Consolidated Financial Statements of

THE CALGARY YOUNG MEN'S CHRISTIAN ASSOCIATION

December 31, 2009

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Auditors' Report

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

We have audited the consolidated statement of financial position of **The Calgary Young Men's Christian Association** as at December 31, 2009 and the consolidated statements of operations and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Calgary, Alberta
March 19, 2010

Chartered Accountants

THE CALGARY YOUNG MEN'S CHRISTIAN ASSOCIATION

Consolidated Statement of Operations and Changes in Fund Balances
Year Ended December 31, 2009

	General Fund $	Restricted Fund $	Endowment Fund $	**Total 2009 $**	Total 2008 $
REVENUE					
Memberships	12,530,164	-	-	**12,530,164**	13,468,559
Programs and services	10,862,701	-	-	**10,862,701**	11,168,319
Government grants	981,551	5,000,000	-	**5,981,551**	808,721
United Way of Calgary	772,500	-	-	**772,500**	795,675
Donations, net of pledge allowances	911,542	(130,201)	4,700	**786,041**	1,133,282
Capital expenditure fee	-	389,882	-	**389,882**	494,596
Other	624,892	-	-	**624,892**	729,599
	26,683,350	5,259,681	4,700	**31,947,731**	28,598,751
EXPENSES					
Salaries and benefits	15,193,817	-	-	**15,193,817**	15,621,590
Programs and services	3,561,952	231,425	84,992	**3,878,369**	3,950,155
Building operations	3,397,371	-	-	**3,397,371**	3,498,751
Administration	2,558,148	5,680	11,394	**2,575,222**	2,778,416
Communications	278,421	-	-	**278,421**	418,022
Amortization	1,855,198	-	-	**1,855,198**	1,731,430
	26,844,907	237,105	96,386	**27,178,398**	27,998,364
OPERATING (DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	(161,557)	5,022,576	(91,686)	**4,769,333**	600,387
INVESTMENT INCOME (LOSS) (Note 7)	147,681	71,254	187,260	**406,195**	(193,734)
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	(13,876)	5,093,830	95,574	**5,175,528**	406,653
FUND BALANCE, BEGINNING OF YEAR	18,084,739	11,818,618	3,344,153	**33,247,510**	32,840,857
FUND BALANCE, END OF YEAR	18,070,863	16,912,448	3,439,727	**38,423,038**	33,247,510

THE CALGARY YOUNG MEN'S CHRISTIAN ASSOCIATION

Consolidated Statement of Financial Position
December 31, 2009

	General Fund $	Restricted Fund $	Endowment Fund $	**Total 2009 $**	Total 2008 $
ASSETS					
CURRENT					
Cash and cash equivalents	1,131,257	5,424,281	303,138	**6,858,676**	9,009,307
Short-term deposits	-	2,498,524	-	**2,498,524**	2,429,153
Interest receivable	-	1,915	-	**1,915**	17,003
Accounts receivable	830,421	1,185,483	-	**2,015,904**	2,456,274
Inventories	127,366	-	-	**127,366**	165,787
Prepaid expenses	224,938	-	-	**224,938**	360,753
	2,313,982	9,110,203	303,138	**11,727,323**	14,438,277
Accounts receivable	66,669	129,255	-	**195,924**	1,202,823
Restricted cash (Note 6)	-	-	-	**-**	2,261,763
Investments (Note 6)	2,364,993	-	3,229,947	**5,594,940**	2,491,070
Property and equipment (Note 8)	18,403,136	6,392,140	-	**24,795,276**	17,064,730
	23,148,780	15,631,598	3,533,085	**42,313,463**	37,458,663
LIABILITIES					
CURRENT					
Accounts payable and accrued liabilities	856,221	54,722	5,211	**916,154**	1,211,827
Due to (from) other funds	1,247,425	(1,335,572)	88,147	**-**	-
Current portion of obligations under capital leases (Note 9)	112,792	-	-	**112,792**	87,526
Unearned revenue	2,751,620	-	-	**2,751,620**	2,816,026
	4,968,058	(1,280,850)	93,358	**3,780,566**	4,115,379
Obligations under capital leases (Note 9)	109,859	-	-	**109,859**	95,774
	5,077,917	(1,280,850)	93,358	**3,890,425**	4,211,153
FUND BALANCE					
Internally restricted - invested in property and equipment	18,180,485	6,392,140	-	**24,572,625**	16,881,430
Externally restricted	-	10,520,308	3,137,561	**13,657,869**	12,985,686
Donor restricted endowment funds (Note 10)	-	-	302,166	**302,166**	284,835
Unrestricted funds	(109,622)	-	-	**(109,622)**	3,095,559
	18,070,863	16,912,448	3,439,727	**38,423,038**	33,247,510
	23,148,780	15,631,598	3,533,085	**42,313,463**	37,458,663

APPROVED BY THE BOARD

.... **Director**

.... **Director**

THE CALGARY YOUNG MEN'S CHRISTIAN ASSOCIATION

Consolidated Statement of Cash Flows
Year Ended December 31, 2009

	General Fund $	Restricted Fund $	Endowment Fund $	**Total 2009 $**	Total 2008 $
CASH FLOWS RELATED TO THE FOLLOWING ACTIVITIES:					
OPERATING					
(Deficiency) excess of revenue over expenses	(13,876)	5,093,830	95,574	**5,175,528**	406,653
Adjustments for:					
Amortization	1,855,198	-	-	**1,855,198**	1,731,430
Realized (gain) loss on sale of investments	(16,155)	-	(7,678)	**(23,833)**	466,191
Unrealized (gain) loss on investments	(37,813)	-	(133,015)	**(170,828)**	107,537
	1,787,354	5,093,830	(45,119)	**6,836,065**	2,711,811
Changes in non-cash working capital (Note 11)	1,146,092	(1,983,237)	2,113,659	**1,276,514**	454,660
	2,933,446	3,110,593	2,068,540	**8,112,579**	3,166,471
FINANCING					
Repayment of obligations under capital leases	(123,855)	-	-	**(123,855)**	(95,205)
INVESTING					
Net proceeds from (additions to) investments	(602,278)	-	(2,306,931)	**(2,909,209)**	2,600,514
Additions to property and equipment	(3,718,651)	(5,703,887)	-	**(9,422,538)**	(2,163,849)
Additions to short-term deposits	-	(69,371)	-	**(69,371)**	(563,039)
Proceeds from (additions to) restricted cash	2,261,763	-	-	**2,261,763**	(2,261,763)
	(2,059,166)	(5,773,258)	(2,306,931)	**(10,139,355)**	(2,388,137)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	750,425	(2,662,665)	(238,391)	**(2,150,631)**	683,129
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	380,832	8,086,946	541,529	**9,009,307**	8,326,178
CASH AND CASH EQUIVALENTS, END OF YEAR	**1,131,257**	**5,424,281**	**303,138**	**6,858,676**	9,009,307

Notes to the Consolidated Financial Statements
Year Ended December 31, 2009

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. CHANGES IN ACCOUNTING POLICIES

Financial statement presentation

Several sections of the Canadian Institute of Chartered Accountants ("CICA") Handbook have been amended to include not-for-profit organizations within their scope. The amendments apply to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2009. The Association has adopted these standards for its fiscal year beginning January 1, 2009. The main features of the amendments are as follows:

- Section 4460, Disclosure of Related Party Transactions by Not-for-profit Organizations. This section has been amended to make the language in Section 4460 consistent with Section 3840, Related Party Transactions. There was no impact in adopting this section, as there were no transactions with related parties during the year.
- Section 4470, Disclosure of Allocated Expenses by Not-for-profit Organizations. This new section establishes disclosure standards for not-for-profit organizations that choose to classify their expenses by function and allocate expenses from one function to another. The main features of the new section are:
  - A requirement for an organization that allocates its fundraising and general support expenses to other functions to disclose the policies adopted for the allocation of expenses among functions, the nature of the expenses being allocated, and the basis on which such allocations have been made; and
  - A requirement for an organization to disclose the amounts allocated from each of its fundraising and general support functions and the amounts and functions, to which they have been allocated.

  There was no impact in adopting this section, as the Association does not allocate expenses.

2. CHANGES IN ACCOUNTING POLICIES (Continued)

Financial statement presentation (continued)

- Section 1540, Cash Flow Statements. This section was amended to include not-for-profit organizations within its scope. There was no impact in adopting this section, as the Association's previous reporting was in compliance with the standard.

Financial instruments

Effective for years beginning on or after October 1, 2008, the Association could elect to adopt the provisions of CICA Handbook Section 3862, Financial Instruments - Disclosures, and Section 3863, Financial Instruments - Presentations. These sections require the disclosure of information with regards to the significance of financial instruments of the Association's financial position and performance, the nature and extent of risks arising from financial instruments, to which the Association is exposed during the year and at the consolidated statement of financial position date, and how the Association manages those risks. These standards replace CICA Handbook Section 3861, Financial Instruments. The Association has reviewed these provisions and has elected to not adopt and continue following Section 3861, Financial Instruments, Disclosure and Presentation.

EIC-173

In January 2009, the Emerging Issues Committee issued EIC-173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities. This abstract requires that an entity's own credit risk (for financial liabilities) and the credit risk of the counterparty (for financial assets) should be taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments. The Association has adopted this abstract effective January 1, 2009. There was no impact to the consolidated financial statements in adopting this abstract.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of YMCA Calgary have been prepared by management in accordance with Canadian generally accepted accounting principles ("GAAP"), 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 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. This Restricted Fund houses the activities of the Association's $35 million, five year Capital Development plan, in which the fundraising campaign was completed at the end of 2008. The outstanding capital commitments pertaining to this plan as at December 31, 2009 are included in Note 8.
- 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.

The consolidated financial statements have been prepared in accordance with Canadian GAAP utilizing the accounting policies summarized below:

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.

Short-term deposits

Short-terms deposits are comprised of deposits with initial maturities of September 28, 2010, October 6, 2010, and November 9, 2010. The effective interest rates of these short-term deposits are 0.35%, 0.15%, and 0.15% respectively (2008 - 1.8% to 3.05%).

Revenue recognition

YMCA Calgary recognizes revenue earned as follows:

Memberships

Membership revenue is recognized when paid, with the exception of annual memberships paid in advance. For annual memberships paid in advance, membership revenue is initially recorded as unearned revenue and amortized to income monthly over the term of the membership.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (continued)

Programs and services

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

Government grants

Government grants are recorded as revenue when funds are received or receivable. These grants must be applied for on an annual basis.

Donations

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

Restricted Fund donations and fees received used to support YMCA Calgary's $35 million five year Capital Development plan are recorded as revenue in the Restricted Fund when received. These funds will support the projects contained in the plan, which are approved by the Board of Directors.

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

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 fund raising 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.

Notes to the Consolidated Financial Statements
Year Ended December 31, 2009

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (continued)

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.

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, 2009, the sale of inventories resulted in the recognition of expenses aggregating $44,130 (2008 - $57,333). There were $35,502 in write-downs of inventories to net realizable value required for the year ended December 31, 2009 (2008 - $Nil) and $Nil reversals of write-down of inventories have been recorded for the year ended December 31, 2009 (2008 - $Nil).

Investments

The General Fund long-term investments represent funds that the Board of Directors considers as excess to current operating requirements. These investments are financial instruments held-for-trading and have been recorded at fair value with any unrealized gain or loss being recognized in the year in which they occur.

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 held-for-trading and have been recorded at fair value with any unrealized gain or loss being recognized in the year in which they occur.

Transaction costs

The transaction costs associated with the investment portfolio are expensed as incurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and equipment

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

Buildings	20 - 25 years
Equipment under capital leases	over life of the lease
Furniture and equipment	4 - 8 years

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.

Impairment of long-lived assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. An impairment loss is recognized when their carrying values exceed the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

Financial instruments and hedges

Financial assets and financial liabilities held-for-trading are measured at fair value and changes in those fair values are recognized in investment income. Financial assets available for sale are measured at fair value, with changes in those fair values recorded directly in net assets. Financial assets held-to-maturity, loans or receivables and other financial liabilities are measured at amortized cost using the effective interest rate method of amortization.

The Association has classified all financial assets as loans or receivables, with the exception of cash and cash equivalents, short-term deposits and investments. Cash and cash equivalents, short-term deposits and investments have been classified as held-for-trading. Gains and losses related to these items are recognized in investment income in the period in which they arise. The Association has classified all financial liabilities as other financial liabilities.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments and hedges (continued)

The Association assesses at each consolidated statement of financial position date whether a financial asset carried at cost is impaired. If there is objective evidence that an impairment loss exists, the amount of the loss is measured as the difference between the carrying amount of the asset and its fair value. The carrying amount of the asset is reduced and the amount of the loss is recognized in the consolidated statement of operations and changes in fund balances.

Use of estimates

The preparation of financial statements in conformity with Canadian GAAP 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 of assets for amortization, impairment of long-lived assets and amounts recorded as accrued liabilities. Actual results could differ from these estimates.

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.

4. CHANGE IN ACCOUNTING ESTIMATE

On December 8, 2009, the Board approved a motion to implement a planned closure of the South YMCA facility. The estimated date of closure is September 5, 2010. As a result of this motion, the estimated useful life of the building asset has been revised to cover the period only up to the expected date of closure. There is no impact to the current year as a result of this change in estimate. Amortization expense for the year ended December 31, 2010 will increase by approximately $437,393 as a result of this change in estimate.

5. CALGARY YMCA FOUNDATION

YMCA Calgary controls the Calgary YMCA 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 Calgary YMCA 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.

Notes to the Consolidated Financial Statements
Year Ended December 31, 2009

6. INVESTMENTS

	2009 Market Value $	2008 Market Value $
General Fund	**2,364,993**	1,708,747
Endowment Fund	**2,927,781**	709,214
Endowment Fund - Donor Restricted (Note 10)	**302,166**	73,109
	5,594,940	2,491,070

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

	General Fund $	Restricted Fund $	Endowment Fund $	**2009 $**	2008 $
Money market funds	-	-	-	**-**	1,107,996
Canadian					
Income funds	1,801,268	-	856,127	**2,657,395**	1,383,074
Equity funds	563,725	-	1,311,450	**1,875,175**	-
International equity funds	-	-	1,062,370	**1,062,370**	-
	2,364,993	-	3,229,947	**5,594,940**	2,491,070

In 2008, cash aggregating $2,261,763 was held in restricted cash, which was reinvested at the Board's discretion in 2009. There was no restricted cash as at December 31, 2009.

7. INVESTMENT INCOME (LOSS)

	General Fund $	Restricted Fund $	Endowment Fund $	**2009 $**	2008 $
Interest income	93,713	71,254	46,567	**211,534**	379,994
Realized gain (loss) on sale of investments	16,155	-	7,678	**23,833**	(466,191)
Unrealized gain (loss) on investments	37,813	-	133,015	**170,828**	(107,537)
	147,681	71,254	187,260	**406,195**	(193,734)

Notes to the Consolidated Financial Statements
Year Ended December 31, 2009

8. PROPERTY AND EQUIPMENT

	2009			2008
	Cost $	Accumulated Amortization $	**Net Book Value $**	Net Book Value $
Land	2,010,000	-	**2,010,000**	2,010,000
Buildings	35,998,609	21,576,150	**14,422,459**	11,761,111
Equipment under capital leases	1,192,786	1,047,008	**145,778**	130,034
Furniture and equipment	11,469,541	9,644,642	**1,824,899**	1,271,335
Capital development projects	6,392,140	-	**6,392,140**	1,892,250
	57,063,076	32,267,800	**24,795,276**	17,064,730

Capital development projects totaling $6,392,140 (2008 - $1,892,250) are not subject to amortization until development is complete. Of the capital development projects in progress, the Association has entered into a commitment with the City of Calgary, the NE Centre of Community Society and the Calgary Public Library Board for the construction of the Genesis Centre of Community Wellness. During 2009, flow-through funding of $5 million was received from the provincial government which was then submitted to the City of Calgary for this project. Accordingly, the outstanding commitment at December 31, 2009 is $12.5 million. Management's estimated date of completion for this project is August 2011. YMCA Calgary is presently negotiating a long-term occupancy lease for this facility with the City of Calgary. YMCA Calgary will be responsible for its portion of the life cycle and capital replacement of the facility.

The second capital development project in progress pertains to the water treatment and sewage upgrade at YMCA Camp Chief Hector. The estimated costs to complete this project are approximately $900,000 and the estimated completion date is June 2012.

Capital expenditures for General Fund projects totalling $1,085,268 (2008 - $1,000,000) have been approved. Authorization for expenditures has been issued for $909,055 (2008 - $988,850), of which $804,883 (2008 - $724,750) has been spent.

Buildings with a net book value of $4,703,708 (2008 - $4,684,925) are on land under leases with the City of Calgary, having nominal costs and expiring in 2045 and 2061. The use of the land is restricted under the leases and the buildings will revert to the lessor if the lease is terminated. The building under the lease expiring in 2061 is planned for closure on September 5, 2010 (Note 4).

As a result of opening the Crowfoot YMCA in 1997, the North YMCA building reverted to the lessor, the City of Calgary. The City of Calgary is retaining the net proceeds realized on the disposition of the property above in the amount of $1,406,322, including accumulated interest. The City of Calgary has agreed to provide these funds for the Genesis Centre of Community Wellness project to assist in funding the YMCA Calgary commitment.

Notes to the Consolidated Financial Statements
Year Ended December 31, 2009

9. OBLIGATIONS UNDER CAPITAL LEASES

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

	$
Years ending December 31, 2010	**135,114**
2011	**83,887**
2012	**40,249**
Future minimum lease payments	**259,250**
Less amounts representing interest (interest rates ranging from 4.67% to 24.3%)	**36,599**
Present value of future minimum lease payments	**222,651**
Less current portion	**112,792**
	109,859

10. 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 2009, further endowments received for this fund totaled $250 (2008 - $Nil).

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.

10. DONOR RESTRICTED ENDOWMENT FUNDS (Continued)

Amy R. Miller Family 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 2009, further endowments received for this fund totaled $1,250 (2008 - $9,916).

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 December 31 are as follows:

	2009 **$**	2008 $
Tom Perkins Memorial Fund	**63,433**	59,815
Mike Dodds Memorial Fund	**11,347**	10,698
Amy R. Miller Family Memorial Fund	**43,482**	40,992
J. Fish Memorial Fund	**66,463**	62,653
Lorne & Pat Larson Tipi Fund	**117,441**	110,677
	302,166	284,835

11. CHANGES IN NON-CASH WORKING CAPITAL

	2009 **$**	2008 $
Interest receivable	**15,088**	(7,422)
Accounts receivable	**1,447,269**	983,614
Inventories	**38,421**	(18,377)
Prepaid expenses	**135,815**	(166,720)
Accounts payable and accrued liabilities	**(295,673)**	(327,395)
Unearned revenue	**(64,406)**	(9,040)
	1,276,514	454,660

12. COMMITMENTS

During 1999, YMCA Calgary signed a "Memorandum of Understanding", along with the other Alliance Members of the South Fish Creek Recreation, Education and Library Complex, to operate the recreational component of the complex upon completion of the construction in April 2002. On March 4, 2002, the City of Calgary council approved a 25 year occupancy lease for YMCA Calgary at $10 per year. 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 the Shawnessy YMCA branch in 2009 were $120,515 (2008 - $209,113) and have been recorded in property and equipment in the General Fund.

13. ADDITIONAL INFORMATION REGARDING FUNDS DEVELOPMENT EXPENSES

Remuneration to employees, whose principal duties are related to fundraising, are $250,455 (2008 - $168,519) and the other fund raising expenses are $88,389 (2008 - $97,429).

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Association's financial instruments include cash and cash equivalents, short-term deposits, interest receivable, accounts receivable, 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 most 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 changes, 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, 2009 is $5,594,940 (2008 - $2,491,070), with $2,937,545 (2008 - $Nil) invested in equities (Note 6).

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, 2009, the foreign content of the investments was 19% (2008 - Nil%) (Note 6).

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

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 concentration of credit risk.

15. MANAGEMENT OF CAPITAL

The Association's objective when managing capital is to ensure it has adequate cash flow to maintain operations and fund capital projects. Because the Association has been able to generate this cash flow from operations and money contributed to its Restricted and Endowment Funds, it presently has no debt, except for obligations under capital leases, which is in accordance with the Association's by-laws. Management and the Board of Directors carefully consider fundraising campaigns, grants, sponsorship and investment income to ensure that sufficient funds will be available to meet the Association's short and long-term objectives.