

**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 | 656,300 | 778,903 |
| | <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) |
| | <hr/> | <hr/> |
| Balance – End of year | 414,436 | 447,029 |
| Less: Current portion | (45,609) | (53,926) |
| | <hr/> | <hr/> |
| | 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 |
| | <hr/> | <hr/> |
| | 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 |
| | <hr/> |
| | 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 |
| | <hr/> | <hr/> |
| | 9,326,246 | 8,061,809 |
| | <hr/> | <hr/> |

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 |
| Soroptimist 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 | - |
| | <hr/> | <hr/> |
| | 1,322,830 | 1,121,697 |

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