Saskatoon Family Young Men's Christian Association
YMCA Saskatoon
Financial Statements
August 31, 2022

Contents

For the year ended August 31, 2022

Management's Responsibility

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

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Organization's external auditors.

MNP LLP is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

November 25, 2022

Chief Executive Officer

Director

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

Opinion

We have audited the financial statements of Saskatoon Family Young Men's Christian Association (the "Organization"), which comprise the statement of financial position as at August 31, 2022, and the statement of operations, changes in net assets and 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 August 31, 2022, 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.

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.

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.

Saskatoon, Saskatchewan

MNP LLP

November 25, 2022

Chartered Professional Accountants

Saskatoon Family Young Men's Christian Association
YMCA Saskatoon
Statement of Financial Position
As at August 31, 2022

	2022	2021
Assets		
Current		
Cash and cash equivalents	**849,998**	587,086
Accounts receivable *(Note 3)*	**69,484**	650,332
Marketable securities *(Note 4)*	**356,126**	379,984
Prepaid expenses and deposits	**33,444**	14,181
	1,309,052	1,631,583
Capital assets *(Note 5)*	**2,019,597**	2,252,152
	3,328,649	3,883,735
Liabilities		
Current		
Accounts payable and accruals *(Note 6)*	**462,641**	428,787
Deferred contributions *(Note 7)*	**-**	457,697
Current portion of long-term debt	**-**	10,712
	462,641	897,196
Deferred contributions related to capital assets *(Note 8)*	**336,638**	589,489
	799,279	1,486,685
Commitments *(Note 11)*		
Net Assets		
Unrestricted	**832,939**	714,984
Invested in capital assets *(Note 9)*	**1,682,959**	1,668,594
Restricted *(Note 9)*	**13,472**	13,472
	2,529,370	2,397,050
	3,328,649	3,883,735

Approved on behalf of the Board of Directors

Pauline M. Melis

Director

The accompanying notes are an integral part of these financial statements

Saskatoon Family Young Men's Christian Association
YMCA Saskatoon
Statement of Operations
For the year ended August 31, 2022

	2022	2021
Revenues		
Grant revenue	**2,854,922**	1,985,092
Daycare fees	**2,461,632**	1,800,945
Program and service fees	**1,049,057**	649,105
Memberships	**623,125**	527,571
Contributions	**321,449**	378,759
Rental income	**69,265**	32,847
Miscellaneous	**4,249**	11,742
Investments	**(17,846)**	24,497
Total revenue	**7,365,853**	5,410,558
Expenses		
Salaries, wages and benefits	**5,445,672**	4,520,911
Repairs and maintenance	**349,316**	219,179
Amortization	**287,474**	257,133
Supplies	**255,297**	281,763
Utilities	**229,965**	200,875
Rent	**206,030**	158,367
Expendable equipment	**101,318**	130,425
Office supplies	**90,699**	75,854
Bank charges and interest	**90,766**	62,603
National and regional allocations	**78,542**	81,343
Travel	**67,284**	26,710
Insurance	**60,211**	49,663
Professional development	**59,385**	29,306
Advertising	**50,574**	90,702
Professional fees	**48,976**	18,628
Fundraising	**5,018**	228
Bad debts	**-**	11,812
Total expenses	**7,426,527**	6,215,502
Deficiency of revenue over expenses before other item	**(60,674)**	(804,944)
Other item		
Canada Emergency Wage Subsidy / Canada Recovery Hiring Program *(Note 14)*	**192,994**	1,185,174
Excess of revenue over expenses	**132,320**	380,230

The accompanying notes are an integral part of these financial statements

Saskatoon Family Young Men's Christian Association
YMCA Saskatoon
Statement of Changes in Net Assets
For the year ended August 31, 2022

	Unrestricted	*Invested in capital assets (Note 10)*	*Restricted (Note 10)*	***2022***	*2021*
Net assets beginning of year	**731,627**	**1,651,951**	**13,472**	**2,397,050**	2,016,820
Excess of revenue over expenses	**166,944**	**(34,624)**	**-**	**132,320**	380,230
Purchase of capital assets	**(54,920)**	**54,920**	**-**	**-**	-
Repayment of debt	**(10,712)**	**10,712**	**-**	**-**	-
Net assets, end of year	**832,939**	**1,682,959**	**13,472**	**2,529,370**	2,397,050

The accompanying notes are an integral part of these financial statements

Statement of Cash Flows

For the year ended August 31, 2022

	2022	*2021*
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	**132,320**	380,230
Amortization	**287,475**	257,133
Deferred contributions related to capital assets	**(252,851)**	120,174
	166,944	757,537
Changes in working capital accounts		
Accounts receivable	**580,848**	(283,413)
Prepaid expenses and deposits	**(19,263)**	35,133
Accounts payable and accruals	**33,854**	92,007
Deferred contributions	**(457,697)**	(131,824)
	304,686	469,440
Financing		
Repayment of long-term debt	**(10,712)**	(21,408)
Investing		
Purchase of marketable securities	**-**	(220,594)
Proceeds on disposal of marketable securities	**23,858**	1,920
Purchase of capital assets	**(54,920)**	(333,654)
	(31,062)	(552,328)
Decrease in cash resources	**262,912**	(104,296)
Cash resources, beginning of year	**587,086**	691,382
Cash resources, end of year	**849,998**	587,086

1. Incorporation and nature of the organization

Saskatoon Family Young Men's Christian Association (the “Organization”) was incorporated without share capital; incorporated under the authority of Canada Not-for-profit Corporations Act and is a registered charity and thus is exempt from income taxes under section ITA(1)(f) of the Income Tax Act (“the Act”).

The Organization is driven by volunteers and offers a variety of services to the community that include health and fitness, swimming and camping, child care, employment training and international development.

Impact on operations of COVID-19 (coronavirus)

In March 2020, the global outbreak of COVID-19 (coronavirus) began to have a significant impact on operations due to isolation/quarantine orders.

The Organization has modified service delivery by reducing some of the frequency and capacity of some of the programs and services provided in order to comply with health guidelines. Additional funding and government subsidies (Note 14) were received to assist with expenses. These impacts are expected until the end of the pandemic. The Organization has experienced reduced demand for programs and services at its downtown location due to an increase in remote work during the pandemic.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Financial instruments

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm’s length transaction (“arm’s length financial instruments”) are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm’s length financial instrument at fair value. The Organization has made such an election during the year.

The Organization subsequently measures all arm's length transactions at amortized cost.

Transaction costs or financing fees are added to the carrying amount for those financial instruments subsequently measured at cost of 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 excess of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

All related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

The Organization subsequently measures all related party financial instruments using the cost method.

2. Significant accounting policies *(Continued from previous page)*

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess of revenue over expenses.

Financial asset impairment

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when there are numerous assets affected by the same factors. Management considers whether the issuer is having significant financial difficulty; 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, the Organization 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, the Organization 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 at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held over those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Organization 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 excess of revenue over expenses in the year the reversal occurs.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

Marketable securities

Investments are recorded at fair value. They consist of investments with Saskatoon Community Foundation and Guaranteed Investment Certificates.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Amortization is provided using the following methods at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	**Rate**
Buildings	declining balance	4 %
Computer equipment	straight-line	25 %
Equipment	declining balance	20 %
Leasehold improvements	declining balance	25 %
Network and website	straight-line	20 %
Camp equipment	straight-line	20 %
Software	straight-line	25 %

2. Significant accounting policies *(Continued from previous page)*

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Contributions relating to capital asset acquisitions are recognized as revenue when the related capital assets are amortized.

Unrestricted investment income is recognized as revenue when earned.

Program fees and service revenue is recorded when the related programs and services are utilized.

Membership fees are recognized over the period which the membership relates. Annual memberships paid in advance are initially recorded as deferred revenue and recognized as revenue monthly over the term of the membership.

Government grants are recorded as deferred revenue when the related programs being funded have not yet occurred.

The Organization recognizes government assistance (i.e. Canada Emergency Wage Subsidy) when there is reasonable assurance that it will comply with the conditions required to qualify for the assistance, and that the assistance will be received. The Organization recognizes government assistance as other revenue.

Contributed materials

Contributions of materials are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials are used in the normal course of the Organization's operations and would otherwise have been purchased.

The Organization is dependent on the volunteers who provide voluntary services for the activities of the Organization. These services are not normally purchased and, due to difficulty in determining their fair value, are not reflected in these financial statements.

The Organization has various operating leases for child care requiring a yearly payment of $1. The fair values have not been reflected for these agreements due to uncertainty regarding whether these locations would operate if the Organization was required to pay fair value rent for the space.

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets. Gifts in kind are valued based on the expected purchase cost of the donated good or the value of items of similar age and condition.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be significant. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Organization writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Organization’s ability to provide goods and services. The asset are also written-down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the Organization determines that a long-lived asset is impaired, its carrying amount is written down to the asset’s fair value.

3. Accounts receivable

	2022	2021
Accrued receivables	**33,715**	569,519
Trade receivables	**23,519**	59,574
BASC	**17,688**	2,150
Membership	**4,795**	1,063
Daycare	**-**	28,259
	79,717	660,565
Allowance for doubtful accounts	**(10,233)**	(10,233)
	69,484	650,332

Included in accrued receivables are amounts receivable under the Canada Recovery Hiring Program (2021 - Canada Emergency Wage Subsidy program) of $33,715 (2021 - $544,388).

4. Marketable securities

	2022	2021
Saskatoon Community Foundation - managed fund	**302,649**	326,507
Term investment - maturing March 17, 2023 accruing interest at 0.80%	**50,000**	50,000
Term investment - maturing November 8, 2022 accruing interest at 0.40%	**3,477**	3,477
	356,126	379,984

5. Capital assets

	Cost	*Accumulated amortization*	***2022* Net book value**	*2021 Net book value*
Land	**1**	**-**	**1**	1
Computer equipment	**131,145**	**118,266**	**12,879**	14,993
Buildings	**4,019,044**	**2,580,086**	**1,438,958**	1,496,455
Equipment	**1,168,696**	**863,648**	**305,048**	361,137
Leasehold improvements	**538,166**	**308,073**	**230,093**	335,187
Network and website	**38,295**	**34,807**	**3,488**	8,463
Camp equipment	**104,762**	**84,073**	**20,689**	28,872
Software	**47,100**	**38,659**	**8,441**	7,044
	6,047,209	**4,027,612**	**2,019,597**	2,252,152

6. Accounts payable and accruals

	2022	2021
Accrued liabilities	**289,958**	218,921
Trade payables	**58,671**	107,039
Accrued vacation	**91,112**	85,427
Daycare deposits	**22,900**	17,400
	462,641	428,787

7. Deferred contributions

Deferred contributions consist of unspent contributions externally restricted for various programming as designated by the donors. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contribution balance are as follows:

	2022	*2021*
Balance, beginning of year	**457,697**	589,521
Amount received during the year	**723,052**	1,279,679
Less: Amount recognized as revenue during the year	**(1,180,749)**	(1,411,503)
Balance, end of year	**-**	457,697

8. Deferred contributions related to capital assets

Deferred capital contributions consist of the unamortized amount of contributions received for the purchase of capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred capital contributions are as follows:

	2022	*2021*
Balance, beginning of year	**589,489**	469,315
Contributions	**4,200**	248,678
Less: Amounts recognized as revenue during the year	**(257,051)**	(128,504)
Balance, end of year	**336,638**	589,489

9. Restrictions on net assets

Externally restricted net assets

Major categories of externally imposed restrictions on net assets are as follows:

	2022	*2021*
Endowment Fund	**5,130**	5,130
Capital Campaign Fund	**4,865**	4,865
George Porteous Trust Fund	**3,477**	3,477
	13,472	13,472

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 Organization that are to be held in trust. Any income earned from the investment is to be used towards the YMCA Strong Kids Program.

Internally restricted net assets

The Board of Directors has internally restricted net assets invested in capital assets equal to the Organization's capital assets less long-term debt related to capital assets and deferred contributions related to capital assets.

10. Income taxes

The Organization is registered as a charitable organization under the *Income Tax Act* (the “Act”) and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Organization must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

11. Commitments

The Organization has entered into various lease agreements for each of its location with expiry terms ranging from 2024-2033. Estimated minimum annual payments are as follows:

2023	167,366
2024	169,766
2025	149,761
2026	139,359
2027	141,755
Thereafter, to 2033	598,950
	1,366,957

12. Financial instruments

All significant financial assets, financial liabilities and equity instruments of the Organization 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, credit risk, currency risk, liquidity risk and other price risk.

Credit concentration

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of trade accounts receivable. As of August 31, 2022, 42% (2021 - 81%) of accounts receivable relates to government subsidy. See Note 3 and 14 for further details.

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.

The Organization minimizes interest rate risk exposure by investing in short-term instruments.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization’s exposure to liquidity risk is dependent on the collection of accounts receivable, purchasing commitments and obligations, raising funds to meet commitments and sustain operations, and maturity dates of any amounts owed to creditors. The Organization enters into transactions to purchase goods and services on credit, borrow funds from creditors, etc. for which repayment is required at various maturity dates.

The Organization manages liquidity risk exposure by maintaining liquid assets and investing in short-term investments. As a result, the Organization’s exposure to liquidity risk has been decreased.

13. Economic dependence

The Organization's is dependent on government grants and subsidies. The government grants and subsidies can be cancelled if the Organization does not observe certain established guidelines. The Organization's ability to continue viable operations is dependent upon maintaining its compliance with the criteria with the terms and conditions of these grants and subsidies As at the date of these financial statements the Organization believes that it is in compliance with the related requirements.

14. Canada Emergency Wage Subsidy / Canada Recovery Hiring Program

During the year, the Organization recognized $192,994 (2021 - $1,185,174) in COVID government assistance as other income.

Canada Emergency Wage Subsidy (CEWS) and Canada Recovery Hiring Program (CRHP), introduced in response to the COVID-19 pandemic, provides eligible employers with a subsidy to cover a portion of wages paid to eligible employees during the prescribed claim periods. There are no unfulfilled conditions related to amounts recognized. However, amounts claimed under these programs are subject to validation and detailed verification by Canada Revenue Agency.