Consolidated financial statements of

The Calgary Young Men's Christian Association

December 31, 2014

The Calgary Young Men's Christian Association

December 31, 2014

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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 statement of financial position as at December 31, 2014, the consolidated statements of operations and changes in fund balances and cash flows for the year then ended, 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 audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit 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 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, 2014 and the results of its operations, changes in fund balances and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Deloitte LLP

Chartered Accountants
April 7, 2015

The Calgary Young Men's Christian Association

Consolidated statement of operations and changes in fund balances
year ended December 31, 2014

	General Fund	Restricted Fund	Endowment Fund	2014 Total	2013 Total
	$	$	$	$	$
Revenue					
Memberships	**16,640,782**	**-**	**-**	**16,640,782**	15,783,255
Programs and services	**11,364,419**	**-**	**-**	**11,364,419**	11,090,629
Government grants	**1,196,521**	**-**	**-**	**1,196,521**	1,075,900
United Way of Calgary and Area	**969,797**	**-**	**-**	**969,797**	830,840
Donations	**1,833,311**	**4,293,257**	**211,402**	**6,337,970**	2,887,434
Capital expenditure fee	**-**	**383,353**	**-**	**383,353**	406,333
Other	**574,436**	**2,827**	**-**	**577,263**	462,017
	32,579,266	**4,679,437**	**211,402**	**37,470,105**	32,536,408
Expenses					
Salaries and benefits	**18,377,271**	**-**	**-**	**18,377,271**	17,790,112
Programs and services	**3,409,942**	**-**	**78,000**	**3,487,942**	3,272,333
Building operations	**4,234,383**	**-**	**-**	**4,234,383**	3,943,892
Administration	**3,329,279**	**373,317**	**22,892**	**3,725,488**	2,972,607
Communications	**335,713**	**-**	**-**	**335,713**	311,928
Amortization	**2,922,229**	**-**	**-**	**2,922,229**	3,509,955
	32,608,817	**373,317**	**100,892**	**33,083,026**	31,800,827
Operating (deficiency) excess of revenue over expenses	**(29,551)**	**4,306,120**	**110,510**	**4,387,079**	735,581
Gain (loss) on disposal of tangible capital assets	**65,607**	**-**	**-**	**65,607**	(33,827)
Investment income (Note 6)	**471,361**	**-**	**555,311**	**1,026,672**	1,010,922
Excess of revenue over expenses	**507,417**	**4,306,120**	**665,821**	**5,479,358**	1,712,676
Fund balance, beginning of year	**34,504,811**	**916,291**	**5,071,153**	**40,492,255**	38,779,579
Fund balance, end of year	**35,012,228**	**5,222,411**	**5,736,974**	**45,971,613**	40,492,255

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial statement.

The Calgary Young Men's Christian Association

Consolidated statement of financial position
as at December 31, 2014

	General Fund	Restricted Fund	Endowment Fund	2014 Total	2013 Total
	$	$	$	$	$
Assets					
Current assets					
Cash	**2,525,741**	**54,315**	**128,831**	**2,708,887**	3,156,569
Accounts receivable	**502,051**	**-**	**-**	**502,051**	473,409
Pledges receivable (Note 3)	**-**	**3,499,654**	**-**	**3,499,654**	-
Inventories	**50,253**	**-**	**-**	**50,253**	64,386
Prepaid expenses	**277,673**	**-**	**-**	**277,673**	348,306
	3,355,718	**3,553,969**	**128,831**	**7,038,518**	4,042,670
Restricted cash (Note 4)	**-**	**1,004,735**	**-**	**1,004,735**	-
Investments (Note 5)	**6,303,202**	**-**	**5,653,031**	**11,956,233**	9,385,789
Tangible capital assets (Note 7)	**32,493,475**	**161,321**	**-**	**32,654,796**	32,921,857
	42,152,395	**4,720,025**	**5,781,862**	**52,654,282**	46,350,316
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities (Note 2)	**1,908,780**	**90,000**	**2,009**	**2,000,789**	1,555,101
Due from (to) other funds	**549,507**	**(592,386)**	**42,879**	**-**	-
Current portion of obligations under capital leases (Note 8)	**693,458**	**-**	**-**	**693,458**	545,244
Unearned revenue	**2,989,620**	**-**	**-**	**2,989,620**	2,776,868
	6,141,365	**(502,386)**	**44,888**	**5,683,867**	4,877,213
Deferred capital contributions	**323,443**	**-**	**-**	**323,443**	329,909
Obligations under capital leases (Note 8)	**675,359**	**-**	**-**	**675,359**	650,939
	7,140,167	**(502,386)**	**44,888**	**6,682,669**	5,858,061
Commitments (Note 11)					
Fund balances					
Internally restricted - invested in tangible capital assets	**31,124,658**	**-**	**-**	**31,124,658**	31,725,674
Externally restricted	**-**	**5,222,411**	**4,672,531**	**9,894,942**	5,133,003
Donor restricted endowment funds (Note 9)	**-**	**-**	**1,064,443**	**1,064,443**	854,441
Unrestricted funds	**3,887,570**	**-**	**-**	**3,887,570**	2,779,137
	35,012,228	**5,222,411**	**5,736,974**	**45,971,613**	40,492,255
	42,152,395	**4,720,025**	**5,781,862**	**52,654,282**	46,350,316

Approved by the Board

Director

Director

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial statement.

The Calgary Young Men's Christian Association

Consolidated statement of cash flows
year ended December 31, 2014

	General Fund	Restricted Fund	Endowment Fund	2014 Total	2013 Total
	$	$	$	$	$
Operating activities					
Excess of revenue over expenses	**507,417**	**4,306,120**	**665,821**	**5,479,358**	1,712,676
Items not affecting cash					
Amortization	**2,922,229**	**-**	**-**	**2,922,229**	3,509,955
Realized gain on sale of investments (Note 6)	**(11,403)**	**-**	**(13,941)**	**(25,344)**	(914,269)
Unrealized (gain) loss on investments (Note 6)	**(165,017)**	**-**	**(283,065)**	**(448,082)**	228,017
Amortization of deferred capital contributions	**(14,466)**	**-**	**-**	**(14,466)**	(11,747)
(Gain) loss on disposal of tangible capital assets	**(65,607)**	**-**	**-**	**(65,607)**	33,827
	3,173,153	**4,306,120**	**368,815**	**7,848,088**	4,558,459
Changes in non-cash working capital (Note 10)	**464,922**	**(3,733,064)**	**77,255**	**(3,190,887)**	(143,361)
	3,638,075	**573,056**	**446,070**	**4,657,201**	4,415,098
Financing activity					
Repayment of obligations under capital leases	**(549,259)**	**-**	**-**	**(549,259)**	(433,020)
Investing activities					
Net additions to investments	**(1,758,926)**	**-**	**(338,092)**	**(2,097,018)**	(2,018,669)
Additions to tangible capital assets	**(1,776,097)**	**(161,321)**	**-**	**(1,937,418)**	(1,750,680)
Increase in accounts payable pertaining to tangible capital assets	**315,797**	**90,000**	**-**	**405,797**	97,910
Proceeds from disposal of tangible capital assets	**69,750**	**-**	**-**	**69,750**	25,596
Proceeds from capital contributions	**8,000**	**-**	**-**	**8,000**	341,656
Changes in restricted cash (Note 4)	**-**	**(1,004,735)**	**-**	**(1,004,735)**	902,687
	(3,141,476)	**(1,076,056)**	**(338,092)**	**(4,555,624)**	(2,401,500)
Net (decrease) increase in cash	**(52,660)**	**(503,000)**	**107,978**	**(447,682)**	1,580,578
Cash, beginning of year	**2,578,401**	**557,315**	**20,853**	**3,156,569**	1,575,991
Cash, end of year	**2,525,741**	**54,315**	**128,831**	**2,708,887**	3,156,569
Supplementary information					
Equipment acquired under capital lease				**721,893**	531,088

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial statement.

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 taxes 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. 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**.**

2. Significant accounting policies

The consolidated financial statements of YMCA Calgary have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("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.
- 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 board of directors and donors.
- 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 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 and changes in fund balances.

New members are also assessed a one-time capital expenditure fee of $75 (including Goods and Services Tax) 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.

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.

2. Significant accounting policies (continued)

Revenue recognition (continued)

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 individuals' planned giving 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 as an asset when the amount to be received can be reasonably estimated and when collection is reasonably assured.

Contributions received towards the acquisition of tangible capital assets are deferred and amortized to revenue on the same basis as the related depreciable tangible capital assets are amortized.

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 streams include revenue from facility rent, massage, vending machines and merchandise. These revenues are 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.

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.

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. Net realizable value is determined using the current estimated selling price less the selling costs and takes into account management's best estimate of the most probable set of economic conditions.

The sale of inventories during the year resulted in the recognition of expenses aggregating $12,505 (2013 - $12,245).

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.

2. Significant accounting policies (continued)

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 its carrying amount 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.

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 the consolidated statement of operations and changes in fund balances.

With respect to financial assets measured at cost or amortized cost, the Association recognizes in the consolidated statement of operations and changes in fund balances 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 the consolidated statement of operations and changes in fund balances 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.

2. Significant accounting policies (continued)

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, collectability of pledges, useful lives and potential impairment of tangible capital assets and accrued liabilities. Actual results could differ from these estimates.

Government remittances payable

At December 31, 2014, the Association had government remittances payable of $17,459 (2013 - $18,141), which are included in accounts payable and accrued liabilities.

3. Pledges receivable

Pledges receivable are expected to be received in the following fiscal years:

	2014	2013
	$	$
2015	**3,499,654**	-
2016	**455,404**	-
2017	**425,904**	-
2018	**424,904**	-
2019	**263,320**	-
2020	**100,000**	-
Total pledges	**5,169,186**	-
Pledges to be received after 2015	**(1,669,532)**	-
Pledges recognized	**3,499,654**	-

The $30 million Power of Potential capital campaign is presented under the Restricted Fund, which reports the revenue and expenses related to the Association's commitment to provide funding to operate and equip three new community recreation centres in a joint project undertaken with The City of Calgary and to fund camp infrastructure and community programs. This is an ongoing campaign.

The Association has pledge agreements from individual or corporate donors who have committed to donate in the future as per above. The Association regularly consults with donors to either receive their pledged gift or reaffirm their intent to fulfill their future commitment.

The Association records future commitments expected within the next fiscal year as revenue once there is reasonable assurance that the donor will fulfill their commitment.

4. 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.

During the year, restricted cash under the General Fund was reclassified from restricted cash to cash on the consolidated statements of financial position and cash flows. The prior year's comparative figures have been reclassified to conform to the current year's presentation.

5. Investments

	2014	2013
	Market value	Market value
	$	$
General Fund	**6,303,202**	4,367,856
Endowment Fund	**4,588,588**	4,163,492
Endowment Fund - donor restricted (Note 9)	**1,064,443**	854,441
	11,956,233	9,385,789

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

				2014	2013
	General Fund	**Restricted Fund**	**Endowment Fund**	**Total**	Total
	$	**$**	**$**	**$**	$
Cash	**8,774**	**-**	**2,889**	**11,663**	-
Canadian					
Income funds	**4,068,379**	**-**	**1,762,248**	**5,830,627**	4,403,260
Equity funds	**1,266,368**	**-**	**1,838,938**	**3,105,306**	2,622,494
International					
Income funds	**-**	**-**	**113,452**	**113,452**	-
Equity funds	**959,681**	**-**	**1,935,504**	**2,895,185**	2,360,035
	6,303,202	**-**	**5,653,031**	**11,956,233**	9,385,789

6. Investment income

				2014	2013
	General Fund	**Restricted Fund**	**Endowment Fund**	**Total**	Total
	$	**$**	**$**	**$**	$
Interest income	**294,941**	**-**	**258,305**	**553,246**	324,670
Realized gain on sale of investments	**11,403**	**-**	**13,941**	**25,344**	914,269
Unrealized gain (loss) on investments	**165,017**	**-**	**283,065**	**448,082**	(228,017)
	471,361	**-**	**555,311**	**1,026,672**	1,010,922

7. Tangible capital assets

			2014
	Cost	**Accumulated amortization**	**Net book value**
	$	**$**	**$**
Land	**2,010,000**	**-**	**2,010,000**
Buildings	**51,817,880**	**26,556,203**	**25,261,677**
Building improvements	**1,302,583**	**208,204**	**1,094,379**
Equipment under capital leases	**2,227,566**	**858,749**	**1,368,817**
Furniture and equipment	**13,635,745**	**11,491,560**	**2,144,185**
Facility start-up	**1,181,856**	**1,181,856**	**-**
Capital development projects	**775,738**	**-**	**775,738**
	72,951,368	**40,296,572**	**32,654,796**

			2013
	Cost	Accumulated amortization	Net book value
	$	$	$
Land	2,010,000	-	2,010,000
Buildings	51,772,854	25,295,107	26,477,747
Building improvements	804,953	77,946	727,007
Equipment under capital leases	1,880,384	682,684	1,197,700
Furniture and equipment	13,277,029	10,929,810	2,347,219
Facility start-up	1,181,856	1,019,672	162,184
	70,927,076	38,005,219	32,921,857

Included in amortization expense is $549,260 (2013 - $433,020) of amortization recorded on equipment under capital leases.

Capital project commitments

Authorization for expenditures has been issued for $1,697,285 (2013 - $1,305,327), of which $1,505,770 (2013 - $1,229,182) has been spent.

Buildings with a net book value of $3,333,165 (2013 - $3,691,034) 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.

8. Obligations under capital leases

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

	$
2015	739,106
2016	422,272
2017	281,050
Future minimum lease payments	1,442,428
Less: amount representing interest at a weighted-average rate of 7.40% (2013 - 7.64%)	73,611
Present value of future minimum lease payments	1,368,817
Less: current portion	693,458
	675,359

9. 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. The interest income generated from assets held for endowment purposes must be used in accordance with the various purposes established by the donors

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

	2014	2013
	$	$
Tom Perkins Memorial Fund	**86,625**	78,157
Mike Dodds Memorial Fund	**16,512**	14,883
The Amy and Howard Miller Memorial Fund	**98,578**	88,934
J. Fish Memorial Fund	**96,758**	87,295
Lorne and Pat Larson Tipi Fund	**170,832**	154,132
Lorne and Pat Larson Fund	**595,138**	431,040
	1,064,443	854,441

10. Changes in non-cash working capital

	2014	2013
	$	$
Accounts receivable	**(28,642)**	144,911
Pledges receivable	**(3,499,654)**	-
Inventories	**14,133**	8,921
Prepaid expenses	**70,633**	(34,503)
Accounts payable and accrued liabilities	**39,891**	(143,400)
Unearned revenue	**212,752**	(119,290)
	(3,190,887)	(143,361)

11. Commitments

YMCA Calgary has entered into various 10 to 25 year occupancy leases at nominal fees, with one renewal term each, for a YMCA presence at each location. For the duration of the term at each facility, YMCA Calgary is responsible for its portion of the lifecycle and capital replacement of the facility or for the repair and maintenance of equipment owned and supplied by YMCA Calgary.

During 2014, YMCA Calgary entered into a 20-year occupancy lease with Remington Development Corporation at a starting rate of $27 per square foot per year for approximately 3,600 square feet, effective September 1, 2016, for the Quarry Park Child Development Center.

12. Additional information regarding fund development expenses

Remuneration to employees whose principal duties are related to fundraising totalled $267,492 (2013 - $260,036), and other fundraising expenses were $439,770 (2013 - $110,460).

13. Financial instruments and risk management

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, 2014 was $11,956,233 (2013 - $9,385,789), with $6,000,491 (2013 - $4,982,529) invested in equities (Note 5).

Foreign exchange risk

A portion of the Association's investment portfolio is denominated in foreign currencies; therefore, the Association is exposed to fluctuations in those currencies. At December 31, 2014, the foreign content of the investments was 25% (2013 - 25%) (Note 5).

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.

14. 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 and potential claims would not have a material impact on the financial position or operating results of the Association.

15. Subsequent events

On February 4, 2015, YMCA Calgary entered into a 10-year sponsorship agreement with a third party to receive $250,000 per year. This agreement is effective upon completion of the Quarry Park Child Development Center, currently under construction, expected to be completed mid-2016.