

**JAMES H. STINN**

*CPA, Prof. Corp.*

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**SASKATOON FAMILY YOUNG MEN'S  
CHRISTIAN ASSOCIATION  
FINANCIAL STATEMENTS  
AUGUST 31, 2018**

**SASKATOON FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION**  
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**AUGUST 31, 2018**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Saskatoon Family Young Men's Christian Association:

I have audited the accompanying financial statements of Saskatoon Family Young Men's Christian Association which comprise the statement of financial position as at August 31, 2018 and the statements of operations, changes in net assets and cash flows, and schedules of receipts and disbursements for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility 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 the organization determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

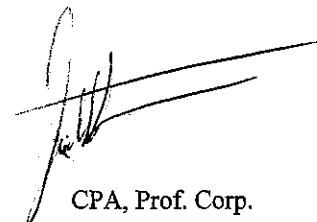
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Saskatoon Family Young Men's Christian Association as at August 31, 2018 and its financial performance for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Saskatoon, Saskatchewan  
November 20, 2018





CPA, Prof. Corp.

**SASKATOON FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT AUGUST 31, 2018**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Bank (Note 3)	\$ 793,791	\$ 152,189
Short term investments (Note 5)	161,116	5,337
Accounts receivable (Note 4)	80,542	128,313
Prepaid expenses	<u>23,161</u>	<u>49,586</u>
	1,058,610	335,425
<b>TANGIBLE CAPITAL ASSETS (Note 6)</b>	1,613,046	1,536,836
<b>INTANGIBLE CAPITAL ASSETS (Note 7)</b>	119,555	59,755
<b>LONG TERM INVESTMENTS (Note 5)</b>	<u>0</u>	<u>154,373</u>
	<u><b>\$ 2,791,211</b></u>	<u><b>\$ 2,086,389</b></u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 8)	\$ 368,753	\$ 344,912
Deferred revenue	170,674	75,247
Callable term debt due in one year (Note 9)	<u>17,762</u>	<u>39,278</u>
	557,189	459,437
Callable term debt due thereafter (Note 9)	<u>38,947</u>	<u>34,228</u>
	596,136	493,665
<b>DEFERRED CONTRIBUTIONS RELATED TO TANGIBLE CAPITAL ASSETS (Note 11)</b>	<u>118,559</u>	<u>161,349</u>
	<u>714,695</u>	<u>655,014</u>
<b>NET ASSETS</b>		
Net assets, invested in intangible capital assets	62,846	14,427
Net assets, invested in tangible capital assets	<u>1,613,046</u>	<u>1,508,658</u>
	1,675,892	1,523,085
Net assets, restricted (Note 12)	13,473	13,473
Net assets, unrestricted	<u>387,151</u>	<u>(105,183)</u>
	<u>2,076,516</u>	<u>1,431,375</u>
	<u><b>\$ 2,791,211</b></u>	<u><b>\$ 2,086,389</b></u>

**Commitments (Note 15)**  
**APPROVED ON BEHALF OF THE BOARD**

 Director

 Director

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

**SASKATOON FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED AUGUST 31, 2018**

	<u>UNRESTRICTED</u>	<u>CAPITAL ASSETS</u>	<u>(Note 12)</u> <u>RESTRICTED</u>	<u>2018</u>	<u>2017</u>
<b>BALANCE - beginning of year</b>	\$ (105,183)	\$1,523,085	\$ 13,473	\$1,431,375	\$1,429,754
Net income	645,141	0	0	645,141	1,621
Purchase of:					
Intangible capital assets	(68,851)	68,851	0	0	0
Tangible capital assets	(189,528)	189,528	0	0	0
Proceeds of new capital debt:	39,970	(39,970)	0	0	0
Repayment of capital debt	(56,767)	56,767	0	0	0
Amortization of:					
Intangible capital assets	9,051	(9,051)	0	0	0
Tangible capital assets	<u>113,318</u>	<u>(113,318)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>BALANCE - end of year</b>	<u>\$ 387,151</u>	<u>\$1,675,892</u>	<u>\$ 13,473</u>	<u>\$2,076,516</u>	<u>\$1,431,375</u>

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

**SASKATOON FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION**  
**STATEMENT OF REVENUE AND EXPENDITURES**  
**FOR THE YEAR ENDED AUGUST 31, 2018**

	<u>2018</u>	<u>2017</u>
<b>REVENUE</b>		
Program and service fees (Note 13)	\$ 2,495,314	\$ 1,809,228
Memberships	870,037	820,182
Grants	908,239	469,984
Donations and contributions	789,503	159,181
Rental	60,330	68,122
Investment income	5,308	28,790
Miscellaneous	<u>17,329</u>	<u>16,524</u>
	<u>5,146,060</u>	<u>3,372,011</u>
<b>EXPENDITURES</b>		
Salary, wages and benefits	3,141,259	2,320,089
Program supplies	237,499	119,950
Maintenance and supplies	222,771	175,631
Utilities	190,584	181,262
Expendable equipment	80,012	62,809
Promotion and advertising	78,347	53,751
Interest and bank charges	63,283	46,647
Telephone and office	61,268	34,013
Professional fees	59,391	55,262
National and regional allocations	56,298	60,565
Bus rental and travel	52,631	40,642
Insurance	52,677	38,949
Professional development	39,995	35,052
Rent	35,602	32,019
Fundraising	4,045	0
Bad debts	2,323	5,576
Interest on long-term debt	512	1,471
Miscellaneous	<u>53</u>	<u>1,344</u>
	<u>4,378,550</u>	<u>3,265,032</u>
<b>NET INCOME FROM OPERATIONS</b>	<u>767,510</u>	<u>106,979</u>
<b>OTHER EXPENSES</b>		
Amortization of intangible capital assets	9,051	8,447
Amortization of tangible capital assets	<u>113,318</u>	<u>96,911</u>
	<u>122,369</u>	<u>105,358</u>
<b>NET INCOME</b>	<u>\$ 645,141</u>	<u>\$ 1,621</u>

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

**SASKATOON FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED AUGUST 31, 2018**

	<u>2018</u>	<u>2017</u>
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 645,141	\$ 1,621
Net change in non-cash working capital:		
Accounts receivable	47,770	(104,360)
Prepaid expenses	26,425	(28,715)
Accounts payable and accrued liabilities	23,841	168,324
Deferred revenue	<u>52,638</u>	<u>38,821</u>
	<u>795,815</u>	<u>75,691</u>
<b>FINANCING ACTIVITIES</b>		
Advances of callable debt	39,970	52,088
Repayment of callable term debt	<u>(56,767)</u>	<u>(33,046)</u>
	<u>(16,797)</u>	<u>19,042</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of intangible capital assets	(59,800)	(43,642)
Purchase of tangible capital assets	(76,210)	(360,479)
Redemption of investments	0	409,643
Purchase of investments	<u>(1,406)</u>	<u>(1,090)</u>
	<u>(137,416)</u>	<u>4,432</u>
<b>INCREASE IN CASH</b>	641,602	99,165
<b>CASH, beginning of year</b>	<u>152,189</u>	<u>53,024</u>
<b>CASH, end of year</b>	<u>\$ 793,791</u>	<u>\$ 152,189</u>

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

**SASKATOON FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT AUGUST 31, 2018**

**1. PURPOSE OF THE ORGANIZATION**

The Saskatoon Family YMCA is a volunteer driven organization, offering opportunities for health through personal growth and service to others. In our diverse community they are committed to all. YMCA of Saskatoon is a registered charity and as such, may issue tax-deductible receipts to donors and is exempt from income tax under 149(1)(f) of the Income Tax Act.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Association have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Use of Estimates

When preparing financial statements according to ASNPO, the Association makes estimates and assumptions relating to:

- Reported amounts of revenue and expenses;
- Reported amounts of assets and liabilities; and
- Disclosure of contingent assets and liabilities.

Management's assumptions are based on a number of factors, including historical experience, current events and actions that the organization may undertake in the future, and other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. Estimates were used when accounting for certain items, such as the useful lives of capital assets and impairment of long-lived assets.

Cash and Cash Equivalents

For the purposes of these financial statements, cash and cash equivalents is composed strictly of cash, plus outstanding deposits, less outstanding cheques.

Investments

Investments consist of investments with the Saskatoon Community Foundation, and RBC GICs and are reported at the fair market value. The investments are redeemable on 30 days notice.

Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts, if any.

Tangible Capital Assets

Tangible capital assets are stated at cost less accumulated amortization. Contributed tangible capital assets are recorded at fair value at the date of contribution. Tangible capital assets are amortized over their estimated useful lives at the following rates and methods:

Building	- 4% declining balance
Camp equipment	- 20% straight line
Computer hardware	- 25% straight line
Furniture and equipment	- 20% straight line
Leasehold improvements	- 25% straight line

In the year of acquisition, only one-half of the stated rate is applied to the additions. The Association regularly reviews its tangible capital assets to eliminate obsolete items.

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



**SASKATOON FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT AUGUST 31, 2018**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Intangible Capital Assets

Intangible capital assets are stated at cost less accumulated amortization. Contributed intangible capital assets are recorded at fair value at the date of contribution. Intangible capital assets are amortized over their estimated useful lives at the following rates and methods:

Computer software	- 25% straight line
Network and website	- 20% straight line

In the year of acquisition, only one-half of the stated rate is applied to the additions. The Association regularly reviews its intangible capital assets to eliminate obsolete items.

Revenue Recognition and Deferred Revenue

Saskatoon Family YMCA follows the deferral method of accounting for revenues:

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

Pledges related to capital campaigns are recognized when the above criteria are met.

Membership fees are recognized when paid, with the exception of annual memberships paid in advance. Memberships paid in advance are initially recorded as deferred revenue and recognized as revenue over the term of the membership.

Program fees and service revenues are recorded when the related activities have commenced.

Government grants are recorded as deferred revenue if the associated programs the funds were intended to support have not yet taken place. Otherwise, they are recorded as income.

Investment income is recognized when earned.

Grants and donations received for capital asset acquisitions are recognized as revenue on the income statement under the matching principal in correlation with the amortization of the related assets.

Donated Materials and Services

Donated materials and services are recorded at fair value, when fair value can be reasonably estimated and when the materials and services are normally purchased.

Saskatoon Family YMCA is dependent on the voluntary services of many individuals to the activities of the Association. Since these services are not normally purchased and because of the difficulty in determining their fair value, no amount has been reflected in these financial statements for volunteer services.

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

**SASKATOON FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT AUGUST 31, 2018**

**3. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	<u>2018</u>	<u>2017</u>
Cash in bank	\$ 873,913	\$ 260,815
Cash on deposit	5,314	1,322
Cheques issued and outstanding	<u>(86,086)</u>	<u>(110,598)</u>
	793,141	151,539
Cash on hand	<u>650</u>	<u>650</u>
	<u>\$ 793,791</u>	<u>\$ 152,189</u>

Under the terms of the Association's credit agreement, the Association has an operating line of credit available to a maximum of \$130,000 bearing interest at 1% above the RBC prime lending rate. At the end of the year, the Association had no amount outstanding under this facility.

**4. ACCOUNTS RECEIVABLE**

	<u>2018</u>	<u>2017</u>
Accrued receivable	\$ 43,257	\$ 19,557
Daycare receivable	14,455	0
Grants receivable	0	85,370
Trade receivables	\$ 25,960	\$ 32,266
Allowance for doubtful accounts	<u>(3,130)</u>	<u>(8,880)</u>
	<u>\$ 80,542</u>	<u>\$ 128,313</u>

**5. INVESTMENTS**

	<u>2018</u>	<u>2017</u>
<b>Investments maturing in less than 12 months:</b>		
Edith Holmes Elevator Fund GIC maturing November 18, 2018	\$ 1,877	\$ 1,860
Porteous Fund for Strong Kids GIC maturing November 8, 2018	3,477	3,477
3 year GIC maturing January 15, 2019	<u>155,762</u>	<u>0</u>
	<u>161,116</u>	<u>5,337</u>
<b>Investments maturing in greater than 12 months:</b>		
3 year GIC maturing January 15, 2019	<u>0</u>	<u>154,373</u>
	<u>\$ 161,116</u>	<u>\$ 159,710</u>

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

**SASKATOON FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT AUGUST 31, 2018**

**6. TANGIBLE CAPITAL ASSETS**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2018</u>	<u>Net 2017</u>
Land - at nominal value	\$ 1	\$ 0	\$ 1	\$ 1
Building	3,705,413	2,334,964	1,370,449	1,257,968
Camp equipment	63,849	63,849	0	0
Computer hardware	106,908	98,387	8,521	10,836
Furniture and equipment	883,126	703,862	179,264	201,269
Martensville improvements	67,994	13,183	54,811	66,762
Sutherland improvements	39,515	39,515	0	0
	<u>\$ 4,866,806</u>	<u>\$ 3,253,760</u>	<u>\$ 1,613,046</u>	<u>\$ 1,536,836</u>

**7. INTANGIBLE CAPITAL ASSETS**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2018</u>	<u>Net 2017</u>
Computer software	\$ 123,858	\$ 23,230	\$ 100,628	\$ 57,847
Website and network	28,994	10,067	18,927	1,908
	<u>\$ 152,852</u>	<u>\$ 33,297</u>	<u>\$ 119,555</u>	<u>\$ 59,755</u>

**8. ACCOUNTS PAYABLE**

	<u>2018</u>	<u>2017</u>
Accounts payable - trade	\$ 213,373	\$ 217,649
Accrued liabilities - trade	104,323	55,066
Accrued vacation pay	40,233	27,696
Daycare deposits	10,300	0
Payroll withholdings	82	39,352
PST payable	442	5,149
	<u>\$ 368,753</u>	<u>\$ 344,912</u>

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

**SASKATOON FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT AUGUST 31, 2018**

**9. CALLABLE DEBT**

	2018	2017
Royal Bank		
- loan for facility renovation		
- demand loan due May 2018		
- monthly principal and interest payment \$1,730.72, interest calculated at 3.5%		
- secured with a general security agreement	\$ 0	\$ 28,178
YMCA Canada		
- Technology loan secured by software with book value of \$52,088		
- monthly principal and interest payment \$3,423		
- interest calculated at 0%		
- matures September 2021	56,709	45,328
	56,709	73,506
Less: current portion	(17,762)	(39,278)
	\$ 38,947	\$ 34,228

Canadian accounting standards for not-for-profit organizations require that loans that the lender can require to be repaid on demand be classified as current liabilities. The Association does not believe the demand features of the callable debt will be exercised in the current period. Assuming payment of callable debt is not demanded, regular principal payments required on all callable debt for the next five years are due as follows:

2019	\$ 17,762
2020	11,100
2021	11,100
2022	11,100
2023	5,647
	\$ 56,709

**10. DEFERRED BUILDING AND EQUIPMENT CAPITAL CONTRIBUTIONS**

The Association has an ongoing capital campaign to raise money for various capital expenditures including capital contributions, major refurbishments and equipment purchases. Deferred building and equipment capital contributions balance represent the balance of money raised which has not yet been spent on such expenditures.

The changes in deferred building and equipment capital contributions are as follows:

	2018	2017
Balance, beginning of year	\$ 0	\$ 0
Capital grants and contributions received during the year	0	81,127
Capital expenditures	0	(81,127)
Balance, end of year	\$ 0	\$ 0

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

**SASKATOON FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT AUGUST 31, 2018**

**11. DEFERRED CONTRIBUTIONS RELATED TO TANGIBLE CAPITAL ASSETS**

Deferred contributions related to tangible capital assets represent restricted contributions. The changes in deferred contributions balance for the year are as follows:

	<b>2018</b>	<b>2017</b>
Balance, beginning of year	\$ 161,349	\$ 126,529
Transferred from deferred building and capital contribution account	0	81,127
	161,349	207,656
Less amounts amortized to revenue	(42,790)	(46,307)
Balance, end of year	<b>\$ 118,559</b>	<b>\$ 161,349</b>

**12. NET ASSETS, RESTRICTED**

	<b>2018</b>	<b>2017</b>
Capital Campaign Fund	\$ 4,866	\$ 4,866
Endowment Fund	5,130	5,130
George Porteous Trust Fund	3,477	3,477
	<b>\$ 13,473</b>	<b>\$ 13,473</b>

The endowment fund consists of donations from various individuals that are held in trust. Any income earned from the investment of these funds is to be used towards the YMCA Strong Kids Program.

The estate of the late George Porteous donated funds to the Association that are to be held in trust. Any income earned from the investment is to be used towards the YMCA Strong Kids Program.

**13. PROGRAM AND SERVICE FEES**

	<b>2018</b>	<b>2017</b>
BASC	\$ 742,296	\$ 591,398
Licensed childcare fees	1,444,267	943,949
Other program and service fees	308,751	273,881
	<b>2,495,314</b>	<b>1,809,228</b>

**14. ECONOMIC DEPENDENCE**

The Association is dependant on donations and government grants for a substantial amount of its operating revenue each year

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

**SASKATOON FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT AUGUST 31, 2018**

**15. COMMITMENTS**

The Association rents daycare space under a long term operating lease that expires December 31, 2018. The annual rent is \$26,400 and future minimum lease payments to the expiry date are \$8,800. The Association is responsible for the common costs associated with the daycare facility which is excluded from the minimum annual payment.

On March 21, 2017 the Association was awarded the contract to operate a ninety space daycare located in the new Martensville elementary school. The facility opened as scheduled on September 5, 2017. The Association is under a long term operating lease requiring a yearly payment of \$1.

**16. SUBSEQUENT EVENTS**

On November October 18, 2018, an unrestricted donation of \$250,000 was received.

**17. FINANCIAL RISK AND CONCENTRATION OF RISK**

The Association, as part of its operations, carries a number of financial instruments. It is the board of director's opinion that the Association is not exposed to significant interest or credit risk arising from these financial instruments except as otherwise disclosed.

Liquidity Risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities. The Association enters into transactions to purchase goods and services on credit, borrow funds from creditors, etc. for which repayment is required at various maturity dates. Liquidity is measured by reviewing the Association's future net cash flows for the possibility of a negative cash flow. The Association manages the liquidity risk resulting from its accounts payable by investing in liquid assets.

Credit Risk

Financial instruments that potentially subject the Association to concentrations of credit risk consist of trade receivables. The maximum credit risk exposure is \$25,960 (2017 - \$32,266). The Association believes that there is minimal risk associated with the collection of these amounts as it performs regular credit assessments and provides allowances for potentially uncorrectable accounts.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. In seeking to minimize the risks from interest rate fluctuations, the Association manages exposure through investing in short-term instruments.

**18. COMPARATIVE INFORMATION**

Certain comparative information has been reclassified to conform with the financial statement presentation.

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