

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND
DISTRICT**

FINANCIAL STATEMENTS

For the year ended March 31, 2018

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND DISTRICT
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March 31, 2018

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CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To: The Board of
Young Women's Christian Association of Lethbridge and District

We have audited the accompanying financial statements of Young Women's Christian Association of Lethbridge and District, which comprise the statement of financial position as at March 31, 2018, and the statements of operations and changes in fund balances 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.

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 Association'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 Association'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 qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the Association receives revenue from donations and fund raising, the completeness of which is not susceptible of satisfactory audit verification. We were therefore unable to obtain sufficient appropriate audit evidence regarding the completeness of these revenues. Consequently we were unable to determine whether any adjustments to donations and fund raising revenue were necessary.

Qualified Opinion

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the 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.

Lethbridge, Alberta

June 27, 2018

A handwritten signature in cursive script that reads "Avail LLP".

Chartered Professional Accountants

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND DISTRICT
Statement of Financial Position
As at March 31, 2018

	Operating Fund	Gaming Fund	Capital Fund	2018	2017
ASSETS					
Current					
Cash and cash equivalents (note 3)	\$ 2,011,238	\$ 49,401	\$ 293,232	\$ 2,353,871	\$ 2,364,968
Accounts receivable	73,878	-	-	73,878	121,258
Inventory	739	-	-	739	739
Prepaid expenses	37,788	-	-	37,788	36,832
	2,123,643	49,401	293,232	2,466,276	2,523,797
Capital assets (note 4)	-	-	885,680	885,680	951,663
	\$ 2,123,643	\$ 49,401	\$ 1,178,912	\$ 3,351,956	\$ 3,475,460

LIABILITIES AND FUND BALANCES					
Current					
Accounts payable and accrued liabilities (note 5)	\$ 237,087	\$ -	\$ -	\$ 237,087	\$ 308,795
Unearned revenue	22,137	-	-	22,137	23,241
Restricted deferred contributions (note 6)	1,474,812	-	-	1,474,812	1,545,014
Current portion of long-term debt	-	-	37,266	37,266	47,796
	1,734,036	-	37,266	1,771,302	1,924,846
Long-term debt (note 7)	-	-	6,905	6,905	42,662
Unamortized capital contributions (note 8)	-	-	510,495	510,495	580,534
	1,734,036	-	554,666	2,288,702	2,548,042
Fund Balances					
Internally restricted					
Capital investment reserve	-	-	267,828	267,828	238,155
Operating reserve	271,541	-	-	271,541	241,865
Externally restricted					
Gaming reserve	-	49,401	-	49,401	24,257
Capital replacement reserve (note 9)	-	-	25,404	25,404	24,404
Invested in capital assets	-	-	331,014	331,014	280,671
Unrestricted	118,066	-	-	118,066	118,066
	389,607	49,401	624,246	1,063,254	927,418
	\$ 2,123,643	\$ 49,401	\$ 1,178,912	\$ 3,351,956	\$ 3,475,460

Approved on behalf of the board:

Director  _____

Director  _____

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND DISTRICT
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
For the year ended March 31, 2018

	Budget (Unaudited)	Operating Fund	Gaming Fund	Capital Fund	2018 Actual	2017 Actual
Revenues						
Grants	\$ 2,608,188	\$ 2,544,349	\$ -	\$ 3,953	\$ 2,548,302	\$ 2,460,760
Fees for service	436,900	354,142	-	-	354,142	384,598
Donations	257,927	215,193	-	-	215,193	70,773
Fundraising	350,882	117,658	34,881	-	152,539	174,494
Other	23,500	9,882	-	-	9,882	18,427
Interest	26,000	-	-	23,781	23,781	18,176
Amortization of capital contributions	120,000	-	-	113,970	113,970	117,583
	3,823,397	3,241,224	34,881	141,704	3,417,809	3,244,811
Expenses						
Salaries and honorariums	2,772,165	2,383,270	-	-	2,383,270	2,243,276
Direct client costs	110,275	102,812	-	-	102,812	88,756
Telephone and utilities	126,330	159,469	-	-	159,469	137,465
Travel and training	123,900	82,220	-	-	82,220	100,754
Repairs and maintenance	88,925	64,162	-	-	64,162	68,843
Supplies and stationary	84,031	61,117	-	-	61,117	62,640
Fundraising costs	65,321	46,969	-	-	46,969	55,574
Professional fees	64,160	33,995	-	-	33,995	64,031
Membership and fees	59,854	52,392	-	-	52,392	49,920
Advertising and promotion	38,450	21,966	-	-	21,966	19,492
Insurance	25,210	32,233	-	-	32,233	26,935
Grant	8,500	7,058	-	-	7,058	8,817
Information technology	49,750	16,580	-	-	16,580	12,708
Other	14,865	16,552	-	-	16,552	20,074
Volunteer costs	8,300	6,890	-	-	6,890	9,937
Interest and bank charges	4,800	6,546	-	-	6,546	6,020
Small equipment	5,298	306	-	-	306	234
Property taxes	1,032	1,099	-	-	1,099	1,089
Interest on long-term debt	8,128	-	-	2,214	2,214	3,651
Amortization	195,800	-	-	184,123	184,123	182,275
	3,855,094	3,095,636	-	186,337	3,281,973	3,162,491
Excess (deficiency) of revenues over expenses	(31,697)	145,588	34,881	(44,633)	135,836	82,320
Fund balances, beginning of year	927,418	359,931	24,257	543,230	927,418	845,098
Interfund transfers (note 10)	-	(115,912)	(9,737)	125,649	-	-
Fund balances, end of year	\$ 895,721	\$ 389,607	\$ 49,401	\$ 624,246	\$ 1,063,254	\$ 927,418

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND DISTRICT
STATEMENT OF CASH FLOWS
For the year ended March 31, 2018

	2018	2017
Cash flows from operating activities		
Excess of revenues over expenses	\$ 135,836	\$ 82,320
Adjustments for items which do not affect cash		
Amortization	184,123	182,275
Amortization of capital contributions	(113,970)	(117,583)
	205,989	147,012
Change in non-cash working capital items		
Accounts receivable	47,380	38,370
Inventory	-	96
Prepaid expenses	(956)	(1,165)
Accounts payable and accrued liabilities	(71,708)	158,894
Unearned revenue	(1,104)	5,766
Restricted deferred contributions	(70,202)	(172,062)
	109,399	176,911
Cash flows from investing activities		
Purchase of capital assets	(118,140)	(69,592)
Capital contributions received	43,931	40,699
	(74,209)	(28,893)
Cash flows from financing activity		
Repayment of long-term debt	(46,287)	(44,683)
Net increase in cash	(11,097)	103,335
Cash and cash equivalents, beginning of year	2,364,968	2,261,633
Cash and cash equivalents, end of year	\$ 2,353,871	\$ 2,364,968

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND DISTRICT

NOTES TO THE FINANCIAL STATEMENTS For the year ended March 31, 2018

1. Nature of operations

Young Women's Christian Association of Lethbridge and District is an organization committed to women and the enhancement of their lives. The Association is a not-for-profit organization and is a registered charity under the Income Tax Act.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

(a) Fund accounting

Revenue and expenses related to the operation of the Association's programs and administrative activities are reported in the Operating Fund.

Revenue and expenses related to the Association's Bingo, Raffle and Casino activities are reported in the Gaming Fund. These funds are expended in accordance with the Association's license issued under the Alberta Gaming Commission.

The Capital Fund reports the assets, liabilities, revenue and expenses related to the Association's capital assets. The Association has chosen to continue to treat amounts invested in capital assets as a separate component of the capital fund.

(b) 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. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted contributions related to the purchase of capital assets are recognized as revenue of the Capital Fund. Capital contributions are recognized over the same period as the related capital asset.

(c) Financial instruments

The Association initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost.

(d) Cash and cash equivalents

The Association includes cash on hand, amounts held by financial institutions in operating accounts, cheques issued in excess of cash on deposit, and an overdraft in the determination of cash and cash equivalents.

(e) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND
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**NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2018**

2. Significant accounting policies, continued

(f) Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is based on their useful life using the following methods and rates:

Buildings	35 years straight-line
Equipment - other	20% declining balance
Office equipment	20% declining balance
Computer software	30% declining balance

Amortization of leasehold improvements is recorded over the remaining term of the lease plus the first renewal option.

(g) Income taxes

Under Section 149 (1)(f) of the Income Tax Act, the Association is exempt from income taxes on income earned in the normal course of operations.

(h) Contributed goods and services

Contributed goods and services to assist the Association in carrying out its activities are not recognized in the financial statements due to the difficulty in determining their fair value.

(i) Allocated expenses

The Association incurs expenses that can be directly identified with program activities and therefore can be charged to the appropriate function. However, there are certain support services that relate to more than one program activity and must be allocated out based on management's best determination of where the expenses were incurred. These expenses include administration wages and benefits, facility rent, equipment repairs and maintenance, advertising, facility repairs and maintenance, office supplies and postage, telephone, professional fees and insurance. These expenses are allocated out based on the space used by the program, time spent on the program or by dollar value of the program.

(j) 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 disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

3. Cash and cash equivalents

Cash has been allocated between the Operating, Gaming, and Capital Funds although amounts may not have been physically transferred to separate bank accounts.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND
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**NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2018**

4. Capital assets

			2018	2017
	Cost	Accumulated amortization	Net	Net
Land	\$ 160,000	\$ -	\$ 160,000	\$ 160,000
Buildings	3,753,628	3,360,817	392,811	500,058
Computer software	152,962	141,896	11,066	11,956
Improvements - building	839,586	608,193	231,393	178,401
Equipment - other	285,506	239,859	45,647	57,204
Office equipment	206,040	161,277	44,763	44,044
	\$ 5,397,722	\$ 4,512,042	\$ 885,680	\$ 951,663

5. Accounts payable and accrued liabilities

	2018	2017
Accounts payable	\$ 159,990	\$ 233,487
Vacation and lieu time payable	77,097	75,308
	\$ 237,087	\$ 308,795

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND
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**NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2018**

6. Restricted deferred contributions

Restricted deferred contributions represent restricted program funding received that is related to subsequent years.

	2018	2017
Harbour House	\$ 556,671	\$ 612,972
Shelter Outreach	291,410	240,562
Other	105,605	119,886
Alberta Government Family and Community Safety Grant	85,742	131,839
Walk a Mile donations	75,054	51,752
Project Child Recovery donations	54,719	53,934
Safe Visitation	54,526	39,437
Women of Distinction	38,465	41,136
Youth donations	32,439	32,818
Climb to end Family Violence	27,517	24,909
Alcoa	26,263	28,652
Special needs grant	20,736	-
Young Girl Conference donations	17,797	17,797
Hestia House	16,188	16,188
Amethyst	14,543	-
Girl's Space	14,300	48,812
Life Enrichment Centre	12,079	11,979
Turning Point Golf Tournament	10,380	-
Life long learning association	6,500	6,500
Young women's leadership council	5,778	5,778
Think Big Look Back	5,385	-
Canadian Women's Foundation	2,715	2,715
Gaming funds	-	32,348
Community Initiatives Program	-	25,000
Balance, end of year	\$ 1,474,812	\$ 1,545,014

	2018	2017
Opening restricted deferred contributions	\$ 1,545,014	\$ 1,717,076
Amounts received	2,421,386	2,398,522
Amounts recognized	(2,454,325)	(2,570,584)
Amount repaid	(37,263)	-
Ending restricted deferred contributions	\$ 1,474,812	\$ 1,545,014

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2018

7. Long-term debt

	2018	2017
Canada Mortgage and Housing Corporation This mortgage is repayable at \$1,741 per month including interest at 2.11%. Security pledged consists of a building with a carrying value of \$23,629. The mortgage is due in September 2018.	\$ 10,379	\$ 30,815
Royal Bank of Canada This mortgage is repayable at \$2,307 per month including interest at 3.69%. Security pledged consists of a house with a carrying value of \$264,779. The mortgage is due in May 2019.	33,792	59,643
	44,171	90,458
<u>Less current portion</u>	<u>37,266</u>	<u>47,796</u>
	\$ 6,905	\$ 42,662
Estimated principal repayments are as follows:		
2019	\$ 37,266	
2020	6,905	
	\$ 44,171	

8. Unamortized capital contributions

Unamortized capital contributions represent the unamortized portion of contributions received for the purchase of capital assets.

The changes for the year are as follows:

	2018	2017
Beginning balance	\$ 580,534	\$ 657,417
Capital contributions received	43,931	40,699
<u>Amortization of capital contributions</u>	<u>(113,970)</u>	<u>(117,582)</u>
	\$ 510,495	\$ 580,534

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND
DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2018**

9. **Capital replacement reserve**

	2018	2017
Beginning balance	\$ 24,404	\$ 23,404
Transfer from operating	1,000	1,000
Ending balance	\$ 25,404	\$ 24,404

The Association appropriates a portion of current or prior years' operating surplus pursuant to an agreement with Canada Mortgage and Housing Corporation to be used for the replacement of capital assets in the future.

10. **Interfund transfers**

The operating interfund transfers represent net capital asset transactions of \$94,976, the transfer of \$1,000 to the capital replacement reserve per the CMHC agreement and \$29,674 which represents 50% of the remaining operating surplus to the capital investment reserve. A transfer of \$9,737 was made from the gaming fund to the operating fund for computer expenses.

11. **Contingencies**

Employees of the Association accrue sick leave to a maximum of 240 hours. As at March 31, 2018, the amount of sick leave accrued was \$59,391 (2017 - \$74,937). The amount was not recorded in the financial statements as there is no certainty the full amount will be used. The amount of accrued sick leave is not paid out to employees of the Association when they leave their position.

12. **Financial instruments**

The Association's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and long-term debt. It is management's opinion that the Association is not exposed to significant interest rate or credit risks arising from these financial instruments.

13. **Economic dependence**

The Association is dependent on continued funding from Alberta Human Services for the operation of the Harbour House program.

14. **Comparative figures**

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.