

YWCA Edmonton

Financial Statements

December 31, 2017 and 2016

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, 2017, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

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, 2017 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 28, 2018

MNP LLP

Chartered Professional Accountants

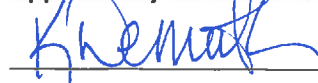
YWCA Edmonton

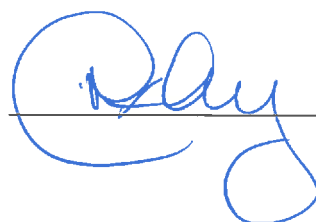
Statements of Financial Position

As at December 31, 2017 and December 31, 2016

	December 31, 2017 \$	December 31, 2016 \$
Assets		
Current assets		
Cash and cash equivalents	743,795	923,890
Marketable securities (note 3)	967,356	954,278
Accounts receivable	432,637	362,909
Prepaid expenses	74,829	90,516
	<u>2,218,617</u>	<u>2,331,593</u>
Capital assets (note 4)	<u>788,712</u>	<u>795,451</u>
	<u>3,007,329</u>	<u>3,127,044</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	854,929	391,130
Deferred revenue	419,052	900,798
Current portion of unamortized deferred capital asset contributions (note 5)	<u>57,476</u>	<u>48,357</u>
	1,331,457	1,340,285
Unamortized deferred capital asset contributions (note 5)	<u>381,358</u>	<u>338,518</u>
	<u>1,712,815</u>	<u>1,678,803</u>
Commitments (note 6)		
Net assets		
Invested in capital assets	349,878	408,576
Internally restricted (note 7)	431,729	431,729
Unrestricted	<u>512,907</u>	<u>607,936</u>
	<u>1,294,514</u>	<u>1,448,241</u>
	<u>3,007,329</u>	<u>3,127,044</u>

Approved by the Board of Directors

 Director

 Director

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

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Statements of Changes in Net Assets

For the years ended December 31, 2017 and December 31, 2016

	Invested in capital assets \$	Internally restricted \$	Unrestricted \$	Total 2017 \$	Total 2016 \$
Balance – Beginning of year	408,576	431,729	607,936	1,448,241	1,570,236
Deficiency of revenue over expenses	(70,064)	-	(83,663)	(153,727)	(121,995)
Investment in capital assets	11,366	-	(11,366)	-	-
Balance – End of year	349,878	431,729	512,907	1,294,514	1,448,241

Invested in capital assets

	2017 \$	2016 \$
Capital assets (note 4)	788,712	795,451
Current portion of unamortized deferred capital asset contributions (note 5)	(57,476)	(48,357)
Unamortized deferred capital asset contributions (note 5)	<u>(381,358)</u>	<u>(338,518)</u>
	<u>349,878</u>	<u>408,576</u>

YWCA Edmonton

Statements of Operations

For the years ended December 31, 2017 and December 31, 2016

	2017 \$	2016 \$
Revenue		
Fees for service (schedule 1)	9,623,418	9,520,581
Government contracts (schedule 2)	1,315,318	1,338,529
Donations and fundraising	442,145	388,356
Counselling centre (schedule 3)	419,290	428,986
Other government and foundation grants	336,376	230,218
Casino	90,687	50,259
Other	35,765	30,800
	<u>12,262,999</u>	<u>11,987,729</u>
Expenses		
Purchased services	5,348,112	5,103,324
Salaries, wages and employee benefits	5,117,333	5,221,138
General and administrative expenses (schedule 4)	1,419,625	1,242,551
Counselling Centre (schedule 3)	361,119	364,510
YWCA Canada affiliation fee	98,584	94,448
	<u>12,344,773</u>	<u>12,025,971</u>
Deficiency of revenue over expenses before other income (expenses)	<u>(81,774)</u>	<u>(38,242)</u>
Other income (expenses)		
Investment income	58,704	33,863
Amortization of capital assets	(130,657)	(117,616)
	<u>(71,953)</u>	<u>(83,753)</u>
Net deficiency of revenue over expenses for the year	<u>(153,727)</u>	<u>(121,995)</u>

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Statements of Cash Flows

For the years ended December 31, 2017 and December 31, 2016

	2017 \$	2016 \$
Cash and cash equivalents provided by (used in)		
Operating activities		
Net deficiency of revenue over expenses for the year	(153,727)	(121,995)
Items not affecting cash		
Amortization of capital assets	130,657	117,616
Unamortized deferred capital asset contributions recognized as revenue	(60,593)	(49,394)
Investment income reinvested in marketable securities	(13,504)	(11,457)
Decrease (increase) in fair-market value of marketable securities	426	(18,308)
	<u>(96,741)</u>	<u>(85,538)</u>
Net change in non-cash working capital items	<u>(71,988)</u>	<u>398,696</u>
	<u>(168,729)</u>	<u>315,158</u>
Investing activities		
Purchase of capital assets	<u>(123,918)</u>	<u>(33,985)</u>
Financing activities		
Capital asset grants received (note 5)	<u>112,552</u>	<u>21,833</u>
Increase (Decrease) in cash	<u>(180,095)</u>	<u>303,006</u>
Cash and cash equivalents – Beginning of year	<u>923,890</u>	<u>620,884</u>
Cash and cash equivalents – End of year	<u>743,795</u>	<u>923,890</u>

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Notes to Financial Statements

December 31, 2017 and December 31, 2016

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.

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Notes to Financial Statements

December 31, 2017 and December 31, 2016

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
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.

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

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Notes to Financial Statements

December 31, 2017 and December 31, 2016

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.

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Notes to Financial Statements

December 31, 2017 and December 31, 2016

3 Marketable securities

	2017 \$	2016 \$
Guaranteed investment certificates	50,729	50,503
Canadian short term and fixed income	566,982	65,707
Investment portfolio	349,645	838,068
	<u>967,356</u>	<u>954,278</u>

A guaranteed investment certificate of \$48,670 (2016 - \$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>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>
	<u>2016</u>		
	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	-
	<u>2,888,282</u>	<u>2,092,831</u>	<u>795,451</u>

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Notes to Financial Statements

December 31, 2017 and December 31, 2016

5 Unamortized deferred and deferred capital asset contributions

	2017 \$	2016 \$
Balance – Beginning of year	386,875	414,436
Add: Contributions received	112,552	21,833
Less: Contributions recognized as revenue	<u>(60,593)</u>	<u>(49,394)</u>
Balance – End of year	438,834	386,875
Less: Current portion	<u>(57,476)</u>	<u>(48,357)</u>
	<u>381,358</u>	<u>338,518</u>

6 Lease commitments

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

	\$
2018	282,780
2019	287,592
2020	281,488
2021	281,488
2022	<u>281,488</u>
	<u>1,414,836</u>

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.

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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.

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Schedule 1

Schedule of Fees for Service

For the years ended December 31, 2017 and December 31, 2016

	2017	2016
	\$	\$
Adult Services	6,421,326	6,174,536
Extended Host Family	1,734,577	1,965,464
Camp Yowochas	810,753	855,572
Northern Services	638,288	512,680
Nature Kindergarten	17,614	12,329
Youth Programming	860	-
	<hr/>	<hr/>
	9,623,418	9,520,581

Schedule of Government Contracts

For the years ended December 31, 2017 and December 31, 2016

	2017	2016
	\$	\$
Government contracts		
Adult Services – Persons with Developmental Disabilities	1,124,696	1,125,393
Family Consultation and Training Network – Region 6 Child and Family Services Authority	190,622	213,136
	<u>1,315,318</u>	<u>1,338,529</u>

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Schedule 3

Schedule of Counselling Centre

For the years ended December 31, 2017 and December 31, 2016

	2017	2016
	\$	\$
Revenue		
United Way	218,150	213,872
City of Edmonton F.C.S.S. grant	120,314	120,314
Fees for services	79,184	85,845
Federal Employment Grant	1,517	8,955
Other revenue	125	-
	<hr/>	<hr/>
	419,290	428,986
Expenses		
Salaries, wages and employee benefits	346,846	355,916
Training and development	6,623	2,284
Contract service	3,249	1,500
Program and office supplies	2,400	2,556
Professional fees	1,300	1,300
Membership dues	400	400
Telephone and postage	102	111
Advertising and promotion	94	23
Automobile	81	-
Volunteer recognition and expenses	24	420
	<hr/>	<hr/>
	361,119	364,510
Operating revenue in excess of expenses before allocated costs	<hr/>	<hr/>
	58,171	64,476
Allocations (note 9)		
Designated grants, donations	99,253	44,466
Fundraising	44,736	79,058
Program administration	(99,600)	(97,300)
Occupancy	(102,560)	(90,700)
	<hr/>	<hr/>
	(58,171)	(64,476)
Net of revenue over expenses	<hr/>	<hr/>
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Schedule 4

Schedule of General and Administrative Expenses

For the years ended December 31, 2017 and December 31, 2016

	2017	2016
	\$	\$
Fundraising wages and benefits	314,834	254,113
Utilities and rent	291,301	288,003
Repairs and maintenance	185,332	48,371
Program supplies	167,831	155,234
Fundraising expenses	100,373	105,955
Transportation	68,912	67,818
Insurance, taxes and licenses	67,034	63,383
Office supplies	51,758	61,686
Advertising and promotion	43,875	60,668
Education and recruitment	38,653	40,930
Telephone	30,195	29,575
Professional fees	29,620	29,549
Interest and bank charges	23,977	24,816
Miscellaneous	5,678	9,950
Bad debts	252	2,500
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	1,419,625	1,242,551

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

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