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# Financial statements of The YMCAs of Québec

December 31, 2017

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## Independent Auditor's Report

To the Members of  
The YMCAs of Québec

We have audited the accompanying financial statements of The YMCAs of Québec, which comprise the statement of financial position as at December 31, 2017, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The YMCAs of Québec as at December 31, 2017, and the results of its activities and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Deloitte LLP*<sup>1</sup>

March 14, 2018

<sup>1</sup> CPA auditor, CA, public accountancy permit No. A120628

**The YMCAs of Québec**  
**Statement of operations**  
Year ended December 31, 2017

Notes	<b>2017</b>	2016
	\$	\$
<b>Revenue</b>		
Program activities	<b>29,265,170</b>	28,196,054
Grants for programs	<b>19,873,421</b>	14,895,141
Rent	<b>1,635,732</b>	1,753,444
Grants for installations	<b>1,774,401</b>	1,772,882
Grants for installations – interest	<b>240,905</b>	315,601
Donations from the YMCAs of Québec Foundation	<b>1,035,251</b>	1,081,824
Centraide of Greater Montreal	<b>1,618,852</b>	1,404,454
Investment revenue	<b>98,884</b>	57,208
	<b>55,542,616</b>	49,476,608
<b>Expenses</b>		
Salaries and social benefits	<b>30,423,265</b>	28,867,427
Program expenses	<b>4,595,958</b>	3,325,430
Repairs and replacements, maintenance supplies and service contracts	<b>5,420,111</b>	4,890,144
Heat and electricity	<b>1,637,890</b>	1,617,615
Rent	<b>1,124,927</b>	1,158,060
Office expenses	<b>970,439</b>	936,464
Professional fees	<b>1,037,128</b>	1,113,669
Advertising expenses	<b>642,059</b>	664,250
Employees expenses and development	<b>642,264</b>	547,919
Insurance and taxes	<b>759,895</b>	742,790
Bank charges	<b>323,732</b>	314,729
YMCA Canada fees and other dues	<b>629,888</b>	652,279
Bad debts	<b>143,716</b>	179,979
Other expenses	<b>106,154</b>	252,546
	<b>48,457,426</b>	45,263,301
Excess of revenue over expenses before the following items	<b>7,085,190</b>	4,213,307
Interest on mortgage loans and other financing costs	<b>(376,746)</b>	(444,320)
Amortization of capital assets	<b>(3,421,445)</b>	(3,581,998)
Amortization of deferred contributions related to capital assets	<b>1,522,578</b>	1,529,146
Excess of revenue over expenses before the change in fair value of interest rate swap agreements and the write-off of the advance receivable from the YMCAs of Québec Foundation	<b>4,809,577</b>	1,716,135
Change in fair value of interest rate swap agreements	<b>150,216</b>	101,093
Write-off of the advance receivable from the YMCAs of Québec Foundation	<b>(1,118,727)</b>	—
<b>Excess of revenue over expenses</b>	<b>3,841,066</b>	1,817,228

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

**The YMCAs of Québec**  
**Statement of changes in net assets**  
Year ended December 31, 2017

	Invested in capital assets	Internally restricted	Unrestricted	Total
	\$	\$	\$	\$
Balances, December 31, 2015	11,521,318	—	1,080,048	12,601,366
Excess (deficiency) of revenue over expenses	(1,951,759) <sup>(1)</sup>	—	3,768,987	1,817,228
Investment in capital assets	1,211,073 <sup>(2)</sup>	—	(1,211,073)	—
Balances, December 31, 2016	<b>10,780,632<sup>(3)</sup></b>	<b>—</b>	<b>3,637,962</b>	<b>14,418,594</b>
Excess (deficiency) of revenue over expenses	<b>(1,748,651)<sup>(1)</sup></b>	<b>—</b>	<b>5,589,717</b>	<b>3,841,066</b>
Investment in capital assets	<b>2,323,501<sup>(2)</sup></b>	<b>—</b>	<b>(2,323,501)</b>	<b>—</b>
Transfer	<b>—</b>	<b>2,000,000</b>	<b>(2,000,000)</b>	<b>—</b>
Balances, December 31, 2017	<b>11,355,482<sup>(3)</sup></b>	<b>2,000,000</b>	<b>4,904,178</b>	<b>18,259,660</b>

	2017	2016
	\$	\$
(1) Composed of:		
Amortization of capital assets	<b>(3,421,445)</b>	(3,581,998)
Amortization of deferred contributions related to capital assets	<b>1,522,578</b>	1,529,146
Change in fair value of interest rate swap agreements	<b>150,216</b>	101,093
	<b>(1,748,651)</b>	(1,951,759)
(2) Composed of:		
Receipt of grants receivable	<b>(1,332,885)</b>	(1,264,186)
Additions to capital assets	<b>1,891,859</b>	926,562
Additions to intangible assets	<b>648,559</b>	334,433
Repayment of debt	<b>1,806,874</b>	1,720,952
Increase of debt	<b>(520,483)</b>	(310,128)
Increase in deferred contributions related to capital assets	<b>(170,423)</b>	(196,560)
	<b>2,323,501</b>	1,211,073
(3) Composed of:		
Short-term grants receivable	<b>1,379,641</b>	1,318,681
Long-term grants receivable	<b>4,310,751</b>	5,704,596
Capital assets	<b>33,601,909</b>	35,131,495
Intangible assets	<b>982,992</b>	334,433
Current portion of debt	<b>(1,936,332)</b>	(1,806,877)
Debt	<b>(8,157,907)</b>	(9,573,753)
Deferred contributions related to capital assets	<b>(18,816,722)</b>	(20,168,877)
Interest rate swap agreements	<b>(8,850)</b>	(159,066)
	<b>11,355,482</b>	10,780,632



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

**The YMCAs of Québec**  
**Statement of financial position**  
As at December 31, 2017

	Notes	2017 \$	2016 \$
<b>Assets</b>			
Current assets			
Cash		1,368,857	3,233,849
Investments	3	7,687,210	2,603,849
Accounts receivable	4	3,375,072	2,449,093
Grants receivable	7	1,379,641	1,318,681
Amount receivable from the YMCAs of Québec Foundation	10	1,023,553	919,102
Supplies and prepaid expenses		627,646	563,332
		<b>15,461,979</b>	11,087,906
Investments	3	1,541,811	1,546,781
Grants receivable	7	4,310,751	5,704,596
Advance receivable from the YMCAs of Québec Foundation	10	—	1,118,727
Capital assets	5	33,601,909	35,131,495
Intangible assets	6	982,992	334,433
		<b>55,899,442</b>	54,923,938
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities		5,090,576	4,451,311
Deferred revenue related to program activities		1,726,132	2,259,976
Deferred revenue – other		1,903,263	2,085,484
Current portion of debt	7	1,936,332	1,806,877
		<b>10,656,303</b>	10,603,648
Debt	7	8,157,907	9,573,753
Deferred contributions related to capital assets	8	18,816,722	20,168,877
Interest rate swap agreements		8,850	159,066
		<b>37,639,782</b>	40,505,344
Commitments	12		
<b>Net assets</b>			
Invested in capital assets		11,355,482	10,780,632
Internally restricted	13	2,000,000	—
Unrestricted		4,904,178	3,637,962
		<b>18,259,660</b>	14,418,594
		<b>55,899,442</b>	54,923,938

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

Approved by the Board

\_\_\_\_\_  \_\_\_\_\_, Director  
\_\_\_\_\_  \_\_\_\_\_, Director

**The YMCAs of Québec**  
**Statement of cash flows**  
Year ended December 31, 2017

	Notes	2017	2016
		\$	\$
<b>Operating activities</b>			
Excess of revenue over expenses		3,841,066	1,817,228
Adjustments for:			
Change in fair value of investments		13,111	19,404
Amortization of capital assets		3,421,445	3,581,998
Amortization of deferred contributions related to capital assets		(1,522,578)	(1,529,146)
Change in fair value of interest rate swap agreements		(150,216)	(101,093)
Write-off of the advance receivable from the YMCAs of Québec Foundation		1,118,727	—
		<b>6,721,555</b>	<b>3,788,391</b>
Changes in non-cash operating working capital items	11	<b>(1,067,093)</b>	28,954
		<b>5,654,462</b>	<b>3,817,345</b>
<b>Investing activities</b>			
Increase of the amount receivable from the YMCAs of Québec Foundation		(104,451)	(1,116,049)
Investments acquisition		(5,091,502)	(364,996)
Investments disposal		—	288,510
Additions to capital assets		(1,891,859)	(926,562)
Additions to intangible assets	11	(128,076)	(24,305)
		<b>(7,215,888)</b>	<b>(2,143,402)</b>
<b>Financing activities</b>			
Receipt of grants receivable		1,332,885	1,264,186
Repayment of debt	11	(1,806,874)	(1,720,952)
Increase in deferred contributions related to capital assets		170,423	196,560
		<b>(303,566)</b>	<b>(260,206)</b>
Net (decrease) increase in cash		<b>(1,864,992)</b>	1,413,737
Cash, beginning of year		<b>3,233,849</b>	1,820,112
<b>Cash, end of year</b>		<b>1,368,857</b>	<b>3,233,849</b>

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

## **1. Status and nature of activities**

The YMCAs of Québec (the "YMCA") is a registered charity committed to the fulfilment of people in spirit, mind and body, and to the development of self-reliance in the individual, family and to the community.

Through its actions, programs and services, the YMCA reflects the needs and aspirations of communities and works with individuals and local communities in developing countries to achieve social justice and control of their environment.

The YMCA is incorporated under Part III of the *Companies Act* (Québec) and is a registered charity under the *Income Tax Act*.

## **2. Accounting policies**

These financial statements have been prepared in accordance with Canadian accounting standards for not for-profit organizations and include the following significant accounting policies:

### *Revenue recognition*

The YMCA follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions related to capital assets are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets.

The revenue related to the program activities is recognized when the underlying services to such income were made.

### *Financial instruments*

Financial assets and financial liabilities are initially recognized at fair value when the YMCA becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost, except for investments that are recognized at fair value at the date of the financial statements. Fair value fluctuations, which include interest earned, accrued interests, realized gain and loss and unrealized gain and loss, are included in the investment revenue.

Transaction costs related to financial instruments measured at fair value are expensed as incurred. Transaction costs related to the other financial instruments 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 statement of operations as interest income or expense.

With respect to financial assets measured at amortized cost, the YMCA recognizes in the statement of operations 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 shall be reversed in the statement of operations in the period the reversal occurs.



## 2. Accounting policies (continued)

### *Interest rate swap agreements*

The YMCA uses interest rate swap agreements to manage the interest rate risk related to bank acceptances. The YMCA has chosen not to prepare the documentation necessary for the application of hedge accounting.

Therefore, the interest rate swap agreements have been recorded at fair value as a liability in the statement of financial position. The fair value is determined based on stock quotes and prices obtained from financial institutions for identical or similar derivative financial instruments. Changes in the fair value of interest rate swap agreements are presented in the statement of operations as a change in fair value of interest rate swap agreements.

### *Supplies*

Supplies are valued at the lower of cost or replacement value. The first-in, first-out method is used in the calculation of the cost.

### *Capital assets*

Capital assets are recorded at cost and are amortized over their estimated useful lives using the straight-line method over the following terms:

Buildings	25 and 40 years
Leasehold improvements	Over the term of the lease
Major renovations	10 years
Vehicles, furniture and equipment	3 to 5 years

### *Intangible assets*

Intangible assets are composed of a registration software. They are recorded at cost and are amortized over their estimated useful life using the straight-line method over a period of five years. Amortization will begin when they are put into service.

### *Deferred revenue related to program activities*

Deferred revenue related to program activities relate to community development programs that are government funded, to contributions from various donors and to donations from the YMCAs of Québec Foundation.

### *Deferred revenue – other*

Other deferred revenue relate to amounts received for which services will be rendered during the next year.

### *Use of estimates*

The preparation of financial statements in accordance 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 and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

### 3. Investments

	2017	2016
	\$	\$
Term deposit, 1.05%, maturing in August 2018 (as at December 31, 2016: 0.95%, maturing in January 2017)	100,000	100,000
Guaranteed investment certificates, 0.89% to 1.37%, maturing until December 2018	5,020,202	—
Diversified mutual funds	4,108,819	4,050,630
	<b>9,229,021</b>	4,150,630
Current portion	7,687,210	2,603,849
	<b>1,541,811</b>	1,546,781

### 4. Accounts receivable

	2017	2016
	\$	\$
Clients	179,226	173,155
Allowance for doubtful accounts	(72,100)	(67,900)
	<b>107,126</b>	105,255
Accrued interest receivable on subsidized debts	149,519	183,725
Funders for community programs and others	3,118,427	2,160,113
	<b>3,375,072</b>	2,449,093

### 5. Capital assets

	2017			2016
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Lands	2,601,730	—	2,601,730	2,601,730
Buildings, leasehold improvements and major renovations	82,667,474	52,771,593	29,895,881	30,842,425
Vehicles, furniture and equipment	9,455,978	8,351,680	1,104,298	1,687,340
	<b>94,725,182</b>	<b>61,123,273</b>	<b>33,601,909</b>	35,131,495

6. Intangible assets

	2017			2016
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Registration software	982,992	—	982,992	334,433

7. Debt

	2017	2016
	\$	\$
Bankers' acceptances related to the Cartierville YMCA Center	5,172,682	5,595,985
Note payable related to the Cartierville YMCA Center	3,400,891	4,156,594
Du Parc YMCA Center mortgage loan	920,790	1,397,923
Loan from YMCA Canada	599,876	210,128
Note payable	—	20,000
	<b>10,094,239</b>	<b>11,380,630</b>
Current portion	1,936,332	1,806,877
Long-term portion	8,157,907	9,573,753

Principal payments required in each of the forthcoming years are as follows:

	\$
2018	1,936,332
2019	1,845,855
2020	5,296,463
2021	1,015,589

*Bankers' acceptances related to the Cartierville YMCA Center*

Under a credit agreement, the YMCA obtained, on March 31, 2010, credit facilities of an initial amount of \$7,000,000 and \$964,000 for periods of seven and five years, respectively, allowing it to borrow amounts in the form of discounted bankers' acceptances for a term varying from one month to one year. These credit facilities in the amount of \$5,552,770 and \$486,587 were renewed during the year ended December 31, 2015, and mature on November 30, 2020, and June 30, 2020. The discounted bankers' acceptances related to the Cartierville YMCA Center held as at December 31, 2017, have a term of one month, nominal values of \$4,898,799 and \$273,883, bear interest at an effective rate of 2.15% plus stamping fees of 0.93%, and mature on January 30, 2018. To protect against the risk of potential interest rate fluctuations on these bankers' acceptances, the YMCA has entered into interest rate swap agreements. These derivative contracts are as follows:

- (a) Initial nominal amount of \$5,552,770, periodically reduced based on a predetermined schedule until its expected maturity on November 30, 2020, bearing interest at a fixed rate of 3.08% in exchange for receiving a variable interest rate based on the one-month CDOR rate. Of this amount, an initial amount of \$1,957,430 is subsidized by an external organization;

**7. Debt (continued)**

*Bankers' acceptances related to the Cartierville YMCA Center (continued)*

(b) Nominal amount of \$486,587, periodically reduced based on a predetermined schedule until its expected maturity on June 30, 2020, bearing interest at a fixed rate of 3.08% in exchange for receiving a variable interest rate based on the one-month CDOR rate.

To maintain this financing, the YMCA must satisfy financial ratios related to debt service coverage and minimum net assets. The YMCA was in compliance with these ratios as at December 31, 2017.

*Note payable related to the Cartierville YMCA Center*

This note payable bears interest at 4.77%, repayable in monthly principal instalments of \$953,973, including interest and matures in January 2021.

A grant from the ministère de l'Éducation et de l'Enseignement supérieur for this project will repay the loan.

To maintain this financing, the YMCA must satisfy the same financial ratios as those of the bankers' acceptances related to the Cartierville YMCA Center. As at December 31, 2017, the YMCA was in compliance with these ratios.

*Du Parc YMCA Center mortgage loan*

The YMCA has a mortgage loan for which the YMCA has signed an agreement with a donor organization (the "Organization"). The Organization has agreed to pay for the mortgage loan (capital and interest) associated with the construction of the Du Parc YMCA Center. The mortgage loan bears interest at 3.63% and matures in October 2019.

*Loan from YMCA Canada*

YMCA Canada made a loan to the YMCA as part of a project to replace the registration software. The outstanding balance is non-interest bearing and is repayable in variable monthly instalments maturing in 2021.

*Grants receivable relating to subsidized debts*

The balance of the grants receivable related to the subsidized debts, in the amount of \$5,960,392 (\$7,023,277 in 2016), is as follows:

	<b>2017</b>	2016
	<b>\$</b>	\$
Short-term grants receivable	<b>1,379,641</b>	1,318,681
Long-term grants receivable	<b>4,310,751</b>	5,704,596

The donor organizations have also agreed to pay the interest on the portion of the loans covered by the grants. The subsidized interest expense amounts to \$240,905 (\$315,601 in 2016).

**8. Deferred contributions related to capital assets**

Deferred contributions related to capital assets represent restricted contributions from the YMCAs of Québec Foundation, government organizations, the City of Montréal and a private company. These contributions relate primarily to the buildings of the Cartierville YMCA Center, the Du Parc YMCA Center, the Downtown YMCA Center, the West Island YMCA Center, the YMCA Kanawana Camp and the improvements of a daycare. Changes in deferred contribution balances are as follows:

	<b>2017</b>	2016
	<b>\$</b>	\$
Balance, beginning of year	<b>20,168,877</b>	21,501,463
Contributions received	<b>170,423</b>	196,560
Amortization for the year	<b>(1,522,578)</b>	(1,529,146)
Balance, end of year	<b>18,816,722</b>	20,168,877

**9. Letter of guarantee**

Under an agreement between the City of Montréal and the Downtown YMCA Center, the YMCA issued a \$100,000 letter of guarantee in favour of the City of Montréal. This letter of guarantee expires in 2018, and is secured by a term deposit of the same amount.

**10. The YMCAs of Québec Foundation**

The financial statements do not include the assets, liabilities and activities of the YMCAs of Québec Foundation (the "Foundation"). The Foundation was established to perform the fundraising activities of the YMCA; therefore, the YMCA has an economic interest in the Foundation.

During the year, the YMCA recorded revenue of \$1,035,251 (\$1,081,824 in 2016), deferred contributions related to capital assets of \$118,823 (\$18,415 in 2016) and deferred revenue related to program activities by \$237,851 (decreased of \$12,130 in 2016), for a total of \$1,391,925 (\$1,088,109 in 2016) from the Foundation.

During the year, the YMCA cancelled the advance made to the Foundation. This results in a loss for the YMCA of \$1,118,727 (nil in 2016).

These transactions were carried out in the normal course of business and measured at the exchange amount, which is the amount of the consideration established and agreed to by the parties.

The following table is a summary of the Foundation's financial position as at December 31, 2017, and the results of its operations for the year ended December 31, 2017:

	<b>2017</b>	2016
	<b>\$</b>	\$
<b>Financial position</b>		
Total assets	<b>7,362,499</b>	7,294,587
Total liabilities	<b>1,915,190</b>	2,656,891
Total fund balances	<b>5,447,309</b>	4,637,696

Liabilities include a total amount of \$1,023,553 (\$2,037,829 in 2016) payable to the YMCA.

**10. The YMCAs of Québec Foundation (continued)**

	2017	2016
	\$	\$
<b>Results of operating activities</b>		
Fund balances, beginning of year	<b>4,637,696</b>	5 426 551
Total revenue, excluding endowment contributions	<b>3,134,213</b>	1 320 120
Endowment contributions	<b>35,866</b>	34 617
Total expenses and donations	<b>(2,360,466)</b>	(2 143 592)
Net increase (decrease) in fund balances	<b>809,613</b>	(788 855)
Fund balances, end of year	<b>5,447,309</b>	4 637 696

**11. Additional information to the statement of cash flows**

*Changes in non-cash operating working capital items*

	2017	2016
	\$	\$
Accounts receivable	<b>(925,979)</b>	(666,386)
Supplies and prepaid expenses	<b>(64,314)</b>	38,276
Accounts payable and accrued liabilities	<b>639,265</b>	(24,998)
Deferred revenue related to program activities	<b>(533,844)</b>	440,644
Deferred revenue – other	<b>(182,221)</b>	241,418
	<b>(1,067,093)</b>	28,954

*Non-cash transactions*

Acquisition of capital assets were financed by a new debt for an amount of \$520,483 (\$310,128 in 2016).

**12. Commitments**

The YMCA is committed to leasing premises under leases and has signed service contracts with suppliers expiring through 2022. Future payments will total \$16,423,545 and include the following amounts over the forthcoming years.

	\$
2018	5,412,039
2019	3,610,545
2020	3,445,825
2021	2,541,266
2022	1,413,870

**13. Internally restricted net assets**

These internally restricted net assets represent the resources reserved by the Board of directors for the realization of certain investment projects in the real estate portfolio of the YMCA.

**14. Financial assistance**

As part of its charitable mission, the YMCA provides a financial assistance program to individuals who meet specific criteria. The access for all program gives individuals with limited financial resources access to community or fitness activities at a reduced fee. The amount of financial assistance provided in 2017 is \$1,160,631 (\$1,196,584 in 2016).

**15. Financial instruments**

Because of its financial assets and liabilities, the YMCA is exposed to the following risks related to the use of financial instruments:

*Credit risk*

In the normal course of business, the YMCA grants credit to members and maintains allowances for potential bad debt, if applicable.

*Market risk*

Market risk is the risk that investments in diversified mutual funds are exposed to, caused by changes in interest rates, exchange rates, stock exchange indicators and the level of volatility of these rates and indicators.

*Interest rate risk*

A portion of the debt bears interest at a fixed rate, whereas the interest related to the other portion is subsidized. Consequently, cash flow risk is minimal.

The YMCA is exposed to interest rate risk due to changes in the prime rate since the bankers' acceptances bear interest at variable rates. To manage this volatility, the YMCA uses interest-rate swap agreements to set the interest rates of the bankers' acceptances at 3.08% and that mature on June 30, 2020, and November 30, 2020.

**16. Comparative figures**

Certain comparative figures have been reclassified to conform to the current year's presentation.