The YMCA of Hamilton/Burlington/Brantford

Financial Statements

For the year ended December 31, 2012

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Contents

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Independent Auditor's Report

To the Members of
The YMCA of Hamilton/Burlington/Brantford

We have audited the accompanying financial statements of The YMCA of Hamilton/Burlington/Brantford ("YMCA"), which comprise the statement of financial position as at December 31, 2012, and the statements of changes in net assets, operations 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.

Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of The YMCA of Hamilton/Burlington/Brantford as at December 31, 2012 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.

Comparative Information

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes that the YMCA adopted Canadian accounting standards for not-for-profit organizations on January 1, 2012 with a transition date of January 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at December 31, 2011 and January 1, 2011, and the statements of changes in net assets, operations and cash flows for the year ended December 31, 2011 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

BDO Canada LLP

Chartered Accountants, Licensed Public Accountants
May 6, 2013
Burlington, Ontario

The YMCA of Hamilton/Burlington/Brantford
Statement of Financial Position

	December 31 2012	December 31 2011 (Note 2)	January 1 2011 (Note 2)
Assets			
Current			
Cash	$ 1,480,851	$ 2,861,117	$ 2,793,596
Short-term investments (Note 3)	3,517,519	1,813,486	801,726
Accounts receivable	743,569	980,610	1,250,316
Inventories and prepaid expenses	486,028	457,387	474,071
	6,227,967	6,222,600	5,319,709
Capital campaign pledges receivable	738,899	332,552	570,690
Restricted cash (Note 4)	9,228,685	891,296	887,162
Investments (Note 5)	3,623,809	3,293,071	3,421,112
Capital assets (Note 6)	38,346,635	38,566,994	38,956,754
	$ 58,165,995	$ 49,306,513	$ 49,155,427
Liabilities			
Current			
Accounts payable and accrued liabilities	$ 2,716,366	$ 2,405,402	$ 2,953,344
Bank loans (Note 7)	1,546,146	2,342,467	3,470,242
Deferred revenue	1,493,444	1,454,303	1,453,506
Current portion of long-term debt	-	-	3,000
Current portion of capital lease obligations (Note 8)	60,349	193,304	82,599
Net unexpended special program funds (Note 9)	404,801	1,014,526	678,628
	6,221,106	7,410,002	8,641,319
Capital lease obligations (Note 8)	31,684	92,033	136,635
	6,252,790	7,502,035	8,777,954
Deferred capital contributions (Note 10)	33,362,109	24,698,619	24,447,643
Net assets			
Invested in capital assets (Note 11)	15,008,716	15,541,911	15,983,876
Invested in endowment (Note 12)	3,109,870	2,773,915	2,901,956
Internally restricted (Note 13)	3,741,429	2,952,102	2,437,033
Unrestricted	(3,308,919)	(4,162,069)	(5,393,035)
	18,551,096	17,105,859	15,929,830
	$ 58,165,995	$ 49,306,513	$ 49,155,427

On behalf of the Board:

_______________ Director _______________ Director

The accompanying notes are an integral part of these financial statements.

The YMCA of Hamilton/Burlington/Brantford
Statement of Changes in Net Assets

For the year ended December 31

	Invested in Capital Assets	Invested in Endowment	Internally Restricted	Unrestricted	Total 2012	Total 2011
Balance, beginning of year (Note 2)	$ 15,541,911	$ 2,773,915	$ 2,952,102	$ (4,162,069)	$ 17,105,859	$ 15,929,830
Excess (deficiency) of revenue over expenses	(1,110,858)	-	-	2,556,095	1,445,237	1,176,029
Investment in capital assets	577,663	-	-	(577,663)	-	-
Transfers (Note 12)	-	335,955	789,327	(1,125,282)	-	-
Balance, end of year	$ 15,008,716	$ 3,109,870	$ 3,741,429	$ (3,308,919)	$ 18,551,096	$ 17,105,859

The accompanying notes are an integral part of these financial statements.

The YMCA of Hamilton/Burlington/Brantford
Statement of Operations

For the year ended December 31	2012	2011
		(Note 2)
Revenue		
Child care fees	**$ 15,455,658**	$ 14,303,196
Membership revenue	**8,960,461**	9,033,978
Program fees	**3,813,070**	3,902,435
Purchase of service	**9,727,256**	8,533,174
Residence	**813,150**	807,103
United Way	**344,356**	333,691
Merchandise sales	**122,623**	93,415
Strong Kids Annual Giving Program	**1,037,705**	1,033,040
Space rentals	**188,700**	183,596
Interest and dividend income	**204,462**	119,296
Donations	**26,079**	15,100
Miscellaneous revenues	**63,081**	138,665
Investment gains (losses)	**238,220**	(230,568)
	40,994,821	38,266,121
Expenses		
Salaries	**23,331,664**	21,128,282
Benefits	**3,462,164**	3,176,002
Program services	**4,977,495**	4,898,475
Facility costs	**4,660,854**	4,910,101
Administration	**1,645,011**	1,376,746
Loan interest and bank charges	**726,319**	624,831
YMCA Canada dues	**396,256**	372,750
Investment management fees	**28,290**	27,927
Other (income) expenses	**(789,327)**	(506,852)
	38,438,726	36,008,262
Excess of revenue over expenses before amortization	**2,556,095**	2,257,859
Other income (expenses)		
Amortization of capital assets	**(2,137,478)**	(2,090,548)
Amortization of deferred capital contributions	**1,026,620**	1,008,718
	(1,110,858)	(1,081,830)
Excess of revenue over expenses	**$ 1,445,237**	$ 1,176,029

The accompanying notes are an integral part of these financial statements.

The YMCA of Hamilton/Burlington/Brantford
Statement of Cash Flows

For the year ended December 31	2012	2011
		(Note 2)
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses	$ **1,445,237**	$ 1,176,029
Items not affecting cash		
Amortization of capital assets	**2,137,478**	2,090,548
Amortization of deferred capital contributions	**(1,026,620)**	(1,008,718)
Investment (gains) losses	**(238,220)**	230,568
Changes in non-cash working capital balances		
Accounts receivable	**247,041**	259,706
Inventories and prepaid expenses	**(28,641)**	16,684
Accounts payable and accrued liabilities	**310,964**	(547,945)
Deferred revenue	**39,141**	797
Net unexpended special program funds	**(609,725)**	335,898
	2,276,655	2,553,567
Investing activities		
Capital asset purchases	**(1,917,119)**	(1,700,788)
Endowment investment purchases	**(92,518)**	(102,524)
Short-term investment purchases	**(1,704,033)**	(1,011,760)
Restricted cash received	**(8,337,389)**	(4,134)
	(12,051,059)	(2,819,206)
Financing activities		
Capital contributions received	**9,690,110**	1,259,694
Change in capital campaign pledges	**(406,347)**	238,138
Proceeds from bank loans	**243,046**	1,238,430
Repayment of bank loans	**(1,039,367)**	(2,366,205)
Proceeds from capital lease obligations	**-**	175,726
Repayment of capital lease obligations	**(193,304)**	(109,623)
Repayment of long-term debt	**-**	(3,000)
	8,294,138	433,160
Net increase (decrease) in cash	**(1,480,266)**	167,521
Cash, beginning of year	**2,961,117**	2,793,596
Cash, end of year	$ **1,480,851**	$ 2,961,117

The accompanying notes are an integral part of these financial statements.

1. Significant Accounting Policies

Nature of Business
The YMCA of Hamilton/Burlington/Brantford was founded in 1856 and incorporated in 1886. The Organization was incorporated without share capital under the Ontario Corporations Act.

The YMCA is part of a worldwide movement of volunteers, staff, members and participants dedicated to the growth of all persons in spirit, mind and body. The YMCA is a registered charity under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

The YMCA is a charity dedicated to strengthening the foundations of communities. The YMCA does this by nurturing the potential of children, teens and young adults; by promoting healthy living; and fostering social responsibility. The YMCA's core offerings include provision of child care through 22 (2011 - 22) licensed pre-school childcare centres, 79 (2011 - 79) licensed before and after school programs, and 3 (2011 - 5) kindercare programs throughout Hamilton, Burlington and Brantford. The YMCA operates 5 (2011 - 5) health, fitness and recreation centres and numerous community, outreach, settlement and newcomer services throughout the communities it serves.

Basis of Accounting
The financial statements of the YMCA have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue Recognition
Child care fees, membership revenue, program fees and residence revenue are recognized over the related period of service. Purchase of service and general operating grants are recorded as revenue when the service is provided.

The YMCA follows the deferral method of accounting for contributions.

Unrestricted revenues, including donations, are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. During the year, the Board of Directors approved a transfer of commodity tax rebates of $789,327 (2011 - 506,852) from unrestricted net assets to internally restricted net assets.

Restricted contributions relating to the purchase of amortizable capital assets are amortized on the same basis as the related assets.

Deferred capital contributions related to capital assets represent the unamortized and unallocated amount of donations and grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

Endowment contributions are recognized as revenue during the year. Investment income (losses) of the assets of the endowment are added to the endowment. The Board of Directors has approved a transfer of these amounts from the unrestricted net assets to the invested in endowment net assets. The endowment contributions are administered by the YMCA's Endowment Fund Committee.

Contributed Services
A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

1. **Significant Accounting Policies (Continued)**

Inventories
Inventories include maintenance, program and office supplies and are measured at the lower of cost and net realizable value.

Capital Campaign Pledges Receivable
Capital campaign pledges are recorded as an asset when there is a written pledge, the amount to be received can be reasonably estimated and collection is reasonably assured. The balance is shown, net of an impairment allowance. Actual amounts collected could differ from the amounts recorded.

Capital Assets
Purchased capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When capital assets no longer contributes to the YMCA's ability to provide services, its carrying amount is written down to its realizable value.

Capital assets are amortized on a straight-line basis at the following annual rates:

Buildings	-	40 years
Fixtures and equipment	-	3 to 5 years

Building additions are amortized over the remaining life of the related building. Projects in progress are not amortized as the assets are not in use.

Deferred Revenue
Membership and program fees received before December 31 that relate to member privileges and programs for the time periods after December 31 are deferred to the following year and disclosed as deferred revenue on the statement of financial position.

Net Unexpended Special Program Funds
The YMCA operates various special programs which are funded by specifically designated provincial or federal grants. To the extent such grants are unspent at December 31, they are disclosed as unexpended special program funds on the statement of financial position.

Third Party Programs
The YMCA administers third party programs for which they receive funds from the third party, to be used to carry out the programs. As the YMCA is considered the agent in the transaction, amounts have been recorded on a net basis. During the year, approximately $776,000 (2011 - $664,000) of revenues and expenditures were incurred with respect to the administration of third party programs.

Use of Estimates
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 amounts of assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

1. Significant Accounting Policies (Continued)

Financial Instruments
Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, pooled fund investments (included in investments) traded in an active market and RBC Investments Savings Account Series A money market funds (included in short-term investments) are reported at fair value, with any unrealized gains and losses reported in operations. All money market funds have been designated to be in the fair value category, with gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

2. Adoption of Canadian Accounting Standards for Not-for-Profit Organizations

Effective January 1, 2011, the Organization adopted the requirements of the new accounting framework, Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO) or Part III of the requirements of the Canadian Institute of Chartered Accountants (CICA) Handbook – Accounting. These are the YMCA's first financial statements prepared in accordance with this framework and the transitional provisions of Section 1501, First-time Adoption have been applied. Section 1501 requires retrospective application of the accounting standards with certain elective exemptions and mandatory exceptions. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended December 31, 2012, the comparative information presented in these financial statements for the year ended December 31, 2011 and in the preparation of an opening ASNPO statement of financial position at the date of transition of January 1, 2011.

The YMCA issued financial statements for the year ended December 31, 2011 using Canadian generally accepted accounting principles prescribed by the CICA Handbook – Accounting Part V – Pre-changeover Accounting Standards. The pre-changeover Canadian GAAP financial statements were previously subject to audit, however were not audited or reviewed under ASNPO. The adoption of ASNPO resulted in no adjustments to the previously reported assets, liabilities, fund balances, excess of revenue over expenses and cash flows of the YMCA. However, management has changed their method of accounting for contributions from the restricted fund method to the deferral method.

The following exemption was used at the date of transition to ASNPO:

Financial Instruments
The YMCA has designated the RBC Investments Savings Account Series A money market funds to be measured at fair value.

2. Adoption of Canadian Accounting Standards for Not-for-Profit Organizations (Continued)

In the current year, the YMCA determined that the commodity tax rebate for 2010 and 2011 of $425,637 and $506,852 respectively should be included in the determination of excess of revenue over expenses instead of a deferred capital contribution. As a result, opening net assets and deferred capital contributions were adjusted and the prior year excess of revenue over expenses, deferred capital contributions and closing net assets were adjusted.

The changes to total net assets and excess of revenue over expenses as a result of the adjustments were as follows:

As at January 1, 2011, total net assets as previously reported under Pre-Changeover Accounting Standards of $15,504,193 were adjusted by $425,637, resulting in total net assets as restated amounting to $15,929,830.

As at December 31, 2011, total net assets as previously reported under Pre-Changeover Accounting Standards of $16,173,370 were adjusted by $932,489, resulting in total net assets as restated amounting to $17,105,859.

For the year ending December 31, 2011, excess of revenue over expenses reported under Pre-Changeover Accounting Standards of $669,177 was adjusted by $506,852, resulting in excess of revenue over expenses being restated to $1,176,029.

3. Short-term Investments

	2012	2011 (Note 2)
Money market funds	$ **3,517,519**	$ 813,486
Cash	-	1,000,000
	$ **3,517,519**	$ 1,813,486

4. Restricted Cash

Included in restricted cash is $8,333,334 received during 2012 from the Government of Ontario's Strategic Investments Fund which has been externally restricted for eligible costs relating to the Laurier Brantford YMCA capital project as stipulated in the funding agreement. Also included in restricted cash is $895,352 (2011 - $891,296) which has been externally restricted for land and building costs relating to the Laurier Brantford YMCA capital project (Note 6).

5. Investments

	2012		2011 (Note 2)	
	Fair Value	**Cost**	Fair Value	Cost
Pooled fund investments	**$ 3,507,663**	**$ 3,335,369**	$ 3,156,415	$ 3,243,037
Cash	**116,146**	**116,146**	136,656	136,656
	$ 3,623,809	**$ 3,451,515**	$ 3,293,071	$ 3,379,693

6. Capital Assets

	2012		2011 (Note 2)	
	Cost	**Accumulated Amortization**	Cost	Accumulated Amortization
Land	**$ 1,887,045**	**$ -**	$ 1,887,045	$ -
Buildings	**48,345,088**	**14,297,671**	47,692,183	12,866,349
Fixtures and equipment	**3,549,902**	**2,226,539**	3,564,477	1,945,572
Projects in progress	**1,088,810**	**-**	235,210	-
	54,870,845	**16,524,210**	53,378,915	14,811,921
Net book value		**$ 38,346,635**		$ 38,566,994

During 2012, the YMCA purchased capital assets of $1,917,119 (2011 - $1,700,788) of which $47,984 (2011 - $72,879) are included in accounts payable and accrued liabilities at year end.

The above amounts reflected as projects in progress relate to incurred costs of a Wanakita renovation as well as initial stages of the capital project in Brantford as described below.

The YMCA, the Province of Ontario and Wilfrid Laurier University entered into an agreement in July 2011 wherein the Province has invested $16.7 million in Brantford infrastructure redevelopment for a project to construct a new 125,000 square foot athletic, recreational and community complex in Brantford, Ontario. One-half of the $16.7 million received from the Province of Ontario in 2012 has been included in the YMCA's restricted cash balance (Note 4), the other half has been designated to Wilfrid Laurier University. In February 2012, the City of Brantford had provided in principal, support of the Municipality's funding portion of $5.8 million. In addition, in August 2012, the Federal Government of Canada identified the construction of the Laurier Brantford and YMCA Athletics and Recreation Complex as a priority for funding contribution, subject to an agreement, up to one-third of the project's total eligible costs, to a maximum federal contribution of $16.7 million. Planning relating to this capital project continued throughout 2012, with expectation of construction commencing in 2014.

7. Bank Loans

The YMCA has various credit facilities available. Outstanding borrowings under these facilities as at December 31, 2012 were as follows:

	2012	2011 (Note 2)
Term loan - repaid	$ -	$ 655,866
Demand loan bearing interest at 5.07%, repayable in blended monthly instalments of $18,520, maturing January 31, 2014	**1,546,146**	1,686,601
	$ 1,546,146	$ 2,342,467

In addition to the above demand loan, the following facilities, with no advances outstanding as at December 31, 2012, are also available:

(i) a revolving operating line, to a maximum of $300,000, bearing interest at prime minus 0.5%

(ii) a $1,000,000 non-revolving term facility, bearing interest at either prime plus 0.5% or at fixed rates to be determined at the time of borrowings. Maximum terms of borrowings under this facility are five years.

(iii) an $807,000 non-revolving term facility, bearing interest at 4.23%, with a two year term

(iv) a $750,000 revolving lease line of credit

The above facilities are secured by a general security agreement and collateral mortgages of $7,300,000 on each of two properties owned by the YMCA.

Notwithstanding the bank covenants in place, the facilities are due on demand and accordingly, amounts outstanding are presented as current liabilities.

8. Capital Lease Obligations

	2012	2011 (Note 2)
Obligations under capital lease:		
- repaid	$ -	$ 136,635
- maturing 2014	92,033	148,702
	92,033	285,337
Current portion	60,349	193,304
	$ 31,684	$ 92,033

The obligations are secured by fixtures and equipment with a net book value of approximately $105,436 (2011 - $288,291).

Minimum lease payments due with respect to the obligations under capital lease are as follows:

2013	$ 64,431
2014	32,215
Total minimum lease payments	96,646
Imputed interest	(4,613)
	$ 92,033

9. Net Unexpended Special Program Funds

	2012	2011 (Note 2)
Funding received unexpended	$ 1,222,435	$ 1,614,959
Less: funding in deficiency of amounts expended	(817,634)	(600,433)
	$ 404,801	$ 1,014,526

10. Deferred Capital Contributions

Restricted capital contributions are amortized on the same basis as the underlying capital assets.

	2012	2011 (Note 2)
Balance, beginning of year	$ 24,698,619	$ 24,447,643
Add: contributions received and receivable	9,690,110	1,259,694
Less: contributions recognized as revenue	(1,026,620)	(1,008,718)
	$ 33,362,109	$ 24,698,619

10. Deferred Capital Contributions (Continued)

The balance of deferred capital contributions related to capital assets consists of the following:

	2012	2011 (Note 2)
Unamortized capital contributions	**$ 32,566,604**	$ 23,916,379
Unallocated contributions	**795,505**	782,240
	$ 33,362,109	$ 24,698,619

11. Net Assets Invested in Capital Assets

	2012	2011 (Note 2)
Capital assets, net	**$ 38,346,635**	$ 38,566,994
Restricted cash	**9,228,685**	891,296
Deferred capital contributions - unamortized	**(32,566,604)**	(23,916,379)
	$ 15,008,716	$ 15,541,911

12. Net Assets Invested in Endowment

The amounts invested in endowments are restricted investment funds that are to be used for programs run by the YMCA at the discretion of the Board of Directors.

	2012	2011 (Note 2)
Investments	**$ 3,623,809**	$ 3,293,071
Deferred capital contributions	**(513,939)**	(519,156)
	$ 3,109,870	$ 2,773,915

The transfer from unrestricted net assets to net assets invested in endowment during the year is comprised of:

	2012	2011 (Note 2)
Interest and dividend income	**$ 107,525**	$ 115,354
Donations	**18,500**	15,100
Investment (losses) gains	**238,220**	(230,568)
Investment management fees	**(28,290)**	(27,927)
	$ 335,955	$ (128,041)

13. Net Assets Internally Restricted

The internally restricted balance includes funds for a capital project in Brantford and Wanakita, YMCA Strong Kids dollars reserved for funding assistance needs, and funding of future child care wages, all reserved via Board approval.

14. Commitments

Future minimum payments under operating leases with terms in excess of one year are as follows:

2013	-	$	605,259
2014	-		404,852
2015	-		272,035
2016	-		97,938
2017	-		37,027
Thereafter	-		183,413

15. Government Grants

During the year, operating grants of $2,486,078 (2011 - $2,611,642) were received from the Regional Municipalities for wage subsidies. They were applied by the YMCA as an increase in purchase of service revenue.

16. Employee Future Benefits

The YMCA makes matching contributions to a defined contribution pension plan for its employees. Total pension expense in the financial statements is $619,873 (2011 - $610,174).

The YMCA has no obligations in excess of the contributions discussed above, as it does not have any defined benefit pension plans.

17. Financial Instruments

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The YMCA is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations. The YMCA's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable balances and capital campaign pledges receivable. This risk has not changed from the prior year.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The YMCA's exposure to this risk arises primarily from bank loans with fixed interest rates. This risk has not changed from the prior year.

Liquidity Risk

Liquidity risk is the risk that the YMCA encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the YMCA will not have sufficient funds to settle a transaction on a due date; will be forced to sell financial assets at a value which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from the YMCA's accounts payable and accrued liabilities, bank loans, and commitments. This risk has not changed from the prior year.

Market Risk

Market risk arises from the possibility that changes in market prices will affect the level of investments held by the YMCA. The YMCA is exposed to market risk through its investment in mutual funds and pooled fund investments. This risk has not changed from the prior year.