

**Young Women's Christian  
Association of Calgary**

Financial Statements  
**December 31, 2009**

April 21, 2010

## Auditors' Report

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

We have audited the statement of financial position of **Young Women's Christian Association of Calgary** as at December 31, 2009 and the statements of revenues and expenses and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*PricewaterhouseCoopers LLP*

Chartered Accountants

# Young Women's Christian Association of Calgary

## Statement of Financial Position


As at December 31, 2009

	Operating Fund \$	Capital Fund \$	Endowment Fund \$	Total 2009 \$	Total 2008 \$
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	3,617,329	231,186	113,805	3,962,320	4,028,198
Accounts receivable	617,190		140	617,330	628,833
Prepays and other	150,589	-	-	150,589	154,495
	4,385,108	231,186	113,945	4,730,239	4,811,526
<b>Long-term investments</b>	-	-	30,000	30,000	30,000
<b>Capital assets (note 4)</b>	-	11,767,093	-	11,767,093	12,145,938
	4,385,108	11,998,279	143,945	16,527,332	16,987,464
<b>Liabilities</b>					
<b>Current liabilities</b>					
Accounts payable	535,958	3,554	-	539,512	1,112,008
Accrued payroll liability	570,747	-	-	570,747	499,376
Due to (from) Funds	(700,982)	711,207	(10,225)	-	-
Deferred revenue	152,658	-	-	152,658	182,266
Current portion of long-term debt (note 6)	-	686,731	-	686,731	754,214
	558,381	1,401,492	(10,225)	1,949,648	2,547,864
<b>Long-term debt (note 6)</b>	-	19,786	-	19,786	23,554
<b>Deferred contributions</b>	4,092,267	-	-	4,092,267	4,046,852
	4,650,648	1,421,278	(10,225)	6,061,701	6,618,270
<b>Fund balances</b>					
Internally restricted for investment in capital assets	-	10,098,302	-	10,098,302	10,584,025
Externally restricted	-	395,000	146,926	541,926	126,114
Internally restricted	-	83,699	7,244	90,943	90,212
Unrestricted	(265,540)	-	-	(265,540)	(431,157)
	(265,540)	10,577,001	154,170	10,465,631	10,369,194
	4,385,108	11,998,279	143,945	16,527,332	16,987,464

**Commitments (note 8)**

Approved by the Board of Directors

 Director

 Director

# Young Women's Christian Association of Calgary

## Statement of Revenues and Expenses and Changes in Fund Balances

For the year ended December 31, 2009

	Operating Fund \$	Capital Fund \$	Endowment Fund \$	Total 2009 \$	Total 2008 \$
<b>Revenues</b>					
Government grants	6,949,304	-	-	6,949,304	7,753,661
Programs and courses	1,779,750	-	-	1,779,750	1,774,333
Other grants	2,487,182	-	-	2,487,182	2,319,787
Donations and fundraising revenue	2,645,004	395,000	20,811	3,060,815	2,963,577
Membership fees	496,788	-	-	496,788	549,089
Rentals and sales	402,361	-	-	402,361	431,118
Accommodation	273,082	-	-	273,082	210,522
Investment and other income	526,691	5,135	732	532,558	313,176
	<u>15,560,162</u>	<u>400,135</u>	<u>21,543</u>	<u>15,981,840</u>	<u>16,315,263</u>
<b>Expenses</b>					
Salaries, wages and benefits	11,057,119	-	-	11,057,119	10,628,825
Professional fees and contracted services	874,607	-	-	874,607	767,843
Utilities – gas/phone and fax	596,277	-	-	596,277	700,510
Amortization	-	531,332	-	531,332	516,468
Materials, supplies and equipment	1,210,469	-	-	1,210,469	1,277,460
Repairs and maintenance	599,076	-	-	599,076	578,066
Marketing and public relations	565,012	-	-	565,012	819,992
Staff and volunteer expenditures	281,956	-	-	281,956	333,375
Insurance	98,954	-	-	98,954	94,094
Finance charges	63,406	7,195	-	70,601	107,769
	<u>15,346,876</u>	<u>538,527</u>	<u>-</u>	<u>15,885,403</u>	<u>15,824,402</u>
<b>Excess (deficiency) of revenues over expenses</b>	213,286	(138,392)	21,543	96,437	490,861
<b>Interfund transfers</b>	(47,669)	47,669	-	-	-
<b>Balance – December 31, 2008</b>	<u>(431,157)</u>	<u>10,667,724</u>	<u>132,627</u>	<u>10,369,194</u>	<u>9,878,333</u>
<b>Balance – December 31, 2009</b>	<u>(265,540)</u>	<u>10,577,001</u>	<u>154,170</u>	<u>10,465,631</u>	<u>10,369,194</u>

# Young Women's Christian Association of Calgary

## Statement of Cash Flows

For the year ended December 31, 2009

	2009 \$	2008 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenues over expenses	96,437	490,861
Items not affecting cash		
Amortization	531,332	516,468
Donations-in-kind	(15,922)	(28,196)
Amortization of deferred contributions	(459,188)	(1,217,485)
	<u>152,659</u>	<u>(238,352)</u>
Net change in non-cash working capital		
Accounts receivable	(16,420)	343,930
Prepays and other	3,906	50,548
Accounts payable	(415,557)	157,263
Accrued payroll liability	71,371	36,930
Deferred revenue	(29,608)	(7,317)
	<u>(386,308)</u>	<u>581,354</u>
	<u>(233,649)</u>	<u>343,002</u>
<b>Investing activities</b>		
Purchase of capital assets	(78,855)	(1,539,556)
Purchase of long-term investments	-	(5,000)
Net change in non-cash working capital affecting investing		
Accounts receivable	27,923	(8,168)
Accounts payable	(156,939)	149,352
	<u>(207,871)</u>	<u>(1,403,372)</u>
<b>Financing activities</b>		
Deferred contributions received	504,603	2,758,675
Repayment of capital lease	(49,787)	-
Repayment of long-term debt	(79,174)	(107,285)
	<u>375,642</u>	<u>2,651,390</u>
<b>Increase (decrease) in cash and cash equivalents</b>	<u>(65,878)</u>	<u>1,591,020</u>
<b>Cash and cash equivalents – Beginning of year</b>	<u>4,028,198</u>	<u>2,437,178</u>
<b>Cash and cash equivalents – End of year</b>	<u>3,962,320</u>	<u>4,028,198</u>
<b>Supplemental information</b>		
Interest received	20,155	68,540
Interest paid	27,107	45,196

# Young Women's Christian Association of Calgary

Notes to Financial Statements

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## 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, fitness and child care for women and their families. In addition, the Association operates a training centre dedicated to the provision of trade skills education to enhance the employability of women and men, and an off-site child care centre providing child care services to the corporate sector.

The Association is a registered charity and therefore is exempt from income taxes.

## 2 Change in accounting policies

### Effective 2009

#### *Financial Statement Presentation for Not-for-Profit Organizations*

Recent amendments to Section 4400 "*Financial Statement Presentation by Not-for-Profit Organizations*" modify the requirements with respect to various elements of financial statement presentation including the elimination of the requirement to treat net assets invested in capital assets as a separate component of net assets, and the preparation of the cash flow statement in accordance with Handbook Section 1540.

The new standards apply to financial statements related to the fiscal years beginning on or after January 1, 2009. The standards impact the Association's disclosures but did not affect the Association's results or financial position.

## 3 Significant accounting policies

### Fund accounting

The Association's financial statements are prepared on a restricted fund accounting basis.

The Operating Fund reports the assets, liabilities, revenues and expenses related to program delivery and administrative activities.

The Capital Fund reports the assets, liabilities, revenues and expenses related to the Association's capital assets. Investment income earned on the resources and donations to the program restricted for use on capital expenditures, are reported as revenue of the fund.

The Endowment Fund reports not only resources contributed for endowment, the principal of which must be permanently maintained but also funds to be used in the operations of the fund and in the YWCA generally.

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## Revenue recognition

Restricted contributions related to operations are recorded as revenue of the Operating Fund in the year in which the related expenses are incurred. Restricted contributions received related to operations for expenses to be incurred in future years are initially recorded as deferred contributions and recognized in revenue of the Operating Fund in these future years. Restricted contributions related to capital activities and endowments are recognized as revenue of the appropriate fund when received. Unrestricted Contributions are recognized as revenue when received or receivable if the amount 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.

Revenues from programs and courses, rentals and sales, and accommodation are recognized as revenue when services are provided, the amount to be received can be reasonably estimated and collection is reasonably assured. Membership revenue is recorded as deferred revenue when received and recognized as revenue over the period of membership.

## Donated services and materials

Services donated to the Association through volunteer work are not reflected in these financial statements. Donated materials used in the ordinary course of operations are recorded at fair market value to the extent that fair value can be reasonably determined. During the year, the Association received donations in kind of \$154,728 (2008 – \$85,157), of which \$57,600 (2008 – \$57,600) related to subsidized housing. In addition, the Association received donations in kind of 15,922 (2008 – \$28,196) related to capital assets (note 4).

## 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:

Buildings	2.5%
Furniture and equipment	20.0%
Vehicle	30.0%
Computer software	100.0%
Leasehold improvements	Straight line over the life of the lease

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 periodically reviews its capital assets for impairment. If the carrying amount is greater than net recoverable amount, the asset is written down to its estimated fair value.

# Young Women's Christian Association of Calgary

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## Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles 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 period. Actual results could differ from those estimates.

## Investments

Investments are carried at fair value.

## Financial instruments

The Association's financial instruments included in the balance sheet are comprised of cash and cash equivalents, accounts receivable, long-term investments, accounts payable, accrued vacation liability and long-term debt.

Financial instruments are initially recorded at fair value on the balance sheet. The Association has classified its long-term investments as available-for-sale. Subsequent measurement of long-term investments are measured at fair market value with unrealized gains or losses recognized directly in Fund Balances, unless an unrealized loss is considered to be other than temporary in which case the loss is recognized as an expense.

All other financial instruments are carried at cost or amortized cost.

### a) Fair values

The fair values of financial instruments, excluding long-term investments and long-term debt, approximate their carrying values at December 31, 2009 due to the short-term nature of the instruments. The fair value of long-term debt approximates its carrying amount as interest rates approximate current market rates. Long-term investments are carried at fair value.

### b) Interest rate risk

The Association is exposed to interest rate fluctuations on long term debt.

### c) 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.

## Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand and highly liquid short-term investments.



# Young Women's Christian Association of Calgary

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## Comparative figures

Comparative figures have been reclassified to conform to the financial statement presentation format adopted in the current year.

## 4 Capital assets

	2009		2008	
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Vehicle	45,020	26,488	18,532	26,474
Buildings	12,680,205	4,388,300	8,291,905	8,431,524
Leasehold improvements	3,882,864	1,172,652	2,710,212	2,830,863
Furniture and equipment	3,378,256	2,846,887	531,369	639,564
Land	215,075	-	215,075	215,075
Assets under construction	-	-	-	2,438
Total capital asset additions	20,201,420	8,434,327	11,767,093	12,145,938

During the year, the Association acquired capital assets of \$152,487 funded as follows:

	\$
Donations in kind	15,922
Capital lease	57,710
Internally funded	78,855
	<u>152,487</u>

The land on which the Sheriff King Home building is located is leased through a sublease from the City of Calgary (City) until 2032 at an annual lease amount of \$1. Under the provision of the lease, at expiration or termination of the lease agreement, the value of improvements made will be compensated by the City to the lessee at a value determined by an independent appraiser.

## 5 Operating line of credit

The Association has a \$500,000 revolving line of credit facility of which \$nil is drawn at December 31, 2009 (2008 - \$nil) and which bears interest at prime plus 1.25%, collateralized as described in note 6.

# Young Women's Christian Association of Calgary

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## 6 Long-term debt

	2009	2008
	\$	\$
Fixed rate non-revolving demand loan bearing interest at 4.05% with blended monthly payments of \$8,300 per month (2008: term loan at prime rate with blended monthly payments of \$8,300 per month maturing November 2019)	665,555	744,729
Obligations under capital leases bearing interest at rates ranging from 8.5% to 10.5% expiring in 2010 and 2011 (2008: rates ranging from 8.5% to 10.5% expiring in 2009 and 2010)	40,962	33,039
	<u>706,517</u>	<u>777,768</u>
Less: Current portion	(686,731)	(754,214)
	<u>19,786</u>	<u>23,554</u>

The fixed-rate loan and revolving line of credit facilities are secured by a \$4,000,000 debenture with a first charge on the Association's real property and a general security agreement on all property. The terms of the fixed rate loan indicate it is payable on demand but no later than May 31, 2011.

The capital leases are collateralized by the underlying assets. Capital assets with a net book value of \$ 38,413 (2008 - \$48,016) are held under capital lease.

Estimated principal payments for all long-term debt over the next five years are as follows:

2010	686,731
2011	19,786

## 7 Fundraising expenses

As required under Section 7(2) of the Alberta Charitable Fundraising Regulation, the following amounts are disclosed:

	2009	2008
	\$	\$
Amounts paid as remuneration to employees whose principal duties involve fundraising	250,383	312,774
Total direct expenses incurred for the purpose of soliciting contributions	344,326	340,465

# Young Women's Christian Association of Calgary

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## 8 Commitments

The Association signed a lease agreement with respect to the Vermilion/YWCA Skills Training Centre with annual lease payment commitments as follows:

	\$
2010	195,200
2011	201,300
2012	50,800

## 9 Capital disclosures

The Association defines its capital as the amounts included in its fund balances and long-term debt.

The Association's objective when managing capital is to safeguard the Association's ability to continue as a going concern so that it can continue to provide the appropriate level of benefits and services to its beneficiaries and stakeholders.

A portion of the Association's capital related to the fund balance is restricted in that the Association is required to meet certain requirements in order to utilize its externally restricted fund balance. The Association has internal control processes to ensure that the restrictions are met prior to the utilization of these resources and has been in compliance with these restrictions throughout the year.

The Association sets the amount of fund asset balances in proportion to risk, manages the fund asset structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Association's credit facility with ATB Financial sets certain limitations on its debt position primarily through financial covenants of debt to equity ratio of 1 to 1 and maintenance of fund balance in excess of \$6M. Measurement of these financial covenants is defined in the relevant credit facility agreement. As at December 31, 2009, the Association is in compliance with these covenants.