

**SCEP CENTRE SOCIETY (REGINA)**

**FINANCIAL STATEMENTS**

**JULY 31, 2023**

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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, 2023 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, 2023 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:

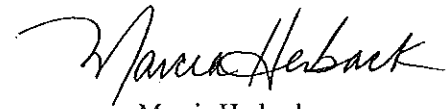
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and

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 14, 2023



Marcia Herback  
CPA, CA

**SCEP CENTRE SOCIETY (REGINA)**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JULY 31, 2023**  
(with comparative figures for 2022)

<b>ASSETS</b>					
	<b>Operating Fund</b>	<b>Capital Fund</b>	<b>Reserve Fund</b>	<b>2023</b>	<b>2022</b>
<b>Current assets</b>					
Cash	\$ 123,731	-	62,344	\$ 186,075	\$ 376,023
Temporary investment	-	-	150,000	150,000	-
Accounts receivable	69,978	-	-	69,978	81,641
Accrued interest	-	-	2,796	2,796	-
Prepaid expenses	11,327	-	-	11,327	16,576
Due to/from funds	<u>5,140</u>	<u>-</u>	<u>(5,140)</u>	<u>-</u>	<u>-</u>
	210,176	-	210,000	420,176	474,240
<b>Tangible capital assets (Note 3)</b>					
	<u>-</u>	<u>574,890</u>	<u>-</u>	<u>574,890</u>	<u>9,362</u>
	<u>\$ 210,176</u>	<u>574,890</u>	<u>210,000</u>	<u>\$ 995,066</u>	<u>\$ 483,602</u>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts payable and accrued liabilities	\$ 12,329	-	-	\$ 12,329	\$ 8,053
Deferred revenue (Note 4)	122,169	-	-	122,169	88,609
Current portion of long-term debt (Note 6)	<u>-</u>	<u>7,024</u>	<u>-</u>	<u>7,024</u>	<u>-</u>
	<u>134,498</u>	<u>7,024</u>	<u>-</u>	<u>141,522</u>	<u>96,662</u>
<b>Long-term liabilities</b>					
Long-term debt (Note 6)	<u>-</u>	<u>398,767</u>	<u>-</u>	<u>398,767</u>	<u>-</u>
<b>NET ASSETS</b>					
Equity in capital assets	-	169,099	-	169,099	9,362
Appropriated surplus (Note 5)	-	-	210,000	210,000	210,000
Unappropriated surplus	74,295	-	-	74,295	106,195
Housing Reserve Fund	-	-	-	-	60,000
MSS Reserve fund	<u>1,383</u>	<u>-</u>	<u>-</u>	<u>1,383</u>	<u>1,383</u>
	<u>75,678</u>	<u>169,099</u>	<u>210,000</u>	<u>454,777</u>	<u>386,940</u>
	<u>\$ 210,176</u>	<u>574,890</u>	<u>210,000</u>	<u>\$ 995,066</u>	<u>\$ 483,602</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, 2023**  
(with comparative figures for 2022)

	Program	Summer Friends	Ministry of Social Services	2023	2022
<b>Revenue</b>					
<b>Fees</b>					
Ministry of Social Services	\$ -	7,000	102,897	\$ 109,897	\$ 143,754
Fraser Valley Services Society	5,320	1,000	-	6,320	-
Regina Open Door Society	12,159	2,000	-	14,159	-
RPSB School Support	1,342	-	-	1,342	26,444
Moose Jaw Family & Youth Services	3,812	1,000	-	4,812	-
Jordan's Principal	63,608	6,000	-	69,608	86,551
MSS Meadow Lake	-	-	-	-	12,083
Brandt scholarship	11,476	-	-	11,476	8,272
Ahtahkakoop Child & Famile	3,754	-	-	3,754	-
Touchwood Family Services	-	-	-	-	19,631
Other fees	-	-	-	-	2,600
	<u>101,471</u>	<u>17,000</u>	<u>102,897</u>	<u>221,368</u>	<u>299,335</u>
<b>Grants (Schedule 1)</b>	63,440	34,525	310,789	408,754	380,288
<b>Allocations</b>					
Donations	31,458	-	-	31,458	34,855
REACH - snack program	2,500	-	-	2,500	2,133
Fundraising	36,326	-	-	36,326	6,140
United Way of Regina	69,067	-	-	69,067	70,267
Investment income	4,860	-	-	4,860	473
Other income	2,518	84	-	2,602	7,055
	<u>311,640</u>	<u>51,609</u>	<u>413,686</u>	<u>776,935</u>	<u>800,546</u>
<b>Expenditures</b>					
Accounting and legal	8,768	-	2,733	11,501	11,301
Amortization	14,693	-	-	14,693	4,920
Building operations	27,942	-	13,047	40,989	-
Consulting fees	14,687	1,370	1,050	17,107	16,692
Food	3,089	315	152	3,556	3,606
Insurance	16,521	-	-	16,521	16,631
Miscellaneous	4,961	142	13	5,116	6,790
Other purchased services	650	-	-	650	1,349
Publicity and promotion	509	-	-	509	3,475
Recreation and education supplies	6,005	260	140	6,405	5,124
Rent and caretaking	4,845	6	3,428	8,279	10,463
Salaries and employee benefits	99,477	46,399	353,163	499,039	579,868
Salaries and benefits - City of Regina	21,000	-	-	21,000	21,000
Staff development	976	220	3,405	4,601	4,569
Office equipment rental	435	-	1,558	1,993	1,674
Office supplies and bank charges	3,930	-	325	4,255	3,791
Telephone	1,336	201	3,562	5,099	5,793
Transportation	3,580	5,937	33,604	43,121	43,601
Workers' compensation	4,664	-	-	4,664	4,976
	<u>238,068</u>	<u>54,850</u>	<u>416,180</u>	<u>709,098</u>	<u>745,623</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>\$ 73,572</u>	<u>(3,241)</u>	<u>(2,494)</u>	<u>\$ 67,837</u>	<u>\$ 54,923</u>

See accompanying notes

SCEP CENTRE SOCIETY (REGINA)  
 STATEMENT OF CHANGES IN NET ASSETS  
 FOR THE YEAR ENDED JULY 31, 2023  
 (with comparative figures for 2022)

Net Assets	Invested in Capital assets	Appropriated		Unappropriated		Housing Reserve	MSS Reserve	2023		2022	
		Surplus	Surplus	Surplus	Surplus			Reserve	Reserve	2023	2022
Balance, beginning of year	\$ 9,362	210,000	106,195	\$ 60,000	\$ 1,383	\$ 386,940	\$ 332,017				
Excess (deficiency) of revenues over expenditures	(14,693)	-	82,530	-	-	67,837	54,923				
Additions to capital assets	580,220	-	(580,220)	-	-	-	-				
Mortgage on capital assets	(405,790)	-	405,790	-	-	-	-				
Transfer to (from) Housing reserve	-	-	60,000	(60,000)	-	-	-				
Balance, end of year	\$ 169,099	210,000	74,295	\$ -	\$ 1,383	\$ 454,777	\$ 386,940				

See accompanying notes

**SCEP CENTRE SOCIETY (REGINA)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JULY 31, 2023**  
(with comparative figures for 2022)

	2023	2022
<b>Operating activities</b>		
Excess (deficiency) of revenues over expenditures	\$ 67,837	\$ 54,923
Items not involving an outlay (receipt) of cash		
Amortization	14,693	4,920
	82,530	59,843
Net change in non-cash operating working capital balances		
Temporary investment	(150,000)	-
Accounts receivable	11,663	(44,918)
Accrued interest	(2,796)	-
Prepaid expenses	5,249	(8,534)
Accounts payable and accrued liabilities	4,276	(2,161)
Deferred revenue	33,560	12,561
Cash provided by (used in) operating activities	(15,518)	16,791
<b>Investing activities</b>		
Additions to tangible capital assets	(580,221)	(1,741)
Cash used in investing activities	(580,221)	(1,741)
<b>Financing activities</b>		
Proceeds from long-term debt	410,044	-
Repayment of long-term debt	(4,253)	-
Cash provided by financing activities	405,791	-
<b>Increase (decrease) in cash</b>	<b>(189,948)</b>	<b>15,050</b>
<b>Cash position, beginning of year</b>	<b>376,023</b>	<b>360,973</b>
<b>Cash position, end of year</b>	<b>\$ 186,075</b>	<b>\$ 376,023</b>

See accompanying notes

**SCEP CENTRE SOCIETY (REGINA)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JULY 31, 2023**

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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 4% for building, 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.

The Housing reserve fund is internally restricted funds that have been set aside for the maintenance of a building.

The MSS reserve fund is restricted funds that have been set aside for a specific purpose as approved by the Ministry.

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.

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**SCEP CENTRE SOCIETY (REGINA)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JULY 31, 2023**

**2. Summary of significant accounting policies cont'd**

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.

**3. Tangible capital assets**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2023 Net Book Value</u>	<u>2022 Net Book Value</u>
Land	\$ 150,000	\$ -	\$ 150,000	\$ -
Building	430,220	11,394	418,826	-
Computer	26,307	24,887	1,420	3,155
Equipment	21,213	18,824	2,389	2,986
Vehicle	22,546	20,291	2,255	3,221
	<u>\$ 650,286</u>	<u>\$ 75,396</u>	<u>\$ 574,890</u>	<u>\$ 9,362</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>2023</u>	<u>2022</u>
Affinity Credit Union	\$ 5,000	\$ -
Brighter Futures	19,264	19,264
Capital Cares	2,000	-
City of Regina	8,400	8,400
Community Initiatives Fund	24,000	16,000
Derrill McLeod	-	7,500
Floors By Design	2,500	-
Housing fund	-	21,025
Insurance Brokers	2,500	4,940
Regina Public School Board	-	1,342
REACH	1,800	1,600
SGI	2,500	-
SSCF - Vital	-	5,000
Sask Liquor and Gaming	500	-
SaskTel	1,000	-
Fallows	2,526	2,526
United Way	50,179	1,012
	<u>\$ 122,169</u>	<u>\$ 88,609</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>2023</u>	<u>2022</u>
Appropriated for future operating expenses	\$ 175,000	\$ 175,000
Appropriated for designated scholarships	35,000	35,000
Total appropriated surplus	<u>\$ 210,000</u>	<u>\$ 210,000</u>

**SCEP CENTRE SOCIETY (REGINA)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JULY 31, 2023**

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**6. Long-term debt**

Long-term debt consists of the following:

	2023	2022
Loan, payable in bi-weekly blended principal and interest payments of \$1,272.46 at a fixed interest rate of 6.54%, secured by land and building. Maturity December 1, 2027	\$ 405,791	\$ -
Less maturing within one year	7,024	-
	\$ 398,767	\$ -

Installments of long-term debt payable each year for the next five years are estimated as follows:

2024	7,024
2025	7,229
2026	7,717
2027	8,238
2028	8,794

**7. 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, 2023:

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 and 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.

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, accrued liabilities and long-term debt. It manages its liquidity risk by holding assets that can be readily converted into cash.

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.

**8. 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.

**9. 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**  
**SCHEDULE 1 - GRANT INCOME**  
**FOR THE YEAR ENDED JULY 31, 2023**  
(with comparative figures for 2022)

	Program	Summer Friends	Ministry of Social Services	2023	2022
<b>Grants</b>					
Access Communications	\$ 5,000	-	-	\$ 5,000	\$ -
Community Initiatives Fund	20,000	4,800	-	24,800	29,200
Insurance brokers	4,940	-	-	4,940	-
Derrill McLeod	7,500	-	-	7,500	-
SSCF - Vital	5,000	-	-	5,000	-
City of Regina	21,000	-	-	21,000	21,000
L&E Johnson Foundation	-	5,000	-	5,000	5,000
Ministry of Social Services (MSS)	-	-	288,901	288,901	282,297
MSS - Transportation	-	-	21,888	21,888	21,392
Human Resources Development Canada	-	10,805	-	10,805	7,399
Smart & Caring Fund	-	-	-	-	2,000
Sask Lotteries	-	<u>13,920</u>	-	<u>13,920</u>	<u>12,000</u>
<b>Total Grants</b>	<u>\$ 63,440</u>	<u>34,525</u>	<u>310,789</u>	<u>\$ 408,754</u>	<u>\$ 380,288</u>

**SCEP CENTRE SOCIETY (REGINA)**  
**SCHEDULES TO FINANCIAL STATEMENTS**  
**INTENSIVE DIRECT SERVICES (In Home Support - Coming Together) IDS107**  
**FOR THE YEAR ENDED JULY 31, 2023**  
 (with comparative figures for 2022)

	2023	2022
		<b>Schedule 2</b>
<b>Revenue</b>		
Funding	\$ 75,368	\$ 73,648
<b>Expenditures</b>		
<b>Salary</b>		
Program staff	53,554	54,292
Benefits	<u>9,625</u>	<u>9,705</u>
	<u>63,179</u>	<u>63,997</u>
<b>Non-salary</b>		
Office supplies	167	67
Food	152	196
Telephone	1,519	1,171
Staff development	455	455
Cleaning and maintenance	636	10
Equipment rental	414	-
Consulting fees	1,050	585
Accounting and legal	1,100	1,060
Recreation and education	140	292
Building operations	1,196	-
Other expenses	13	-
Transportation	<u>5,574</u>	<u>5,938</u>
	<u>12,416</u>	<u>9,774</u>
	<u>75,595</u>	<u>73,771</u>
Excess (deficiency) of revenues over expenditures	\$ <u>(227)</u>	\$ <u>(123)</u>

**SCEP CENTRE SOCIETY (REGINA)**  
**SCHEDULES TO FINANCIAL STATEMENTS**  
**INTENSIVE DIRECT SERVICES IDS04**  
**FOR THE YEAR ENDED JULY 31, 2023**  
(with comparative figures for 2022)

	2023	2022
	<b>Schedule 3</b>	
<b>Revenue</b>		
Funding	\$ 338,318	\$ 364,795
<b>Expenditures</b>		
<b>Salary</b>		
Administration	63,828	63,520
Program staff	50,282	88,837
Benefits	19,544	20,649
	<u>133,654</u>	<u>173,006</u>
<b>Non-salary</b>		
Purchased services	156,330	165,452
Accounting and legal	1,633	1,590
Recruitment/Education	2,949	-
Building operations	11,850	-
Rent and caretaking	2,793	4,000
Telephone	3,345	932
Transportation	28,031	26,764
	<u>206,931</u>	<u>198,738</u>
	<u>340,585</u>	<u>371,744</u>
Excess (deficiency) of revenues over expenditures	\$ (2,267)	\$ (6,949)