

**QUINT DEVELOPMENT CORPORATION**

**Financial Statements**

**For the Year Ended March 31, 2020**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Quint Development Corporation

### Opinion

We have audited the financial statements of Quint Development Corporation (the Corporation), which comprise the statement of financial position as at March 31, 2020, and the statements of operations, changes in fund balances 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 Corporation as at March 31, 2020, and the results of its operations and 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 Corporation in accordance with 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation'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:

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Independent Auditor's Report to the Members of Quint Development Corporation *(continued)*

- 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 Corporation'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 Corporation'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 Corporation 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.

*Lingard + Dreger*

Chartered Professional Accountants

Saskatoon, Saskatchewan  
June 23, 2020



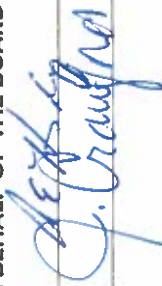
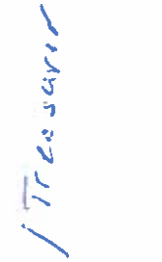
**QUINT DEVELOPMENT CORPORATION**  
**Statement of Financial Position**  
**March 31, 2020**

	Operating Fund	Reserve Fund	Capital Fund	Total 2020	Total 2019
<b>ASSETS</b>					
<b>CURRENT</b>					
Cash	\$ -	\$ 328,620	\$ -	\$ 328,620	\$ 319,346
Short-term investments (Note 5)	-	225,048	-	225,048	753,873
Accounts receivable (Note 4)	37,751	-	-	37,751	54,210
Inventory	1,013	-	-	1,013	-
Work in progress	195,149	-	-	195,149	-
Prepaid expenses	44,950	-	-	44,950	40,855
Due from related parties (Note 6)	995	-	-	995	1,266
Due from reserve fund	146,246	-	-	146,246	-
	426,104	553,668	-	979,772	1,169,550
<b>LONG-TERM INVESTMENTS (Note 5)</b>					
INVESTMENT IN MOSAIC RENEWAL CORPORATION (Note 7)	-	573,260	-	573,260	225,264
	100	-	-	100	100
<b>CAPITAL ASSETS (Note 8)</b>			8,768,362	8,768,362	9,246,930
	\$ 426,204	\$ 1,126,928	\$ 8,768,362	\$ 10,321,494	\$ 10,641,644

**QUINT DEVELOPMENT CORPORATION**  
**Statement of Financial Position**  
**March 31, 2020**

	Operating Fund	Reserve Fund	Capital Fund	Total 2020	Total 2019
<b>LIABILITIES</b>					
<b>CURRENT</b>					
Bank indebtedness	\$ 148,588	\$ -	-	\$ 148,588	\$ -
Accounts payable (Note 9)	164,724	-	-	164,724	143,345
Current portion of long-term debt (Note 11)	-	-	399,164	399,164	124,168
Deferred contributions and revenue (Note 10)	24,889	-	-	24,889	35,460
Due to operating fund	-	146,246	-	146,246	-
	338,201	146,246	399,164	883,611	302,973
<b>LONG-TERM DEBT (Note 11)</b>					
	338,201	146,246	1,150,248	1,150,248	1,504,847
			1,549,412	2,033,859	1,807,820
<b>FUND BALANCES</b>					
External restrictions	-	298,562	-	298,562	270,932
Internal restrictions	-	682,120	7,218,950	7,901,070	8,446,851
Unrestricted	88,003	-	-	88,003	116,041
	88,003	980,682	7,218,950	8,287,635	8,833,824
	\$ 426,204	\$ 1,126,928	\$ 8,768,362	\$ 10,321,494	\$ 10,641,644

ON BEHALF OF THE BOARD

 Director  
 Treasurer

**QUINT DEVELOPMENT CORPORATION**  
**Statement of Operations**  
**For the Year Ended March 31, 2020**

	Operating Fund	Reserve Fund	Capital Fund	Total 2020	Total 2019
<b>REVENUE</b>					
Grant funding (Note 13)	\$ 1,885,158	\$ 5,460	\$ -	\$ 1,890,618	\$ 2,256,400
Donations	2,030	-	-	2,030	7,315
Donations in-kind	-	-	-	-	30,793
Interest and investment income	23,702	-	-	23,702	16,707
Rental and property management	834,519	-	-	834,519	743,869
Other	111,120	-	-	111,120	27,393
	2,856,529	5,460	-	2,861,989	3,082,477
<b>EXPENSES</b>					
Administration	413,700	-	-	413,700	382,215
Board of directors	2,170	-	-	2,170	2,220
Donations in-kind	-	-	-	-	30,793
Interest and loan fees	64,408	-	-	64,408	55,474
Program and participant costs	184,357	1,380	-	185,737	127,330
Property management	735,812	4,080	-	739,892	551,170
Vehicle and transportation	16,606	-	-	16,606	20,372
Wages and benefits	2,116,973	-	-	2,116,973	1,978,899
	3,534,026	5,460	-	3,539,486	3,148,473
<b>DEFICIENCY OF REVENUE OVER EXPENSES BEFORE AMORTIZATION AND ALLOCATIONS</b>	(677,497)	-	-	(677,497)	(65,996)
<b>Allocations</b>					
Revenue allocation of costs to other programs (Note 18)	656,014	-	-	656,014	591,724
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE THE UNDERNOTED</b>	(21,483)	-	-	(21,483)	525,728
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE THE UNDERNOTED</b>					
Amortization	-	-	(493,212)	(493,212)	(509,889)
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSE FOR THE YEAR</b>	\$ (21,483)	\$ -	\$ (493,212)	\$ (514,695)	\$ 15,839

**QUINT DEVELOPMENT CORPORATION**  
**Statement of Changes in Fund Balances**  
**For the Year Ended March 31, 2020**

	2019 Balance	Deficiency of revenue over expenses	Contributions	Withdrawals	2020 Balance
Operating fund	\$ 116,041	\$ (21,483)	\$ 149,254	\$ (155,809)	\$ 88,003
Externally restricted reserve	270,932	-	61,562	(33,932)	298,562
Internally restricted reserve	828,937	-	-	(146,817)	682,120
Total reserve fund	1,099,869	-	61,562	(180,749)	980,682
Capital fund	7,617,914	(493,212)	94,248	-	7,218,950
	<b>\$ 8,833,824</b>	<b>\$ (514,695)</b>	<b>\$ 305,064</b>	<b>\$ (336,558)</b>	<b>\$ 8,287,635</b>

	2018 Balance	Deficiency of revenue over expenses	Contributions	Withdrawals	2019 Balance
Operating Fund	\$ (427,033)	\$ 162,996	\$ 2,156,225	\$ (1,776,147)	\$ 116,041
Externally restricted reserve	276,138	-	90,093	(95,299)	270,932
Internally restricted reserve	1,107,288	-	828,937	(1,107,288)	828,937
Total reserve fund	1,383,426	-	919,030	(1,202,587)	1,099,869
Capital fund	7,894,890	(147,157)	857,117	(986,936)	7,617,914
	<b>\$ 8,851,283</b>	<b>\$ 15,839</b>	<b>\$ 3,932,372</b>	<b>\$ (3,965,670)</b>	<b>\$ 8,833,824</b>

**QUINT DEVELOPMENT CORPORATION**  
**Statement of Cash Flows**  
**For the Year Ended March 31, 2020**

	Operating Fund	Reserve Fund	Capital Fund	Total 2020	Total 2019
<b>OPERATING ACTIVITIES</b>					
Excess (deficiency) of revenue over expenses	\$ (21,483)	\$ -	\$ (493,212)	\$ (514,695)	\$ 15,839
Item not affecting cash:					
Amortization of capital assets	-	-	493,212	493,212	509,889
<b>Changes in non-cash working capital (Note 16)</b>					
	(21,483)	-	-	(21,483)	525,728
	(318,963)	146,246	-	(172,717)	67,863
Cash flow from (used by) operating activities	(340,446)	146,246	-	(194,200)	593,591
<b>INVESTING ACTIVITIES</b>					
Purchase of capital assets	-	-	(14,644)	(14,644)	(857,117)
Redemption of investment activities	-	149,133	-	149,133	(436,443)
Cash flow from (used by) investing activities	-	149,133	(14,644)	134,489	(1,293,560)
<b>FINANCING ACTIVITIES</b>					
Long-term loans received	-	-	-	-	674,085
Repayment of long-term debt	-	-	(79,603)	(79,603)	(49,881)
Cash flow from (used by) financing activities	-	-	(79,603)	(79,603)	624,204
<b>INTERFUND TRANSFERS</b>	143,445	(237,692)	94,247	-	-
<b>INCREASE (DECREASE) IN CASH FLOW</b>	(197,001)	57,687	-	(139,314)	(75,765)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	48,413	270,933	-	319,346	395,111
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ (148,588)	\$ 328,620	\$ -	\$ 180,032	\$ 319,346
<b>CASH AND CASH EQUIVALENTS CONSIST OF:</b>					
Cash	-	\$ 328,620	-	\$ 328,620	\$ 319,346
Bank indebtedness	(148,588)	-	-	(148,588)	-
	\$ (148,588)	\$ 328,620	\$ -	\$ 180,032	\$ 319,346



# QUINT DEVELOPMENT CORPORATION

## Notes to Financial Statements

For the Year Ended March 31, 2020

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### 1. NATURE OF OPERATIONS

Quint Development Corporation's ("The Corporation") mission is to strengthen the social and economic well-being of Saskatoon's core neighbourhoods through a community economic development approach. The Corporation was incorporated under the Saskatchewan *Non-Profit Corporations Act*. The Corporation is recognized by Canada Revenue Agency as a not-for-profit organization and qualifies as a tax exempt organization under section 149 of the *Income Tax Act*.

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Cash and cash equivalents

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

#### Short-term investments

Short-term investments are classified as available-for-sale and are recorded at market value.

#### Inventory

Inventory is measured at the lower of cost or net realizable value. Cost is determined on a specific item basis. The Corporation capitalizes the costs of holding real property inventory, net of any incidental revenues realized while holding the property. Capitalized costs include interest, property taxes, overhead allocation, and other costs incidental to holding the property until it is sold.

#### Long-term investments

Short term investments, which consist primarily of commercial paper with original maturities at date of purchase beyond three months and less than twelve months, are carried at amortized cost.

#### Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis at the following rates and methods:

Buildings	25 years
Furniture, fixtures and equipment	5 years
Motor vehicles	3 years
Computer equipment	3 years
Leasehold improvements	60 months

The Corporation regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

#### Other investments

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported as part of net income. Investments for which there is not an active market are carried at amortized cost except when it is established that their value is impaired. Impairment losses, or reversal of previously recognized impairment losses, are reported as part of net income.

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# QUINT DEVELOPMENT CORPORATION

## Notes to Financial Statements

For the Year Ended March 31, 2020

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Restricted fund accounting

The accounts of the Corporation are maintained in accordance with the principles of restricted fund accounting. For financial reporting purposes, accounts with similar characteristics have been combined into the following major funds:

(i) **Operating fund**

The operating fund accounts for the Corporation's program delivery and administrative services. This fund reports unrestricted resources and restricted operating grants.

(ii) **Reserve fund**

The reserve fund is a restricted fund that reflects externally and internally restricted resources which are to be used for specified purposes.

(iii) **Capital asset fund**

The capital asset fund is a restricted fund that reports the assets, liabilities, revenues and expenses related to the Corporation's capital assets. The capital fund includes revenues received designated for the acquisition of capital assets. Expenses consist primarily of amortization of capital assets.

#### Financial instruments

The Corporation initially measures its financial assets and financial liabilities at fair value. It 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 the statements of operations in the period incurred.

Financial assets subsequently measured at amortized cost include cash, accounts receivable, due from related parties. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities and deferred contributions and revenue. The fair value of the cash, accounts receivable, and accounts payable and accrued liabilities approximates their carrying value due to their short-term nature.

#### Revenue recognition

The Corporation follows the restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue of the operating fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund and are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### Contributions in-kind

Contributions in-kind are recorded at fair market value for goods or services used in the normal course of operations that would otherwise have been purchased.

#### Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, any disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenue and expenses during the reporting period. These estimates are reviewed periodically and as adjustments become necessary, they are reported in earnings in the period in which they become known.

Significant estimates include, but are not limited to, the determination of the useful lives of long-lived assets, the valuation of deferred contributions and revenue, and accruals for certain revenues and expenses.

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# QUINT DEVELOPMENT CORPORATION

## Notes to Financial Statements

For the Year Ended March 31, 2020

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Allocation of expenses

The Corporation allocates certain overhead and administrative expenses to its programs. The costs of each program include the costs of administrative personnel and office overhead that are related to the program.

The Corporation allocates its costs of administrative personnel and office overhead to certain programs by identifying an appropriate basis of allocating each component expense and applying that basis consistently each year.

The amounts allocated to each program are an estimate of the administrative costs associated with the program, based on budgeted revenues, historical experience, and expectations in the current year.

### 3. ECONOMIC DEPENDENCE

The Corporation received a significant amount of its revenue from the Ministry of the Social Services 41.77% (2019 - 38.48%) and is therefore dependent on continued funding from the Ministry to fund its ongoing operations.

### 4. ACCOUNTS RECEIVABLE

	2020	2019
Trade accounts receivable	\$ 13,866	\$ 31,846
GST receivable	4,235	2,714
Refundable deposits	19,650	19,650
	\$ 37,751	\$ 54,210

### 5. INVESTMENTS

	Maturity	2020 Market Value	Yield	2019 Market value
<b>Short-term investments (Reserve Fund)</b>				
Guaranteed investment certificates	<one year	\$ 225,048	2.600%	\$ 603,873
<b>Short-term investments (Operating Fund)</b>				
Loan to Station 20 West	<one year	-		150,000
<b>Long-term Investments (Reserve Fund)</b>				
Guaranteed investment certificates	2-4 years	573,260	2.350 - 2.500%	225,264
		\$ 798,308		\$ 979,137

**QUINT DEVELOPMENT CORPORATION**

**Notes to Financial Statements**

**For the Year Ended March 31, 2020**

**6. DUE TO RELATED PARTIES**

	2020	2019
PHSV Condo Association	\$ 112	\$ -
Millennium Housing Cooperative Ltd.	803	1,266
Station 20 West	67	-
PVG Condo Association	13	-
	<b>\$ 995</b>	<b>\$ 1,266</b>

These balances are payable on demand and have arisen from the provision of administrative and support services by the Corporation to the related entities, as well as amounts paid by the Corporation on behalf of the related entities.

**7. INVESTMENT IN MOSAIC RENEWAL CORPORATION**

	2020	2019
Investment in Mosaic Renewal Corporation	\$ 100	\$ 100

During the 2013 year the Corporation purchased 100 Class B shares of Moasic Renewal Corporation for \$100. The Corporation's equity ownership represents 50% of the voting share capital of Mosaic Renewal Corporation and accordingly provided the Corporation with significant influence. The Corporation accounts for its investment in Mosaic using the cost method.

**8. CAPITAL ASSETS**

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Land	\$ 1,551,632	\$ -	\$ 1,551,632	\$ 1,551,632
Buildings	10,266,639	3,155,753	7,110,886	7,518,365
Motor vehicles	77,111	48,757	28,354	46,107
Computer equipment	6,109	5,818	291	2,327
Furniture and fixtures	109,866	107,061	2,805	-
Leasehold improvements	270,524	196,130	74,394	128,499
	<b>\$ 12,281,881</b>	<b>\$ 3,513,519</b>	<b>\$ 8,768,362</b>	<b>\$ 9,246,930</b>

**9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2020	2019
Accounts payable	\$ 66,237	\$ 56,252
Accrued liabilities	98,487	87,093
	<b>\$ 164,724</b>	<b>\$ 143,345</b>

**QUINT DEVELOPMENT CORPORATION**

**Notes to Financial Statements**

**For the Year Ended March 31, 2020**

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**10. DEFERRED REVENUE**

The Corporation receives apartment rental revenue. Rental revenue received in advance is recorded as deferred revenue.

	<b>2020</b>		<b>2019</b>
<b>Deferred revenue, beginning of year</b>	<b>\$ 35,460</b>	<b>\$</b>	<b>27,843</b>
<i>Revenue received during the year:</i>			
Prepaid apartment rents	<b>24,889</b>		<b>35,460</b>
	<b>60,349</b>		<b>63,303</b>
<i>Less:</i>			
Amounts recognized as rental revenue	<b>(35,460)</b>		<b>(27,843)</b>
<b>Deferred revenue, end of year</b>	<b>\$ 24,889</b>	<b>\$</b>	<b>35,460</b>

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**QUINT DEVELOPMENT CORPORATION**

**Notes to Financial Statements**

**For the Year Ended March 31, 2020**

**11. LONG-TERM DEBT**

	2020	2019
<p>Affinity Credit Union mortgage repayable in monthly instalments of \$263 including principal and interest at 3.69% per annum. The original amount of the mortgage is \$50,000. The mortgage is secured by related land and building at 522 Avenue J South with a net book value of \$912,411 (2019 - \$958,580). The mortgage matures on October 1, 2020.</p>	\$ 35,538	\$ 37,351
<p>Affinity Credit Union mortgage repayable in monthly instalments of \$3,070 including principal and interest at 4.04% per annum. The original amount of the mortgage is \$505,430. The mortgage is secured by related land and buildings at 315 Ave N South, 1505 19th Street West and 1507 19th Street West with a net book value of \$1,046,276 (2019 - \$1,110,793). The mortgage matures on January 1, 2021.</p>	324,317	347,906
<p>Affinity Credit Union mortgage repayable in monthly instalments of \$6,301 including principal and interest at 4.09% per annum. The mortgage is secured by related land and building at 204, 208, 212, 214 and 216 Avenue O South, Saskatoon with a net book value of \$4,917,828 (2019 - \$5,086,434). The mortgage matures on May 31, 2022.</p>	1,144,843	1,173,261
<p>Affinity Credit Union mortgage repayable in monthly instalments of \$258 including principal and interest at 3.19% per annum. The original amount of the mortgage was \$40,500. The mortgage is secured by related land and building at 137 Avenue T South. The mortgage was paid out during the year.</p>	-	16,133
<p>Affinity Credit Union mortgage repayable in monthly instalments of \$973 including principal and interest at 4.19% per annum. The mortgage is secured by related land and building at 130 Avenue O South with a net book value of \$119,015 (2019 - \$128,749). The mortgage matures on May 1, 2023.</p>	44,714	54,364
	1,549,412	1,629,015
Less: Current Portion	(399,164)	(124,168)
	\$ 1,150,248	\$ 1,504,847

Principal repayment terms are approximately:

2021		\$ 399,164
2022		1,125,946
2023		10,865
2024		11,329
2025		2,108
		\$ 1,549,412

# QUINT DEVELOPMENT CORPORATION

## Notes to Financial Statements

For the Year Ended March 31, 2020

### 12. EXTERNALLY RESTRICTED NET ASSETS

In 2004, Saskatchewan Ministry of Social Services (MSS) imposed restrictions requiring any excess Male Youth Lodge funding to be set up as reserve and MSS approval is required before funds can be expended.

In 2008, Saskatchewan Ministry of Social Services (MSS) imposed restrictions requiring any excess Pleasant Hill Place funding to be set up as a reserve and MSS approval is required before funds can be expended.

In 2014, Saskatchewan Ministry of Social Services (MSS) imposed restrictions requiring any excess Leadership funding to be set up as a reserve and MSS approval is required before funds can be expended.

### 13. GRANT FUNDING

The grant funding is composed of the following:

	2020	2019
Ministry of Social Services	\$ 1,190,015	\$ 1,180,839
Ministry of Immigration and Career Training	584,455	587,304
Community First Foundation	90,000	85,000
Other	20,688	35,065
<b>Grant funding (Operating Fund)</b>	<b>1,885,158</b>	<b>1,888,208</b>
Ministry of Social Services	5,460	5,460
<b>Grant funding (Reserve fund)</b>	<b>5,460</b>	<b>5,460</b>
City of Saskatoon	-	120,957
Grant Revenue - Sask Housing	-	241,775
<b>Grant funding (Capital Fund)</b>	<b>-</b>	<b>362,732</b>
<b>Total grant funding</b>	<b>1,890,618</b>	<b>2,256,400</b>

### 14. LEASE COMMITMENTS

The Corporation is committed under a lease agreement for its premises at 1120 20th Street West (Station 20 West), Saskatoon, Saskatchewan. The agreement expires on June 30, 2022. In addition, the Corporation has operating lease commitments for a photocopier. Future minimum lease payments as at March 31, 2020, are as follows:

	Building	Operating	Total
2021	\$ 73,175	\$ 2,512	\$ 75,687
2022	74,682	2,512	77,194
2023	18,765	1,256	20,021
	\$ 166,622	\$ 6,280	\$ 172,902

### 15. RELATED PARTY TRANSACTIONS

Related party transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

During the year, the Corporation received \$2,115 (2019 - \$1,080) in management fees from Millennium Housing Cooperative Ltd. ("Millennium"), an organization under common management. These fees were used to pay administration and support costs associated with the operations of the co-operative. During the current year Millennium made payments of \$2,578 (2019 - \$NIL) to the Corporation.

**QUINT DEVELOPMENT CORPORATION**

**Notes to Financial Statements**

**For the Year Ended March 31, 2020**

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**16. CHANGES IN NON-CASH WORKING CAPITAL**

	2020	2019
Accounts receivable	\$ 16,459	\$ 213,383
Work in progress	(195,149)	-
Inventory	(1,013)	-
Prepaid expenses	(4,095)	(16,699)
Due from related parties	271	(78)
Other assets	-	5,934
Accounts payable	21,381	(142,295)
Deferred contributions and revenue	(10,571)	7,618
Due from reserve fund	(146,246)	-
Due to operating fund	146,246	-
	<hr/> \$ (172,717)	<hr/> \$ 67,863

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**17. FINANCIAL INSTRUMENTS**

The Corporation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Corporation's risk exposure and concentration as of March 31, 2020.

**Credit risk**

The Corporation is exposed to credit risk from potential non-payment of accounts receivable. Most of the accounts receivable were collected shortly after year-end.

**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. In seeking to minimize the risks from interest rate fluctuations, the Corporation manages exposure through its normal operating and financing activities. The Corporation is exposed to interest rate risk on its investments and long-term debt.

**Liquidity risk**

Liquidity risk is that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation enters into transactions to purchase goods and services on credit and lease office equipment and office space from creditors, for which repayment is required at various maturity dates. Liquidity risk is measured by reviewing the Corporation's future net cash flows for the possibility of a negative net cash flow. The Corporation manages liquidity risk resulting from accounts payable and accrued liabilities by investing in liquid assets such as cash and short-term investments which can be readily available to repay accounts payable and accrued liabilities.

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**QUINT DEVELOPMENT CORPORATION**

**Notes to Financial Statements**

**For the Year Ended March 31, 2020**

**18. COST ALLOCATIONS AND INTERNAL CHARGES**

During the year, the affordable housing program charged \$198,764 (2019 - \$166,743) in management fees to the rental program. These fees are reflected as income in the affordable housing program and property management expense in the rental program.

During the year, the Corporation allocated certain administrative and overhead costs to various programs. The amounts allocated are as follows:

Program Name	Administrative salaries allocated	Direct costs allocated	Management fees	2020
Affordable housing	\$ -	\$ 43,800	\$ 198,764	\$ 242,564
Core Neighbourhoods at work	75,669	32,445	-	108,114
Pleasant Hill Place	41,021	10,989	-	52,010
Rentals	-	92,774	-	92,774
Youth Lodge	40,546	28,280	-	68,826
Leadership	61,556	-	-	61,556
Build up Saskatoon	-	30,170	-	30,170
<b>Total Cost Allocations and Internal Charges</b>	<b>\$ 218,792</b>	<b>\$ 238,458</b>	<b>\$ 198,764</b>	<b>\$ 656,014</b>

**19. CONTINGENT LIABILITY**

During the year ended March 31, 2006, Saskatchewan Housing Corporation granted the Corporation a forgivable loan in the amount of \$769,500 under the Centenary Affordable Housing Program for the purchase and renovation of an 18-unit apartment building located at 137 Avenue T South, Saskatoon, Saskatchewan. The loan is forgivable at the rate of \$3,750 per month for 120 months, commencing on the first day of the second month following the date that the apartment has achieved substantial completion, \$7,500 per month for 42 months, commencing on the first day of the month following expiration of the first 120-month forgiveness period, and \$4,500 on the first day of the first month following expiration of the second forgiveness period. The loan is secured by a second mortgage registered against the property.

During the years ended March 31, 2010 and 2011, Saskatchewan Housing Corporation granted the Corporation a forgivable loan in the amount of \$1,318,831 under the Homefirst Rental Development Program for the purchase and renovation of an 18-unit apartment building located at 522 Avenue J South. The loan is forgivable at the rate of \$7,326 per month for 120 months, commencing on the first day of the second month following the date that the apartment has achieved substantial completion, and \$14,653 per month for 30 months, commencing on the first day of the month following expiration of the first 120-month forgiveness period. The loan is secured by a second mortgage registered against the property.

During the year ended March 31, 2011, Saskatchewan Housing Corporation granted the Corporation a forgivable loan in the amount of \$1,178,171 under the Homefirst Rental Development Program for the purchase of 8 condominium rental units located in the Pleasant Hill Neighbourhood. The loan is forgivable at the rate of \$3,249 per month for 120 months, commencing on the first day of the second month following the date that the condominiums have achieved substantial completion, \$6,499 per month for 120 months, commencing on the first day of the month following expiration of the first 120-month forgiveness period, and the balance of \$8,376 commencing on the first day of the month following expiration of the second 120-month forgiveness period. The loan is secured by a second mortgage registered against the property.

During the year ended March 31, 2017, Saskatchewan Housing Corporation granted the Corporation a forgivable loan in the amount of \$3,190,000 under the Homefirst Rental Development Program for the development of a 26 unit rental housing project located at 204, 208, 212, 214 and 216 Avenue O, Saskatoon, Saskatchewan. The loan is forgivable over seventeen years commencing on the first day of the second month following the date that the project has achieved substantial completion. The loan is secured by a second mortgage registered against the property.

**QUINT DEVELOPMENT CORPORATION**

**Notes to Financial Statements**

**For the Year Ended March 31, 2020**

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**20. TRANSFERS TO EXTERNALLY RESTRICTED RESERVES (MSS)**

During the current year the Corporation made the following transfers to (from) the externally restricted reserves:

	Pleasant Hill	Youth Lodge	Total
Approved purchases from restricted reserves	\$ (29,697)	\$ (4,235)	\$ (33,932)

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**QUINT DEVELOPMENT CORPORATION**

Externally Restricted Reserve Fund

(Schedule 1)

For the Year Ended March 31, 2020

	Balance, Beginning of the year	Annual Allocation (Provincial funding)	Expenditures and Withdrawals	Interfund transfers from operations	Interest allocation	Balance, end of the year
<b>Ministry of Social Services - Male Youth Lodge</b>						
Maintenance reserve	\$ -	1,320	(1,320)	-	-	\$ -
Equipment reserve	-	660	(660)	-	-	-
Furnishing reserve	-	720	(720)	-	-	-
Other	151,677	-	(4,235)	32,595	1,076	181,113
<b>Ministry of Social Services - Male Youth Lodge total</b>	151,677	2,700	(6,935)	32,595	1,076	181,113
<b>Ministry of Social Services - Pleasant Hill Place</b>						
Maintenance reserve	-	1,100	(1,100)	-	-	-
Equipment reserve	-	560	(560)	-	-	-
Furnishing reserve	-	1,100	(1,100)	-	-	-
Other	119,256	-	(29,697)	25,187	846	115,592
<b>Ministry of Social Services - Pleasant Hill Place total</b>	119,256	2,760	(32,457)	25,187	846	115,592
<b>Ministry of Social Services - Leadership</b>						
Other	-	-	-	1,857	-	1,857
<b>Total externally restricted reserve fund</b>	\$ 270,933	\$ 5,460	\$ (39,392)	\$ 59,639	\$ 1,922	\$ 298,562

**QUINT DEVELOPMENT CORPORATION**  
**Internally Restricted Reserve Fund**  
**(Schedule 2)**  
**For the Year Ended March 31, 2020**

	Balance, Beginning of the year	Transfers to the operating fund	Transfers from the operating fund	Interest allocation	Balance, end of the year
<b>Internally restricted reserve fund</b>					
General reserve	\$ 150,000	-	(14,844)	-	\$ 135,156
Capital replacement reserve	500,000	-	(131,850)	-	368,150
Affordable Housing expansion reserve	178,937	-	(123)	-	178,814
<b>Total Internally restricted reserve fund</b>	<b>\$ 828,937</b>	<b>\$ -</b>	<b>\$ (146,817)</b>	<b>\$ -</b>	<b>\$ 682,120</b>

**QUINT DEVELOPMENT CORPORATION**  
**Program Operations (Schedule 3)**  
**For the year ended March 31, 2020**

	Affordable Housing Program	Leadership	Pleasant Hill Place	Pleasant Hill Place (Income security)	Core Neighbourhoods at work
<b>REVENUE</b>					
Grant funding (Note 13)	20,000	140,398	480,503	-	576,955
Donations	1,375	-	-	-	-
Donations in-kind	-	-	-	-	-
Interest and investment income	-	77	1,115	-	-
Rental and property management	940	-	-	15,571	-
Other	-	-	7	-	525
	22,315	140,475	481,625	15,571	577,480
<b>EXPENSES</b>					
Administration	47,987	227	15,074	-	48,877
Board of directors	-	-	-	-	-
Donations in-kind	-	-	-	-	-
Interest and loan fees	-	-	-	1,966	-
Program and participant fees	-	-	24,791	-	39,979
Property management	1,981	-	19,580	3,956	1,202
Vehicle and transportation	4,365	-	3,470	-	-
Wages and benefits	170,888	138,391	393,523	-	492,798
	225,221	138,618	456,438	5,922	582,856
<b>DEFICIENCY OF REVENUE OVER EXPENSES BEFORE ALLOCATIONS</b>					
	(202,906)	1,857	25,187	9,649	(5,376)
<b>Allocations</b>					
Revenue - allocation of costs to other programs (Note 18)	198,764	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR</b>					
	(4,142)	1,857	25,187	9,649	(5,376)
Externally restricted	-	1,857	25,187	-	-
Internally restricted	-	-	-	-	-
Unrestricted	(4,142)	-	-	9,649	(5,376)

Note - The excess of revenue over expenses for the year in the Pleasant Hill Place (Income security) is intended to cover the principal repayments on the mortgage of Pleasant Hill Place. See Note 11

**QUINT DEVELOPMENT CORPORATION**  
**Program Operations (Schedule 3)**  
**For the year ended March 31, 2020**

	Youth Lodge	Rentals	Build Up Saskatoon	Quint Admin	2020 Total	2019 Total
<b>REVENUE</b>						
Grant funding (Note 13)	576,614	1,168	90,000	(480)	1,885,158	1,888,208
Donations	100	-	-	555	2,030	7,315
Donations in-kind	-	-	-	-	-	30,793
Interest and investment income	731	-	-	21,779	23,702	16,707
Rental and property management	-	815,692	-	2,316	834,519	743,869
Other	1,432	17,632	86,693	4,831	111,120	27,393
	578,877	834,492	176,693	29,001	2,856,529	2,714,285
<b>EXPENSES</b>						
Administration	33,156	96,636	30,741	141,002	413,700	382,215
Board of directors	-	-	-	2,170	2,170	2,220
Donations in-kind	-	-	-	-	-	30,793
Interest and loan fees	-	62,404	-	38	64,408	55,474
Program and participant fees	58,180	-	61,407	-	184,357	125,950
Property management	13,654	687,228	8,027	184	735,812	547,090
Vehicle and transportation	3,067	-	5,704	-	16,606	20,372
Wages and benefits	438,225	57,440	130,310	295,398	2,116,973	1,978,899
	546,282	903,708	236,189	438,792	3,534,026	3,143,013
<b>DEFICIENCY OF REVENUE OVER EXPENSES BEFORE ALLOCATIONS</b>						
	32,595	(69,216)	(59,496)	(409,791)	(677,497)	(428,728)
<b>Allocations</b>						
Revenue - allocation of costs to other programs (Note 18)	-	-	50,000	407,250	656,014	591,724
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR</b>						
	32,595	(69,216)	(9,496)	(2,541)	(21,483)	162,996
Externally restricted	32,595	-	-	-	59,639	88,510
Internally restricted	-	(69,216)	(9,496)	(2,541)	(81,122)	-
Unrestricted	-	-	-	-	-	74,486