

SASKATCHEWAN SENIORS MECHANISM INC.

Financial Statements

Year Ended March 31, 2018

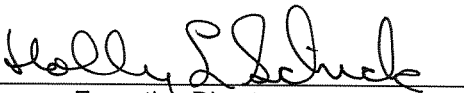
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING


The financial statements of Saskatchewan Seniors Mechanism Inc. have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Saskatchewan Seniors Mechanism Inc.'s reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Finance and Audit Committee. The Committee is appointed by the Board and meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Committee, on behalf of the Board of Directors, approves the financial statements. The Committee also considers, for review by the Board and approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by MWC Chartered Professional Accountants LLP, in accordance with Canadian generally accepted auditing standards.


Executive Director


Vice-President

Regina, Saskatchewan
May 08, 2018



Chartered Professional
Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Saskatchewan Seniors Mechanism Inc.

We have audited the accompanying financial statements of Saskatchewan Seniors Mechanism Inc., which comprise the statement of financial position as at March 31, 2018 and the statements of operations, changes in net assets and cash flow 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 is sufficient and appropriate to provide a basis for our qualified audit opinion.

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An asset to our clients, not an expense

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Basis for Qualified Opinion

In common with many charitable organizations, the Mechanism is unable to economically implement controls that will offer assurance on the completeness of donations and recoveries and we are unable to satisfy ourselves on amounts reported using other procedures. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Mechanism and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues (expenses), current assets and net assets.

Qualified Opinion

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenues referred to in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Seniors Mechanism Inc. as at March 31, 2018 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

MWC LLP

Chartered Professional Accountants

Regina, Saskatchewan
May 8, 2018

SASKATCHEWAN SENIORS MECHANISM INC.

Statement of Financial Position

March 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash	\$ 146,986	\$ 126,178
Investments (Note 3)	135,079	84,358
Accounts receivable	2,157	20,195
Goods and services tax recoverable	2,720	3,474
Prepaid expenses	3,421	3,421
	<u>290,363</u>	<u>237,626</u>
CAPITAL ASSETS (Note 4)	953	1,270
RESTRICTED FUND INVESTMENTS (Note 3)	124,302	123,199
	<u>\$ 415,618</u>	<u>\$ 362,095</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 15,461	\$ 29,869
Deferred revenue (Note 5)	87,033	39,942
	<u>102,494</u>	<u>69,811</u>
NET ASSETS		
General fund	188,822	169,085
Restricted fund	124,302	123,199
	<u>313,124</u>	<u>292,284</u>
	<u>\$ 415,618</u>	<u>\$ 362,095</u>

LEASE COMMITMENTS (Note 9)

CONTINGENT LIABILITY (Note 10)

ON BEHALF OF THE BOARD

 Director

 Director

See accompanying notes

SASKATCHEWAN SENIORS MECHANISM INC.

Statement of Operations Year Ended March 31, 2018

	2018	2017
REVENUES		
Grants - general		
Saskatchewan Lottery Trust Fund	\$ 218,410	\$ 212,053
Saskatchewan Health	49,183	49,183
University of Regina - SNARL/CRU Research	-	1,403
Grants - programming		
Age Friendly Communities - CIF	-	35,059
Age Friendly Saskatchewan Video - ESDC	-	24,700
Century of Memories - ESDC	-	5,899
Culture of Inclusion - ESDC	246,698	139,273
Reducing Isolation - ESDC	-	20,367
Senior Abuse Education - ESDC	-	9,405
Retirement Transitions - ESDC	-	1,500
Senior's Strategy - ESDC	1,000	-
	<u>515,291</u>	<u>498,842</u>
Self-Generated		
Advertising	17,506	16,708
Celebrating Seniors Awards - registrations and sponsorships	32,214	33,750
Century of Memories book sales	1,050	9,186
Conference and events - registrations and sponsorships	8,795	5,604
Donations and recoveries	23,769	4,765
Interest income	3,299	4,438
Lifeline referral fees	8,074	12,074
Rental income	2,400	2,400
Veteran book sales	108	734
	<u>97,215</u>	<u>89,659</u>
	<u>612,506</u>	<u>588,501</u>
EXPENSES		
Administrative (<i>Schedule 1</i>)	185,833	192,465
Saskatchewan Trust Disbursements (<i>Schedule 2</i>)	91,450	97,790
Programs (<i>Schedule 3</i>)	314,383	303,894
	<u>591,666</u>	<u>594,149</u>
EXCESS OF REVENUES (EXPENSES)	<u>\$ 20,840</u>	<u>\$ (5,648)</u>

See accompanying notes

SASKATCHEWAN SENIORS MECHANISM INC.

Statement of Changes in Net Assets

Year Ended March 31, 2018

	General Fund	Restricted Fund	2018	2017
NET ASSETS - BEGINNING OF YEAR	\$ 169,085	\$ 123,199	\$ 292,284	\$ 297,932
EXCESS OF REVENUES (EXPENSES)	19,737	1,103	20,840	(5,648)
NET ASSETS - END OF YEAR	\$ 188,822	\$ 124,302	\$ 313,124	\$ 292,284

See accompanying notes

SASKATCHEWAN SENIORS MECHANISM INC.

Statement of Cash Flow Year Ended March 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess of revenues (expenses)	\$ 20,840	\$ (5,648)
Items not affecting cash:		
Amortization of capital assets	318	318
Reinvested earnings on investments	(2,955)	(3,608)
	<u>18,203</u>	<u>(8,938)</u>
Changes in non-cash working capital:		
Accounts receivable	18,038	(5,052)
Accounts payable	(14,410)	15,666
Deferred revenue	47,091	(35,850)
Goods and services tax payable	754	2,073
	<u>51,473</u>	<u>(23,163)</u>
Cash flow from (used by) operating activities	<u>69,676</u>	<u>(32,101)</u>
INVESTING ACTIVITIES		
Purchase of capital assets	-	(1,588)
Addition of term deposits	(70,000)	-
Proceeds from redemption of term deposit	21,132	-
	<u>(48,868)</u>	<u>(1,588)</u>
Cash flow used by investing activities	<u>(48,868)</u>	<u>(1,588)</u>
INCREASE (DECREASE) IN CASH FLOW	20,808	(33,689)
CASH - BEGINNING OF YEAR	<u>126,178</u>	<u>159,867</u>
CASH - END OF YEAR	<u>\$ 146,986</u>	<u>\$ 126,178</u>

See accompanying notes

SASKATCHEWAN SENIORS MECHANISM INC.

Notes to Financial Statements

Year Ended March 31, 2018

1. NATURE OF OPERATIONS

Saskatchewan Seniors Mechanism Inc. is incorporated under the Non-Profit Corporations Act, is a registered charity and is exempt from income taxes. The Mechanism is a provincial umbrella organization for seniors associations, and the purpose of the Mechanism is to be an advocate for senior's issues in the community and provide programs and services to keep seniors active and engaged throughout the Province of Saskatchewan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements are presented in accordance with Canadian accounting standards for not-for-profit organizations.

Fund accounting and revenue recognition

The Mechanism uses fund accounting and has the following funds:

General Fund - reports activities related to program delivery and administrative activities.

Restricted Fund - an internally restricted fund established by the Board of Directors to provide for stability in the event of changes in funding or to facilitate the wind-up of the corporation. The minimum level of funds required for wind-up will be established annually and the fund will not be reduced below that other than in the event of wind-up.

The Mechanism follows the deferral method of accounting for contributions, which includes grants, donations and sponsorship.

Self-generated revenue is recorded when the services are provided. Interest income is reported in the year earned.

Measurement uncertainty

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the Mechanism's best information and judgment. Actual results could differ from these estimates.

Examples of significant estimates include:

- providing for amortization of capital assets;
- the estimated useful lives of assets;
- project cost allocations

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SASKATCHEWAN SENIORS MECHANISM INC.

Notes to Financial Statements

Year Ended March 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Capital assets

Capital assets are stated at cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Furniture and fixtures	5 years	straight-line method
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Amortization is taken at the full amount in the year of acquisition.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets including cash, investments, restricted fund investments and accounts receivable are reported at amortized cost.

Financial liabilities including accounts payable and accrued liabilities are measured at amortized cost.

3. INVESTMENTS

	2018	2017
General Fund		
3 Year 1.85% GIC, matures July 2017	\$ -	\$ 21,011
1 Year 1.10% GIC, matures July 2018	70,522	-
4 Year 2.00% GIC, matures July 2018	21,517	21,094
5 Year 2.60% GIC, matures July 2019	21,988	21,430
3-5 Year 1.10% GIC, matures July 2019	21,052	20,823
	<u>135,079</u>	<u>84,358</u>
Restricted Fund		
5 year 0.90% GIC (2017 - 0.75%), matures in June 2021	87,293	86,429
2 Year 0.65% GIC, matures in June 2018	37,009	36,770
	<u>124,302</u>	<u>123,199</u>
	<u>\$ 259,381</u>	<u>\$ 207,557</u>

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Furniture and fixtures	\$ 1,588	\$ 635	\$ 953	\$ 1,270

SASKATCHEWAN SENIORS MECHANISM INC.

Notes to Financial Statements

Year Ended March 31, 2018

5. DEFERRED REVENUE

	2018	2017
Celebrate Seniors sponsorship	\$ 5,500	\$ 500
Conference sponsorship	3,800	500
ESDC - Culture of Inclusion grant	48,344	32,963
ESDC - Retirement Transitions grant	3,316	3,316
ESDC - Senior's strategy grant	24,000	-
Gray Matter advertising	2,073	2,663
	<u>\$ 87,033</u>	<u>\$ 39,942</u>

Funding from Employment and Social Development Canada (ESDC) are deferred as they are multi-year funded programs.

6. SASKATCHEWAN TRUST DISBURSEMENTS

The Mechanism administers on behalf of Saskatchewan Lottery Trust Fund, through Saskatchewan Parks and Recreation Association, the funding of seniors organizations that promote and support seniors' recreational activities.

7. FINANCIAL INSTRUMENTS

The Mechanism is exposed to various risks through its financial instruments and management is responsible to monitor, evaluate and manage these risks. The following analysis provides information about the Mechanism's risk exposure and concentration as of March 31, 2018.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The majority of accounts receivable are from government agencies and credit risk is not a significant risk for the Mechanism.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Mechanism is exposed to this risk mainly in respect of its receipt of funds from its members and funding agencies and other related sources, and accounts payable.

8. PROJECT COST ALLOCATIONS

The Mechanism allocates costs to projects based on management's estimate of the projects utilization of the Mechanism's resources as well as charges for services at the normal rates charged by the Mechanism. Program expenses include \$16,474 (2017 - \$50,326) of allocated costs.

SASKATCHEWAN SENIORS MECHANISM INC.

Notes to Financial Statements

Year Ended March 31, 2018

9. LEASE COMMITMENTS

The Mechanism leases premises under a long term lease renewed July 1, 2017 and expires June 30, 2020. Under the lease, the Mechanism is required to pay a base rent of \$3,143 plus GST per month. In addition to the above base rent, the Mechanism must pay for its proportionate share of utilities, property taxes, parking, maintenance and other related costs for the leased premises.

10. CONTINGENT LIABILITY

Grant funding provided is evaluated by the funders subsequent to yearend. Upon their review there exists the potential that funding in excess of expenditures may be required to be repaid, resulting in a decrease in subsequent funding or repayment to the funder. Any adjustment per the funders' review is recorded in the year it is made known to the organization.

SASKATCHEWAN SENIORS MECHANISM INC.

Administrative

(Schedule 1)

Year Ended March 31, 2018

	2018	2017
AGM	\$ 917	\$ 1,088
Amortization	318	318
Board of Directors travel and sustenance	12,293	16,250
Computer	1,925	22
Equipment rentals	4,374	4,367
Gray Matters production	32,035	34,232
Insurance	1,203	1,183
Interest and bank charges	662	664
Office	7,819	8,048
Professional fees	5,890	5,600
Promotion	4,474	5,211
Rent	41,570	33,046
Telephone and internet	2,988	4,985
Wages and benefits	69,365	72,578
Website	-	4,873
	<u>\$ 185,833</u>	<u>\$ 192,465</u>

Saskatchewan Trust Disbursements

(Schedule 2)

Year Ended March 31, 2018

	2018	2017
Federation Des Aines Fransaskois	\$ 7,500	\$ 6,500
Regina Senior Citizens Centre	-	10,000
Saskatchewan Association for Lifelong Learning	31,700	31,100
Saskatchewan Senior Fitness Association	24,100	22,100
Saskatchewan Seniors Association Incorporated	9,000	9,000
Saskatoon Council on Aging	19,150	19,090
	<u>\$ 91,450</u>	<u>\$ 97,790</u>

See accompanying notes

SASKATCHEWAN SENIORS MECHANISM INC.

Programs

(Schedule 3)

Year Ended March 31, 2018

	2018	2017
Aboriginal Fitness program		
Project fees	\$ 2,627	\$ 1,496
	<u>2,627</u>	<u>1,496</u>
Age Friendly Communities		
Contracted services	50	639
Facility and equipment rentals	250	315
Meals and catering	135	438
Materials and supplies	-	93
Travel	1,027	423
	<u>1,462</u>	<u>1,908</u>
Age Friendly Communities - CIF		
Advertising and promotion	-	2,700
Facility and equipment rentals	-	200
Materials and supplies	-	1,353
Meals and catering	-	77
Overhead	-	7,125
Travel	-	1,307
Wages and benefits	-	22,415
	<u>-</u>	<u>35,177</u>
Age Friendly Saskatchewan Video - ESDC		
Contracted services	-	26,645
	<u>-</u>	<u>26,645</u>
Celebrating Seniors Awards		
Advertising and promotion	18,038	20,396
Committee expenses	1,088	3,400
Contracted services	1,335	1,392
Facility and equipment rentals	696	779
Meals and catering	10,603	10,862
Printing, publication and distribution	1,222	1,170
	<u>32,982</u>	<u>37,999</u>
Century Club		
Materials and supplies	1,259	1,398
	<u>1,259</u>	<u>1,398</u>
Century of Memories - ESDC		
Printing, publication and distribution	-	5,899
	<u>-</u>	<u>5,899</u>

(continues)

See accompanying notes

SASKATCHEWAN SENIORS MECHANISM INC.

Programs (continued)

(Schedule 3)

Year Ended March 31, 2018

	2018	2017
Culture of Inclusion - ESDC		
Advertising and promotion	\$ 17,172	\$ 2,875
Conference registration	3,126	-
Contracted services	83,826	50,677
Facility and equipment rentals	5,325	737
Materials and supplies	9,056	2,499
Meals and catering	1,734	6
Printing, publication and distribution	7,885	878
Travel	5,117	1,972
Wages and benefits	113,457	79,629
	<u>246,698</u>	<u>139,273</u>
Forums		
Advertising and promotion	1,406	-
Facility and equipment rentals	-	1,501
Travel	-	25
	<u>1,406</u>	<u>1,526</u>
Fraud prevention and safety handbook		
Printing, publication and distribution	-	10,224
	<u>-</u>	<u>10,224</u>
Reducing Isolation		
Advertising and promotion	-	625
Facility and equipment rentals	-	1,112
Materials and supplies	-	150
Meals and catering	-	3,685
Printing, publication and distribution	-	4,936
Telephone	-	139
Travel	-	2,553
Wages and benefits	-	5,895
	<u>-</u>	<u>19,095</u>
Retirement Transitions		
Project fees	-	1,500
	<u>-</u>	<u>1,500</u>
Seniors I&F Trade Show		
Contracted services	2,000	-
	<u>2,000</u>	<u>-</u>
SSM Conference		
Advertising and promotion	1,057	2,320
Contracted services	695	300
Facility and equipment rentals	1,874	-
Meals and catering	6,478	-
Printing, publication and distribution	2,219	1,379
Travel	727	2,000
	<u>13,050</u>	<u>5,999</u>

(continues)

See accompanying notes

SASKATCHEWAN SENIORS MECHANISM INC.

Programs *(continued)*

(Schedule 3)

Year Ended March 31, 2018

	2018	2017
Senior Abuse Education		
Advertising and promotion	\$ -	\$ 5,290
Printing, publication and distribution	-	85
Travel	-	491
Wages and benefits	-	3,538
	-	9,404
Senior's Strategy		
Wages and benefits	1,000	-
	1,000	-
Veteran's Book		
Printing, publication and distribution	153	1,210
	153	1,210
Workshop advocacy and planning		
Travel	6,259	-
	6,259	-
Western Seniors Org. Consult.		
Facility and equipment rentals	315	315
Meals and catering	738	524
Travel	4,434	4,302
	5,487	5,141
	\$ 314,383	\$ 303,894

See accompanying notes