YWCA Saskatoon Inc.

Financial Statements
June 30, 2020

Independent auditor's report

To the Board of Directors of YWCA Saskatoon Inc.

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of YWCA Saskatoon Inc. (the Organization) as at June 30, 2020 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, 2020;
- 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 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

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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 30, 2020

YWCA Saskatoon Inc.

Statement of Financial Position

As at June 30, 2020

	Operating Fund $	Capital Fund $	Endowment Fund $	CMHC Fund $	Guild Fund $	Interfund Eliminations $	2020 Total $	2019 Total $
Assets								
Current assets								
Cash and cash equivalents	425,143	218,533	28,321	75,684	10,539	-	758,220	698,565
Investments (note 3)	359,443	-	-	32,564	-	-	392,007	-
Accounts receivable	258,010	-	-	-	3,694	-	261,704	130,657
Interfund balances	311,427	-	1,575	78,000	-	(391,002)	-	-
Prepaid expenses	16,178	-	-	-	639	-	16,817	18,559
	1,370,201	218,533	29,896	186,248	14,872	(391,002)	1,428,748	847,781
Investments (note 3)	82,728	598,208	591,931	-	85,206	-	1,358,073	1,842,448
Planned giving	-	-	7,465	-	-	-	7,465	9,126
Tangible capital assets (note 4)	151,874	2,830,031	-	-	38,413	-	3,020,318	3,180,015
	1,604,803	3,646,772	629,292	186,248	138,491	(391,002)	5,814,604	5,879,370
Liabilities								
Current liabilities								
Accounts payable and accruals	132,997	-	-	-	896	-	133,893	177,498
Wages and benefits payable	237,558	-	-	-	1,295	-	238,853	171,707
Unearned program revenue (note 5)	435,421	-	-	-	-	-	435,421	371,754
Designated donations	100,759	-	-	-	-	-	100,759	46,521
Interfund balances	-	391,002	-	-	-	(391,002)	-	-
Current portion of capital lease	13,257	-	-	-	-	-	13,257	10,806
Current portion of term debt (note 6)	-	-	-	-	-	-	-	49,989
	919,992	391,002	-	-	2,191	(391,002)	922,183	828,275
Term debt (note 6)	-	-	-	-	-	-	-	-
Capital lease	19,922	-	-	-	-	-	19,922	34,342
	939,914	391,002	-	-	2,191	(391,002)	942,105	862,617
Net assets								
Externally restricted	-	-	629,292	-		-	629,292	808,195
Internally restricted – Reserves	293,912	425,739	-	-		-	719,651	851,156
Internally restricted – Invested in tangible capital assets	118,695	2,830,031	-	-	38,413	-	2,987,139	3,084,878
Unrestricted	252,282	-	-	186,248	97,887	-	536,417	272,524
	664,889	3,255,770	629,292	186,248	136,300	-	4,872,499	5,016,753
	1,604,803	3,646,772	629,292	186,248	138,491	(391,002)	5,814,604	5,879,370

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, 2020

	Operating Fund $	Capital Fund $	Endowment Fund $	CMHC Fund $	Guild Fund $	Interfund Eliminations $	2020 Total $	2019 Total $
Revenue								
Government contracted programs (note 7)	2,602,715	-	-	-		-	2,602,715	2,421,676
Fee for service	961,304	-	-	-		-	961,304	1,220,341
Canada Emergency Wage Subsidy (note 13)	360,930	-	-	-		-	360,930	-
Fund development	320,814	-	-	-		-	320,814	414,640
Facilities rental (note 9)	243,977	-	-	-		-	243,977	291,856
Grants (note 8)	197,734	-	-	-		-	197,734	226,405
Sale of donated goods	-	-	-	-	123,823	-	123,823	164,034
Other income (loss)	61,948	(3,687)	(2,238)	3,583	2,336	-	61,942	186,966
	4,749,422	(3,687)	(2,238)	3,583	126,159	-	4,873,239	4,925,918
Expenses								
Salaries and benefits (note 13)	3,345,428	-	-	-	56,180	-	3,401,608	3,409,185
Building occupancy and equipment (note 9)	539,226	-	-	-	66,144	-	605,370	605,854
Office and administration	327,914	152	-	-	5,028	-	333,094	251,850
Program costs	270,075	-	-	-	-	-	270,075	282,031
Amortization of tangible capital assets	35,186	139,853	-	-	4,886	-	179,925	179,053
Marketing and communications	128,899	-	-	-	-	-	128,899	198,835
Pandemic costs (note 13)	60,750	-	-	-	-	-	60,750	-
National allocation	37,772	-	-	-	-	-	37,772	45,182
	4,745,250	140,005	-	-	132,238	-	5,017,493	4,971,990
Excess (deficiency) of revenue over expenses	4,172	(143,692)	(2,238)	3,583	(6,079)	-	(144,254)	(46,072)

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, 2020

	Operating Fund $	Capital Fund $	Endowment Fund $	CMHC Fund $	Guild Fund $	Interfund Eliminations $	2020 Total $	2019 Total $
Net assets – Beginning of the year	666,717	3,399,462	631,530	176,665	142,379	-	5,016,753	5,062,825
Excess (deficiency) of revenue over expenses	4,172	(143,692)	(2,238)	3,583	(6,079)	-	(144,254)	(46,072)
Transfers from:								
Operating fund	-	-	-	6,000	-	-	6,000	6,000
Endowment fund	-	-	-	-	-	-	-	10,000
Guild fund	-	-	-	-	-	-	-	20,000
Transfers to:								
Operating fund	-	-	-	-	-	-	-	(30,000)
Endowment fund	-	-	-	-	-	-	-	-
CMHC fund	(6,000)	-	-	-	-	-	(6,000)	(6,000)
Net assets – End of the year	664,889	3,255,770	629,292	186,248	136,300	-	4,872,499	5,016,753
Net assets are comprised of the following:								
Externally restricted	-	-	629,292	-	-	-	629,292	808,195
Internally restricted – Reserves	293,912	425,739	-	-	-	-	719,651	851,156
Internally restricted – Invested in tangible capital assets	118,695	2,830,031	-	-	38,413	-	2,987,139	3,084,878
Unrestricted	252,282	-	-	186,248	97,887	-	536,417	272,524
	664,889	3,255,770	629,292	186,248	136,300	-	4,872,499	5,016,753

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

YWCA Saskatoon Inc.

Statement of Cash Flows

For the year ended June 30, 2020

	Operating Fund $	Capital Fund $	Endowment Fund $	CMHC Fund $	Guild Fund $	2020 Total $	2019 Total $
Cash provided by (used in):							
Operating activities							
Excess (deficiency) of revenue over expenses	4,172	(143,692)	(2,238)	3,583	(6,079)	(144,254)	(46,072)
Item not affecting cash							
Amortization of tangible capital assets	35,186	139,853	-	-	4,886	179,925	179,053
Interfund transfers	(6,000)	-	-	6,000	-	-	-
	33,358	(3,839)	(2,238)	9,583	(1,193)	35,671	132,981
Net changes in non-cash working capital items:							
Accounts receivable	(129,235)	-	-	-	(1,812)	(131,047)	(90,557)
Interfund balances	(41,856)	47,856	-	(6,000)	-	-	-
Prepaid expenses	1,742	-	-	-	-	1,742	24,812
Accounts payable and accruals	(43,937)	(40)	-	-	372	(43,605)	9,687
Wages and benefits payable	68,274	-	-	-	(1,128)	67,146	(10,995)
Unearned program revenue	63,667	-	-	-	-	63,667	13,666
Designated donations	54,238	-	-	-	-	54,238	(4,815)
Planned giving	-	-	1,661	-	-	1,661	1,402
	6,251	43,977	(577)	3,583	(3,761)	49,473	76,181
Investing activities							
Redemption (purchase) of investments, net	68,295	24,655	13,425	(672)	(13,335)	92,368	(94,825)
Purchase of tangible capital assets	(21,818)	2,324	-	-	(734)	(20,228)	(73,953)
	46,477	26,979	13,425	(672)	(14,069)	72,140	(168,778)
Financing activities							
Repayment of term debt	-	(49,989)	-	-	-	(49,989)	(66,086)
Proceeds from capital lease	-	-	-	-	-	-	-
Repayment of capital lease	(11,969)	-	-	-	-	(11,969)	(10,805)
	(11,969)	(49,989)	-	-	-	(61,958)	(76,891)
Net change in cash and cash equivalents	40,759	20,967	12,848	2,911	(17,830)	59,655	(169,488)
Cash and cash equivalents – beginning of year	384,384	197,566	15,473	72,773	28,369	698,565	868,053
Cash and cash equivalents – end of year	425,143	218,533	28,321	75,684	10,539	758,220	698,565
Cash and cash equivalents consist of:							
Cash	235,963	29,353	28,321	12	10,539	304,188	261,996
Redeemable guaranteed investment certificates and term deposits	189,180	189,180	-	75,672	-	454,032	436,569
	425,143	218,533	28,321	75,684	10,539	758,220	698,565

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

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 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 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.

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.

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.

Government assistance

YWCA Saskatoon recognizes government assistance as revenue in the period that it is received or receivable. Any liability to repay government assistance is recognized in the period in which conditions arise to 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 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 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 asses. 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 $	2020 Total $	2019 Total $
Fixed income	-	345,540	271,675	-	85,206	702,421	705,877
Equities	82,728	191,663	270,779	-	-	545,170	714,244
Guaranteed investment certificates	359,443	-	-	32,564	-	392,007	382,055
Mutual funds and other	-	61,005	49,477	-	-	110,482	40,272
	442,171	598,208	591,931	32,564	85,206	1,750,080	1,842,448
Less: Current portion	359,443	-	-	32,564	-	392,007	-
	82,728	598,208	591,931	-	85,206	1,358,073	1,842,448

4 Tangible capital assets

			2020	2019
	Cost $	Accumulated amortization $	Net book value $	Net book value $
Operating Fund				
Computer equipment	25,138	16,907	8,231	3,143
Furniture and equipment	262,133	156,661	105,472	111,343
Equipment under capital lease	50,895	12,724	38,171	50,754
	338,166	186,292	151,874	165,240
Capital Fund				
Building	6,394,860	3,585,676	2,809,184	2,937,082
Furniture and equipment	692,544	671,698	20,846	35,126
Computer equipment	149,920	149,920	-	-
Land	1	-	1	1
	7,237,325	4,407,294	2,830,031	2,972,209
Guild Fund				
Leasehold improvements	53,074	14,661	38,413	42,566
	7,628,565	4,608,247	3,020,318	3,180,015

The amortization recognized in the financial statements during the year ended June 30, 2020 was $35,186 (2019 – $38,245) in the Operating Fund, $139,853 (2019 – $135,921) in the Capital Fund and $4,886 (2019 – $4,887) in the Guild Fund, for total amortization during the year ended June 30, 2020 of $179,925 (2019 – $179,053).

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, 2019 $	Received 2020 $	Recognized 2020 $	June 30, 2020 $
Employment and learning	231,806	1,214,430	(1,267,087)	179,149
Fitness on 25	37,387	23,868	(22,812)	38,443
Child development centre	38,719	13,650	(20,616)	31,753
Other programs	63,842	313,676	(191,442)	186,076
	371,754	1,565,624	(1,501,957)	435,421

6 Term debt

	2020 $	2019 $
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 (2019 – $3,192,876). The term matures March 1, 2020.	-	49,989
Less Current portion	-	(49,989)
	-	-

7 Government contracted programs

	2020 $	2019 $
Ministry of Immigration and Career Training	1,173,954	982,340
Ministry of Justice	868,174	863,574
Ministry of Social Services	366,583	361,754
Ministry of Education	194,004	214,008
	2,602,715	2,421,676

8 Grants

	2020 $	2019 $
Other grants and donations	107,546	68,541
United Way	32,130	85,714
City of Saskatoon	31,000	31,000
Saskatoon Housing Initiatives Partnership	21,286	17,042
Community Initiatives Fund	5,772	24,108
	197,734	226,405

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 $113,762 (2019 – $110,081) and incurred lease expenditures of $105,413 (2019 – $104,277).

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 $105,413 (2019 – $104,277).

11 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 55% (2019 – 52%) 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.

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, 2020 is $nil (2019 – $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.

13 COVID-19 pandemic

Management has assessed the financial impact of COVID-19 at June 30, 2020, including the collectability of receivables, assessment of provisions and contingent liabilities, timing of revenue recognition, and changes to operations. Management did not identify any impact to its financial statements as at June 30, 2020. The amount of the Canada Emergency Wage Subsidy received during the year ended June 30, 2020 ($360,930) as well as incremental costs directly related to the pandemic ($60,750) are disclosed on the Statement of Operations.

Although public health restrictions have resulted in the YWCA Saskatoon having to transition to remote working arrangements, there is no significant impact anticipated with respect to its ability to continue to deliver on its core initiatives. The long-term impact of the pandemic on the YWCA Saskatoon and the economy is not yet known and information surrounding the global economic impact of COVID-19 and the estimated length of the pandemic continues to evolve. Future impacts of the pandemic may have a financial effect on the YWCA Saskatoon's future revenue and operating results. It is not possible to estimate any results of future financial impacts of COVID-19 on the YWCA Saskatoon subsequent to June 30, 2020.