Financial Statements of

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND DISTRICT

And Independent Auditors' Report thereon

Year ended March 31, 2022

Management's Responsibility for Financial Reporting

Management of the Young Women's Christian Association of Lethbridge and District (the Association) is responsible for the integrity of the accompanying financial statements. The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations, as established by the Chartered Professional Accountants of Canada.

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

To assist in meeting its responsibility, management maintains accounting, budget and other internal controls including written policies, directives and procedures. These controls provide reasonable assurance that transactions are appropriately authorized and accurately recorded, and that assets are properly accounted for and safeguarded.

The Board of the Young Women's Christian Association of Lethbridge and District is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Board fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Association's external auditors.

The financial statements have been audited by the independent firm of KPMG LLP. Their report to the Board Members of the Young Women's Christian Association of Lethbridge and District, stating the scope of their examination and opinion on the financial statements, follows.

_____ _____

KPMG LLP
3410 Fairway Plaza Road South
Lethbridge AB T1K 7T5 Canada
Tel 403-380-5700
Fax 403-380-5760

INDEPENDENT AUDITORS' REPORT

To Board of Directors of Young Women's Christian Association of Lethbridge and District

Opinion

We have audited the financial statements of Young Women's Christian Association of Lethbridge and District (the Association), which comprise:

- the statement of financial position as at March 31, 2022
- the statement of operations and changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter 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 March 31, 2022, and its results of 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. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' 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.

KPMG LLP, an Ontario limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.
KPMG Canada provides services to KPMG LLP

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in the *Annual Report*. The *Annual Report* is expected to be made available to us after the date of the auditors' report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

When we read the *Annual Report*, if we conclude that there is a material misstatement of this other information, we are required to report the matter to those charged with governance.

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.

Auditors' 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 auditors' 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 generally accepted auditing standards 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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, 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 auditors' 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 auditors' 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 represents the underlying transactions and events in a manner that achieves fair presentation.

- 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.

KPMG LLP

Chartered Professional Accountants

Lethbridge, Canada

June 16, 2022

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND DISTRICT

Statement of Financial Position
Year ended March 31, 2022 with comparative information for 2021

	Operating Fund	Gaming Fund	Capital Fund	2022	2021
Assets:					
Current assets:					
Cash and cash equivalents	$1,476,164	$ 39,802	$ 338,676	$1,854,642	$ 1,869,211
Accounts receivable	312,084	-	-	312,084	274,144
Prepaid expenses	29,023	-	-	29,023	19,248
	1,817,271	39,802	338,676	2,195,749	2,162,603
Capital assets *(note 2)*	-	-	748,801	748,801	750,780
	$1,817,271	$ 39,802	$1,087,477	$2,944,550	$ 2,913,383
Liabilities and Fund balances:					
Current liabilities:					
Accounts payable and accrued liabilities *(note 3)*	$ 199,120	$ -	$ -	$ 199,120	$ 264,281
Unearned revenue	-	-	-	-	5,992
Restricted deferred contributions *(note 4)*	1,186,100	-	-	1,186,100	1,099,424
	1,385,220	-	-	1,385,220	1,369,697
Unamortized capital contributions *(note 5)*	-	-	471,736	471,736	445,887
	1,385,220	-	471,736	1,856,956	1,815,584
Fund balances:					
Internally restricted					
Capital investment reserve	-	-	310,272	310,272	301,460
Capital replacement reserve *(note 6)*	-	-	28,404	28,404	28,404
Operating reserve	313,987	-	-	313,987	305,175
Externally restricted					
Gaming reserve	-	39,802	-	39,802	39,802
Invested in capital assets	-	-	277,065	277,065	304,893
Unrestricted	118,064	-	-	118,064	118,065
	432,051	39,802	615,741	1,087,594	1,097,799
	$1,817,271	$ 39,802	$1,087,477	$2,944,550	$ 2,913,383

See accompanying notes to financial statements.

On behalf of the board:

_____ Director _____ Director

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND DISTRICT

Statement of Operations and Changes in Fund Balances

Year ended March 31, 2022, with comparative information for 2021

	Budget (Unaudited)	Operating Fund	Gaming Fund	Capital Fund	2022 Actual	2021 Actual
Revenue:						
Grants	$ 2,928,423	$ 3,318,045	$ -	$ -	$3,318,045	$ 3,079,560
Fees for service	356,400	337,866	-	-	337,866	255,234
Donations	221,450	96,936	-	-	96,936	290,594
Fundraising	23,214	7,985	-	-	7,985	1,817
Other	10,000	13,410	-	-	13,410	10,935
Interest	8,625	-	-	6,402	6,402	9,324
Amortization of capital contributions	37,390	-	-	53,200	53,200	43,653
	3,585,502	3,774,242	-	59,602	3,833,844	3,691,117
Expenses:						
Salaries and honorariums	2,823,128	2,876,592	-	-	2,876,592	2,857,997
Direct client costs	274,710	379,117	-	-	379,117	249,405
Telephone and utilities	104,788	203,449	-	-	203,449	139,138
Professional fees	56,748	73,232	-	-	73,232	95,521
Repairs and maintenance	41,221	43,311	-	-	43,311	52,756
Membership and fees	37,642	33,804	-	-	33,804	38,678
Supplies and stationery	25,045	30,421	-	-	30,421	26,703
Insurance	28,177	30,131	-	-	30,131	28,841
Information and technology	28,960	26,720	-	-	26,720	24,031
Fundraising costs	20,000	24,456	-	-	24,456	8,808
Travel and training	35,792	19,216	-	-	19,216	47,099
Advertising and promotion	7,850	10,081	-	-	10,081	8,559
Interest and bank charges	1,350	6,060	-	-	6,060	7,576
Other	-	2,128	-	-	2,128	7,302
Volunteer costs	5,000	1,771	-	-	1,771	1,148
Small equipment	1,400	1,367	-	-	1,367	2,704
Property taxes	-	1,165	-	-	1,165	1,107
Amortization	62,774	-	-	81,028	81,028	78,616
	3,554,585	3,763,021	-	81,028	3,844,049	3,675,989
Excess (deficiency) of revenue over expenses	30,917	11,221	-	(21,426)	(10,205)	15,128
Fund balance, beginning of year	1,038,774	423,240	39,802	634,757	1,097,799	1,082,671
Interfund transfers *(note 7)*	-	(2,410)	-	2,410	-	-
Fund balance, end of year	$ 1,069,691	$ 432,051	$ 39,802	$ 615,741	$1,087,594	$1,097,799

See accompanying notes to financial statements.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND DISTRICT

Statement of Cash Flows

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenues over expenses	$ (10,205)	$ 15,128
Adjustments for items which do not affect cash		
Amortization	81,028	78,616
Amortization of capital contributions	(53,200)	(43,653)
	17,623	50,091
Change in non-cash financial assets and liabilities:		
Accounts receivable	(37,940)	(78,171)
Prepaid expenses	(9,775)	21,024
Accounts payable and accrued liabilities	(65,161)	31,832
Unearned revenue	(5,992)	5,292
Restricted deferred contributions	86,676	(281,350)
	(14,569)	(251,282)
Financing and investing activities:		
Purchase of capital assets	(79,049)	(30,548)
Capital contributions received	79,049	-
	-	(30,548)
Decrease in cash	(14,569)	(281,830)
Cash and cash equivalents, beginning of year	1,869,211	2,151,041
Cash and cash equivalents, end of year	$ 1,854,642	$ 1,869,211

See accompanying notes to financial statements.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF LETHBRIDGE AND DISTRICT

Notes to Financial Statements

Year ended March 31, 2022

Young Women's Christian Association of Lethbridge and District (the "Association") is an organization committed to women and the enhancement of their lives. The Association is a not-for-profit organization and is a registered charity under the Income Tax Act. The Association is exempt from income taxes under Section 149(1)(l) of the Income Tax Act.

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the CPA Canada Handbook. The significant policies are detailed as follows:

(a) Fund accounting:

Revenue and expenses related to the operation of the Association's programs and administrative activities are reported in the Operating Fund.

Revenue and expenses related to the Association's Raffle and Casino activities are reported in the Gaming Fund. These funds are expended in accordance with the Association's license issued under the Alberta Gaming Commission.

The Capital Fund reports the assets, liabilities, revenue and expenses related to the Association's capital assets. The Association has chosen to continue to treat amounts invested in capital assets as a separate component of the capital fund.

(b) Revenue recognition:

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue 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 net assets.

(c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transactions costs incurred on acquisition and financing costs, which are amortized using the straight-line method over the life of the asset.

1. Significant accounting policies (continued):

(c) Financial instruments (continued):

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Association expects to realize by exercising its right to any collateral. If the event and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial cost or amortized cost.

(d) Cash and cash equivalents:

Cash and cash equivalents include cash on hand, and other short-term deposits, which are highly liquid investments with maturities of less than three months from the date of acquisition.

(e) 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

(f) Capital assets:

Purchased capital assets are recorded at cost. Contributed assets are recorded at fair value at the date of contribution. Amortization is provided using the following methods and rates:

Assets	Method	Rate
Buildings	Straight-line/Declining balance	35 years/20%
Equipment – other	Declining balance	20%
Office equipment	Declining balance	20%
Computer software	Declining balance	30%
Vehicles	Declining balance	30%

Amortization of leasehold improvements is recorded over the remaining term of the lease plus the renewal option. Capital assets are reviewed for impairment whenever events or changes in circumstance indicate that the asset no longer has any long-term service potential to the Association. Any such impairment is measured by a comparison of the carrying amount of an asset to estimated residual value.

1. Significant accounting policies (continued):

(g) Contributed services:

Contributed services to assist the Association in carrying out its activities are not recognized in the financial statements due to the difficulty in determining their fair value.

(h) Allocated expenses:

The Association incurs expenses that can be directly identified with program activities and therefore can be charged to the appropriate function. However, there are certain support services that relate to more than one program activity and must be allocated out based on management's best determination of where the expenses were incurred. These expenses include administration wages and benefits, facility rent, equipment and repairs and maintenance, advertising, facility repairs and maintenance, office supplies and postage, telephone, professional fees and insurance. These expenses are allocated out based on the space used by the program, time spent on the program or by dollar value of the program.

2. Capital assets:

	Cost	Accumulated amortization	2022
Land	$ 160,000	$ -	$ 160,000
Buildings	445,568	127,309	318,259
Computer software	155,962	152,280	3,682
Improvements – building	4,338,709	4,134,331	204,378
Equipment – other	286,207	261,309	24,898
Office equipment	208,901	190,868	18,033
Vehicle	30,548	10,997	19,551
	$ 5,625,895	$ 4,877,094	$ 748,801

	Cost	Accumulated amortization	2021
Land	$ 160,000	$ -	$ 160,000
Buildings	445,568	114,579	330,989
Computer software	155,962	150,697	5,265
Improvements – building	4,259,657	4,083,232	176,425
Equipment – other	286,207	267,648	18,559
Office equipment	208,901	173,798	35,103
Vehicle	30,548	6,109	24,439
	$ 5,546,843	$ 4,796,063	$ 750,780

3. Accounts payable and accrued liabilities:

	2022	2021
Accounts payable	$ 125,927	$ 183,025
Vacation and lieu time payable	73,193	81,256
	$ 199,120	$ 264,281

4. Restricted deferred contributions:

Restricted deferred contributions represent restricted program funding received that is related to subsequent years.

	2022	2021
Harbour House	$ 779,896	$ 654,422
Alberta Government Family and Community Safety Grant	-	5,091
Other	43,880	36,853
Youth donations	93,849	115,299
Alcoa	4,747	4,747
Hestia House	10,585	14,620
Amethyst	37,417	30,469
Young Girl conference donations	16,503	16,503
Life Enrichment Centre	-	15,000
Life-long Learning Association	6,500	6,500
Young Women's Leadership Council	8,848	8,848
Think Big Look Back	11,344	11,344
Domestic and Sexual Violence	138,082	129,728
Alberta Association of Young Women Christian Association	-	8,496
Housing and Basic Needs	34,449	41,504
Balance, end of year	$ 1,186,100	$ 1,099,424

	2022	2021
Opening restricted deferred contributions	$ 1,099,424	$ 1,380,774
Amounts received	2,783,238	3,041,716
Amounts recognized	(2,688,209)	(3,323,066)
Amounts repaid	(8,353)	-
Ending restricted deferred contributions	$ 1,186,100	$ 1,099,424

5. Unamortized capital contributions:

Unamortized capital contributions represent the unamortized amount of contributions expended on the purchase of capital assets.

The changes for the year are as follows:

	2022	2021
Beginning balance	$ 445,887	$ 489,540
Capital contributions received	79,049	-
Amortization of capital contributions	(53,200)	(43,653)
	$ 471,736	$ 445,887

6. Capital replacement reserve:

	2022	2021
Beginning balance	$ 28,404	$ 27,404
Transfer from operating	-	1,000
	$ 28,404	$ 28,404

The Association appropriates a portion of current or prior years' operating surplus to be used for the replacement of capital assets in the future. This reserve had initially been established pursuant to an agreement with the Canadian Mortgage and Housing Corporation but has been continued by the Board of the Association.

7. Inter-fund transfers:

			Internally restricted			Externally restricted		
	Unrestricted	Invested in capital assets	Capital investment reserve	Operating reserve	Capital replacement reserve	Gaming reserve	Total 2022	Total 2021
Balance, beginning of year	$ 118,065	$ 304,893	$ 301,460	$ 305,175	$ 28,404	$ 39,802	$ 1,097,799	$ 1,082,671
Excess (deficiency) of revenue over expenses	(10,205)	-	-	-	-	-	(10,205)	15,128
Net additions to tangible capital assets – internally funded	-	-	-	-	-	-	-	-
Amortization	81,028	(81,028)	-	-	-	-	-	-
Amortization of capital contributions	(53,200)	53,200	-	-	-	-	-	-
Transfers	(17,624)	-	8,812	8,812	-	-	-	-
	$ 118,064	$ 277,065	$ 310,272	$ 313,987	$ 28,404	$ 39,802	$ 1,087,594	$ 1,097,799

7. Interfund transfers (continued):

The operating interfund transfers represent net capital asset transactions of ($6,402) (2021 - $21,224), the transfer of $nil (2021 - $1,000) to the capital replacement reserve and $8,812 (2021 - $11,606) which represents 50% of the remaining operating surplus to the capital investment reserve. A transfer of nil$ (2021 - $4,668) was made from the gaming fund to the operating fund to offset expenses incurred during the year.

8. Contingencies:

The Association has been named in one legal matter. The Association believes that this claim is without merit and are taking appropriate steps to defend against it. At present, the amount or outcome is not determinable. The amount of any uninsured loss arising from a future settlement, if any, would be accounted for as a current transaction in the year of the settlement.

9. Financial instruments:

Management's opinion is that the Association is not exposed to any additional significant interest rate, credit, currency market or liquidity risks that are not already disclosed in elsewhere in the financial statements.

10. Economic dependence:

The Association is dependent on continued funding from the Government of Alberta, Ministry of Community and Social Services for the operation of the Harbour House program.