

**SCEP CENTRE SOCIETY (REGINA)**

**FINANCIAL STATEMENTS**

**JULY 31, 2020**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of  
SCEP Centre Society (Regina)

### **Qualified Opinion**

I have audited the accompanying financial statements of SCEP Centre Society (Regina) (the Entity), which comprise the statement of financial position as at July 31, 2020 and the statements of revenues over expenses and net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, except for the effects, if any, of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of SCEP Centre Society (Regina) as at July 31, 2020 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### **Basis for Qualified Opinion**

In common with many non-profit organizations, SCEP Centre Society (Regina) derives part of its revenue from membership fees, donations and other fundraising activities, the completeness and classification of which are not susceptible to satisfactory audit verification. Accordingly my verification of these transactions was limited to accounting for the amounts recorded in the records of the Association and I was not able to determine whether any adjustments might be necessary to the revenues, statement of operations, assets and net assets.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Entity in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

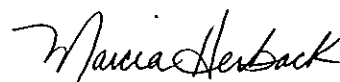
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and

appropriate to provide a basis for my 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 Entity'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 Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity 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.

I 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 I identify during my audit.

Regina, Saskatchewan  
November 3, 2020


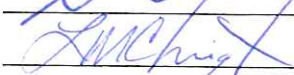
  
Marcia Herback  
CPA, CA

**SCEP CENTRE SOCIETY (REGINA)**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JULY 31, 2020**  
(with comparative figures for 2019)

<b>ASSETS</b>					
	Operating Fund	Capital Fund	Reserve Fund	2020	2019
<b>Current assets</b>					
Cash	\$ 200,646	-	129,066	\$ 329,712	\$ 168,533
Accounts receivable	8,892	-	-	8,892	76,939
Prepaid expenses	10,426	-	-	10,426	10,873
Due to/from funds	<u>(40,934)</u>	<u>-</u>	<u>40,934</u>	<u>-</u>	<u>-</u>
	179,030	-	170,000	349,030	256,345
<b>Tangible capital assets (Note 3)</b>					
	<u>-</u>	<u>15,041</u>	<u>-</u>	<u>15,041</u>	<u>16,007</u>
	<u>\$ 179,030</u>	<u>15,041</u>	<u>170,000</u>	<u>\$ 364,071</u>	<u>\$ 272,352</u>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts payable and accrued liabilities	\$ 12,382	-	-	\$ 12,382	\$ 27,143
Deferred revenue (Note 4)	<u>69,017</u>	<u>-</u>	<u>-</u>	<u>69,017</u>	<u>22,338</u>
	<u>81,399</u>	<u>-</u>	<u>-</u>	<u>81,399</u>	<u>49,481</u>
<b>NET ASSETS</b>					
Equity in capital assets	-	15,041	-	15,041	16,007
Appropriated surplus (Note 5)	-	-	170,000	170,000	170,000
Unappropriated surplus	<u>97,631</u>	<u>-</u>	<u>-</u>	<u>97,631</u>	<u>36,864</u>
	<u>97,631</u>	<u>15,041</u>	<u>170,000</u>	<u>282,672</u>	<u>222,871</u>
	<u>\$ 179,030</u>	<u>15,041</u>	<u>170,000</u>	<u>\$ 364,071</u>	<u>\$ 272,352</u>

See accompanying notes

Approved on Behalf of the Board

 Director  
 Director

**SCEP CENTRE SOCIETY (REGINA)**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED JULY 31, 2020**  
(with comparative figures for 2019)

	Program	Summer Friends	Ministry of Social Services	2020	2019
<b>Revenue</b>					
<b>Fees</b>					
Ministry of Social Services	\$ -	-	115,001	\$ 115,001	\$ 138,258
Regina Public School Board	69,802	-	-	69,802	104,259
Health Canada	13,491	3,000	-	16,491	46,032
Brandt scholarship	8,629	-	-	8,629	7,097
Touchwood Family Services	8,714	-	-	8,714	-
	<u>100,636</u>	<u>3,000</u>	<u>115,001</u>	<u>218,637</u>	<u>295,646</u>
<b>Grants</b>					
Access Communications	-	-	-	-	4,000
Community Initiatives Fund	25,000	1,000	-	26,000	29,000
City of Regina	17,500	-	-	17,500	17,500
Ministry of Social Services (MSS)	-	-	205,716	205,716	197,381
MSS - Transportation	-	-	21,240	21,240	21,240
Human Resources Development Canada	-	-	-	-	8,545
G. Murray & Edna Forbes Fund	5,000	-	-	5,000	-
Smart & Caring Fund	2,000	-	-	2,000	-
Regina Treaty Status Indian Services	-	306	-	306	8,246
Sask Lotteries	-	12,600	-	12,600	12,000
<b>Allocations</b>					
Donations	39,220	-	-	39,220	12,582
REACH - snack program	2,872	200	-	3,072	1,670
United Way of Regina	100,074	-	-	100,074	103,466
Investment income	888	-	-	888	1,207
Brighter futures	31,850	-	-	31,850	35,626
CEWS Covid19	51,721	-	-	51,721	-
Other income	3,080	50	-	3,130	19,091
	<u>379,841</u>	<u>17,156</u>	<u>341,957</u>	<u>738,954</u>	<u>767,200</u>
<b>Expenditures</b>					
Accounting and legal	8,390	-	2,650	11,040	10,161
Amortization	5,723	-	-	5,723	6,441
Bank charges	-	-	-	-	374
Consulting fees	14,703	-	-	14,703	16,274
Food	2,595	161	86	2,842	4,258
Insurance	20,296	-	-	20,296	19,660
Miscellaneous	3,563	243	-	3,806	8,010
Other purchased services	515	-	-	515	634
Publicity and promotion	1,046	-	-	1,046	558
Recreation and education supplies	7,320	1,073	281	8,674	15,614
Rent and caretaking	5,879	-	-	5,879	7,443
Research and evaluation	-	-	-	-	960
Salaries and employee benefits	200,348	14,898	319,137	534,383	608,614
Salaries and benefits - City of Regina	17,500	-	-	17,500	17,500
Staff development	4,603	-	-	4,603	9,045
Office equipment rental	1,623	-	-	1,623	1,309
Office supplies	3,664	-	123	3,787	2,883
Telephone	4,406	-	1,065	5,471	5,333
Transportation	1,926	1,111	28,619	31,656	47,760
Workers' compensation	5,606	-	-	5,606	5,705
	<u>309,706</u>	<u>17,486</u>	<u>351,961</u>	<u>679,153</u>	<u>788,536</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>\$ 70,135</u>	<u>(330)</u>	<u>(10,004)</u>	<u>\$ 59,801</u>	<u>\$ (21,336)</u>

See accompanying notes

**SCEP CENTRE SOCIETY (REGINA)**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JULY 31, 2020**  
(with comparative figures for 2019)

<b>Net Assets</b>	<u>Invested in Capital assets</u>	<u>Appropriated Surplus</u>	<u>Unappropriated Surplus</u>	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 16,007	170,000	36,864	\$ 222,871	\$ 244,207
Excess (deficiency) of revenues over expenditures	(5,724)	-	65,525	59,801	(21,336)
Investment in capital assets	<u>4,758</u>	<u>-</u>	<u>(4,758)</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 15,041</u>	<u>170,000</u>	<u>97,631</u>	<u>\$ 282,672</u>	<u>\$ 222,871</u>

See accompanying notes

**SCEP CENTRE SOCIETY (REGINA)  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JULY 31, 2020  
(with comparative figures for 2019)**

	2020	2019
<b>Operating activities</b>		
Excess (deficiency) of revenues over expenditures	\$ 59,801	\$ (21,336)
Items not involving an outlay (receipt) of cash		
Amortization	<u>5,724</u>	<u>6,442</u>
	65,525	(14,894)
Net change in non-cash operating working capital balances		
Accounts receivable	68,047	(36,350)
Prepaid expenses	447	(112)
Accounts payable and accrued liabilities	(14,761)	20,554
Deferred revenue	<u>46,679</u>	<u>(9,253)</u>
Cash provided by (used in) operating activities	<u>165,937</u>	<u>(40,055)</u>
<b>Investing activities</b>		
Additions to tangible capital assets	<u>(4,758)</u>	<u>-</u>
Cash provided by (used in) investing activities	<u>(4,758)</u>	<u>-</u>
<b>Increase (decrease) in cash</b>	161,179	(40,055)
<b>Cash position, beginning of year</b>	<u>168,533</u>	<u>208,588</u>
<b>Cash position, end of year</b>	<u>\$ 329,712</u>	<u>\$ 168,533</u>

See accompanying notes

**SCEP CENTRE SOCIETY (REGINA)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JULY 31, 2020**

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**1. Status and nature of activities**

SCEP Centre Society (Regina) is incorporated under the Non-Profit Corporations Act of Saskatchewan. SCEP Centre Society (Regina) is an intensive early intervention preschool program supporting the development of children with complex needs and offering guidance and support for their parents.

Under present legislation, no income taxes are payable on the reported income of such operations.

**2. Summary of significant accounting policies**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies.

**Cash and cash equivalents**

The Organization's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with a maturity of three months or less from the date of acquisition.

**Tangible capital assets**

Tangible capital assets are recorded at cost. Amortization is provided on a diminishing balance method at 20% for equipment, 55% for computers, and 30% for vehicles.

**Revenue recognition**

SCEP Centre Society (Regina) 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 they are received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Interest is recognized as revenue when it is earned.

**Fund accounting**

Revenues and expenses related to program delivery and administrative activities are reported in the Operating Fund.

The Capital Asset Fund reports the assets, liabilities, revenues and expenses related to SCEP Centre Society (Regina) capital assets.

The Reserve fund is restricted funds that have been set aside for specific purpose such as program continuance. The assets include cash and investments that have been accumulated from fund-raising, donations and investment income. These assets are accounted for separately and the use of the assets is subject to restrictions set out in the Organization's reserve policy.

**Financial instruments**

The SCEP Centre Society (Regina) initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets subsequently measured at amortized cost include cash and accounts receivable. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities.

**Management estimates**

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

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**SCEP CENTRE SOCIETY (REGINA)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JULY 31, 2020**

**3. Tangible capital assets**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2020 Net Book Value</u>	<u>2019 Net Book Value</u>
Computer	\$ 21,124	\$ 17,322	\$ 3,802	\$ 784
Equipment	21,213	16,547	4,666	5,833
Vehicle	22,546	15,973	6,573	9,390
	<u>\$ 64,883</u>	<u>\$ 49,842</u>	<u>\$ 15,041</u>	<u>\$ 16,007</u>

**4. Deferred revenue**

Funding received that has been externally restricted to specific projects has been deferred and will be recognized as revenue in the year the related project or event occurs.

	<u>2020</u>	<u>2019</u>
City of Regina	\$ 7,000	\$ 7,000
Community Initiatives Fund	20,000	-
Farm Credit Corporation	4,907	6,500
Regina Public School Board	36,198	-
REACH	-	3,072
Fallows	912	5,766
	<u>\$ 69,017</u>	<u>\$ 22,338</u>

**5. Appropriated surplus**

The Board of Directors of the SCEP Centre Society (Regina) internally restricts resources as illustrated in the statement of changes in net assets. The appropriated surplus is comprised of the following amounts:

	<u>2020</u>	<u>2019</u>
Appropriated for future operating expenses	\$ 135,000	\$ 135,000
Appropriated for designated scholarships	35,000	35,000
Total appropriated surplus	<u>\$ 170,000</u>	<u>\$ 170,000</u>

**SCEP CENTRE SOCIETY (REGINA)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JULY 31, 2020**

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**6. Financial instruments**

SCEP Centre Society (Regina) is exposed to various risks through its financial instruments. The following analysis provides a measure of the SCEP Centre Society (Regina)'s exposure and concentrations at July 31, 2020:

Credit risk

Credit risk arises from the potential that a party may default on their financial obligations, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the Organization could incur a financial loss. The Organization is exposed to credit risk with respect to cash and accounts receivable. The Organization manages its credit risk by placing cash with major financial institutions. Credit risk for accounts receivable is managed by the credit quality and diverse debtor base and creating an allowance for bad debts where applicable. There has been no change from credit risk exposure from 2019.

Liquidity risk

Liquidity risk is the risk that the Organization may not be able to meet a demand for cash or fund its obligations as they come due or not being able to liquidate assets in a timely manner at a reasonable price. The Organization is exposed to liquidity risk with respect to its accounts payable and accrued liabilities but manages its liquidity risk by holding assets that can be readily converted into cash. There has been no change from liquidity risk exposure from 2019.

Interest rate risk

Interest rate risk is a type of market risk that refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. The Organization is exposed to interest rate risk with respect to its cash and its effect on interest income. Fluctuations in interest rates do not have a significant effect on cash due to the fact that interest income is not a major percentage of total revenue. There has been no change from interest risk exposure from 2019.

**7. Economic dependence**

SCEP Centre Society (Regina) receives significant revenue in grants from Saskatchewan Ministry of Social Services. As a result, the Organization is dependent upon continuance of these grants to maintain operations at their current level.

**8. Comparative figures**

Certain comparative figures have been reclassified to conform with the current year's financial statement presentation.

**9. Significant event**

On March 11, 2020, the World Health Organization declared a global pandemic for the COVID-19 virus. The Organization is following health advisories and mandatory requirements from local, provincial and national health and government organizations. The future financial and operations impact on the Organization, if any, is unknown at this time.

**SCEP CENTRE SOCIETY (REGINA)**  
**SCHEDULES TO FINANCIAL STATEMENTS**  
**INTENSIVE DIRECT SERVICES (In Home Support - Coming Together) IDS107**  
**FOR THE YEAR ENDED JULY 31, 2020**  
(with comparative figures for 2019)

	2020	2019
		<b>Schedule 1</b>
<b>Revenue</b>		
Funding	\$ 71,196	\$ 70,104
<b>Expenditures</b>		
<b>Salary</b>		
Program staff	57,325	61,764
Benefits	9,120	9,036
	<u>66,445</u>	<u>70,800</u>
<b>Non-salary</b>		
Office supplies	123	168
Food	86	100
Telephone	600	600
Staff development	-	676
Accounting and legal	1,060	1,060
Recreation and education	281	381
Transportation	5,400	5,715
	<u>7,550</u>	<u>8,700</u>
	<u>73,995</u>	<u>79,500</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (2,799)</u>	<u>\$ (9,396)</u>

**SCEP CENTRE SOCIETY (REGINA)**  
**SCHEDULES TO FINANCIAL STATEMENTS**  
**INTENSIVE DIRECT SERVICES IDS04**  
**FOR THE YEAR ENDED JULY 31, 2020**  
 (with comparative figures for 2019)

	2020	2019
		Schedule 2
<b>Revenue</b>		
Funding	\$ 270,761	\$ 278,275
<b>Expenditures</b>		
<b>Salary</b>		
Administration	64,948	78,493
Program staff	84,286	79,169
Benefits	15,919	14,308
	<u>165,153</u>	<u>171,970</u>
<b>Non-salary</b>		
Purchased services	87,540	103,104
Accounting and legal	1,590	1,590
Amortization	-	4,024
Miscellaneous	-	9
Telephone	465	1,395
Transportation	23,219	28,271
	<u>112,814</u>	<u>138,393</u>
	<u>277,967</u>	<u>310,363</u>
Excess (deficiency) of revenues over expenditures	\$ (7,206)	\$ (32,088)