

YWCA Saskatoon Inc.

Financial Statements

June 30, 2023



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Independent Auditor's Report

To the Board of Directors of YWCA Saskatoon Inc.

Opinion

We have audited the financial statements of YWCA Saskatoon Inc. (the Organization), which comprise the statement of financial position as at June 30, 2023, and the statement of operations, the statement of 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 our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at June 30, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organization.

Basis for Opinion

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

Other Matter

The financial statements of YWCA Saskatoon Inc. for the year ended June 30, 2022 were audited by another practitioner who expressed an unmodified opinion on those financial statements on September 29, 2022.

Other Information

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

- The information, other than the financial statements and our auditor's report thereon, included in 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.

We obtained the other information prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. 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 these financial statements in accordance with Canadian accounting standards for non-for-profit organization, 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.

Chartered Professional Accountants

Saskatoon, Saskatchewan
September 25, 2023

YWCA Saskatoon Inc.
Statement of Financial Position
As at June 30, 2023

	Operating Fund \$	Capital Fund \$	Endowment Fund \$	Guild Fund \$	Interfund Eliminations \$	2023 Total \$	2022 Total \$
Assets							
Current assets							
Cash and cash equivalents	1,296,327	-	-	-	-	1,296,327	1,814,851
Accounts receivable	126,470	-	-	-	-	126,470	46,116
Investments (note 3)	197,814	310,532	-	-	-	508,346	-
Interfund balances	382,683	-	-	-	(382,683)	-	-
Prepaid expenses	40,664	-	-	-	-	40,664	14,104
	2,043,958	310,532	-	-	(382,683)	1,971,807	1,875,071
Investments (note 3)	70,576	763,733	692,965	-	-	1,527,274	1,539,138
Planned giving	-	-	869	-	-	869	869
Tangible capital assets (note 4)	-	2,766,724	-	-	-	2,766,724	2,759,178
	2,114,534	3,840,989	693,834	-	(382,683)	6,266,674	6,174,256
Liabilities							
Current liabilities							
Accounts payable and accruals	111,085	49,702	-	-	-	160,787	172,910
Wages and benefits payable	243,333	-	-	-	-	243,333	277,678
Unearned program revenue (note 5)	828,163	-	-	-	-	828,163	621,714
Designated donations	21,358	-	-	-	-	21,358	21,358
Interfund balances	-	379,609	3,074	-	(382,683)	-	-
Current portion of capital lease	-	-	-	-	-	-	5,238
	1,203,939	429,311	3,074	-	(382,683)	1,253,641	1,098,898
Net assets							
Externally restricted	-	-	690,760	-	-	690,760	649,329
Internally restricted - Reserves	484,974	582,015	-	-	-	1,066,989	1,466,989
Internally restricted - Invested in tangible capital assets	-	2,766,724	-	-	-	2,766,724	2,724,518
Unrestricted	425,621	62,939	-	-	-	488,560	234,522
	910,595	3,411,678	690,760	-	-	5,013,033	5,075,358
	2,114,534	3,840,989	693,834	-	(382,683)	6,266,674	6,174,256
Economic dependence (note 10)							
Commitments (note 11)							
Subsequent events (note 12)							

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

YWCA Saskatoon Inc.
Statement of Operations
For the year ended June 30, 2023

	Operating Fund \$	Capital Fund \$	Endowment Fund \$	Guild Fund \$	Interfund Eliminations \$	2023 Total \$	2022 Total \$
Revenue							
Government contracted programs (note 6)	3,593,173	-	-	-	-	3,593,173	2,980,330
Fund development	621,712	134,036	-	-	-	755,748	605,932
Fee for service	614,310	-	-	-	-	614,310	912,110
Grants (note 7)	344,712	240,110	-	-	-	584,822	186,374
Facilities rental (note 8)	168,621	-	-	-	-	168,621	175,825
Sale of donated goods	-	-	-	142,777	-	142,777	126,474
Investment income (loss)	11,447	48,649	43,214	-	-	103,310	(86,668)
Other income	10,009	-	-	-	-	10,009	9,237
Loss on disposal of tangible capital assets	-	(5,994)	-	-	-	(5,994)	-
	5,363,984	416,801	43,214	142,777	-	5,966,776	4,909,614
Expenses							
Salaries and benefits	3,816,690	127	-	45,430	-	3,862,247	3,677,648
Building occupancy and equipment (note 8)	512,935	-	-	64,673	-	577,608	596,369
Capital campaign costs	-	452,520	-	-	-	452,520	-
Office and administration	344,839	-	1,783	4,857	-	351,479	413,319
Program costs	321,067	-	-	-	-	321,067	306,647
Amortization of tangible capital assets	-	183,583	-	4,073	-	187,656	158,682
Marketing and communications	78,908	3,496	-	-	-	82,404	86,952
National allocation	53,802	-	-	-	-	53,802	53,190
Pandemic costs	5,993	-	-	-	-	5,993	46,606
	5,134,234	639,726	1,783	119,033	-	5,894,776	5,339,413
Excess (deficiency) of revenue over expenses	229,750	(222,925)	41,431	23,744	-	72,000	(429,799)

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, 2023

	Operating Fund \$	Capital Fund \$	Endowment Fund \$	Guild Fund \$	Interfund Eliminations \$	2023 Total \$	2022 Total \$
Net assets – Beginning of year	1,184,870	3,110,578	649,329	130,581	-	5,075,358	5,505,157
Excess (deficiency) of revenue over expenses	229,750	(222,925)	41,431	23,744	-	72,000	(429,799)
Transfer from							
Operating Fund	-	558,685	-	-	-	558,685	13,421
Guild Fund	20,000	-	-	-	-	20,000	9,850
Capital Fund	34,660	-	-	-	-	34,660	-
Transfer to							
Operating Fund	-	(34,660)	-	(20,000)	-	(54,660)	(9,850)
Guild Fund	-	-	-	-	-	-	-
Capital Fund	(558,685)	-	-	-	-	(558,685)	(13,421)
Opportunity Shop (note 9)	-	-	-	(134,325)	-	(134,325)	-
Net assets – End of year	910,595	3,411,678	690,760	-	-	5,013,033	5,075,358
Net assets are compromised of the following							
Externally restricted	-	-	690,760	-	-	690,760	649,329
Internally restricted – Reserves	484,974	582,015	-	-	-	1,066,989	1,466,989
Internally restricted – Invested in tangible capital assets	-	2,766,724	-	-	-	2,766,724	2,724,518
Unrestricted	425,621	62,939	-	-	-	488,560	234,522
	910,595	3,411,678	690,760	-	-	5,013,033	5,075,358

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

YWCA Saskatoon Inc.
Statement of Cash Flows
For the year ended June 30, 2023

	Operating Fund \$	Capital Fund \$	Endowment Fund \$	Guild Fund \$	2023 Total \$	2022 Total \$
Cash provided by (used in)						
Operating activities						
Excess (deficiency) of revenue over expenses	229,750	(222,925)	41,431	23,744	72,000	(429,799)
Items not affecting cash						
Amortization of tangible capital assets	-	183,583	-	4,073	187,656	158,682
Loss on disposal of tangible capital assets	-	5,994	-	-	5,994	-
Interfund transfers	(345,340)	365,340	-	(20,000)	-	-
Transfer of Guild Fund to Opportunity Shop (note 9)	-	-	-	(134,325)	(134,325)	-
	(115,590)	331,992	41,431	(126,508)	131,325	(271,117)
Net changes in non-cash working capital items						
Accounts receivable	(89,423)	-	-	9,069	(80,354)	70,702
Interfund balances	(33,456)	31,673	1,783	-	-	-
Prepaid expenses	(27,199)	-	-	639	(26,560)	(5,506)
Accounts payable and accruals	(60,849)	49,702	-	(976)	(12,123)	44,558
Wages and benefits payable	(34,345)	-	-	-	(34,345)	41,011
Unearned program revenue	206,449	-	-	-	206,449	129,155
Designated donations	-	-	-	-	-	(110,220)
	(154,413)	413,367	43,214	(117,776)	184,392	(101,417)
Investing activities						
Redemption of investments – net	(143,467)	(381,161)	(43,214)	71,360	(496,482)	105,464
Proceeds from disposal of tangible capital assets	-	3,000	-	24,566	27,566	-
Purchases of tangible capital assets	-	(228,762)	-	-	(228,762)	(31,838)
	(143,467)	(606,923)	(43,214)	95,926	(697,678)	73,626
Financing activities						
Repayment of capital lease	(5,238)	-	-	-	(5,238)	(14,684)
Change in cash and cash equivalents during the year	(303,118)	(193,556)	-	(21,850)	(518,524)	(42,475)
Cash and cash equivalents – Beginning of year	1,599,445	193,556	-	21,850	1,814,851	1,857,326
Cash and cash equivalents – End of year	1,296,327	-	-	-	1,296,327	1,814,851
Cash and cash equivalents consist of						
Cash	1,296,327	-	-	-	1,296,327	1,350,622
Redeemable Guaranteed investment certificates and term deposits	-	-	-	-	-	464,229
	1,296,327	-	-	-	1,296,327	1,814,851

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

YWCA Saskatoon Inc.

Notes to Financial Statements

June 30, 2023

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 (Canada) and, as such, is exempt from taxes and can issue donation receipts for income tax purposes if 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 12 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 annual 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, 2023

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 Capital or Guild Funds are reported directly in the 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. Purchases of tangible capital assets in this fund are financed by donations, grants and mortgage proceeds. Included in Capital Fund expenses are charges for amortization on 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.

- **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.

YWCA Saskatoon Inc.

Notes to Financial Statements

June 30, 2023

Government assistance

YWCA Saskatoon recognizes government assistance as revenue in the period in which it is received or receivable. Any liability to repay government assistance is recognized in the period in which conditions arise that cause the government assistance to be repayable.

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 as 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.

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 enough to permit identification of each individually impaired financial asset in the group, when 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 \$	Total 2023 \$	Total 2022 \$
Fixed income	28,880	312,524	305,667	647,071	676,382
Equities	29,196	315,932	296,009	641,137	741,214
Guaranteed investment certificates	197,814	310,532	-	508,346	497,804
Mutual funds and other	12,500	135,277	91,289	239,066	87,967
	268,390	1,074,265	692,965	2,035,620	2,003,367
Less: Cash equivalents	-	-	-	-	464,229
Less: Current portion	197,814	310,532	-	508,346	-
	<u>70,576</u>	<u>763,733</u>	<u>692,965</u>	<u>1,527,274</u>	<u>1,539,138</u>

The current portion of investments consists of term deposits which earn effective interest of 0.75% and 2.5% (2022 – 0.75 and 2.3%) and redeemable or have terms to maturity within one year.

YWCA Saskatoon Inc.

Notes to Financial Statements

June 30, 2023

4 Tangible capital assets

			2023	2022
	Cost	Accumulated	Net book	Net book
	\$	amortization	value	Value
	\$	\$	\$	\$
Operating Fund				
Computer equipment	-	-	-	9,741
Furniture and equipment	-	-	-	110,773
Equipment under capital lease	-	-	-	38,171
	-	-	-	158,685
Capital Fund				
Building	6,394,860	3,969,368	2,425,492	2,553,389
Furniture and equipment	167,759	158,443	9,316	18,464
Computer equipment	975,786	871,109	104,677	-
Equipment under capital lease	38,171	38,171	-	-
Land	1	-	1	1
Work in progress	227,238	-	227,238	-
	7,803,815	5,037,091	2,766,724	2,571,854
Guild Fund				
Leasehold improvements	-	-	-	28,639
	7,803,815	5,037,091	2,766,724	2,759,178

The amortization recognized in the financial statements during the year ended June 30, 2023 was \$nil (2022 – \$19,569) in the Operating Fund, \$183,583 (2022 – \$134,226) in the Capital Fund and \$4,073 (2022 – \$4,887) in the Guild Fund, for a total amortization during the year ended June 30, 2023 of \$187,656 (2022 – \$158,682).

5 Unearned program revenue

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

	July 1, 2022	Received 2023	Recognized 2023	June 30, 2023
	\$	\$	\$	\$
Community safety and well-being	238,142	1,363,603	(1,237,514)	364,231
Employment and learning	100,313	2,770	(11,298)	91,785
Child development centre	33,423	115,362	(14,650)	134,135
Fitness on 25	20,338	997,762	(993,001)	25,099
Other programs	229,498	157,842	(174,427)	212,913
	621,714	2,637,339	(2,430,890)	828,163

YWCA Saskatoon Inc.
Notes to Financial Statements
June 30, 2023

6 Government contracted programs

	2023	2022
	\$	\$
Ministry of Immigration and Career Training	1,286,280	1,054,170
Ministry of Justice	930,616	953,418
Ministry of Education	734,012	414,024
Ministry of Social Services	393,872	364,326
Saskatchewan Health Authority	248,393	194,392
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	3,593,173	2,980,330
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7 Grants

	2023	2022
	\$	\$
Saskatoon Housing Initiatives Partnership	215,110	5,363
YWCA Canada	97,459	-
Women's Shelters of Canada	66,503	39,711
Other grants and donations	59,750	60,300
Affinity	50,000	-
United Way	40,000	-
City of Saskatoon	31,000	31,000
Community Housing Transformation Center	25,000	-
Canadian Women's Foundation	-	50,000
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	584,822	186,374
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8 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 that, together with leased premises, houses six community service agencies. Along with other members of the Village, YWCA Saskatoon is committed to bearing 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 \$31,400 (2022 – \$34,012) and incurred lease expenditures of \$41,986 (2022 – \$55,369).

YWCA Saskatoon Inc.

Notes to Financial Statements

June 30, 2023

9 Transfer to Opportunity Shop

Effective April 30, 2023, YWCA Saskatoon transferred all Guild Fund operations to the Opportunity Shop and all net assets as at April 30, 2023 were removed from the statement of financial position and transferred to the Opportunity Shop.

10 Economic dependence

YWCA Saskatoon has multiple 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 60% (2022 – 61%) of YWCA Saskatoon's total operating fund revenue.

11 Commitments

YWCA Saskatoon has initiated a capital fundraising campaign with a goal of \$19 million. The proceeds are to fund a three-phase capital project to expand and upgrade the current YWCA Saskatoon building.

- Phase one is the construction of a 35-unit residential transitional housing facility;
- Phase two will involve necessary repairs to the existing structure; and
- Phase three is the renovation of the existing pool space into an expanded Employment & Learning Centre.

As at June 30, 2023, YWCA Saskatoon entered into an \$11,147,676 design/build contract for construction of phase one. Funding commitments from federal and municipal governments in the amount of \$7,680,656 and private donations of \$2,553,540 have been signed as of June 30, 2023.

12 Subsequent events

Subsequent to June 30, 2023, and in relation to the capital project referenced in note 11, YWCA Saskatoon received confirmation of forgivable funding from the provincial government in the amount of \$1,945,000.

13 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 accruals.

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. 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.

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 at June 30, 2023 was \$nil (2022 – \$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.