

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

FINANCIAL STATEMENTS

For the year ended March 31, 2015

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND DISTRICT
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Young Parkyn McNab LLP

CHARTERED 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, 2015, 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, 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.



Lethbridge, Alberta

June 24, 2015

Chartered Accountants

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND DISTRICT
Statement of Financial Position
As at March 31, 2015

	Operating Fund		Gaming Fund		Capital Fund		2015		2014
ASSETS									
Current									
Cash and cash equivalents (note 3)	\$ 1,774,932	\$	37,097	\$	195,612	\$	2,007,641	\$	1,976,644
Accounts receivable	28,546		-		-		28,546		41,808
Inventory	835		-		-		835		835
Prepaid expenses	38,873		-		-		38,873		46,765
	1,843,186		37,097		195,612		2,075,895		2,066,052
Capital assets (note 4)	-		-		1,198,731		1,198,731		1,292,092
	\$ 1,843,186	\$	37,097	\$	1,394,343	\$	3,274,626	\$	3,358,144
LIABILITIES AND FUND BALANCES									
Current									
Accounts payable and accrued liabilities (note 5)	\$ 178,839	\$	-	\$	-	\$	178,839	\$	537,140
Unearned revenue	21,596		-		-		21,596		19,025
Restricted deferred revenue (note 6)	1,349,724		-		-		1,349,724		981,699
Current portion of long-term debt	-		-		43,337		43,337		42,035
	1,550,159		-		43,337		1,593,496		1,579,899
Long-term debt (note 7)	-		-		135,141		135,141		178,497
Unamortized deferred capital contributions (note 8)	-		-		743,665		743,665		827,504
Deferred capital contributions (note 9)	-		-		1,958		1,958		1,958
	1,550,159		-		924,101		2,474,260		2,587,858
Fund Balances									
Internally restricted									
Capital investment reserve	-		-		171,252		171,249		165,194
Operating reserve	174,961		-		-		174,961		168,904
Externally restricted									
Gaming reserve	-		37,097		-		37,097		52,661
Capital replacement reserve (note 10)	-		-		22,404		22,404		21,404
Invested in capital assets	-		-		276,589		276,589		244,057
Unrestricted	118,066		-		-		118,066		118,066
	293,027		37,097		470,242		800,366		770,286
	\$ 1,843,186	\$	37,097	\$	1,394,343	\$	3,274,626	\$	3,358,144

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, 2015

	Budget (Unaudited)	Operating Fund	Gaming Fund	Capital Fund	2015 Actual	2014 Actual
Revenues						
Grants	\$ 2,280,255	\$ 2,278,502	\$ -	\$ 3,649	\$ 2,282,151	\$ 2,765,005
Fees for service	302,450	309,534	-	-	309,534	298,668
Donations	163,143	150,747	-	-	150,747	296,067
Fundraising	191,060	95,308	28,690	-	123,998	109,067
Other	28,429	15,450	-	-	15,450	13,603
Interest	18,650	33	70	17,949	18,052	13,537
Amortization of deferred capital	121,590	-	-	113,946	113,946	112,696
	3,105,577	2,849,574	28,760	135,544	3,013,878	3,608,643
Expenses						
Salaries and honorariums	2,199,195	2,025,727	-	-	2,025,727	2,416,729
Direct client costs	122,163	120,394	-	-	120,394	231,093
Telephone and utilities	122,450	129,921	-	-	129,921	133,219
Travel and training	62,150	49,034	-	-	49,034	73,265
Repairs and maintenance	58,250	73,694	-	-	73,694	66,114
Supplies and stationary	77,202	74,454	-	-	74,454	64,102
Fundraising costs	47,550	62,622	21,088	-	83,710	61,900
Professional fees	64,436	23,524	-	-	23,524	45,064
Membership and fees	40,715	48,786	-	-	48,786	43,307
Advertising and promotion	24,300	26,661	-	-	26,661	29,913
Insurance	28,140	28,833	-	-	28,833	26,305
Grant	22,370	53,962	-	-	53,962	19,850
Information technology	27,000	13,880	-	-	13,880	18,634
Other	12,000	15,427	-	-	15,427	15,001
Volunteer costs	4,300	7,668	-	-	7,668	11,972
Interest and bank charges	7,920	8,093	2	-	8,095	7,559
Small equipment	6,962	728	-	-	728	2,605
Property taxes	1,032	1,057	-	-	1,057	1,032
Interest on long-term debt	29,279	-	-	6,441	6,441	8,208
Loss on disposal of capital assets	-	-	-	-	-	29
Amortization	183,376	-	-	191,802	191,802	189,608
	3,140,790	2,764,465	21,090	198,243	2,983,798	3,465,509
Excess (deficiency) of revenues over expenses	(35,213)	85,109	7,670	(62,699)	30,080	143,134
Fund balances, beginning of year	770,286	286,970	52,661	430,655	770,286	627,152
Interfund transfers (note 11)	-	(79,052)	(23,234)	102,286	-	-
Fund balances, end of year	\$ 735,073	\$ 293,027	\$ 37,097	\$ 470,242	\$ 800,366	\$ 770,286

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND DISTRICT
STATEMENT OF CASH FLOWS
For the year ended March 31, 2015

	2015	2014
Cash flows from operating activities		
Excess (deficiency) of revenues over expenses	\$ 30,080	\$ 143,134
Adjustments for items which do not affect cash		
Amortization	191,802	189,608
Loss on disposal of capital assets	-	29
Amortization of deferred capital contributions	(113,946)	(112,696)
	107,936	220,075
Change in non-cash working capital items		
Accounts receivable	13,262	132,349
Prepaid expenses	7,892	3,142
Accounts payable and accrued liabilities	(358,300)	339,872
Unearned revenue	2,571	(708)
Restricted deferred revenue	368,025	(70,569)
	141,386	624,161
Cash flows from investing activities		
Proceeds on disposal of capital assets	-	4,000
Purchase of capital assets	(98,441)	(105,529)
Capital contributions received	30,106	7,510
	(68,335)	(94,019)
Cash flows from financing activity		
Repayment of long-term debt	(42,054)	(40,337)
Net increase in cash	30,997	489,805
Cash and cash equivalents, beginning of year	1,976,644	1,486,839
Cash and cash equivalents, end of year	\$ 2,007,641	\$ 1,976,644

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND
DISTRICT**
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2015

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 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, 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, 2015**

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
Computer software	30% declining balance
Improvements - building	20% declining balance
Equipment - other	20% declining balance
Office equipment	20% declining balance

(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, 2015**

4. Capital assets

	2015		2014	
	Cost	Accumulated amortization	Net	Net
Land	\$ 160,000	\$ -	\$ 160,000	\$ 160,000
Buildings	3,753,628	3,039,076	714,552	821,799
Computer software	144,356	124,714	19,642	28,059
Improvements - building	655,034	474,056	180,978	157,959
Equipment - other	249,292	186,962	62,330	51,109
Office equipment	197,504	136,275	61,229	73,166
	\$ 5,159,814	\$ 3,961,083	\$ 1,198,731	\$ 1,292,092

5. Accounts payable and accrued liabilities

	2015		2014	
Accounts payable	\$ 77,683	\$ 402,057		
Vacation and lieu time payable	101,156	90,804		
Government remittances payable	-	44,279		
	\$ 178,839	\$ 537,140		

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2015**

6. Restricted deferred contributions

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

	2015	2014
Harbour House	\$ 426,076	\$ 198,149
Shelter Outreach	234,739	193,156
Safe Visitation	150,938	34,389
Project Child Recovery donations	80,777	105,777
Other	79,357	62,871
Community Facility Enhancement	62,178	-
Community Initiatives Program	50,000	-
Walk a Mile donations	42,010	39,230
Girl's Space	36,259	68,750
Youth donations	32,818	32,518
Women of Distinction	25,809	22,176
Canadian Women's Foundation	22,715	16,263
Young Girl Conference donations	21,589	23,909
Alcoa Sexual Violence Bystander	16,431	-
YPM Sunrise House	16,188	28,311
Life Enrichment Centre	12,354	11,990
Climb to end Family Violence	11,135	-
Community capital project grant	10,144	-
Life long learning association	5,000	-
Community substance abuse response team	5,917	6,541
Young women's leadership council	5,778	5,778
Reno's for dignity raffle	1,512	-
Alberta children foundation	-	100,401
Status of Women Canada	-	31,490
Balance, end of year	\$ 1,349,724	\$ 981,699

	2015	2014
Opening restricted deferred contributions	\$ 981,699	\$ 1,052,268
Amounts received	1,183,596	3,105,500
Amounts recognized	(815,571)	(3,176,069)
Ending restricted deferred contributions	\$ 1,349,724	\$ 981,699

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

**NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2015**

7. Long-term debt

	2015	2014
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 \$307,177. The mortgage is due in September 2018.	\$ 70,422	\$ 89,612
Royal Bank of Canada This mortgage is repayable at \$2,290 per month including interest at 3.84%. Security pledged consists of a house with a carrying value of \$283,895. The mortgage is due in May 2017.	108,056	130,920
	178,478	220,532
Less current portion	43,337	42,035
	<u>\$ 135,141</u>	<u>\$ 178,497</u>
Estimated principal repayments are as follows:		
2016	\$ 43,337	
2017	44,683	
2018	46,073	
2019	37,027	
2020	7,358	
	<u>\$ 178,478</u>	

8. Unamortized deferred capital contributions

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

The changes for the year are as follows:

	2015	2014
Beginning balance	\$ 827,504	\$ 932,690
Capital contributions received	30,106	7,510
Amortization of deferred capital contributions	(113,945)	(112,696)
	<u>\$ 743,665</u>	<u>\$ 827,504</u>

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND
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**NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2015**

9. Deferred capital contributions

Deferred capital contributions represent the unspent portion of contributions received for the purchase of capital assets. There were no changes to the balances in the current year.

10. Capital replacement reserve

	2015		2014
Beginning balance	\$ 21,404	\$	20,404
Transfer from operating	1,000		1,000
Ending balance	<u>\$ 22,404</u>	<u>\$</u>	<u>21,404</u>

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.

11. Interfund transfers

The operating interfund transfers represent net capital asset transactions of \$71,995, the transfer of \$1,000 to the Capital Replacement Reserve per the CMHC agreement and \$6,057 which represents 50% of the remaining operating surplus to the Capital Investment Reserve. A transfer of \$23,234 was made from the Gaming Fund which represents capital asset transactions.

12. Contingencies

Employees of the Association accrue sick leave to a maximum of 240 hours. As at March 31, 2015, the amount of sick leave accrued was \$80,546 (2014 - \$73,221). 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.

The Association has been named defendant in a legal action alleging wrongful dismissal of a former employee. Legal counsel to the Association is unable to assess the Association's potential liability, if any, resulting from this action. No provision for possible loss has been included in these financial statements.

13. Economic dependence

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

14. Comparative amounts

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.