

# **YWCA Edmonton**

Financial Statements  
**December 31, 2018 and 2017**

# Independent Auditor's Report

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To the Members of YWCA Edmonton:

## Opinion

We have audited the financial statements of YWCA Edmonton (the "Association"), which comprise the statement of financial position as at December 31, 2018, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2018, 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.

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Information Other than the Summary Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the Association's annual report, other than the summary financial statements and auditors' report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Edmonton, Alberta

March 27, 2019

*MNP* LLP

Chartered Professional Accountants

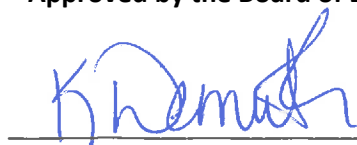
# YWCA Edmonton

## Statements of Financial Position

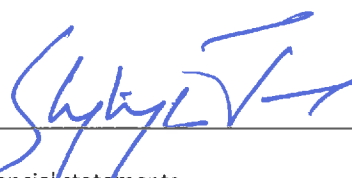
As at December 31, 2018 and December 31, 2017

	December 31, 2018 \$	December 31, 2017 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	506,680	743,795
Marketable securities (note 3)	963,930	967,356
Accounts receivable	394,746	432,637
Prepaid expenses	63,020	74,829
	<u>1,928,376</u>	<u>2,218,617</u>
<b>Capital assets (note 4)</b>	<u>712,883</u>	<u>788,712</u>
	<u>2,641,259</u>	<u>3,007,329</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	338,294	455,776
Grant funding repayable	681,666	399,153
Deferred revenue	202,268	419,052
Current portion of unamortized deferred capital asset contributions (note 5)	52,083	57,476
	<u>1,274,311</u>	<u>1,331,457</u>
<b>Unamortized deferred capital asset contributions (note 5)</b>	<u>356,513</u>	<u>381,358</u>
	<u>1,630,824</u>	<u>1,712,815</u>
<b>Commitments (note 6)</b>		
<b>Net assets</b>		
<b>Invested in capital assets</b>	304,287	349,878
<b>Internally restricted (note 7)</b>	431,729	431,729
<b>Unrestricted</b>	274,419	512,907
	<u>1,010,435</u>	<u>1,294,514</u>
	<u>2,641,259</u>	<u>3,007,329</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, 2018 and December 31, 2017

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	Invested in capital assets \$	Internally restricted \$	Unrestricted \$	Total 2018 \$	Total 2017 \$
<b>Balance – Beginning of year</b>	349,878	431,729	512,907	1,294,514	1,448,241
Deficiency of revenue over expenses	(77,495)	-	(206,584)	(284,079)	(153,727)
Investment in capital assets	31,904	-	(31,904)	-	-
<b>Balance – End of year</b>	<u>304,287</u>	<u>431,729</u>	<u>274,419</u>	<u>1,010,435</u>	<u>1,294,514</u>

#### Invested in capital assets

	2018 \$	2017 \$
Capital assets (note 4)	712,883	788,712
Current portion of unamortized deferred capital asset contributions (note 5)	(52,083)	(57,476)
Unamortized deferred capital asset contributions (note 5)	<u>(356,513)</u>	<u>(381,358)</u>
	<u>304,287</u>	<u>349,878</u>

# YWCA Edmonton

## Statements of Operations

For the years ended December 31, 2018 and December 31, 2017

	2018 \$	2017 \$
<b>Revenue</b>		
Fees for service (schedule 1)	9,024,879	9,623,418
Government contracts (schedule 2)	1,399,397	1,315,318
Donations and fundraising	505,537	442,145
Counselling centre (schedule 3)	412,360	419,290
Other government and foundation grants	365,318	336,376
Casino	12,342	90,687
Other	3,074	35,765
	<u>11,722,907</u>	<u>12,262,999</u>
<b>Expenses</b>		
Purchased services	5,015,503	5,348,112
Salaries, wages and employee benefits	4,894,102	5,117,333
General and administrative expenses (schedule 4)	1,437,799	1,419,625
Counselling Centre (schedule 3)	411,770	361,119
YWCA Canada affiliation fee	97,398	98,584
	<u>11,856,572</u>	<u>12,344,773</u>
<b>Deficiency of revenue over expenses before other income (expenses)</b>	<u>(133,665)</u>	<u>(81,774)</u>
<b>Other income (expenses)</b>		
Investment income (loss)	(14,607)	58,704
Amortization of capital assets	(135,807)	(130,657)
	<u>(150,414)</u>	<u>(71,953)</u>
<b>Net deficiency of revenue over expenses for the year</b>	<u>(284,079)</u>	<u>(153,727)</u>

# YWCA Edmonton

## Statements of Cash Flows

For the years ended December 31, 2018 and December 31, 2017

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	2018 \$	2017 \$
<b>Cash and cash equivalents provided by (used in)</b>		
<b>Operating activities</b>		
Net deficiency of revenue over expenses for the year	(284,079)	(153,727)
Items not affecting cash		
Amortization of capital assets	135,807	130,657
Unamortized deferred capital asset contributions recognized as revenue	(58,312)	(60,593)
Investment income reinvested in marketable securities	(35,675)	(13,504)
Decrease (increase) in fair-market value of marketable securities	39,101	426
	<u>(203,158)</u>	<u>(96,741)</u>
Net change in non-cash working capital items	<u>(2,053)</u>	<u>(71,988)</u>
	<u>(205,211)</u>	<u>(168,729)</u>
<b>Investing activities</b>		
Purchase of capital assets	<u>(59,978)</u>	<u>(123,918)</u>
<b>Financing activities</b>		
Capital asset grants received (note 5)	<u>28,074</u>	<u>112,552</u>
<b>Decrease in cash</b>	<u>(237,115)</u>	<u>(180,095)</u>
<b>Cash and cash equivalents – Beginning of year</b>	<u>743,795</u>	<u>923,890</u>
<b>Cash and cash equivalents – End of year</b>	<u>506,680</u>	<u>743,795</u>

# YWCA Edmonton

## Notes to Financial Statements

December 31, 2018 and December 31, 2017

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### 1 Purpose of the organization

The 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, 2018 and December 31, 2017

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b) Cash and cash equivalents

Cash and cash equivalents 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
Leasehold improvements	Term of lease
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 donated amounts 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.

## YWCA Edmonton

### Notes to Financial Statements

December 31, 2018 and December 31, 2017

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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 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 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 deficiency of revenues over expenses.

# YWCA Edmonton

## Notes to Financial Statements

December 31, 2018 and December 31, 2017

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### 3 Marketable securities

	2018 \$	2017 \$
Guaranteed investment certificates	51,380	50,729
Canadian short term and fixed income	476,035	566,982
Investment portfolio	436,515	349,645
	<u>963,930</u>	<u>967,356</u>

A guaranteed investment certificate of \$48,670 (2017 - \$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

	<u>2018</u>		
	Cost \$	Accumulated amortization \$	Net \$
Land	53,967	-	53,967
Buildings	1,988,824	1,508,897	479,927
Leasehold improvements	20,666	4,133	16,533
Furniture and equipment	582,668	468,962	113,706
Computer equipment	258,184	209,434	48,750
Motor vehicles	61,520	61,520	-
	<u>2,965,829</u>	<u>2,252,946</u>	<u>712,883</u>

	<u>2017</u>		
	Cost \$	Accumulated amortization \$	Net \$
Land	53,967	-	53,967
Buildings	1,988,824	1,429,344	559,480
Furniture and equipment	600,260	477,693	122,567
Computer equipment	251,268	198,570	52,698
Motor vehicles	81,703	81,703	-
	<u>2,976,022</u>	<u>2,187,310</u>	<u>788,712</u>

# YWCA Edmonton

## Notes to Financial Statements

December 31, 2018 and December 31, 2017

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### 5 Unamortized deferred capital asset contributions

	2018 \$	2017 \$
Balance – Beginning of year	438,834	386,875
Add: Contributions received	28,074	112,552
Less: Contributions recognized as revenue	(58,312)	(60,593)
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Balance – End of year	408,596	438,834
Less: Current portion	(52,083)	(57,476)
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	356,513	381,358
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### 6 Lease commitments

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

	\$
2019	287,592
2020	281,737
2021	281,488
2022	281,488
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	1,132,305
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### 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 and cash equivalents, 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 interest bearing 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.

## **YWCA Edmonton**

### Notes to Financial Statements

December 31, 2018 and December 31, 2017

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## **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 comparative figures have been reclassified to conform with current year presentation.

**YWCA Edmonton**

Schedule 1

## Schedule of Fees for Service

For the years ended December 31, 2018 and December 31, 2017

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	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Adult Services	6,065,287	6,421,326
Extended Host Family	1,447,195	1,734,577
Camp Yowochas	924,159	810,753
Northern Services	586,853	638,288
Youth Programming	1,385	860
Nature Kindergarten	-	17,614
	<hr/>	<hr/>
	<b>9,024,879</b>	<b>9,623,418</b>

**YWCA Edmonton**

Schedule 2

## Schedule of Government Contracts

For the years ended December 31, 2018 and December 31, 2017

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	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Government contracts</b>		
Adult Services – Persons with Developmental Disabilities	1,193,079	1,124,696
Family Consultation and Training Network – Region 6 Child and Family Services Authority	<u>206,318</u>	<u>190,622</u>
	<u>1,399,397</u>	<u>1,315,318</u>



## Schedule of Counselling Centre

For the years ended December 31, 2018 and December 31, 2017

	2018 \$	2017 \$
<b>Revenue</b>		
United Way	219,225	218,150
City of Edmonton F.C.S.S. grant	120,314	120,314
Fees for services	71,787	79,184
Other revenue	1,034	125
Federal Employment Grant	-	1,517
	<u>412,360</u>	<u>419,290</u>
<b>Expenses</b>		
Salaries, wages and employee benefits	389,584	346,846
Program and office supplies	7,279	2,400
Professional development	4,729	-
Training and development	2,571	6,623
Professional dues	3,876	-
Professional fees	1,300	1,300
Volunteer recognition and expenses	1,255	24
Contract service	682	3,249
Advertising and promotion	220	94
Telephone and postage	110	102
Automobile	99	81
Bank charges	34	-
Computer charges	31	-
Membership dues	-	400
	<u>411,770</u>	<u>361,119</u>
<b>Operating revenue in excess of expenses before allocated costs</b>	<u>590</u>	<u>58,171</u>
<b>Allocations</b> (note 9)		
Fundraising	165,550	44,736
Designated grants, donations	127,460	99,253
Program administration	(114,700)	(99,600)
Occupancy	(178,900)	(102,560)
	<u>(590)</u>	<u>(58,171)</u>
<b>Net of revenue over expenses</b>	<u>-</u>	<u>-</u>

**YWCA Edmonton**

Schedule 4

## Schedule of General and Administrative Expenses

For the years ended December 31, 2018 and December 31, 2017

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	<b>2018</b>	<b>2017</b>
	\$	\$
Fundraising wages and benefits	361,600	314,834
Utilities and rent	312,134	291,301
Program supplies	204,956	167,831
Fundraising expenses	93,366	100,373
Transportation	72,897	68,912
Office supplies	71,410	51,758
Insurance, taxes and licenses	69,145	67,034
Education and recruitment	58,954	38,653
Advertising and promotion	51,715	43,875
Repairs and maintenance	43,783	185,332
Professional fees	30,090	29,620
Interest and bank charges	27,002	23,977
Telephone	25,540	30,195
Miscellaneous	14,846	5,678
Bad debts	361	252
	<hr/>	<hr/>
	1,437,799	1,419,625