

# Advocacy Update #

Standing up as an expert voice for the residential construction industry.

Welcome to the first edition of Advocacy Update: Communications to keep you informed of advocacy and research issues that impact the residential construction industry and affect local communities. These communications are intended to inform you of how the Association is defending housing affordability in our region, while keeping you up to date on any development on files that may affect your business or the industry. You'll know an issue is important when you see this communication.

### Permit Processing Times for the RM of Corcoran Park

The Association heard feedback from many builders that residential building permit turnaround times in the RM of Corcoran Park were becoming an issue, taking up to 10 weeks in some reported cases. The Association met with Corcoran Park staff to work with them on the goal of reducing the permit processing times. We sent an email to all builders and developers earlier this week to update everyone on the short term progress and the ideas for long term progress.




## PERMIT REPORT

AUGUST 2018

This report compiled by the Saskatoon & Region Home Builders' Association is based on permit statistics collected from the files of Saskatoon, Moose Jaw, Warman, Estevan, Prince Albert, and the RM of Corcoran Park from August 1 to August 31, 2018. As this report is considered an SRHBA member benefit, we ask that it not be distributed to the public.

**SINGLE FAMILY BUILDS**

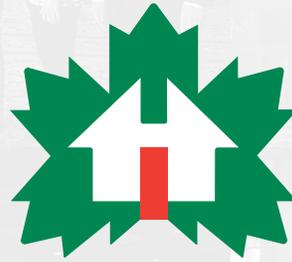
MONTH OF AUGUST		YEAR-TO-DATE	
Value	# of Units	Value	# of Units
\$22,055,000	77	\$150,200,000	476
▼ 17% from 2017	▼ 4% from 2017	▼ 29% from 2017	▼ 34% from 2017

### MULTI FAMILY BUILDS

MONTH OF AUGUST		YEAR-TO-DATE	
Value	# of Units	Value	# of Units



Saskatoon & Region Home Builders' Association



# Annual Report 2017-18

## Economic Overview & New Housing Market Analysis Q3 | 2018



SASKATOON & REGION HOME BUILDERS' ASSOCIATION

## COMPENSATION SURVEY REPORT

Developers' Forecast

December 5, 2017

Let's talk growth

2018 parade of HOMES

## Post-Event Recap

Reported by Saskatoon & Region Home Builders' Association

The Parade of Homes continues to grow in size. Just like last year, numbers increased again this year not only for attendance, but for builder participation and number of homes as well. Here's a snapshot of the numbers for 2018:

<b>Overall Attendance</b>	▲11% from 2017
<b>Attendance per Home</b>	▲4% from 2017
<b>Number of Homes</b>	▲2 from 2017
<b>Number of Builders</b>	▲2 from 2017

Most popular day of the week: Sunday | Least popular day of the week: Tuesday



## Demographics



# TABLE OF CONTENTS

Messages from your Chair & CEO	4
Our Members	5
Mission, Vision & Values	6
Strategic Priorities	6
Strategic Priority 1: Advocacy & Research	
Recognized Expert	7
Market Intelligence	9
Government Relations	11
Sustainable Practices	12
Strategic Priority 2: Member Development & Relations	
Safety	13
Achievements	13
Education	14
Engagement	15
Membership Structure	16
Strategic Priority 3: Industry & Consumer Education	
Expertise	16
Awareness	17
Strengthening the Brand	17
Strategic Priority 4: Association Sustainability	
Financial	18
Governance	19
Audited Financial Statements	20



## A MESSAGE FROM YOUR CHAIR



As we wrap up the second year of our 3-year Strategic Plan, we are already getting ready to evaluate what our next Plan may look like. Many things have changed over the past 2 years in the residential construction industry, for home ownership and for the affordability of homes. When we looked at our landscape back in 2015-16, and when we compare to the landscape we have today, we are in two very different positions as an industry, and many of our members would agree they feel the same within their businesses.

What does stay the same however, is the Association's commitment to remain highly focused on sending messages to our governments that our province must continue to have a focus on growth, a balanced and healthy economy and most importantly, to place a high value on homeownership and the affordability of homes here in our region. The capability of young professionals and young families to move into homeownership with relative ease and with affordable options, is a key component to keep our province competitive and attractive to those who wish to grow here or move here.

I was happy to serve on the CHBA-National Board this last year to bring the Saskatchewan perspective to national discussions – we are part of a very impressive network across the country. And as I am entering my second year as Chair, I have a tremendous amount of confidence that we have the right people in place both locally and nationally to get us through the challenges ahead.

I would like to thank our entire Board for their commitment towards our profession and our industry. Thank you especially to Scott Hodson, Arnold Reimer, and Alex Miller, who moved on from the Board this year. Your contributions were significant and assisted in continually improving the way we govern our Association.

While we have experienced the most challenging market in over a decade, our members are also some of the most resilient businesses I know. Thank you to the commitment you have to our region, to homeowners, and to your professional association. It's an honor to serve you.

### **Cam Skoropat**

President, Lexis Homes

## A MESSAGE FROM YOUR CEO



On behalf of the Association team, I am pleased to present you with our second Annual Report focusing on the results of our Strategic Plan 2016-19.

With a depressed market, the Association team had to work much harder to accomplish similar results this year. This is a reality our professional members know too well. We did however, have some bright spots in our operations and project deliveries. We were happy to move our operations into a new office in the Stonebridge area. Not only are we now closer to many members, but in a location which suits our brand, without increasing our footprint or our expenses. We also reached record engagement numbers in many of our projects. This is also the first year all professional builders are now Certified Professional Home Builders, the only certification in home-building, helping widen the gap with non-professionals in our market. We continue to invest in professional development, and look forward to bringing similar standards to the field of home renovation. We also revamped our advocacy communications as we continued to invest in government relations, putting home ownership and affordability at the forefront.

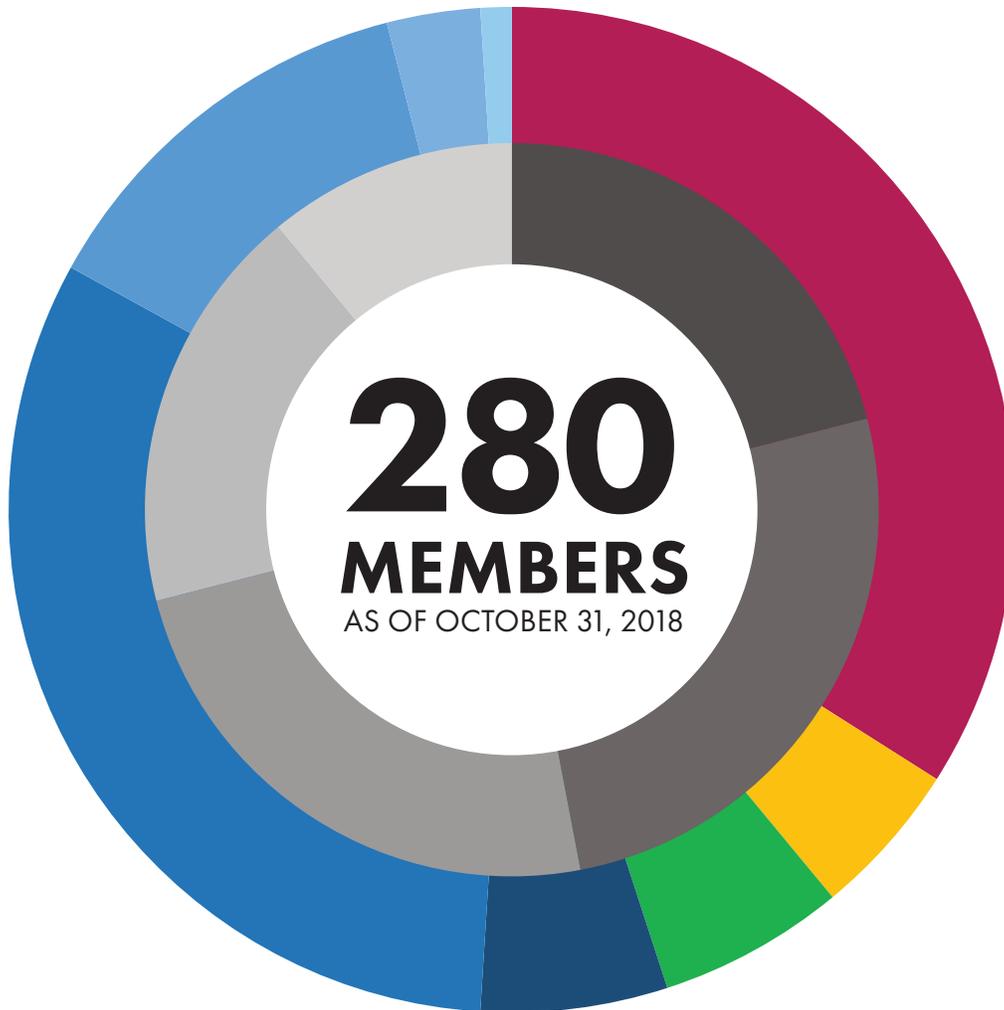
I would like to thank our Board of Directors and in particular our Board Chair, Cam Skoropat – it is a pleasure to work with you. I am also very fortunate to work with the most outstanding operational team – they tackle every challenge with energy and a sense that there is an opportunity to be found. And that's how we will tackle the challenges ahead for you, our members, and we look forward to 2018-19.

### **Chris M. Guérette**

CEO, Saskatoon & Region Home Builders' Association



# OUR MEMBERS



Association members represent businesses who are associated with the residential construction industry, and are sorted into seven categories.

**Builder & Developer - 33%**

**Renovator - 6%**

**Community - 6%**

**Subtrade - 7%**

**Service & Supply - 36%**

**Professional - 13%**

**Financial - 3%**

**Honorary - 1%**

We also broke down the membership according to length of time with the Association.

Less than 1 year – 9%

1-5 years – 16%

5-10 years – 27%

10-20 years – 29%

More than 20 years – 19%



## Our MISSION

Lead and represent the residential construction industry through a member-focused approach based on professionalism.

## Our VISION

A thriving & innovative residential construction industry built on professionalism & sustainability.

## Our VALUES

**Professionalism.** As an Association and as individuals, we will promote professionalism in the way we engage with others.

**Safety.** We will be leaders in promoting a culture of safety at work and in the community.

**Collaboration.** Finding opportunities to work together, with members, stakeholders and partners.

**Accountability.** We will be accountable in our efforts and willingness to serve Saskatoon and region.

**Innovation.** Through continuous improvement, we will strive to be more effective in the way we serve our members, their consumers and our community.

**Diversity.** We recognize that diversity enhances our decision-making capability.

## STRATEGIC PRIORITIES

The 2017-18 fiscal year was the second full year in which the Association used the current 3-year Strategic Plan to structure both our priorities throughout the year and our subsequent Annual Report. Throughout this report, you will see the key accomplishments and initiatives taken on by the Association, organized according to which section of the Strategic Plan these initiatives were designed to help accomplish.

### 1. Advocacy & Research

The Association provides an enhanced value to members by effectively advocating and researching issues that impact the residential construction industry and developments affecting its communities.

### 2. Member Development & Relations

The Association contributes to the success of its members, who are engaged, knowledgeable professionals in their fields that contribute to the healthy growth of our communities.

### 3. Industry & Consumer Education

Through our strong and trusted brand, our resources and members help consumers be more knowledgeable and to make decisions to allow them to have peace of mind in their new home or renovation process.

### 4. Association Sustainability

The Association has a sustainable organization that allows it to properly calculate risks and withstand economic challenges while also promoting a culture of sustainability.

Throughout the report, we've organized our various initiatives throughout the year according to which of these priorities they were intended to help achieve.



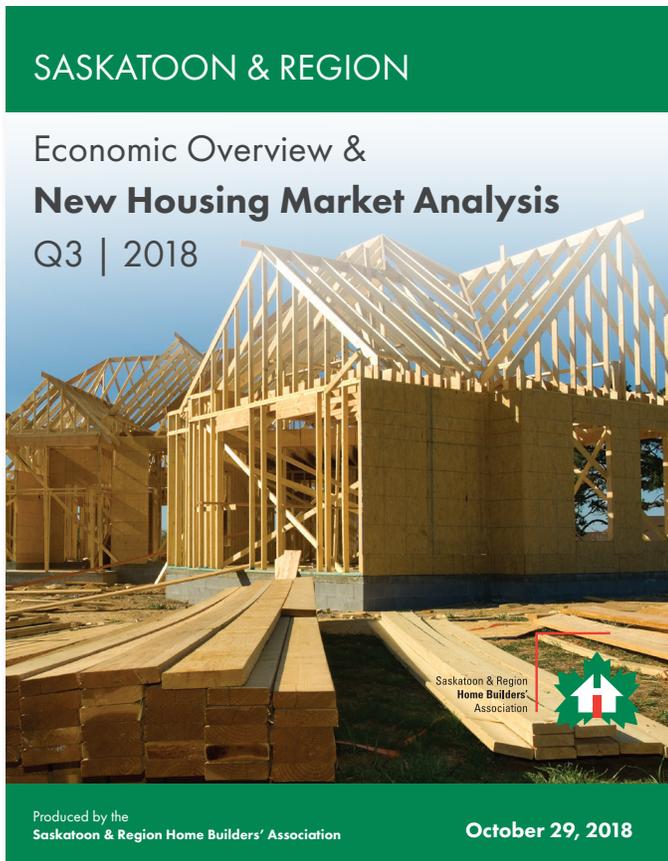
# STRATEGIC PRIORITY 1 ADVOCACY & RESEARCH

The Association provides an enhanced value to members by effectively advocating and researching issues that impact the residential construction industry and developments affecting its communities.

**RECOGNIZED EXPERT:** Position the Association as the expert in the residential construction industry and its related issues in the market.

In an effort to further establish our role as the expert voice of the residential construction industry, the Association released its first ever Economic Overview & New Housing Market Analysis for the Saskatoon Region. The report covered 2018's third quarter. Contents included a snapshot of the current economic conditions affecting the region, an analysis of current building permit numbers, insights into the factors affecting new home construction, and a forecast of future market activity based on these analyses.

The report received a good amount of attention from both the media and other organizations in the region, using direct quotes from the media release and adhering to the narrative of the report - that policy stacking issues are hindering the growth and affordability of new homes in the region, and slowing the growth of the economy as a whole. It was also noticed by other Associations in the region, which opened up potential for partnerships which would help to grow the scope of the report in the future. Overall, the first report was considered a successful pilot project, meaning you will hear more about these reports in the media as we continue to shape the public narrative of the reality of the industry.



**RECOGNIZED EXPERT:** Position the Association as the expert in the residential construction industry and its related issues in the market.

In order to be properly positioned as the expert in the residential construction industry, it is important that the Association's representation of companies in the region reflects this. This means representing companies that reflect the values the Association and its member companies espouse - professionalism, safety, innovation, third-party warranty protection - as well as representing the strong majority share of the market.

This was top of mind when developing the Association's first targeted recruitment strategy under the strategic direction of the Membership Committee in 2018. While the Association will continue to review applications from any company that is interested in becoming a professional member of their industry, the first phase of the recruitment strategy means active recruitment of builders and developers to gain market share of companies who demonstrate professionalism.

To measure success with this strategy, the recruitment goal is tied to market activity (as exemplified by the numbers in the charts below for 2017 and 2018) and to professional activity that reflects the values mentioned above. Rather than achieving a certain number of members, our goal for the 2018-19 fiscal year is to achieve **80% Professional Membership representation** in terms of number of permits pulled in Saskatoon & Region.

Number of Permits - Saskatoon, Warman, Martensville, Osler, RM Corman Park												
	Single Family				Multi Family				Renovations			
	2017		2018		2017		2018		2017		2018	
CERTIFIED PROFESSIONAL	587	64%	441	64%	615	59%	372	68%	545	22%	574	23%
NON-CERTIFIED	281	31%	199	29%	433	41%	172	31%	616	25%	655	27%
PRIVATES	45	5%	44	6%	0	0%	6	1%	1296	53%	1236	50%
<b>TOTAL</b>	913	100%	684	100%	1048	100%	550	100%	2457	100%	2465	100%
<b>TOTAL WITH CORMAN PARK</b>	984		748		1054		550		2550		2561	

\*Totals include the RM of Corman Park which does not break down permits by company, so Certified vs. Non-certified vs. Private activity is not available for this municipality. The Association continues to lobby the RM to include this information in their permit statistics.

Total Value of Permits (\$,000) - Saskatoon, Warman, Martensville, Osler, RM Corman Park												
	Single Family				Multi Family				Renovations			
	2017		2018		2017		2018		2017		2018	
CERTIFIED PROFESSIONAL	168,946	68%	132,944	70%	70,813	40%	48,181	56%	14,876	25%	14,451	28%
NON-CERTIFIED	65,780	26%	43,503	23%	108,003	60%	36,394	42%	24,508	41%	17,668	34%
PRIVATES	14,123	6%	13,598	7%	0	0%	2,135	2%	20,781	35%	20,047	38%
<b>TOTAL</b>	248,849	100%	190,045	100%	178,816	100%	86,710	100%	60,165	100%	52,166	100%
<b>TOTAL WITH CORMAN PARK</b>	289,580		227,684		181,319		86,710		74,507		59,244	

\*Totals include the RM of Corman Park which does not break down permits by company, so Certified vs. Non-certified vs. Private activity is not available for this municipality. The Association continues to lobby the RM to include this information in their permit statistics.

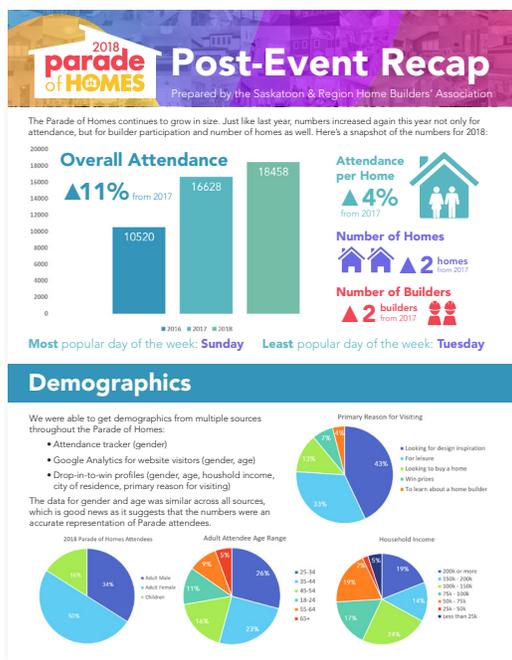
Number of Builders Pulling Permits - Saskatoon, Warman, Martensville, Osler									
	Single Family				Multi Family				
	2017		2018		2017		2018		
CERTIFIED PROFESSIONAL	61	37%	59	40%	16	52%	13	62%	
NON-CERTIFIED	104	63%	89	60%	15	48%	8	38%	
<b>TOTAL</b>	165	100%	148	100%	31	100%	21	100%	



**MARKET INTELLIGENCE:** The Association, through the collection of its own data and the analysis of industry data, provides market intelligence to its members and stakeholders.

In 2017, the SRHBA achieved the highest rate of participation nationally for the **CHBA Home Buyer Preference Survey**, a survey conducted annually in partnership with Avid Ratings which provides valuable information on what homebuyers are looking for when they purchase a new home. It's important to note that not only did the SRHBA have the highest portion of its builders participate, but at 21 participating builders, had the highest number, period - quite an achievement for a smaller municipality.

As a reward for this achievement, Avid Ratings presented Saskatoon and Saskatchewan specific data - the only region in Canada to receive these valuable region-specific insights. These data were presented over breakfast, and for those not able to attend, the report was made available on the members-only section of the SRHBA website



As we do every year, the Association provided all **Parade of Homes 2018** participants with a **post-event report**. This year's report was fully redesigned into an easier-to-digest format so that participants could easily find the data they were most interested in.

The Association takes special care in setting up the Parade of Homes to ensure that this data is available at the end of the event. This includes ensuring all digital entities are set up with proper analytics.

This year's report provided participants with detailed demographic data on Parade attendees (Gender, age, household income), attendees' reasons for visiting the Parade, overall attendance numbers, attendance by day, and details of marketing efforts.



**MARKET INTELLIGENCE:** The Association, through the collection of its own data and the analysis of industry data, provides market intelligence to its members and stakeholders.

Based on member feedback, the August 2018 **Permit Report** introduced a new dashboard including key metrics that show how the current year's monthly and year-to-date figures compare to the previous year. This was done in an effort to provide a useful, easy-to-understand snapshot of the key components of the report, as making these year-over-year changes easy to understand is integral to the comprehension of the current state of the residential construction market. In addition to this major change to the front page of the report, we also began tracking **changes to permit processing times** in an effort to incentivize municipalities into reducing these turnaround times, while regularly keeping tabs on turnaround time before they become a challenge for growth.

**Saskatoon & Region Home Builders' Association**

# PERMIT REPORT

AUGUST 2018

This report compiled by the Saskatoon & Region Home Builders' Association is based on permit statistics collected from the cities of Saskatoon, Martensville, Warman, Osler, Prince Albert, and the RM of Coman Park from August 1 to August 31, 2018. As this report is considered an SRHBA member benefit, we ask that it not be distributed to the public.

## SINGLE FAMILY BUILDS

MONTH OF AUGUST		YEAR-TO-DATE	
Value	# of Units	Value	# of Units
<b>\$22,055,000</b>	<b>77</b>	<b>\$150,200,000</b>	<b>476</b>
▼ 17% from 2017	▼ 4% from 2017	▼ 29% from 2017	▼ 34% from 2017

## MULTI FAMILY BUILDS

MONTH OF AUGUST		YEAR-TO-DATE	
Value	# of Units	Value	# of Units
<b>\$5,606,000</b>	<b>36</b>	<b>\$65,248,000</b>	<b>362</b>
▼ 49% from 2017	▲ 600% from 2017	▼ 36% from 2017	▼ 40% from 2017

## RENOVATIONS

MONTH OF AUGUST		YEAR-TO-DATE	
Value	# of Permits	Value	# of Permits
<b>\$6,671,000</b>	<b>270</b>	<b>\$44,234,000</b>	<b>1880</b>
▲ 14% from 2017	▼ 5% from 2017	▼ 21% from 2017	▼ 2% from 2017

Saskatoon & Region Home Builders' Association  
Permit Report | August 2018

**SASKATOON & REGION HOME BUILDERS' ASSOCIATION**

# COMPENSATION SURVEY REPORT

**SPRING 2018**  
REPORT INTENDED FOR VIEWING ONLY BY SURVEY PARTICIPANT MEMBERS OF THE SRHBA

In January 2018 the Association launched the first ever **residential construction compensation survey** for Saskatoon & Region. This survey was conducted to address the absence of reliable, industry-specific compensation information for residential construction companies to use in their budget and business planning.

The Compensation Survey Report was released in March 2018 to participating companies only. Overall, 51 builder companies participated, which equates to 57% of the Association's builder and developer members.

The inaugural survey and report were well-received and seen to be a valuable benefit to those who participated, so it will be conducted again for 2020.



**GOVERNMENT RELATIONS:** The Association works closely with governments and stakeholders to advocate for actions towards ownership, affordability, and growth.

2017-18 continued to be an important year for advocacy efforts with all levels of government. Here are some of the key files we worked on:

**Policy Stacking.** With the mortgage stress test that came into effect in close proximity with the removal of the PST exemption on construction services, the 2018 construction season saw a seriously underperforming residential construction season, impacting growth and jobs. The Association worked to provide policy ideas to our provincial government in both the form of a revival of a portion of the Headstart program and in a PST-rebate on new home construction. While neither of these were successful to date, we continue to advocate for a solution to the pressured residential construction industry. CHBA National continues their efforts with the federal government to advocate against the current form of the mortgage stress test and the SRHBA will support them wherever we can in their strategies.

**Cut the Red Tape Initiative.** Following-up from the highly successful 2017 Mayor's Infill Roundtable that was an SRHBA proposal we also managed, came a response to the report of that project. The City developed a "Cut the Red Tape Initiative" for the downtown area which they promoted heavily and credited the work and partnership with the SRHBA through the Infill Roundtable. While we still have many hurdles to tackle on this file, the SRHBA gained a tremendous amount of credibility with City Council and within the city. We thank the city for the opportunity to partner and work together for the benefit of growth and investment in our community.

**Success in asking the City of Saskatoon to aim high in reducing turnaround times for permits.**

The SRHBA congratulated the City in having the best turnaround times in the country for residential permits, but did so to gain attention on the ongoing problematic turnaround times for the commercial permits. City Council made a motion based on SRHBA recommendations, directing administration to aim high and come back with a measure that would allow the City to claim it had the best numbers in the country for all permit turnaround times. While we are still waiting to see what that goal metric is, we know that politically the willingness is there to cut the red tape.

**CHBA Day on the Hill.** In May 2018, the Association once again participated in the nationally organized Day on the Hill, where representatives from HBAs all across Canada visit Parliament to deliver coordinated, consistent messaging to members of the federal government to discuss policies that affect affordability. In addition to meeting several MPs and NDP leader Jagmeet Singh, we also organized a separate private meeting with the Saskatchewan Conservative Caucus.

**Land Bank Audit.** After the Association successfully lobbied with other partners for the City's Land Bank to be audited by a third-party, the audit report was delivered. 1 of the 7 categories included in the report were related to governance. The Association successfully lobbied to deliver a second report on this particular section to study what the options would be. We are working with the City on this report as well, which will be delivered in 2019.



**GOVERNMENT RELATIONS:** The Association works closely with governments and stakeholders to advocate for actions towards ownership, affordability, and growth.

**Audit on Levies.** The Association was successful in asking for a third-party audit of the City of Saskatoon levies in in how they are calculated and applied, for both new neighborhoods and infill. This came after news of potential new levies coming into effect and the Association acted quickly to mitigate the progress on this file by pushing for more clarity. There had not been an audit of levies in over 30 year and the motion was approved unanimously by Council after we rallied business community as well. It was a big win, but now the big work also starts.

**Eligible Contractor Education.** The Association assisted the City of Saskatoon with implementing process for eligible contractor list which raised standards for businesses. Certain modules from the CPHB program were adopted as qualifying education requirements, and it was fully implemented June 27, 2018.

**Advocacy Updates Newsletter.** As we found ourselves spending more and more time focusing on advocacy efforts throughout 2017-18, we also found that we needed to improve the way we communicated these efforts to members.

In May 2018, we sent out the first “Advocacy Update” newsletter communication. This is a unique template reserved for advocacy-related communications which is sent out on an as-needed basis, reflecting the fluctuating frequency and time-sensitive nature of advocacy work.



Welcome to the first edition of Advocacy Update: Communications to keep you informed of advocacy and research issues that impact the residential construction industry and affect local communities. These communications are intended to inform you of how the Association is defending housing affordability in our region, while keeping you up to date on any development on files that may affect your business or the industry. You'll know an issue is important when you see this communication.

**Permit Processing Times for the RM of Corman Park**

The Association heard feedback from many builders that residential building permit turnaround times in the RM of Corman Park were becoming an issue, taking up to 10 weeks in some reported cases. The Association met with Corman Park staff to work with them on the goal of reducing the permit processing times. We sent an email to all builders and developers earlier this week to update everyone on the short term progress and the ideas for long term progress.

This is a challenge that comes up every once in a while for a number of municipalities, and given the negative impact this has on construction and affordability, the Association is now tracking permit timelines. The following example of a chart will now appear in the member-only Monthly Permit Report.

**SUSTAINABLE PRACTICES:** The residential construction industry is known for its leadership role in the development and promotion of sustainable practices.

The SRHBA's region extends far outside of the City of Saskatoon, and we think consistency and comprehension are extremely important when introducing new processes which affect home building in the region. This is why the SRHBA worked to push a process together so that Saskatchewan would be the only province in the country where municipalities and the provincial government are on the same page for the **delivery and operations of the energy code (section 9.36 of the NBC)**. While we were the last province to implement the energy code, we also took this opportunity to show higher collaboration and less red tape.

After we negotiated an 18-month phase-in window in 2017 to slowly bring in the first ever implementation of 9.36 in Saskatoon and Saskatchewan, we then managed the idea to get all the key players at the table to get ready together for January 1 2019. This created consistency across the province, thus security of information and process for businesses and a big win for the industry.

Thank you to all associations, municipalities, the government of Saskatchewan, RRHBA and especially the City of Saskatoon for making this endeavor possible.



## STRATEGIC PRIORITY 2

# MEMBER DEVELOPMENT & RELATIONS

The Association contributes to the success of its members, who are engaged, knowledgeable professionals in their fields that contribute to the healthy growth of our communities.

**SAFETY:** Advocate for a culture of safety in the industry thereby diminishing the negative impacts on business and community.

The Association received its SECOR certification in 2017, to understand what our professional members had been undertaking to commit to a culture of safety and demonstrate leadership. In 2018, we were proud to be included in the first batch of external audits on companies who were SECOR certified (and passed with flying colors).

CEO Chris Guérette ended her term on the Saskatchewan Construction Safety Association Board in representing the residential construction industry and while there, was happy to work towards the governance renewal of this important Association. New representatives will now be companies directly involved in construction and we will continue to promote leadership in safety.



**ACHIEVEMENTS:** Celebrate the professionalism and high-quality products and services of members so they can be showcased to consumers and the public.

Each year, the Association holds the **Annual Bridges Awards** to celebrate achievements and professionalism in the residential construction industry. As it is such an important marker of achievement, we are continually looking at how we can improve the Awards to maximize their value to members. Some of the most notable changes to the 26th Annual Bridges Awards, held in February 2017, included:

- Moving the submission process to a new online platform, Award Force, the same platform used by the National Awards for Housing Excellence, to facilitate the national application process for members.
- Changing to a National Judging Panel, reducing any conflicts of interest and improving credibility
- The introduction of the Safety Stewardship Award
- The introduction of the Environmental Stewardship Award
- The introduction of the Customer Choice Awards - The Customer Choice Awards recognize Builder Members who best deliver the assurance of quality in providing goods and/or services as judged by the customers. This category is presented by the Saskatoon & Region Home Builders' Association through a partnership with Avid Ratings.

We again saw an increase in the number of National Awards submissions by SRHBA members, indicating that efforts to align with National and make the submission process easier for SRHBA members were successful. Wanting to build on this success and even further align with National, we started working on additional improvements to the Awards for the following year. This included the major decision to change the name and branding from "Bridges Awards" to the **"Housing Excellence Awards - Saskatoon & Region."**



**EDUCATION:** Provide the educational programs and opportunities to become a certified professional and expert in the residential construction industry.

One of the SRHBA's key initiatives for 2017-18 was the evolution of the **Certified Professional Home Builder (CPHB) program**.

As of the end of 2018, all builder members were Certified Professional Home Builders. Now a minimum standard for recognition as a professional builder in the association, we also revoked the memberships of 6 companies who were unable to do so. All changes to membership, including revocations, new members, and cancellations, are now publicly available on the SRHBA website.

We can now confidently assure the public that when they hire an SRHBA member to build their home, they are hiring a Certified Professional Home Builder, increasing the gap between professional builders and non-professional builders.



## Build Your Business Education Series



Education for Members of the Saskatoon & Region Home Builders' Association

January 2018 saw the introduction of the **Build Your Business Education Series**, members-only education sessions intended to support the success of SRHBA member companies. The topics ranged widely from building-specific (e.g., concrete building methods, implementation of section 9.36) to more generally business-based (e.g., conflict resolution, tax tips, implementing change) for a total of ten sessions in 2018. Education continues to be a focus for the SRHBA, so when we relocated our office at the end of the year we made sure to double the capacity of our board room (which doubles as our classroom) so that we could offer education sessions to even more members in 2019 without any added logistics costs – but also to allow the opportunity to welcome members to the Association “home” more often.

Education will continue to be an important focus for the Association in 2018-19. We are already working on further improvements and expansions, including a closer brand alignment between professional development and CPHB, and extension of CPHB-type standards and education to renovators under the Renomark umbrella.



**ENGAGEMENT:** Increase member retention through engagement and networking opportunities that promote dialogue and feedback.

Traditionally, the SRHBA hosts several annual networking events referred to as “General Meetings,” which this year we collectively rebranded to the more aptly named “Networking Series.” In an effort to increase engagement and to ensure these events were evolving with the Association and its members, we made several improvements to each event.

- **Developers’ Forecast.** Traditionally, Developers’ Forecast programming consisted of presentations by developer members which covered lot availability and projected development over the next year. While this is valuable information, we wanted to ensure that programming encouraged lively discussion around key development issues in Saskatoon & Region. Titled “Let’s Talk Growth,” 2017’s Developers’ Forecast also included a panel discussion moderated by Paul Martin. The change was so well received that we made further improvements along these same lines for 2018-19.



- **Civic Night** - “Unscripting” the Dialogue with our Elected Leaders. Historically, the main programming for our Spring event was made up of a series of speeches made by elected leaders in the region. For 2018, we hosted a panel discussion to engage our civic leaders and hear their ideas and vision for development and growth in their communities. There was more active engagement than in years past, which we consider to be a marker of success.
- **Fall Family BBQ.** The fall BBQ is an event specially planned to recognize members for their milestones and achievements. In an effort to make the event more accessible and welcoming for all, we held the event at a local pumpkin patch and distillery. The event combined family fun with recognition of member milestones and achievements, including the newly added “Rookie of the Year” award.

The full roster of SRHBA planned networking opportunities in 2017-18 included:

- Developers’ Forecast (December 5, 2017)
- Annual Holiday Social (December 14, 2017)
- The 26th Annual Bridges Awards Gala (February 10, 2018)
- Civic Night: Unscripted (April 24, 2018)
- Builders’ Classic Golf Tournament (August 16, 2018)
- Fall Family BBQ (October 4, 2018)

The Association’s **retention rate** for the 2017-18 year reached **92%**, high enough to earn a CHBA member retention award, and a **four-year high** for the region.



**MEMBERSHIP STRUCTURE:** To have a membership structure that meets Association needs.

One of the largest strategic changes was the change to **builder membership fee structure for 2017-2018**. The Association elected to remove the dated and complicated system of charges based on permit fees and replace them with a 3-tiered fee model. A thorough review and presentation of the new structure at the annual general meeting in April 2017 to members resulted in the change implemented November 2017.

The new system was designed to keep overall membership fees as close to the previous model as possible, a change in structure rather than a fee increase. An analysis of each builder member's 5-year permit invoicing history with the Association was completed and then each builder's tier level was identified based on number of homes constructed per year. The overall change from 2017 to 2018 fiscal year in the membership fee category was a 1.5% decrease, indicating a successful transition in structure.

We hope that overall builder members are satisfied with the structure change as it also improves predictability of fees for the year and streamlines administrative efforts.

## STRATEGIC PRIORITY 3

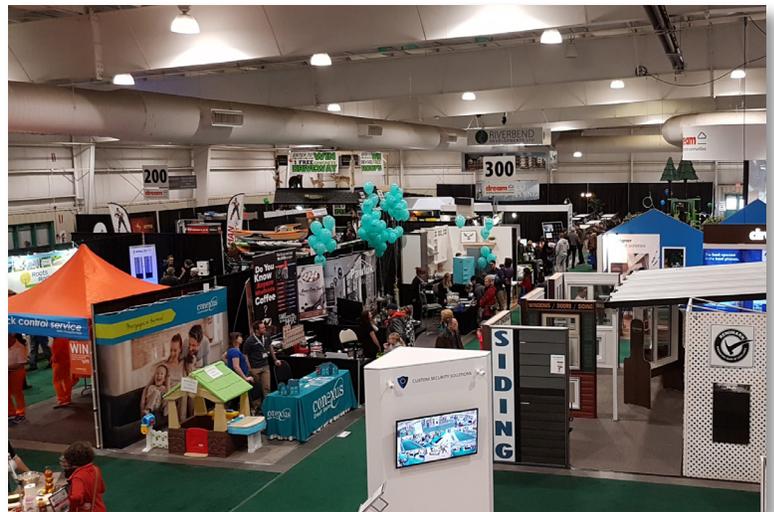
# INDUSTRY & CONSUMER EDUCATION

Through our strong and trusted brand, our resources and members help consumers be more knowledgeable and to make decisions to allow them to have peace of mind in the new home or renovation process.

**EXPERTISE:** The Association will be known as a source of expertise for future and current home owners to find companies to help them gain valuable knowledge and receive trusted advice

As Saskatoon's largest home show, **HomeStyles** provides the ideal opportunity to **connect future and current home owners with professionals and local experts**. While not every exhibitor who participates in HomeStyles is an SRHBA member, special attention was paid for HomeStyles 2018 to ensure that members stood out and that the public was able to easily identify these companies as professional members of the SRHBA. This included:

- Limiting local Main Stage speaking opportunities to SRHBA members.
- Clearly identifying members on the printed booth directory and map.
- Providing all SRHBA member exhibitors with a large logo decal to place in front of or in their booth so that the public could clearly identify them as member professionals.

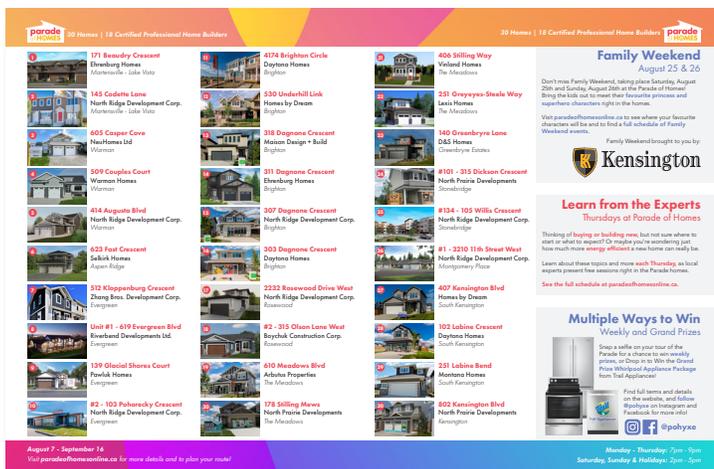


**AWARENESS:** Consumers have opportunities to be exposed to home choices and products, to experience the advantage of products and services provided by the membership.

2018 was the third year of the newly rejuvenated **Parade of Homes**. The Parade is the perfect opportunity for consumers to explore the options and advantages of a new home, and this year saw further improvements to maximize the value to both consumers and participating builders.

For the second consecutive year, the Parade saw an increase in attendance both in overall attendance (**an 11% increase**), and attendance per home (**a 4% increase**), showing that the Parade remains an effective way to expose consumers to the variety of homes available from Certified Professional Home Builders in Saskatoon & Region.

We also, for the second consecutive year, saw an **increase in participation** numbers (30 homes and 18 builders, up from 28 and 16 in 2017), indicating that the Parade is still a growing initiative.



**STRENGTHENING THE BRAND:** The Home Builder Association brand will be a recognized and trusted mark by consumers that differentiates the professionals, our members, from the rest.

Brand strengthening efforts throughout 2017-18 focused not just on exposure, but on increasing the credibility associated with the SRHBA and its affiliated brands. This included:

- Ensuring that all builder members were CPHB certified, strengthening the CPHB and SRHBA brands.
- Starting work on rebranding the Bridges Awards to the Housing Excellence Awards, increasing alignment with National and improving public comprehension of what the Awards stand for.
- Starting groundwork on establishing Renomark as a trusted mark for renovators in Saskatoon & Region.

As we continue to make use of valuable exposure in the Saskatoon StarPhoenix through partnership agreements, these increases in credibility will add more value to the public messaging and to the SRHBA branding as a whole.



## STRATEGIC PRIORITY 4

# ASSOCIATION SUSTAINABILITY

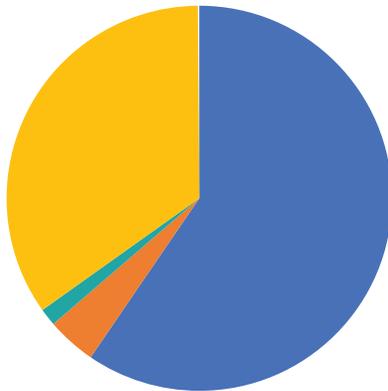
The Association has a sustainable organization that allows it to properly calculate risks and withstand economic challenges while also promoting a culture of sustainability.

**FINANCIAL:** The Association is forward thinking and maintains a highly effective organization.

2017-18 fiscal year was once again prosperous for the Association. The budget was exceeded by over \$50,000, due largely in part to the policy the SRHBA developed with Saskatoon Land for the eligible contractor requirements. We saw a significant increase in Education & Training revenue which allowed the overall Association budget to be exceeded, while also enduring costly changes related to our office move, a difficult investment market with larger losses than anticipated, and taking on research initiatives that we had not originally included in the budget.

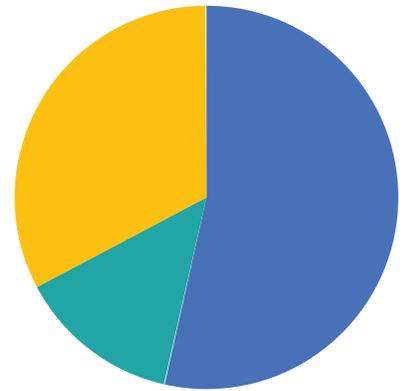
### October 31, 2017

Net Membership Fee - 35%  
Net Projects & Events - 60%  
Interest - 4%  
Net Education & Training Courses - 1%



### October 31, 2018

Net Membership Fee - 35%  
Net Projects & Events - 53%  
Interest - 0%  
Net Education & Training Courses - 14%



The revenue graph shows the increase of 13% in Net Education & Training revenue as a result of the policy for eligible contractors. The influx was largely due to non-member training fee revenue. This also decreases the percentage of total revenue overall in 2018 from our main sources, membership fees and projects & events. The detailed dollar figure differences can be found in the full audited financial statements.

As we head into the 2019 fiscal year, we are also entering a new normal for the Association's financial status. We have seen the deadline pass for the eligible contractor requirements, thus ending the flow of additional revenue. We have entered a new office location and lease with minimal future capital purchases, and we have grown into our projects and events where we are able to accurately predict and budget their financial outcomes. We have contingency reserves to cover 6 months of Association operations, as well as an additional \$600,000 in unrestricted reserves giving us a healthy stability heading into our new financial status. In the upcoming years members will not see large surpluses in net income as we have in the past few years, but rather stable break-even, or just above break-even bottom lines.

The Association has been strong in rebuilding our financial status and we have acquired the skills to withstand fluctuations in finances and adjust our budget accordingly.

The full audited financial statements for 2017-18 fiscal year can be found at the end of this report.



The Board of Directors saw some transitions in 2018 and would like to thank Scott Hodson for 8 years of service on the Association, and Arnold Reimer for 2 years under his second cycle on the Board. Alex Miller is ending his term on the Board at the next Annual General Meeting and through the analysis of an ongoing skills matrix, a new list of skills required for new Directors were identified which have assisted recruitment efforts.

A policy and detailed plan related to executive succession planning was also started in 2018. The plan is intended to mitigate risks during times of crisis or change, by ensuring continuity at the executive level in the event of a planned or unplanned transition in the position of CEO. This is a particularly successful sign in governance of an effective and efficient Board - members can rest assured future risks are continually evaluated to ensure the sustainability of the Association.

The Board Chair, Cam Skoropat, also stepped in as the Saskatchewan representative on the CHBA-National Board in 2018, the first in a cycle based on a recently signed agreement between CHBA-National, RRHBA and SRHBA, whereby the Saskatchewan representation at the national board level is rotated yearly between Regina and Saskatoon.

## MEET YOUR 2018 BOARD OF DIRECTORS



**CAM SKOROPAT**  
Board Chair  
Lexis Homes



**ANDREW WILLIAMS**  
1st Vice-Chair  
North Prairie Developments



**RONN LEPAGE**  
2nd Vice-Chair  
Vereco Homes



**DAVID CALYNIUK**  
Past Chair  
North Ridge Development Corporation



**CLAYTON BARRY**  
McDougall Gauley LLP



**CONRAD EHR**  
Ehrenburg Homes



**SCOTT HODSON**  
Superior Cabinets



**DEIDRE LARMOUR**  
Titan Drywall



**ALEX MILLER**  
Innovative Residential



**MICHAEL SHAW**  
Centennial Kitchen & Bath



**ARNOLD REIMER**  
NuFab Building Products



**REGAN TAMELING**  
Westridge Homes



---

# Financial statements of Saskatoon & Region Home Builders' Association, Inc.

October 31, 2018

---



---

Independent Auditor's Report	1-2
Statement of operations	3
Statement of changes in net assets	4
Statement of financial position	5
Statement of cash flows	6
Notes to the financial statements	7-12
Schedule 1 – Schedule of project and events	13

---



## Independent Auditor's Report

To the Members of  
Saskatoon & Region Home Builders' Association

We have audited the accompanying financial statements of Saskatoon & Region Home Builders' Association (the "Company"), which comprise the statement of financial position as at October 31, 2018 and the statements of operations, changes in net assets and cash flows 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 management 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Saskatoon & Region Home Builders' Association as at October 31, 2018 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.

The logo for Deloitte LLP, written in a stylized, cursive script.

Chartered Professional Accountants  
February 6, 2019  
Saskatoon, Saskatchewan

## Saskatoon & Region Home Builders' Association, Inc.

### Statement of operations

Year ended October 31, 2018

	Notes	2018	2017
		\$	\$
<b>Revenue</b>			
Assessments		—	39,398
Interest		11,775	2,389
Membership dues		401,765	361,670
Net projects and events (Schedule 1)		515,868	547,848
Other revenue	9	132,878	14,574
Unrealized (loss) gain on investments		(12,416)	35,748
		<b>1,049,870</b>	1,001,627
<b>Expenses</b>			
Amortization		34,022	17,407
Bad debts		1,635	1,600
Bank and credit card fees		21,247	19,800
Communication		834	30,096
Dues - Canadian Home Builders Association		86,870	81,388
Employment and team development		19,022	5,492
Industry development		69,318	19,836
Insurance		4,615	4,911
Investment management fee		6,073	8,587
IT maintenance and service charge		14,075	14,217
Loss on disposal of assets		—	526
Memberships		5,964	4,450
Office		22,282	27,254
Professional fees		17,507	29,551
Rent and occupancy costs		40,678	45,037
Salaries and benefits		497,582	459,864
Travel - conferences and meetings		34,329	27,711
		<b>876,053</b>	797,727
<b>Excess of revenue over expenses</b>		<b>173,817</b>	203,900

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



**Saskatoon & Region Home Builders' Association, Inc.****Statement of changes in net assets**

Year ended October 31, 2018

	Internally Restricted			Total	Unrestricted	2018	2017
	Investment in capital assets	Capital asset reserve	Contingency reserve				
	\$	\$	\$	\$	\$	\$	\$
Net assets, beginning of year	<b>38,903</b>	<b>73,385</b>	<b>425,000</b>	<b>537,288</b>	<b>410,386</b>	<b>947,674</b>	743,774
Excess of revenue over expenses	<b>(34,022)</b>	—	—	<b>(34,022)</b>	<b>207,839</b>	<b>173,817</b>	203,900
Capital asset additions	<b>18,317</b>	—	—	<b>18,317</b>	<b>(18,317)</b>	—	—
Net assets, end of year	<b>23,198</b>	<b>73,385</b>	<b>425,000</b>	<b>521,583</b>	<b>599,908</b>	<b>1,121,491</b>	947,674

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



## Saskatoon & Region Home Builders' Association, Inc.

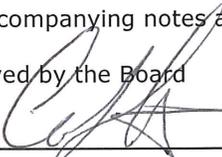
### Statement of financial position

As at October 31, 2018

	Notes	2018 \$	2017 \$
<b>Current assets</b>			
Cash		262,826	51,370
Investments	3	1,181,781	1,184,959
Accounts receivable	10	51,639	33,363
Prepaid expenses		20,444	25,817
		<b>1,516,690</b>	1,295,509
<b>Non-current assets</b>			
Deposit on lease		10,000	—
Capital Assets	4	22,672	38,377
		<b>1,549,362</b>	1,333,886
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	6	47,794	24,510
Deferred revenue	7	380,077	361,702
		<b>427,871</b>	386,212
<b>Net assets</b>			
Internally restricted	8	521,583	537,288
Unrestricted		599,908	410,386
		<b>1,121,491</b>	947,674
		<b>1,549,362</b>	1,333,886

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

Approved by the Board

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director



**Saskatoon & Region Home Builders' Association, Inc.****Statement of cash flows**

Year ended October 31, 2018

	<b>2018</b>	2017
	<b>\$</b>	\$
<b>Cash flows generated from operating activities</b>		
Excess of revenue over expenses	<b>173,817</b>	203,900
Adjustment for		
Amortization	<b>34,022</b>	17,407
Loss on disposal of assets	<b>—</b>	526
Unrealized loss (gain) on investments	<b>12,416</b>	(35,748)
Changes in non-cash working capital		
Accounts receivable	<b>(18,276)</b>	8,130
Prepaid expenses and deposits	<b>(4,627)</b>	(15,451)
Accounts payable and accrued liabilities	<b>23,284</b>	(260)
Deferred revenue	<b>18,375</b>	27,658
	<b>239,011</b>	206,162
<b>Investing activities</b>		
Additions to capital assets	<b>(18,317)</b>	(7,982)
Purchase of investments	<b>(1,194,197)</b>	(647,100)
Proceeds from disposal of investments	<b>1,184,959</b>	354,027
	<b>(27,555)</b>	(301,055)
<b>Net increase (decrease) in cash</b>	<b>211,456</b>	(94,893)
<b>Cash, beginning of year</b>	<b>51,370</b>	146,263
<b>Cash, end of year</b>	<b>262,826</b>	51,370

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



# Saskatoon & Region Home Builders' Association Inc.

## Notes to the financial statements

Year end October 31, 2018

---

### 1. Description of business

Saskatoon & Region Home Builders' Association, Inc. ("the Association") was formed in 1952 and was incorporated under the Non-Profit Corporations Act of Saskatchewan in 1980. Under the Act, the Association has no share capital, the liability of members is limited and no distributions to the members can be made. The Association's mission is to be the voice of the residential construction industry to achieve an environment in which the members can operate profitably and to promote affordability and choice in housing for all people in Saskatoon and northern Saskatchewan.

### 2. Significant accounting policies

#### *Basis of presentation*

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies:

#### *Use of estimates*

The preparation of the financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Significant areas requiring such estimates relate to determination of useful lives of capital assets and provisions for uncollectible accounts receivable.

#### *Revenue recognition*

The Association 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. Revenues for projects and events are recognized in the year the events are held and projects are completed and collection is reasonably assured. Membership revenue is recognized over the membership period. Assessment, investment income and other revenue is recognized when the service is performed, in the period amounts are earned and the amount to be received can be reasonably assured.

Any amounts collected that have not met revenue recognition criteria is recorded as a liability in deferred revenue.

#### *Internally restricted funds*

The Board of Directors internally restricts funds for specific projects from time to time in a contingency reserve. These amounts are reported separately in the net assets section of the statement of financial position.

#### *Operating leases*

Operating leases are accounted over the period of the lease on a straight-line basis.



## Saskatoon & Region Home Builders' Association Inc.

### Notes to the financial statements

Year end October 31, 2018

---

## 2. Significant accounting policies

### *Capital assets*

Capital assets are recorded at cost less accumulated amortization. Amortization is taken using methods and rates intended to amortize the cost of assets over their estimated useful lives. Amortization is taken at one-half of the annual rate in the year of acquisition.

	Method	Rate
Computer equipment	Declining balance	35%
Office equipment	Declining balance	20%
Leasehold improvements	Straight-line	10 years
Website development	Straight-line	3 years

### *Cash*

Cash is comprised of cash held within bank accounts that is available upon demand.

### *Impairment of Long-lived Assets*

Long-lived assets, such as capital assets, are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

### *Financial Instruments*

#### Initial and subsequent measurement

The Association measures its financial assets and liabilities at fair value. The Association subsequently measures all its financial assets and liabilities at amortized cost, except for investments which are measured at fair value. Financial instruments measured at fair value include quoted shares. Changes in fair value are recognized in the statement of operations. Financial liabilities are measured at amortized costs.

Transaction costs related to financial instruments measured at fair value subsequent to initial recognition are expensed as incurred. Transactions costs related to other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the effective interest method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the effective interest method and recognized in net earnings as interest income or expense.



## Saskatoon & Region Home Builders' Association Inc.

### Notes to the financial statements

Year end October 31, 2018

#### 3. Investments

	2018	2017
	\$	\$
Investment in term deposits	557,692	1,184,959
Investment in quoted shares	236,972	—
Investment in mutual funds	387,117	—
	<b>1,181,781</b>	1,184,959

Interest on term deposits range from 1.77% to 2.8% (2017: 1.46%)

#### 4. Capital assets

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
	\$	\$	\$	\$
Computer equipment	80,142	74,526	5,616	8,639
Office equipment	1,338	482	856	6,991
Leasehold improvements	1,040	104	936	19,877
Website development	18,317	3,053	15,264	2,870
	<b>100,837</b>	<b>78,165</b>	<b>22,672</b>	38,377

#### 5. Margin account

The Association has access to a margin account with a maximum limit of the market value of the investments held less any bank indebtedness incurred. The margin account accrues interest at prime plus 1.25% (2017 - prime plus 1.25%) and is secured by various investments of the Association. There were no amount outstanding as at October 31, 2018 and 2017.

#### 6. Accounts payable and accrued liabilities

	2018	2017
	\$	\$
Bonus payable	14,225	7,675
Trade payable	23,226	14,959
Vacation payable	10,343	1,876
	<b>47,794</b>	24,510



## Saskatoon & Region Home Builders' Association Inc.

### Notes to the financial statements

Year end October 31, 2018

#### 7. Deferred revenue

	2018	2017
	\$	\$
Resources Efficient Housing Incorporated	45,154	45,154
Homestyles deposits	231,630	281,806
Membership deposits	103,293	34,742
	<b>380,077</b>	<b>361,702</b>

REHI was created to allow members to take part in certain initiatives related to energy efficiency. In 2016, the corporation ceased operations and half of the remaining funds were refunded to SRHBA. The directors of REHI stipulated that the funds received from REHI should only be used for marketing or educational initiatives related to energy efficiency in homes.

#### 8. Internally restricted net assets

During the year the board of directors approved the transfer of \$nil (2017- \$nil) from unrestricted net assets to the Contingency Reserve.

#### 9. Other revenue

	2018	2017
	\$	\$
Education and training courses	131,988	13,464
HBS store sales	890	1,110
	<b>132,878</b>	<b>14,574</b>

#### 10. Related party transactions

On April 11, 2018, the Association approved a loan to a maximum amount of \$13,000 to the CEO for professional development courses. As at October 31, 2018, the total amount loaned was \$10,629 (2017- \$nil). The loan balance is included in accounts receivable on the Statement of Financial Position.

The loan is interest free and will be forgiven at a rate of 50% in February 2020 and the remaining 50% in February 2021, subject to continuing employment as CEO for the Association.

#### 11. Income taxes

No provision is recognized for income taxes in these financial statements as the Association is a not-for-profit corporation and is exempt from taxation.



## **12. Financial instruments**

The Association through its financial assets and liabilities has exposure to the following risks:

### *Credit Risk*

The Association's principal financial assets are cash, investments and accounts receivable, which are subject to credit risk. Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amounts of financial assets on the statement of financial position represent the Association's maximum exposure at the financial statements date. Financial instruments that potentially subject the Association to concentrations of credit risk consist of accounts receivable. No amount has been recorded as an allowance for doubtful accounts as at October 31, 2018 (2017-\$nil).

### *Interest Rate Risk*

The Association is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed note instruments subject the Association to a fair value risk while the floating rate instruments subject it to a cash flow risk. The Association is exposed to this type of risk as a result of its investments and margin account.

### *Liquidity Risk*

Liquidity risk is the risk that the Association will not be able to meet its current obligations amount with its financial liabilities. The Association is exposed to the risk mainly in respect to its account payable and accrued liabilities. To mitigate this risk, the Association generates and manages cash flow from its revenue.

### *Market Price Risk*

Market risk is the risk that the fair value or future cash flows of the company's financial instruments will fluctuate because of changes in market prices. Some of the company's financial instruments expose it to this risk, which comprises currency risk, interest rate risk and other price risk.

### *Other price risk*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The company is exposed to other price risk through its investments in quoted shares for which the value fluctuates with the quoted market price.

## **13. Contractual obligations**

In September 2018, the Association entered into a new lease agreement with a member of the Association for new office premises. The lease for the previous office premise has been terminated with previous landlord. The Association moved in their new office in December 2018.

**13. Contractual obligations (continued)**

The lease is for a period of 10 years with a fixturing period of 4 months and there is no lease extension clause. The first rental payment is due on January 1, 2019. The monthly rental payments are \$4,575 for first 60 months and \$4,941 for the remaining 60 months.

The lease payments are partially funded by donor to an amount of \$2,000 per month starting January 1, 2019 and ending December 1, 2028 provided the Association is not in default of the lease. The monthly rental payments, net of the donation are \$2,575 for first 60 months and \$2,941 for the remaining 60 months for the Association. The donor is a member of the Association.

The following payments is scheduled as follows for the next five years:

	<u>\$</u>
2019	25,750
2020	30,900
2021	30,900
2022	30,900
2023	30,900

Included in the rental agreement is occupancy cost of \$1,551 per month.

**Saskatoon & Region Home Builders' Association, Inc.****Schedule 1 - Schedule of project and events**

Year ended October 31, 2018

	<b>Revenue</b>	<b>Expenses</b>	<b>2018</b>	2017
	<b>\$</b>	<b>\$</b>	<b>Net</b>	<b>Net</b>
			<b>\$</b>	<b>\$</b>
Bridges Awards	<b>99,950</b>	<b>84,347</b>	<b>15,603</b>	16,452
General meetings	<b>45,015</b>	<b>48,030</b>	<b>(3,015)</b>	(122)
Golf tournament	<b>48,200</b>	<b>33,695</b>	<b>14,505</b>	16,622
Homestyles	<b>757,065</b>	<b>269,310</b>	<b>487,755</b>	504,772
Parade of Homes	<b>78,500</b>	<b>77,480</b>	<b>1,020</b>	10,124
	<b>1,028,730</b>	<b>512,862</b>	<b>515,868</b>	547,848

