

**SCEP CENTRE SOCIETY (REGINA)**  
**FINANCIAL STATEMENTS**  
**JULY 31, 2018**

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

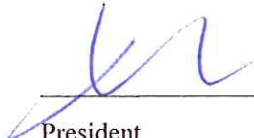

To the Members of  
SCEP Centre Society (Regina)

Management has responsibility for preparing the accompanying financial statements and ensuring that all information on any related reports is consistent with the financial statements. This responsibility includes selecting appropriate accounting policies and making objective judgements and estimates in accordance with Canadian accounting standards for not-for-profit organizations.

In discharging its responsibilities for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded, and proper records maintained.

Ultimate responsibility for financial statements to members lies with the Board of Directors.

Marcia Herback & Associates Chartered Professional Accountants Professional Corporation, an independent firm, has been appointed by the members to audit the financial statements and report to them; their report follows. The independent auditor has full and free access to the Board and management to discuss their audit findings as to the integrity of the organization's financial reporting and the adequacy of the system of internal controls.

  
\_\_\_\_\_  
President  
\_\_\_\_\_  
Treasurer

November 15, 2018  
Regina, Saskatchewan

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INDEPENDENT AUDITOR'S REPORT

To the Members of  
SCEP Centre Society (Regina)

I have audited the accompanying financial statements of SCEP Centre Society (Regina), which comprise the statement of financial position as at July 31, 2018 and the statement of operations, change in net assets and cash flow statement 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**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

**Basis for Qualified Opinion**

In common with many charitable organizations, SCEP Centre Society (Regina) derives part of its revenue from the general public, 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 organization and I was not able to determine whether any adjustments might be necessary to the revenues, statement of operations, assets and net assets.

**Qualified Opinion**

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, 2018 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Regina, Saskatchewan  
November 15, 2018



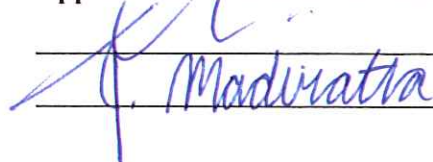
Marcia Herback  
CPA, CA

**SCEP CENTRE SOCIETY (REGINA)**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JULY 31, 2018**  
(with comparative figures for 2017)

<b>ASSETS</b>					
	<b>Operating Fund</b>	<b>Capital Fund</b>	<b>Reserve Fund</b>	<b>2018</b>	<b>2017</b>
<b>Current assets</b>					
Cash	\$ -	-	208,588	\$ 208,588	\$ 160,195
Accounts receivable	40,589	-	-	40,589	29,190
Prepaid expenses	10,761	-	-	10,761	10,603
Due to/from funds	<u>38,588</u>	<u>-</u>	<u>(38,588)</u>	<u>-</u>	<u>-</u>
	89,938	-	170,000	259,938	199,988
<b>Tangible capital assets (Note 3)</b>					
	<u>-</u>	<u>22,449</u>	<u>-</u>	<u>22,449</u>	<u>32,154</u>
	<u>\$ 89,938</u>	<u>22,449</u>	<u>170,000</u>	<u>\$ 282,387</u>	<u>\$ 232,142</u>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts payable and accrued liabilities	\$ 6,589	-	-	\$ 6,589	\$ 4,172
Deferred revenue (Note 4)	<u>31,591</u>	<u>-</u>	<u>-</u>	<u>31,591</u>	<u>28,748</u>
	<u>38,180</u>	<u>-</u>	<u>-</u>	<u>38,180</u>	<u>32,920</u>
<b>NET ASSETS</b>					
Equity in capital assets	-	22,449	-	22,449	32,154
Appropriated surplus (Note 5)	-	-	170,000	170,000	170,000
Unappropriated surplus	<u>51,758</u>	<u>-</u>	<u>-</u>	<u>51,758</u>	<u>(2,932)</u>
	<u>51,758</u>	<u>22,449</u>	<u>170,000</u>	<u>244,207</u>	<u>199,222</u>
	<u>\$ 89,938</u>	<u>22,449</u>	<u>170,000</u>	<u>\$ 282,387</u>	<u>\$ 232,142</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, 2018**  
(with comparative figures for 2017)

Program	Summer Friends	Ministry of Social Services	Fundraising Events	2018	2017	
<b>Revenue</b>						
<b>Fees</b>						
Ministry of Social Services	\$ -	13,400	161,420	-	\$ 174,820	\$ 157,219
Regina Public School Board	110,636	-	-	-	110,636	122,784
Health Canada	23,816	4,000	-	-	27,816	-
Regina Open Door	3,407	500	-	-	3,907	-
Brandt scholarship	4,850	-	-	-	4,850	6,656
Provincial Cognitive Disability Strategy	-	-	-	-	-	1,000
	<u>142,709</u>	<u>17,900</u>	<u>161,420</u>	<u>-</u>	<u>322,029</u>	<u>287,659</u>
<b>Grants</b>						
Access Communications	-	4,000	-	-	4,000	4,000
Community Initiatives Fund	25,000	5,000	-	-	30,000	30,000
Conexus Credit Union	-	-	-	-	-	10,000
City of Regina	17,500	-	-	-	17,500	17,500
Ministry of Social Services (MSS)	-	-	197,381	-	197,381	197,379
MSS - Transportation	-	-	21,240	-	21,240	21,240
Canada 150	-	5,000	-	-	5,000	-
Human Resources Development Canada	-	4,487	-	-	4,487	8,058
L&E Johnson Foundation	-	5,000	-	-	5,000	5,000
Student Summer Works	-	-	-	-	-	3,500
Sask Lotteries	-	12,000	-	-	12,000	15,000
United Way Research	-	-	-	-	-	1,645
<b>Allocations</b>						
Donations	19,053	-	-	-	19,053	7,798
REACH - snack program	1,517	67	-	-	1,584	1,799
United Way of Regina	78,193	-	-	-	78,193	87,618
Investment income	895	-	-	-	895	713
Brighter futures	-	-	-	39,207	39,207	41,508
Other income	8,868	75	-	-	8,943	3,340
	<u>293,735</u>	<u>53,529</u>	<u>380,041</u>	<u>39,207</u>	<u>766,512</u>	<u>743,757</u>
<b>Expenditures</b>						
Accounting and legal	7,616	-	2,650	-	10,266	9,967
Amortization	3,956	-	5,749	-	9,705	8,271
Bank charges	23	-	-	-	23	206
Consulting fees	8,266	425	4,320	-	13,011	14,201
Food	3,498	112	55	-	3,665	3,801
Insurance	18,845	-	-	-	18,845	17,766
Miscellaneous	3,965	290	90	-	4,345	5,159
Moving expenses	-	-	-	-	-	3,992
Publicity and promotion	364	-	-	-	364	777
Recreation and education supplies	4,528	338	2,238	-	7,104	7,695
Rent and caretaking	9,378	-	-	-	9,378	5,181
Research and evaluation	960	-	-	-	960	1,250
Salaries and employee benefits	183,013	44,550	335,940	-	563,503	598,938
Salaries and benefits - City of Regina	17,500	-	-	-	17,500	17,500
Staff development	5,938	-	-	-	5,938	5,607
Office equipment rental	1,359	-	-	-	1,359	1,084
Office supplies	3,825	-	266	-	4,091	3,274
Telephone	1,589	-	3,668	-	5,257	4,794
Transportation	7,103	3,893	29,431	-	40,427	32,099
Workers' compensation	5,786	-	-	-	5,786	2,919
	<u>287,512</u>	<u>49,608</u>	<u>384,407</u>	<u>-</u>	<u>721,527</u>	<u>744,481</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>\$ 6,223</u>	<u>3,921</u>	<u>(4,366)</u>	<u>39,207</u>	<u>\$ 44,985</u>	<u>\$ (724)</u>

See accompanying notes

MARCIA HERBACK & ASSOCIATES  
Chartered Professional Accountants  
Professional Corporation

**SCEP CENTRE SOCIETY (REGINA)**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JULY 31, 2018**  
(with comparative figures for 2017)

	<u>Invested in Capital assets</u>	<u>Appropriated Surplus</u>	<u>Unappropriated Surplus</u>	<u>2018</u>	<u>2017</u>
<b>Net Assets</b>					
Balance, beginning of year	\$ 32,154	170,000	(2,932)	\$ 199,222	\$ 199,946
Excess (deficiency) of revenues over expenditures	(9,705)	-	54,690	44,985	(724)
Investment in capital assets	-	-	-	-	-
Balance, end of year	<u>\$ 22,449</u>	<u>170,000</u>	<u>51,758</u>	<u>\$ 244,207</u>	<u>\$ 199,222</u>

See accompanying notes

**SCEP CENTRE SOCIETY (REGINA)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JULY 31, 2018**  
(with comparative figures for 2017)

	2018	2017
<b>Operating activities</b>		
Excess (deficiency) of revenues over expenditures	\$ 44,985	\$ (724)
Items not involving an outlay (receipt) of cash		
Amortization	<u>9,705</u>	<u>8,271</u>
	54,690	7,547
Net change in non-cash operating working capital balances		
Accounts receivable	(11,399)	17,874
Prepaid expenses	(158)	(2,089)
Accounts payable and accrued liabilities	2,417	(3,833)
Deferred revenue	<u>2,843</u>	<u>(10,420)</u>
Cash provided by operating activities	<u>48,393</u>	<u>9,079</u>
<b>Investing activities</b>		
Additions to tangible capital assets	<u>-</u>	<u>(26,023)</u>
Cash provided by (used in) investing activities	<u>-</u>	<u>(26,023)</u>
<b>Increase (decrease) in cash</b>	48,393	(16,944)
<b>Cash position, beginning of year</b>	<u>160,195</u>	<u>177,139</u>
<b>Cash position, end of year</b>	<u>\$ 208,588</u>	<u>\$ 160,195</u>

See accompanying notes

**SCEP CENTRE SOCIETY (REGINA)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JULY 31, 2018**

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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, 2018**

**3. Tangible capital assets**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2018 Net Book Value</u>	<u>2017 Net Book Value</u>
Computer	\$ 17,533	\$ 15,790	\$ 1,743	\$ 3,877
Equipment	21,213	13,922	7,291	9,113
Vehicle	<u>22,546</u>	<u>9,131</u>	<u>13,415</u>	<u>19,164</u>
	<u>\$ 61,292</u>	<u>\$ 38,843</u>	<u>\$ 22,449</u>	<u>\$ 32,154</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>2018</u>	<u>2017</u>
City of Regina	\$ 7,000	\$ 7,000
Community Initiatives Fund	20,000	20,000
Music Heals	475	-
REACH	943	587
Fallows	<u>3,173</u>	<u>1,161</u>
	<u>\$ 31,591</u>	<u>\$ 28,748</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>2018</u>	<u>2017</u>
Appropriated for future operating expenses	\$ 135,000	\$ 135,000
Appropriated for designated scholarships	<u>35,000</u>	<u>35,000</u>
Total appropriated surplus	<u>\$ 170,000</u>	<u>\$ 170,000</u>

**SCEP CENTRE SOCIETY (REGINA)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JULY 31, 2018**

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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, 2018:

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 2017.

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 2017.

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 2017.

**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.

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**SCEP CENTRE SOCIETY (REGINA)**  
**SCHEDULES TO FINANCIAL STATEMENTS**  
**INTENSIVE DIRECT SERVICES (In Home Support - Coming Together) IDS107**  
**FOR THE YEAR ENDED JULY 31, 2018**  
(with comparative figures for 2017)

	2018	2017
	Schedule 1	
<b>Revenue</b>		
Funding	\$ 70,104	\$ 70,104
<b>Expenditures</b>		
<b>Salary</b>		
Program staff	51,440	51,999
Benefits	8,690	8,966
	<u>60,130</u>	<u>60,965</u>
<b>Non-salary</b>		
Office supplies	266	105
Food	55	116
Telephone	1,552	550
Staff development	1,255	852
Miscellaneous	90	51
Accounting and legal	1,060	1,060
Recreation and education	983	592
Transportation	5,445	5,410
	<u>10,706</u>	<u>8,736</u>
	<u>70,836</u>	<u>69,701</u>
Excess (deficiency) of revenues over expenditures	\$ (732)	\$ 403

**SCEP CENTRE SOCIETY (REGINA)**  
**SCHEDULES TO FINANCIAL STATEMENTS**  
**INTENSIVE DIRECT SERVICES IDS04**  
**FOR THE YEAR ENDED JULY 31, 2018**  
(with comparative figures for 2017)

	2018	2017
	<b>Schedule 2</b>	
<b>Revenue</b>		
Funding	\$ <u>309,937</u>	\$ <u>302,734</u>
<b>Expenditures</b>		
<b>Salary</b>		
Administration	73,500	64,057
Program staff	75,559	85,774
Benefits	<u>14,106</u>	<u>14,872</u>
	<u>163,165</u>	<u>164,703</u>
<b>Non-salary</b>		
Purchased services	116,964	114,458
Accounting and legal	1,590	1,590
Amortization	5,749	3,382
Staff development	-	65
Telephone	2,117	1,973
Transportation	<u>23,986</u>	<u>19,795</u>
	<u>150,406</u>	<u>141,263</u>
	<u>313,571</u>	<u>305,966</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (3,634)</u>	<u>\$ (3,232)</u>