

YWCA Saskatoon Inc.

Financial Statements

June 30, 2019



Independent auditor's report

To the Board of Directors of YWCA Saskatoon Inc.

Our qualified opinion

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 YWCA Saskatoon Inc. (the Organization) as at June 30, 2019 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

What we have audited

The Organization's financial statements comprise:

- the statement of financial position as at June 30, 2019;
- the statement of operations for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for qualified opinion

In common with many not-for-profit organizations, the Organization derives revenues from the sale of donated goods, 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 Organization. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess (deficiency) of revenue over expenses and cash flows from operating activities for the years ended June 30, 2019 and 2018, current assets as at June 30, 2019 and 2018 and net assets as at the beginning and the end of the years ended June 30, 2019 and 2018. Our audit opinion on the financial statements for the year ended June 30, 2018 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

PricewaterhouseCoopers LLP
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Independence

We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information. The other information comprises the annual report.

Our opinion on the financial statements does not cover the other information and we do 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 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

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 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 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 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.

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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Saskatoon, Saskatchewan
September 13, 2019

YWCA Saskatoon Inc.
Statement of Financial Position
As at June 30, 2019

	Operating Fund \$	Capital Fund \$	Endowment Fund \$	CMHC Fund \$	Guild Fund \$	Interfund Eliminations \$	2019 Total \$	2018 Total \$
Assets								
Current assets								
Cash and cash equivalents	384,384	197,566	15,473	72,773	28,369	-	698,565	868,053
Investments (note 3)	-	-	-	-	-	-	-	344,649
Accounts receivable	128,775	-	-	-	1,882	-	130,657	40,100
Interfund balances	269,571	-	1,575	72,000	-	(343,146)	-	-
Prepaid expenses	17,920	-	-	-	639	-	18,559	43,371
	800,650	197,566	17,048	144,773	30,890	(343,146)	847,781	1,296,173
Investments (note 3)	510,467	622,863	605,356	31,892	71,870	-	1,842,448	1,402,974
Planned giving	-	-	9,126	-	-	-	9,126	10,528
Tangible capital assets (note 4)	165,241	2,972,208	-	-	42,566	-	3,180,015	3,285,115
	1,476,358	3,792,637	631,530	176,665	145,326	(343,146)	5,879,370	5,994,790
Liabilities								
Current liabilities								
Accounts payable and accruals	176,934	40	-	-	524	-	177,498	167,811
Wages and benefits payable	169,284	-	-	-	2,423	-	171,707	182,702
Unearned program revenue (note 5)	371,754	-	-	-	-	-	371,754	358,088
Designated donations	46,521	-	-	-	-	-	46,521	51,336
Interfund balances	-	343,146	-	-	-	(343,146)	-	-
Current portion of capital lease	10,806	-	-	-	-	-	10,806	10,806
Current portion of term debt (note 6)	-	49,989	-	-	-	-	49,989	66,087
	775,299	393,175	-	-	2,947	(343,146)	828,275	836,830
Term debt (note 6)	-	-	-	-	-	-	-	49,988
Capital lease	34,342	-	-	-	-	-	34,342	45,147
	809,641	393,175	-	-	2,947	(343,146)	862,617	931,965
Net assets								
Externally restricted	-	-	631,530	176,665	-	-	808,195	755,737
Internally restricted – Reserves	373,913	477,243	-	-	-	-	851,156	884,281
Internally restricted – Invested in tangible capital assets	120,093	2,922,219	-	-	42,566	-	3,084,878	3,113,087
Unrestricted	172,711	-	-	-	99,813	-	272,524	309,720
	666,717	3,399,462	631,530	176,665	142,379	-	5,016,753	5,062,825
	1,476,358	3,792,637	631,530	176,665	145,326	(343,146)	5,879,370	5,994,790
Commitments (note 10)								
Economic dependence (note 11)								

The accompanying notes are an integral part of these financial statements.

YWCA Saskatoon Inc.
Statement of Operations
For the year ended June 30, 2019

	Operating Fund \$	Capital Fund \$	Endowment Fund \$	CMHC Fund \$	Guild Fund \$	Interfund Eliminations \$	2019 Total \$	2018 Total \$
Revenue								
Government contracted programs (note 7)	2,421,676	-	-	-	-	-	2,421,676	2,313,926
Fee for service	1,220,341	-	-	-	-	-	1,220,341	1,150,478
Fund development	414,640	-	-	-	-	-	414,640	368,674
Facilities rental (note 9)	291,856	-	-	-	-	-	291,856	274,393
Grants (note 8)	226,405	-	-	-	-	-	226,405	307,904
Other	68,351	59,250	54,654	1,804	2,907	-	186,966	56,116
Sale of donated goods	-	-	-	-	164,034	-	164,034	140,846
	4,643,269	59,250	54,654	1,804	166,941	-	4,925,918	4,612,337
Expenses								
Salaries and benefits	3,345,207	-	-	-	63,978	-	3,409,185	3,271,127
Building occupancy and equipment (note 9)	534,231	-	-	-	71,623	-	605,854	643,716
Program costs	282,031	-	-	-	-	-	282,031	281,961
Office and administration	244,469	780	-	-	6,601	-	251,850	270,753
Marketing and communications	198,835	-	-	-	-	-	198,835	138,413
Amortization of tangible capital assets	38,245	135,921	-	-	4,887	-	179,053	172,285
National allocation	45,182	-	-	-	-	-	45,182	45,627
	4,688,200	136,701	-	-	147,089	-	4,971,990	4,823,882
Excess (deficiency) of revenue over expenses	(44,931)	(77,451)	54,654	1,804	19,852	-	(46,072)	(211,545)

The accompanying notes are an integral part of these financial statements.

YWCA Saskatoon Inc.

Statement of Changes in Net Assets

For the year ended June 30, 2019

	Operating Fund \$	Capital Fund \$	Endowment Fund \$	CMHC Fund \$	Guild Fund \$	Interfund Eliminations \$	2019 Total \$	2018 Total \$
Net assets – Beginning of the year	687,648	3,476,913	586,876	168,861	142,527	-	5,062,825	5,274,370
Excess (deficiency) of revenue over expenses	(44,931)	(77,451)	54,654	1,804	19,852	-	(46,072)	(211,545)
Transfers from:								
Operating fund	-	-	-	6,000	-	-	6,000	6,000
Endowment fund	10,000	-	-	-	-	-	10,000	-
Guild fund	20,000	-	-	-	-	-	20,000	15,315
Transfers to:								
Operating fund	-	-	(10,000)	-	(20,000)	-	(30,000)	(15,315)
Endowment fund	-	-	-	-	-	-	-	-
CMHC fund	(6,000)	-	-	-	-	-	(6,000)	(6,000)
Net assets – End of the year	666,717	3,399,462	631,530	176,665	142,379	-	5,016,753	5,062,825
Net assets are comprised of the following:								
Externally restricted	-	-	631,530	176,665	-	-	808,195	755,737
Internally restricted – Reserves	373,913	477,243	-	-	-	-	851,156	884,281
Internally restricted – Invested in tangible capital assets	120,093	2,922,219	-	-	42,566	-	3,084,878	3,113,087
Unrestricted	172,711	-	-	-	99,813	-	272,524	309,720
	666,717	3,399,462	631,530	176,665	142,379	-	5,016,753	5,062,825

The accompanying notes are an integral part of these financial statements.

YWCA Saskatoon Inc.
Statement of Cash Flows
For the year ended June 30, 2019

	Operating Fund \$	Capital Fund \$	Endowment Fund \$	CMHC Fund \$	Guild Fund \$	2019 Total \$	2018 Total \$
Cash provided by (used in):							
Operating activities							
Excess (deficiency) of revenue over expenses	(44,931)	(77,451)	54,654	1,804	19,852	(46,072)	(211,545)
Item not affecting cash							
Amortization of tangible capital assets	38,245	135,921	-	-	4,887	179,053	172,285
Interfund transfers	24,000	-	(10,000)	6,000	(20,000)	-	-
	17,314	58,470	44,654	7,804	4,739	132,981	(39,260)
Net changes in non-cash working capital items:							
Accounts receivable	(91,303)	-	-	-	746	(90,557)	33,266
Interfund balances	(86,429)	92,429	-	(6,000)	-	-	-
Prepaid expenses	24,812	-	-	-	-	24,812	(5,698)
Accounts payable and accruals	9,346	(52)	-	-	393	9,687	(95)
Wages and benefits payable	(11,636)	-	-	-	641	(10,995)	18,672
Unearned program revenue	13,666	-	-	-	-	13,666	6,970
Designated donations	(4,815)	-	-	-	-	(4,815)	(3,767)
Planned giving	-	-	1,402	-	-	1,402	-
	(129,045)	150,847	46,056	1,804	6,519	76,181	10,088
Investing activities							
Redemption (purchase) of investments, net	(16,086)	(41,078)	(33,418)	(801)	(3,442)	(94,825)	40,366
Purchase of tangible capital assets	(46,006)	(25,509)	-	-	(2,438)	(73,953)	(140,844)
	(62,092)	(66,587)	(33,418)	(801)	(5,880)	(168,778)	(100,478)
Financing activities							
Repayment of term debt	-	(66,086)	-	-	-	(66,086)	(65,442)
Proceeds from capital lease	-	-	-	-	-	-	63,619
Repayment of capital lease	(10,805)	-	-	-	-	(10,805)	(7,666)
	(10,805)	(66,086)	-	-	-	(76,891)	(9,489)
Net change in cash and cash equivalents	(201,942)	18,174	12,638	1,003	639	(169,488)	(99,879)
Cash and cash equivalents – beginning of year	586,326	179,392	2,835	71,770	27,730	868,053	967,932
Cash and cash equivalents – end of year	384,384	197,566	15,473	72,773	28,369	698,565	868,053
Cash and cash equivalents consist of:							
Cash	202,480	15,662	15,473	12	28,369	261,996	430,772
Redeemable guaranteed investment certificates and term deposits	181,904	181,904	-	72,761	-	436,569	437,281
	384,384	197,566	15,473	72,773	28,369	698,565	868,053

The accompanying notes are an integral part of these financial statements.

YWCA Saskatoon Inc.

Notes to Financial Statements

June 30, 2019

1 Nature of operations

YWCA Saskatoon Inc. (“YWCA Saskatoon”) is incorporated as a non-profit corporation in the province of Saskatchewan and has served the community of Saskatoon since 1911. YWCA Saskatoon is a charitable organization under the Income Tax Act of Canada and as such is exempt from taxes and is able to issue donation receipts for income tax purposes as long as it maintains this status.

2 Significant accounting policies

These financial statements are prepared in accordance with Part III – Accounting Standards for Not-for-Profit Organizations of the Chartered Professional Accountants of Canada (“CPA Canada”) Handbook – Accounting, which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies summarized below.

Cash and cash equivalents

Unrestricted and restricted investments are included in cash and cash equivalents when they represent balances held in investment savings accounts, are redeemable, or have terms to maturity of three months or less.

Investments

Investments are recorded at fair value for those with prices quoted in an active market, and cost less impairment for those that are not quoted in an active market. Investments held in externally restricted funds and for purposes of internally restricted reserves are classified as current assets only when they have terms to maturity of less than twelve months.

Tangible capital assets

Purchased tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair value at the date of contribution. Tangible capital assets are amortized on a straight-line basis over their estimated useful lives using the following rates:

Building	2%
Computer equipment	30%
Furniture and equipment	8%
Leasehold improvements	10%

Amortization is not taken until the tangible capital asset is ready for use. When it is determined that a tangible capital asset no longer has any long-term service potential to YWCA Saskatoon, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

YWCA Saskatoon Inc.

Notes to Financial Statements

June 30, 2019

Revenue recognition

YWCA Saskatoon follows the restricted fund method of accounting for contributions. The Operating Fund includes YWCA Saskatoon's services, all unrestricted contributions, and restricted contributions for which there is no restricted fund. Contributions that are provided specifically for the purpose of the CMHC, Capital or Guild Funds are reported directly in those restricted funds as revenue when received or receivable. Endowment contributions are included as revenue of the Endowment Fund. The net investment income and investment gains and losses on disposal of these assets are reported in the related fund. Fee for service and other revenue are recognized as the services are performed and collection is reasonably assured.

Fund accounting

The accounts of YWCA Saskatoon are maintained in accordance with the principles of fund accounting. Resources are classified for accounting purposes into funds according to the activity or objective specified by outside restrictions or determinations made by the Board of Directors. For financial reporting purposes, accounts with similar characteristics have been combined into the following major funds:

Operating Fund

The Operating Fund includes the revenue, expenses, assets, and liabilities pertaining to the general operations of YWCA Saskatoon. Internally restricted reserves are funds to be used for future program development. These funds have been set aside specifically for new program initiatives.

Capital Fund

The Capital Fund is internally restricted and includes the tangible capital assets and related term debt. Purchases of tangible capital assets in this fund are financed by donations, grants and mortgage proceeds. Included in Capital Fund expenses are charges for interest on the term debt and amortization on the tangible capital assets.

Endowment Fund

The Endowment Fund is a special purpose reserve created by specified donations. Usage of these funds is externally restricted and governed by a trust agreement. Earnings related to cash and investments of the Endowment Fund are recorded as an addition to the fund, with the stipulation that up to 90% of investment earnings in a year may be transferred to the Operating Fund.

CMHC Fund

The CMHC Fund was established as a condition of the CMHC mortgage (note 6). This restricted fund accumulates earnings related to cash and investments of the CMHC Fund. A specified amount must be transferred to this fund each year. Expenditures for replacement of assets of the residence are recorded as tangible capital assets of the Capital Fund and as a transfer of net assets from the CMHC Fund to the Capital Fund.

YWCA Saskatoon Inc.

Notes to Financial Statements

June 30, 2019

Guild Fund

The Guild Fund is internally restricted and reports the operations of the YWCA Opportunity Shop. Revenue from the sale of donated goods as well as income from investments are recorded in this fund as are expenses related to the operations of the Opportunity Shop. Transfers from the Guild Fund to the Operating Fund are subject to the approval of the YWCA Guild.

Contributed materials and services

Contributed materials and services are recognized in the financial statements when their fair value can be reasonably determined and they are used in the normal course of the organization's operations and would otherwise have been purchased.

Use of estimates

The preparation of financial statements in accordance with ASNPO 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 reporting period. Actual results could differ from those estimates.

Amortization is based on the estimated useful lives of tangible capital assets. Accrued liabilities are based on estimates of amounts owing at year end for which invoices have not been received. Revenue from government contracted programs and grants are recorded as earned and deferred based on management's understanding of the terms and conditions that apply to the funding agreements entered into by YWCA Saskatoon.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the statement of operations in the period in which they become known.

Financial instruments

The YWCA Saskatoon recognizes its financial instruments when it becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount.

YWCA Saskatoon subsequently measures investments quoted in an active market at fair value. Fair value is determined by published price quotations. Investments not quoted in an active market are subsequently measured at cost less impairment. All other financial assets and liabilities are subsequently measured at amortized cost.

YWCA Saskatoon Inc.

Notes to Financial Statements

June 30, 2019

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the statement of operations in the current period. Conversely, transaction costs and financing fees are added to the carrying amount of those financial instruments subsequently measured at amortized cost or cost.

Financial asset impairment

YWCA Saskatoon groups assets for impairment testing when available, when information is not sufficient to permit identification of each individually impaired financial asset in the group there are numerous assets affected by the same factors, and when no asset is individually significant. Management considers whether the issuer is having significant financial difficulty and whether there has been a breach in contract, such as a default or delinquency in interest or principal payments, in determining whether objective evidence of impairment exists.

When there is an indication of impairment, YWCA Saskatoon determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, YWCA Saskatoon reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment that is not considered temporary is included in the statement of operations.

YWCA Saskatoon reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the statement of operations in the year the reversal occurs.

3 Investments

	Operating Fund \$	Capital Fund \$	Endowment Fund \$	CMHC Fund \$	Guild Fund \$	2019 Total \$	2018 Total \$
Fixed income	73,819	286,822	273,366	-	71,870	705,877	700,420
Equities	81,869	318,105	314,270	-	-	714,244	621,414
Guaranteed investment certificates	350,163	-	-	31,892	-	382,055	375,740
Mutual funds	4,616	17,936	17,720	-	-	40,272	50,049
	510,467	622,863	605,356	31,892	71,870	1,842,448	1,747,623
Less: current portion	-	-	-	-	-	-	344,649
	510,467	622,863	605,356	31,892	71,870	1,842,448	1,402,974

YWCA Saskatoon Inc.

Notes to Financial Statements

June 30, 2019

4 Tangible capital assets

			2019	2018
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Operating Fund				
Computer equipment	31,417	28,274	3,143	4,720
Furniture and equipment	281,635	170,292	111,343	89,141
Equipment under capital lease	63,618	12,864	50,754	63,619
	376,670	211,430	165,240	157,480
Capital Fund				
Building	6,394,861	3,457,779	2,937,082	3,064,979
Furniture and equipment	694,868	659,742	35,126	17,640
Computer equipment	149,920	149,920	-	-
Land	1	-	1	1
	7,239,650	4,267,441	2,972,209	3,082,620
Guild Fund				
Leasehold improvements	52,340	9,774	42,566	45,015
	7,668,660	4,488,645	3,180,015	3,285,115

The amortization recognized in the financial statements during the year ended June 30, 2019 was \$38,245 (2018 – \$30,513) in the Operating Fund, \$135,921 (2018 – \$136,885) in the Capital Fund and \$4,887 (2018 – \$4,887) in the Guild Fund, for total amortization during the year ended June 30, 2019 of \$179,053 (2018 – \$172,285).

5 Unearned program revenue

Unearned program revenue represents unspent resources received in the current year, restricted for specific programs which will be undertaken in the next fiscal year.

	July 1, 2018	Received 2019	Recognized 2019	June 30, 2019
	\$	\$	\$	\$
Employment and learning	173,698	1,204,948	(1,146,840)	231,806
Fitness on 25	43,820	25,468	(31,901)	37,387
Child development centre	38,453	20,650	(20,384)	38,719
Other programs	102,117	143,765	(182,040)	63,842
	358,088	1,394,831	(1,381,165)	371,754

YWCA Saskatoon Inc.

Notes to Financial Statements

June 30, 2019

6 Term debt

	2019 \$	2018 \$
CMHC term loan, interest at 0.97% repayable in monthly blended payments of \$5,577, secured by building with a net book value of \$3,064,979 (2018 – \$3,192,876). The term matures March 1, 2020.	49,988	116,075
Less current portion	(49,988)	(66,087)
	<u>-</u>	<u>49,988</u>

7 Government contracted programs

	2019 \$	2018 \$
Ministry of Immigration and Career Training	982,340	888,593
Ministry of Justice	863,574	862,040
Ministry of Social Services	361,754	355,785
Ministry of Education	214,008	207,508
	<u>2,421,676</u>	<u>2,313,926</u>

8 Grants

	2019 \$	2018 \$
United Way	85,714	170,414
Other grants and donations	68,541	62,073
City of Saskatoon	31,000	31,000
Community Initiatives Fund	24,108	22,227
Saskatoon Housing Initiatives Partnership	17,042	22,190
	<u>226,405</u>	<u>307,904</u>

YWCA Saskatoon Inc.

Notes to Financial Statements

June 30, 2019

9 Related party transactions

YWCA Saskatoon is a member of the Saskatoon Community Services Village Inc. (the “Village”), which was incorporated pursuant to the Non-Profit Corporations Act of Saskatchewan. The Village owns a building which, together with leased premises, houses six community service agencies. Along with other members of the Village, YWCA Saskatoon is committed to bear its proportionate share of certain potential operating deficiencies of the Village. YWCA Saskatoon is one of the six partner agencies that have legal and fiduciary responsibility for the Village.

During the year, YWCA Saskatoon earned revenue related to the provision of shared services to the Village of \$110,081 (2018 – \$99,259) and incurred lease expenditures of \$104,277 (2018 – \$75,732).

10 Commitments

YWCA Saskatoon has entered into lease agreements with the Village expiring October 31, 2022. As part of the agreements, YWCA Saskatoon leases 3,195 square feet within the Village building, while the Village leases 3,730 square feet within the YWCA Saskatoon building. Through this arrangement, the YWCA Saskatoon (in common with the other Village service agencies) also gains access to the common area facilities of the Village. YWCA Saskatoon incurred lease payments during the year in the amount of \$104,277 (2018 – \$75,732).

11 Economic dependence

YWCA Saskatoon has a number of ongoing contracts with the Government of Saskatchewan. While these are separate contracts with various departments of the Government of Saskatchewan, when taken as a whole these contracts represent 52% (2018 – 51%) of YWCA Saskatoon’s total operating fund revenue.

12 Financial instruments and risk management

All significant financial assets, financial liabilities, and equity instruments of YWCA Saskatoon are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk. YWCA Saskatoon’s financial instruments consist of cash and cash equivalents, accounts receivable, investments, accounts payable and accrued liabilities, and term debt.

YWCA Saskatoon, as part of its operations, has established the risk management objective of preserving the value of its financial instruments to ensure that they can be used in support of YWCA Saskatoon’s purpose.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. YWCA Saskatoon is exposed to interest rate risk through its investments in fixed income instruments and its term debt. The risk is minimized due to the short terms to maturity of the investments held. Term deposits included in cash and cash equivalents are redeemable and mature within the next three months.

YWCA Saskatoon Inc.

Notes to Financial Statements

June 30, 2019

Credit concentration

Accounts receivable potentially subject YWCA Saskatoon to concentrations of credit risk. YWCA Saskatoon believes that there is minimal risk associated with the collection of these amounts. YWCA Saskatoon does not have significant exposure to any individual customer.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. YWCA Saskatoon's approach to managing liquidity risk is to ensure that it has sufficient cash flows to fund its operations and meet its obligations when due, under both normal and stressed conditions. YWCA Saskatoon does not consider itself to have significant exposure to liquidity risk.

YWCA Saskatoon has access to an operating line of credit with Affinity Credit Union with a maximum limit of \$150,000. The balance outstanding of as of June 30, 2019 is \$nil (2018 – \$nil).

Market risk and other price risk

Market risk and other price risk are the risk that the value of a financial instrument will fluctuate as the result of changes in market price. YWCA Saskatoon's investments are subject to market risk and YWCA Saskatoon mitigates this risk by using professional investment management services.

YWCA Saskatoon is also exposed to both cash flow risk and price risk through its investments, including investments in debt instruments. YWCA Saskatoon mitigates this risk by maintaining a diverse portfolio.