2011 in accordance with Canadian accounting standards for not-for-profit organizations.

Deloitte LLP

Chartered Accountants
April 2, 2013

The Calgary Young Men's Christian Association

Consolidated statements of operations and changes in fund balances
years ended December 31, 2012 and December 31, 2011

	General Fund	Restricted Fund	Endowment Fund	2012 Total	2011 Total
	$	$	$	$	$
Revenue					
Memberships	**14,136,016**	**-**	**-**	**14,136,016**	11,883,145
Programs and services	**10,609,817**	**-**	**-**	**10,609,817**	9,764,279
Government grants	**938,669**	**-**	**-**	**938,669**	1,068,505
United Way of Calgary and Area	**803,710**	**-**	**-**	**803,710**	803,400
Donations, net of pledge allowances	**1,841,224**	**27,770**	**86,019**	**1,955,013**	1,572,273
Capital expenditure fee	**-**	**510,151**	**-**	**510,151**	341,372
Other	**420,022**	**-**	**-**	**420,022**	424,290
	28,749,458	**537,921**	**86,019**	**29,373,398**	25,857,264
Expenses					
Salaries and benefits	**16,306,880**	**-**	**-**	**16,306,880**	13,997,489
Programs and services	**3,743,012**	**10,000**	**62,782**	**3,815,794**	3,839,017
Building operations	**3,769,872**	**-**	**-**	**3,769,872**	3,023,024
Administration	**2,580,799**	**4,998**	**23,265**	**2,609,062**	2,395,304
Communications	**181,766**	**-**	**-**	**181,766**	160,297
Amortization	**3,135,639**	**-**	**-**	**3,135,639**	1,998,085
	29,717,968	**14,998**	**86,047**	**29,819,013**	25,413,216
Operating (deficiency) excess of revenue over expenses	**(968,510)**	**522,923**	**(28)**	**(445,615)**	444,048
Loss on disposal of tangible capital assets	**(41,258)**	**-**	**-**	**(41,258)**	(62,730)
Investment income (Note 8)	**154,526**	**-**	**389,742**	**544,268**	878
Excess (deficiency) of revenue over expenses	**(855,242)**	**522,923**	**389,714**	**57,395**	382,196
Fund balance, beginning of year	**17,257,679**	**17,949,164**	**3,515,341**	**38,722,184**	38,339,988
Interfund transfers	**18,472,087**	**(18,472,087)**	**-**	**-**	-
Fund balance, end of year	**34,874,524**	**-**	**3,905,055**	**38,779,579**	38,722,184

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

The Calgary Young Men's Christian Association

Consolidated statements of financial position
as at December 31, 2012, December 31, 2011 and January 1, 2011

	General Fund	Restricted Fund	Endowment Fund	December 31, 2012 Total	December 31, 2011 Total	January 1, 2011 Total
	$	$	$	$	$	$
Assets						
Current assets						
Cash	**1,295,464**	**129,488**	**151,039**	**1,575,991**	2,020,157	7,633,938
Short-term deposits	**-**	**-**	**-**	**-**	-	2,506,155
Interest receivable	**-**	**-**	**-**	**-**	-	7,247
Accounts receivable (Note 3)	**608,320**	**10,000**	**-**	**618,320**	810,750	1,014,553
Inventories	**73,307**	**-**	**-**	**73,307**	73,836	109,090
Prepaid expenses	**313,803**	**-**	**-**	**313,803**	242,891	205,947
Current assets related to discontinued operations (Note 4)	**-**	**-**	**-**	**-**	-	6,172
	2,290,894	**139,488**	**151,039**	**2,581,421**	3,147,634	11,483,102
Accounts receivable	**-**	**-**	**-**	**-**	18,000	70,000
Restricted cash (Note 6)	**902,687**	**-**	**-**	**902,687**	-	-
Investments (Note 7)	**2,786,735**	**-**	**3,894,133**	**6,680,868**	6,101,414	6,140,340
Tangible capital assets (Note 9)	**34,209,467**	**-**	**-**	**34,209,467**	34,470,862	24,476,717
	40,189,783	**139,488**	**4,045,172**	**44,374,443**	43,737,910	42,170,159
Liabilities						
Current liabilities						
Accounts payable and accrued liabilities (Note 3)	**1,570,354**	**24,154**	**6,083**	**1,600,591**	1,845,116	954,371
Due (from) to other funds	**(249,368)**	**115,334**	**134,034**	**-**	-	-
Current portion of obligations under capital leases (Note 10)	**398,683**	**-**	**-**	**398,683**	166,823	90,499
Unearned revenue	**2,896,158**	**-**	**-**	**2,896,158**	2,769,487	2,706,625
Current liabilities related to discontinued operations (Note 4)	**-**	**-**	**-**	**-**	-	12,002
	4,615,827	**139,488**	**140,117**	**4,895,432**	4,781,426	3,763,497
Obligations under capital leases (Note 10)	**699,432**	**-**	**-**	**699,432**	234,300	66,674
	5,315,259	**139,488**	**140,117**	**5,594,864**	5,015,726	3,830,171
Commitments (Note 13)						
Fund balance						
Internally restricted - invested in tangible capital assets	**33,111,352**	**-**	**-**	**33,111,352**	34,069,739	24,319,544
Externally restricted	**-**	**-**	**3,555,249**	**3,555,249**	3,200,304	13,130,622
Donor restricted endowment funds (Note 11)	**-**	**-**	**349,806**	**349,806**	315,037	330,786
Unrestricted funds	**1,763,172**	**-**	**-**	**1,763,172**	1,137,104	559,036
	34,874,524	**-**	**3,905,055**	**38,779,579**	38,722,184	38,339,988
	40,189,783	**139,488**	**4,045,172**	**44,374,443**	43,737,910	42,170,159

Approved by the Board

_______________ Director

_______________ Director

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

The Calgary Young Men's Christian Association
Consolidated statements of cash flows
years ended December 31, 2012 and December 31, 2011

	General Fund	Restricted Fund	Endowment Fund	2012 Total	2011 Total
	$	$	$	$	$
Operating activities					
Excess (deficiency) of revenue over expenses	**(855,242)**	**522,923**	**389,714**	**57,395**	382,196
Items not affecting cash					
Amortization	**3,135,639**	**-**	**-**	**3,135,639**	1,998,085
Realized gain on sale of investments (Note 8)	**(7,843)**	**-**	**(3,842)**	**(11,685)**	(37,713)
Unrealized (gain) loss on investments (Note 8)	**(59,526)**	**-**	**(318,437)**	**(377,963)**	257,867
Loss on disposal of tangible capital assets	**41,258**	**-**	**-**	**41,258**	62,730
	2,254,286	**522,923**	**67,435**	**2,844,644**	2,663,165
Changes in non-cash working capital (Note 12)	**129,560**	**340,217**	**86,794**	**556,571**	590,964
Changes in non-cash working capital from discontinued operations (Note 4)	**-**	**-**	**-**	**-**	(5,830)
	2,383,846	**863,140**	**154,229**	**3,401,215**	3,248,299
Financing activity					
Repayment of obligations under capital leases	**(245,642)**	**-**	**-**	**(245,642)**	(151,521)
Investing activities					
Net additions to investments	**(60,738)**	**-**	**(129,068)**	**(189,806)**	(181,228)
Additions to tangible capital assets	**(809,534)**	**(1,187,915)**	**-**	**(1,997,449)**	(11,670,944)
Increase (decrease) in accounts payable pertaining to tangible capital assets	**15,544**	**(549,922)**	**-**	**(534,378)**	624,003
Proceeds from disposal of tangible capital assets	**24,581**	**-**	**-**	**24,581**	11,455
Proceeds from disposal of short-term deposits	**-**	**-**	**-**	**-**	2,506,155
Changes in restricted cash	**(902,687)**	**-**	**-**	**(902,687)**	-
	(1,732,834)	**(1,737,837)**	**(129,068)**	**(3,599,739)**	(8,710,559)
Net (decrease) increase in cash	**405,370**	**(874,697)**	**25,161**	**(444,166)**	(5,613,781)
Cash, beginning of year	**890,094**	**1,004,185**	**125,878**	**2,020,157**	7,633,938
Cash, end of year	**1,295,464**	**129,488**	**151,039**	**1,575,991**	2,020,157
Supplementary information					
Equipment acquired under capital lease				**942,634**	395,471

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

1. Description of the association

The Calgary Young Men's Christian Association ("YMCA Calgary" or the "Association") is dedicated to facilitating and promoting the spiritual, mental, physical and social development of individuals and to foster a sense of belonging within the community. YMCA Calgary is a registered charity and, as such, is exempt from income and property taxes and may issue tax-deductible receipts to donors.

The consolidated financial statements of the Association include the financial statements of The Calgary YMCA Foundation (the "Foundation"). The Foundation is a public foundation under the Income Tax Act (Canada) and was incorporated in 1990 under the Companies Act of the Province of Alberta. The Foundation is a registered charity and, as such, is exempt from income tax and may issue tax-deductible receipts to donors. All transactions between the Association and the Foundation have been eliminated on consolidation for the purposes of these consolidated financial statements.

2. Adoption of new accounting framework

During the year ended December 31, 2012, the Association adopted the new accounting standards for not-for-profit organizations (the "new standards" or "ASNFPO") issued by the Accounting Standards Board of the Canadian Institute of Chartered Accountants ("CICA") and set out in Part III of the CICA Handbook. In accordance with Section 1501 of Part III the CICA Handbook, First-time Adoption, ("Section 1501"), the date of transition to the new standards is January 1, 2011 and the Association has prepared and presented a consolidated opening statement of financial position at the date of transition to the new standards. This consolidated opening statement of financial position is the starting point for the entity's accounting under the new standards. In its consolidated opening statement of financial position under the recommendations of Section 1501, the Association:

(a) recognized all assets and liabilities whose recognition is required by the new standards;

(b) did not recognize items as assets or liabilities if the new standards do not permit such recognition;

(c) reclassified items that it recognized previously as one type of asset, liability or component of fund balances, but are recognized as a different type of asset, liability or component of fund balances under the new standards; and

(d) applied the new standards in measuring all recognized assets and liabilities.

In accordance with the requirements of Section 1501, the accounting policies set out in Note 3 have been consistently applied to all years presented. Adjustments resulting from the adoption of the new standards have been applied retrospectively, excluding cases where optional exemptions available under Section 1501 have been applied. No such exemptions have been applied.

The adoption of the new standards had no impact on the consolidated financial statements.

3. Significant accounting policies

The consolidated financial statements of YMCA Calgary have been prepared by management in accordance with ASNFPO using the restricted fund method of accounting. YMCA Calgary receives funding for special purposes. Accordingly, the consolidated financial statements have been presented in a manner that segregates the balances into a General Fund, a Restricted Fund and an Endowment Fund.

- The General Fund reflects the activities associated with the Association's day-to-day operations and the activities of the International Trust, an internally restricted fund, which has minimal activity.
- The Restricted Fund reflects resources that have been collected through the capital campaign and the capital expenditure fee and are therefore externally restricted by the contributors. Outstanding capital commitments are included in Note 9.
- The Endowment Fund records the accumulation of endowment contributions that must be maintained in perpetuity. The interest earned on these funds is expended in accordance with the restrictions imposed by the board of directors and donors.

3. Significant accounting policies (continued)

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

Revenue recognition

YMCA Calgary recognizes revenue earned as follows:

Memberships

Membership revenue is recognized when received, with the exception of annual memberships paid in advance. For annual memberships paid in advance, membership revenue is initially recorded as unearned revenue and is recognized monthly over the term of the membership in the consolidated statement of operations.

New members are also assessed a one-time fee of $75 (including GST) for building maintenance costs, which has been reflected in the consolidated statement of operations and changes in fund balances under capital expenditure fee. This fee is recognized as income when received or receivable.

Programs and services

Revenue for programs and services is recorded when the related activities are commenced.

Government grants and United Way of Calgary and Area funding

Government grants and United Way of Calgary and Area funding are recorded as revenue when funds are received or receivable.

Donations

General Fund donations are recognized when received and are used to support individuals and families to purchase a YMCA membership or to attend a YMCA program.

Other restricted donations received are recorded in the General Fund as the related expenditures are incurred.

Restricted Fund donations and fees received are recorded as revenue in the Restricted Fund when received. These funds will support capital development projects approved by the board of directors.

Endowment Fund donations are received from individual estates and are set aside in perpetuity. The interest from these donations is used to support YMCA Calgary as directed by the board of directors and donors.

Donations and bequests are recorded when received. Donated assets are recorded at fair market value when the fair market value can be reasonably estimated and when the Association would otherwise have purchased these items.

Pledges under specific fundraising campaigns are recognized when the pledge is made. Pledges receivable are assessed regularly for collectability and the estimated fair value of pledges in future years is recorded in the consolidated financial statements.

Investment income

Interest income is recognized in the period in which it is earned. Realized and unrealized gains and losses on investments are recognized in the period in which they arise.

Other

Other revenue includes revenue from facility day passes, facility rent, massage, vending machines and the tuck shop. Revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the price to the buyer is fixed or determinable and collection is reasonably assured.

3. Significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents are composed strictly of cash. The Association may, from time to time, invest in term deposits with maturity dates of three months or less from the date of purchase. There were $Nil cash equivalents as at December 31, 2012, December 31, 2011 and January 1, 2011.

Short-term deposits

Short-terms deposits are composed of deposits with initial maturities of less than 12 months. As at December 31, 2012 and December 31, 2011, there were no outstanding deposits (January 1, 2011 - three with effective interest rates of 1.25%, 0.90%, and 0.85% per annum).

Inventories

Inventories of merchandise and supplies on hand are valued at the lower of cost, determined on a first-in, first-out basis, and net realizable value.

For the year ended December 31, 2012, the sale of inventories resulted in the recognition of expenses aggregating $16,174 (2011 - $31,498).

Investments

The General Fund long-term investments represent funds that the board of directors considers as excess to current operating requirements. The Endowment Fund long-term investments represent funds that individuals have left through planned giving and other donations to provide for the future of the Association.

These investments are financial instruments recorded at fair value with any unrealized gain or loss being recognized in the year in which they occur.

Tangible capital assets

Expenditures for tangible capital assets are recorded at cost. Amortization is provided on a straight-line basis at the following rates, which are designed to amortize the cost of these assets over their estimated useful lives:

Buildings	20-50 years
Building improvements	10 years
Equipment under capital leases	Over life of the lease
Furniture and equipment	4-8 years
Facility start-up	2 years

Capital development projects are not subject to amortization until the development is complete.

Tangible capital assets are tested for impairment whenever events or changes in circumstances indicate that an asset can no longer be used as originally expected and their carrying amounts may not be fully recoverable. An impairment loss is recognized when and to the extent that management assesses the future useful life of the asset to be less than originally estimated.

Donated services

The work of YMCA Calgary is dependent on the voluntary services of many people. Since these services are not normally purchased by YMCA Calgary and because of the difficulty in determining their fair value, donated services are not recognized in these consolidated statements.

Financial instruments

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently recorded at fair value. All other financial instruments are recorded at cost or amortized cost, unless management has elected to record at fair value. The Association has not elected to carry any such financial instruments at fair value.

3. Significant accounting policies (continued)

Financial instruments (continued)

Transaction costs related to financial instruments measured at fair value are expensed as incurred. For all other financial instruments, the transaction costs 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 excess (deficiency) of revenue over expenses as interest income or expense.

With respect to financial assets measured at cost or amortized cost, the Association recognizes in excess (deficiency) of revenue over expenses 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 is reversed in excess (deficiency) or revenue over expenses in the period the reversal occurs.

Foreign currency translation

Investments denominated in foreign currencies are translated into Canadian dollars at the rate of exchange in effect on the date of the consolidated statement of financial position. Investment income from these securities is translated at the exchange rate in effect when realized.

Use of estimates

The preparation of financial statements in conformity with ASNFPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Areas requiring the use of management estimates relate to the determination of collectability of accounts receivable, net realizable value of inventories, useful lives and potential impairment of tangible capital assets and accrued liabilities. Actual results could differ from these estimates.

Government remittances recoverable and payable

At December 31, 2012, the Association had government remittances payable of $40,046 (December 31, 2011 - $11,825; January 1, 2011 - $10,762), which are included in accounts payable and accrued liabilities, and government remittances recoverable of $Nil (December 31, 2011 - $Nil; January 1, 2011 - $13,049), which are included in accounts receivable.

4. Discontinued operations

On December 8, 2009, the board of directors approved a motion to implement a planned closure of the South YMCA facility. Accordingly, this facility closed on September 5, 2010, and the building was surrendered to The City of Calgary on January 10, 2011.

There was no impairment loss of long-lived assets recognized and the assets and liabilities associated with the South YMCA operation were segregated from continuing operations and reported in the consolidated statement of financial position.

5. The Calgary YMCA Foundation

YMCA Calgary controls the Foundation, whose purpose is to raise funds for YMCA Calgary. On December 31, 2002, the assets of the Foundation were transferred to the Association. The Foundation still exists for purposes of flowing through existing known and unknown bequests for the Association. Thus, the Foundation will continue to operate as a separate entity; however, has been inactive for several years.

6. Restricted cash

Restricted cash consists of cash that has been earmarked for future purposes by the board of directors and therefore is being held in separate bank accounts.

7. Investments

	December 31, 2012 Market value	December 31, 2011 Market value	January 1, 2011 Market value
	$	$	$
General Fund	**2,786,735**	2,658,628	2,575,346
Endowment Fund	**3,544,327**	3,127,749	3,234,208
Endowment Fund - donor restricted (Note 11)	**349,806**	315,037	330,786
	6,680,868	6,101,414	6,140,340

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

				December 31, 2012	December 31, 2011	January 1, 2011
	General Fund	**Restricted Fund**	**Endowment Fund**	**Total**	Total	Total
	$	**$**	**$**	**$**	$	$
Money market funds	**-**	**-**	**25,522**	**25,522**	-	9,688
Canadian						
Income funds	**2,151,745**	**-**	**1,067,472**	**3,219,217**	3,087,068	2,826,842
Equity funds	**634,990**	**-**	**1,573,292**	**2,208,282**	1,960,145	2,192,833
International equity funds	**-**	**-**	**1,227,847**	**1,227,847**	1,054,201	1,110,977
	2,786,735	**-**	**3,894,133**	**6,680,868**	6,101,414	6,140,340

8. Investment income

				2012	2011
	General Fund	**Restricted Fund**	**Endowment Fund**	**Total**	Total
	$	**$**	**$**	**$**	$
Interest income	**87,157**	**-**	**67,463**	**154,620**	221,032
Realized gain on sale of investments	**7,843**	**-**	**3,842**	**11,685**	37,713
Unrealized gain (loss) on investments	**59,526**	**-**	**318,437**	**377,963**	(257,867)
	154,526	**-**	**389,742**	**544,268**	878

9. Tangible capital assets

			December 31, 2012
	Cost	**Accumulated amortization**	**Net book value**
	$	**$**	**$**
Land	**2,010,000**	**-**	**2,010,000**
Buildings	**50,997,420**	**23,713,701**	**27,283,719**
Building improvements	**200,827**	**20,085**	**180,742**
Equipment under capital leases	**1,611,910**	**508,639**	**1,103,271**
Furniture and equipment	**13,284,616**	**10,405,993**	**2,878,623**
Facility start-up	**1,181,856**	**428,744**	**753,112**
	69,286,629	**35,077,162**	**34,209,467**

			December 31, 2011
	Cost	Accumulated amortization	Net book value
	$	$	$
Land	2,010,000	-	2,010,000
Buildings	34,782,596	22,022,805	12,759,791
Equipment under capital leases	1,503,568	1,149,311	354,257
Furniture and equipment	11,315,902	9,918,252	1,397,650
Capital development projects	17,949,164	-	17,949,164
	67,561,230	33,090,368	34,470,862

			January 1, 2011
	Cost	Accumulated amortization	Net book value
	$	$	$
Land	2,010,000	-	2,010,000
Buildings	34,294,919	20,693,550	13,601,369
Equipment under capital leases	1,215,567	1,160,200	55,367
Furniture and equipment	11,278,025	9,615,205	1,662,820
Capital development projects	7,147,161	-	7,147,161
	55,945,672	31,468,955	24,476,717

Capital development projects totalling $Nil (December 31, 2011 - $17,949,164; January 1, 2011 - $7,147,161) are not subject to amortization until development is complete.

Included in amortization expense is $245,238 (2011 - $105,375) of amortization recorded on equipment under capital leases.

Capital project commitments

At December 31, 2012, the Association had capital project commitments of $274,000 pertaining to the water treatment and sewage upgrade at YMCA Camp Chief Hector. The estimated completion date is September 2014.

Authorization for expenditures has been issued for $1,725,959 (2011 - $983,941), of which $1,377,716 (2011 - $856,447) has been spent.

9. Tangible capital assets (continued)

Capital project commitments (continued)

Buildings with a net book value of $3,494,614 (December 31, 2011 - $3,756,816; January 1, 2011 - $4,077,436) are on land under leases with The City of Calgary, having nominal costs and expiring in 2045. The use of the land is restricted under the leases and the buildings will revert to the lessor if the lease is terminated.

10. Obligations under capital leases

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

	December 31, 2012	December 31, 2011	January 1, 2011
	$	$	$
Years ending December 31,			
2011	**-**	-	105,463
2012	**-**	185,320	61,824
2013	**440,143**	133,685	9,400
2014	**416,320**	108,349	-
2015	**313,596**	3,620	-
Future minimum lease payments	**1,170,059**	430,974	176,687
Less: amount representing interest at a weighted-average rate of 7.76% (December 31, 2011 - 14.32%; January 1, 2011 - 21.44%)	**71,944**	29,851	19,514
Present value of future minimum lease payments	**1,098,115**	401,123	157,173
Less: current portion	**398,683**	166,823	90,499
	699,432	234,300	66,674

11. Donor restricted endowment funds

The donor restricted endowment funds are amounts that have been earmarked for specific charitable purposes by the donors. These funds include trusts, which provide that the principal assets are to be maintained in perpetuity.

Tom Perkins Memorial Fund

The interest income from this fund is designated to support youth leaders within the YMCA who have given extraordinary leadership to the areas of their involvement, while at the same time carrying on with their post-secondary education. During 2012, further endowments received for this fund totalled $750 (2011 - $500).

Mike Dodds Memorial Fund

The interest income from this fund is used to assist youth, who would otherwise be unable to afford to attend YMCA Camp Chief Hector.

The Amy and Howard Miller Memorial Fund

The interest income from this fund is used to assist youth who would otherwise be unable to afford to join YMCA Calgary. During 2012, further endowments received for this fund totalled $3,745 (2011 - $Nil).

11. Donor restricted endowment funds (continued)

J. Fish Memorial Fund

The interest income from this fund is used to assist youth who would otherwise be unable to afford to attend YMCA Camp Chief Hector.

Lorne & Pat Larson Tipi Fund

The interest income from this fund is used to upgrade tipi sites and replace tipi canvasses and equipment, as required, by YMCA Camp Chief Hector.

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

	December 31, 2012	December 31, 2011	January 1, 2010
	$	$	$
Tom Perkins Memorial Fund	**70,160**	63,230	66,262
Mike Dodds Memorial Fund	**13,051**	11,792	12,399
The Amy and Howard Miller Family Memorial Fund	**54,995**	48,710	51,184
J. Fish Memorial Fund	**76,484**	69,156	72,622
Lorne & Pat Larson Tipi Fund	**135,116**	122,149	128,319
	349,806	315,037	330,786

12. Changes in non-cash working capital

	2012	2011
	$	$
Interest receivable	**-**	7,247
Accounts receivable	**210,430**	255,803
Inventories	**529**	35,254
Prepaid expenses	**(70,912)**	(36,944)
Accounts payable and accrued liabilities	**289,853**	266,742
Unearned revenue	**126,671**	62,862
	556,571	590,964

13. Commitments

On July 4, 2012, YMCA Calgary entered into a 10-year occupancy lease with Alberta Health Services at a nominal fee of $1, with one renewal term of 10 years, effective September 24, 2012, for a YMCA presence in the South Health Campus hospital. For the duration of the term, YMCA Calgary is responsible for the repair and maintenance of equipment owned and supplied by YMCA Calgary.

On November 1, 2011, YMCA Calgary entered into a 25-year occupancy lease with The City of Calgary at a nominal fee of $10 per year, with one renewal term of 25 years, effective January 7, 2012, for the Saddletowne YMCA premises in the Genesis Centre of Community. For the duration of the term, YMCA Calgary is responsible for its portion of the lifecycle and capital replacement of the facility.

On March 4, 2002, The City of Calgary Council approved a 25-year occupancy lease for YMCA Calgary at a nominal fee of $10 per year for the Shawnessy YMCA with one renewal term of 25 years. For the duration of the lease, YMCA Calgary is responsible for its portion of the lifecycle and capital replacement of the facility. Capital purchases for this branch in 2012 were $326,485 (December 31, 2011 - $214,804; January 1, 2011 - $184,839) and have been recorded in tangible capital assets in the General Fund.

14. Additional information regarding fund development expenses

Remuneration to employees whose principal duties are related to fundraising totalled $236,763 (2011 - $248,694) and other fundraising expenses were $367,869 (2011 - $112,357).

15. Financial instruments and risk management

The Association's financial instruments include cash, short-term deposits, interest receivable, accounts receivable, restricted cash, investments, accounts payable and accrued liabilities, obligations under capital leases and unearned revenue. The fair values of these financial instruments approximate their carrying amounts.

Equity risk

A significant portion of the Association's financial assets is investments, which represents the Association's exposure to equity risk. The Association invests some of its investment assets in equity securities, such as common shares, or in equity-like securities, such as mutual funds. The values of these securities change as the business, financial condition, management and other relevant factors affecting the company that issued the securities change, as well as changes in the general economic condition of the markets in which they operate, thereby exposing the Association to these fluctuations in value. The fair market value of the investments at December 31, 2012 was $6,680,868 (December 31, 2011 - $6,101,414; January 1, 2011 - $6,140,340), with $3,436,129 (December 31, 2011 - $3,014,346; January 1, 2011 - $3,303,810) invested in equities (Note 7).

Foreign exchange risk

Because a portion of the Association's investment portfolio is denominated in foreign currencies, the Association is exposed to fluctuations in those currencies. At December 31, 2012, the foreign content of the investments was 18% (December 31, 2011 - 17%; January 1, 2011 - 18%) (Note 7).

Credit risk

The Association is exposed to credit risk to the extent that its donors may experience financial difficulty and would be unable to meet their obligations. However, the Association has a large number of diverse donors, which minimizes the concentration of credit risk.

16. Contingency

In the normal course of operations, the Association is involved, from time to time, in various legal claims. Management believes the exposure to current claims would not have a material impact on the financial position or operating results of the Association.