



Financial Statements

Halifax Young Women's Christian Association

December 31, 2018

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Independent auditor's report

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To the officers and members of
Halifax Young Women's Christian Association

Qualified Opinion

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

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Halifax Young Women's Christian Association as at December 31, 2018, 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 Qualified Opinion

In common with many not-for-profit organizations, the Association derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Association. Therefore, we were not able to determine whether any adjustments might be necessary to revenues, deficiency of revenues over expenses, and cash flows from operations for the years ended December 31, 2018 and 2017, current assets as at December 31, 2018 and 2017, and net assets as at January 1, 2018 and 2017 and December 31, 2018 and 2017. Our audit opinion on the financial statements for the year ended December 31, 2017 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 qualified opinion.

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

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.

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 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 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 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.

Grant Thornton LLP

Halifax, Canada
June 19, 2019

Chartered Professional Accountants
Licensed Public Accountants

Halifax Young Women's Christian Association

Statement of revenues and expenditures

Year ended December 31	2018	2017
Revenues		
Donations and bequests	\$ 52,083	\$ 27,999
Foundations and charities	376,320	459,303
Fundraising events	21,907	19,760
Government funding and grants	1,528,270	1,379,012
Miscellaneous	89,003	15,366
Program fees and earned revenue	<u>1,024,658</u>	<u>1,503,933</u>
	<u>3,092,241</u>	<u>3,405,373</u>
Expenditures		
Advertising and promotion	9,789	14,070
Amortization of capital assets	146,240	173,732
Bad debt expense	10,622	3,804
Food	64,370	69,296
Fundraising	11,627	2,587
Insurance	28,672	31,339
Interest and bank charges	1,725	1,161
Interest on long term debt	16,602	19,792
Membership fee to YWCA Canada	32,880	31,057
Office supplies and miscellaneous	61,691	50,756
Professional fees	88,493	81,438
Program expenses and supplies	305,226	258,907
Rent expense		
Administration	17,444	41,861
Programs	220,250	258,627
Repairs and maintenance	117,443	164,591
Salaries and employee benefits	1,794,022	2,079,024
Telephone	27,270	29,574
Training and development	32,999	20,922
Travel and vehicle	46,059	64,592
Utilities	<u>88,943</u>	<u>91,045</u>
	<u>3,122,367</u>	<u>3,488,175</u>
Deficiency of revenues over expenditures before other items	<u>(30,126)</u>	<u>(82,802)</u>
Other items:		
Dividend income	5,221	4,898
Donation of shares	34,197	-
Loss on disposal of assets (Note 10)	-	(167,810)
Unrealized (loss) gain on investments (Note 2)	<u>(17,017)</u>	<u>2,045</u>
	<u>22,401</u>	<u>(160,867)</u>
Deficiency of revenues over expenditures	<u>\$ (7,725)</u>	<u>\$ (243,669)</u>

See accompanying notes to the financial statements.

Halifax Young Women's Christian Association**Statement of net deficit**Year ended December 31

	Unrestricted Fund	Capital Reserve Fund	2018 Total	2017 Total
(Deficit) surplus, beginning of year	\$ <u>(236,610)</u>	\$ <u>88,072</u>	\$ <u>(148,538)</u>	\$ <u>95,131</u>
Deficiency of revenues over expenditures before loss on disposal of assets	(7,725)	-	(7,725)	(75,859)
Loss on disposal of assets (Note 10)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(167,810)</u>
Deficiency of revenues over expenditures	<u>(7,725)</u>	<u>-</u>	<u>(7,725)</u>	<u>(243,669)</u>
Transfer to capital reserve fund (Note 3)	<u>(19,740)</u>	<u>19,740</u>	<u>-</u>	<u>-</u>
(Deficit) surplus, end of year	\$ <u>(264,075)</u>	\$ <u>107,812</u>	\$ <u>(156,263)</u>	\$ <u>(148,538)</u>

See accompanying notes to the financial statements.

Halifax Young Women's Christian Association

Statement of financial position

December 31 2018 2017

Assets

Current

Cash and cash equivalents (Note 3)	\$	413,082	\$	213,643
Receivables (Note 4)		126,742		81,915
Prepaid expenses		<u>19,369</u>		<u>43,616</u>
		559,193		339,174

Long term investments		148,255		131,075
Capital assets (Note 5)		<u>4,407,044</u>		<u>4,553,284</u>
	\$	<u>5,114,492</u>	\$	<u>5,023,533</u>

Liabilities

Current

Payables and accrued liabilities	\$	175,062	\$	185,920
Deposits		9,228		7,753
Deferred revenue		640,839		387,105
Current portion of long term debt (Note 6)		33,972		34,108
Current portion of deferred capital funding (Note 8)		<u>120,000</u>		<u>122,528</u>
		979,101		737,414

Long term debt (Note 6)		514,381		540,272
Mortgage payable (Note 7)		480,000		480,000
Deferred capital funding (Note 8)		<u>3,297,273</u>		<u>3,414,385</u>
		5,270,755		5,172,071

Net deficit (Page 4)		<u>(156,263)</u>		<u>(148,538)</u>
	\$	<u>5,114,492</u>	\$	<u>5,023,533</u>

Subsequent events (Note 11)

On behalf of the Board

_____ President _____ Treasurer

Halifax Young Women's Christian Association

Statement of cash flows

Year ended December 31

2018

2017

Increase (decrease) in cash and cash equivalents

Cash flows from operating activities

Deficiency of revenues over expenditures	\$ (7,725)		\$ (243,669)
Unrealized loss (gain) on investments	17,017		(2,045)
Loss on disposal of assets (Note 10)	-		167,810
Donation of shares	(34,197)		-
Amortization of deferred capital funding	(119,640)		(119,641)
Amortization of capital assets	146,240		173,732
	<u>1,695</u>		<u>(23,813)</u>

Change in non-cash operating working capital (Note 9)	<u>223,771</u>		<u>(182,317)</u>
	<u>225,466</u>		<u>(206,130)</u>

Cash flows from financing activities

Repayment of long term debt	<u>(26,027)</u>		<u>(29,563)</u>
Net increase (decrease) in cash and cash equivalents	199,439		(235,693)

Cash and cash equivalents (Note 3)

Beginning of year	<u>213,643</u>		<u>449,336</u>
End of year	\$ <u>413,082</u>		\$ <u>213,643</u>

Halifax Young Women's Christian Association

Notes to the financial statements

December 31, 2018

1. Nature and continuance of operations

Halifax Young Women's Christian Association (the "Association") is a charitable, voluntary organization that provides support to build economic security, promote wellness and create opportunities for women, girls and their families by providing a strong voice and integrated services. The Association is a registered charity under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Association will continue to operate in the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

2. Summary of significant accounting policies

Basis of accounting

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles using Canadian accounting standards for not-for-profit organizations ("ASNPO") in Part III of the CPA Handbook.

Capital assets

Capital assets are initially recorded at cost and subsequently at cost less accumulated amortization. Capital asset purchases are capitalized in the year of acquisition, and amortization expense is recorded using the straight-line method of amortization for each asset category over their estimated useful lives at the following rates:

Buildings	40 years
Building improvements	15 years
Appliances	8 years
Computer equipment	3 years
Furniture and equipment	5 years
Leaseholds	over the term of the lease

Use of estimates

The preparation of the financial statements in conformity with ASNPO requires that management make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenue and expenditures during the year. Certain of these estimates require subjective judgments by management that may be uncertain. These estimates are reviewed periodically and adjustments are made to earnings as appropriate in the year they become known. These items include allowance for doubtful accounts related to receivables and useful lives of capital assets. Actual results could differ from those reported.

Halifax Young Women's Christian Association

Notes to the financial statements

December 31, 2018

2. Summary of significant accounting policies (continued)

Revenue recognition

The Association follows the deferral method of accounting for contributions. Deferred revenue represents amounts received for the purposes of expenditures not yet incurred. These revenues will be recognized as income when the amounts are expended.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenues from program fees are recognized as the program services are provided and collection is reasonably assured.

Amounts collected on behalf of a third party are recognized on a net basis. During the year, the Association recorded gross revenue of \$295,602 (2017 - \$264,507) which is netted against related expenses of \$295,602 (2017 - \$264,507).

Pledges for donations are not recorded in the financial statements.

Dividend revenue is recognized when the right to receive a dividend has been established.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, restricted cash in trust and bank indebtedness.

Long term investments

Long term investments consist of marketable securities. The investments are stated at fair value. The unrealized gain or loss on investments, being the difference between cost and fair value, is included in the statement of revenues and expenditures. Fair values of equities are established by year end quoted market prices. During the year, the Association recorded an unrealized (loss) gain of (\$17,017) (2017 - \$2,045).

Donated services

Donated services are recognized in the period the services are performed, provided fair value can be determined; otherwise such amounts are not recognized.

Deferred capital funding

Deferred capital funding, including government capital funding, is required to be deferred and amortized into revenue on the same basis that the related capital asset is amortized.

Financial instruments

Initial measurement

Financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Halifax Young Women's Christian Association

Notes to the financial statements

December 31, 2018

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

Subsequent measurement

At each reporting date, the Association measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for investments, which must be measured at fair value. The Association uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the statement of revenues and expenditures. The financial instruments measured at amortized cost are cash and cash equivalents, receivables, payables and accrued liabilities, long term debt and mortgage payable.

For financial assets measured at cost or amortized cost, the Association regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Association determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of revenues and expenditures. Any reversals of previously recognized impairment losses are recognized in the statement of revenues and expenditures in the year the reversal occurs.

The Association's financial instruments consist of cash and cash equivalents, receivables, long term investments, payables and accrued liabilities, long term debt and mortgage payable. Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying value, unless otherwise noted.

3. Cash and cash equivalents	<u>2018</u>	<u>2017</u>
Cash and cash equivalents consist of:		
Unrestricted		
Cash on hand and balances with banks	\$ 250,694	\$ 67,880
Internally restricted		
Capital reserve fund	107,812	88,072
Investment fund held in trust	13,631	8,408
Externally restricted		
Women's Community Space fund	16,269	14,446
December 6 th loans fund	<u>24,676</u>	<u>34,837</u>
	<u>\$ 413,082</u>	<u>\$ 213,643</u>

The restricted capital reserve fund is used for the purposes of repairs and maintenance on existing buildings.

Halifax Young Women's Christian Association

Notes to the financial statements

December 31, 2018

4. Receivables	<u>2018</u>	<u>2017</u>
Child care	\$ -	\$ 725
Commodity taxes	9,529	13,765
Government funding	107,470	63,551
Housing	2,157	4,566
Other	<u>9,241</u>	<u>963</u>
	128,397	83,570
 Allowance for doubtful accounts	 <u>(1,655)</u>	 <u>(1,655)</u>
	 <u>\$ 126,742</u>	 <u>\$ 81,915</u>

5. Capital assets	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2018 Net Book Value</u>	<u>2017 Net Book value</u>
Land	\$ 225,000	\$ -	\$ 225,000	\$ 225,000
Appliances	20,455	18,291	2,164	3,241
Computer equipment	30,699	26,749	3,950	16,886
Furniture and equipment	80,770	68,942	11,828	5,920
SHYM I building (Note 8)	1,093,174	190,481	902,693	935,819
SHYM II building (Note 8)	511,720	172,210	339,510	357,216
Spryfield early learning facility (Note 8)	1,917,642	289,664	1,627,978	1,673,092
WISH II condominiums (Note 8)	<u>1,527,533</u>	<u>233,612</u>	<u>1,293,921</u>	<u>1,336,110</u>
	 <u>\$ 5,406,993</u>	 <u>\$ 999,949</u>	 <u>\$ 4,407,044</u>	 <u>\$ 4,553,284</u>

Halifax Young Women's Christian Association

Notes to the financial statements

December 31, 2018

6. Long term debt	<u>2018</u>	<u>2017</u>
Non-interest bearing loan from YWCA Canada, repayable in monthly principal payments of \$639, beginning January 2019 maturing June 2020.	\$ 11,500	\$ 11,500
Expansion cost loan from Nova Scotia Housing Development Corporation ("NSHDC"), repayable in monthly blended payments of \$1,312 bearing interest at 1%, maturing December 2037.	272,349	285,308
Canadian Alternative Investment Foundation ("CAIF") loan, repayable in monthly blended payments of \$2,167 bearing interest at 5%, maturing February 2028.	<u>264,504</u>	<u>277,572</u>
	548,353	574,380
Less: amounts repayable in one year	<u>33,972</u>	<u>34,108</u>
	<u>\$ 514,381</u>	<u>\$ 540,272</u>

Security on the NSHDC loan and CAIC loan is as disclosed in Note 8.

Principal amounts repayable on the long term debt within each of the next five years are as follows:

2019	\$	33,972
2020		30,940
2021		27,942
2022		28,814
2023		16,251

7. Mortgage payable

In March 2012 the Association was granted an interest free mortgage of \$480,000 from St. Paul's Home related to the construction of the Spryfield Early Learning Facility. The loan is repayable on the earlier of 20 years from the date of its advance, the sale of the property or the default of the Association's secured loans on the Spryfield early learning facility. Security is provided by a first charge on the property located at 4 Skeena Street in Halifax, Nova Scotia.

Halifax Young Women's Christian Association

Notes to the financial statements

December 31, 2018

8. Deferred capital funding	<u>2018</u>	<u>2017</u>
Government capital funding		
SHYM II building, net of accumulated earnings of \$159,200 (2017 - \$144,921)	\$ 317,865	\$ 332,144
Spryfield early learning facility, net of accumulated earnings of \$158,788 (2017 - \$132,663)	886,220	912,345
WISH II condominiums, net of accumulated earnings of \$234,515 (2017 - \$190,581)	1,299,614	1,343,548
Spryfield playground, net of accumulated earnings of \$6,531 (2017 - \$4,354)	10,886	13,062
Other capital funding		
SHYM I building, net of accumulated earnings of \$190,486 (2017 - \$157,360)	<u>902,688</u>	<u>935,814</u>
	3,417,273	3,536,913
Less current portion	<u>120,000</u>	<u>122,528</u>
	<u>\$ 3,297,273</u>	<u>\$ 3,414,385</u>

SHYM II building

Between 2007 and 2010 the Association received total government funding of \$477,065 which was used to purchase an apartment building at 4 Skeena Street in Halifax, Nova Scotia, as well as to complete various upgrades and renovations to the building. The building is used for the purposes of the Supportive Housing for Young Mothers program. Included in government funding and grants revenue is \$14,278 (2017 - \$14,278) of revenue recognized from this contribution.

Spryfield early learning facility

In November of 2008, the Association was granted a loan from NSHDC in the amount of \$1,393,343 for the purpose of assisting with the construction of a new child care facility located at 358 Herring Cove Road. \$1,045,008 of the loan is forgivable if average enrolment of the maximum licensed capacity of 70 new child care spaces is maintained at or above 75%, or 52 spaces. Forgiveness will occur monthly at an amount of \$3,483. The remaining amount of \$348,336 is repayable over a term of 25 years in monthly payments of \$1,312 at an interest rate of 1% per annum. Security for the loan will be provided through a general security agreement and a first charge on the related property. Included in government funding and grants revenue is \$26,125 (2017 - \$26,126) of revenue recognized from this contribution.

Halifax Young Women's Christian Association

Notes to the financial statements

December 31, 2018

8. Deferred capital funding (continued)

Spryfield early learning facility (continued)

In 2013, a second mortgage on the property was provided by the Canadian Alternative Investment Cooperative in the amount of \$271,300 repayable over 15 years at a fixed interest rate of 6% per annum. In 2015, the Association received an additional \$78,470 which increased payments to \$2,843. Security is provided by a second mortgage on the new child care facility and the long term investments held by the Association. See Note 6 for further details.

WISH II condominiums

The Association secured \$1,231,180 from the Homelessness Partnership Strategy in fiscal 2012. In 2014, the Association secured an additional amount of \$311,427 which was used to purchase two condominiums to be used for the purposes of the WISH Second Stage program. Included in government funding and grants revenue is \$43,933 (2017 - \$43,933) of revenue recognized from this contribution.

SHYM I building

In April 2013, the Association acquired the building located at 4 Mount Hope Avenue in Dartmouth, Nova Scotia, during the dissolution of the Society of Supportive Housing for Young Mothers. The building and related office equipment were recognized at their carrying values of \$1,093,174 and \$6,338, respectively, with a corresponding amount recognized as deferred capital funding. Included in government funding and grants revenue is \$33,126 (2017 - \$33,126) of revenue recognized from this contribution.

Spryfield playground

The Association received funding during 2016 to construct a playground for the Spryfield Childcare Centre. The playground was recognized at its carrying value of \$17,417 with a corresponding amount recognized as deferred capital funding. Included in government funding and grants revenue is \$2,177 (2017 - \$2,177) of revenue recognized from this contribution.

9. Supplemental cash flow information

	<u>2018</u>	<u>2017</u>
Change in non-cash operating working capital:		
Receivables	\$ (44,827)	\$ 11,880
Prepaid expenses	24,247	(29,025)
Payables and accrued liabilities	(10,858)	(5,290)
Deposits	1,475	756
Deferred revenue	<u>253,734</u>	<u>(160,638)</u>
	<u>\$ 223,771</u>	<u>\$ (182,317)</u>

Halifax Young Women's Christian Association

Notes to the financial statements

December 31, 2018

10. Loss on disposal of assets

During the prior year, the Association entered into a purchase and sale agreement for the Barrington Childcare Centre due to ongoing losses at the centre. Under the terms of the agreement, the Association sold all of the assets related to the operations of the Barrington Childcare Centre for a purchase price of one dollar \$1 plus the assumption of all liabilities (including staffing commitments and ongoing leases). The difference between the net proceeds on disposal and the net carrying amount was recognized in the statement of revenues and expenditures in the prior year. As a result, the Association incurred a loss on disposal of assets in 2017 of \$167,810, primarily due to the assumption of centres lease.

11. Subsequent events

- (a) Subsequent to year end, the Association received funding from the Nova Scotia Advisory Council on the Status of Women in the amount of \$214,000 to fund the Safe Spaces program; and
- (b) Subsequent to year end, the Association received funding from Public Safety Canada for the Open New Tab program.

June 19, 2019

Mr. Gerry Lacroix, CPA, CA, FEA
Grant Thornton LLP
Nova Centre, North Tower
Suite 1000, 1675 Grafton Street
Halifax NS B3J 0E9

Dear Mr. Lacroix:

We are providing this letter in connection with your audit of the financial statements of **Halifax Young Women's Christian Association** (the "Association") as of December 31, 2018, and for the year then ended, for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the Association in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

We acknowledge that we have fulfilled our responsibilities for the preparation of the financial statements in accordance with ASNPO and for the design and implementation of internal controls to prevent and detect fraud and error. We have assessed the risk that the financial statements may be materially misstated as a result of fraud, and have determined such risk to be low. Further, we acknowledge that your examination was planned and conducted in accordance with Canadian generally accepted auditing standards ("GAAS") so as to enable you to express an opinion on the financial statements. We understand that while your work includes an examination of the accounting system, internal controls and related data to the extent you considered necessary in the circumstances, it is not designed to identify, nor can it necessarily be expected to disclose, fraud, shortages, errors and other irregularities, should any exist.

Certain representations in this letter are described as being limited to matters that are material. An item is considered material, regardless of its monetary value, if it is probable that its omission from or misstatement in the financial statements would influence the decision of a reasonable person relying on the financial statements.

We confirm, to the best of our knowledge and belief, as of June 19, 2019, the following representations made to you during your audit.

Financial statements

- 1 The financial statements referred to above 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 ASNPO, as agreed to in the terms of the audit engagement.

Completeness of information

- 2 We have made available to you all financial records and related data and all minutes of the meetings of the finance committee, directors, and committees of directors, as agreed in the terms of the audit engagement. Summaries of actions of recent meetings for which minutes have not yet been prepared have been provided to you. All significant board and committee actions are included in the summaries.
- 3 We have provided you with unrestricted access to persons within the Association from whom you determined it necessary to obtain audit evidence.
- 4 There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements. The adjusting journal entries which have been proposed by you are approved by us and will be recorded on the books of the Association.
- 5 There were no restatements made to correct a material misstatement in the prior period financial statements that affect the comparative information.

- 6 We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements.
- 7 We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the financial statements or as the basis of recording a contingent loss.
- 8 We have disclosed to you all known deficiencies in the design or operation of internal control over financial reporting of which we are aware.
- 9 We have identified to you all known related parties and related party transactions, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements guarantees, non-monetary transactions and transactions for no consideration.
- 10 You provided a non-audit service by assisting us with drafting the financial statements and related notes. In connection with this non-audit service, we confirm that we have made all management decisions and performed all management functions, have the knowledge to evaluate the accuracy and completeness of the financial statements, and accept responsibility for such financial statements.

Fraud and error

- 11 We have no knowledge of fraud or suspected fraud affecting the Association involving management, employees who have significant roles in internal control, or others, where the fraud could have a non-trivial effect on the financial statements.
- 12 We have no knowledge of any allegations of fraud or suspected fraud affecting the Association's financial statements communicated by employees, former employees, analysts, regulators or others.
- 13 We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- 14 We believe the effect of the uncorrected financial statement misstatement summarized below is immaterial to the financial statements as a whole.

Increase (Decrease) Description	Balance Sheet			Income effect
	Assets	Liabilities	Equity	Earnings
To adjust interest free mortgage from St. Paul's to fair market value	\$ -	\$ (66,552)	\$ 66,552	\$ 66,552

Recognition, measurement and disclosure

- 15 We believe that the significant assumptions used by us in making accounting estimates, including those used in arriving at the fair values of financial instruments as measured and disclosed in the financial statements, are reasonable and appropriate in the circumstances.
- 16 We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities, both financial and non-financial, reflected in the financial statements.
- 17 All related party transactions have been appropriately measured and disclosed in the financial statements.
- 18 The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.
- 19 Any business combination that occurred during the year has been properly accounted for with appropriate consideration of amounts that should be allocated to goodwill and other intangible assets.

- 20 Any goodwill or intangibles on the books of the Association are evaluated whenever events or changes in circumstances indicated the carrying amount may not be recoverable to determine whether or not they have been impaired, and an appropriate loss provision is provided in the accounts where there has been a permanent impairment.
- 21 All outstanding and possible claims, whether or not they have been discussed with legal counsel, have been disclosed to you and are appropriately reflected in the financial statements.
- 22 All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
- 23 All "off-balance sheet" financial instruments have been properly recorded or disclosed in the financial statements.
- 24 With respect to environmental matters:
- a) at year end, there were no liabilities or contingencies that have not already been disclosed to you;
 - b) liabilities or contingencies have been recognized, measured and disclosed, as appropriate, in the financial statements; and
 - c) commitments have been measured and disclosed, as appropriate, in the financial statements.
- 25 The Association has satisfactory title to (or lease interest in) all assets, and there are no liens or encumbrances on the Association's assets nor has any been pledged as collateral, except as disclosed in the notes to the financial statements.
- 26 We have disclosed to you, and the Association has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
- 27 The Goods and Services Tax ("GST") and Harmonized Sales Tax ("HST") transactions recorded by the Association are in accordance with the federal and provincial regulations. The GST and HST liability/receivable amounts recorded by the Association are considered complete.
- 28 There have been events subsequent to the balance sheet date up to the date hereof that would require recognition or disclosure in the financial statements. However, there have been no events subsequent to the date of the comparative financial statements that would require adjustment of those financial statements and related notes.

Other

- 29 We have considered whether or not events have occurred or conditions exist which may cast significant doubt on the Association's ability to continue as a going concern and have concluded that no such events or conditions are evident.

Yours very truly,



Ms. Jenn Forde, CPA, CA - Treasurer

Nikki Mills



Ms. Miia Suokonautio, MSW - Executive Director

Halifax Young Women's Christian Association

Statement of financial position

December 31

2018

2017

Assets

Current

Cash and cash equivalents (Note 3)	\$ 413,082	\$ 213,643
Receivables (Note 4)	126,742	81,915
Prepaid expenses	<u>19,369</u>	<u>43,616</u>
	559,193	339,174

Long term investments 148,255 131,075

Capital assets (Note 5) 4,407,044 4,553,284

\$ 5,114,492 **\$ 5,023,533**

Liabilities

Current

Payables and accrued liabilities	\$ 175,062	\$ 185,920
Deposits	9,228	7,753
Deferred revenue	640,839	387,105
Current portion of long term debt (Note 6)	33,972	34,108
Current portion of deferred capital funding (Note 8)	<u>120,000</u>	<u>122,528</u>
	979,101	737,414

Long term debt (Note 6) 514,381 540,272

Mortgage payable (Note 7) 480,000 480,000

Deferred capital funding (Note 8) 3,297,273 3,414,385

5,270,755 5,172,071

Net deficit (Page 4) (156,263) (148,538)

\$ 5,114,492 **\$ 5,023,533**

Subsequent events (Note 11)

On behalf of the Board



President



Treasurer