

**SASKATCHEWAN SENIORS MECHANISM INC.**

**Financial Statements**

**Year Ended March 31, 2022**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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The financial statements of Saskatchewan Seniors Mechanism Inc. have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). 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

  
Board Director

Regina, Saskatchewan  
June 28, 2022



Chartered Professional  
Accountants LLP

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## INDEPENDENT AUDITOR'S REPORT

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**To the Members of Saskatchewan Seniors Mechanism Inc.**

### **Qualified Opinion**

We have audited the financial statements of Saskatchewan Seniors Mechanism Inc. ("SSM"), which comprise the statement of financial position as at March 31, 2022, and the statements of operation, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the SSM as at March 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### **Basis for Qualified Opinion**

In common with many charitable organizations, the SSM is unable to economically implement controls that will offer assurance on the completeness of donations and recoveries, and we were not able 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 SSM and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues (expenses), and cash flows from operations for the years ended March 31, 2022, current assets and net assets as at March 31, 2022. The prior year's Auditor's Report was also qualified in this respect

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

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*An asset to our clients, not an expense*

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

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

Our 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 our 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 SSM'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 SSM's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the SSM 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.

We 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 we identify during our audit.

*MWC LLP*

Chartered Professional Accountants

Regina, Saskatchewan  
June 28, 2022

# SASKATCHEWAN SENIORS MECHANISM INC.

## Statement of Financial Position

March 31, 2022

	2022	2021
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 176,008	\$ 116,144
Investments (Note 3)	353,711	414,052
Accounts receivable	1,000	1,222
Goods and services tax recoverable	7,037	1,624
Prepaid expenses (Note 4)	24,936	3,421
	<u>562,692</u>	<u>536,463</u>
<b>RESTRICTED FUND INVESTMENTS (Note 3)</b>	<u>128,980</u>	<u>128,551</u>
	<u>\$ 691,672</u>	<u>\$ 665,014</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 30,113	\$ 9,450
Deferred revenue (Note 5)	250,714	257,904
	<u>280,827</u>	<u>267,354</u>
<b>NET ASSETS</b>		
General fund	281,865	269,109
Restricted fund	128,980	128,551
	<u>410,845</u>	<u>397,660</u>
	<u>\$ 691,672</u>	<u>\$ 665,014</u>
<b>LEASE COMMITMENTS (Note 8)</b>		
<b>CONTINGENT FUNDING (Note 9)</b>		

ON BEHALF OF THE BOARD

 Director

 Director

See accompanying notes to financial statements

# SASKATCHEWAN SENIORS MECHANISM INC.

## Statement of Operation Year Ended March 31, 2022

	2022	2021
<b>REVENUES</b>		
Grants - general		
Saskatchewan Lotteries Trust Fund	\$ 244,157	\$ 238,667
Saskatchewan Health	51,673	50,828
Federal wage subsidies - Covid 19	-	2,829
Grants - programming		
Senior's Mental Health	76,750	76,869
Home Supports	38,500	-
Civic Employment	21,806	3,194
NH Video	14,556	-
Covid - Senior's Mental Health	8,500	14,500
Influenza Awareness	5,250	3,750
Senior's Strategy - ESDC	-	21,814
Ageism in Care Facilities - ESDC	-	14,691
	<u>461,192</u>	<u>427,142</u>
Self-Generated		
Advertising	19,725	15,493
Conference and events - registrations and sponsorships	13,060	9,440
Lifeline referral fees	9,006	9,867
Interest income	3,657	4,575
Rental income	2,700	2,700
Donations and recoveries	890	2,314
Century of Memories book sales	200	60
Veteran book sales	36	30
	<u>49,274</u>	<u>44,479</u>
	<u>510,466</u>	<u>471,621</u>
<b>EXPENSES</b>		
Administrative ( <i>Schedule 1</i> )	194,854	222,126
Saskatchewan Trust Disbursements ( <i>Schedule 2</i> )	71,000	73,625
Programs ( <i>Schedule 3</i> )	231,427	153,402
	<u>497,281</u>	<u>449,153</u>
<b>EXCESS OF REVENUES (EXPENSES)</b>	<u>\$ 13,185</u>	<u>\$ 22,468</u>

See accompanying notes to financial statements

# SASKATCHEWAN SENIORS MECHANISM INC.

## Statement of Changes in Net Assets

Year Ended March 31, 2022

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	General Fund	Restricted Fund	2022	2021
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 269,109	\$ 128,551	\$ 397,660	\$ 375,192
<b>EXCESS OF REVENUES (EXPENSES)</b>	12,756	429	<b>13,185</b>	22,468
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 281,865</b>	<b>\$ 128,980</b>	<b>\$ 410,845</b>	<b>\$ 397,660</b>

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See accompanying notes to financial statements

# SASKATCHEWAN SENIORS MECHANISM INC.

## Statement of Cash Flows Year Ended March 31, 2022

	2022	2021
<b>OPERATING ACTIVITIES</b>		
Excess of revenues (expenses)	\$ 13,185	\$ 22,468
Items not affecting cash:		
Amortization of capital assets	-	318
Reinvested earnings on investments	(3,653)	(4,526)
	<u>9,532</u>	<u>18,260</u>
Changes in non-cash working capital:		
Accounts receivable	222	7,930
Accounts payable	20,663	(20,094)
Deferred revenue	(7,190)	(89,538)
Prepaid expenses	(21,515)	12,361
Goods and services tax recoverable	(5,413)	2,350
Wages payable	-	(1,040)
	<u>(13,233)</u>	<u>(88,031)</u>
Cash flow used by operating activities	<u>(3,701)</u>	<u>(69,771)</u>
<b>INVESTING ACTIVITIES</b>		
Proceeds from redemption of term deposit	404,516	37,404
Purchase of term deposits	(340,951)	(447,404)
Cash flow from (used by) investing activities	<u>63,565</u>	<u>(410,000)</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>59,864</b>	<b>(479,771)</b>
<b>CASH - BEGINNING OF YEAR</b>	<u>116,144</u>	<u>595,915</u>
<b>CASH - END OF YEAR</b>	<u>\$ 176,008</u>	<u>\$ 116,144</u>

See accompanying notes to financial statements



# SASKATCHEWAN SENIORS MECHANISM INC.

## Notes to Financial Statements

Year Ended March 31, 2022

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### 1. NATURE OF OPERATIONS

Saskatchewan Seniors Mechanism Inc. ("SSM") is incorporated under the Non-Profit Corporations Act, is a registered charity and is exempt from income taxes. SSM is a provincial umbrella organization for seniors associations, and the purpose of SSM 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 (ASNPO).

#### Fund accounting and revenue recognition

SSM 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 SSM follows the deferral method of accounting for contributions, which includes grants, donations and sponsorship. Unrestricted contributions are recognized in the period received, or receivable if the amount is known and collection is reasonably assured. Restricted contributions are recognized in the period earned.

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 SSM's best information and judgment. Actual results could differ from these estimates. Significant estimates includes the method of amortization and useful life of capital assets and project cost allocations.

#### 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.

# SASKATCHEWAN SENIORS MECHANISM INC.

## Notes to Financial Statements

Year Ended March 31, 2022

### 3. INVESTMENTS

Investments include term deposits which mature between June 2022 and June 2026 with minimum interest rates of 0.25% to an escalating rate of 2.00% on longer term investments.

	<u>2022</u>	<u>2021</u>
General fund	\$ 353,711	\$ 414,052
Restricted fund	128,980	128,551
	<u>\$ 482,691</u>	<u>\$ 542,603</u>

### 4. PREPAID EXPENSES

Included in prepaid expenses is \$21,515 for reserved advertising which is scheduled to run subsequent to the year end. The balance of the prepaids is for deposits and pre-payments on lease commitments.

### 5. DEFERRED REVENUE

	<u>2022</u>	<u>2021</u>
Saskatchewan Health - Senior Mental Health grant	\$ 146,381	\$ 223,131
Home Support	88,000	-
ESDC- New Horizons for Seniors grant	10,444	21,806
Gray Matter advertising	4,273	2,017
Rent	1,200	1,200
Other programs	416	-
ESDC - COVID Senior's Mental Health	-	8,500
Influenza Awareness - donation	-	1,250
	<u>\$ 250,714</u>	<u>\$ 257,904</u>

Funding from Saskatchewan Health is a multi-year program from March 15, 2020 to March 31, 2023.

Funding from Employment and Social Development Canada (ESDC) were for a project periods ending March 31, 2021 and March 29, 2022 but has been deferred as the SSM was unable to fully carryout the programming due to restrictions imposed by the pandemic.

### 6. SASKATCHEWAN TRUST DISBURSEMENTS

The SSM 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.

# SASKATCHEWAN SENIORS MECHANISM INC.

## Notes to Financial Statements

Year Ended March 31, 2022

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### 7. FINANCIAL INSTRUMENTS

The SSM 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 SSM's risk exposure and concentration as of March 31, 2022.

#### 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 SSM.

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The SSM 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. LEASE COMMITMENTS

The SSM leases premises under a long term lease renewed on July 1, 2020 and expires June 30, 2023. Under the lease, the SSM is required to pay a base rent of \$2,618 plus GST per month plus its proportionate share of utilities, property taxes, maintenance and other related costs estimated at \$725 plus GST per month.

### 9. CONTINGENT FUNDING

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 SSM.

### 10. PROJECT COST ALLOCATIONS

The SSM allocates costs to projects based on management's estimate of the projects utilization of the SSM's resources, staffing, and charges for services at the normal rates charged by the SSM. Program expenses include \$42,670 (2021 - \$18,506) of allocated program expenditures and \$82,500 (2021 - \$91,990) in wages and benefits.

### 11. UNCERTAINTY OF IMPACT OF COVID-19

The impact of Covid-19 required the SSM to provide programming and services by alternatives means, and as a result they have been able to minimize the financial impact on the organization. Although the pandemic is not over, and the future financial impact remains uncertain, financial loss is not anticipated as of the Audit Report date.

# SASKATCHEWAN SENIORS MECHANISM INC.

Administrative

(Schedule 1)

Year Ended March 31, 2022

	2022	2021
Wages and benefits	\$ 79,001	\$ 124,487
Gray Matters production	55,181	40,260
Rent	34,202	30,698
Professional fees	6,550	6,476
Office	6,373	6,176
Telephone and internet	3,660	4,099
Website	2,936	540
Insurance	2,397	2,153
Equipment rentals	1,905	3,691
Meetings and travel	1,312	2,309
Computer	1,069	202
Interest and bank charges	148	70
Promotion	120	647
Amortization	-	318
	<u>\$ 194,854</u>	<u>\$ 222,126</u>

Saskatchewan Trust Disbursements

(Schedule 2)

Year Ended March 31, 2022

	2022	2021
Saskatchewan Association for Lifelong Learning	\$ 31,000	\$ 31,000
Saskatoon Council on Aging	21,000	21,000
Saskatchewan Seniors Association Incorporated	11,000	11,000
SK Lotteries Prog Development: Fed. des aines fran	8,000	-
Saskatchewan Senior Fitness Association	-	10,625
	<u>\$ 71,000</u>	<u>\$ 73,625</u>

See accompanying notes to financial statements

# SASKATCHEWAN SENIORS MECHANISM INC.

## Programs

(Schedule 3)

Year Ended March 31, 2022

	2022	2021
<b>Aboriginal Fitness program</b>		
Project fees	\$ 2,849	\$ 2,567
	<u>2,849</u>	<u>2,567</u>
<b>Age Friendly Communities</b>		
Publicity	1,565	2,125
Employment and civic partnership	23,931	1,069
Materials and supplies	135	-
	<u>25,631</u>	<u>3,194</u>
<b>Ageism in Care Facilities</b>		
Advertising and promotion	669	1,346
	<u>669</u>	<u>1,346</u>
<b>Century Club</b>		
Materials and supplies	669	2,032
	<u>669</u>	<u>2,032</u>
<b>Covid Senior's Mental Health</b>		
Wages and benefits	8,500	14,500
	<u>8,500</u>	<u>14,500</u>
<b>Culture of Inclusion - ESDC</b>		
Travel	(224)	-
	<u>(224)</u>	<u>-</u>
<b>Influenza Awareness</b>		
Wages and benefits	5,250	1,900
Publicity	-	1,850
	<u>5,250</u>	<u>3,750</u>
<b>Member Organization Education Events</b>		
Travel	-	1,483
	<u>-</u>	<u>1,483</u>
<b>Reducing Isolation</b>		
Resources	2,125	2,244
	<u>2,125</u>	<u>2,244</u>
<b>SSM Conference</b>		
Facility and equipment rentals	-	1,693
Advertising and promotion	5,104	804
Contracted services	1,280	651
Travel	74	-
	<u>6,458</u>	<u>3,148</u>
<b>Senior's Mental Health</b>		
Wages and benefits	64,500	64,500
Overhead	8,000	8,000
Publicity	2,125	2,125
	<u>74,625</u>	<u>74,625</u>

(continues)

See accompanying notes to financial statements

# SASKATCHEWAN SENIORS MECHANISM INC.

Programs (continued)

(Schedule 3)

Year Ended March 31, 2022

	2022	2021
<b>Senior's Strategy</b>		
Program fees	-	29,822
New horizons	14,556	-
Home supports	90,677	14,691
	<u>105,233</u>	<u>44,513</u>
<b>Western Seniors Organization</b>		
Meals and catering	(358)	-
	<u>(358)</u>	<u>-</u>
	<u>\$ 231,427</u>	<u>\$ 153,402</u>

See accompanying notes to financial statements