

Young Women's Christian Association of Calgary

Financial Statements
March 31, 2016



June 15, 2016

Independent Auditor's Report

To the Members of Young Women's Christian Association of Calgary

We have audited the accompanying financial statements of Young Women's Christian Association of Calgary, which comprise the statement of financial position as at March 31, 2016, 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.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Young Women's Christian Association of Calgary as at March 31, 2016 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

Young Women's Christian Association of Calgary

Statement of Financial Position

As at March 31, 2016

						2016	2015
	Operating Fund \$	Sustainability Fund \$	Total \$	Capital Fund \$	Endowment Fund \$	Total \$	Total \$
Assets							
Current assets							
Cash and cash equivalents	2,987,986	27,997,087	30,985,073	20,186,331	24,753	51,196,157	3,055,916
Accounts receivable	635,400	-	635,400	20,582	590	656,572	584,919
Prepays and other	221,874	-	221,874	-	-	221,874	190,227
Short-term investments	-	-	-	-	218,188	218,188	183,724
	3,845,260	27,997,087	31,842,347	20,206,913	243,531	52,292,791	4,014,786
Funds held in trust (note 3)	-	-	-	575,000	-	575,000	-
Assets held for sale (note 5)	-	-	-	-	-	-	7,563,433
Capital assets (note 4)	-	-	-	3,145,482	-	3,145,482	2,977,941
	3,845,260	27,997,087	31,842,347	23,927,395	243,531	56,013,273	14,556,160
Liabilities							
Current liabilities							
Accounts payable and accrued liabilities	260,830	-	260,830	33,017	462	294,309	383,813
Accrued payroll liability	1,065,734	-	1,065,734	-	-	1,065,734	878,483
Deferred revenue	36,033	-	36,033	-	-	36,033	10,416
Deferred contributions (note 8)	1,572,199	-	1,572,199	-	-	1,572,199	1,479,750
Demand loan (note 7)	-	-	-	-	-	-	248,105
	2,934,796	-	2,934,796	33,017	462	2,968,275	3,000,567
Other liabilities	-	-	-	1,107,214	-	1,107,214	-
Deferred contributions (note 8)	238,000	-	238,000	-	-	238,000	287,036
	3,172,796	-	3,172,796	1,140,231	462	4,313,489	3,287,603
Fund balances							
Internally restricted for investment in capital assets	-	-	-	1,710,446	-	1,710,446	9,007,391
Externally restricted	-	-	-	1,076,718	101,273	1,177,991	1,084,984
Internally restricted	-	27,997,087	27,997,087	20,000,000	2,554	47,999,641	90,626
Endowments	-	-	-	-	139,242	139,242	137,336
Unrestricted	672,464	-	672,464	-	-	672,464	948,220
	672,464	27,997,087	28,669,551	22,787,164	243,069	51,699,784	11,268,557
	3,845,260	27,997,087	31,842,347	23,927,395	243,531	56,013,273	14,556,160

Approved by the Board of Directors




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

Young Women's Christian Association of Calgary
Statement of Revenues and Expenses and Changes in Fund Balances
For the year ended March 31, 2016

						2016	2015
	Operating Fund \$	Sustainability Fund \$	Total \$	Capital Fund \$	Endowment Fund \$	Total \$	Total \$
Revenue							
Government contracts							
Alberta	5,601,639	-	5,601,639	-	-	5,601,639	5,662,434
Canada	1,253,290	-	1,253,290	-	-	1,253,290	1,112,071
City of Calgary (FCSS)	1,217,598	-	1,217,598	-	-	1,217,598	1,182,732
Community support							
United Way of Calgary	1,415,767	-	1,415,767	-	-	1,415,767	1,415,767
Calgary Homeless Foundation	1,533,111	-	1,533,111	-	-	1,533,111	1,455,197
Other contributions	2,203,212	858,414	3,061,626	515,000	264	3,576,890	3,284,980
Programs and courses	1,638,901	-	1,638,901	-	-	1,638,901	1,697,195
Accommodation	358,188	-	358,188	-	-	358,188	334,396
Other income	103,638	-	103,638	250,027	-	353,665	265,944
Investment income	13,821	-	13,821	246,810	1,922	262,553	20,941
	15,339,165	858,414	16,197,579	1,011,837	2,186	17,211,602	16,431,657
Expenses							
Salaries, wages and benefits	11,902,030	-	11,902,030	-	-	11,902,030	12,088,329
Professional fees and contracted services	674,837	-	674,837	-	-	674,837	516,462
Utilities	507,335	-	507,335	-	-	507,335	569,067
Amortization	-	-	-	113,323	-	113,323	312,684
Materials, supplies and equipment	697,705	-	697,705	-	-	697,705	1,102,301
Facilities	526,119	-	526,119	128,610	-	654,729	551,084
Marketing and public relations	517,170	-	517,170	-	-	517,170	454,419
Staff and volunteer expenditures	685,528	-	685,528	-	-	685,528	300,396
Insurance	71,984	-	71,984	-	-	71,984	73,663
Finance charges	32,213	-	32,213	5,026	-	37,239	67,319
	15,614,921	-	15,614,921	246,959	-	15,861,880	16,035,724
Excess of revenues over expenses before the undernoted	(275,756)	858,414	582,658	764,878	2,186	1,349,722	395,933
Gain on sale (note 3)	-	-	-	39,081,505	-	39,081,505	-
Excess of revenues over expenses	(275,756)	858,414	582,658	39,846,383	2,186	40,431,227	395,933
Balance – Beginning of year	948,220	-	948,220	10,079,454	240,883	11,268,557	10,872,624
Interfund transfers	-	27,138,673	27,138,673	(27,138,673)	-	-	-
Balance – End of year	672,464	27,997,087	28,669,551	22,787,164	243,069	51,699,784	11,268,557

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

Young Women's Christian Association of Calgary

Statement of Cash Flows

For the year ended March 31, 2016

	2016 \$	2015 \$
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenses	40,431,227	395,933
Items not affecting cash		
Gain on sale	(39,081,505)	-
Amortization	113,323	312,684
Contributions restricted for acquisition of capital assets	(515,000)	(290,000)
	<u>948,045</u>	<u>418,617</u>
Net change in non-cash working capital		
Accounts receivable	(71,653)	751,401
Prepays and other	(31,647)	5,756
Accounts payable and accrued liabilities	(89,504)	(254,851)
Accrued payroll liability	187,251	87,990
Deferred revenue	25,617	436
Deferred contributions	43,413	(368,491)
	<u>63,477</u>	<u>222,241</u>
	<u>1,011,522</u>	<u>640,858</u>
Investing activities		
Additions to capital assets and assets held for disposal	(604,173)	(376,228)
Proceeds from sale of capital assets and assets held for disposal	48,075,461	-
Purchase of short-term investments	(34,464)	(1,948)
Increase in funds held in trust	(575,000)	-
	<u>46,861,824</u>	<u>(378,176)</u>
Financing activities		
Contributions restricted for acquisition of capital assets	515,000	290,000
Repayment of demand loan	(248,105)	(136,756)
	<u>266,895</u>	<u>153,244</u>
Increase in cash and cash equivalents	48,140,241	415,926
Cash and cash equivalents – Beginning of year	3,055,916	2,639,990
Cash and cash equivalents – End of year	<u>51,196,157</u>	<u>3,055,916</u>
Cash and cash equivalents are comprised of		
Cash on hand and balances with banks	1,570,520	1,041,767
Short-term investments with maturity dates less than 90 days	49,625,637	2,014,149
	<u>51,196,157</u>	<u>3,055,916</u>

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

Young Women's Christian Association of Calgary

Notes to Financial Statements

March 31, 2016

1 Nature of organization

Young Women's Christian Association of Calgary (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 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 and expenses 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 YWCA operations.

Interfund transfers include amounts internally restricted to establish the Sustainability Fund and other future projects.

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 contributions related to capital activities and endowments are recognized as revenue of the appropriate fund when received.

Young Women's Christian Association of Calgary

Notes to Financial Statements

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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 and rentals and sales, and flood proceeds 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 Fund.

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 2016, \$70,000 of contributed services and materials were recorded in the financial statements (2015 – \$nil).

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. Assets under construction are not amortized until the related assets are put into use.

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.

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Assets held for sale

Capital assets are classified as held for sale when management commits to a plan to sell, the assets are available for immediate sale in their present condition, an active program to locate a buyer has been initiated, the assets are being actively marketed at a reasonable price relative to their fair value, it is unlikely the plan will be modified or withdrawn, and it is considered probable that the sale will be completed within a year. Once classified as held for sale, assets are no longer subject to depreciation and are measured at the lower of their carrying amount or fair value less costs to sell.

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 for total proceeds of \$48,875,000. 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.

The gain on sale was calculated as follows:

	\$
Proceeds	
Sale proceeds	48,875,000
Less	
Net book value of assets sold	7,886,742
Brokerage fees	751,453
Tenant lease termination costs	575,000
Legal and consulting fees	78,086
Total gain on sale	39,583,719
Portion of gain deferred to other liabilities	(502,214)
Gain recognized in statement of revenues and expenses in the current year	39,081,505

Young Women's Christian Association of Calgary

Notes to Financial Statements

March 31, 2016

4 Capital assets

	2016		2015	
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Vehicle	45,020	43,073	1,947	2,781
Leasehold improvements	3,741,576	1,721,144	2,020,432	2,104,616
Furniture and equipment	2,755,027	2,641,813	113,214	141,519
Work in progress	1,009,889	-	1,009,889	729,025
	<u>7,551,512</u>	<u>4,406,030</u>	<u>3,145,482</u>	<u>2,977,941</u>

Work in progress at March 31, 2016 and 2015 reflects costs incurred in planning for the construction of a new building. During 2016, no capital assets were contributed to the Association (2015 – \$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.

5 Assets held for sale

	2016		2015	
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Buildings	-	-	-	7,348,358
Land	-	-	-	215,075
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,563,433</u>

During 2015, it was determined that the Association could best serve its clients by investing in a new building which will offer the Association flexible, adaptable spaces to expand and contract programs and services to meet its clients' needs. On November 26, 2015, the Association completed the sale of the land and building (note 3).

6 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 \$176,893 (2015 – \$126,579) is included in accrued payroll liability.

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Notes to Financial Statements

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7 Demand loan

	2016 \$	2015 \$
Floating rate non-revolving demand loan bearing interest at prime plus 1.0% with blended monthly payments of \$12,700 per month. The loan was paid in full in November 2015	-	248,105

8 Deferred contributions

Deferred contributions represent externally restricted amounts received that have not been spent. These amounts are restricted for various programs of the Association.

	2016 \$	2015 \$
Balance – Beginning of year	1,766,786	2,135,277
Contributions received	10,599,469	9,912,385
Recognized as government contracts and community support	(10,556,056)	(10,280,876)
Balance – End of year	<u>1,810,199</u>	<u>1,766,786</u>

9 Capital Fund

Externally restricted balances represent contributions received for the following purposes:

	2016 \$	2015 \$
Children's reading room	-	75,000
Sheriff King Home capital acquisitions	-	97,133
Capital project	1,076,718	811,854
	<u>1,076,718</u>	<u>983,987</u>

Young Women's Christian Association of Calgary

Notes to Financial Statements

March 31, 2016

10 Endowment Fund

a) Externally restricted fund balances

	2016 \$	2015 \$
Chickwagon Trust Fund	101,273	100,997

b) Endowment funds

	2016 \$	2015 \$
Judy Osborne Memorial Fund	61,422	60,050
Power of Women – Power to Change Fund	77,820	77,286
	<u>139,242</u>	<u>137,336</u>

11 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 2016 was \$145,705 (2015–\$144,669) and is included in salaries, wages and benefits in the Statement of Revenues and Expenses and Changes in Fund Balances.

12 Community support

In order to raise \$6.5 million in community support in the year, the Association paid \$332,943 as remuneration to employees whose principle duties involve fundraising and \$315,542 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.

13 Comparative balances

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

14 Subsequent event

The YWCA has secured the option to purchase a 2-acre site for \$4.8M. The purchase transaction is expected to be completed subsequent to further planning for this future YWCA location, community engagement and City of Calgary approvals related to land use and development permits.

