

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

FINANCIAL STATEMENTS

For the year ended March 31, 2017

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND DISTRICT
TABLE OF CONTENTS
March 31, 2017

INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES	3
STATEMENT OF CASH FLOWS	4
NOTES TO THE FINANCIAL STATEMENTS	5 - 10



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, 2017, 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, 2017 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.

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

Lethbridge, Alberta

June 27, 2017

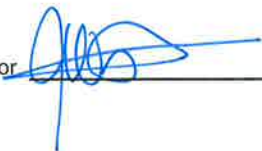
Chartered Professional Accountants

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND DISTRICT
Statement of Financial Position
As at March 31, 2017

	Operating Fund		Gaming Fund		Capital Fund		2017		2016
ASSETS									
Current									
Cash and cash equivalents (note 3)	\$ 2,045,804	\$	\$ 56,605	\$	\$ 262,559	\$	\$ 2,364,968	\$	\$ 2,261,633
Accounts receivable	121,258		-		-		121,258		159,628
Inventory	739		-		-		739		835
Prepaid expenses	36,832		-		-		36,832		35,667
	2,204,633		56,605		262,559		2,523,797		2,457,763
Capital assets (note 4)	-		-		951,663		951,663		1,064,346
	\$ 2,204,633	\$	\$ 56,605	\$	\$ 1,214,222	\$	\$ 3,475,460	\$	\$ 3,522,109
LIABILITIES AND FUND BALANCES									
Current									
Accounts payable and accrued liabilities (note 5)	\$ 308,795	\$	\$ -	\$	\$ -	\$	\$ 308,795	\$	\$ 149,902
Unearned revenue	23,241		-		-		23,241		17,475
Restricted deferred contributions (note 6)	1,512,666		32,348		-		1,545,014		1,717,076
Current portion of long-term debt	-		-		47,796		47,796		44,681
	1,844,702		32,348		47,796		1,924,846		1,929,134
Long-term debt (note 7)	-		-		42,662		42,662		90,460
Unamortized capital contributions (note 8)	-		-		580,534		580,534		657,417
	1,844,702		32,348		670,992		2,548,042		2,677,011
Fund Balances									
Internally restricted									
Capital investment reserve	-		-		238,155		238,155		197,714
Operating reserve	241,865		-		-		241,865		201,426
Externally restricted									
Gaming reserve	-		24,257		-		24,257		32,701
Capital replacement reserve (note 9)	-		-		24,404		24,404		23,404
Invested in capital assets	-		-		280,671		280,671		271,787
Unrestricted	118,066		-		-		118,066		118,066
	359,931		24,257		543,230		927,418		845,098
	\$ 2,204,633	\$	\$ 56,605	\$	\$ 1,214,222	\$	\$ 3,475,460	\$	\$ 3,522,109

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, 2017

	Budget (Unaudited)	Operating Fund	Gaming Fund	Capital Fund	2017 Actual	2016 Actual
Revenues						
Grants	\$ 2,652,435	\$ 2,457,111	\$ -	\$ 3,649	\$ 2,460,760	\$ 2,424,026
Fees for service	379,750	384,598	-	-	384,598	308,063
Donations	167,649	70,773	-	-	70,773	131,954
Fundraising	243,772	172,831	1,663	-	174,494	108,142
Other	34,250	18,427	-	-	18,427	25,681
Interest	27,000	-	-	18,176	18,176	14,609
Amortization of capital contributions	119,000	-	-	117,583	117,583	114,596
	3,623,856	3,103,740	1,663	139,408	3,244,811	3,127,071
Expenses						
Salaries and honorariums	2,602,764	2,243,276	-	-	2,243,276	2,178,207
Direct client costs	106,825	88,756	-	-	88,756	112,407
Telephone and utilities	126,330	137,465	-	-	137,465	135,048
Travel and training	120,217	100,053	-	-	100,053	64,494
Repairs and maintenance	56,925	68,843	-	-	68,843	90,145
Supplies and stationary	86,691	62,640	-	-	62,640	61,773
Fundraising costs	50,860	53,911	1,663	-	55,574	49,960
Professional fees	66,093	64,031	-	-	64,031	42,035
Membership and fees	63,707	49,920	-	-	49,920	45,245
Advertising and promotion	48,876	25,277	-	-	25,277	18,951
Insurance	26,210	26,935	-	-	26,935	26,817
Grant	11,500	8,817	-	-	8,817	12,446
Information technology	40,500	12,708	-	-	12,708	14,722
Other	13,450	20,074	-	-	20,074	16,011
Volunteer costs	5,450	4,853	-	-	4,853	4,031
Interest and bank charges	4,800	6,020	-	-	6,020	6,427
Small equipment	3,725	234	-	-	234	12,886
Property taxes	1,032	1,089	-	-	1,089	1,051
Interest on long-term debt	10,319	-	-	3,651	3,651	5,122
Amortization	195,800	-	-	182,275	182,275	184,561
	3,642,074	2,974,902	1,663	185,926	3,162,491	3,082,339
Excess (deficiency) of revenues over expenses	(18,218)	128,838	-	(46,518)	82,320	44,732
Fund balances, beginning of year	845,098	319,490	32,701	492,907	845,098	800,366
Interfund transfers (note 10)	-	(88,397)	(8,444)	96,841	-	-
Fund balances, end of year	\$ 826,880	\$ 359,931	\$ 24,257	\$ 543,230	\$ 927,418	\$ 845,098

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND DISTRICT
STATEMENT OF CASH FLOWS
For the year ended March 31, 2017

	2017	2016
Cash flows from operating activities		
Excess of revenues over expenses	\$ 82,320	\$ 44,732
Adjustments for items which do not affect cash		
Amortization	182,275	184,561
Amortization of capital contributions	(117,583)	(114,596)
	147,012	114,697
Change in non-cash working capital items		
Accounts receivable	38,370	(131,082)
Inventory	96	-
Prepaid expenses	(1,165)	3,206
Accounts payable and accrued liabilities	158,894	(28,937)
Unearned revenue	5,766	(4,121)
Restricted deferred contributions	(172,062)	367,352
	176,911	321,115
Cash flows from investing activities		
Purchase of capital assets	(69,592)	(50,176)
Capital contributions received	40,699	26,390
	(28,893)	(23,786)
Cash flows from financing activity		
Repayment of long-term debt	(44,683)	(43,337)
Net increase in cash	103,335	253,992
Cash and cash equivalents, beginning of year	2,261,633	2,007,641
Cash and cash equivalents, end of year	\$ 2,364,968	\$ 2,261,633

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND DISTRICT

NOTES TO THE FINANCIAL STATEMENTS For the year ended March 31, 2017

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 DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2017

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
DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2017**

4. Capital assets

	2017		2016	
	Cost	Accumulated amortization	Net	Net
Land	\$ 160,000	\$ -	\$ 160,000	\$ 160,000
Buildings	3,753,628	3,253,570	500,058	607,305
Computer software	149,110	137,154	11,956	17,078
Improvements - building	737,058	558,657	178,401	160,005
Equipment - other	282,282	225,078	57,204	68,277
Office equipment	197,504	153,460	44,044	51,681
	\$ 5,279,582	\$ 4,327,919	\$ 951,663	\$ 1,064,346

5. Accounts payable and accrued liabilities

	2017		2016	
Accounts payable		\$ 233,487	\$	65,081
Vacation and lieu time payable		75,308		84,821
		\$ 308,795	\$	149,902

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2017

6. Restricted deferred contributions

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

	2017	2016
Harbour House	\$ 612,972	\$ 468,766
Alberta Human Services	-	119,448
Shelter Outreach	240,562	270,421
Alberta Government Family and Community Safety Grant	131,839	274,061
Other	119,886	154,929
Project Child Recovery donations	53,934	103,688
Walk a Mile donations	51,752	45,176
Girl's Space	48,812	41,914
Women of Distinction	41,136	33,453
Safe Visitation	39,437	33,296
Youth donations	32,818	32,818
Alcoa	28,652	34,492
Community Initiatives Program	25,000	25,000
Climb to end Family Violence	24,909	18,676
Young Girl Conference donations	17,797	17,778
YPM Sunrise House	16,188	16,188
Life Enrichment Centre	11,979	11,979
Life long learning association	6,500	6,500
Young women's leadership council	5,778	5,778
Canadian Women's Foundation	2,715	2,715
Gaming funds	32,348	-
Balance, end of year	\$ 1,545,014	\$ 1,717,076
	2017	2016
Opening restricted deferred contributions	\$ 1,717,076	\$ 1,349,724
Amounts received	2,398,522	2,501,214
Amounts recognized	(2,570,584)	(2,133,862)
Ending restricted deferred contributions	\$ 1,545,014	\$ 1,717,076

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2017

7. Long-term debt

	2017	2016
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 \$118,145. The mortgage is due in September 2018.	\$ 30,815	\$ 50,829
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 \$271,151. The mortgage is due in May 2017.	59,643	84,312
	90,458	135,141
Less current portion	47,796	44,681
	<u>\$ 42,662</u>	<u>\$ 90,460</u>
Estimated principal repayments are as follows:		
2018	\$ 47,796	
2019	35,297	
2020	7,365	
	<u>\$ 90,458</u>	

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:

	2017	2016
Beginning balance	\$ 657,417	\$ 743,665
Capital contributions received	40,699	26,390
Amortization of capital contributions	(117,582)	(114,596)
Transferred from deferred capital contributions	-	1,958
	<u>\$ 580,534</u>	<u>\$ 657,417</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2017**

9. Capital replacement reserve

	2017	2016
Beginning balance	\$ 23,404	\$ 22,404
Transfer from operating	1,000	1,000
Ending balance	<u>\$ 24,404</u>	<u>\$ 23,404</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.

10. Interfund transfers

The operating interfund transfers represent net capital asset transactions of \$55,400, the transfer of \$1,000 to the capital replacement reserve per the CMHC agreement and \$40,441 which represents 50% of the remaining operating surplus to the capital investment reserve. A transfer of \$8,444 was made from the gaming fund to the operating fund for lobby mats and computer expenses.

11. Contingencies

Employees of the Association accrue sick leave to a maximum of 240 hours. As at March 31, 2017, the amount of sick leave accrued was \$74,937 (2016 - \$74,645). 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.