

YWCA Saskatoon Inc.

**Financial Statements
June 30, 2024**



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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, 2024, 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, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the 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 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 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.

BDO Canada LLP

Chartered Professional Accountants

Saskatoon, Saskatchewan
October 3, 2024

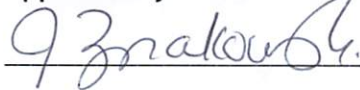
YWCA Saskatoon Inc.
Statement of Financial Position
As at June 30, 2024

	Operating Fund \$	Capital Fund \$	Endowment Fund \$	2024 Total \$	2023 Total \$
Assets					
Current assets					
Cash and cash equivalents	343,136	3,542,717	24,294	3,910,147	1,296,327
Accounts receivable	293,798	108,654	-	402,452	126,470
Investments (note 3)	202,760	283,504	-	486,264	508,346
Interfund balances	780,129	(736,652)	(43,477)	-	-
Prepaid expenses	9,007	-	-	9,007	40,664
	1,628,830	3,198,223	(19,183)	4,807,870	1,971,807
Investments (note 3)	43,389	832,408	716,607	1,592,404	1,527,274
Planned giving	-	-	869	869	869
Tangible capital assets (note 4)	-	7,741,411	-	7,741,411	2,766,724
	1,672,219	11,772,042	698,293	14,142,554	6,266,674
Liabilities					
Current liabilities					
Accounts payable and accruals	247,895	1,622,891	-	1,870,786	160,787
Wages and benefits payable	177,052	-	-	177,052	243,333
Unearned program revenue (note 5)	447,747	-	-	447,747	828,163
Designated donations	21,358	-	-	21,358	21,358
	894,052	1,622,891	-	2,516,943	1,253,641
Net assets					
Externally restricted	21,717	-	698,293	720,010	690,760
Internally restricted - Reserves	484,974	2,407,740	-	2,892,714	1,066,989
Internally restricted - Invested in tangible capital assets	-	7,741,411	-	7,741,411	2,766,724
Unrestricted	271,476	-	-	271,476	488,560
	778,167	10,149,151	698,293	11,625,611	5,013,033
	1,672,219	11,772,042	698,293	14,142,554	6,266,674

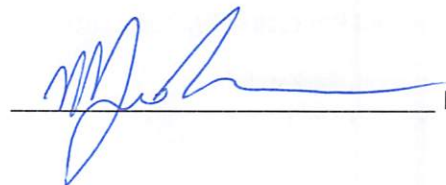
Economic dependence (note 10)

Commitments (note 11)

Approved by the Board of Directors



Director



Director

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

YWCA Saskatoon Inc.
Statement of Operations
For the year ended June 30, 2024

	Operating Fund \$	Capital Fund \$	Endowment Fund \$	2024 Total \$	2023 Total \$
Revenue					
Fund development	408,968	4,497,897	-	4,906,865	755,748
Government contracted programs (note 6)	3,904,046	-	-	3,904,046	3,593,173
Grants (note 7)	225,351	2,721,958	-	2,947,309	584,822
Fee for service	696,668	-	-	696,668	614,310
Facilities rental (note 8)	236,020	-	-	236,020	168,621
Investment income	22,629	68,566	47,936	139,131	103,310
Other income	37,641	-	-	37,641	10,009
Loss on disposal of tangible capital assets	-	(3,341)	-	(3,341)	(5,994)
Sale of donated goods	-	-	-	-	142,777
	<u>5,531,323</u>	<u>7,285,080</u>	<u>47,936</u>	<u>12,864,339</u>	<u>5,966,776</u>
Expenses					
Salaries and benefits	4,222,606	103,436	-	4,326,042	3,862,247
Building occupancy and equipment (note 8)	600,260	-	-	600,260	577,608
Office and administration	345,610	4,218	1,511	351,339	357,472
Program costs	349,507	-	-	349,507	321,067
Capital campaign costs	-	252,839	-	252,839	452,520
Marketing and communications	74,780	88,435	-	163,215	82,404
Amortization of tangible capital assets	-	155,287	-	155,287	187,656
National allocation	53,271	-	-	53,271	53,802
	<u>5,646,034</u>	<u>604,215</u>	<u>1,511</u>	<u>6,251,760</u>	<u>5,894,776</u>
Excess (deficiency) of revenue over expenses	<u>(114,711)</u>	<u>6,680,865</u>	<u>46,425</u>	<u>6,612,579</u>	<u>72,000</u>

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, 2024

	Operating Fund \$	Capital Fund \$	Endowment Fund \$	2024 Total \$	2023 Total \$
Net assets - Beginning of year	910,595	3,411,678	690,760	5,013,033	5,075,358
Excess (deficiency) of revenue over expenses	(114,711)	6,680,865	46,425	6,612,579	72,000
Transfer from					
Operating Fund	(27,484)	-	-	(27,484)	558,685
Guild Fund	-	-	-	-	20,000
Capital Fund	-	29,124	-	29,124	34,660
Endowment Fund	-	-	(38,892)	(38,892)	-
Transfer to					
Operating Fund	9,767	-	-	9,767	(54,660)
Capital Fund	-	27,484	-	27,484	(558,685)
Opportunity Shop (note 9)	-	-	-	-	(134,325)
Net assets - End of year	778,167	10,149,151	698,293	11,625,611	5,013,033
Net assets are comprised of the following					
Externally restricted	21,717	-	698,293	720,010	690,760
Internally restricted - Reserves	484,974	2,407,740	-	2,892,714	1,066,989
Internally restricted - Invested in tangible capital assets	-	7,741,411	-	7,741,411	2,766,724
Unrestricted	271,476	-	-	271,476	488,560
	778,167	10,149,151	698,293	11,625,611	5,013,033

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

YWCA Saskatoon Inc.
Statement of Cash Flows
For the year ended June 30, 2024

	Operating Fund \$	Capital Fund \$	Endowment Fund \$	2024 Total \$	2023 Total \$
Cash provided by (used in)					
Operating activities					
Excess (deficiency) of revenue over expenses	(114,711)	6,680,865	46,425	6,612,579	72,000
Items not affecting cash					
Amortization of tangible capital assets	-	155,287	-	155,287	187,656
Loss on disposal of tangible capital assets	-	3,341	-	3,341	5,994
Interfund transfers	(17,717)	56,609	(38,892)	-	-
Transfer of Guild Fund to Opportunity Shop (note 9)	-	-	-	-	(134,325)
	(132,428)	6,896,102	7,533	6,771,207	131,325
Net changes in non-cash working capital items					
Accounts receivable	(167,328)	(108,654)	-	(275,982)	(80,354)
Interfund balances	(397,446)	357,043	40,403	-	-
Prepaid expenses	31,657	-	-	31,657	(26,560)
Accounts payable and accruals	136,810	1,573,189	-	1,709,999	(12,123)
Wages and benefits payable	(66,281)	-	-	(66,281)	(34,345)
Unearned program revenue	(380,416)	-	-	(380,416)	206,449
	(975,432)	8,717,680	47,936	7,790,184	184,392
Investing activities					
Redemption of investments - net	22,241	(41,647)	(23,642)	(43,048)	(496,482)
Proceeds from disposal of tangible capital assets	-	-	-	-	27,566
Purchases of tangible capital assets	-	(5,133,316)	-	(5,133,316)	(228,762)
	22,241	(5,174,963)	(23,642)	(5,176,364)	(697,678)
Financing activities					
Repayment of capital lease	-	-	-	-	(5,238)
Change in cash and cash equivalents during the year	(953,191)	3,542,717	24,294	2,613,820	(518,524)
Cash and cash equivalents - Beginning of year	1,296,327	-	-	1,296,327	1,814,851
Cash and cash equivalents - End of year	343,136	3,542,717	24,294	3,910,147	1,296,327
Cash and cash equivalents consist of					
Cash	343,136	3,542,717	24,294	3,910,147	1,296,327
Redeemable guaranteed investment certificates and term deposits	-	-	-	-	-
	343,136	3,542,717	24,294	3,910,147	1,296,327

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

1 Nature of operations

YWCA Saskatoon Inc. (YWCA Saskatoon) was 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 Summary of significant accounting policies

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

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.

Tangible capital assets

Purchased tangible capital assets are recorded at cost less accumulated amortization. Contributed tangible capital assets are recorded at fair value at the date of contribution, unless fair value is not determinable in which case contributed tangible capital assets are recorded at nominal value at the date of contribution. Contributed tangible capital assets are subsequently amortized. Expenditures for repairs and maintenance are expensed as incurred. Betterments that extend the useful life of tangible capital assets are capitalized.

Construction in progress is not amortized until the tangible capital asset is substantially complete and ready to use.

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 recorded until the tangible capital asset is ready for use. Amortization expense is reported in the Capital Fund.

When a tangible capital asset no longer contributes to YWCA Saskatoon's ability to provide goods and services, or the future economic benefits or service potential of the tangible capital asset is less than its carrying value, the excess of its net carrying amount over its fair value or replacement cost is recognized as an expense in the statement of operations.

Revenue recognition

YWCA Saskatoon follows the restricted fund method of accounting for contributions.

Restricted contributions received related to operations for expenses to be incurred in the future are initially recorded as deferred contributions and recognized in revenue in the Operating Fund as the related expense are incurred. Unrestricted contributions are recognized in the Operating Fund as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Restricted contributions related to capital activities and endowments are recognized as revenue of the appropriate fund when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Revenues from fee for service, fund development and facilities rental are recognized as revenue in the Operating Fund when services are provided, the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is reported in the appropriate restricted fund. Unrestricted investment income is reported in the Operating Fund.

The Operating Fund includes YWCA Saskatoon's services, all unrestricted contributions and restricted contributions for which there is no restricted fund.

YWCA Saskatoon receives government subsidies that provide financial assistance as compensation for costs or expenditures to be incurred. YWCA Saskatoon recognizes government subsidies as revenue in the Operating Fund when received or receivable and when there is reasonable assurance that conditions attached to the subsidies are met.

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.

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.

Foreign currency translation

Foreign currency transactions are translated at the rates of exchange in effect at the dates of the transaction. Resulting foreign currency denominated monetary assets and liabilities are translated at the rates of exchange in effect at the balance sheet date. Gains and losses on translation of monetary assets and liabilities are included in net income.

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

Arm's length financial instruments are recorded at fair value at initial recognition.

Related party financial instruments quoted in an active market or those with observable inputs significant to the determination of fair value or derivative contracts are recorded at fair value at initial recognition. All other related party financial instruments are recorded at cost at initial recognition.

In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

3 Investments

	Operating Fund \$	Capital Fund \$	Endowment Fund \$	Total 2024 \$	Total 2023 \$
Equities	33,506	362,584	333,973	730,063	641,137
Fixed income	3,222	363,662	317,125	684,009	647,071
Guaranteed investment certificates	202,760	317,586	-	520,346	508,346
Mutual funds and other	266,548	95,857	89,803	452,208	239,066
	506,036	1,139,689	740,901	2,386,626	2,035,620
Less: Cash equivalents	259,887	23,777	24,294	307,958	-
Less: Current portion	202,760	283,504	-	486,264	508,346
	43,389	832,408	716,607	1,592,404	1,527,274

The current portion of investments consists of term deposits which earn effective interest of 2.45% and 4.1% (2023 - 0.75 and 2.5%) and are redeemable or have terms to maturity within one year.

YWCA Saskatoon Inc.
Notes to Financial Statements
June 30, 2024

4 Tangible capital assets

			2024	2023
	Cost	Accumulated	Net book	Net book
	\$	amortization	value	Value
		\$	\$	\$
Building	6,555,698	4,097,265	2,458,433	2,425,492
Computer equipment	156,416	155,378	1,038	9,316
Furniture and equipment	949,095	805,482	143,613	104,677
Land	1	-	1	1
Construction in progress	5,138,326	-	5,138,326	227,238
	12,799,536	5,058,125	7,741,411	2,766,724

The amortization recognized in the financial statements during the year ended June 30, 2024 was \$155,287 (2023 - \$183,583) in the Capital Fund and \$nil (2023 - \$4,073) in the Guild Fund, for a total amortization during the year ended June 30, 2024 of \$155,287 (2023 - \$187,656).

During the year ended June 30, 2024, YWCA Saskatoon began construction of an extension to the building. The costs to date are included in the "Construction in progress" category and no amortization has been recorded since the building was not completed or ready for use as of June 30, 2024.

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, 2023	Received 2024	Recognized 2024	June 30, 2024
	\$	\$	\$	\$
Community safety and well-being	364,231	715,171	(958,073)	121,329
Employment and learning	91,785	1,179,422	(1,223,449)	47,758
Child development centre	134,135	76,474	(150,962)	59,647
Fitness on 25	25,099	27,829	(7,820)	45,108
Other programs	212,913	250,954	(289,962)	173,905
	828,163	2,249,850	(2,630,266)	447,747

6 Government contracted programs

	2024 \$	2023 \$
Ministry of Immigration and Career Training	1,256,544	1,286,280
Ministry of Justice	1,014,073	930,616
Ministry of Education	947,742	734,012
Ministry of Social Services	369,038	393,872
Saskatchewan Health Authority	316,649	248,393
	<u>3,904,046</u>	<u>3,593,173</u>

7 Grants

	2024 \$	2023 \$
City of Saskatoon	2,146,696	31,000
Saskatchewan Housing Corporation	606,262	-
Ministry of Education	70,570	-
Community Initiatives Fund	41,667	-
YWCA Canada	40,396	97,459
Women's Shelters of Canada	22,120	66,503
Saskatoon Housing Initiatives Partnership	10,602	215,110
Other grants and donations	8,996	59,750
Affinity	-	50,000
United Way	-	40,000
Community Housing Transformation Center	-	25,000
	<u>2,947,309</u>	<u>584,822</u>

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 \$46,900 (2023 - \$31,400) and incurred lease expenditures of \$44,241 (2023 - \$41,986).

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 70% (2023 - 60%) 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, 2024, YWCA Saskatoon had entered into, and begun executing on, an \$11.1 million design/build contract for construction of phase one, as well as a \$1.5 million roof replacement contract. As at June 30, 2024, total funding commitments made but not yet received from a) federal, provincial, and municipal governments and b) private donors are estimated to be approximately \$9.4 million.

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 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.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. YWCA Saskatoon is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions.

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 organization will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The organization is exposed to this risk mainly in respect of its accounts payable and accruals and wages and benefits payable.

YWCA Saskatoon's approach to managing liquidity risk is to ensure, as far as possible, that it will always 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, 2024 was \$nil (2023 - \$nil).

Market risk

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

Currency risk

Currency risk is the risk that the fair value of a financial instrument will fluctuate because of changes in foreign exchange rates. Consequently, some of the investment balances are exposed to foreign exchange fluctuations because of the fluctuations in the relative value of foreign currencies against the Canadian dollar. YWCA Saskatoon's mitigates this risk by using professional investment management services and by maintaining a diverse portfolio.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. YWCA Saskatoon is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-interest instruments subject YWCA Saskatoon to a fair value risk while the floating rate instrument subject it to a cash flow risk.

YWCA is exposed to interest rate risk in relation to interest expense on its revolving credit facility since the credit facility bears interest at a floating interest rate. Currently YWCA Saskatoon has not drawn on this credit facility and therefore the risk is considered to be limited. The organization mitigates interest rate risk on investments by diversifying the durations of the fixed-income investments that are held at a given time.