

SCEP CENTRE SOCIETY (REGINA)

FINANCIAL STATEMENTS

JULY 31, 2021

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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, 2021 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, 2021 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:

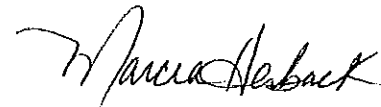
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and

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
October 29, 2021



Marcia Herback
CPA, CA

SCEP CENTRE SOCIETY (REGINA)
STATEMENT OF FINANCIAL POSITION
AS AT JULY 31, 2021
(with comparative figures for 2020)

ASSETS					
	Operating Fund	Capital Fund	Reserve Fund	2021	2020
Current assets					
Cash	\$ 150,756	-	210,217	\$ 360,973	\$ 329,712
Accounts receivable	36,723	-	-	36,723	8,892
Prepaid expenses	8,042	-	-	8,042	10,426
Due to/from funds	<u>217</u>	<u>-</u>	<u>(217)</u>	<u>-</u>	<u>-</u>
	195,738	-	210,000	405,738	349,030
Tangible capital assets (Note 3)					
	<u>-</u>	<u>12,541</u>	<u>-</u>	<u>12,541</u>	<u>15,041</u>
	<u>\$ 195,738</u>	<u>12,541</u>	<u>210,000</u>	<u>\$ 418,279</u>	<u>\$ 364,071</u>
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	\$ 10,214	-	-	\$ 10,214	\$ 12,382
Deferred revenue (Note 4)	<u>76,048</u>	<u>-</u>	<u>-</u>	<u>76,048</u>	<u>69,017</u>
	<u>86,262</u>	<u>-</u>	<u>-</u>	<u>86,262</u>	<u>81,399</u>
NET ASSETS					
Equity in capital assets	-	12,541	-	12,541	15,041
Appropriated surplus (Note 5)	-	-	210,000	210,000	170,000
Unappropriated surplus	108,093	-	-	108,093	97,631
MSS Reserve fund	<u>1,383</u>	<u>-</u>	<u>-</u>	<u>1,383</u>	<u>-</u>
	<u>109,476</u>	<u>12,541</u>	<u>210,000</u>	<u>332,017</u>	<u>282,672</u>
	<u>\$ 195,738</u>	<u>12,541</u>	<u>210,000</u>	<u>\$ 418,279</u>	<u>\$ 364,071</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, 2021
(with comparative figures for 2020)

	Program	Summer Friends	Ministry of Social Services	2021	2020
Revenue					
Fees					
Ministry of Social Services	\$ -	5,000	130,031	\$ 135,031	\$ 115,001
Regina Public School Board	101,358	-	-	101,358	69,802
RPSB School Support	8,413	-	-	8,413	-
Health Canada	62,764	-	-	62,764	16,491
Brandt scholarship	8,506	-	-	8,506	8,629
Touchwood Family Services	18,770	842	-	19,612	8,714
	<u>199,811</u>	<u>5,842</u>	<u>130,031</u>	<u>335,684</u>	<u>218,637</u>
Grants					
Access Communications	-	10,000	-	10,000	-
Community Initiatives Fund	25,000	4,000	-	29,000	26,000
City of Regina	19,600	-	-	19,600	17,500
L&E Johnson Foundation	-	5,000	-	5,000	-
Ministry of Social Services (MSS)	-	-	208,572	208,572	205,716
MSS - Transportation	-	-	21,244	21,244	21,240
G. Murray & Edna Forbes Fund	7,500	-	-	7,500	5,000
Smart & Caring Fund	-	-	-	-	2,000
Regina Treaty Status Indian Services	-	-	-	-	306
Sask Lotteries	-	2,400	-	2,400	12,600
Allocations					
Donations	11,148	-	-	11,148	39,220
REACH - snack program	2,450	17	-	2,467	3,072
United Way of Regina	99,652	-	-	99,652	100,074
Investment income	151	-	-	151	888
Brighter futures	-	-	-	-	31,850
CEWS Covid19	-	-	-	-	51,721
Other income	6,922	100	-	7,022	3,130
	<u>372,234</u>	<u>27,359</u>	<u>359,847</u>	<u>759,440</u>	<u>738,954</u>
Expenditures					
Accounting and legal	8,643	24	2,650	11,317	11,040
Amortization	5,943	-	-	5,943	5,723
Bank charges	216	-	-	216	-
Consulting fees	16,936	780	420	18,136	14,703
Food	2,550	180	291	3,021	2,842
Insurance	16,574	-	-	16,574	20,296
Miscellaneous	2,568	-	-	2,568	3,806
Other purchased services	363	-	-	363	515
Publicity and promotion	985	-	-	985	1,046
Recreation and education supplies	9,072	513	944	10,529	8,674
Rent and caretaking	7,378	16	2,000	9,394	5,879
Research and evaluation	600	-	-	600	-
Salaries and employee benefits	191,120	24,171	334,743	550,034	534,383
Salaries and benefits - City of Regina	19,600	-	-	19,600	17,500
Staff development	4,022	110	-	4,132	4,603
Office equipment rental	1,677	-	-	1,677	1,623
Office supplies	4,506	10	290	4,806	3,787
Telephone	3,671	126	1,667	5,464	5,471
Transportation	8,740	3,195	28,615	40,550	31,656
Workers' compensation	4,186	-	-	4,186	5,606
	<u>309,350</u>	<u>29,125</u>	<u>371,620</u>	<u>710,095</u>	<u>679,153</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 62,884</u>	<u>(1,766)</u>	<u>(11,773)</u>	<u>\$ 49,345</u>	<u>\$ 59,801</u>

See accompanying notes

SCEP CENTRE SOCIETY (REGINA)
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JULY 31, 2021
(with comparative figures for 2020)

Net Assets	<u>Invested in Capital assets</u>	<u>Appropriated Surplus</u>	<u>Unappropriated Surplus</u>	<u>MSS Reserve</u>	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 15,041	170,000	97,631	\$ -	\$ 282,672	\$ 222,871
Excess (deficiency) of revenues over expenditures	(5,944)	40,000	15,289	-	49,345	59,801
Investment in capital assets	3,444	-	(3,444)	-	-	-
Transfer to MSS reserve	-	-	(1,383)	1,383	-	-
Balance, end of year	<u>\$ 12,541</u>	<u>210,000</u>	<u>108,093</u>	<u>\$ 1,383</u>	<u>\$ 332,017</u>	<u>\$ 282,672</u>

See accompanying notes

SCEP CENTRE SOCIETY (REGINA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JULY 31, 2021
(with comparative figures for 2020)

	2021	2020
Operating activities		
Excess (deficiency) of revenues over expenditures	\$ 49,345	\$ 59,801
Items not involving an outlay (receipt) of cash		
Amortization	<u>5,944</u>	<u>5,724</u>
	55,289	65,525
Net change in non-cash operating working capital balances		
Accounts receivable	(27,831)	68,047
Prepaid expenses	2,384	447
Accounts payable and accrued liabilities	(2,168)	(14,761)
Deferred revenue	<u>7,031</u>	<u>46,679</u>
Cash provided by operating activities	<u>34,705</u>	<u>165,937</u>
Investing activities		
Additions to tangible capital assets	<u>(3,444)</u>	<u>(4,758)</u>
Cash used in investing activities	<u>(3,444)</u>	<u>(4,758)</u>
Increase in cash	31,261	161,179
Cash position, beginning of year	<u>329,712</u>	<u>168,533</u>
Cash position, end of year	<u>\$ 360,973</u>	<u>\$ 329,712</u>

See accompanying notes

SCEP CENTRE SOCIETY (REGINA)
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2021

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.

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.

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.

SCEP CENTRE SOCIETY (REGINA)
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2021

3. Tangible capital assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2021 Net Book Value</u>	<u>2020 Net Book Value</u>
Computer	\$ 24,567	\$ 20,360	\$ 4,207	\$ 3,802
Equipment	21,213	17,480	3,733	4,666
Vehicle	22,546	17,945	4,601	6,573
	<u>\$ 68,326</u>	<u>\$ 55,785</u>	<u>\$ 12,541</u>	<u>\$ 15,041</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>2021</u>	<u>2020</u>
Brighter Futures	\$ 18,825	\$ -
City of Regina	8,400	7,000
Community Initiatives Fund	20,000	20,000
Farm Credit Corporation	-	4,907
Regina Public School Board	27,785	36,198
Fallows	1,038	912
	<u>\$ 76,048</u>	<u>\$ 69,017</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>2021</u>	<u>2020</u>
Appropriated for future operating expenses	\$ 175,000	\$ 135,000
Appropriated for designated scholarships	35,000	35,000
Total appropriated surplus	<u>\$ 210,000</u>	<u>\$ 170,000</u>

SCEP CENTRE SOCIETY (REGINA)
NOTES TO THE FINANCIAL STATEMENTS
JULY 31, 2021

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, 2021:

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 2020.

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 2020.

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 2020.

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, 2021
(with comparative figures for 2020)

	2021	2020
		Schedule 1
Revenue		
Funding	\$ 72,413	\$ 71,196
Expenditures		
Salary		
Program staff	53,400	57,325
Benefits	9,349	9,120
	<u>62,749</u>	<u>66,445</u>
Non-salary		
Office supplies	298	123
Food	292	86
Telephone	1,167	600
Staff development	446	-
Purchased services	420	-
Accounting and legal	1,060	1,060
Recreation and education	490	281
Transportation	5,680	5,400
	<u>9,853</u>	<u>7,550</u>
	<u>72,602</u>	<u>73,995</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (189)</u>	<u>\$ (2,799)</u>

SCEP CENTRE SOCIETY (REGINA)
SCHEDULES TO FINANCIAL STATEMENTS
INTENSIVE DIRECT SERVICES IDS04
FOR THE YEAR ENDED JULY 31, 2021
 (with comparative figures for 2020)

	2021	2020
		Schedule 2
Revenue		
Funding	\$ 287,434	\$ 270,761
Expenditures		
Salary		
Administration	64,013	64,948
Program staff	80,174	84,286
Benefits	<u>16,428</u>	<u>15,919</u>
	<u>160,615</u>	<u>165,153</u>
Non-salary		
Purchased services	111,378	87,540
Accounting and legal	1,590	1,590
Rent	2,000	-
Telephone	500	465
Transportation	<u>22,935</u>	<u>23,219</u>
	<u>138,403</u>	<u>112,814</u>
	<u>299,018</u>	<u>277,967</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (11,584)</u>	<u>\$ (7,206)</u>