

YWCA Edmonton

Financial Statements
December 31, 2016 and 2015

Independent Auditors' Report

To the Members of YWCA Edmonton:

We have audited the accompanying financial statements of YWCA Edmonton, which comprise the statement of financial position as at December 31, 2016, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' 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 auditors' 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 YWCA Edmonton as at December 31, 2016 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Edmonton, Alberta

March 24, 2017

MNP LLP

Chartered Professional Accountants

YWCA Edmonton

Statement of Financial Position


As at December 31, 2016 and December 31, 2015

	December 31, 2016 \$	December 31, 2015 \$
Assets		
Current assets		
Cash	923,890	620,884
Marketable securities (note 3)	954,278	924,513
Accounts receivable	362,909	595,379
Prepaid expenses	90,516	113,299
	<u>2,331,593</u>	<u>2,254,075</u>
Capital assets (note 4)	<u>795,451</u>	<u>879,082</u>
	<u>3,127,044</u>	<u>3,133,157</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	391,130	326,057
Deferred revenue	900,798	822,428
Current portion of unamortized deferred capital asset contributions (note 5)	48,357	45,609
	<u>1,340,283</u>	<u>1,194,094</u>
Unamortized deferred capital asset contributions (note 5)	338,518	362,030
Deferred capital asset contributions (note 5)	<u>-</u>	<u>6,797</u>
	<u>1,678,803</u>	<u>1,562,921</u>
Commitments (note 6)		
Net assets		
Invested in capital assets	408,576	471,443
Internally restricted (note 7)	431,729	442,493
Unrestricted	607,936	656,300
	<u>1,448,241</u>	<u>1,570,236</u>
	<u>3,127,044</u>	<u>3,133,157</u>

Approved by the Board of Directors



Director



Director

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

YWCA Edmonton

Statements of Changes in Net Assets

For the years ended December 31, 2016 and December 31, 2015

	Invested in capital assets \$	Internally restricted \$	Unrestricted \$	Total 2016 \$	Total 2015 \$
Balance – Beginning of year	471,443	442,493	656,300	1,570,236	1,758,839
Deficiency of revenue over expenses	(68,224)	-	(53,771)	(121,995)	(188,603)
Investment in capital assets	5,357	(10,764)	5,407	-	-
Balance – End of year	<u>408,576</u>	<u>431,729</u>	<u>607,936</u>	<u>1,448,241</u>	<u>1,570,236</u>

Invested in capital assets

	2016 \$	2015 \$
Capital assets (note 4)	795,451	879,082
Current portion of unamortized deferred capital asset contributions (note 5)	(48,357)	(45,609)
Unamortized deferred capital asset contributions (note 5)	<u>(338,518)</u>	<u>(362,030)</u>
	<u>408,576</u>	<u>471,443</u>

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

YWCA Edmonton

Statements of Operations

For the years ended December 31, 2016 and December 31, 2015

	2016 \$	2015 \$
Revenue		
Fees for service (schedule 1)	9,520,581	9,326,246
Government contracts (schedule 2)	1,338,529	1,338,511
Counselling centre (schedule 3)	428,986	406,121
Donations and fundraising	388,356	369,254
Other government and foundation grants	230,218	134,807
Society of friends of the YWCA and YWCA Edmonton casino	50,259	62,317
Other	30,800	99,233
	<u>11,987,729</u>	<u>11,736,489</u>
Expenses		
Salaries, wages and employee benefits	5,221,138	5,013,617
Purchased services	5,103,324	5,090,818
General and administrative expenses (schedule 4)	1,242,551	1,322,830
Counselling Centre (schedule 3)	364,510	311,393
YWCA Canada affiliation fee	94,448	88,182
	<u>12,025,971</u>	<u>11,826,840</u>
Deficiency of revenue over expenses before other income (expenses)	<u>(38,242)</u>	<u>(90,351)</u>
Other income (expenses)		
Investment income	33,863	27,602
Amortization of capital assets	(117,616)	(125,854)
	<u>(83,753)</u>	<u>(98,252)</u>
Net deficiency of revenue over expenses for the year	<u>(121,995)</u>	<u>(188,603)</u>

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

YWCA Edmonton

Statements of Cash Flows

For the years ended December 31, 2016 and December 31, 2015

	2016 \$	2015 \$
Cash provided by (used in)		
Operating activities		
Net deficiency of revenue over expenses for the year	(121,995)	(188,603)
Items not affecting cash		
Amortization of capital assets	117,616	125,854
Unamortized deferred capital asset contributions recognized as revenue	(49,394)	(52,093)
Investment income reinvested in marketable securities	(11,457)	(31,267)
Increase in fair-market value of marketable securities	(18,308)	9,317
	<u>(83,538)</u>	<u>(136,792)</u>
Net change in non-cash working capital items	<u>398,696</u>	<u>381,491</u>
	<u>315,158</u>	<u>244,699</u>
Investing activities		
Purchase of capital assets	<u>(33,985)</u>	<u>(26,108)</u>
Financing activities		
Capital asset grants received (note 5)	<u>21,833</u>	<u>19,500</u>
Increase in cash	303,006	238,091
Cash – Beginning of year	<u>620,884</u>	<u>382,793</u>
Cash – End of year	<u>923,890</u>	<u>620,884</u>

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

YWCA Edmonton

Notes to Financial Statements

December 31, 2016 and December 31, 2015

1 Purpose of the organization

YWCA Edmonton (the "Association") is a charitable, humanitarian association. The Association exists:

- a) to provide, fund, facilitate and promote gender equality, mental and physical health, personal safety, community and social service programs and facilities which are beneficial to community as a whole, with particular emphasis on women, girls and boys;
- b) to work as an organization for social justice; and
- c) to do all such other things as are incidental and ancillary to the attainment of the purposes and the exercise of the powers of the Association.

The Association was incorporated in 1910 under the Act of the Alberta Legislature as a not-for-profit organization and is a registered charity under the Income Tax Act and as such is exempt from income taxes.

2 Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

- a) Revenue recognition

The Association follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and recognized as the related asset is amortized. 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.

Fees for service revenue are recognized when the services are performed.

Interest and dividends earned on marketable securities are recorded using the accrual method.

YWCA Edmonton

Notes to Financial Statements

December 31, 2016 and December 31, 2015

b) Cash

Cash include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

c) Marketable securities

The Association has investments in guaranteed investment certificates, mutual funds, equities and fixed income securities. These investments are all highly liquid and are collectively entitled marketable securities. Marketable securities are recorded at fair value based on prices quoted in an active market.

d) Capital assets

Capital assets are recorded at cost.

Amortization is provided on a straight-line basis over the following useful lives:

Buildings	25 years
Furniture and equipment	10 years
Computer equipment	5 years
Motor vehicles	5 years

e) Capital asset contributions

Grants and donations received for the purchase of capital assets are recorded as deferred capital asset contributions before the related capital asset has been purchased. Once the related capital asset has been purchased, the contributions are recorded as unamortized deferred capital asset contributions. The amortization of capital asset contributions is recorded as revenue in the statement of operations and is amortized over the estimated useful life of the related capital asset.

f) Donated goods and services

Donated goods and services are recorded at estimated fair value when it can reasonably be determined and the goods and services would otherwise have been purchased. No amounts for donated goods and services have been recognized in these financial statements.

Volunteers contributed numerous hours in carrying out the activities of the Association. Because of the difficulty in determining their fair value, volunteer services have not been recognized in the financial statements.

g) 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

YWCA Edmonton

Notes to Financial Statements

December 31, 2016 and December 31, 2015

reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization of capital assets and deferred capital asset contributions is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in deficiency of revenue over expenses in the periods in which they become known.

h) Financial instruments

All financial instruments are initially recorded at their fair value, excluding certain financial assets and liabilities originated and issued in a related party transaction measured at their carrying or exchange amount in accordance with Section 3840 Related Party Transactions. At initial recognition, the Association may irrevocably elect to subsequently measure any financial instrument at fair value. The Association has not made such an election during the year.

The Association subsequently measures investments in equity instruments quoted in an active market at fair value. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to financial instruments subsequently measured at fair value are immediately recognized in net excess (deficiency) of revenues over expenses for the current period. Transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

The Association assesses impairment of all of its financial assets measured at cost or amortized cost when there is an indication of impairment. Any impairment which is not considered temporary is included in current year net excess (deficiency) of revenues over expenses.

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Notes to Financial Statements

December 31, 2016 and December 31, 2015

3 Marketable securities

	2016 \$	2015 \$
Guaranteed investment certificates	50,503	50,277
Canadian bonds	65,707	166,265
Investment portfolio	838,068	707,971
	954,278	924,513

A guaranteed investment certificate of \$48,670 (2015 - \$48,670) has been pledged as collateral for an irrevocable standby letter of credit relating to the renewal of the lease of the property occupied by the Association's Camp Yowochas.

4 Capital assets

	2016		
	Cost \$	Accumulated amortization \$	Net \$
Land	53,967	-	53,967
Buildings	1,950,999	1,349,790	601,209
Furniture and equipment	584,878	471,959	112,919
Computer equipment	216,735	189,379	27,356
Motor vehicles	81,703	81,703	-
	2,888,282	2,092,831	795,451
	2015		
	Cost \$	Accumulated amortization \$	Net \$
Land	53,967	-	53,967
Buildings	1,950,281	1,271,751	678,530
Intangible assets	1,446	1,446	-
Furniture and equipment	569,175	443,339	125,836
Computer equipment	217,981	197,232	20,749
Motor vehicles	81,703	81,703	-
	2,874,553	1,995,471	879,082

YWCA Edmonton

Notes to Financial Statements

December 31, 2016 and December 31, 2015

5 Unamortized deferred and deferred capital asset contributions

	2016 \$	2015 \$
Balance – Beginning of year	414,436	447,029
Add: Contributions received	21,833	19,500
Less: Contributions recognized as revenue	(49,394)	(52,093)
	<hr/>	<hr/>
Balance – End of year	386,875	414,436
Less: Current portion	(48,357)	(45,609)
	<hr/>	<hr/>
	338,518	368,827

Balance – End of year is comprised of:

	2016 \$	2015 \$
Deferred capital asset contributions	-	6,797
Current portion of unamortized deferred capital asset contributions	48,357	45,609
Long-term portion of unamortized deferred capital asset contributions	338,518	362,030
	<hr/>	<hr/>
	386,875	414,436

6 Lease commitments

The future minimum lease payments under operating leases for the next five years are as follows:

	\$
2017	269,410
2018	280,408
2019	288,158
2020	282,054
2021	282,054
	<hr/>
	1,402,084

7 Internally restricted

The internally restricted fund was created by the Board to provide for new program development, capital projects and emergency expenses of the Association.

8 Financial instruments disclosure and presentation

The Association as part of its operations, carries a number of financial instruments. It is management's opinion that the Association is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments unless otherwise disclosed.

a) Credit risk

The Association is exposed to credit risk through its cash, marketable securities and accounts receivable. The maximum amount of credit risk exposure is limited to the carrying value of the balances as disclosed in these financial statements.

The Association manages its exposure to credit risk on cash and marketable securities by placing these financial instruments with high-credit quality financial institutions. The investments in marketable securities (note 3) are managed on the Association's behalf by an external investment manager. The Board of Directors with the assistance of the investment manager has established guidelines for the asset mix in accordance with the Association's investment policy.

The credit risk exposure through accounts receivable is minimized due to the majority of the receivables being due from government agencies. There has been no allowance recorded for doubtful accounts.

b) Liquidity risk

The Association is able to meet all financial liabilities with the current capital position and has no outstanding loans.

c) Market risk

The Association is exposed to market risk through its marketable securities. The risk is minimized by the conservative composition of investments which is governed by the Association's investment policy.

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Notes to Financial Statements

December 31, 2016 and December 31, 2015

9 Allocations

Allocated revenues are presented in the schedules to the financial statements to provide information on the indirect revenues associated with those programs. Grants and donations received through fundraising that have been designated directly to a specific program are allocated to that program. Fundraising, net of expenses, that have been received through specific appeals are allocated to the program or programs outlined in the appeals.

Allocated costs are presented in the schedules to the financial statements to provide information on the indirect costs associated with those programs.

a) Direct program expenses

Expenses that contribute directly to the output of one program are applied directly to that program. If the expense contributes directly to the output of more than one program, then the expense is attributed to each program based on the comparative use of the expense or based on time spent on each program if the shared expense is wages.

b) Program administration

Program administration costs are allocated to programs based on the ratio of full-time equivalent (FTE) of salaried employees in a program compared to the total Association's FTEs.

c) Occupancy

Occupancy costs of the Association's premises are allocated to programs based on the square footage utilized by the program.

10 Comparative figures

Certain prior-year figures have been reclassified to conform with the current year presentation.

YWCA Edmonton

Schedule 1

Schedule of Fees for Service

For the years ended December 31, 2016 and December 31, 2015

	2016	2015
	\$	\$
Adult Services	6,174,536	5,981,669
Extended Host Family	1,965,464	1,942,446
Camp Yowochas	855,572	786,682
Northern Services	512,680	607,524
Nature Kindergarten	12,329	-
Fee for Service Counselling	-	7,925
	<hr/>	<hr/>
	9,520,581	9,326,246

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

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Schedule 2

Schedule of Government ContractsFor the years ended December 31, 2016 and December 31, 2015

	2016 \$	2015 \$
Government contracts		
Adult Services – Persons with Developmental Disabilities	1,125,393	1,125,375
Family Consultation and Training Network – Region 6 Child and Family Services Authority	<u>213,136</u>	<u>213,136</u>
	<u>1,338,529</u>	<u>1,338,511</u>

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

YWCA Edmonton

Schedule 3

Schedule of Counselling Centre

For the years ended December 31, 2016 and December 31, 2015

	2016 \$	2015 \$
Revenue		
United Way	213,872	210,712
City of Edmonton F.C.S.S. grant	120,314	120,314
Fees for services	85,845	75,095
Federal Employment Grant	8,955	-
	<hr/> 428,986	<hr/> 406,121
Expenses		
Salaries, wages and employee benefits	355,916	298,179
Program and office supplies	2,556	5,097
Training and development	2,284	2,970
Contract service	1,500	2,776
Professional fees	1,300	1,300
Volunteer recognition and expenses	420	508
Membership dues	400	-
Telephone and postage	111	88
Advertising and promotion	23	214
Automobile	-	261
	<hr/> 364,510	<hr/> 311,393
Operating revenue in excess of expenses before allocated costs	<hr/> 64,476	<hr/> 94,728
Allocations (note 9)		
Designated grants, donations	44,466	69,333
Fundraising	79,058	-
Program administration	(97,300)	(91,100)
Occupancy	(90,700)	(96,500)
	<hr/> (64,476)	<hr/> (118,267)
Deficiency of revenue over expenses	<hr/> -	<hr/> (23,539)

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

Schedule of General and Administrative Expenses

For the years ended December 31, 2016 and December 31, 2015

	2016	2015
	\$	\$
Utilities and rent	288,003	284,205
Fundraising wages and benefits	254,113	279,057
Program supplies	155,234	201,465
Fundraising expenses	105,955	122,700
Transportation	67,818	58,788
Insurance, taxes and licenses	63,383	73,331
Office supplies	61,686	56,747
Advertising and promotion	60,668	84,131
Repairs and maintenance	48,371	22,391
Education and recruitment	40,930	44,276
Telephone	29,575	26,000
Professional fees	29,549	26,931
Interest and bank charges	24,816	27,187
Other	9,950	7,892
Bad debts	2,500	7,729
	<hr/>	<hr/>
	1,242,551	1,322,830

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