

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Financial Statements

Year Ended August 31, 2016

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Young Men's Christian Association of Regina have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Young Men's Christian Association of Regina's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Finance and Audit Committee. The Finance and Audit Committee is appointed by the Board and meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Finance and Audit Committee reports to the Board of Directors prior to its approval of the financial statements. The Committee also considers, for review by the Board and approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by MWC Chartered Professional Accountants LLP, in accordance with Canadian generally accepted auditing standards.

Chief Executive Officer

Treasurer

Regina, Saskatchewan
November 18, 2016



Chartered Professional
Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Young Men's Christian Association of Regina

We have audited the accompanying financial statements of Young Men's Christian Association of Regina, which comprise the statement of financial position as at August 31, 2016 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

(continues)

An asset to our clients, not an expense

2320 Lorne Street, Regina, SK S4P 2M9 ☎306-352-8621 📠306-565-8476 🌐mwc-cpa.ca

Independent Auditor's Report to the Members of Young Men's Christian Association of Regina
(continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Young Men's Christian Association of Regina as at August 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 15 which states that the prior year callable debt figures have been reclassified to long term debt to agree with the terms of the credit facility agreements.

MWCLLP

Chartered Professional Accountants

Regina, Saskatchewan
November 18, 2016

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

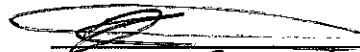
Statement of Financial Position

August 31, 2016

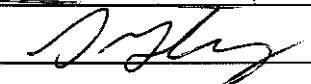
	2016	2015 <i>(Restated)</i>
ASSETS		
CURRENT		
Cash	\$ 824,730	\$ 737,125
Accounts receivable	276,652	189,905
Goods and services tax recoverable	-	45,663
Prepaid expenses	70,502	49,479
Funds held in trust - special projects <i>(Note 3)</i>	189,379	113,676
	<u>1,361,263</u>	<u>1,135,848</u>
CAPITAL ASSETS <i>(Note 4)</i>	11,537,279	11,479,603
ENDOWMENTS <i>(Note 5)</i>	31,094	30,948
	<u>\$ 12,929,636</u>	<u>\$ 12,646,399</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 312,930	\$ 320,727
Current portion of long term debt <i>(Note 8)</i>	1,144,844	788,078
Deferred revenue <i>(Note 6)</i>	265,843	324,228
Employee deductions payable	62,446	62,214
Goods and services tax payable	18,683	-
Interest payable <i>(Note 8)</i>	8,467	6,605
Provincial sales tax payable	-	17,120
Wages payable	320,459	248,567
Trust payable - special projects <i>(Note 3)</i>	189,379	113,676
	<u>2,323,051</u>	<u>1,881,215</u>
LONG TERM DEBT <i>(Note 8)</i>	4,576,168	3,906,354
	<u>6,899,219</u>	<u>5,787,569</u>
NET ASSETS		
Unrestricted fund	5,999,323	6,827,882
Endowment fund	31,094	30,948
	<u>6,030,417</u>	<u>6,858,830</u>
	<u>\$ 12,929,636</u>	<u>\$ 12,646,399</u>

COMMITMENTS *(Note 14)*

ON BEHALF OF THE BOARD



Director



Director

See accompanying notes

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Statement of Operations

For the Year Ended August 31, 2016

	2016	2015
REVENUES		
Membership Services (Schedule 1)	\$ 4,879,417	\$ 4,769,086
Childcare (Schedule 2)	4,717,462	4,701,813
Community Development (Schedule 3)	1,043,306	984,505
Restricted Capital Fund (Schedule 4)	42,405	92,101
Endowment donations and interest	146	14,413
	<u>10,682,736</u>	<u>10,561,918</u>
EXPENSES		
Membership Services (Schedule 1)	4,830,230	3,982,541
Childcare (Schedule 2)	4,214,665	4,163,010
Community Development (Schedule 3)	1,272,826	1,132,152
	<u>10,317,721</u>	<u>9,277,703</u>
EXCESS OF REVENUES (EXPENSES) FROM OPERATIONS	<u>365,015</u>	<u>1,284,215</u>
Interest on long term debt	148,327	143,426
Depreciation	1,045,101	543,965
	<u>1,193,428</u>	<u>687,391</u>
EXCESS OF REVENUES (EXPENSES)	<u>\$ (828,413)</u>	<u>\$ 596,824</u>

Statement of Changes in Net Assets

Year Ended August 31, 2016

	Unrestricted Fund	Restricted Fund	Endowment Fund	2016	2015
NET ASSETS - BEGINNING OF YEAR					
	\$ 6,827,882	\$ -	\$ 30,948	\$ 6,858,830	\$ 6,262,006
Excess of revenues (expenses)	(870,964)	42,405	146	(828,413)	596,824
Interfund transfers (Note 11)	42,405	(42,405)	-	-	-
NET ASSETS - END OF YEAR	<u>\$ 5,999,323</u>	<u>\$ -</u>	<u>\$ 31,094</u>	<u>\$ 6,030,417</u>	<u>\$ 6,858,830</u>

See accompanying notes

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Statement of Cash Flows Year Ended August 31, 2016

	2016	2015
OPERATING ACTIVITIES		
Excess of revenues (expenses)	\$ (828,413)	\$ 596,824
Item not affecting cash:		
Depreciation	1,045,101	543,965
	<u>216,688</u>	<u>1,140,789</u>
Changes in non-cash working capital:		
Accounts receivable	(86,747)	109,600
Prepaid expenses	(21,023)	16,303
Funds held in trust - special projects	(75,703)	151,367
Accounts payable	(7,798)	221,737
Goods and services tax payable	64,346	(61,431)
Provincial sales tax payable	(17,120)	14,947
Wages payable	71,892	12,400
Employee deductions payable	232	3,503
Deferred revenue	(58,385)	9,203
Trust payable - special projects	75,703	(151,367)
	<u>(54,603)</u>	<u>326,262</u>
Cash flow from operating activities	<u>162,085</u>	<u>1,467,051</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(1,102,776)	(1,952,885)
Net endowment activity	(146)	(14,413)
Cash flow used by investing activities	<u>(1,102,922)</u>	<u>(1,967,298)</u>
FINANCING ACTIVITIES		
Interest payable	1,862	(12,568)
Proceeds from long term financing	5,211,932	5,083,248
Repayment of long term debt	(4,185,352)	(4,680,750)
Cash flow from financing activities	<u>1,028,442</u>	<u>389,930</u>
INCREASE (DECREASE) IN CASH FLOW	87,605	(110,317)
CASH - BEGINNING OF YEAR	<u>737,125</u>	<u>847,442</u>
CASH - END OF YEAR	<u>\$ 824,730</u>	<u>\$ 737,125</u>

See accompanying notes

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Notes to Financial Statements

Year Ended August 31, 2016

1. NATURE OF OPERATIONS

The Young Men's Christian Association of Regina is open to all and dedicated to enriching our community and individuals at every stage of life. It is a values-based builder of health, leadership and personal development. The Association operates three facilities and a variety of program sites in the community of Regina, Saskatchewan and is a registered charity which is exempt from income taxes under paragraph 149(1)(f) of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Revenue recognition

The Association follows the restricted fund method of accounting for contributions, which includes donations, grants and sponsorships.

Restricted contributions related to general operations are recognized as revenue of the Unrestricted Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the Unrestricted Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions for endowment are recognized as revenue in the Endowment Fund.

Massage therapy fees, membership fees, program fees and rental and other revenues are recognized when services are provided, there is clear evidence that an arrangement exists, amounts are fixed and can be determined or the ability to collect is reasonably assured. Interest and investment earnings are recognized in the period earned.

Fund accounting

The accounts of the Association are maintained in accordance with the principles of fund accounting in order that limitations and restrictions placed on the use of available resources are observed. Under fund accounting, resources are classified for accounting and reporting purposes into funds with activities or objectives specified. For financial reporting purposes, the accounts have been classified into the following three funds:

The Unrestricted Fund is used for the general operations of the Association. All operational transactions are recorded in the accounts of this fund.

The Restricted Capital Fund is an externally restricted fund which includes contributions and revenues specifically designated for property renewals, replacements and development.

The Endowment Fund is an externally restricted fund which reports contributions to be held in perpetuity, with the earnings available for use as restricted by the contributor.

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YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Notes to Financial Statements

Year Ended August 31, 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Capital assets

Capital assets are recorded at cost at the time of acquisition and are depreciated over their estimated useful lives. Donated equipment is recorded at fair market value when received.

Depreciation is calculated using the straight-line method at the following rates

Buildings	2 1/2% & 5%	straight-line method
Equipment	25%	straight-line method
Leasehold improvements	6 years	straight-line method

A full year of depreciation is taken in the year of acquisition and no depreciation is taken in the year of disposal.

Contributed services

Volunteers contribute an indeterminable number of hours each year. Contributed services are not recognized in the financial statements due to the difficulty in determining their fair value.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets consisting of cash, accounts receivable, endowments and funds held in trust are reported at amortized cost.

Financial liabilities consisting of accounts payable and accrued liabilities, trust liabilities, and long term debt are reported at amortized cost.

Foreign currency translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenues and expenses have been translated at the average rates of exchange during the year, except for depreciation, which has been translated at the same rate as the related assets.

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

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YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Notes to Financial Statements

Year Ended August 31, 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Significant investments include management's estimation of the costs allocated to the different departments, the allowance for doubtful accounts, and depreciation rate and method used.

Interest swap agreements

The YMCA uses interest rate swap agreements as part of the credit facility to manage the interest rate risk related to bank's acceptances. The YMCA has chosen not to prepare the documentation necessary for the application of hedge accounting. The amount owing under the swap agreement is recorded at its stated value at yearend.

3. SPECIAL PROJECT - FUNDS IN TRUST

The Association has agreements to administer three projects under the National Homeless Initiative which is funded by Human Resources and Skills Development Canada (HRSDC). As part of the agreements, the Association receives amounts from HRSDC and is required to provide the funding to participants under the direction of a third party advisory board. The Association does not have any control over the funds other than ensuring payments are in compliance with the agreement.

Administration fees of \$265,554 (2015 - \$192,429) were received by the Association for performing this duty and are included under the community development program.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
Land	\$ 341,268	\$ -	\$ 341,268	\$ 341,268
Buildings	14,277,350	5,492,819	8,784,531	9,097,987
Equipment	1,612,243	809,217	803,026	693,624
Leasehold improvements	1,930,145	321,691	1,608,454	1,346,724
	<u>\$ 18,161,006</u>	<u>\$ 6,623,727</u>	<u>\$ 11,537,279</u>	<u>\$ 11,479,603</u>

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Notes to Financial Statements

Year Ended August 31, 2016

5. ENDOWMENT FUND

The South Saskatchewan Community Foundation Inc. (SSCF), an independent agency, manages the assets of the Association's endowment fund.

The fair value of the assets invested with the SSCF at yearend was \$31,094 (2015 - \$30,948). The Association is allocated a portion of the earnings on the investments managed by SSCF based on their relative holdings of the SSCF managed funds. In the current year, this amount was \$146 (2015 - \$306).

6. DEFERRED REVENUE

	<u>2016</u>	<u>2015</u>
Membership fees	\$ 204,543	\$ 194,582
Program fees	24,409	36,340
Grants	20,000	78,086
Other	16,891	15,220
	<u>\$ 265,843</u>	<u>\$ 324,228</u>

7. CREDIT FACILITIES

The Association has the following credit facilities with the Royal Bank of Canada:

Facility #1 is a \$200,000 revolving demand facility available in increments of \$5,000 bearing interest at Royal Bank Prime plus 0.60%. As at yearend no amount has been drawn on Facility #1.

Facility #2 is a non-revolving term facility of \$3,268,000 drawn by way of bankers' acceptances. Repayable in quarterly principal payments plus interest payments and bears interest at a fixed rate of 1.36% plus a floating rate of 0.868%. As at yearend the Association holds a banker's acceptance bearing interest at 1.36% fixed rate, 0.868% floating interest and 1.06% stamping fee repayable in quarterly payments ranging from \$133,000 to \$152,000 plus interest and stamping fees. The termination date of the acceptance is January 7, 2022.

Facility #3 is a revolving facility available as Royal Bank prime loans or a series of term loans or bankers' acceptance up to a maximum of \$2,100,000 repayable in monthly principal plus interest payments, based on an amortization schedule with set terms. Repayment and interest term for each borrowing under Facility #3 is agreed to between the Association and the Bank. As at yearend the Association holds a banker's acceptance bearing interest at 1.25% fixed rate and 1.26% stamping fee repayable in monthly payments ranging from \$20,000 to \$47,000 plus interest. The termination date of the the acceptance is November 30, 2020.

In addition, the Association has a Visa Business credit facility amount of \$150,000.

All credit facilities and borrowings of the Association are secured under a general security agreement providing the Bank with a first ranking security interest in all personal property of the Association; and a collateral mortgage in the amount of \$6.25 million constituting a first fixed charge on the lands and improvements located at the Downtown location. The carrying value of the property at yearend is \$1,267,628 included in the land and building figures in note 4.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Notes to Financial Statements

Year Ended August 31, 2016

8. LONG TERM DEBT

	2016	2015
Credit Facility #2		
Royal Bank loan bearing interest at 2.7% per annum, repayable in monthly payments of \$47,619 plus interest. The loan is renewable on December 10, 2015.	\$ -	\$ 3,619,048
Banker acceptance	3,135,000	-
	3,135,000	3,619,048
Current portion of long term debt	(539,000)	(571,428)
	2,596,000	3,047,620
Credit Facility #3		
Term loan bearing interest at 2.7% per annum, repayable in monthly payments of \$3,932 plus interest, maturing June 29, 2016.	-	228,066
Term loan bearing interest at 2.7% per annum, repayable in monthly payments of \$5,708 plus interest, maturing August 9, 2016.	273,988	342,485
Term loan bearing interest at 2.7% per annum, repayable in monthly payments of \$4,594 plus interest, maturing August 18, 2016.	220,513	275,642
Term loan bearing interest at 2.7% per annum, repayable in monthly payments of \$3,820 plus interest, maturing August 27, 2016.	183,353	229,191
Term loan bearing interest at 2.7% per annum, repayable in monthly payments of \$9,062 plus interest, maturing September 30, 2016.	444,040	-
Term loan bearing interest at 2.7% per annum, repayable in monthly payments of \$3,360 plus interest, maturing October 14, 2016.	168,024	-
Term loan bearing interest at 2.7% per annum, repayable in monthly payments of \$2,861 plus interest, maturing November 19, 2016.	145,895	-
Term loan bearing interest at 2.7% per annum, repayable in monthly payments of \$1,082 plus interest, maturing November 30, 2016.	55,199	-
Banker acceptance	1,095,000	-
	2,586,012	1,075,384
Current portion of long term debt	(605,844)	(216,650)
	1,980,168	858,734
Total Long Term Debt	\$ 4,576,168	\$ 3,906,354

Interest payable at yearend includes accrued interest of \$1,150 (2015 - \$6,605) and interest payable on interest rate swaps related to the bankers' acceptance of \$7,317 (2015 - \$nil).

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Notes to Financial Statements

Year Ended August 31, 2016

9. MINIMUM FUTURE DEBT PAYMENTS

Future minimum principal repayments are as follows:

	Credit facility #2	Credit facility #3	Total
2017	\$ 539,000	\$ 605,844	\$ 1,144,844
2018	553,000	605,844	1,158,844
2019	566,000	605,844	1,171,844
2020	580,000	599,213	1,179,213
2021	594,000	169,267	763,267
	<u>\$ 2,832,000</u>	<u>\$ 2,586,012</u>	<u>\$ 5,418,012</u>

Three of the loans in credit facility #3 matured prior to yearend and payment terms were not renewed as the loans were refinanced under the banker's acceptance component of this facility.

10. PROGRAM AND MEMBERSHIP ASSISTANCE

The Association sponsors qualifying individuals and families through the financial assistance program. The following amounts were sponsored in the current year:

	2016	2015
Membership		
Membership services	\$ 264,733	\$ 224,223
Program fees	10,670	13,514
	<u>275,403</u>	<u>237,737</u>
Community Development		
Program fees	9,155	6,887
	<u>\$ 284,558</u>	<u>\$ 244,624</u>

11. INTERFUND TRANSFERS

In the year, \$42,405 (2015 - \$92,101) has been transferred from the Restricted Capital fund to the Unrestricted fund for the purchase of capital assets.

12. YMCA RETIREMENT FUND

The Association participates in the Canadian YMCA retirement fund, a defined contribution pension plan, on behalf of eligible employees and is limited to its required contributions. Eligible employees include full-time staff who may join after one year and must join after two years of service, and part-time staff who may join after earning certain levels of income for two consecutive years.

During the year, the Association contributed \$167,427 (2015 - \$154,521) on behalf of employees.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Notes to Financial Statements

Year Ended August 31, 2016

13. ALLOCATED EXPENSES

The Association allocates administrative wages and benefits, occupancy costs, administrative overhead and program supplies to Membership Services, Childcare and Community Development departments based on management's estimate of the time spent on those departments' activities and the space utilized in the facilities.

Allocated expenses for the year were as follows:

	2016	2015
Membership Services		
Administrative wages and benefits	\$ 206,150	\$ 197,728
Occupancy costs	411,995	509,018
Administrative overhead	124,484	134,018
Childcare		
Administrative wages and benefits	\$ 309,225	\$ 296,592
Occupancy costs	147,141	181,792
Administrative overhead	186,726	201,027
Program supplies	179,911	174,777
Community Development		
Administrative wages and benefits	\$ 57,264	\$ 54,924
Occupancy costs	29,428	36,358
Administrative overhead	34,579	37,227

14. COMMITMENTS

The Association has contractual obligations under operating leases for premises and equipment at the yearend. The estimated future minimum lease payments are as follows:

2017	\$ 468,852
2018	468,334
2019	460,723
2020	460,723

The Association has entered into an agreement with other YMCAs of Canada to develop a new software to be utilized by the participating associations. The minimum expected commitment for the YMCA of Regina is approximately \$180,000 to \$200,000 and is expected to be paid in the 2017 fiscal year.

15. RESTATEMENT OF PRIOR YEAR

The prior year incorrectly classified the term loan balances under credit facility #3 as current liabilities, but as there is no demand clause they have been reclassified to long-term debt. The results of this reclassification is a decrease in the prior year's current liabilities and an increase in the long-term debt of \$858,734 and interest on long-term debt included interest previously disclosed on callable debt of \$74,533. There was no impact on previously reported total liabilities or excess of revenues (expenses) for the year.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Notes to Financial Statements

Year Ended August 31, 2016

16. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments and management is responsible to monitor, evaluate and manage these risks. The following analysis provides information about the Association's risk exposure and concentration as of August 31, 2016.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is exposed to credit risk from members. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Association has a significant number of members which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its receipt of funds from its members and other related sources, long-term debt, and accounts payable. Liquidity risk is controlled through the Associations regular budgeting and operating reporting.

Currency risk

Currency risk is the risk to the Association's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Association does not use derivative instruments to reduce its exposure to foreign currency risk. The Association is exposed to foreign currency exchange risk on cash, accounts receivable, and accounts payable held in U.S. dollars. In order to minimize the Association's exposure to currency risk the amounts held in U.S. dollars are limited as and at yearend there were no significant balances held or owing in U.S. dollars.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Association manages exposure through its normal operating and financing activities. The Association is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

The YMCA is exposed to interest rate risk due to changes in the prime rate since the bankers' acceptance bear interest at variable rates. To manage this volatility, the YMCA uses interest rate swap agreements to fix the interest rates of the bankers' acceptance at 2.42% and 2.51% with maturity between 2020 and 2022.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Membership Services

(Schedule 1)

Year Ended August 31, 2016

	2016	2015
REVENUES		
Membership fees	\$ 4,239,972	\$ 4,046,031
Program fees	463,725	432,758
Massage therapy fees	187,192	200,629
Donations	151,868	165,039
Rental and other revenue	107,303	137,084
Interest	3,260	12,412
Other grants	1,500	12,870
Program and membership assistance (Note 10)	(275,403)	(237,737)
	<u>4,879,417</u>	<u>4,769,086</u>
EXPENSES		
Salaries, wages and benefits	2,866,939	2,486,822
Occupancy costs	848,889	518,571
Supplies	575,024	496,224
Office	181,748	143,771
YMCA affiliation fees	163,698	162,140
Promotion and publicity	133,778	105,622
Employee and participant travel	24,367	37,570
Staff training	30,246	25,739
Bad debts	5,541	6,082
	<u>4,830,230</u>	<u>3,982,541</u>
INCOME BEFORE INTEREST AND DEPRECIATION	<u>\$ 49,187</u>	<u>\$ 786,545</u>

See accompanying notes

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Childcare

(Schedule 2)

Year Ended August 31, 2016

	2016	2015
REVENUES		
Program fees	\$ 3,478,827	\$ 3,456,473
Provincial grants	1,238,635	1,240,740
Donations	-	4,600
	<u>4,717,462</u>	<u>4,701,813</u>
EXPENSES		
Salaries, wages and benefits	3,472,571	3,425,000
Supplies	272,086	254,120
Office	201,601	214,271
Occupancy costs	147,141	181,792
Bad debts	82,369	48,202
Staff training	36,858	35,660
Employee and participant travel	2,039	3,965
	<u>4,214,665</u>	<u>4,163,010</u>
EXCESS REVENUE (EXPENSES) BEFORE INTEREST AND DEPRECIATION	<u>\$ 502,797</u>	<u>\$ 538,803</u>

See accompanying notes

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Community Development

(Schedule 3)

Year Ended August 31, 2016

	2016	2015
REVENUES		
Program fees	\$ 251,213	\$ 244,804
Other grants	328,432	243,655
Program administrative services (Note 3)	265,554	192,429
Donations	14,804	100,000
United Way Regina grant	88,049	88,072
Federal grants	46,579	63,507
Provincial grants	57,830	58,925
Program and membership assistance (Note 10)	(9,155)	(6,887)
	<u>1,043,306</u>	<u>984,505</u>
EXPENSES		
Salaries, wages and benefits	996,469	886,227
Supplies	164,050	130,164
Office	43,710	48,886
Occupancy costs	29,428	36,358
Employee and participant travel	28,733	17,805
Staff training	9,395	12,373
Promotion and publicity	1,041	339
	<u>1,272,826</u>	<u>1,132,152</u>
EXCESS REVENUE (EXPENSES) BEFORE INTEREST AND DEPRECIATION	<u>\$ (229,520)</u>	<u>\$ (147,647)</u>

Restricted Capital Fund

(Schedule 4)

Year Ended August 31, 2016

	2016	2015
REVENUES		
Donations	\$ 42,405	\$ 92,101

See accompanying notes