

**Young Women's Christian
Association of Edmonton**

Financial Statements
December 31, 2015 and 2014

Independent Auditor's Report

To the Members of Young Women's Christian Association of Edmonton

We have audited the accompanying financial statements of the Young Women's Christian Association of Edmonton, which comprise the statements of financial position as at December 31, 2015, 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 audits. We conducted our audits 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 in our audits 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 Young Women's Christian Association of Edmonton as at December 31, 2015 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.

Edmonton, Alberta
March 23, 2016

MNP LLP

Chartered Professional Accountants

Young Women's Christian Association of Edmonton


Statement of Financial Position

As at December 31, 2015 and December 31, 2014

	December 31, 2015 \$	December 31, 2014 \$
Assets		
Current assets		
Cash	620,884	382,793
Marketable securities (note 3)	924,513	902,563
Accounts receivable	595,379	506,041
Prepaid expenses	113,299	88,172
	<u>2,254,075</u>	<u>1,879,569</u>
Capital assets (note 4)	<u>879,082</u>	<u>978,829</u>
	<u>3,133,157</u>	<u>2,858,398</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	326,057	325,228
Deferred revenue	822,428	327,302
Current portion of unamortized deferred capital asset contributions (note 5)	45,609	53,926
	<u>1,194,094</u>	<u>706,456</u>
Unamortized deferred capital asset contributions (note 5)	362,030	393,103
Deferred capital asset contributions (note 5)	<u>6,797</u>	<u>-</u>
	<u>1,562,921</u>	<u>1,099,559</u>
Commitments (note 6)		
Net assets		
Invested in capital assets	471,443	531,800
Internally restricted (note 7)	442,493	448,136
Unrestricted	<u>656,300</u>	<u>778,903</u>
	<u>1,570,236</u>	<u>1,758,839</u>
	<u>3,133,157</u>	<u>2,858,398</u>

Approved by the Board of Directors

 Director

 Director

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

Young Women's Christian Association of Edmonton

Statements of Changes in Net Assets

For the years ended December 31, 2015 and December 31, 2014

	Invested in capital assets \$	Internally restricted \$	Unrestricted \$	Total 2015 \$	Total 2014 \$
Balance – Beginning of year	531,800	448,136	778,903	1,758,839	1,999,078
Deficiency of revenue over expenses	(73,762)		(114,841)	(188,603)	(240,239)
Investment in capital assets	13,405	(5,643)	(7,762)	-	-
Balance – End of year	471,443	442,493	656,300	1,570,236	1,758,839

Invested in capital assets

	2015 \$	2014 \$
Capital assets	879,082	978,829
Current portion of unamortized deferred capital asset contributions	(45,609)	(53,926)
Unamortized deferred capital asset contributions	(362,030)	(393,103)
	471,443	531,800

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

Young Women's Christian Association of Edmonton

Statements of Operations

For the years ended December 31, 2015 and December 31, 2014

	2015 \$	2014 \$
Revenue		
Fees for service (schedule 1)	9,326,246	8,061,809
Government contracts (schedule 2)	1,338,511	1,624,552
Counselling centre (schedule 3)	475,454	414,033
Donations and fundraising	367,224	365,078
Other government and foundation grants	67,504	83,917
Society of Friends of the YWCA and YWCA Edmonton casino	62,317	27,991
Other	99,233	23,689
	<u>11,736,489</u>	<u>10,601,069</u>
Expenses		
Purchased services	5,090,818	4,767,962
Salaries, wages and employee benefits	5,013,617	4,502,987
General and administrative expenses (schedule 4)	1,322,830	1,121,697
Counselling Centre (schedule 3)	311,393	314,309
YWCA Canada affiliation fee	88,182	82,509
	<u>11,826,840</u>	<u>10,789,464</u>
Deficiency of revenue over expenses before other income (expenses)	<u>(90,351)</u>	<u>(188,396)</u>
Other income (expenses)		
Other donation (note 10)	-	31,333
Investment income	27,602	48,599
Gain on disposal of capital assets	-	500
Amortization of capital assets	(125,854)	(132,275)
	<u>(98,252)</u>	<u>(51,843)</u>
Net deficiency of revenue over expenses for the year	<u>(188,603)</u>	<u>(240,239)</u>

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

Young Women's Christian Association of Edmonton

Statements of Cash Flows

For the years ended December 31, 2015 and December 31, 2014

	2015 \$	2014 \$
Cash provided by (used in)		
Operating activities		
Net deficiency of revenue over expenses for the year	(188,603)	(240,239)
Items not affecting cash		
Amortization of capital assets	125,854	132,275
Unamortized deferred capital asset contributions recognized as revenue	(52,093)	(55,737)
Investment income reinvested in marketable securities	(31,267)	(20,429)
Decrease in fair-market value of marketable securities	9,317	(19,614)
	<u>(136,792)</u>	<u>(203,744)</u>
Net change in non-cash working capital items	<u>381,491</u>	<u>147,167</u>
	<u>244,699</u>	<u>(56,577)</u>
Investing activities		
Purchase of capital assets	<u>(26,108)</u>	<u>(50,899)</u>
Financing activities		
Capital asset grants received (note 5)	<u>19,500</u>	<u>28,621</u>
Increase (decrease) in cash	238,091	(78,855)
Cash – Beginning of year	<u>382,793</u>	<u>461,648</u>
Cash – End of year	<u>620,884</u>	<u>382,793</u>

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

Young Women's Christian Association of Edmonton

Notes to Financial Statements

December 31, 2015 and December 31, 2014

1 Purpose of the organization

The Young Women's Christian Association of 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.

Young Women's Christian Association of Edmonton

Notes to Financial Statements

December 31, 2015 and December 31, 2014

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
Intangible assets	5 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 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.

Young Women's Christian Association of Edmonton

Notes to Financial Statements

December 31, 2015 and December 31, 2014

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 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.

Young Women's Christian Association of Edmonton

Notes to Financial Statements

December 31, 2015 and December 31, 2014

3 Marketable securities

	<u>2015</u>	<u>2014</u>
Guaranteed investment certificates	50,277	49,878
Canadian bonds	166,265	200,480
Investment portfolio	707,971	652,205
	<u>924,513</u>	<u>902,563</u>

A guaranteed investment certificate of \$48,670 (2014 - \$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 YoWoChAs Outdoor Education Centre.

4 Capital assets

	<u>2015</u>		
	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	-
	<u>2,874,553</u>	<u>1,995,471</u>	<u>879,082</u>

	<u>2014</u>		
	Cost \$	Accumulated amortization \$	Net \$
Land	53,967	-	53,967
Buildings	1,948,669	1,193,741	754,928
Intangible assets	1,446	1,446	-
Furniture and equipment	548,641	416,374	132,267
Computer equipment	214,020	182,837	31,183
Motor vehicles	81,703	75,219	6,484
	<u>2,848,446</u>	<u>1,869,617</u>	<u>978,829</u>

Young Women's Christian Association of Edmonton

Notes to Financial Statements

December 31, 2015 and December 31, 2014

5 Unamortized deferred and deferred capital asset contributions

	2015 \$	2014 \$
Balance – Beginning of year	447,029	474,145
Add: Contributions received	19,500	28,621
Less: Contributions recognized as revenue	(52,093)	(55,737)
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Balance – End of year	414,436	447,029
Less: Current portion	(45,609)	(53,926)
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	368,827	393,103

Balance – End of year is comprised of:

	2015 \$	2014 \$
Deferred capital asset contributions	6,797	-
Current portion of unamortized deferred capital asset contributions	45,609	53,926
Long-term portion of unamortized deferred capital asset contributions	362,030	393,103
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	414,436	447,029

6 Lease commitments

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

	\$
2016	266,245
2017	264,368
2018	275,407
2019	280,359
2020	274,324
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	1,360,703

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.

Young Women's Christian Association of Edmonton

Notes to Financial Statements

December 31, 2015 and December 31, 2014

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 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.

Young Women's Christian Association of Edmonton

Notes to Financial Statements

December 31, 2015 and December 31, 2014

9 Allocated costs

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 Other donation

In 1999, the Association was one of the beneficiaries of the Rose Krozelle bequest. Regular disbursements from the Rose Krozelle Estate started in 1999 and stopped in 2007 for the estate to be reconciled and final clearances to be obtained from the Canada Revenue Agency. Clearances were obtained and the final disbursements were received in 2013 and 2014.

11 Comparative figures

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

Young Women's Christian Association of Edmonton

Schedule 1

Schedule of Fees for Service

For the years ended December 31, 2015 and December 31, 2014

	2015	2014
	\$	\$
Adult Services	5,981,669	5,021,598
Extended Host Family	1,942,446	1,740,223
YoWoChAs Centre	786,682	718,412
Northern Services	607,524	576,261
Fee for Service Counselling	7,925	5,315
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	9,326,246	8,061,809
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The accompanying notes are an integral part of these financial statements.

Young Women's Christian Association of Edmonton

Schedule 2

Schedule of Government Contracts

For the years ended December 31, 2015 and December 31, 2014

	2015 \$	2014 \$
Government contracts		
Adult Services – Persons with Developmental Disabilities	1,125,375	1,473,101
Family Consultation and Training Network – Region 6 Child and Family Services Authority	213,136	151,451
	<u>1,338,511</u>	<u>1,624,552</u>

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

Young Women's Christian Association of Edmonton

Schedule 3

Schedule of Counselling Centre

For the years ended December 31, 2015 and December 31, 2014

	2015 \$	2014 \$
Revenue		
United Way	210,712	210,712
City of Edmonton F.C.S.S. grant	120,314	111,402
Fees for services	75,095	79,114
Community Investment Program – Alberta Government	40,000	-
Edmonton Community Foundation	19,803	5,197
Soroptomist International Club of Edmonton	5,000	5,358
Royal Alexandra Hospital Charitable Foundation	2,500	2,250
Donations	2,030	-
	475,454	414,033
Expenses		
Salaries, wages and employee benefits	298,179	293,350
Program and office supplies	5,097	5,359
Training and development	2,970	4,272
Contract service	2,776	9,071
Professional fees	1,300	1,300
Volunteer recognition and expenses	508	302
Automobile	261	259
Advertising and promotion	214	-
Telephone and postage	88	53
Membership dues	-	333
Bad debts	-	10
	311,393	314,309
Operating revenue in excess of expenses before allocated costs	164,061	99,724
Allocated costs (note 9)		
Program administration	91,100	95,500
Occupancy	96,500	89,800
	187,600	185,300
Deficiency of revenue over expenses	(23,539)	(85,576)

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

Young Women's Christian Association of Edmonton

Schedule 4

Schedule of General and Administrative Expenses

For the years ended December 31, 2015 and December 31, 2014

	2015	2014
	\$	\$
Utilities and rent	284,205	285,382
Fundraising wages and benefits	279,057	186,272
Program supplies	201,465	168,425
Fundraising expenses	122,700	102,214
Advertising and promotion	84,131	74,308
Insurance, taxes and licenses	73,331	70,721
Transportation	58,788	49,873
Office supplies	56,747	48,591
Education and recruitment	44,276	18,410
Interest and bank charges	27,187	22,706
Professional fees	26,931	29,157
Telephone	26,000	25,320
Repairs and maintenance	22,391	25,664
Miscellaneous	7,892	14,654
Bad debts	7,729	-
	<u>1,322,830</u>	<u>1,121,697</u>

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