

SASKATCHEWAN SENIORS MECHANISM INC.

Financial Statements

Year Ended March 31, 2023

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 (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


President

Regina, Saskatchewan



Chartered Professional
Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Saskatchewan Seniors Mechanism Inc.

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, the accompanying financial statements present fairly, in all material respects, the financial position of the SSM as at March 31, 2023, 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 Opinion

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 opinion.

Our prior year's Auditor's report qualified the completeness of donations and recoveries as SSM did not have sufficient internal controls to ascertain the completeness of these revenues. Controls were implemented in the current year which now allow us to remove the qualification.

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.

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

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An asset to our clients, not an expense

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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.

MWCLLP

Chartered Professional Accountants

Regina, Saskatchewan
May 30, 2023

SASKATCHEWAN SENIORS MECHANISM INC.

Statement of Financial Position

March 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 238,506	\$ 176,008
Investments (Note 3)	361,328	353,711
Accounts receivable	4,135	1,000
Goods and services tax recoverable	4,264	7,037
Prepaid expenses	5,311	24,936
	<u>613,544</u>	<u>562,692</u>
RESTRICTED FUND INVESTMENTS (Note 3)	<u>129,565</u>	<u>128,980</u>
	<u>\$ 743,109</u>	<u>\$ 691,672</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 38,228	\$ 30,113
Deferred revenue (Note 4)	271,589	250,714
	<u>309,817</u>	<u>280,827</u>
NET ASSETS		
General fund	303,727	281,865
Restricted fund	129,565	128,980
	<u>433,292</u>	<u>410,845</u>
	<u>\$ 743,109</u>	<u>\$ 691,672</u>
LEASE COMMITMENTS (Note 7)		
CONTINGENT FUNDING (Note 8)		

ON BEHALF OF THE BOARD



Director



Director

See accompanying notes to financial statements

SASKATCHEWAN SENIORS MECHANISM INC.

Statement of Operation Year Ended March 31, 2023

	2023	2022
REVENUES		
Grants - general		
Saskatchewan Lotteries Trust Fund	\$ 244,157	\$ 244,157
Saskatchewan Health	52,707	51,673
Grants - programming		
Home Supports	137,565	38,500
Grant-Facilitating Independence	108,801	-
Senior's Mental Health	99,192	76,750
Influenza Awareness	5,000	5,250
NH Video	11,132	14,556
Civic Employment	-	21,806
Covid - Senior's Mental Health	-	8,500
	<u>658,554</u>	<u>461,192</u>
Self-Generated		
Advertising	26,070	19,725
Celebrating Seniors Awards - registrations and sponsorships	15,340	-
Interest income	8,243	3,657
Lifeline referral fees	7,953	9,006
Conference and events - registrations and sponsorships	7,380	13,060
Rental income	3,300	2,700
Donations and recoveries	1,055	890
Sale of books	40	236
	<u>69,381</u>	<u>49,274</u>
	<u>727,935</u>	<u>510,466</u>
EXPENSES		
Administrative (<i>Schedule 1</i>)	250,219	194,854
Saskatchewan Lotteries Trust Disbursements (<i>Schedule 2</i>)	89,720	71,000
Programs (<i>Schedule 3</i>)	365,549	231,427
	<u>705,488</u>	<u>497,281</u>
EXCESS OF REVENUES (EXPENSES)	<u>\$ 22,447</u>	<u>\$ 13,185</u>

See accompanying notes to financial statements

SASKATCHEWAN SENIORS MECHANISM INC.

Statement of Changes in Net Assets

Year Ended March 31, 2023

	General Fund	Restricted Fund	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 281,865	\$ 128,980	\$ 410,845	\$ 397,660
EXCESS OF REVENUES (EXPENSES)	21,862	585	22,447	13,185
NET ASSETS - END OF YEAR	\$ 303,727	\$ 129,565	\$ 433,292	\$ 410,845

See accompanying notes to financial statements

SASKATCHEWAN SENIORS MECHANISM INC.

Statement of Cash Flows Year Ended March 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess of revenues (expenses)	\$ 22,447	\$ 13,185
Item not affecting cash:		
Reinvested earnings on investments	<u>(8,201)</u>	<u>(3,653)</u>
	<u>14,246</u>	<u>9,532</u>
Changes in non-cash working capital:		
Accounts receivable	(3,135)	222
Accounts payable	8,114	20,663
Deferred revenue	20,875	(7,190)
Prepaid expenses	19,625	(21,515)
Goods and services tax recoverable	<u>2,773</u>	<u>(5,413)</u>
	<u>48,252</u>	<u>(13,233)</u>
Cash flow from (used by) operating activities	<u>62,498</u>	<u>(3,701)</u>
INVESTING ACTIVITIES		
Proceeds from redemption of term deposit	645,016	404,516
Purchase of term deposits	<u>(645,016)</u>	<u>(340,951)</u>
Cash flow from investing activities	<u>-</u>	<u>63,565</u>
INCREASE IN CASH FLOW	62,498	59,864
CASH - BEGINNING OF YEAR	<u>176,008</u>	<u>116,144</u>
CASH - END OF YEAR	<u>\$ 238,506</u>	<u>\$ 176,008</u>

See accompanying notes to financial statements

SASKATCHEWAN SENIORS MECHANISM INC.

Notes to Financial Statements

Year Ended March 31, 2023

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, 2023

3. INVESTMENTS

Investments include term deposits which mature between June 2023 and June 2026 with minimum interest rates of 0.50% to an escalating rate of 3.85% on longer term investments.

	<u>2023</u>	<u>2022</u>
General fund	\$ 361,328	\$ 353,711
Restricted fund	129,565	128,980
	<u>\$ 490,893</u>	<u>\$ 482,691</u>

4. DEFERRED REVENUE

	<u>2023</u>	<u>2022</u>
Government of Saskatchewan- Facilitating Independence grant	\$ 141,199	\$ -
Saskatchewan Health - Senior Mental Health grant	47,189	146,381
Home Supports grants	75,435	88,000
ESDC- New Horizons for Seniors grant	-	10,444
Gray Matter advertising	6,566	4,273
Rent	1,200	1,200
Other programs	-	416
	<u>\$ 271,589</u>	<u>\$ 250,714</u>

Saskatchewan Health, Senior Mental Health, is a multi-year program that runs from March 15, 2020 to March 31, 2023. Government of Saskatchewan - Facilitating Independence, is a multi-year program that runs from September 15, 2022 to February 28, 2024.

The Home Support program grants, provided by Superannuated Teachers of Saskatchewan and Saskatchewan Retirees Association, does not have a defined period of utilization but is restricted to be used only for this program through its lifespan.

5. 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.

6. 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, 2023.

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SASKATCHEWAN SENIORS MECHANISM INC.

Notes to Financial Statements

Year Ended March 31, 2023

6. FINANCIAL INSTRUMENTS *(continued)*

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.

7. 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.

8. 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.

9. 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 \$20,006 (2022 - \$42,670) of allocated program expenditures and \$85,100 (2022 - \$82,500) in wages and benefits.

SASKATCHEWAN SENIORS MECHANISM INC.

Administrative

(Schedule 1)

Year Ended March 31, 2023

	2023	2022
Wages and benefits	\$ 132,073	\$ 79,001
Gray Matters production	48,125	55,181
Rent	35,798	34,202
Professional fees	6,725	6,550
Office	5,150	6,373
Computer	4,931	1,069
Insurance	4,483	2,397
Meetings and travel	4,370	1,312
Telephone and internet	3,708	3,660
Equipment rentals	3,080	1,905
Website	960	2,936
Promotion	766	120
Interest and bank charges	50	148
	<u>\$ 250,219</u>	<u>\$ 194,854</u>

Saskatchewan Lotteries Trust Disbursements

(Schedule 2)

Year Ended March 31, 2023

	2023	2022
Lifelong Learning Centre - University of Regina	\$ 31,405	\$ 31,000
Saskatoon Council on Aging	21,256	21,000
Saskatchewan Senior Fitness Association	17,059	-
Saskatchewan Seniors Association Incorporated	12,000	11,000
SK Lotteries Prog Development: Fed. des aines fran	8,000	8,000
	<u>\$ 89,720</u>	<u>\$ 71,000</u>

See accompanying notes to financial statements

SASKATCHEWAN SENIORS MECHANISM INC.

Programs

(Schedule 3)

Year Ended March 31, 2023

	2023	2022
Aboriginal Fitness program		
Project fees	\$ 3,000	\$ 2,849
	<u>3,000</u>	<u>2,849</u>
Age Friendly Communities		
Publicity	-	1,565
Employment and civic partnership	852	23,931
Materials and supplies	-	135
	<u>852</u>	<u>25,631</u>
Celebrating Seniors		
Advertising and promotion	7,251	669
	<u>7,251</u>	<u>669</u>
Century Club		
Materials and supplies	1,251	669
	<u>1,251</u>	<u>669</u>
Covid Senior's Mental Health		
Wages and benefits	-	8,500
	<u>-</u>	<u>8,500</u>
Culture of Inclusion - ESDC		
Travel	-	(224)
	<u>-</u>	<u>(224)</u>
Facilitating Independence		
Grants	100,500	-
Wages and benefits	7,000	-
Publicity	1,301	-
	<u>108,801</u>	<u>-</u>
Influenza Awareness		
Wages and benefits	5,000	5,250
	<u>5,000</u>	<u>5,250</u>
Reducing Isolation		
Resources	-	2,125
	<u>-</u>	<u>2,125</u>
Senior's Mental Health		
Wages and benefits	64,500	64,500
Materials and supplies	8,401	-
Overhead	8,000	8,000
Publicity	6,250	2,125
Education	6,041	-
Website	6,000	-
	<u>99,192</u>	<u>74,625</u>
Senior's Strategy		
New horizons - publicity	1,004	14,556
Home Supports - publicity	137,565	90,677
	<u>138,569</u>	<u>105,233</u>

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See accompanying notes to financial statements

SASKATCHEWAN SENIORS MECHANISM INC.

Programs (continued)

(Schedule 3)

Year Ended March 31, 2023

	2023	2022
SSM Conference		
Advertising and promotion	1,017	5,104
Contracted services	616	1,280
Travel	-	74
	<u>1,633</u>	<u>6,458</u>
Western Seniors Organization		
Meals and catering	-	(358)
	<u>-</u>	<u>(358)</u>
	<u>\$ 365,549</u>	<u>\$ 231,427</u>

See accompanying notes to financial statements