

Leadership Saskatoon Inc.

FINANCIAL STATEMENTS

June 30, 2022

Leadership Saskatoon Inc.

STATEMENT OF FINANCIAL POSITION as at June 30, 2022

Unaudited

| | <u>2022</u> | <u>2021</u> |
|--|-------------------|-------------------|
| ASSETS | | |
| Current Assets | | |
| Cash | \$ 65,342 | \$ 85,021 |
| Term deposits (Note 3) | 50,075 | 67,179 |
| Accounts receivable | <u>12,630</u> | <u>4,248</u> |
| | 128,047 | 156,448 |
| Term deposits (Note 3) | <u>35,858</u> | <u>17,508</u> |
| | <u>\$ 163,905</u> | <u>\$ 173,956</u> |
| LIABILITIES AND NET ASSETS | | |
| Current Liabilities | | |
| Accounts payable and accrued liabilities | \$ 1,690 | \$ 4,408 |
| Deferred income (Note 5) | <u>10,320</u> | <u>19,250</u> |
| | 12,010 | 23,658 |
| Loan payable (Note 6) | <u>30,000</u> | <u>30,000</u> |
| | 42,010 | 53,658 |
| Net Assets | <u>121,895</u> | <u>120,298</u> |
| | <u>\$ 163,905</u> | <u>\$ 173,956</u> |

On behalf of the Board:

Director 

Director 

Leadership Saskatoon Inc.

STATEMENT OF OPERATIONS

for the year ended June 30, 2022

Unaudited

| | <u>2022</u> | <u>2021</u> |
|--|-----------------|--------------------|
| Revenues | | |
| Alumni seminar series | \$ 965 | \$ 1,735 |
| Donations | 3,239 | 6,147 |
| Donations in kind (Note 7) | 2,760 | 5,870 |
| Founding member contributions | 14,150 | 14,150 |
| Grants | 9,250 | 7,832 |
| Sponsorship | 21,750 | 11,000 |
| Tuition | 108,780 | 76,600 |
| Twentieth anniversary | - | 3,410 |
| | <u>160,894</u> | <u>126,744</u> |
| Operating expenses | | |
| Accounting fees | 4,373 | 4,092 |
| Advertising and promotion (Note 7) | 3,416 | 6,635 |
| Alumni events | 691 | - |
| Bursaries and awards | 10,065 | 4,409 |
| Insurance | 1,087 | 1,049 |
| Meetings and conferences | 158 | - |
| Office expenses - Schedule 1 | 6,799 | 8,064 |
| Professional training | 81 | 7,275 |
| Program delivery costs - Schedule 2 | 34,385 | 8,961 |
| Recruitment and volunteers | 69 | 128 |
| Salaries and wages | 23,320 | 22,452 |
| Sub-contracts | 76,175 | 90,988 |
| Twentieth anniversary | - | 6,256 |
| | <u>160,619</u> | <u>160,309</u> |
| Deficiency of revenues over operating expenses | <u>275</u> | <u>(33,565)</u> |
| Other income | | |
| Interest | 1,322 | 1,836 |
| Government grants | - | 17,275 |
| | <u>1,322</u> | <u>19,111</u> |
| Excess (deficiency) of revenues over expenses | <u>\$ 1,597</u> | <u>\$ (14,454)</u> |

Leadership Saskatoon Inc.

STATEMENT OF CHANGES IN NET ASSETS
for the year ended June 30, 2022

Unaudited

| | <u>2022</u> | <u>2021</u> |
|---|--------------------------|--------------------------|
| Net assets, beginning of year | \$ 120,298 | \$ 134,752 |
| Excess (deficiency) of revenues over expenses | <u>1,597</u> | <u>(14,454)</u> |
| Net assets, end of year | <u><u>\$ 121,895</u></u> | <u><u>\$ 120,298</u></u> |

Leadership Saskatoon Inc.

STATEMENT OF CASH FLOWS for the year ended June 30, 2022

Unaudited

| | <u>2022</u> | <u>2021</u> |
|---|------------------|--------------------|
| CASH RESOURCES FROM OPERATING ACTIVITIES | | |
| Excess (deficiency) of revenues over expenses | \$ <u>1,597</u> | \$ <u>(14,454)</u> |
| Change in non-cash working capital balances related to operations | | |
| Accounts receivable | (8,382) | (2,264) |
| Prepaid expenses | - | 5,000 |
| Accounts payable and accrued liabilities | (2,718) | 3,792 |
| Deferred income | <u>(8,930)</u> | <u>50</u> |
| | <u>(20,030)</u> | <u>6,578</u> |
| Cash resources used in operations | <u>(18,433)</u> | <u>(7,876)</u> |
| CASH RESOURCES FROM INVESTING ACTIVITIES | | |
| Term deposits | <u>(1,246)</u> | <u>(2,023)</u> |
| Cash resources used in investing activities | <u>(1,246)</u> | <u>(2,023)</u> |
| Net change in cash resources during the year | (19,679) | (9,899) |
| Cash resources, beginning of year | <u>85,021</u> | <u>94,920</u> |
| Cash resources, end of year | <u>\$ 65,342</u> | <u>\$ 85,021</u> |

Leadership Saskatoon Inc.

NOTES TO THE FINANCIAL STATEMENTS for the year ended June 30, 2022

Unaudited

1 Description of organization

Leadership Saskatoon Inc. is a local organization operating programs aimed at educating and training the future leaders of Saskatoon. Leadership Saskatoon Inc. was incorporated on December 18, 2002 under the Saskatchewan Non-Profit Corporations Act, 1995 and is a registered charity under the Income Tax Act.

2 Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

Accounting estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Cash resources

The organization's policy is to disclose bank balances under cash resources, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn.

Property, plant and equipment

Property, plant and equipment are expensed when acquired as the organization has less than \$500,000 in average annual revenue.

Revenue recognition

The company follows the deferral method of accounting for contributions. Restricted contributions, which consists of donations, founding member contributions, grants, sponsorships, and tuition are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions, which consists of alumni seminar series, donations, and other revenues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Leadership Saskatoon Inc.

NOTES TO THE FINANCIAL STATEMENTS for the year ended June 30, 2022

Unaudited

2 Significant accounting policies, continued

Donations in kind

The organization benefits from the donation of goods and services from individuals, corporations and other organizations. Accounting recognition is given to the value of the goods or services donated to the organization where a fair market value can be reasonably estimated.

Income taxes

The organization is exempt from income tax as a Non-Profit Charitable Corporation.

Financial instruments

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, term deposits and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and the loan payable.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Transaction costs

The entity recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption

Leadership Saskatoon Inc.

NOTES TO THE FINANCIAL STATEMENTS for the year ended June 30, 2022

Unaudited

3 **Term deposits**

Term deposits consist of Guaranteed Investment Certificates with rates ranging between 0.65% and 2.00%. The certificates mature between August 17, 2022 and February 25, 2025.

4 **Property, plant and equipment purchases charged to the statement of operations**

Included in office equipment expense is \$Nil (2021 - \$163) for computer equipment.

5 **Deferred income**

| | <u>2020</u> | <u>2019</u> |
|---|------------------|------------------|
| Beginning balance | \$ 19,250 | \$ 19,200 |
| Less: amounts recognized as revenue in the year | (19,250) | (19,200) |
| Add: Sponsorships and Tuition (2021 - Grants and Sponsorships) received relating to the following year | 10,320 | 19,250 |
| | <u>-</u> | <u>-</u> |
| | <u>\$ 10,320</u> | <u>\$ 19,250</u> |

6 **Loan payable**

Canadian Emergency Business Account loan through Affinity Credit Union. The loan is unsecured and bears 0% interest with no monthly payments required until December 31, 2023. \$10,000 of the loan will be forgiven upon repayment of 75% of the outstanding balance on or before December 31, 2023. Should 75% of the loan not be repaid prior to December 31, 2023, the loan will convert to a 5% interest only loan and must be repaid in full (\$40,000) by December 31, 2025.

Leadership Saskatoon Inc.

NOTES TO THE FINANCIAL STATEMENTS for the year ended June 30, 2022

Unaudited

7 Donations in kind

Included in the Statement of Operations are the following donated goods and services:

| | <u>2022</u> | <u>2021</u> |
|---|-----------------|-----------------|
| Donations in kind | <u>\$ 2,760</u> | <u>\$ 5,870</u> |
| | | |
| | <u>2022</u> | <u>2021</u> |
| Advertising and promotion | \$ 2,760 | \$ 5,870 |
| Program delivery costs - Challenge days | - | 916 |
| | <u>\$ 2,760</u> | <u>\$ 6,786</u> |

8 Measurement uncertainty

The outbreak of the novel strain of coronavirus specifically identified as COVID-19 was declared a pandemic on March 12, 2020 by the World Health Organization. The outbreak has impacted both local and global economies. The outbreak has affected the organization's operations as it has transitioned from an in-person to a hybrid in-person and on-line education and training model. The duration and impact of the COVID-19 outbreak is currently unknown and it is not possible to make a reliable estimate.

Leadership Saskatoon Inc.

NOTES TO THE FINANCIAL STATEMENTS for the year ended June 30, 2022

Unaudited

9 Financial instruments

The organization is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis describes the organization's risk exposure as at June 30, 2022.

(a) Credit risk

The organization is exposed to this risk mainly in respect of its accounts receivable.

(b) Interest rate risk

The organization is exposed to interest rate risk on its fixed-rate financial instruments which consist solely of term deposits. Fixed-rate instruments subject the organization to risk of changes in fair value.

(c) Liquidity risk

The organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and its loan payable.

Leadership Saskatoon Inc.

SCHEDULES TO THE FINANCIAL STATEMENTS for the year ended June 30, 2022

Unaudited

Schedule of office expenses

Schedule 1

| | <u>2022</u> | <u>2021</u> |
|-------------------------------------|-----------------|-----------------|
| GST | \$ 2,422 | \$ 2,795 |
| Insurance | 1,032 | 978 |
| Interest and bank charges | 150 | 333 |
| Office equipment | - | 163 |
| Office supplies | 480 | 1,104 |
| Postage and courier | 262 | 365 |
| Telephone | 1,015 | 1,220 |
| Travel and parking | 603 | 450 |
| Website development and maintenance | 835 | 656 |
| | <u>\$ 6,799</u> | <u>\$ 8,064</u> |

Schedule of program delivery costs

Schedule 2

| | <u>2022</u> | <u>2021</u> |
|---------------------------|------------------|-----------------|
| Challenge days | \$ 8,749 | \$ 7,177 |
| Graduation | 4,237 | 1,525 |
| Mentorship meet and greet | 651 | - |
| Opening retreat | 8,816 | - |
| Orientation | 478 | - |
| Program materials | 11,454 | 21 |
| Alumni seminar series | - | 238 |
| | <u>\$ 34,385</u> | <u>\$ 8,961</u> |