

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

Financial Statements  
**March 31, 2015**



June 17, 2015

## **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, 2015, 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, 2015 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 Accountants**


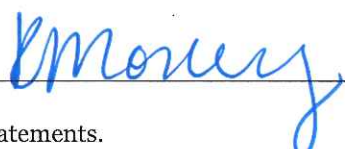
# Young Women's Christian Association of Calgary

## Statement of Financial Position

As at March 31, 2015

				2015	2014
	Operating Fund	Capital Fund	Endowment Fund	Total	Total
	\$	\$	\$	\$	\$
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	2,190,923	831,122	33,871	3,055,916	2,639,990
Accounts receivable (note 3)	565,053	18,958	908	584,919	1,336,320
Prepays and other	190,227	-	-	190,227	195,983
Short-term investments	-	-	183,724	183,724	181,776
	2,946,203	850,080	218,503	4,014,786	4,354,069
<b>Assets held for sale</b> (note 5)	-	7,563,433	-	7,563,433	-
<b>Capital assets</b> (note 4)	-	2,977,941	-	2,977,941	10,477,830
	2,946,203	11,391,454	218,503	14,556,160	14,831,899
<b>Liabilities</b>					
<b>Current liabilities</b>					
Accounts payable and accrued liabilities	383,348	-	465	383,813	638,664
Accrued payroll liability	878,483	-	-	878,483	790,493
Due (from) to funds	(1,041,050)	1,063,895	(22,845)	-	-
Deferred revenue	10,416	-	-	10,416	9,980
Demand loan (note 8)	-	248,105	-	248,105	384,861
	231,197	1,312,000	(22,380)	1,520,817	1,823,998
<b>Deferred contributions</b> (note 9)	1,766,786	-	-	1,766,786	2,135,277
	1,997,983	1,312,000	(22,380)	3,287,603	3,959,275
<b>Fund balances</b>					
Internally restricted for investment in capital assets	-	9,007,391	-	9,007,391	8,970,178
Externally restricted (note 10)	-	983,987	100,997	1,084,984	1,071,210
Internally restricted	-	88,076	2,550	90,626	86,249
Endowments (note 11)	-	-	137,336	137,336	112,376
Unrestricted	948,220	-	-	948,220	632,611
	948,220	10,079,454	240,883	11,268,557	10,872,624
	2,946,203	11,391,454	218,503	14,556,160	14,831,899

Approved by the Board of Directors

 Director
  Director

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, 2015**

				2015	2014
	Operating Fund \$	Capital Fund \$	Endowment Fund \$	Total \$	Total \$
<b>Revenue</b>					
Government grants	7,957,237	-	-	7,957,237	7,507,370
Programs and courses	1,697,195	-	-	1,697,195	1,588,595
Other grants	2,977,934	-	-	2,977,934	2,370,128
Donations and fundraising revenue	2,865,125	290,000	22,885	3,178,010	3,258,447
Membership fees	840	-	-	840	63,358
Accommodation	334,396	-	-	334,396	308,801
Rentals and sales	39,708	-	-	39,708	117,888
Investment and other income	139,884	4,377	2,579	146,840	116,310
	16,012,319	294,377	25,464	16,332,160	15,330,897
<b>Expenses</b>					
Salaries, wages and benefits	12,088,329	-	-	12,088,329	11,407,763
Professional fees and contracted services	516,462	-	-	516,462	630,224
Utilities	569,067	-	-	569,067	637,151
Amortization	-	312,684	-	312,684	330,724
Materials, supplies and equipment	1,102,301	-	-	1,102,301	1,107,849
Repairs and maintenance	551,084	-	-	551,084	409,339
Marketing and public relations	454,419	-	-	454,419	431,748
Staff and volunteer expenditures	300,396	-	-	300,396	211,616
Insurance	73,663	-	-	73,663	71,693
Finance charges	40,989	26,330	-	67,319	47,129
	15,696,710	339,014	-	16,035,724	15,285,236
<b>Excess (deficiency) of revenues over expenses before the undernoted</b>	315,609	(44,637)	25,464	296,436	45,661
<b>Flood proceeds, net of related expenses (note 3)</b>	-	99,497	-	99,497	407,805
<b>Excess of revenues over expenses</b>	315,609	54,860	25,464	395,933	453,466
<b>Balance – Beginning of year</b>	632,611	10,024,594	215,419	10,872,624	10,419,158
<b>Balance – End of year</b>	948,220	10,079,454	240,883	11,268,557	10,872,624

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, 2015

	2015 \$	2014 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenues over expenses	395,933	453,466
Items not affecting cash		
Amortization	312,684	330,724
Impairment (note 3)	-	743,577
Contributions restricted for acquisition of capital assets	(290,000)	-
	<u>418,617</u>	<u>1,527,767</u>
Net change in non-cash working capital		
Accounts receivable	751,401	(874,658)
Prepays and other	5,756	(20,645)
Accounts payable and accrued liabilities	(254,851)	225,601
Accrued payroll liability	87,990	150,063
Deferred revenue	436	(118,280)
Deferred contributions	(368,491)	(388,326)
	<u>222,241</u>	<u>(1,026,245)</u>
	<u>640,858</u>	<u>501,522</u>
<b>Investing activities</b>		
Purchase of capital assets	(376,228)	(451,987)
Purchase of short-term investments	(1,948)	(4,018)
	<u>(378,176)</u>	<u>(456,005)</u>
<b>Financing activities</b>		
Contributions restricted for acquisition of capital assets	290,000	-
Repayment of demand loan	(136,756)	(29,943)
	<u>153,244</u>	<u>(29,943)</u>
<b>Increase in cash and cash equivalents</b>	415,926	15,574
<b>Cash and cash equivalents – Beginning of year</b>	2,639,990	2,624,416
<b>Cash and cash equivalents – End of year</b>	<u>3,055,916</u>	<u>2,639,990</u>
<b>Cash and cash equivalents are comprised of</b>		
Cash on hand and balances with banks	1,041,767	1,830,777
Short-term investments with maturity dates less than 90 days	2,014,149	809,213
	<u>3,055,916</u>	<u>2,639,990</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, 2015

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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.

### 2 Significant accounting policies

#### Basis of accounting

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations as issued by the Canadian Accounting Standards Board.

#### Fund accounting

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.

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.

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

#### 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. 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 assured. Membership revenue is recorded as deferred revenue when received and recognized as revenue over the period of membership.

# Young Women's Christian Association of Calgary

## Notes to Financial Statements

March 31, 2015

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### 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 2015, no contributed materials were recorded in the financial statements (2014 – \$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.

### 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	4.0%
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 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.

### 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.

# Young Women's Christian Association of Calgary

## Notes to Financial Statements

March 31, 2015

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### **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, accrued payroll liability, and the demand loan.

#### **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 exposed to interest rate fluctuations on the demand loan.

##### **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 amount of investments held and the limited fluctuation of Canadian Guaranteed Investment Certificates.

There were no changes to the Association's risk exposures from the previous fiscal year.

### **Insurance proceeds**

Proceeds whose amount or timing of receipt are uncertain are precluded from being recognized in the financial statements until such time as the uncertainties are resolved. Management considers that the uncertainties are resolved upon the execution of a written agreement with the insurer as to the amount and timing of receipt of the insurance proceeds.

# Young Women's Christian Association of Calgary

## Notes to Financial Statements

March 31, 2015

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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 period. 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. In the case of the Association's buildings which were impacted by the Southern Alberta floods (note 3), this allocation was performed on the basis of the square footage of the building affected. Management estimates the residual value of the impaired assets based on committed agreements for the sale of the impaired assets or estimates provided by the Association's insurers.

### 3 Southern Alberta floods

In June 2013 the Association was directly affected by record flooding in Southern Alberta and basic operations had to be temporarily relocated from the Association's central facility. The Association has an active project for replacement of capital facilities. Having suffered significant effects from the flooding a decision was made not to reopen the Association's ancillary fitness operations.

The Association has made insurance claims related to the decontamination and restoration of its facilities, impairment of un-remediated assets and for the disruption of business operations. An interim settlement has been reached for claims in the amount of \$1,018,275 (2014 – \$918,778). Of this amount none remained unpaid at March 31, 2015 (2014 – \$693,778). Remaining settlements will be recorded in the period in which settlement amounts become virtually certain.

The net impact related to the Southern Alberta floods was:

	2015 \$	2014 \$
<b>Proceeds</b>		
Insurance settlement to March 31, 2015	99,497	918,778
Flood related donations	-	631,056
	<hr/> 99,497	<hr/> 1,549,834
<b>Disbursements</b>		
Flood impairment of capital assets	-	743,577
Insurance deductible	-	25,000
Contracted remediation services	-	200,000
Other flood related expenses	-	173,452
	<hr/> -	<hr/> 1,142,029
<b>Net proceeds from flood</b>	<hr/> 99,497	<hr/> 407,805

# Young Women's Christian Association of Calgary

## Notes to Financial Statements

March 31, 2015

### 4 Capital assets

			2015	2014
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Vehicle	45,020	42,239	2,781	3,973
Buildings	-	-	-	7,536,776
Leasehold improvements	3,741,576	1,636,960	2,104,616	2,192,308
Furniture and equipment	2,755,027	2,613,508	141,519	176,900
Land	-	-	-	215,075
Work in progress	729,025	-	729,025	352,798
	<u>7,270,648</u>	<u>4,292,707</u>	<u>2,977,941</u>	<u>10,477,830</u>

Work in progress at March 31, 2015 and 2014 reflects work begun preparing the Association's site for a planned construction of a new building. During 2015, no capital assets were contributed to the Association (2014 – \$nil).

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.

### 5 Assets held for sale

			2015	2014
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Buildings	12,329,985	4,981,627	7,348,358	-
Land	215,075	-	215,075	-
Total	<u>12,545,060</u>	<u>4,981,627</u>	<u>7,563,433</u>	<u>-</u>

During the year 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. A new building will also allow the Association to consolidate resources on a single site and reduce heating and maintenance costs. In conjunction with the decision to invest in a new building, subsequent to year end the Association has entered into a conditional Purchase and Sale agreement for the sale of the current downtown building and land.

# Young Women's Christian Association of Calgary

## Notes to Financial Statements

March 31, 2015

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### 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 \$126,579 (2014 – \$81,207) is included in accrued payroll liability.

### 7 Operating line of credit

The Association has a \$1,000,000 revolving line of credit facility of which none is drawn at March 31, 2015 (2014 – \$nil) and which bears interest at prime plus 1.0%, collateralized as described in note 8.

### 8 Demand loan

	2015 \$	2014 \$
Floating rate non-revolving demand loan bearing interest at prime plus 1.0% with blended monthly payments of \$12,700 per month (2014 – 4.3% with blended monthly payments of \$12,700 per month) maturing August 31, 2015	<u>248,105</u>	<u>384,861</u>

The floating-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 floating rate loan agreement indicate it is payable on demand.

### 9 Deferred contributions

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

	2015 \$	2014 \$
Balance – Beginning of year	2,135,277	2,523,603
Contributions received	9,912,385	9,773,898
Recognized as government grants, other grants and donation and fundraising revenue	<u>(10,280,876)</u>	<u>(10,162,224)</u>
Balance – End of year	<u>1,766,786</u>	<u>2,135,277</u>

# Young Women's Christian Association of Calgary

## Notes to Financial Statements

March 31, 2015

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### 10 Externally restricted fund balances

Externally restricted balances represent contributions received for the following purposes, which had not been spent at year end.

	2015 \$	2014 \$
<b>Capital Fund</b>		
Children's reading room	75,000	75,000
Sheriff King Home capital acquisitions	97,133	97,133
Capital project	811,854	798,584
	<hr/> 983,987	<hr/> 970,717
<b>Endowment Fund</b>		
Chickwagon Trust Fund	100,997	100,493
	<hr/> 1,084,984	<hr/> 1,071,210

### 11 Endowments

	2015 \$	2014 \$
Judy Osborne Memorial Fund	60,050	35,892
Power of Women – Power to Change Fund	77,286	76,484
	<hr/> 137,336	<hr/> 112,376

### 12 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 2015 was \$144,669 (2014–\$136,969) and is included in salaries, wages and benefits in the Statement of Revenues and Expenses and Changes in Fund Balances.

### 13 Fundraising expenses

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

	\$
Amounts paid as remuneration to employees whose principal duties involve fundraising	378,051
Total direct expenses incurred for the purpose of soliciting contributions	333,157

