

YWCA OF KITCHENER-WATERLOO
FINANCIAL STATEMENTS
DECEMBER 31, 2023

Independent Auditor's Report

Financial Statements

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Approved on behalf of the Board of Directors:

Director

Director



INDEPENDENT AUDITOR'S REPORT

To the Members of YWCA of Kitchener-Waterloo

Opinion

I have audited the financial statements of **YWCA of Kitchener-Waterloo**, which comprise the statement of financial position as at **December 31, 2023**, and the statement of operations and changes in net assets, and the statement of cash flows, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **YWCA of Kitchener-Waterloo** as at **December 31, 2023** and its results of operations, changes in net assets, and cash flows, for the year then ended, in accordance with Canadian Accounting Standards for Not-for-profit Organizations.

Basis of Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the entity in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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 these financial statements.

As part of an audit in accordance with Canadian Auditing Standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 organization'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 organization's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the organization 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.

I 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 I identify during my audit.

Comparative figures were audited by another firm of public accountants.

E.M. Simon CPA

March 26, 2024
Waterloo, ON

E.M. Simon CPA Professional Corporation

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YWCA OF KITCHENER-WATERLOO**STATEMENT OF FINANCIAL POSITION****AS AT DECEMBER 31, 2023**

(with comparative figures as at December 31, 2022)

(the accompanying notes are an integral part of the financial statements)

	2023				2022			
	<u>Operating Fund</u>	<u>Externally Restricted Fund</u>	<u>Tangible Capital Assets Fund</u>	<u>Total</u>	<u>Operating Fund (note 15)</u>	<u>Externally Restricted Fund</u>	<u>Tangible Capital Assets Fund</u>	<u>Total</u>
ASSETS								
CURRENT								
Cash and cash equivalents	540,503	-	-	540,503	473,480	-	472,625	946,105
Short-term investments (note 2)	465,916	-	-	465,916	447,997	-	-	447,997
Accounts receivable	856,420	-	-	856,420	526,422	-	817,994	1,344,416
HST recoverable	518,626	-	-	518,626	824,261	-	-	824,261
Prepaid expenses	17,676	-	-	17,676	15,671	-	-	15,671
	2,399,141	-	-	2,399,141	2,287,831	-	1,290,619	3,578,450
LONG-TERM INVESTMENTS (note 2)	502,811	642,753	-	1,145,564	489,384	559,726	-	1,049,110
TANGIBLE CAPITAL ASSETS (note 3)	-	-	17,760,901	17,760,901	587,375	-	16,226,747	16,814,122
	\$2,901,952	\$642,753	\$17,760,901	\$21,305,606	\$3,364,590	\$559,726	\$17,517,366	\$21,441,682
LIABILITIES								
CURRENT								
Accounts payable and accrued liabilities	796,006	-	-	796,006	1,003,546	-	-	1,003,546
Deferred income (note 4)	913,164	-	-	913,164	603,937	-	-	603,937
Current long-term debt - mortgages (note 5)	-	-	128,280	128,280	-	-	314,624	314,624
Current long-term debt - other (note 6)	-	-	29,452	29,452	-	-	28,298	28,298
	1,709,170	-	157,732	1,866,902	1,607,483	-	342,922	1,950,405
LONG-TERM								
Other long-term debt (note 6)	-	-	307,505	307,505	-	-	338,655	338,655
Asset retirement obligation (note 7)	-	-	91,762	91,762	-	-	80,499	80,499
	-	-	399,267	399,267	-	-	419,154	419,154
	1,709,170	-	556,999	2,266,169	1,607,483	-	762,076	2,369,559
NET ASSETS								
Externally restricted (note 8)	-	642,753	-	642,753	-	559,726	-	559,726
Internally restricted (note 8)	968,727	-	17,203,902	18,172,629	2,030,262	-	16,755,290	18,785,552
Unrestricted	224,055	-	-	224,055	(273,155)	-	-	(273,155)
	1,192,782	642,753	17,203,902	19,039,437	1,757,107	559,726	16,755,290	19,072,123
	\$2,901,952	\$642,753	\$17,760,901	\$21,305,606	\$3,364,590	\$559,726	\$17,517,366	\$21,441,682

YWCA OF KITCHENER-WATERLOO
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

(with comparative figures for the year ended December 31, 2022)

(the accompanying notes are an integral part of the financial statements)

	2023				2022			
	<u>Operating Fund</u>	<u>Externally Restricted Fund</u>	<u>Tangible Capital Assets Fund</u>	<u>Total</u>	<u>Operating Fund</u>	<u>Externally Restricted Fund</u>	<u>Tangible Capital Assets Fund</u>	<u>Total</u>
REVENUES								
Program	2,376,121	-	-	2,376,121	2,603,125	-	-	2,603,125
Grants (notes 11)	7,454,183	93,276	575,626	8,123,085	6,587,954	85,328	5,608,673	12,281,955
United Way	140,000	-	-	140,000	165,000	-	-	165,000
Donations and special events	307,119	71,274	35,674	414,067	254,042	32,842	77,395	364,279
Interest	112,677	1,042	-	113,719	100,290	2,670	-	102,960
Memberships	-	-	-	-	118	-	-	118
Partnerships contracts	267,136	-	-	267,136	264,728	-	-	264,728
	<u>10,657,236</u>	<u>165,592</u>	<u>611,300</u>	<u>11,434,128</u>	<u>9,975,257</u>	<u>120,840</u>	<u>5,686,068</u>	<u>15,782,165</u>
EXPENSES (Schedule 1)								
Salaries and benefits (note 13)	7,906,713	-	-	7,906,713	7,585,710	-	-	7,585,710
Occupancy costs	1,367,327	65,905	4,769	1,438,001	1,015,471	32,979	112,555	1,161,005
Financial costs	(8,124)	-	-	(8,124)	1,887	-	-	1,887
Program costs	690,339	53,713	14,310	758,362	580,541	50,224	-	630,765
Office administration	678,204	9	-	678,213	671,056	3,225	-	674,281
Interest on long-term debt	-	-	22,125	22,125	-	-	27,366	27,366
Other	91,715	-	-	91,715	89,164	-	-	89,164
	<u>10,726,174</u>	<u>119,627</u>	<u>41,204</u>	<u>10,887,005</u>	<u>9,943,829</u>	<u>86,428</u>	<u>139,921</u>	<u>10,170,178</u>
EXCESS BEFORE OTHER ITEMS	<u>(68,938)</u>	<u>45,965</u>	<u>570,096</u>	<u>547,123</u>	<u>31,428</u>	<u>34,412</u>	<u>5,546,147</u>	<u>5,611,987</u>
OTHER ITEMS								
Amortization of tangible capital assets (Schedule 1)	-	-	(680,247)	(680,247)	-	-	(490,590)	(490,590)
Realized gains on long-term investments	21,603	8,122	-	29,725	106,461	138	-	106,599
Unrealized gains on long-term investments	24,452	47,292	-	71,744	(181,791)	(95,098)	-	(276,889)
	<u>46,055</u>	<u>55,414</u>	<u>(680,247)</u>	<u>(578,778)</u>	<u>(75,330)</u>	<u>(94,960)</u>	<u>(490,590)</u>	<u>(660,880)</u>
EXCESS OF REVENUES OVER EXPENSES	<u>(22,883)</u>	<u>101,379</u>	<u>(110,151)</u>	<u>(31,655)</u>	<u>(43,902)</u>	<u>(60,548)</u>	<u>5,055,557</u>	<u>4,951,107</u>
INTERFUND TRANSFERS								
Programs and projects	5,735	-	(5,735)	-	-	-	-	-
Capital asset purchases	(348,158)	-	348,158	-	-	-	-	-
Mortgage principal payments	(216,340)	-	216,340	-	(235,171)	-	235,171	-
Kitchener and Waterloo Community Foundation (note 9)	-	(1,031)	-	(1,031)	-	(1,625)	-	(1,625)
Budgeted transfers	17,321	(17,321)	-	-	-	-	-	-
CHANGE IN NET ASSETS	<u>(564,325)</u>	<u>83,027</u>	<u>448,612</u>	<u>(32,686)</u>	<u>(279,073)</u>	<u>(62,173)</u>	<u>5,290,728</u>	<u>4,949,482</u>
NET ASSETS - opening	<u>1,757,107</u>	<u>559,726</u>	<u>16,755,290</u>	<u>19,072,123</u>	<u>2,036,180</u>	<u>621,899</u>	<u>11,464,562</u>	<u>14,122,641</u>
NET ASSETS - closing	<u>\$1,192,782</u>	<u>\$642,753</u>	<u>\$17,203,902</u>	<u>\$19,039,437</u>	<u>\$1,757,107</u>	<u>\$559,726</u>	<u>\$16,755,290</u>	<u>\$19,072,123</u>

YWCA OF KITCHENER-WATERLOO**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED DECEMBER 31, 2023**

(with comparative figures for the year ended December 31, 2022)

(the accompanying notes are an integral part of the financial statements)

	2023				2022			
	<u>Operating Fund</u>	<u>Externally Restricted Fund</u>	<u>Tangible Capital Assets Fund</u>	<u>Total</u>	<u>Operating Fund</u>	<u>Externally Restricted Fund</u>	<u>Tangible Capital Assets Fund</u>	<u>Total</u>
SOURCES (USES) OF CASH:								
OPERATING ACTIVITIES								
Excess (deficit) for the year	(22,883)	101,379	(110,151)	(31,655)	(43,902)	(60,548)	5,055,557	4,951,107
Items not affecting cash:								
Amortization	-	-	680,247	680,247	-	-	490,590	490,590
Realized gains on long-term investments	(21,603)	(8,122)	-	(29,725)	(106,461)	(138)	-	(106,599)
Unrealized gains on long-term investments	(24,452)	(47,292)	-	(71,744)	181,791	95,098	-	276,889
	(68,938)	45,965	570,096	547,123	31,428	34,412	5,546,147	5,611,987
Change in non-cash current assets and liabilities								
Accounts receivable	(329,998)	-	817,994	487,996	(229,699)	-	-	(229,699)
HST recoverable	305,635	-	-	305,635	-	-	(817,994)	(817,994)
Prepaid expenses	(2,005)	-	-	(2,005)	(4,563)	-	-	(4,563)
Accounts payable and accrued liabilities	(207,540)	-	-	(207,540)	(665,497)	-	-	(665,497)
Deferred income (note 4)	309,227	-	-	309,227	80,192	-	-	80,192
	6,381	45,965	1,388,090	1,440,436	(788,139)	34,412	4,728,153	3,974,426
INVESTING ACTIVITIES								
Assignment (purchases) of tangible capital assets	587,375	-	(2,203,138)	(1,615,763)	(587,375)	-	(4,996,484)	(5,583,859)
Purchases of long-term investments	32,628	(27,613)	-	5,015	23,677	(32,787)	-	(9,110)
Proceeds from sales of long-term investments	-	-	-	-	470,999	-	235,171	706,170
Reinvested income on short-term investments	(17,919)	-	-	(17,919)	(17,231)	-	-	(17,231)
	602,084	(27,613)	(2,203,138)	(1,628,667)	(109,930)	(32,787)	(4,761,313)	(4,904,030)
FINANCING ACTIVITIES								
Repayment of mortgages	-	-	(186,344)	(186,344)	-	-	(181,347)	(181,347)
Repayment of other long-term debt	-	-	(29,996)	(29,996)	-	-	(26,458)	(26,458)
Transfers between Funds	(541,442)	(18,352)	558,763	(1,031)	-	(1,625)	-	(1,625)
	(541,442)	(18,352)	342,423	(217,371)	-	(1,625)	(207,805)	(209,430)
CHANGE FOR THE YEAR	67,023	-	(472,625)	(405,602)	(898,069)	-	(240,965)	(1,139,034)
CASH AND CASH EQUIVALENTS - opening	473,480	-	472,625	946,105	1,371,549	-	713,590	2,085,139
CASH AND CASH EQUIVALENTS - closing	\$540,503	\$0	\$0	\$540,503	\$473,480	\$0	\$472,625	\$946,105

YWCA OF KITCHENER-WATERLOO

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

STATUS AND NATURE OF ACTIVITIES

The Young Women's Christian Association of Kitchener-Waterloo (the "organization") works to improve the lives of women and children at critical turning points, as part of a world-wide women's movement for social justice. The organization is incorporated under the Ontario Business Corporations Act as a not-for-profit association and is a registered charity under the Income Tax Act and is therefore exempt from income taxes.

1. ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared using Canadian Accounting Standards for Not-for-profit Organizations (CASNFPO).

Fund Accounting

The organization uses fund accounting to maintain its books and records. Fund accounting comprises the collective accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions.

Operating Fund - The operating fund accounts for administrative and operational costs and is financed by fees, donations, grants and other miscellaneous income. It also records the current assets, liabilities and surplus relating to ongoing programs and administrative operations. Internally restricted fund and projects are determined by the Board. Annual operating surpluses are set aside by the Board into these funds. Interest on these funds accumulates to the funds unless directed otherwise by the Board.

Externally Restricted Fund - The externally restricted fund reports donations, grants and rent received for restricted purposes. Net assets held in the externally restricted fund are invested in a variety of investment vehicles. Investment income earned on these funds is reported as revenue in the fund.

Tangible Capital Asset Fund - The tangible capital asset fund reports the assets, liabilities, revenues and expenses related to the association's tangible capital assets.

Revenue recognition

The organization follows the restricted fund method of accounting for contributions.

Unrestricted contributions from operational and one-time government grants, donations and partnership contracts are recognized as revenue of the Operating Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions are recognized as revenue in the Externally Restricted Fund or the Tangible Capital Asset Fund in the year in which the contributions are received. Where there is no appropriate restricted fund, restricted contributions are recognized under the deferral method in the Operating Fund, whereby restricted revenue is recognized as revenue in the year in which the related expense is incurred. Amounts not yet recognized are included in deferred revenue on the statement of financial position.

Program revenue is recognized as earned on a monthly basis when the amount can be measured and collection is reasonably assured. Fees collected in advance are recorded as deferred revenue until the program is provided. Rental revenue from operating leases is recognized in income on a straight-line basis. Interest income is recognized as earned throughout the year. Operational grants have been received from the Region of Waterloo. Reconciliation reports are submitted to the Region of Waterloo for final approval. Assessments of prior funding may occur based on funder decisions. The effect of these adjustments, which cannot be quantified at the time of preparing these financial statements, will be recorded in the year of assessment. Volunteers contribute many hours per year to assist the organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements. Contributed materials are not recognized in the financial statements unless they would normally be purchased by the organization and their fair market value

YWCA OF KITCHENER-WATERLOO

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. ACCOUNTING POLICIES (continued)

Financial instruments

A financial instrument is a contract that creates a financial asset for one entity and a financial liability or equity instrument of another. Financial assets and liabilities are initially measured at fair value, except for non-arm's length transactions, if any. The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments with quoted fair values in an active market, if any, which are measured at fair value. Changes in fair value are recognized in net income. Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of any write-down is recognized on the statement of operations and changes in net assets. Any previously recognized impairment losses may be reversed and reflected as income to the extent of improvement. Transaction costs are recognized in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

Tangible Capital Assets

Tangible capital assets are stated at cost less accumulated amortization. Contributed tangible capital assets are recorded at fair value, when fair value can be reasonably estimated, at the date of contribution. Amortization based on the estimated useful life of the asset is calculated as follows:

Buildings	- 40 years on a straight-line basis
Machinery and equipment	- 10 years on a straight-line basis
Automotive equipment	- 5 years on a straight-line basis
Leasehold improvements	- 10 to 20 years on a straight-line basis, over the term of the lease

Use of Estimates

CASNFPO require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Asset Retirement Obligation

A liability for an asset retirement obligation is recognized in the period in which it is incurred at an amount that is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. This obligation is subsequently reviewed at each balance sheet date and adjusted for the passage of time and for any revisions to the timing or amount required to settle the obligation. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related long-lived asset. This cost is amortized on the same basis as the related asset.

2. FINANCIAL INSTRUMENTS

The organization has a revolving demand credit facility with a \$500,000 limit, which bears interest at prime plus 1.25%, and is secured by a General Security Agreement representing a First charge on all its present and after acquired personal property, a general assignment of rents, an assignment (or evidence) of fire insurance with the bank listed as loss payee, a continuing collateral mortgage, representing a first charge, in the principal amount of CAD \$2,325,000 on real property located at 84 Frederick Street, Kitchener, Ontario.

YWCA OF KITCHENER-WATERLOO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

2. FINANCIAL INSTRUMENTS (continued)

Financial assets:	<u>2023</u>	<u>2022</u>
Short-term investments		
Accumulation Annuity Investment - 3.92% annualized return, current and prior year	\$465,916	\$447,997
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Long-term investments		
Canadian Short-term Bond Fund	21,699	20,757
Canadian Bond Fund	195,201	183,792
Canadian Equity Fund	359,154	316,092
	<hr/>	<hr/>
	576,054	520,641
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Rae & Lipskie Investment Counsel Portfolio		
Canadian Equity Instruments	52,555	52,290
Foreign Equity Instruments	115,119	94,671
Fixed Income Securities	396,416	378,736
Cash	5,420	2,772
	<hr/>	<hr/>
	569,510	528,469
	<hr/>	<hr/>
	\$1,145,564	\$1,049,110

During the past 12 months, the Encasa Financial Inc. and Rae & Lipskie portfolios earned returns of 10.64% and 7.48% respectively.

Reflected at amortized cost:		
Cash, accounts receivable	1,396,923	2,290,521
Short-term investment - Accumulation annuity (4% return current and prior)	465,916	447,997
Total financial assets reflected at amortized cost	<hr/>	<hr/>
	\$1,862,839	\$2,738,518

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments which potentially subject the organization to concentrations of credit risk consist of cash, accounts receivable and short and long term investments. The short and long term investments are described in Notes 3 and 5 respectively. The organization has deposited the cash and investments with a reputable financial institution, from which management believes the risk of loss to be remote. The credit risk on accounts receivable arises from related day care facilities and grantors.

Liquidity Risk

Liquidity risk is the risk that the organization encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and accrued liabilities, mortgages payable, other long term debt and commitments.

YWCA OF KITCHENER-WATERLOO

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

2. FINANCIAL INSTRUMENTS (continued)

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The organization is mainly exposed to interest rate risk and other price risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of fixed income denominated investments, long term and other debt.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The organization is exposed to this risk through its investment portfolio.

Currency Risk

Currency risk is the risk that changes in foreign currency exchange rates could impact the value of currencies and investments held by the organization.

As in the prior year, management believes the organization does face some interest rate, market risk, currency risk and other price risk with respect to its investments, in that, changes in market interest rates, changes in equity markets and changes in foreign exchange rates could impact the value of investments held by the organization. As in the prior year, management believes it does not face any significant credit or liquidity risk with respect to its financial instruments.

3. TANGIBLE CAPITAL ASSETS

	<u>2023</u>		<u>2022</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	462,200	-	462,200	462,200
Buildings	19,229,756	6,564,759	12,664,997	12,821,390
Machinery and equipment	581,705	540,990	40,715	40,715
Leasehold improvements	1,271,745	810,756	460,989	460,989
Vehicles	44,471	44,471	-	-
Construction in progress *	4,812,248	680,248	4,132,000	3,028,828
	<u>\$26,402,125</u>	<u>\$8,641,224</u>	<u>\$17,760,901</u>	<u>\$16,814,122</u>

In the current year, the organization completed construction of a supportive housing building at a total cost of \$4,812,248. Included in the costs for the organization's Block Line properties is an asset retirement obligation of \$91,762 (see Note 7).

YWCA OF KITCHENER-WATERLOO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

4. DEFERRED REVENUE	<u>2023</u>	<u>2022</u>
Balance, beginning of the year	603,937	523,745
Contributions received	913,164	603,937
Contributions recognized as revenue	(603,937)	(523,745)
Balance, end of the year	\$913,164	\$603,937

5. MORTGAGES PAYABLE		
Mortgage payable - 6.5%, due August 1, 2024, monthly payments of \$16,423 principal and interest, secured by land and a building on Lincoln Road	128,280	314,624
Current portion:	(128,280)	(314,624)
Balance, end of the year	\$0	\$0

6. OTHER LONG-TERM DEBT	<u>2023</u>	<u>2022</u>
Loan payable - 4.3%, due August 2033, monthly payments of \$3,547 principal	336,957	366,953
Current portion:	(29,452)	(28,298)
	\$307,505	\$338,655

The loan is payable to the Waterloo Region District School Board for reimbursement of capital costs associated with the construction of the Jean Steckle day care facility. The loan is secured by an assignment of comprehensive general liability insurance for \$2,000,000.

Projected principal repayments:	2024	29,452
	2025	30,652
	2026	31,902
	2027	33,203
	2028	34,557
	thereafter	177,191
		<u>\$336,957</u>

7. COMMITMENTS, CONTINGENCIES AND CONTRACTUAL OBLIGATIONS

Asset Retirement Obligation

In the current year, the organization completed construction of the first supportive housing project and began construction of the second support housing project on land leased from the City of Kitchener (the "City"). The land is leased at a cost of \$1 each year and the term is for 50 years where the land must be returned to the City. At the end of the lease term, the City has the option to either take the land back along with the building or request the organization to dismantle all the structures and restore the land to its original condition. As at year end, an obligation of \$80,499 has been accrued on the balance sheet based on management's based estimate of the cost of dismantle all the structures and restore the land to its original structure. No payment was made to settle the asset retirement obligation because it is expected to settle in 50 years at the end of the lease term at a fair value of \$375,000.

Lease Obligation

Under the terms of lease agreements, the organization's total obligations for occupied premises, exclusive of realty taxes and other occupancy charges and equipment for the next three years, are as follows:

2024	82,035
2025	19,952
	<u>\$101,987</u>

YWCA OF KITCHENER-WATERLOO

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

8. RESTRICTED FUNDS AND NET ASSETS

Externally Restricted Net Assets reflects amounts received from contributors which are designated for specific purposes, the related expenditures, and the remaining net assets. The fund balances at the end of the fiscal year are as follows:

	<u>2023</u>	<u>2022</u>
Lincoln Road Reserve Fund	562,453	484,193
E. Dreger Memorial Fund	51,238	58,453
Women Municipal Campaign School	6,994	6,994
Family Relocation Fund	22,068	4,904
Leejay Levene Art Calendar	-	5,182
	<hr/> \$642,753	<hr/> \$559,726

Lincoln Road Reserve Fund

The purpose of this fund is to purchase repairs, renovations, and improvements to the physical building at 155 Lincoln Road and to purchase and repair the major equipment located therein.

E. Dreger Memorial Fund

The purpose of this fund is to support children and families in the shelter.

Women Municipal Campaign School

The purpose of this fund is to provide financing to support the plan and delivery of a two day workshop to support and encourage women to run for local office. The YWCA hosts the finances for the school.

Family Relocation Fund

The purpose of this fund is to provide household furnishings to women and children who are victims of domestic violence and who are leaving area shelters. The project is delivered by a team of community volunteers.

Leejay Levene Art Calendar

The annual calendar is produced to honour the memory of Leejay Levene with proceeds from the sales of the calendar. The purpose of this fund is to provide affordable and supportive housing for vulnerable women in the community.

Internally Restricted Net Assets - Operating Fund reflects a **Working Capital Reserve** held within the **Operating Fund** which are net assets that the Board has restricted to provide working capital in the event there are disruptions in cash flows within the Operating Fund. In the current year, the Board transferred \$1,182,842 from the Working Capital Reserve to Unrestricted Operating Net Assets to more accurately reflect net assets held in reserve for the Working Capital Reserve. **Internally Restricted Net Assets - Capital Fund** reflects the organization's investment in net capital assets.

9. YWCA ENDOWMENT FUND

On December 14, 1995, the organization entered into an agreement with The Kitchener and Waterloo Community Foundation (Community Foundation) to establish a permanent endowment fund within the Community Foundation to be known as YWCA Endowment Fund. The endowment fund includes two funds: YWCA General Fund and YWCA Mary's Place Fund. As required by the agreement, the organization transferred to the Endowment Fund the endowed portion of the Club 84 donations.

10. DEPARTMENTAL STATEMENTS OF REVENUES AND EXPENSES

Unaudited departmental statements of revenues and expenses are available from the YWCA of Kitchener-Waterloo upon request.

YWCA OF KITCHENER-WATERLOO

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

11. GRANT REVENUE	<u>2023</u>	<u>2022</u>
Federal funding - operating	1,220,532	1,247,939
Provincial funding	40,069	40,069
Regional funding	6,619,975	10,675,841
Corporations and Foundations	242,509	318,106
	<u>\$8,123,085</u>	<u>\$12,281,955</u>

12. PENSION PLAN

The YWCA of Kitchener-Waterloo makes contributions to an employee defined contribution plan on behalf of some of its employees under a matching plan. Employer contributions during the year were \$202,079 (2022 - \$199,234) for current service and are included as an expense in the Statement of Operations.

13. SPECIAL PURPOSE DISCLOSURE - WAGE SUBSIDY

	<u>2023</u>	<u>2022</u>
Total amount of funding received for wage subsidy, wage enhancement, pay equity and fee stabilization wage grant	\$757,705	\$699,710

In accordance with the Service agreement and Provincial Guidelines, the total amount of wage subsidy funding received from the Region of Waterloo has been applied to supplemental staff salaries and benefits as required.

14. OCCUPANCY / RENTAL CHARGES	<u>2023</u>	<u>2022</u>
Gross rental charges	512,159	512,184
RGI subsidy	(415,388)	(415,358)
Net rental charges	<u>\$96,771</u>	<u>\$96,826</u>

The net rental charges are included in program revenue and the RGI subsidy is included in grant revenue in the Statement of Operations.

15. CHANGE TO COMPARATIVE FIGURES

In the current year, it was discovered that \$587,375 reflected on the 2022 financial statements as HST recoverable related to construction costs, was in fact not recoverable, and should have been reflected as an additional cost of capital assets. Comparative figures on the current statement of financial position have been amended to correct this misallocation.

YWCA OF KITCHENER-WATERLOO
SCHEDULE 1 - SCHEDULE OF EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
Salaries and Benefits		
Salaries	6,952,649	6,720,754
Benefits	954,064	864,956
	<u>7,906,713</u>	<u>7,585,710</u>
Occupancy Costs		
Property taxes	341	329
Light, heat and power	293,865	224,404
Repairs and maintenance	583,803	490,960
Rent	376,544	337,341
Insurance	183,448	107,971
	<u>1,438,001</u>	<u>1,161,005</u>
Financial Costs		
Bank charges and interest	(8,124)	1,887
Program Costs		
Food	211,257	291,080
Program supplies and equipment	286,986	216,531
Special assistance	3,960	1,825
Miscellaneous	13,649	21,364
Advertising	7,954	9,946
Laundry	11,540	40,650
Fundraising event	27,094	3,245
Honoraria	875	1,850
Community inclusion	15,956	23,591
Professional development day funding	179,091	20,683
	<u>758,362</u>	<u>630,765</u>
Office Administration		
Office supplies and replacements	87,978	47,721
Telephone and postage	51,311	44,661
Professional fees	355,095	267,284
Conferences and meetings	147,235	280,733
Travel	36,594	33,882
	<u>678,213</u>	<u>674,281</u>
Amortization of tangible capital assets	680,247	490,590
Interest on long-term debt	22,125	27,366
Other		
National YWCA support	91,715	87,663
COVID-19 disbursements	-	1,501
	<u>91,715</u>	<u>89,164</u>
	<u>\$11,567,252</u>	<u>\$10,660,768</u>

YWCA OF KITCHENER-WATERLOO

SCHEDULE 2 - UNAUDITED SCHEDULE OF OPERATING FUND BALANCES FOR THE YEAR ENDED DECEMBER 31, 2023

	2023		
	<u>Operating</u>	<u>Internally Restricted</u>	<u>Total</u>
REVENUES			
Programs	2,376,121	-	2,376,121
Grants	7,454,183	-	7,454,183
United Way	140,000	-	140,000
Donations and special events	307,121	(2)	307,119
Interest	100,700	11,977	112,677
Partnership contracts	267,136	-	267,136
	<hr/>		
	10,645,261	11,975	10,657,236
	<hr/>		
EXPENSES			
Salaries and benefits	7,906,713	-	7,906,713
Occupancy costs	1,316,024	51,303	1,367,327
Financial costs	(8,124)	-	(8,124)
Programs costs	690,339	-	690,339
Office administration	678,204	-	678,204
Other	91,715	-	91,715
	<hr/>		
	10,674,871	51,303	10,726,174
	<hr/>		
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE OTHER ITEMS	(29,610)	(39,328)	(68,938)
OTHER ITEMS			
Realized gains on long-term investments	-	21,603	21,603
Unrealized gains on long-term investments	-	24,452	24,452
	<hr/>		
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	(29,610)	6,727	(22,883)
INTERFUND TRANSFERS	526,820	(1,068,262)	(541,442)
FUND BALANCES, BEGINNING OF THE YEAR	(273,155)	2,030,262	1,757,107
	<hr/>		
FUND BALANCES, END OF THE YEAR	\$224,055	\$968,727	\$1,192,782