



Calgary Young Women's Christian Association

Financial Statements
March 31, 2018



June 13, 2018

Independent Auditor's Report

To the Members of Calgary Young Women's Christian Association

We have audited the accompanying financial statements of Calgary Young Women's Christian Association, which comprise the statement of financial position as at March 31, 2018, and the statements of revenues and expenses and changes in fund balances and cash flows for the year then ended, and the related notes, which comprise 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.

Auditor's 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 auditor's 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.

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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Calgary Young Women's Christian Association as at March 31, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Calgary Young Women's Christian Association

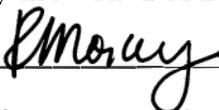
Statement of Financial Position

As at March 31, 2018

						2018	2017
	Operating Fund \$	Sustainability Fund \$	Total \$	Capital Fund \$	Endowment Fund \$	Total \$	Total \$
Assets							
Current assets							
Cash and cash equivalents	2,446,164	28,850,038	31,296,202	6,251,871	145,155	37,693,228	49,032,248
Accounts receivable	679,270	-	679,270	2,136,046	-	2,815,316	696,364
Prepays and other	152,593	-	152,593	152,200	-	304,793	112,490
Short-term investments	-	-	-	-	-	-	219,610
Funds held in trust (note 3)	-	-	-	575,000	-	575,000	575,000
	3,278,027	28,850,038	32,128,065	9,115,117	145,155	41,388,337	50,635,712
Capital assets (note 4)	-	-	-	21,360,543	-	21,360,543	6,127,097
	3,278,027	28,850,038	32,128,065	30,475,660	145,155	62,748,880	56,762,809
Liabilities							
Current liabilities							
Accounts payable and accrued liabilities	422,871	-	422,871	2,456,841	1,731	2,881,443	709,700
Accrued payroll liability	1,291,171	-	1,291,171	-	-	1,291,171	1,230,689
Deferred revenue	4,269	-	4,269	-	-	4,269	25,304
Deferred contributions - contracts (note 6)	685,992	-	685,992	-	-	685,992	890,382
Deferred contributions - donations (note 6)	639,247	-	639,247	-	-	639,247	734,520
	3,043,550	-	3,043,550	2,456,841	1,731	5,502,122	3,590,595
Other liabilities	234,477	-	234,477	779,024	-	1,013,501	1,095,660
Deferred contributions - contracts (note 6)	-	-	-	-	-	-	119,062
	3,278,027	-	3,278,027	3,235,865	1,731	6,515,623	4,805,317
Fund balances							
Externally restricted (note 7)	-	-	-	5,408,353	-	5,408,353	1,237,519
Internally restricted	-	28,850,038	28,850,038	21,831,442	2,575	50,684,055	50,578,744
Endowments (note 8)	-	-	-	-	140,849	140,849	141,229
	-	28,850,038	28,850,038	27,239,795	143,424	56,233,257	51,957,492
	3,278,027	28,850,038	32,128,065	30,475,660	145,155	62,748,880	56,762,809

Commitments (note 11)

Approved by the Board of Directors



Director



Director

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

Calgary Young Women's Christian Association
Statement of Revenues and Expenses and Changes in Fund Balances
For the year ended March 31, 2018

						2018	2017
	Operating Fund \$	Sustainability Fund \$	Total \$	Capital Fund \$	Endowment Fund \$	Total \$	Total \$
Revenue							
Government contracts							
Alberta	6,690,547	-	6,690,547	-	-	6,690,547	6,641,323
Canada	1,938,198	-	1,938,198	-	-	1,938,198	1,573,527
City of Calgary (FCSS)	1,288,931	-	1,288,931	-	-	1,288,931	1,395,129
Community support							
United Way of Calgary	1,033,423	-	1,033,423	-	-	1,033,423	1,415,767
Calgary Homeless Foundation	1,314,568	-	1,314,568	-	-	1,314,568	1,670,242
Other contributions	1,640,541	803,934	2,444,475	4,170,834	264	6,615,573	2,056,333
Programs and courses	1,385,688	-	1,385,688	-	-	1,385,688	1,438,878
Accommodation	300,185	-	300,185	-	-	300,185	272,615
Other income	255,167	298	255,465	1,002	-	256,467	423,947
Investment income	16,015	702,565	718,580	-	(644)	717,936	744,025
	15,863,263	1,506,797	17,370,060	4,171,836	(380)	21,541,516	17,631,786
Expenses							
Salaries, wages and benefits	13,338,625	-	13,338,625	-	-	13,338,625	12,844,399
Professional fees and contracted services	1,021,229	-	1,021,229	-	-	1,021,229	864,392
Utilities	372,620	-	372,620	-	-	372,620	463,627
Amortization	-	-	-	103,209	-	103,209	104,044
Materials, supplies and equipment	611,671	-	611,671	-	-	611,671	879,151
Facilities	778,737	-	778,737	-	-	778,737	1,036,712
Marketing and public relations	444,083	-	444,083	-	-	444,083	518,134
Staff and volunteer expenditures	684,254	-	684,254	-	-	684,254	737,948
Insurance	52,964	-	52,964	-	-	52,964	47,351
Finance charges	30,945	-	30,945	50	-	30,995	33,874
	17,335,128	-	17,335,128	103,259	-	17,438,387	17,529,632
Excess of revenues over expenses before the undernoted	(1,471,865)	1,506,797	34,932	4,068,577	(380)	4,103,129	102,154
Gain on sale (note 3)	-	-	-	172,636	-	172,636	155,554
Excess of revenues over expenses	(1,471,865)	1,506,797	34,932	4,241,213	(380)	4,275,765	257,708
Balance – Beginning of year	-	28,815,106	28,815,106	22,998,582	143,804	51,957,492	51,699,784
Interfund transfers	1,471,865	(1,471,865)	-	-	-	-	-
Balance – End of year	-	28,850,038	28,850,038	27,239,795	143,424	56,233,257	51,957,492

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

Calgary Young Women's Christian Association

Statement of Cash Flows

For the year ended March 31, 2018

	2018 \$	2017 \$
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenses	4,275,765	257,708
Items not affecting cash		
Gain on sale	(172,636)	(155,554)
Amortization	103,209	104,044
Contributions restricted for acquisition of capital assets	(4,170,834)	(59,144)
Change in recognition of straight line lease	90,477	144,000
	<u>125,981</u>	<u>291,054</u>
Net change in non-cash working capital		
Accounts receivable	(2,118,952)	(39,792)
Prepays and other	(192,303)	109,384
Accounts payable and accrued liabilities	2,171,743	415,391
Accrued payroll liability	60,482	164,955
Deferred revenue	(21,035)	(10,729)
Deferred contributions – contracts	(323,452)	(337,393)
Deferred contributions – donations	(95,273)	271,158
	<u>(518,790)</u>	<u>572,974</u>
	<u>(392,809)</u>	<u>864,028</u>
Investing activities		
Additions to capital assets	(15,336,655)	(3,085,659)
Sale (purchase) of short-term investments	219,610	(1,422)
	<u>(15,117,045)</u>	<u>(3,087,081)</u>
Financing activities		
Contributions restricted for acquisition of capital assets	4,170,834	59,144
Decrease in cash and cash equivalents	(11,339,020)	(2,163,909)
Cash and cash equivalents – Beginning of year	49,032,248	51,196,157
Cash and cash equivalents – End of year	<u>37,693,228</u>	<u>49,032,248</u>
Cash and cash equivalents are comprised of		
Cash on hand and balances with banks	3,693,792	2,221,129
Short-term investments with maturity dates less than 90 days	33,999,436	46,811,119
	<u>37,693,228</u>	<u>49,032,248</u>

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

Calgary Young Women's Christian Association

Notes to Financial Statements

March 31, 2018

1 Nature of organization

Calgary Young Women's Christian Association (the "Association") was established in 1910 by a special act of the Alberta Legislature. It is a charitable organization providing services in housing, crisis support, counselling, education, employment skills development, and child care for women and their families.

The Association is a registered charity and therefore is exempt from income taxes.

2 Summary of significant accounting policies

Basis of accounting

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Fund accounting

The Operating Fund reports the assets, liabilities, revenues and expenses for the Association's program delivery and administrative expenses. Specifically, this Fund reports contract revenue, restricted community support contributions and revenue from programs and services.

The Sustainability Fund accounts for unrestricted resources and unrestricted donations. The Fund was established to sustain the existence and ensure the continuing activities of the Association. The Fund will be utilized to support operating deficits and future projects at management's discretion.

The Capital Fund reports the assets, liabilities, revenues, expenses and gains and losses related to the Association's capital assets.

The Endowment Fund reports resources contributed for endowment, the principal of which must be permanently maintained, as well as externally restricted amounts for long-term use for the Association's operations.

Fund transfers may include unrestricted amounts as well as internally restricted amounts, where the proper authority exists to approve the transfer. Externally restricted funds may only be transferred where the external restriction allows for fund transfers and the proper authority exists to approve the transfer.

Revenue recognition

The Association follows the restricted fund method of accounting for contributions.

Restricted contributions received related to operations for expenses to be incurred in the future are initially recorded as deferred contributions and recognized in revenue of the Operating Fund as the related expenses are incurred. Unrestricted contributions are recognized in the Sustainability Fund as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Restricted

Calgary Young Women's Christian Association

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contributions related to capital activities and endowments are recognized as revenue of the appropriate fund when received, or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Revenues from programs and courses and accommodation are recognized as revenue when services are provided, the amount to be received can be reasonably estimated and collection is reasonably assured.

Other income includes membership fees, rentals and sales, and donated goods and services and are recognized as revenue when services are provided, the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is reported in the appropriate restricted fund or in the Operating Fund if no appropriate restricted fund exists. Unrestricted investment income is reported in the Operating and Sustainability Funds.

Donated services and materials

Services donated to the Association through volunteer work are not reflected in these financial statements. Donated goods and services are recorded as revenues and expenses when the fair value is reasonably determinable and when they would normally be purchased and paid for by the Association, if not donated. During fiscal 2018, \$130,824 of contributed services and materials were recorded in the financial statements as other income and facilities expense (2017 – \$328,890).

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, balances with banks, and short-term investments with maturity dates less than 90 days from purchase date.

Short-term investments

Investments are carried at fair value.

Capital assets

Purchased capital assets are recorded in the Capital Fund at cost. Donated capital assets are recorded at estimated fair value at the date of contribution. Amortization, which is reported in the Capital Fund, is computed on the declining balance basis at the following rates:

Vehicle	30%
Leasehold improvements	4%
Furniture and equipment	20%

Assets held under capital lease are amortized over the term of the lease on a declining balance basis. Work in progress amounts are not amortized until the related assets are put into use.

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The Association reviews its capital assets for impairment whenever events or changes in circumstances indicate that the capital asset no longer has any long-term service potential for the Association. If the carrying amount is greater than residual value, the asset is written down to its estimated residual value.

Financial instruments

The Association initially measures financial assets and financial liabilities at their fair value. It subsequently measures its financial assets and financial liabilities at amortized cost, other than short-term investments which are reported at fair value. The financial assets subsequently measured at amortized cost include cash and cash equivalents and accounts receivable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities and accrued payroll liability.

a) Credit risk

The Association does not have a concentration of credit exposure with any one donor or member. The Association does not consider that it is exposed to undue credit risk.

b) Liquidity risk

The Association is not exposed to significant liquidity risk as the majority of its investments are not held for long-term periods of time. These investments are subject to liquidity risk if the Association is required to sell at a time that the market for the investments is unfavourable.

c) Market risk

Interest rate risk

The Association is not subject to any significant interest rate risk.

Other price risk

The investments of the Association are subject to price risk because changing interest rates impact the market value of its fixed rate investments. This risk is not considered significant given the limited fluctuation of Canadian Guaranteed Investment Certificates.

There were no significant changes to the Association's risk exposures from the previous fiscal year.

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Use of estimates

The preparation of the 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 as at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

Impairment is considered a significant area of measurement uncertainty. In estimating the impairment, management must determine which of its assets no longer have long-term service potential and must be written down. Where a portion of an asset has been identified as no longer having long-term service potential, management must allocate the carrying value of the asset to the affected area on a systematic and rational basis.

3 Gain on sale

On November 26, 2015, the Association completed the sale of the land and building located at 320 5th Avenue SE Calgary, Alberta. A condition of the sale was that the Association would be liable for the costs to a maximum of \$575,000, of terminating a specific tenant's lease. A portion of the proceeds are held in escrow with the Purchaser's lawyer for this purpose.

The Association signed a four year lease agreement for use of the property. As a result of the sale of the land and building, a portion of the gain was deferred to other liabilities in the prior year resulting from the leaseback of a portion of the building. The deferred gain will be recognized over the life of the lease.

4 Capital assets

			2018	2017
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Vehicle	45,020	44,066	954	1,363
Leasehold improvements	3,842,966	1,881,860	1,961,106	1,997,493
Furniture and equipment	2,790,754	2,687,357	103,397	114,503
Work in progress	14,495,086	-	14,495,086	4,013,738
Land	4,800,000	-	4,800,000	-
	25,973,826	4,613,283	21,360,543	6,127,097

Work in progress at March 31, 2018 and 2017 reflects costs incurred in planning for the construction of a new facility. During 2018, no capital assets were contributed to the Association (2017 – \$nil).

The land on which the Sheriff King Home building is located is leased through a sublease with Royal Trust Corporation of Canada as Executor of the Will of Peter Willoughby King, late of the Province of Alberta.

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5 Government remittances

Government remittances consist of amounts required to be paid to government authorities and are recognized when the amounts are due. In respect of government remittances, payroll withholding tax of \$183,317 (2017 – \$212,574) is included in accrued payroll liability.

6 Deferred contributions

Deferred contributions – contracts and deferred contributions - donations represent externally restricted amounts received that have not been spent. These amounts are restricted for various programs of the Association.

	2018 \$	2017 \$
Balance – Beginning of year	1,743,964	1,810,199
Contributions received	10,350,068	10,941,249
Recognized as government contracts and community support	<u>(10,768,793)</u>	<u>(11,007,484)</u>
Balance – End of year	<u>1,325,239</u>	<u>1,743,964</u>
Deferred contributions – contracts – current and non-current	685,992	1,009,444
Deferred contributions – donations	<u>639,247</u>	<u>734,520</u>
	<u>1,325,239</u>	<u>1,743,964</u>

7 Capital Fund

Externally restricted balances represent contributions received for the following purposes:

	2018 \$	2017 \$
Balance – Beginning of year	1,237,519	1,076,718
Sheriff King Home capital acquisitions	195,622	37,921
Language Instruction for New Canadians capital investment	-	21,222
Capital project	<u>3,975,212</u>	<u>101,658</u>
Balance – End of year	<u>5,408,353</u>	<u>1,237,519</u>

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Notes to Financial Statements

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8 Endowment Fund

	2018 \$	2017 \$
Judy Osborne Memorial Fund	61,739	62,723
Power of Women – Power to Change Fund	79,110	78,506
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	140,849	141,229

9 Employee future benefits

The Association maintains a voluntary group registered retirement savings plan for its employees. The Association matches employees' contributions to a maximum of 2% – 8% of their annual salary, depending on their term of service. The amount of the Association's contributions in fiscal 2018 was \$142,485 (2017 – \$133,944) and is included in salaries, wages and benefits in the Statement of Revenues and Expenses and Changes in Fund Balances.

10 Community support

In order to raise \$9.0 million (2017 – \$5.1 million) in community support in the year, the Association paid \$580,629 (2017 – \$479,887) as remuneration to employees whose principle duties involve fundraising and \$342,211 (2017 – \$348,667) of staffing costs, facilities for the staff, general supplies and direct expenses for the purpose of soliciting contributions. These contributions were used to support the programs of the Association where needed, as well as to support the campaign to raise funds for the Association's Transformation Plan.

11 Commitments

The Association entered into a lease agreement for office space. The Association is committed to the following lease payments fees over the next two years:

	\$
2019	288,000
2020	182,286

As at March 31, 2018, the Association had entered into financial commitments of approximately \$40 million (2017 – \$nil) related to its HUB facility capital project.

12 Comparative figures

Certain of the comparative figures have been reclassified to conform to the current year's presentation.