

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

Financial Statements  
**March 31, 2012**



June 12, 2012

## **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, 2012 and the statements of revenues and expenses and changes in fund balances and cash flows for the year 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.

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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, 2012 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

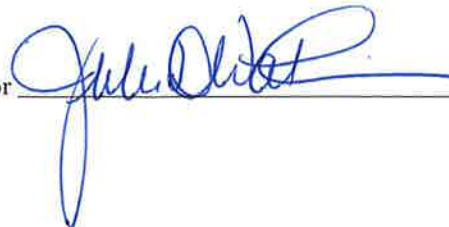
As at March 31, 2012

	Operating Fund \$	Capital Fund \$	Endowment Fund \$	2012 \$	2011 \$
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	3,611,467	308,035	147,630	4,067,132	3,473,764
Accounts receivable	417,737	-	2,189	419,926	780,670
Prepays and other	231,969	-	-	231,969	131,348
	4,261,173	308,035	149,819	4,719,027	4,385,782
<b>Long-term investments</b>	-	-	30,000	30,000	30,000
<b>Capital assets (note 3)</b>	-	11,212,804	-	11,212,804	11,329,326
	4,261,173	11,520,839	179,819	15,961,831	15,745,108
<b>Liabilities</b>					
<b>Current liabilities</b>					
Accounts payable and accrued liabilities	477,878	3,340	22	481,240	516,543
Accrued payroll liability	610,680	-	-	610,680	458,717
Due to (from) funds	(799,014)	808,545	(9,531)	-	-
Deferred revenue	106,800	-	2,189	108,989	107,864
Demand loan (note 5)	-	495,287	-	495,287	587,857
	396,344	1,307,172	(7,320)	1,696,196	1,670,981
<b>Deferred contributions</b>	3,858,244	-	-	3,858,244	3,901,215
	4,254,588	1,307,172	(7,320)	5,554,440	5,572,196
<b>Fund balances</b>					
Internally restricted for investment in capital assets	-	9,925,216	-	9,925,216	10,049,596
Externally restricted	-	204,752	178,781	383,533	203,517
Internally restricted	-	83,699	8,358	92,057	90,943
Unrestricted	6,585	-	-	6,585	(171,144)
	6,585	10,213,667	187,139	10,407,391	10,172,912
	4,261,173	11,520,839	179,819	15,961,831	15,745,108
<b>Commitments (note 7)</b>					

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 March 31, 2012

	Operating Fund \$	Capital Fund \$	Endowment Fund \$	12 months ended March 31, 2012 \$	15 months ended March 31, 2011 \$
<b>Revenues</b>					
Government grants	7,399,096	-	-	7,399,096	8,528,859
Programs and courses	2,237,088	-	-	2,237,088	2,751,167
Other grants	3,147,136	218,427	-	3,365,563	3,685,129
Donations and fundraising revenue	3,326,644	243,054	264	3,569,962	3,842,956
Membership fees	295,302	-	-	295,302	460,114
Accommodation	290,341	-	-	290,341	325,744
Rentals and sales	275,743	-	-	275,743	483,427
Investment and other income	231,027	1,222	1,114	233,363	581,070
	<u>17,202,377</u>	<u>462,703</u>	<u>1,378</u>	<u>17,666,458</u>	<u>20,658,466</u>
<b>Expenses</b>					
Salaries, wages and benefits	12,696,722	-	-	12,696,722	14,473,694
Professional fees and contracted services	688,723	-	-	688,723	992,535
Utilities – gas/phone and fax	689,743	-	-	689,743	798,048
Amortization	-	400,300	-	400,300	542,767
Materials, supplies and equipment	1,433,704	-	-	1,433,704	1,634,460
Repairs and maintenance	575,396	-	-	575,396	930,542
Marketing and public relations	378,758	-	-	378,758	927,850
Staff and volunteer expenditures	394,238	-	-	394,238	422,136
Insurance	96,289	-	-	96,289	118,462
Finance charges	55,952	22,154	-	78,106	110,691
	<u>17,009,525</u>	<u>422,454</u>	<u>-</u>	<u>17,431,979</u>	<u>20,951,185</u>
<b>Excess (deficiency) of revenues over expenses</b>	192,852	40,249	1,378	234,479	(292,719)
<b>Interfund transfers</b>	(15,123)	15,123	-	-	-
<b>Balance – Beginning of period</b>	<u>(171,144)</u>	<u>10,158,295</u>	<u>185,761</u>	<u>10,172,912</u>	<u>10,465,631</u>
<b>Balance – End of period</b>	<u>6,585</u>	<u>10,213,667</u>	<u>187,139</u>	<u>10,407,391</u>	<u>10,172,912</u>

# Young Women's Christian Association of Calgary

## Statement of Cash Flows

For the year ended March 31, 2012

	12 months ended March 31, 2012 \$	15 months ended March 31, 2011 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess (deficiency) of revenues over expenses	234,479	(292,719)
Items not affecting cash		
Amortization	400,300	542,767
Donations-in-kind	(169,645)	(105,000)
Amortization of deferred contributions	(42,971)	(191,052)
	<u>422,163</u>	<u>(46,004)</u>
Net change in non-cash working capital		
Accounts receivable	360,744	(163,340)
Prepays and other	(100,620)	19,241
Accounts payable and accrued liabilities	(35,302)	(22,969)
Accrued payroll liability	151,963	(112,030)
Deferred revenue	1,125	(44,794)
	<u>377,910</u>	<u>(323,892)</u>
	<u>800,073</u>	<u>(369,896)</u>
<b>Investing activities</b>		
Purchase of capital assets	(114,135)	-
<b>Financing activities</b>		
Repayment of capital lease	(14,904)	(25,570)
Repayment of demand loan	(77,666)	(93,090)
	<u>(92,570)</u>	<u>(118,660)</u>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>593,368</b>	<b>(488,556)</b>
<b>Cash and cash equivalents – Beginning of period</b>	<b>3,473,764</b>	<b>3,962,320</b>
<b>Cash and cash equivalents – End of period</b>	<b>4,067,132</b>	<b>3,473,764</b>
<b>Cash and cash equivalents are comprised of</b>		
Cash on hand and balances with banks	3,922,089	3,334,821
Short-term investments	145,043	138,943
	<u>4,067,132</u>	<u>3,473,764</u>
<b>Supplemental information</b>		
Interest received	33,898	30,664
Interest paid	(21,934)	(32,919)

# Young Women's Christian Association of Calgary

## Notes to Financial Statements

March 31, 2012

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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, employment skills development, fitness and child care for women and their families.

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

During fiscal 2011 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.

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

# Young Women's Christian Association of Calgary

## Notes to Financial Statements

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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.

### 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.

### 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		30.0%
Buildings		2.5%
Leasehold improvements	Straight-line over the life of the lease	
Furniture and equipment		20.0%

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

## Notes to Financial Statements

March 31, 2012

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### 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 the demand loan.

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 the demand loan, approximate their carrying values at March 31, 2012 due to the short-term nature of the instruments. The fair value of the demand loan 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.

### 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.

### Comparative figures

Comparative figures have been reclassified to conform to the financial statement presentation format adopted in the current year. Specifically at March 31, 2011, fund balances internally restricted for investment in capital assets increased and fund balances externally restricted decreased by \$395,000.

# Young Women's Christian Association of Calgary

Notes to Financial Statements

March 31, 2012

## 3 Capital assets

			2012	2011
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Vehicle	45,020	(36,912)	8,108	11,582
Buildings	12,980,309	(4,856,046)	8,124,263	8,032,784
Leasehold improvements	3,882,864	(1,425,593)	2,457,271	2,566,061
Furniture and equipment	3,378,256	(3,058,844)	319,412	398,824
Land	215,075	-	215,075	215,075
Construction in progress	88,675	-	88,675	105,000
<b>Total</b>	<b>20,590,199</b>	<b>(9,377,395)</b>	<b>11,212,804</b>	<b>11,329,326</b>

Construction in progress reflects the partial completion of the elevator refurbishment. In 2011, construction in progress related to the renovations to the 7<sup>th</sup> floor of the Mary Dover House which were contributed by the Calgary House Builders Foundation. During 2012, \$169,645 (2011 – \$105,000) of capital assets were contributed to the Association.

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, 2012 (2011 – \$nil) and which bears interest at prime plus 1.25%, collateralized as described in note 5.

## 5 Demand loan

	2012 \$	2011 \$
Fixed rate non-revolving demand loan bearing interest at 4.05% with blended monthly payments of \$8,300 per month (2011: 4.05% with blended monthly payments of \$8,300 per month)	495,287	568,071
Obligations under capital leases (2011: bearing interest at rates ranging from 8.5% to 10.5% expiring in 2012)	-	19,786
	<u>495,287</u>	<u>587,857</u>
Less: Current portion	(495,287)	(587,857)
	<u>-</u>	<u>-</u>

# Young Women's Christian Association of Calgary

## Notes to Financial Statements

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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. Management is currently renegotiating this agreement.

The capital leases are collateralized by the underlying assets. Capital assets with a net book value of \$nil (2011 – \$nil) are held under capital lease.

### 6 Fundraising expenses

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

	<b>12 months ended March 31 2012 \$</b>	<b>15 months ended March 31 2011 \$</b>
Amounts paid as remuneration to employees whose principal duties involve fundraising	310,597	410,311
Total direct expenses incurred for the purpose of soliciting contributions	387,474	379,543

### 7 Commitments

The Association has a lease agreement with respect to the Vermilion/YWCA Skills Training Centre that expires March 31, 2013 with a lease payment commitment as follows. The Association intends to renegotiate this agreement annually.

	\$
2013	187,976

### 8 Capital disclosures

The Association defines its capital as the amounts included in its fund balances.

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 fund balances is restricted in that the Association is required to meet certain requirements in order to utilize its externally restricted fund balances. 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.

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

Notes to Financial Statements

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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.

