

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Financial Statements

Year Ended August 31, 2017


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
December 21, 2017



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, 2017 and the statements of operations, changes in net assets and cash flow 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

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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, 2017 and the results of its operations and its cash flow 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 12 of the financial statements which pertains to a significant contingent liability.

MWCLLP

Chartered Professional Accountants

Regina, Saskatchewan
December 21, 2017

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Statement of Financial Position

August 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 239,900	\$ 824,730
Accounts receivable	321,179	276,652
Prepaid expenses	45,289	70,502
	606,368	1,171,884
CAPITAL ASSETS (Note 3)	11,129,321	11,537,279
INTANGIBLE ASSETS (Note 4)	143,539	-
ENDOWMENTS (Note 5)	41,289	31,094
ASSETS HELD IN TRUST (Note 15)	145,090	341,639
	\$ 12,065,607	\$ 13,081,896
LIABILITIES AND NET ASSETS		
CURRENT		
Line of credit (Note 6)	\$ 305,000	\$ -
Accounts payable	347,052	160,670
Current portion of long term debt (Note 7)	809,000	1,144,844
Goods and services tax payable	12,460	18,683
Provincial sales tax payable	359	-
Wages payable	594,150	320,459
Employee deductions payable	62,417	62,446
Deferred revenue (Note 8)	254,146	265,843
Interest payable (Note 6)	6,611	8,467
Due to trust (Note 15)	103,160	152,260
	2,494,355	2,133,672
LONG TERM DEBT (Note 6)	3,411,000	4,576,168
TRUST LIABILITY (Note 15)	145,090	341,639
	6,050,445	7,051,479
NET ASSETS		
Unrestricted fund	5,861,518	5,999,323
Endowment fund	153,644	31,094
	6,015,162	6,030,417
	\$ 12,065,607	\$ 13,081,896

COMMITMENTS (Note 11)

CONTINGENT LIABILITY (Note 12)

ON BEHALF OF THE BOARD

Director

Director

See accompanying notes

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Statement of Operations Year Ended August 31, 2017

	2017	2016
REVENUES		
Membership Services (Schedule 1)	\$ 5,171,934	\$ 4,879,416
Childcare (Schedule 2)	5,020,392	4,717,462
Community Development (Schedule 3)	1,112,772	1,043,306
Restricted Capital Fund (Schedule 4)	279,088	42,405
Endowment donations and earnings	122,550	146
	<u>11,706,736</u>	<u>10,682,735</u>
EXPENSES		
Membership Services (Schedule 1)	4,974,141	4,830,230
Childcare (Schedule 2)	4,260,507	4,214,665
Community Development (Schedule 3)	1,320,977	1,272,826
	<u>10,555,625</u>	<u>10,317,721</u>
EXCESS OF REVENUES (EXPENSES) BEFORE INTEREST AND DEPRECIATION	<u>1,151,111</u>	<u>365,014</u>
Interest on long term debt	112,360	148,326
Depreciation	1,054,006	1,045,101
	<u>1,166,366</u>	<u>1,193,427</u>
EXCESS OF REVENUES (EXPENSES)	<u>\$ (15,255)</u>	<u>\$ (828,413)</u>

Statement of Changes in Net Assets Year Ended August 31, 2017

	Unrestricted Fund	Restricted Fund	Endowment Fund	2017	2016
NET ASSETS - BEGINNING OF YEAR	\$ 5,999,323	\$ -	\$ 31,094	\$ 6,030,417	\$ 6,858,830
Excess of revenues (expenses)	(416,893)	279,088	122,550	(15,255)	(828,413)
Interfund transfers (Note 10)	279,088	(279,088)	-	-	-
NET ASSETS - END OF YEAR	<u>\$ 5,861,518</u>	<u>\$ -</u>	<u>\$ 153,644</u>	<u>\$ 6,015,162</u>	<u>\$ 6,030,417</u>

See accompanying notes

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Statement of Cash Flow Year Ended August 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Excess of revenues (expenses)	\$ (15,255)	\$ (828,413)
Item not affecting cash:		
Depreciation	1,054,006	1,045,101
	<u>1,038,751</u>	<u>216,688</u>
Changes in non-cash working capital:		
Accounts receivable	(44,527)	(86,747)
Accounts payable	186,384	(91,257)
Deferred revenue	(11,697)	(58,385)
Prepaid expenses	25,213	(21,023)
Goods and services tax payable (receivable)	(6,223)	64,346
PST payable (receivable)	359	(17,120)
Wages payable	273,691	71,892
Employee deductions payable	(29)	232
Interest payable	(1,856)	1,862
	<u>421,315</u>	<u>(136,200)</u>
Cash flow from operating activities	<u>1,460,066</u>	<u>80,488</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(646,050)	(1,102,776)
Purchase of intangible assets	(143,539)	-
Net endowment activity	(10,195)	(146)
Cash flow used by investing activities	<u>(799,784)</u>	<u>(1,102,922)</u>
FINANCING ACTIVITIES		
Due to trust	(49,100)	83,459
Proceeds from line of credit financing	305,000	-
Proceeds from long term financing	999,000	5,211,932
Repayment of long term debt	(2,500,012)	(4,185,352)
Cash flow from (used by) financing activities	<u>(1,245,112)</u>	<u>1,110,039</u>
INCREASE (DECREASE) IN CASH FLOW	(584,830)	87,605
CASH - BEGINNING OF YEAR	<u>824,730</u>	<u>737,125</u>
CASH - END OF YEAR	<u>\$ 239,900</u>	<u>\$ 824,730</u>

See accompanying notes

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Notes to Financial Statements

Year Ended August 31, 2017

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

Massage therapy fees, membership fees, program fees, program administrative service fees, 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, 2017

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.

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.

Intangible assets

The membership database and revenue tracking software are being depreciated on a straight-line basis over their estimated useful lives of ten years. No depreciation was taken in the current year as the software is not yet in use.

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, line of credit, 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, 2017

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 estimates include management's estimation of the costs allocated (Note 17) to the different departments, the allowance for doubtful accounts, depreciation rates and method used (Note 2) and contingent liabilities (Note 12).

Included in accounts receivable is \$50,000 (2016 - \$60,000) that has been allowed for doubtful accounts based on identified accounts plus a provision for historical losses.

Interest swap agreements

The Association uses interest rate swap agreements as part of the credit facility to manage the interest rate risk related to bankers' acceptances and has elected not to apply the principles of hedge accounting as the expected change in the interest rates during the holding period is not significant due to the short-term nature of the banker's acceptances held. The amount owing under the swap agreement is recorded at its stated value at yearend.

3. CAPITAL ASSETS

	Cost	Accumulated depreciation	2017 Net book value	2016 Net book value
Land	\$ 341,268	\$ -	\$ 341,268	\$ 341,268
Buildings	14,561,474	5,806,151	8,755,323	8,784,531
Equipment	1,679,208	933,241	745,967	803,026
Leasehold improvements	1,930,145	643,382	1,286,763	1,608,454
	<u>\$ 18,512,095</u>	<u>\$ 7,382,774</u>	<u>\$ 11,129,321</u>	<u>\$ 11,537,279</u>

Included in equipment is \$58,416 that has not been put into use as of yearend and has not been depreciated.

4. INTANGIBLE ASSETS

	2017	2016
Membership database and revenue tracking software	\$ 143,539	\$ -
Accumulated depreciation	-	-
	<u>\$ 143,539</u>	<u>\$ -</u>

No depreciation was taken as the software is not yet in use at year end.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Notes to Financial Statements

Year Ended August 31, 2017

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 \$41,289 (2016 - \$31,094). 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 \$2,195 (2016 - \$146).

6. CREDIT FACILITIES

	<u>2017</u>	<u>2016</u>
Credit Facility #2 and 4		
Bankers' acceptance	2,596,000	3,135,000
Current portion of long term debt	(291,000)	(539,000)
	2,305,000	2,596,000
Credit Facility #3		
Term loan bearing interest at 2.7% per annum, repayable in monthly payments of \$5,708 plus interest, matured August 9, 2016.	-	273,988
Term loan bearing interest at 2.7% per annum, repayable in monthly payments of \$4,594 plus interest, matured August 18, 2016.	-	220,513
Term loan bearing interest at 2.7% per annum, repayable in monthly payments of \$3,820 plus interest, matured August 27, 2016.	-	183,353
Term loan bearing interest at 2.7% per annum, repayable in monthly payments of \$9,062 plus interest, matured September 30, 2016.	-	444,040
Term loan bearing interest at 2.7% per annum, repayable in monthly payments of \$3,360 plus interest, matured October 14, 2016.	-	168,024
Term loan bearing interest at 2.7% per annum, repayable in monthly payments of \$2,861 plus interest, matured November 19, 2016.	-	145,895
Term loan bearing interest at 2.7% per annum, repayable in monthly payments of \$1,082 plus interest, matured November 30, 2016.	-	55,199
Bankers' acceptance	1,624,000	1,095,000
	1,624,000	2,586,012
Current portion of long term debt	(518,000)	(605,844)
	1,106,000	1,980,168
Total Long Term Debt	\$ 3,411,000	\$ 4,576,168

(continues)

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Notes to Financial Statements

Year Ended August 31, 2017

6. CREDIT FACILITIES (continued)

Interest payable at yearend includes accrued interest of \$6,611 (2016 - \$8,467) related to the bankers' acceptances.

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

Facility #1 is a \$400,000 revolving demand facility available in increments of \$5,000 bearing interest at Royal Bank Prime plus 0.60%. As at yearend \$305,000 (2016 - \$nil) has been drawn on Facility #1.

Facility #2 and 4 are non-revolving term facilities with an aggregate maximum of \$2,732,000 (2016 - \$3,268,000) drawn by way of bankers' acceptances. As at yearend the Association holds a banker's acceptance bearing interest at 1.156% (2016 - 1.36%) fixed rate, and 1.06% (2016 - 0.868%) stamping fee repayable in quarterly payments ranging from \$72,000 to \$74,000 (2016 - \$133,000 to \$152,000) plus interest and stamping fees. The termination date of the bankers' acceptance is July 7, 2025 (2016 - January 7, 2022).

Facility #3 is a revolving facility available as Royal Bank prime loans or a series of term loans or bankers' acceptances up to a maximum of \$2,100,000. Repayment and interest term for each borrowing under Facility #3 is agreed to between the Association and the Bank. As at yearend there are no outstanding term loans in this facility. As at yearend, the Association holds a banker's acceptance bearing interest at 1.25% (2016 - 1.25%) fixed rate and 1.26% (2016 - 1.26%) stamping fee repayable in monthly payments ranging from \$40,000 to \$45,000 plus interest and stamping fees. The termination date of the the acceptance is December 31, 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 \$3,606,820 included in the land and building figures in Note 3.

7. MINIMUM FUTURE DEBT PAYMENTS

Future minimum principal repayments are as follows:

	Credit facility #2 & 4	Credit facility #3	Total
2018	\$ 291,000	\$ 518,000	\$ 809,000
2019	299,000	530,000	829,000
2020	309,000	538,000	847,000
2021	319,000	38,000	357,000
2022	329,000	-	329,000
Thereafter	1,049,000	-	1,049,000
	<u>\$ 2,596,000</u>	<u>\$ 1,624,000</u>	<u>\$ 4,220,000</u>

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Notes to Financial Statements

Year Ended August 31, 2017

8. DEFERRED REVENUE

	<u>2017</u>	<u>2016</u>
Membership fees	\$ 169,622	\$ 204,543
Program fees	53,020	24,409
Grants	15,120	20,000
Other	16,384	16,891
	<u>\$ 254,146</u>	<u>\$ 265,843</u>

9. 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:

	<u>2017</u>	<u>2016</u>
Membership		
Membership services	\$ 298,789	\$ 264,732
Program fees	8,400	10,670
	<u>307,189</u>	<u>275,402</u>
 Community Development		
Program fees	<u>6,507</u>	<u>9,155</u>
	<u>\$ 313,696</u>	<u>\$ 284,557</u>

10. INTERFUND TRANSFERS

In the year, \$279,088 has been transferred from the Restricted Capital fund to the Unrestricted fund for the purchase of capital assets.

11. 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:

	<u>Equipment</u>	<u>Premises</u>	<u>Total</u> <u>Commitments</u>
2018	\$ 10,475	\$ 389,975	\$ 400,450
2019	5,607	389,975	395,582
2020	4,346	389,975	394,321
2021	-	389,975	389,975
2022	-	259,984	259,984

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 remaining expected commitment for the YMCA of Regina is \$21,243 expected to be paid in September 2017.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Notes to Financial Statements

Year Ended August 31, 2017

12. CONTINGENT LIABILITY

The Association is involved in two lawsuits relating to employee severance amounts owing as of year end. \$227,600 has been accrued for the estimated loss. The loss could be in excess of this estimated amount to a maximum of \$285,000.

13. 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, 2017.

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, accounts payable, credit facilities and commitments. Liquidity risk is controlled through the Association's regular budgeting and operating reporting, which includes the use and availability of operating lines of credit.

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

Notes to Financial Statements

Year Ended August 31, 2017

14. 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 \$165,894 (2016 - \$167,427) on behalf of employees.

15. TRUST FUND

The Association has agreements to administer in trust 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.

All proceeds received under the program are deposited into a separate trust bank account. All costs of the program are paid for out of the Association's bank account. Periodic transfers are done between the bank accounts for these transactions which results in amounts owing from (to) the trust fund.

	<u>2017</u>	<u>2016</u>
<u>Trust Fund Assets</u>		
Due from YMCA of Regina	\$ 103,160	\$ 152,260
Cash	<u>41,930</u>	<u>189,379</u>
Subtotal	145,090	341,639
<u>Trust Fund Liability</u>		
Trust fund payable	<u>(145,090)</u>	<u>(341,639)</u>
	<u>\$ -</u>	<u>\$ -</u>

Administration fees of \$293,629 (2016 - \$265,554) were received by the Association for performing this duty and are included under the community development program.

16. CORRESPONDING FIGURES

The corresponding figures have been reclassified to conform to the current year's presentation of the funds held in trust for the National Homeless Initiative program. There is no impact on previously reported net assets or excess of revenues (expenses) for the prior period.

Amounts owing under the Initiative program to recipient agencies in the prior year were incorrectly included in accounts payable of the Association. \$152,260 has been reclassified to the trust liability and a corresponding amount has been reflected in owing from the YMCA in the trust assets.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Notes to Financial Statements

Year Ended August 31, 2017

17. 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:

	<u>2017</u>	<u>2016</u>
Membership Services		
Administrative wages and benefits	\$ 216,971	\$ 206,150
Occupancy costs	374,381	411,995
Administrative overhead	125,682	124,484
Childcare		
Administrative wages and benefits	\$ 325,456	\$ 309,225
Occupancy costs	133,708	147,141
Administrative overhead	188,523	186,726
Program supplies	178,801	179,911
Community Development		
Administrative wages and benefits	\$ 60,270	\$ 57,264
Occupancy costs	26,742	29,428
Administrative overhead	34,912	34,579

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Membership Services

(Schedule 1)

Year Ended August 31, 2017

	2017	2016
REVENUES		
Membership fees	\$ 4,590,306	\$ 4,239,970
Donations	279,480	151,868
Program fees	289,496	463,725
Massage therapy fees	218,561	187,192
Rental and other revenue	96,524	107,303
Other grants	2,668	1,500
Interest	1,495	3,260
Provincial grants	593	-
Program and membership assistance (Note 9)	(307,189)	(275,402)
	<u>5,171,934</u>	<u>4,879,416</u>
EXPENSES		
Salaries, wages and benefits	3,054,575	2,842,572
Occupancy costs	834,370	848,889
Supplies	545,364	575,024
YMCA affiliation fees	154,180	163,698
Office	144,320	156,748
Professional fees	112,910	49,367
Promotion and publicity	64,681	133,778
Employee and participant travel	25,442	24,367
Bad debts	22,937	5,541
Staff training	15,362	30,246
	<u>4,974,141</u>	<u>4,830,230</u>
EXCESS OF REVENUES (EXPENSES) BEFORE INTEREST AND DEPRECIATION	<u>\$ 197,793</u>	<u>\$ 49,186</u>

See accompanying notes

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Childcare

(Schedule 2)

Year Ended August 31, 2017

	2017	2016
REVENUES		
Program fees	\$ 3,703,184	\$ 3,478,827
Provincial grants	1,317,188	1,238,635
Donations	20	-
	<u>5,020,392</u>	<u>4,717,462</u>
EXPENSES		
Salaries, wages and benefits	3,601,526	3,472,571
Supplies	232,517	272,086
Office	202,015	201,601
Occupancy costs	133,708	147,141
Bad debts	48,973	82,369
Staff training	36,112	36,858
Employee and participant travel	5,656	2,039
	<u>4,260,507</u>	<u>4,214,665</u>
EXCESS OF REVENUES (EXPENSES) BEFORE INTEREST AND DEPRECIATION	<u>\$ 759,885</u>	<u>\$ 502,797</u>

See accompanying notes

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Community Development
Year Ended August 31, 2017

(Schedule 3)

	2017	2016
REVENUES		
Other grants	\$ 475,355	\$ 328,432
Program administrative services (Note 15)	293,629	265,554
Program fees	222,097	251,213
United Way Regina grant	80,436	88,049
Provincial grants	26,970	57,830
Federal grants	11,262	46,579
Donations	9,530	14,804
Program and membership assistance (Note 9)	(6,507)	(9,155)
	<u>1,112,772</u>	<u>1,043,306</u>
EXPENSES		
Salaries, wages and benefits	1,004,735	992,469
Supplies	161,563	164,050
Staff training	45,952	9,395
Office	45,792	43,710
Employee and participant travel	30,649	28,733
Occupancy costs	26,742	29,428
Professional fees	3,010	4,000
Promotion and publicity	2,534	1,041
	<u>1,320,977</u>	<u>1,272,826</u>
EXCESS OF REVENUES (EXPENSES) BEFORE INTEREST AND DEPRECIATION	<u>\$ (208,205)</u>	<u>\$ (229,520)</u>

Restricted Capital Fund
Year Ended August 31, 2017

(Schedule 4)

	2017	2016
REVENUES		
Donations	\$ 149,834	\$ 42,405
Government grants - federal	129,254	-
	<u>\$ 279,088</u>	<u>\$ 42,405</u>

See accompanying notes