

Financial Statements of

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

And Independent Auditor's Report thereon

Year ended March 31, 2023

## **Management's Responsibility for Financial Reporting**

Management of the Young Women's Christian Association of Lethbridge and District (the Association) is responsible for the integrity of the accompanying financial statements. The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations, as established by the Chartered Professional Accountants of Canada.

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

To assist in meeting its responsibility, management maintains accounting, budget and other internal controls including written policies, directives and procedures. These controls provide reasonable assurance that transactions are appropriately authorized and accurately recorded, and that assets are properly accounted for and safeguarded.

The Board of the Young Women's Christian Association of Lethbridge and District is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Board fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Association's external auditors.

The financial statements have been audited by the independent firm of KPMG LLP. Their report to the Board Members of the Young Women's Christian Association of Lethbridge and District, stating the scope of their examination and opinion on the financial statements, follows.

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## INDEPENDENT AUDITOR'S REPORT

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

### ***Opinion***

We have audited the financial statements of Young Women's Christian Association of Lethbridge and District (the Association), which comprise:

- the statement of financial position as at March 31, 2023
- the statement of operations and changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2023, and its results of 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 auditor's 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.



## ***Other Information***

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditor's report thereon, included in the *Annual Report*. The *Annual Report* is expected to be made available to us after the date of the auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

When we read the *Annual Report*, if we conclude that there is a material misstatement of this other information, we are required to report the matter to those charged with governance.

## ***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 the 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 represents the underlying transactions and events in a manner that achieves fair presentation.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, slanted font. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants

Lethbridge, Canada

June 15, 2023

# YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND DISTRICT

Statement of Financial Position

Year ended March 31, 2023 with comparative information for 2022

	Operating Fund	Gaming Fund	Capital Fund	2023	2022
<b>Assets:</b>					
Current assets:					
Cash and cash equivalents	\$ 135,824	\$ 39,802	\$ 349,770	\$ 525,396	\$ 1,854,642
Short-term investments (note 2)	1,572,561	-	-	1,572,561	-
Accounts receivable	293,772	-	-	293,772	312,084
Prepaid expenses	35,400	-	-	35,400	29,023
	2,037,557	39,802	349,770	2,427,129	2,195,749
Capital assets (note 3)	-	-	681,588	681,588	748,801
	\$2,037,557	\$ 39,802	\$1,031,358	\$3,108,717	\$ 2,944,550

## Liabilities and Fund balances:

Current liabilities:

Accounts payable and accrued liabilities (note 4)	\$ 224,048	\$ -	\$ -	\$ 224,048	\$ 199,120
Unearned revenue	28,053	-	-	28,053	-
Restricted deferred contributions (note 5)	1,342,311	-	-	1,342,311	1,186,100
	1,594,412	-	-	1,594,412	1,385,220
Unamortized capital contributions (note 6)	-	-	426,711	426,711	471,736
	1,594,412	-	426,711	2,021,123	1,856,956

Fund balances:

Internally restricted					
Capital investment reserve	-	-	321,366	321,366	310,272
Capital replacement reserve	-	-	28,404	28,404	28,404
Operating reserve	325,081	-	-	325,081	313,987
Externally restricted					
Gaming reserve	-	39,802	-	39,802	39,802
Invested in capital assets	-	-	254,877	254,877	277,065
Unrestricted	118,064	-	-	118,064	118,064
	443,145	39,802	604,647	1,087,594	1,087,594
	\$2,037,557	\$ 39,802	\$1,031,358	\$3,108,717	\$ 2,944,550

See accompanying notes to financial statements.

On behalf of the board:

\_\_\_\_\_  
Director \_\_\_\_\_ Director

# YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND DISTRICT

## Statement of Operations and Changes in Fund Balances

Year ended March 31, 2023, with comparative information for 2022

	Budget (Unaudited)	Operating Fund	Gaming Fund	Capital Fund	2023 Actual	2022 Actual
<b>Revenue:</b>						
Grants	\$ 3,309,756	\$ 3,328,648	\$ -	\$ -	\$ 3,328,648	\$ 3,318,045
Fees for service	385,200	369,118	-	-	369,118	337,866
Donations	333,525	81,888	-	-	81,888	96,936
Fundraising	32,490	129,280	-	-	129,280	7,985
Other	10,000	6,473	-	-	6,473	13,410
Interest	6,500	34,883	-	223	35,106	6,402
Amortization of capital contributions	45,032	-	-	45,025	45,025	53,200
	4,122,503	3,950,290	-	45,248	3,995,538	3,833,844
<b>Expenses:</b>						
Salaries and honorariums	3,197,159	3,035,325	-	-	3,035,325	2,876,592
Direct client costs	325,568	246,725	-	-	246,725	379,117
Telephone and utilities	194,063	238,249	-	-	238,249	203,449
Professional fees	47,299	94,436	-	-	94,436	73,232
Repairs and maintenance	73,011	63,280	-	-	63,280	43,311
Fundraising costs	33,000	54,315	-	-	54,315	24,456
Insurance	31,970	41,674	-	-	41,674	30,131
Membership and fees	42,954	40,476	-	-	40,476	33,804
Travel and training	43,042	39,575	-	-	39,575	19,216
Supplies and stationery	28,607	24,869	-	-	24,869	30,421
Information and technology	28,960	15,103	-	-	15,103	26,720
Other	-	12,462	-	-	12,462	2,128
Advertising and promotion	14,384	10,222	-	-	10,222	10,081
Interest and bank charges	1,350	5,005	-	-	5,005	6,060
Volunteer costs	5,000	4,400	-	-	4,400	1,771
Property taxes	-	1,122	-	-	1,122	1,165
Small equipment	1,400	1,087	-	-	1,087	1,367
Amortization	67,213	-	-	67,213	67,213	81,028
	4,134,980	3,928,325	-	67,213	3,995,538	3,844,049
Excess (deficiency) of revenue over expenses	(12,477)	21,965	-	(21,965)	-	(10,205)
Fund balance, beginning of year	1,069,691	432,051	39,802	615,741	1,087,594	1,097,799
Interfund transfers ( <i>note 7</i> )	-	(10,871)	-	10,871	-	-
Fund balance, end of year	\$ 1,057,214	\$ 443,145	\$ 39,802	\$ 604,647	\$ 1,087,594	\$ 1,087,594

See accompanying notes to financial statements.

# YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND DISTRICT

## Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenues over expenses	\$ -	\$ (10,205)
Adjustments for items which do not affect cash		
Amortization	67,213	81,028
Amortization of capital contributions	(45,025)	(53,200)
	22,188	17,623
Change in non-cash financial assets and liabilities:		
Short-term investments	(1,572,561)	-
Accounts receivable	18,312	(37,940)
Prepaid expenses	(6,377)	(9,775)
Accounts payable and accrued liabilities	24,928	(65,161)
Unearned revenue	28,053	(5,992)
Restricted deferred contributions	156,211	86,676
	(1,329,246)	(14,569)
Financing and investing activities:		
Purchase of capital assets	-	(79,049)
Capital contributions received	-	79,049
	-	-
Decrease in cash	(1,329,246)	(14,569)
Cash and cash equivalents, beginning of year	1,854,642	1,869,211
Cash and cash equivalents, end of year	\$ 525,396	\$ 1,854,642

See accompanying notes to financial statements.



# YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND DISTRICT

Notes to Financial Statements

Year ended March 31, 2023

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Young Women's Christian Association of Lethbridge and District (the "Association") 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. The Association is exempt from income taxes under Section 149(1)(l) of the Income Tax Act.

## 1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the CPA Canada Handbook. 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 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.

### (c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transactions costs incurred on acquisition and financing costs, which are amortized using the straight-line method over the life of the asset.

# YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND DISTRICT

Notes to Financial Statements

Year ended March 31, 2023

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## 1. Significant accounting policies (continued):

### (c) Financial instruments (continued):

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Association expects to realize by exercising its right to any collateral. If the event and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial cost or amortized cost.

### (d) Cash and cash equivalents:

Cash and cash equivalents include cash on hand, and other short-term deposits, which are highly liquid investments with maturities of less than three months from the date of acquisition.

### (e) Investments:

The Association accounts for its investments not traded in an active market at cost.

### (f) 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 and disclosure of contingent assets and liabilities 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.

### (g) Capital assets:

Purchased capital assets are recorded at cost. Contributed assets are recorded at fair value at the date of contribution. Amortization is provided using the following methods and rates:

Assets	Method	Rate
Buildings	Straight-line/Declining balance	35 years/20%
Equipment – other	Declining balance	20%
Office equipment	Declining balance	20%
Computer software	Declining balance	30%
Vehicles	Declining balance	30%

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# YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND DISTRICT

Notes to Financial Statements

Year ended March 31, 2023

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## 1. Significant accounting policies (continued):

### (g) Capital assets (continued):

Amortization of leasehold improvements is recorded over the remaining term of the lease plus the renewal option. Capital assets are reviewed for impairment whenever events or changes in circumstance indicate that the asset no longer has any long-term service potential to the Association. Any such impairment is measured by a comparison of the carrying amount of an asset to estimated residual value.

### (h) Contributed services:

Contributed 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 and 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.

## 2. Short-term investments:

Short-term investments consist of two guaranteed investment certificates as follows:

	2023	2022
Royal Bank of Canada ("RBC"):		
RBC GIC bearing interest at 4.45%, maturing January 2024	\$ 1,072,561	\$ -
RBC GIC bearing interest at 4.60%, maturing January 2024	500,000	-
	<u>\$ 1,572,561</u>	<u>\$ -</u>

# YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND DISTRICT

Notes to Financial Statements

Year ended March 31, 2023

### 3. Capital assets:

	Cost	Accumulated amortization	2023
Land	\$ 160,000	\$ -	\$ 160,000
Buildings	445,568	140,038	305,530
Computer software	155,962	153,390	2,572
Improvements – building	4,338,709	4,175,208	163,501
Equipment – other	286,207	266,290	19,917
Office equipment	208,901	194,474	14,427
Vehicle	30,548	14,907	15,641
	<u>\$ 5,625,895</u>	<u>\$ 4,944,307</u>	<u>\$ 681,588</u>

	Cost	Accumulated amortization	2022
Land	\$ 160,000	\$ -	\$ 160,000
Buildings	445,568	127,309	318,259
Computer software	155,962	152,280	3,682
Improvements – building	4,338,709	4,134,331	204,378
Equipment – other	286,207	261,309	24,898
Office equipment	208,901	190,868	18,033
Vehicle	30,548	10,997	19,551
	<u>\$ 5,625,895</u>	<u>\$ 4,877,094</u>	<u>\$ 748,801</u>

### 4. Accounts payable and accrued liabilities:

	2023	2022
Accounts payable	\$ 156,471	\$ 125,927
Vacation and lieu time payable	67,577	73,193
	<u>\$ 224,048</u>	<u>\$ 199,120</u>

# YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND DISTRICT

Notes to Financial Statements

Year ended March 31, 2023

## 5. Restricted deferred contributions:

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

	2023	2022
Harbour House	\$ 834,873	\$ 779,896
Other	49,977	43,880
Girl Space	5,000	-
Youth donations	76,288	93,849
Alcoa	4,747	4,747
Hestia House	7,849	10,585
Amethyst	37,451	37,417
Young Girl conference donations	16,503	16,503
Life Enrichment Centre	50	-
Life-long Learning Association	6,500	6,500
Young Women's Leadership Council	8,848	8,848
Think Big Look Back	11,344	11,344
Domestic and Sexual Violence	138,082	138,082
Housing and Basic Needs	34,449	34,449
Community Foundations	10,813	-
Response and Recovery Fund	99,537	-
<b>Balance, end of year</b>	<b>\$ 1,342,311</b>	<b>\$ 1,186,100</b>

  

	2023	2022
Opening restricted deferred contributions	\$ 1,186,100	\$ 1,099,424
Amounts received	2,050,202	2,783,238
Amounts recognized	(1,893,991)	(2,688,209)
Amounts repaid	-	(8,353)
<b>Ending restricted deferred contributions</b>	<b>\$ 1,342,311</b>	<b>\$ 1,186,100</b>

# YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND DISTRICT

Notes to Financial Statements

Year ended March 31, 2023

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## 6. Unamortized capital contributions:

Unamortized capital contributions represent the unamortized amount of contributions expended on the purchase of capital assets.

The changes for the year are as follows:

	2023	2022
Beginning balance	\$ 471,736	\$ 445,887
Capital contributions received	-	79,049
Amortization of capital contributions	(45,025)	(53,200)
	<u>\$ 426,711</u>	<u>\$ 471,736</u>

# YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND DISTRICT

Notes to Financial Statements

Year ended March 31, 2023

## 7. Inter-fund transfers:

	Unrestricted	Invested in capital assets	Internally restricted			Externally restricted		Total 2023	Total 2022
			Capital investment reserve	Operating reserve	Capital replacement reserve	Gaming reserve			
Balance, beginning of year	\$ 118,064	\$ 277,065	\$ 310,272	\$ 313,987	\$ 28,404	\$ 39,802	\$ 1,087,594	\$ 1,097,799	
Excess (deficiency) of revenue over expenses	-	-	-	-	-	-	-	(10,205)	
Amortization	67,213	(67,213)	-	-	-	-	-	-	
Amortization of capital contributions	(45,025)	45,025	-	-	-	-	-	-	
Transfers	(22,188)	-	11,094	11,094	-	-	-	-	
	\$ 118,064	\$ 254,877	\$ 321,366	\$ 325,081	\$ 28,404	\$ 39,802	\$ 1,087,594	\$ 1,087,594	

# YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND DISTRICT

Notes to Financial Statements

Year ended March 31, 2023

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## 7. Interfund transfers (continued):

The operating interfund transfers represent net capital asset transactions of (\$223) (2022 – (\$6,402)), and \$11,094 (2022 - \$8,812) which represents 50% of the remaining operating surplus to the capital investment reserve.

## 8. Contingencies:

The Association has been named in one legal matter. The Association believes that this claim is without merit and are taking appropriate steps to defend against it. At present, the amount or outcome is not determinable. The amount of any uninsured loss arising from a future settlement, if any, would be accounted for as a current transaction in the year of the settlement.

## 9. Financial instruments:

### (a) Interest rate risk:

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Association is exposed to interest rate risk on its fixed interest rate and variable rate financial instruments. Further details about the fixed rate and variable rate investments are included in note 2. The prime rate at March 31, 2023 was 6.70% (2022 – 2.45%)

Management's opinion is that the Association is not exposed to any additional significant credit, currency, market or liquidity risks that are not already disclosed in elsewhere in the financial statements.

## 10. Economic dependence:

The Association is dependent on continued funding from the Government of Alberta, Ministry of Community and Social Services for the operation of the Harbour House program.