Consolidated financial statements of
The Calgary Young Men's Christian Association

December 31, 2017

Deloitte LLP
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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, 2017, 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, 2017 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 Professional Accountants
April 3, 2018

The Calgary Young Men's Christian Association

Consolidated Statement of Operations and Changes in Fund Balances

Year Ended December 31, 2017

	General Fund	Restricted Fund	Endowment Fund	Total 2017	Total 2016
	$	$	$	$	$
Revenue					
Memberships	**17,861,422**	-	-	**17,861,422**	16,275,556
Programs and services	**16,692,619**	-	-	**16,692,619**	12,575,391
Government grants	**2,269,180**	-	-	**2,269,180**	1,606,798
United Way of Calgary and Area	**917,200**	-	-	**917,200**	1,047,811
Donations	**2,183,303**	**1,123,001**	**74,036**	**3,380,340**	6,165,618
Capital expenditure fee	-	**161,747**	-	**161,747**	174,297
Other	**581,274**	**88,398**	-	**669,672**	663,001
	40,504,998	**1,373,146**	**74,036**	**41,952,180**	38,508,472
Expenses					
Salaries and benefits	**24,852,304**	-	-	**24,852,304**	20,818,914
Programs and services	**4,481,467**	-	**3,000**	**4,484,467**	3,077,138
Building operations	**5,645,872**	-	-	**5,645,872**	4,584,466
Administration	**3,440,585**	**84,363**	**24,784**	**3,549,732**	3,518,673
Communications	**457,314**	-	-	**457,314**	363,257
Amortization	**3,705,849**	-	-	**3,705,849**	4,251,833
	42,583,391	**84,363**	**27,784**	**42,695,538**	36,614,281
Operating (deficiency) excess of revenue over expenses	**(2,078,393)**	**1,288,783**	**46,252**	**(743,358)**	1,894,191
Gain on disposal of tangible capital assets	**84,171**	-	-	**84,171**	4,369
Investment income (Note 5)	**195,359**	**9,906**	**671,223**	**876,488**	846,228
Excess (deficiency) of revenue over expenses	**(1,798,863)**	**1,298,689**	**717,475**	**217,301**	2,744,788
Fund balance, beginning of year	**36,247,941**	**7,117,450**	**6,447,942**	**49,813,333**	47,068,545
Interfund transfers	**677,221**	**(570,750)**	**(106,471)**	-	-
Fund balance, end of year	**35,126,299**	**7,845,389**	**7,058,946**	**50,030,634**	49,813,333

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, 2017

	General Fund $	Restricted Fund $	Endowment Fund $	Total 2017 $	Total 2016 $
Assets					
Current assets					
Cash	**3,811,212**	**6,866**	**96,818**	**3,914,896**	12,106,109
Accounts receivable	**937,110**	-	-	**937,110**	755,386
Pledges receivable (Note 3)	-	**934,230**	-	**934,230**	1,500,166
Prepaid expenses	**411,690**	-	-	**411,690**	282,409
	5,160,012	**941,096**	**96,818**	**6,197,926**	14,644,070
Restricted cash	-	**6,799,232**	-	**6,799,232**	7,470,428
Investments (Note 4)	**7,043,494**	**10,881,536**	**7,122,088**	**25,047,118**	14,340,106
Capital assets (Note 6)	**30,295,192**	**4,125,662**	-	**34,420,854**	32,193,888
	42,498,698	**22,747,526**	**7,218,906**	**72,465,130**	68,648,492
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	**4,544,514**	**8,881,278**	-	**13,425,792**	10,322,213
Due from (to) other funds	**(2,355,819)**	**2,195,859**	**159,960**	-	-
Current portion of obligations under capital leases (Note 7)	**673,364**	-	-	**673,364**	764,863
Unearned revenue	**3,383,699**	**3,825,000**	-	**7,208,699**	6,653,494
	6,245,758	**14,902,137**	**159,960**	**21,307,855**	17,740,570
Deferred capital contributions	**396,904**	-	-	**396,904**	301,050
Obligations under capital leases (Note 7)	**729,737**	-	-	**729,737**	793,539
	7,372,399	**14,902,137**	**159,960**	**22,434,496**	18,835,159
Commitments and guarantees (Note 10)					
Fund balances					
Internally restricted - invested in capital assets	**28,892,091**	-	-	**28,892,091**	30,239,767
Externally restricted	-	**7,845,389**	**5,675,015**	**13,520,404**	12,425,744
Donor restricted endowment funds (Note 8)	-	-	**1,383,931**	**1,383,931**	1,139,648
Unrestricted funds	**6,234,208**	-	-	**6,234,208**	6,008,174
	35,126,299	**7,845,389**	**7,058,946**	**50,030,634**	49,813,333
	42,498,698	**22,747,526**	**7,218,906**	**72,465,130**	68,648,492

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, 2017

	General Fund $	Restricted Fund $	Endowment Fund $	Total 2017 $	Total 2016 $
Operating activities					
(Deficiency) excess of revenue over expenses	**(1,798,863)**	**1,298,689**	**717,475**	**217,301**	2,744,788
Items not affecting cash					
Amortization	**3,705,849**	**-**	**-**	**3,705,849**	4,251,833
Realized gain on sale of investments (Note 5)	**-**	**-**	**(162,182)**	**(162,182)**	(491,185)
Unrealized loss on investments (Note 5)	**87,034**	**8,288**	**(219,940)**	**(124,618)**	148,477
Amortization of deferred capital contributions	**(29,146)**	**-**	**-**	**(29,146)**	(16,646)
Gain on disposal of tangible capital assets	**(84,171)**	**-**	**-**	**(84,171)**	(4,369)
Interfund transfer	**677,221**	**(570,750)**	**(106,471)**	**-**	-
	2,557,924	**736,227**	**228,882**	**3,523,033**	6,632,898
Changes in non-cash working capital (Note 9)	**(2,152,788)**	**4,150,458**	**182,406**	**2,180,076**	10,880,165
	405,136	**4,886,685**	**411,288**	**5,703,109**	17,513,063
Financing activity					
Repayment of obligations under capital leases	**(813,898)**	**-**	**-**	**(813,898)**	(750,960)
Investing activities					
Net additions to investments	**(217,489)**	**(9,877,833)**	**(324,890)**	**(10,420,212)**	(386,674)
Additions to tangible capital assets	**(1,412,506)**	**(3,825,451)**	**-**	**(5,237,957)**	(4,390,687)
Increase in accounts payable pertaining to tangible capital assets	**1,751,160**	**(17,521)**	**-**	**1,733,639**	150,490
Proceeds from disposal of tangible capital assets	**47,910**	**-**	**-**	**47,910**	40,630
Proceeds from capital contributions	**125,000**	**-**	**-**	**125,000**	-
Changes in restricted cash	**-**	**671,196**	**-**	**671,196**	(2,300,354)
	294,075	**(13,049,609)**	**(324,890)**	**(13,080,424)**	(6,886,595)
Net (decrease) increase in cash	**(114,687)**	**(8,162,924)**	**86,398**	**(8,191,213)**	9,875,508
Cash, beginning of year	**3,925,899**	**8,169,790**	**10,420**	**12,106,109**	2,230,601
Cash, end of year	**3,811,212**	**6,866**	**96,818**	**3,914,896**	12,106,109
Supplementary information					
Equipment acquired under capital lease				**658,597**	615,447

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. 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 ("ASNPO") 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 development of capital projects for future YMCA facilities not yet in operation and are therefore externally restricted by the board of directors and donors. This fund also includes the capital expenditure fee which is internally restricted for capital expenditures of existing facilities, as well as externally restricted funds for the capital lifecycle of the common areas of the Genesis Centre, held in trust by YMCA Calgary and invested with the Calgary Foundation.
- The Endowment Fund records the accumulation of endowment contributions that must be maintained in perpetuity. The investment income 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 and capital expenditure fee

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.

2. Significant accounting policies (continued)

Revenue recognition (continued)

Memberships and capital expenditure fee (continued)

New members are also assessed a one-time capital expenditure fee of $45 to $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.

Donations

General Fund – general donations (including Strong Kid's donations) and bequests are recognized when received and are used to support individuals and families to purchase a YMCA Calgary membership or to attend a YMCA Calgary program. Donations received and designated for specific programs or operations are recognized as the related expenditures are incurred. 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. Donated assets are recognized at fair market value when the fair market value can be reasonably estimated and when the Association would otherwise have purchased these items.

Restricted Fund – restricted donations and fees for capital development projects approved by the board of directors are recognized when received. Pledges made under specific fundraising campaigns for capital development projects are recognized when the amount to be received can be reasonably estimated and when collection is reasonably assured. Sponsorship revenue is recognized over the term of the agreement.

Endowment Fund – donations received from individuals' planned giving are set aside in perpetuity. The investment income from these donations is used to support YMCA Calgary as directed by the board of directors and donors.

Investment income

Investment income from interest, dividends, gains and losses is recognized in the period in which they are realized.

Investment income from interest, dividends, gains and losses on the funds for the capital lifecycle of the common areas of the Genesis Centre, held in trust by YMCA Calgary and invested with the Calgary Foundation are not recognized as income. The income of these funds is recognized as an increase or decrease in the investment balance and to the related accounts payable and accrued liabilities balance in the Restricted Fund. As these funds are only meant for capital needs of the common areas of the Genesis Centre they are not included in the YMCA Calgary Statement of Operations.

2. Significant accounting policies (continued)

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.

Restricted cash

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

Investments

The General Fund long-term investments represent funds that the board of directors considers as excess to current operating requirements. The Restricted Fund long-term investments represent funds that are externally restricted as capital lifecycle reserves and funds for the capital lifecycle of the common areas of the Genesis Centre, which are held in trust by YMCA Calgary and invested with the Calgary Foundation. 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 gains or losses being recognized in the year in which they occur.

Tangible capital assets

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

Buildings	20-25 years
Building improvements	10-50 years
Equipment under capital leases	Over life of the lease
Furniture and equipment	4-5 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.

Unearned revenue

Unearned revenue of the General Fund is comprised of deferred membership and program revenue, deferred donations designated for specific programs or operations, and deferred rental revenue for payments made in advance for the rental of YMCA facilities. Unearned revenue of the Restricted Fund is comprised of deferred sponsorship dollars received.

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.

2. Significant accounting policies (continued)

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.

Use of estimates

The preparation of financial statements in conformity with ASNPO 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, 2017, the Association had government remittances payable of $223,271 ($236,594 in 2016), which are included in accounts payable and accrued liabilities.

Related party transactions

During the normal course of operations, YMCA Calgary may receive donations, goods and services from various parties who may be connected to the YMCA Calgary. These goods and services may be received as donations or they may be received for exchange amounts which represent fair market value.

3. Pledges receivable

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

	2017	2016
	$	$
2017	-	1,630,166
2018	**1,394,245**	839,945
2019	**1,548,094**	1,178,319
2020	**831,000**	406,000
2021	**505,000**	151,000
2022	**205,000**	50,000
2023-2029	**500,000**	100,000
Total pledges	**4,983,339**	4,355,430
Long-term and Community program pledges	**(4,049,109)**	(2,855,264)
Current pledges recognized	**934,230**	1,500,166

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, to fund camp infrastructure, and for Community programs. This campaign concluded in 2017 as the goal was reached.

The Association has pledge agreements from individual or corporate donors who have committed to donate in the future in accordance with the schedule above. The Association regularly consults with donors to either receive their pledged gift or reaffirm their intent to fulfill their commitment. Current pledges recognized is determined based on the pledges receivable in 2018 less those pledges to be received in 2018 related to Community programs as Community program pledges are recognized based on the timing of the program.

4. Investments

	2017	2016
	$	$
General Fund	**7,043,494**	6,913,039
Restricted Fund	**2,017,348**	1,011,991
Endowment Fund	**5,738,157**	5,275,428
Endowment Fund - donor restricted (Note 8)	**1,383,931**	1,139,648
	16,182,930	14,340,106
Restricted Fund - Funds held in trust (Note below)	**8,864,188**	-
	25,047,118	14,340,106

Included under investments in the restricted fund in 2017 is $8,864,188 of funds which YMCA Calgary received in trust and are currently being managed by the Calgary Foundation. These funds were received on behalf of the Northeast Centre of Community Society (NECCS) Common Area Lifecycle Reserve Fund. These funds represent funds that were raised in excess of the total project costs of the Genesis Centre, which opened to the community six years ago in partnership with The City of Calgary, the Calgary Public Library, the NECCS, and YMCA Calgary. These funds are to be used for the capital lifecycle of the common areas of the Genesis Centre. A corresponding liability has been recorded in the restricted fund under accounts payable and accrued liabilities, as YMCA Calgary does not have legal title to these funds.

4. Investments (continued)

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

	General Fund	Restricted Fund	Endowment Fund	Total 2017	Total 2016
	$	$	$	$	$
Cash	8,915	1,509,736	14,124	1,532,775	1,256,283
Canadian					
Income funds	6,693,179	507,612	2,559,128	9,759,919	9,138,440
Equity funds	-	-	1,663,241	1,663,241	1,408,766
International					
Income funds	341,400	-	868,460	1,209,860	720,215
Equity funds	-	-	2,017,135	2,017,135	1,816,402
	7,043,494	2,017,348	7,122,088	16,182,930	14,340,106

5. Investment income

	General Fund	Restricted Fund	Endowment Fund	Total 2017	Total 2016
	$	$	$	$	$
Interest income	282,393	18,194	289,101	589,688	503,520
Realized gain on sale of investments	-	-	162,182	162,182	491,185
Unrealized gain (losses) on investments	(87,034)	(8,288)	219,940	124,618	(148,477)
	195,359	9,906	671,223	876,488	846,228

6. Tangible capital assets

			2017	2016
	Cost	Accumulated amortization	Net book value	Net book value
	$	$	$	$
Land	2,010,000	-	2,010,000	2,010,000
Buildings	38,092,983	28,581,370	9,511,613	10,475,288
Building improvements	17,317,348	3,205,103	14,112,245	14,052,339
Equipment under capital leases	2,320,821	917,720	1,403,101	1,522,141
Furniture and equipment	5,170,474	2,521,112	2,649,362	3,324,627
Facility start-up	254,681	254,681	-	127,341
Capital development projects	4,734,533	-	4,734,533	682,152
	69,900,840	35,479,986	34,420,854	32,193,888

6 Tangible capital assets (continued)

Capital project commitments

Authorizations for capital projects spending for existing facilities have been issued for $2,633,700 ($1,485,472 in 2016), of which $1,484,703 ($770,818 in 2016) has been spent. Authorization for capital projects for new facilities including the Shane Homes YMCA at Rocky Ridge has been issued for $3,784,475 ($nil in 2016), of which $3,082,430 ($nil in 2016) has been spent.

The Melcor YMCA at Crowfoot building with a net book value of $2,259,560 ($2,617,428 in 2016) is on land under lease with The City of Calgary, having nominal costs and expiring in 2045. The use of the land is restricted under the lease, and the buildings will revert to the lessor if the lease is terminated.

7. Obligations under capital leases

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

	$
2018	711,574
2019	488,613
2020	238,701
2021	27,228
Future minimum lease payments	1,466,116
Less: amount representing interest at a weighted-average rate of 6.09% (5.75% in 2016)	63,015
Present value of future minimum lease payments	1,403,101
Less: current portion	673,364
	729,737

8. Donor restricted endowment funds

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

	2017	2016
	$	$
Tom Perkins Memorial fund	**106,633**	99,377
Mike Dodds Memorial Fund	**19,037**	17,754
The Amy and Howard P.Miller Memorial Fund	**114,813**	107,073
J.Fish Memorial Fund	**112,743**	105,140
Lorne and Pat Larson Tipi Fund	**199,086**	185,664
Lorne and Pat Larson Fund	**776,575**	624,640
CCH Endowment	**44,048**	-
CCH Bursary	**10,996**	-
	1,383,931	1,139,648

9. Changes in non-cash working capital

	2017	2016
	$	$
Accounts receivable	**(181,724)**	(253,742)
Pledges receivable	**565,936**	(646,079)
Prepaid expenses	**(129,281)**	(23,699)
Accounts payable and accrued liabilities	**1,369,940**	8,315,671
Unearned revenue	**555,205**	3,488,014
	2,180,076	10,880,165

10. Commitments and guarantees

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 36,000 square feet, effective September 1, 2016, for the Quarry Park Child Development Center.

YMCA Calgary has an irrevocable letter of credit in favour of The City of Calgary up to an aggregate amount of $150,000 which may be drawn on at any time. This was established as part of the agreement with The City of Calgary to operate the Remington YMCA and Shane Homes YMCA at Rocky Ridge. This credit facility may be terminated in whole or in part at any time. There was no withdrawal on the letter of credit as at December 31, 2017.

11. Additional information regarding fund development expenses

Remuneration to employees whose principal duties are related to fundraising totalled $332,197 ($300,893 in 2016), and other fundraising expenses were $110,020 ($499,120 in 2016).

12. Financial instruments and risk management

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, 2017 was $16,182,930 ($14,340,106 in 2016), with $3,680,376 ($3,225,168 in 2016) invested in equities (Note 4).

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, 2017, the foreign content of the investments was 20% (18% in 2016) (Note 4).

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.

Liquidity risk

The Association has mitigated the risk of being unable to meet short or intermediate term obligations by continually monitoring and adjusting an annual development plan which includes a forecasted cash flow projection. In addition, the Association has a $2,500,000 line of credit available if funds are promptly needed.

13. 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.