

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

Financial Statements
March 31, 2011

June 16, 2011

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, 2011 and the statements of revenues and expenses and changes in fund balances and cash flows for the fifteen months then ended, and the related notes including a summary of significant accounting policies.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

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, 2011 and the results of its operations and its cash flows for the fifteen months then ended in accordance with Canadian generally accepted accounting principles.

Price Waterhouse Coopers LLP

Chartered Accountants

Young Women's Christian Association of Calgary

Statement of Financial Position

As at March 31, 2011

	Operating Fund \$	Capital Fund \$	Endowment Fund \$	Total March 31 2011 \$	Total December 31 2009 \$
Assets					
Current assets					
Cash and cash equivalents	3,072,165	257,962	143,637	3,473,764	3,962,320
Accounts receivable	778,077	-	2,593	780,670	617,330
Prepays and other	131,348	-	-	131,348	150,589
	3,981,590	257,962	146,230	4,385,782	4,730,239
Long-term investments	-	-	30,000	30,000	30,000
Capital assets (note 3)	-	11,329,326	-	11,329,326	11,767,093
	3,981,590	11,587,288	176,230	15,745,108	16,527,332
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	513,203	3,340	-	516,543	539,512
Accrued payroll liability	458,717	-	-	458,717	570,747
Due to (from) funds	(828,265)	837,796	(9,531)	-	-
Deferred revenue	107,864	-	-	107,864	152,658
Current portion of long-term debt (note 5)	-	587,857	-	587,857	686,731
	251,519	1,428,993	(9,531)	1,670,981	1,949,648
Long-term debt (note 5)	-	-	-	-	19,786
Deferred contributions	3,901,215	-	-	3,901,215	4,092,267
	4,152,734	1,428,993	(9,531)	5,572,196	6,061,701
Fund balances					
Internally restricted for investment in capital assets	-	9,654,596	-	9,654,596	10,098,302
Externally restricted	-	420,000	178,517	598,517	541,926
Internally restricted	-	83,699	7,244	90,943	90,943
Unrestricted	(171,144)	-	-	(171,144)	(265,540)
	(171,144)	10,158,295	185,761	10,172,912	10,465,631
	3,981,590	11,587,288	176,230	15,745,108	16,527,332
Commitments (note 7)					

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 fifteen months ended March 31, 2011

	Operating Fund \$	Capital Fund \$	Endowment Fund \$	Total 15 months ended March 31 2011 \$	Total 12 months ended December 31 2009 \$
Revenues					
Government grants	8,528,859	-	-	8,528,859	6,949,304
Programs and courses	2,751,167	-	-	2,751,167	1,779,750
Other grants	3,685,129	-	-	3,685,129	2,487,182
Donations and fundraising revenue	3,682,757	130,000	30,199	3,842,956	3,060,815
Membership fees	460,114	-	-	460,114	496,788
Rentals and sales	483,427	-	-	483,427	402,361
Accommodation	325,744	-	-	325,744	273,082
Investment and other income	576,712	1,776	2,582	581,070	532,558
	<u>20,493,909</u>	<u>131,776</u>	<u>32,781</u>	<u>20,658,466</u>	<u>15,981,840</u>
Expenses					
Salaries, wages and benefits	14,473,694	-	-	14,473,694	11,057,119
Professional fees and contracted services	992,535	-	-	992,535	874,607
Utilities – gas/phone and fax	798,048	-	-	798,048	596,277
Amortization	-	542,767	-	542,767	531,332
Materials, supplies and equipment	1,634,460	-	-	1,634,460	1,210,469
Repairs and maintenance	930,542	-	-	930,542	599,076
Marketing and public relations	927,850	-	-	927,850	565,012
Staff and volunteer expenditures	422,136	-	-	422,136	281,956
Insurance	118,462	-	-	118,462	98,954
Finance charges	77,772	32,919	-	110,691	70,601
	<u>20,375,499</u>	<u>575,686</u>	<u>-</u>	<u>20,951,185</u>	<u>15,885,403</u>
Excess (deficiency) of revenues over expenses	118,410	(443,910)	32,781	(292,719)	96,437
Interfund transfers	(24,014)	25,204	(1,190)	-	-
Balance – Beginning of period	(265,540)	10,577,001	154,170	10,465,631	10,369,194
Balance – End of period	<u>(171,144)</u>	<u>10,158,295</u>	<u>185,761</u>	<u>10,172,912</u>	<u>10,465,631</u>

Young Women's Christian Association of Calgary

Statement of Cash Flows

For the fifteen months ended March 31, 2011

	15 months ended March 31 2011 \$	12 months ended December 31 2009 \$
Cash provided by (used in)		
Operating activities		
(Deficiency) excess of revenues over expenses	(292,719)	96,437
Items not affecting cash		
Amortization	542,767	531,332
Donations-in-kind	(105,000)	(15,922)
Amortization of deferred contributions	(191,052)	(459,188)
	<u>(46,004)</u>	<u>152,659</u>
Net change in non-cash working capital		
Accounts receivable	(163,340)	(16,420)
Prepays and other	19,241	3,906
Accounts payable	(22,755)	(415,557)
Accrued payroll liability	(112,030)	71,371
Deferred revenue	(44,794)	(29,608)
	<u>(323,678)</u>	<u>(386,308)</u>
	<u>(369,682)</u>	<u>(233,649)</u>
Investing activities		
Net change in non-cash working capital affecting investing		
Accounts receivable	-	27,923
Accounts payable	(214)	(156,939)
Purchase of capital assets	-	(78,855)
	<u>(214)</u>	<u>(207,871)</u>
Financing activities		
Repayment of capital lease	(25,570)	(49,787)
Repayment of long-term debt	(93,090)	(79,174)
Deferred contributions received	-	504,603
	<u>(118,660)</u>	<u>375,642</u>
Decrease in cash and cash equivalents	(488,556)	(65,878)
Cash and cash equivalents – Beginning of period	3,962,320	4,028,198
Cash and cash equivalents – End of period	3,473,764	3,962,320
Supplemental information		
Interest received	30,664	20,155
Interest paid	(32,919)	(27,107)

Young Women's Christian Association of Calgary

Notes to Financial Statements

March 31, 2011

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.

During the year the Association amended its bylaws to change its fiscal year-end to March 31, by approval of its membership at a special Association meeting held September 15, 2010. This change aligns the Association's fiscal year-end with that of its various government funding agencies and streamlines related reporting requirements.

2 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.

Amounts due to (from) funds are non-interest bearing with no fixed terms of repayment.

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 in the Operating Fund 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.

Young Women's Christian Association of Calgary

Notes to Financial Statements

March 31, 2011

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 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.

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.

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.

Young Women's Christian Association of Calgary

Notes to Financial Statements

March 31, 2011

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 and accrued liabilities, accrued payroll 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 March 31, 2011 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 the operating line of credit.

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.

Comparative figures

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

Young Women's Christian Association of Calgary

Notes to Financial Statements

March 31, 2011

3 Capital assets

			March 31 2011	December 31 2009
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Vehicle	45,020	33,438	11,582	18,532
Buildings	12,680,205	4,647,421	8,032,784	8,291,905
Leasehold improvements	3,882,864	1,316,803	2,566,061	2,710,212
Furniture and equipment	3,378,258	2,979,434	398,824	531,369
Land	215,075	-	215,075	215,075
Construction in progress	105,000	-	105,000	-
Total	20,306,422	8,977,096	11,329,326	11,767,093

During the period, the Association did not purchase any capital assets. Construction in progress reflects the partial completion of renovations to the 7th floor of the Mary Dover House which are being contributed by the Calgary Home Builders Foundation. In 2009, the Association received donations of capital assets of \$15, 922.

The land on which the Sheriff King Home building is located is leased through a sublease from the City of Calgary (the "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.

4 Operating line of credit

The Association has a \$500,000 revolving line of credit facility of which \$nil is drawn at March 31, 2011 (2009 – \$nil) and which bears interest at prime plus 1.25%, collateralized as described in note 5.

Young Women's Christian Association of Calgary

Notes to Financial Statements

March 31, 2011

5 Long-term debt

	March 31 2011 \$	December 31 2009 \$
Fixed rate non-revolving demand loan bearing interest at 4.05% with blended monthly payments of \$8,300 per month (2009: 4.05% with blended monthly payments of \$8,300 per month) maturing May 31, 2011	568,071	665,555
Obligations under capital leases bearing interest at rates ranging from 8.5% to 10.5% expiring in 2012 (2009: rates ranging from 8.5% to 10.5% expiring in 2011 to 2012)	19,786	40,962
	<u>587,857</u>	<u>706,517</u>
Less: Current portion	(587,857)	(686,731)
	<u>-</u>	<u>19,786</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 agreement indicate it is payable on demand but no later than May 31, 2011. Management is currently renegotiating this agreement and intends to renew it with similar terms and conditions.

The capital leases are collateralized by the underlying assets. Capital assets with a net book value of \$nil (2009 – \$38,413) are held under capital lease.

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

	\$
2012	587,857
2013	-
2014	-
2015	-
2016	-

6 Fundraising expenses

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

	March 31 2011 \$	December 31 2009 \$
Amounts paid as remuneration to employees whose principal duties involve fundraising	410,311	250,383
Total direct expenses incurred for the purpose of soliciting contributions	379,543	344,326

Young Women's Christian Association of Calgary
Notes to Financial Statements
March 31, 2011

7 Commitments

The Association has a lease agreement with respect to the Vermilion/YWCA Skills Training Centre that expires March 31, 2012 with lease payment commitments as follows. The Association intends to renegotiate this agreement in fiscal 2012.

	\$
2012	197,012

8 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. The financial covenants include a debt to equity ratio of 1 to 1 and maintenance of fund balance in excess of \$6,000,000. Measurement of these financial covenants is defined in the relevant credit facility agreement. As at March 31, 2011, the Association is in compliance with these covenants.