

# **YWCA Edmonton**

Draft Financial Statements  
**December 31, 2019 and 2018**

# 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, 2019, 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, 2019, 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.

## 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

April 1, 2020

*MNP LLP*

Chartered Professional Accountants

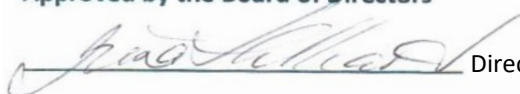
# YWCA Edmonton

## Statements of Financial Position

As at December 31, 2019 and December 31, 2018

	December 31, 2019 \$	December 31, 2018 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,064,511	506,680
Marketable securities (note 3)	1,086,081	963,930
Accounts receivable	313,017	394,746
Prepaid expenses	69,373	63,020
	<u>2,533,982</u>	<u>1,928,376</u>
<b>Capital assets (note 4)</b>	<u>624,432</u>	<u>712,883</u>
	<u>3,157,414</u>	<u>2,641,259</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	412,091	338,294
Grant funding repayable and expired contracts	214,574	681,666
Deferred revenue	755,737	202,268
Current portion of unamortized deferred capital asset contributions (note 5)	45,575	52,083
	<u>1,427,977</u>	<u>1,274,311</u>
<b>Unamortized deferred capital asset contributions (note 5)</b>	<u>319,739</u>	<u>356,513</u>
	<u>1,747,716</u>	<u>1,630,824</u>
<b>Commitments (note 6)</b>		
<b>Subsequent event (note 10)</b>		
<b>Net assets</b>		
<b>Invested in capital assets</b>	259,118	304,287
<b>Internally restricted (note 7)</b>	431,729	431,729
<b>Unrestricted</b>	<u>718,851</u>	<u>274,419</u>
	<u>1,409,698</u>	<u>1,010,435</u>
	<u>3,157,414</u>	<u>2,641,259</u>

Approved by the Board of Directors

 Director

 Director

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

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## YWCA Edmonton

### Statements of Changes in Net Assets

For the years ended December 31, 2019 and December 31, 2018

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	Invested in capital assets \$	Internally restricted \$	Unrestricted \$	Total 2019 \$	Total 2018 \$
<b>Balance – Beginning of year</b>	304,287	431,729	274,419	1,010,435	1,294,514
Excess (deficiency) of revenue over expenses	(75,945)	-	475,208	399,263	(284,079)
Investment in capital assets	30,776	-	(30,776)	-	-
<b>Balance – End of year</b>	<u>259,118</u>	<u>431,729</u>	<u>718,851</u>	<u>1,409,698</u>	<u>1,010,435</u>

#### Invested in capital assets

	2019 \$	2018 \$
Capital assets (note 4)	624,432	712,883
Current portion of unamortized deferred capital asset contributions (note 5)	(45,575)	(52,083)
Unamortized deferred capital asset contributions (note 5)	<u>(319,739)</u>	<u>(356,513)</u>
	<u>259,118</u>	<u>304,287</u>

# YWCA Edmonton

## Statements of Operations

For the years ended December 31, 2019 and December 31, 2018

	2019 \$	2018 \$
<b>Revenue</b>		
Fees for service (schedule 1)	9,271,987	9,024,879
Government contracts (schedule 2)	1,431,499	1,399,397
Counselling centre (schedule 3)	515,794	412,360
Other government and foundation grants	504,898	365,318
Expired contracts and grants	370,205	-
Donations and fundraising	334,953	505,537
Compass (schedule 5)	137,518	-
Casino	92,163	12,342
Other	653	3,074
	<u>12,659,670</u>	<u>11,722,907</u>
<b>Expenses</b>		
Purchased services	5,096,897	5,015,503
Salaries, wages and employee benefits	5,112,157	4,894,102
General and administrative expenses (schedule 4)	1,432,391	1,437,799
Counselling Centre (schedule 3)	443,244	411,770
Compass (schedule 5)	94,797	-
YWCA Canada affiliation fee	97,929	97,398
	<u>12,277,415</u>	<u>11,856,572</u>
<b>Excess (deficiency) of revenue over expenses before other income (expenses)</b>	<u>382,255</u>	<u>(133,665)</u>
<b>Other income (expenses)</b>		
Investment income	146,014	(14,607)
Amortization of capital assets	(129,006)	(135,807)
	<u>17,008</u>	<u>(150,414)</u>
<b>Net excess (deficiency) of revenue over expenses for the year</b>	<u>399,263</u>	<u>(284,079)</u>

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

# YWCA Edmonton

## Statements of Cash Flows

For the years ended December 31, 2019 and December 31, 2018

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	2019 \$	2018 \$
<b>Cash and cash equivalents provided by (used in)</b>		
<b>Operating activities</b>		
Net excess (deficiency) of revenue over expenses for the year	399,263	(284,079)
Items not affecting cash		
Amortization of capital assets	129,006	135,807
Unamortized deferred capital asset contributions recognized as revenue	(53,062)	(58,312)
Investment income reinvested in marketable securities	(41,669)	(35,675)
Decrease (increase) in fair-market value of marketable securities	(80,482)	39,101
	<u>353,056</u>	<u>(203,158)</u>
Net change in non-cash working capital items	<u>235,551</u>	<u>(2,053)</u>
	<u>588,607</u>	<u>(205,211)</u>
<b>Investing activities</b>		
Purchase of capital assets	<u>(40,556)</u>	<u>(59,978)</u>
<b>Financing activities</b>		
Capital asset grants received (note 5)	<u>9,780</u>	<u>28,074</u>
<b>Increase (decrease) in cash</b>	<u>557,831</u>	<u>(237,115)</u>
<b>Cash and cash equivalents – Beginning of year</b>	<u>506,680</u>	<u>743,795</u>
<b>Cash and cash equivalents – End of year</b>	<u>1,064,511</u>	<u>506,680</u>

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

# YWCA Edmonton

## Notes to Financial Statements

December 31, 2019 and December 31, 2018

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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. Unexpended grant funding relating to expired contracts is recognized as revenue when the Association's obligation is discharged by the funder. 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, 2019 and December 31, 2018

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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) Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Association writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Association's ability to provide goods and services or future economic benefits of the asset are less than its net carrying amount. When the Association determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value.

## YWCA Edmonton

### Notes to Financial Statements

December 31, 2019 and December 31, 2018

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g) 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.

h) 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 excess (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.

# YWCA Edmonton

## Notes to Financial Statements

December 31, 2019 and December 31, 2018

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### 3 Marketable securities

	2019 \$	2018 \$
Guaranteed investment certificates	51,960	51,380
Canadian short term and fixed income Investment portfolio	532,424	476,035
	501,697	436,515
	1,086,081	963,930

A guaranteed investment certificate of \$48,670 (2018 - \$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

	<b>2019</b>		
	<b>Cost \$</b>	<b>Accumulated amortization \$</b>	<b>Net \$</b>
Land	53,967	-	53,967
Buildings	1,988,824	1,588,450	400,374
Leasehold Improvements	20,666	8,266	12,400
Furniture and equipment	598,413	492,569	105,844
Computer equipment	269,994	228,547	41,447
Motor vehicles	74,520	64,120	10,400
	3,006,384	2,381,952	624,432
	<b>2018</b>		
	<b>Cost \$</b>	<b>Accumulated amortization \$</b>	<b>Net \$</b>
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	-
	2,965,829	2,252,946	712,883

## YWCA Edmonton

### Notes to Financial Statements

December 31, 2019 and December 31, 2018

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#### 5 Unamortized deferred capital asset contributions

	2019 \$	2018 \$
Balance – Beginning of year	408,596	438,834
Add: Contributions received	9,780	28,074
Less: Contributions recognized as revenue	(53,062)	(58,312)
	<hr/>	<hr/>
Balance – End of year	365,314	408,596
Less: Current portion	(45,575)	(52,083)
	<hr/>	<hr/>
	319,739	356,513
	<hr/>	<hr/>

#### 6 Lease commitments

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

	\$
2020	316,854
2021	317,512
2022	316,117
2023	130,778
2024	-
	<hr/>
	1,081,261
	<hr/>

#### 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, 2019 and December 31, 2018

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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 Subsequent event

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses and other organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Association as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

**YWCA Edmonton**

Schedule 1

## Schedule of Fees for Service

For the years ended December 31, 2019 and December 31, 2018

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	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Adult Services	6,390,192	6,065,287
Extended Host Family	1,514,859	1,447,195
Camp Yowochas	947,178	924,159
Northern Services	417,053	586,853
Youth Programming	2,705	1,385
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	9,271,987	9,024,879
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The accompanying notes are an integral part of these financial statements.

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## Schedule of Government Contracts

For the years ended December 31, 2019 and December 31, 2018

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	<b>2019</b> \$	<b>2018</b> \$
<b>Government contracts</b>		
Adult Services – Persons with Developmental Disabilities	1,241,412	1,193,079
Family Consultation and Training Network – Region 6 Child and Family Services Authority	<u>190,087</u>	<u>206,318</u>
	<u>1,431,499</u>	<u>1,399,397</u>



Schedule of Counselling Centre

For the years ended December 31, 2019 and December 31, 2018

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>Revenue</b>		
United Way	219,216	219,225
City of Edmonton F.C.S.S. grant (Counselling)	170,312	120,314
City of Edmonton F.C.S.S. grant (SHCS)	43,500	-
Fees for services	79,664	71,787
Other Revenue	3,102	1,034
	<u>515,794</u>	<u>412,360</u>
<b>Expenses</b>		
Salaries, wages and employee benefits	409,268	389,584
Training and development	9,846	2,571
Contract service	6,834	682
Professional development	5,563	4,729
Program and office supplies	5,277	7,279
Professional dues	3,171	3,876
Professional fees	1,300	1,300
Volunteer recognition and expenses	1,072	1,255
Automobile	345	99
Advertising and promotion	244	220
Membership dues	200	-
Telephone and postage	114	110
Bank charges	10	34
Computer charges	-	31
	<u>443,244</u>	<u>411,770</u>
<b>Operating revenue in excess of expenses before allocated costs</b>	<u>72,550</u>	<u>590</u>
<b>Allocations (note 9)</b>		
Fundraising	-	165,550
Designated grants, donations	201,248	127,460
Program administration	(126,300)	(114,700)
Occupancy	(147,498)	(178,900)
	<u>(72,550)</u>	<u>(590)</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, 2019 and December 31, 2018

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	<b>2019</b>	<b>2018</b>
	\$	\$
Utilities and rent	316,782	312,134
Fundraising wages and benefits	251,617	361,600
Program supplies	220,949	204,956
Education and recruitment	102,863	58,954
Office supplies	97,250	71,410
Fundraising expenses	82,079	93,366
Transportation	79,689	72,897
Insurance, taxes and licenses	76,560	69,145
Advertising and promotion	48,496	51,715
Repairs and maintenance	47,140	43,783
Professional fees	35,307	30,090
Bank charges	27,927	27,002
Telephone	26,595	25,540
Miscellaneous	13,490	14,846
Bad debts	5,647	361
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	1,432,391	1,437,799
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The accompanying notes are an integral part of these financial statements.

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# YWCA Edmonton

## Schedule of Compass

Schedule 5

For the years ended December 31, 2019 and December 31, 2018

	2019 \$	2018 \$
<b>Revenue</b>		
City of Edmonton F.C.S.S. grant (SHCS)	52,622	-
City of Edmonton F.C.S.S. grant (Multicultural)	41,315	-
United Way	40,761	-
Fees for services	2,820	-
	<hr/> 137,518	<hr/> -
<b>Expenses</b>		
Salaries, wages and employee benefits	90,324	-
Program and office supplies	2,745	-
Automobile	779	-
Training and development	595	-
Contract service	307	-
Telephone and postage	47	-
	<hr/> 94,797	<hr/> -
<b>Operating revenue in excess of expenses before allocated costs</b>	<hr/> 42,721	<hr/> -
<b>Allocations</b> (note 9)		
Program administration	(34,221)	-
Occupancy	(8,500)	-
	<hr/> (42,721)	<hr/> -
<b>Net of revenue over expenses</b>	<hr/> -	<hr/> -

The Compass department was operating for the last five months of the 2019 year.