



YWCA
REGINA

A TURNING POINT
FOR WOMEN
UN POINT TOURNANT
POUR LES FEMMES

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF REGINA

FINANCIAL STATEMENTS

DECEMBER 31, 2018

Independent Auditor's Report

To the Board of Directors of
Young Women's Christian Association of Regina

Opinion

We have audited the financial statements of the Young Women's Christian Association of Regina (the "Association"), which comprise the statement of financial position as at December 31, 2018, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2018, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

Chartered Professional Accountants
Regina, Saskatchewan
April 29, 2019

Young Women's Christian Association of Regina

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31

	Operating Fund \$	Endowment Fund \$	Total 2018 \$	Total 2017 \$
ASSETS				
Current assets				
Cash	594,562	46,610	641,172	594,718
Term deposits (note 3)	100,000	8,900	108,900	178,274
Accounts receivable	299,654	-	299,654	386,735
Interest receivable	148	13	161	1,595
Prepaid expenses	16,884	10	16,894	16,617
Total current assets	1,011,248	55,533	1,066,781	1,177,939
Capital assets (note 4)	3,749,565	-	3,749,565	3,797,083
Total assets	4,760,813	55,533	4,816,346	4,975,022
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable and accrued liabilities	583,867	-	583,867	546,496
Unearned revenue	326,139	-	326,139	156,665
Current portion of mortgage payable (note 5)	486,762	-	486,762	203,692
Total current liabilities	1,396,768	-	1,396,768	906,853
Long term liabilities				
Deferred capital contributions (note 6)	1,755,245	-	1,755,245	2,016,591
Mortgage payable (note 5)	109,762	-	109,762	492,978
Total long term liabilities	1,865,007	-	1,865,007	2,509,569
Total liabilities	3,261,775	-	3,261,775	3,416,422
NET ASSETS				
Endowment fund (note 7)	-	55,533	55,533	55,054
Internally restricted (note 8)	476,114	-	476,114	461,114
Unrestricted	1,022,924	-	1,022,924	1,042,432
Total net assets	1,499,038	55,533	1,554,571	1,558,600
	4,760,813	55,533	4,816,346	4,975,022

APPROVED BY THE BOARD



Director



Director

See accompanying notes to financial statements.

Young Women's Christian Association of Regina

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31

	Operating Fund	Endowment Fund	Total 2018	Operating Fund	Endowment Fund	Total 2017
	\$	\$	\$	\$	\$	\$
REVENUE						
Government (note 9)	5,497,141	-	5,497,141	5,195,559	-	5,195,559
Fees for Service	2,902,034	-	2,902,034	3,088,008	-	3,088,008
Donations and Fundraising	380,796	-	380,796	270,422	-	270,422
Capital Grants (note 6)	349,138	-	349,138	326,604	-	326,604
United Way of Regina	144,979	-	144,979	141,746	-	141,746
Other Grants	85,667	-	85,667	72,105	-	72,105
Interest	6,809	479	7,288	2,002	484	2,486
	9,366,564	479	9,367,043	9,096,446	484	9,096,930
EXPENSES (note 13)						
Childcare	2,918,431	-	2,918,431	2,899,141	-	2,899,141
Kids in Transition Shelter	1,254,355	-	1,254,355	1,334,982	-	1,334,982
Parker Place	718,280	-	718,280	626,215	-	626,215
Evergreen House	682,932	-	682,932	705,810	-	705,810
Isabel Johnson Shelter	672,288	-	672,288	700,616	-	700,616
My Aunt's Place	592,851	-	592,851	584,686	-	584,686
Kikinaw Residence	557,397	-	557,397	600,072	-	600,072
Amortization	459,133	-	459,133	424,772	-	424,772
Fund Development	376,897	-	376,897	222,746	-	222,746
Outreach	231,214	-	231,214	179,274	-	179,274
Head Office	219,843	-	219,843	213,628	-	213,628
Health and Wellness	200,471	-	200,471	222,949	-	222,949
Big Sisters	170,755	-	170,755	186,970	-	186,970
Other Youth Programs	163,964	-	163,964	113,261	-	113,261
Children Exposed to Violence	127,054	-	127,054	96,132	-	96,132
Mortgage Interest	25,207	-	25,207	29,485	-	29,485
	9,371,072	-	9,371,072	9,140,739	-	9,140,739
Net (expenses) revenue	(4,508)	479	(4,029)	(44,293)	484	(43,809)

See accompanying notes to financial statements.

Young Women's Christian Association of Regina

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31

	<u>Operating Fund</u>			Total 2018	Total 2017
	Internally Restricted Net Assets (note 8)	Unrestricted Net Assets	Endowment Fund (note 7)		
	\$	\$	\$	\$	\$
Balance, beginning of year	461,114	1,042,432	55,054	1,558,600	1,602,409
Net (expenses) revenue	-	(4,508)	479	(4,029)	(43,809)
Interfund transfers:					
Transfer to establish reserve	15,000	(15,000)	-	-	-
Balance, end of year	476,114	1,022,924	55,533	1,554,571	1,558,600

See accompanying notes to financial statements.

Young Women's Christian Association of Regina

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31

	2018	2017
	\$	\$
OPERATING ACTIVITIES		
Net expenses	(4,029)	(43,809)
Charges to operations not requiring a current cash payment		
Amortization	459,133	424,772
Interest expense	25,207	29,485
Changes in non-cash working capital items		
Accounts receivable	87,081	142,972
Interest receivable	1,434	-
Prepaid expenses	(277)	26,037
Accounts payable and accrued liabilities	37,658	63,287
Deferred capital contributions	(349,138)	(326,604)
Unearned revenue	169,474	(67,166)
Interest paid	(25,494)	(29,873)
Cash provided by operating activities	401,049	219,101
FINANCING ACTIVITIES		
Repayment of mortgage	(100,146)	(96,183)
Term deposit redemption	69,374	-
Deferred capital contributions received	87,792	369,353
Cash provided by financing activities	57,020	273,170
INVESTING ACTIVITIES		
Purchase of capital assets	(411,615)	(390,002)
Cash used in investing activities	(411,615)	(390,002)
Net increase in cash position during the year	46,454	102,269
Cash position, beginning of year	594,718	492,449
Cash position, end of year	641,172	594,718

See accompanying notes to financial statements.

Young Women's Christian Association of Regina

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

1. NATURE OF THE ASSOCIATION

Young Women's Christian Association of Regina (the "YWCA") exists to support the diverse needs of women in the realization of their full potential. Services include five shelters, one for abused women and their children, a homeless shelter for women with children, and three emergency receiving shelters for children 0 – 12 years of age. In addition, the YWCA has a 53-bed residence, residential and non-residential programs for teens, four child care centres, a fitness facility and other programs for women and girls in Southern Saskatchewan.

The YWCA is incorporated under the Non-Profit Corporations Act of Saskatchewan. The YWCA is a registered charity under the Income Tax Act and as such is not subject to income tax. The YWCA is an affiliated member of YWCA Canada.

2. ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") in Part III of the CICA Handbook. The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimations.

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value. Subsequently, all financial instruments are measured at amortized cost.

Interest earned on cash and term deposits and realized gains and losses on sale of short term investments are included in interest in the Statement of Operations.

Transaction costs are added or netted against the carrying value of the asset or liability and are recognized over the expected life of the instrument using the straight-line method.

Fund accounting

Revenues and expenses related to program delivery, administrative activities and capital assets are reported in the Operating Fund. The internally restricted net assets are not available for use by the YWCA except as directed by the Board of Directors.

Contributions by individuals for specific purposes are reported in the Endowment Fund.

Revenue recognition

The YWCA follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions are recognized as direct increases in the Endowment Fund balance.

Health club membership revenue is recognized as earned over the term of the membership. Grant revenue is recognized over the term to which the grant applies. Fees for services are recognized when the related service is provided.

Young Women's Christian Association of Regina

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

2. ACCOUNTING POLICIES (continued)

Deferred capital contributions

Deferred contributions reported in the Operating Fund are related to capital additions and are amortized to income over the same period as the amortization expense.

Pension plan

The YWCA maintains a defined contribution pension plan for its employees. The expense for this plan is equal to the YWCA's required contribution for the year.

Capital assets

Capital assets are recorded in the Operating Fund at cost. Contributed capital assets are recorded in the Operating Fund at their estimated fair value at the date of contribution. Amortization is provided straight-line over the assets' estimated useful lives at the following annual rates:

Building	5%
Furniture and equipment	20%
Computer software	20%
Vehicles	25%
Computer equipment	30%

3. TERM DEPOSITS

The term deposits mature November 16, 2019 and have an interest rate of 1.20%, redeemable after 90 days.

4. CAPITAL ASSETS

	2018		2017	
	Cost \$	Accumulated Amortization \$	Cost \$	Accumulated Amortization \$
Land	416,162	-	416,162	-
Assets under construction	126,648	-	-	-
Building	9,603,287	6,427,545	9,325,033	5,985,622
Furniture and equipment	647,633	630,403	640,920	621,764
Vehicles	143,881	131,010	143,881	124,263
Computer software	11,981	11,069	11,981	9,245
Computer equipment	64,119	64,119	64,119	64,119
	11,013,711	7,264,146	10,602,096	6,805,013
Accumulated amortization	7,264,146		6,805,013	
Net book value	3,749,565		3,797,083	

The land occupied by the YWCA at 1940 McIntyre is owned by the City of Regina. The cost of this land is not recorded on the Statement of Financial Position. In the event that the YWCA ceases operations, the control of the land reverts back to the City.

During 2004, the YWCA received a forgivable loan from Saskatchewan Housing Corporation (SHC) for \$1,233,546 for a capital campaign. As of December 31, 2018, the forgivable loan balance, which will mature in 2019, is \$11,994. In 2017, an additional forgivable loan of \$268,230 was received from SHC for shelter enhancements. As of December 31, 2018, this forgivable loan balance is \$268,230 and will mature in 2020, with all interest on the property expected to be released at that time.

Young Women's Christian Association of Regina

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

5. MORTGAGE PAYABLE

	2018	2017
	\$	\$
4.520% mortgage, payable in equal monthly installments of \$3,169 including interest, maturing November, 2019. The building has been pledged as collateral, in addition there is an assignment of rent and fire insurance.	103,762	136,693
3.750% mortgage, payable in equal monthly installments of \$4,314 including interest, maturing October, 2019. The building has been pledged as collateral.	42,399	91,593
4.500% mortgage, payable in equal monthly installments of \$946 including interest, maturing August, 2021. The building has been pledged as collateral.	115,962	121,997
3.750% mortgage, payable in equal monthly installments of \$2,056 including interest, maturing May, 2019. The building has been pledged as collateral.	334,401	346,387
	<u>596,524</u>	<u>696,670</u>
Current portion	486,762	203,692
	<u>109,762</u>	<u>492,978</u>

Estimated principal amounts due in each of the next five years and thereafter are as follows, assuming the mortgages are renewed at the same terms:

2019	\$	103,300
2020		55,100
2021		56,800
2022		20,600
2023		21,400
thereafter		339,324
	\$	<u>596,524</u>

6. DEFERRED CAPITAL CONTRIBUTIONS

	2018	2017
	\$	\$
Balance, beginning of year	2,016,591	1,973,842
Additional grants received	87,792	369,353
Amortized to revenue	(349,138)	(326,604)
Balance, end of year	<u>1,755,245</u>	<u>2,016,591</u>

7. ENDOWMENT FUND NET ASSETS

	2018	2017
	\$	\$
Balance, beginning of year	55,054	54,570
Interest earned	479	484
Balance, end of year	<u>55,533</u>	<u>55,054</u>

The balance is comprised of the following named endowments:

Mary Marie Nolan	55,533	55,054
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The endowment from Mary Marie Nolan is externally restricted to further the careers of women.

Young Women's Christian Association of Regina

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

8. INTERNALLY RESTRICTED NET ASSETS

	Capital Reserve \$	Program Reserve \$	Board Reserve \$	Total 2018 \$	Total 2017 \$
Balance, beginning of year	196,114	195,000	70,000	461,114	512,699
Internal restrictions in the year	15,000	-	-	15,000	-
Transfer to unrestricted net assets	-	-	-	-	(51,585)
Balance, end of year	211,114	195,000	70,000	476,114	461,114

a) Capital Reserve

The purpose of the Capital Reserve is to provide for the maintenance and replacement of major property and equipment such as furniture, equipment, building renovations and computer systems.

b) Program Reserve

The purpose of the Program Reserve is to accumulate resources that may be used to meet future programming needs of the YWCA.

c) Board Reserve

The purpose of the Board Reserve is to provide resources that may be used as an Emergency Fund. This reserve cannot be spent without Board approval.

9. GOVERNMENT REVENUE

Government revenue includes amounts from the following sources

	2018 \$	2017 \$
Government of Saskatchewan		
<i>Social Services</i>		
Kids in Transition Shelter	1,241,744	1,182,939
Evergreen House	670,642	659,958
My Aunt's Place	656,021	653,815
Parker Place	624,538	574,365
Supportive Independent Living	137,853	137,853
Big Sisters	48,345	47,338
<i>Education</i>	1,101,530	1,045,962
<i>Justice</i>		
Isabel Johnson Shelter	505,510	505,510
Children Exposed to Violence	89,604	95,503
Supervised Access	31,080	30,720
<i>Parks, Culture and Sport</i>		
Community Initiatives Fund	33,140	37,142
<i>Student Summer Works</i>	-	3,500
Government of Canada		
<i>Employment and Social Development</i>		
Homelessness Partnering Strategy	110,690	108,960
Employment Grants	10,522	13,955
<i>Justice</i>	62,018	42,953
<i>Indigenous and Northern Affairs</i>		
Jordan's Principle	123,985	-
Urban Partnerships	-	18,727
<i>Canadian Heritage</i>	10,861	-
City of Regina		
Social Development Community Investment Program	26,000	20,000
Saskatchewan Lotteries Community Grant	13,058	16,359
	5,497,141	5,195,559

Young Women's Christian Association of Regina

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

9. GOVERNMENT REVENUE (continued)

Included in the Social Services revenue for Kids in Transition Shelter and Parker Place is reserve funding for maintenance, equipment and furnishings. Details of this reserve funding are included in the following schedule.

	Kids in Transition		Parker Place		Evergreen House		Total 2018 \$	Total 2017 \$
	Maintenance	Furniture & Equipment	Maintenance	Furniture & Equipment	Maintenance	Furniture & Equipment		
	\$	\$	\$	\$	\$	\$		
Balance, beginning of year	-	-	-	-	-	-	-	-
Contributions in the year	4,000	4,000	1,075	2,150	806	1,612	13,643	10,725
Expenditures in the year	-	(322)	-	(1,552)	-	-	(1,874)	(10,725)
Balance, end of year	4,000	3,678	1,075	598	806	1,612	11,769	-

10. PENSION PLANS

The YWCA has two separate defined contribution pension plans:

- Registered pension plan for employees of the Isabel Johnson Shelter. The expense of this plan is equal to the YWCA's required contributions for the year. The pension expense for the year was \$7,555 (2017 - \$7,441).
- Group RRSP for staff not eligible for the registered pension plan. The expense of this plan is equal to the YWCA's required contributions for the year. The pension expense for the year was \$98,508 (2017 - \$104,212).

11. LINE OF CREDIT

The YWCA has an available Line of Credit of \$100,000 at a rate of interest charged at prime plus 0.75% (prime rate was 3.95% at December 31, 2018). Security consists of a Line of Credit Agreement, Borrowing Resolution, Certificate of Incumbency, General Security Agreement covering accounts receivable and equipment. As at December 31, 2018 and December 31, 2017 the YWCA had no amounts drawn on the Line of Credit.

12. ALLOCATION OF EXPENSES

The YWCA incurs a number of head office support expenses and allocates these expenses to the programs proportionately based on utilization of administrative staff time. The head office support costs include accounting, human resources, IT, purchasing, insurance, YWCA Canada National Allocation and central building costs. Fund development expenses are not allocated to the programs. Support costs have been allocated to the following departments:

	2018 \$	2017 \$
Kikinaw Residence	107,262	132,285
Isabel Johnson Shelter	84,165	103,941
Childcare	81,382	101,719
Health and wellness	59,747	74,688
Youth Programs	40,884	44,634
Kids in Transition Shelter	11,820	11,670
Evergreen House	6,888	6,571
My Aunt's Place	6,552	6,450
Parker Place	6,216	6,305
Outreach	3,996	1,261
	408,912	489,524

Young Women's Christian Association of Regina

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

13. SUPPLEMENTAL INFORMATION

Expenses for the year comprise:

	2018	2017
	\$	\$
Salaries and benefits	7,226,887	7,016,940
Program supplies	439,973	460,658
Amortization	459,133	424,772
Building supplies, maintenance, and utilities	376,992	384,659
Professional fees	40,388	98,939
Furniture and equipment	112,443	89,018
Purchased services	80,909	87,694
National allocation	86,290	83,321
Fundraising, marketing and communications	149,817	78,802
Rent	70,620	77,950
Transportation	75,980	72,969
Office	74,321	72,362
Insurance	65,113	59,893
Bad debts	39,226	58,206
Staff/volunteer	47,773	45,071
Mortgage interest expense	25,207	29,485
	9,371,072	9,140,739

14. FINANCIAL RISKS

Consistent with the prior year, the YWCA's exposure to the following risks are:

Interest rate risk

The YWCA is exposed to interest rate risk on its fixed rate term deposits (note 3) and its fixed rate mortgage payable (note 5). Fixed rate instruments subject the YWCA to risk of changes in fair value.

Credit risk

The YWCA is exposed to credit risk from potential non-payment of accounts receivable. The YWCA's receivables are primarily from the various government agencies whose credit risk is considered to be low.

Liquidity risk

The YWCA's objective is to have sufficient liquidity to meet its liabilities when due. The YWCA monitors its cash balance and cash flows generated from operations to meet its requirements. As at December 31, 2018, the most significant financial liabilities are accounts payable and accrued liabilities and mortgage payable.

15. COMMITMENTS

In 2018, the YWCA entered into a contract for architectural services. As at December 31, 2018, the balance owing on the contract for future services is \$118,150.

16. SUBSEQUENT EVENTS

The YWCA completed the purchase of a new building in Regina, Saskatchewan, into which the Century Crescent Childcare centre will move in September 2019. The transaction, which closed on January 31, 2019, has a cash purchase price of \$1,575,000 and \$1,325,000 will be recorded as a capital asset addition in the December 31, 2019 annual financial statements. As of December 31, 2018, a deposit of \$250,000 was paid and capitalized in 2018.