

**SASKATCHEWAN  
ABILITIES COUNCIL INC.**

***FINANCIAL STATEMENTS***

***December 31, 2021***

## INDEPENDENT AUDITORS' REPORT



**VIRTUS  
GROUP**  
Chartered Professional Accountants  
& Business Advisors LLP

**To the Members,  
Saskatchewan Abilities Council Inc.**

### *Opinion*

We have audited the financial statements of **Saskatchewan Abilities Council Inc.**, which comprise the statement of financial position as at December 31, 2021, and the statements of operations, 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 Organization as at December 31, 2021, and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *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 Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Saskatchewan, 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.

### *Information Other than the Financial Statements and Auditors' Report Thereon*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

## INDEPENDENT AUDITORS' REPORT continued

### *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 Organization'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 Organization'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 Organization 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 significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

March 3, 2022  
Saskatoon, Saskatchewan

*Virtus Group LLP*  
Chartered Professional Accountants



**SASKATCHEWAN ABILITIES COUNCIL INC.**  
**STATEMENT OF OPERATIONS**  
year ended December 31, 2021

	2021	2020
<b>REVENUE</b> (see schedule)		
Regina Branch	\$ 8,269,208	\$ 7,350,854
Saskatoon Branch	9,988,873	8,771,224
Swift Current Branch	3,244,348	3,070,052
Yorkton Branch	6,292,247	5,687,947
Camp Easter Seal	274,905	234,495
Rehabilitation Services	13,829,108	12,543,330
Provincial Administration	1,729,529	1,742,929
	<u>43,628,218</u>	<u>39,400,831</u>
<b>EXPENSES</b> (see schedule)		
Regina Branch	8,246,293	7,395,604
Saskatoon Branch	9,862,696	8,706,351
Swift Current Branch	3,365,721	3,066,861
Yorkton Branch	6,198,197	5,773,152
Camp Easter Seal	952,748	810,514
Rehabilitation Services	14,034,374	12,871,435
Provincial Administration	458,003	337,343
	<u>43,118,032</u>	<u>38,961,260</u>
<b>EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	<b>510,186</b>	439,571
<b>OTHER REVENUE</b> (see schedule)	<u>3,448,870</u>	<u>1,143,708</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ <u>3,959,056</u></b>	<b>\$ <u>1,583,279</u></b>



**SASKATCHEWAN ABILITIES COUNCIL INC.**  
**STATEMENT OF FINANCIAL POSITION**  
as at December 31, 2021

	2021	2020
<b>CURRENT ASSETS</b>		
Cash	\$ 4,528,966	\$ 6,590,627
Investments (Note 4)	922,714	520,853
Accounts receivable (Note 5)	3,187,875	1,808,686
Inventories (Note 6)	1,162,180	1,152,708
Prepaid expenses	296,405	268,352
	<u>10,098,140</u>	<u>10,341,226</u>
<b>DESIGNATED INVESTMENTS (Note 4)</b>	<b>2,255,893</b>	<b>853,660</b>
<b>CAPITAL ASSETS (Note 7)</b>	<b>10,624,808</b>	<b>10,315,483</b>
	<u><u>\$ 22,978,841</u></u>	<u><u>\$ 21,510,369</u></u>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 8)	\$ 3,567,286	\$ 3,685,302
Deferred grants	1,856,669	2,051,166
Other liability (Note 9)	-	2,708,064
Scheduled repayments of callable debt (Note 10)	30,212	30,212
Current portion of long term debt (Note 11)	7,720	7,199
	<u>5,461,887</u>	<u>8,481,943</u>
Callable debt (Note 10)	185,454	215,666
	<u>5,647,341</u>	<u>8,697,609</u>
<b>LONG TERM DEBT (Note 11)</b>	<b>67,845</b>	<b>75,565</b>
<b>DEFERRED DONOR DESIGNATED FUNDS (Note 12)</b>	<b>457,601</b>	<b>59,989</b>
<b>UNAMORTIZED CAPITAL ASSET</b>		
<b>FUNDING (Note 13)</b>	<b>3,512,165</b>	<b>3,347,333</b>
	<u>9,684,952</u>	<u>12,180,496</u>
<b>COMMITMENTS (Note 14)</b>		
<b>NET ASSETS</b>		
Net assets restricted for endowment purposes (Note 15)	548,292	543,671
Internally restricted net assets invested in capital assets	6,996,992	6,808,902
Internally restricted net assets - other (Note 15)	1,250,000	250,000
Unrestricted net assets	4,498,605	1,727,300
	<u>13,293,889</u>	<u>9,329,873</u>
	<u><u>\$ 22,978,841</u></u>	<u><u>\$ 21,510,369</u></u>

**APPROVED BY THE BOARD**

.....  ..... **Director**

.....  ..... **Director**

(see accompanying notes)

**SASKATCHEWAN ABILITIES COUNCIL INC.**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**year ended December 31, 2021**

	<b>Internally Restricted</b>			<b>Externally Restricted for Endowment Purposes</b>	<b>Unrestricted</b>	<b>2021 total</b>	<b>2020 total</b>
	<i>Invested in Capital Assets</i>	<i>Other</i>	<i>Total</i>				
Balance, beginning of year	\$ 6,808,902	\$ 250,000	\$ 7,058,902	\$ 543,671	\$ 1,727,300	\$ <b>9,329,873</b>	\$ 7,857,567
Excess of revenue over expenses	-	-	-	-	3,959,056	<b>3,959,056</b>	1,583,279
Employee future benefits remeasurements and other items (Note 18)	-	-	-	-	339	<b>339</b>	(115,555)
Transfers	-	1,000,000	1,000,000	-	(1,000,000)	-	-
Amortization of capital assets	(772,076)	-	(772,076)	-	772,076	-	-
Capital asset funding recognized	259,953	-	259,953	-	(259,953)	-	-
Capital asset funding deferred	(424,790)	-	(424,790)	-	424,790	-	-
Purchase of capital assets	1,108,967	-	1,108,967	-	(1,108,967)	-	-
Gain on disposal of capital assets	(21,375)	-	(21,375)	-	21,375	-	-
Repayment of callable debt	30,212	-	30,212	-	(30,212)	-	-
long term debt	7,199	-	7,199	-	(7,199)	-	-
Interest income earned on endowment funds	-	-	-	4,621	-	<b>4,621</b>	4,582
Balance, end of year	\$ <u>6,996,992</u>	\$ <u>1,250,000</u>	\$ <u>8,246,992</u>	\$ <u>548,292</u>	\$ <u>4,498,605</u>	\$ <b><u>13,293,889</u></b>	\$ <u>9,329,873</u>

(see accompanying notes)

**SASKATCHEWAN ABILITIES COUNCIL INC.**  
**STATEMENT OF CASH FLOWS**  
**year ended December 31, 2021**

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 3,959,056	\$ 1,583,279
Interest income earned on endowment funds	4,621	4,582
Employee future benefits remeasurements and other items	339	(115,555)
Adjustments for		
Amortization of capital assets	772,076	710,608
Capital asset funding recognized	(259,953)	(227,550)
Deferred donor designated funds recognized	(484)	(1,280)
Loss (gain) on disposal of capital assets	21,375	(20,337)
Loss on disposal of investments	6,526	8,913
In-kind donation	(1,672)	-
Changes in non-cash working capital items		
Accounts receivable	(1,379,189)	(114,769)
Inventories	(9,472)	573
Prepaid expenses	(28,053)	26,655
Accounts payable and accrued liabilities	(118,016)	(200,770)
Deferred grants	(194,497)	448,169
Other liability	(2,708,064)	2,708,064
	<u>64,593</u>	<u>4,810,582</u>
<b>INVESTING ACTIVITIES</b>		
Capital asset additions	(1,108,967)	(1,860,738)
Proceeds on disposal of capital assets	6,191	23,073
Purchase of investments	(1,912,234)	(1,550,466)
Proceeds on disposal of investments	1,505,519	1,020,699
Designated investments, net	(1,402,233)	147,071
	<u>(2,911,724)</u>	<u>(2,220,361)</u>
<b>FINANCING ACTIVITIES</b>		
Repayment of callable debt	(30,212)	(30,212)
Repayment of long term debt	(7,199)	(7,236)
Receipt of donor designated funds	822,881	828,557
	<u>785,470</u>	<u>791,109</u>
<b>NET (DECREASE) INCREASE IN CASH</b>	<u>(2,061,661)</u>	3,381,330
<b>CASH POSITION, BEGINNING OF YEAR</b>	<u>6,590,627</u>	3,209,297
<b>CASH POSITION, END OF YEAR</b>	<u><u>\$ 4,528,966</u></u>	<u><u>\$ 6,590,627</u></u>



**SASKATCHEWAN ABILITIES COUNCIL INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**year ended December 31, 2021**

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**1. PURPOSE OF THE ORGANIZATION**

The Saskatchewan Abilities Council Inc. (SaskAbilities) is a non-profit, provincial organization providing services for Saskatchewan people experiencing disability. Originally incorporated in 1950 and continued under *The Non-profit Corporations Act, 1995* of Saskatchewan, the Saskatchewan Abilities Council Inc. is a registered charity under the *Income Tax Act*.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies:

***Capital Assets***

Capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over the assets' estimated useful lives, as follows:

Buildings	20 - 30 years
Furniture and equipment	3 - 10 years

Leases that transfer substantially all of the benefits and risks of ownership of property to SaskAbilities are accounted for as capital leases. At the time a capital lease is entered into, an asset is recorded together with the related long-term obligation. Equipment acquired under capital leases is amortized on the same basis as other capital assets. Rental payments under operating leases are charged to expense as incurred.

The assets are also tested for impairment. Normal repairs and maintenance expenditures are expensed as incurred.

***Contributed Services***

Volunteers contribute a significant amount of time to assist SaskAbilities in delivery of its programs and services and in fundraising activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

***Financial Instruments***

SaskAbilities initially measures its financial assets and financial liabilities at fair value. SaskAbilities subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

**SASKATCHEWAN ABILITIES COUNCIL INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**year ended December 31, 2021**

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

***Financial Instruments (continued)***

Financial assets measured at amortized cost include cash and accounts receivable. SaskAbilities' financial assets measured at fair value include shares based on quoted market prices. The fair values of callable debt and long term debt approximate their carrying values due to the applicable interest rates. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, callable debt, and long term debt.

***Inventories***

Inventories are valued at the lower of cost and net realizable value. Work-in-process and finished goods inventories include cost of material only. Cost is determined using average cost method.

***Pension Plans***

SaskAbilities' obligation to two multi-employer defined contribution pension plans is limited to making required payments to match amounts contributed by the employees for current service.

SaskAbilities accrues its obligations under the defined benefit pension plan as the employees render the services necessary to earn the pension benefits. The costs of the defined benefit pension plan are determined periodically by an independent actuary.

The defined benefit obligation of the plan is based on an actuarial valuation prepared for funding purposes (but not the one prepared on using a solvency, wind-up, or similar valuation basis) using the most recently completed actuarial valuation. A funding valuation is prepared in accordance with pension legislation and regulations, generally to determine required cash contributions to the plan.

SaskAbilities recognizes the defined benefit obligation net of the fair value of plan assets. Current service costs and finance cost for the period are recognized in the statement of operations. Remeasurements and other items are recognized directly in net assets in the statement of financial position and presented as a separately identified line item in the statement of changes in net assets.



**SASKATCHEWAN ABILITIES COUNCIL INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**year ended December 31, 2021**

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

***Revenue Recognition***

SaskAbilities follows the deferral method of accounting for contributions. Substantially all revenue consists of user fees for products and services provided, program operating grants from governments and other organizations, and fundraising activities which include donations and planned gifts.

- User fees are recognized as revenue when the services are provided or when the products are delivered.
- Grants are recognized as revenue when the related program expenses are incurred.
- Unrestricted donations and planned gifts are recognized as revenue when received.
- Restricted donations and planned gifts, which have donor stipulations on use, are recognized as revenue when the related expenses are incurred.
- Contributions of, or for, capital assets are recognized as revenue when the related capital assets are amortized.
- Grants received in the year pertaining to specific programs for the following year are reflected on the statement of financial position as deferred grants.
- Gifts-in-kind are recorded at fair market value on the donation date provided fair market value can be reasonably estimated.
- Restricted donations and planned gifts received, for which the related expenses have not yet been incurred, are reflected on the statement of financial position as deferred donor designated funds.
- Capital asset contributions not yet recognized as revenue are reflected on the statement of financial position as unamortized capital asset funding.
- Endowment contributions are recognized as direct increases in net assets in the year.



**SASKATCHEWAN ABILITIES COUNCIL INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**year ended December 31, 2021**

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

*Use of Estimates*

The preparation of the financial statements in conformity with Canadian ASNPO requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant financial statement items that require estimates are as follows: the useful lives and amortization of capital assets, actuarial and economic assumptions used in calculating cost of defined benefit pension plan, the accrued benefit obligation, valuation adjustments including allowance for uncollectible accounts, and provisions for contingencies. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

**3. LINE OF CREDIT**

SaskAbilities has access to revolving credit facilities, secured by a general security agreement, available in the amount of \$3,535,000 as of December 31, 2021 (December 31, 2020 - \$3,600,000).

As of December 31, 2021, the credit facility was at prime (December 31, 2020 - prime). Prime at December 31, 2021 was 2.45% (December 31, 2020 - 2.45%).

During 2021, no new loans were drawn under these facilities (2020 - no new loans drawn). These loans and specific security, when applicable, are detailed in Note 10. There are no other borrowings outstanding under these facilities at December 31, 2021 (December 31, 2020 - \$NIL).

**4. INVESTMENTS**

*Investments*

Investments consist of guaranteed income certificates (GICs) with interest rates ranging from 0.63% to 3.28% and maturing from February 24, 2022 to June 13, 2023 and donated shares with a market value of \$1,745 that were sold in January 2022.

**SASKATCHEWAN ABILITIES COUNCIL INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**year ended December 31, 2021**

**4. INVESTMENTS (continued)**

***Designated Investments***

Designated investments are comprised of short term investments and cash and consist of:

	<u>2021</u>	<u>2020</u>
Deferred donor designated funds	\$ 457,601	\$ 59,989
Net assets restricted for endowment purposes	548,292	543,671
Internally restricted net assets - other	1,250,000	250,000
	<u>\$ 2,255,893</u>	<u>\$ 853,660</u>

**5. ACCOUNTS RECEIVABLE**

	<u>2021</u>	<u>2020</u>
Grants receivable	\$ 779,704	\$ 279,072
GST rebate	7,988	23,574
Trade receivables	2,427,891	1,533,609
Accrued interest receivable	2,292	2,431
Allowance for uncollectible accounts	(30,000)	(30,000)
	<u>\$ 3,187,875</u>	<u>\$ 1,808,686</u>

**6. INVENTORIES**

	<u>Regina</u>	<u>Saskatoon</u>	<u>Swift Current</u>	<u>Yorkton</u>	<u>Rehabilitation Services</u>	<u>2021</u>	<u>2020</u>
Sewing	\$ 90,068	\$ 181,418	\$ 32,057	\$ -	\$ -	\$ 303,543	\$ 334,525
Assembly	16,202	21,306	-	-	-	37,508	14,208
Wood Products	157,037	82,282	-	-	-	239,319	264,795
Metal Work	-	36,397	-	-	-	36,397	40,323
Commercial Products	-	-	-	5,984	-	5,984	2,691
Special Needs Equipment - Retail Sales	-	-	-	-	23,323	23,323	23,309
Orthopaedics	-	-	-	-	516,106	516,106	472,857
	<u>\$ 263,307</u>	<u>\$ 321,403</u>	<u>\$ 32,057</u>	<u>\$ 5,984</u>	<u>\$ 539,429</u>	<u>\$ 1,162,180</u>	<u>\$ 1,152,708</u>

The cost of inventory recognized as an expense during 2021 was \$4,659,839 (2020 - \$3,499,784). During the year, there were \$47,979 of inventory write-downs (2020 - \$6,354).

**SASKATCHEWAN ABILITIES COUNCIL INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**year ended December 31, 2021**

**7. CAPITAL ASSETS**

	<u>Land</u>	<u>Building</u>	<u>Equipment</u>	<u>2021</u>	<u>Total</u> <u>2020</u>
Cost, beginning of year	\$ 416,119	\$ 19,075,339	\$ 4,141,376	\$ 23,632,834	\$ 21,788,433
Additions					
Regina Branch	-	54,412	19,081	73,493	54,250
Saskatoon Branch	-	46,717	9,256	55,973	147,920
Swift Current Branch	-	21,396	-	21,396	18,917
Yorkton Branch	-	195,886	9,479	205,365	87,075
Camp Easter Seal Rehabilitation Services	-	600,516	57,274	657,790	1,416,340
Provincial Administration	-	-	7,338	7,338	2,778
	-	58,913	28,699	87,612	133,458
	-	977,840	131,127	1,108,967	1,860,738
Write down/disposals	-	(2,154)	(236,367)	(238,521)	(16,337)
Cost, end of year	416,119	20,051,025	4,036,136	24,503,280	23,632,834
Accumulated amortization, beginning of year	-	10,223,901	3,093,450	13,317,351	12,620,344
Write down/disposals	-	(171)	(210,784)	(210,955)	(13,601)
Amortization expense	-	535,355	236,721	772,076	710,608
Accumulated amortization, end of year	-	10,759,085	3,119,387	13,878,472	13,317,351
Net book value	\$ 416,119	\$ 9,291,940	\$ 916,749	\$ 10,624,808	\$ 10,315,483



**SASKATCHEWAN ABILITIES COUNCIL INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**year ended December 31, 2021**

**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2021</u>	<u>2020</u>
Trade payables and accrued liabilities	\$ 1,751,591	\$ 2,222,917
Amount payable in respect of government remittances	208,826	183,593
Payroll accrual	629,104	352,072
Vacation accrual	977,765	926,720
	<u>\$ 3,567,286</u>	<u>\$ 3,685,302</u>

**9. OTHER LIABILITY**

During the year, the uncertainty, as a result of the COVID-19 pandemic, regarding program funding that SaskAbilities received and was eligible for in 2020 was resolved. Total program funding of \$3,223,117 has been recognized in other revenue in 2021.

**10. CALLABLE DEBT**

	<u>2021</u>	<u>2020</u>
Bank loan repayable to December 15, 2029 in monthly instalments of \$1,993 plus interest at prime. Secured by a general security agreement. Prime at December 31, 2021 was 2.45% (December 31, 2020 - 2.45%).	\$ 187,319	\$ 211,232
Bank loan repayable to June 15, 2026 in monthly instalments of \$525 plus interest at prime. Secured by an accessible bus with a net book value of \$43,573 and a general security agreement. Prime at December 31, 2021 was 2.45% (December 31, 2020 - 2.45%).	28,347	34,646
	<u>215,666</u>	<u>245,878</u>
Less: scheduled repayments of callable debt	<u>(30,212)</u>	<u>(30,212)</u>
	<u>\$ 185,454</u>	<u>\$ 215,666</u>

**SASKATCHEWAN ABILITIES COUNCIL INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**year ended December 31, 2021**

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**10. CALLABLE DEBT (continued)**

Although these loans are callable, management does not believe that this feature will be exercised. Scheduled principal payments required in each of the next five years are as follows:

2022	\$	30,212
2023		30,212
2024		30,212
2025		30,212
2026		27,063
	\$	<u>147,911</u>

**11. LONG TERM DEBT**

	<u>2021</u>	<u>2020</u>
Private loan repayable to August 31, 2029 in monthly instalments of \$1,064 including principal and interest at 7.00%. Secured by a lease agreement.	\$ 75,565	\$ 82,764
Less: current portion of long debt	(7,720)	(7,199)
	\$ <u>67,845</u>	\$ <u>75,565</u>

Principal payments required in each of the next five years are as follows:

2022	\$	7,720
2023		8,278
2024		8,876
2025		9,518
2026		10,206
	\$	<u>44,598</u>

**SASKATCHEWAN ABILITIES COUNCIL INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**year ended December 31, 2021**

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**12. DEFERRED DONOR DESIGNATED FUNDS**

Deferred designated donations relate to restricted funding received for expenditures in subsequent periods. The changes for the year are as follows:

	<u>2021</u>	<u>2020</u>
Beginning balance	\$ 59,989	\$ 179,325
Donor designated funds received	513,160	17,325
Capital asset funding	(115,064)	(135,381)
Amounts amortized to revenue	<u>(484)</u>	<u>(1,280)</u>
Ending balance	\$ <u>457,601</u>	\$ <u>59,989</u>

**13. UNAMORTIZED CAPITAL ASSET FUNDING**

Unamortized capital asset funding includes the unamortized portion of contributed capital assets and restricted contributions. The changes for the year are as follows:

	<u>2021</u>	<u>2020</u>
Beginning balance	\$ 3,347,333	\$ 2,628,270
Capital asset funding	424,785	946,613
Amounts amortized to revenue	<u>(259,953)</u>	<u>(227,550)</u>
Ending balance	\$ <u>3,512,165</u>	\$ <u>3,347,333</u>

**14. COMMITMENTS**

SaskAbilities is obligated under lease contracts for premises and equipment. Minimum future payments required under these agreements are:

2022	\$ 896,776
2023	727,260
2024	621,181
2025	506,025
2026	252,201

**15. NET ASSETS RESTRICTIONS**

Net assets restricted for endowment purposes are subject to externally or internally imposed restrictions stipulating that the resources be maintained in perpetuity. Income from endowment funds will be allocated annually and the amount of distributable income will be determined by management on such a basis as would increase or at least preserve the purchasing power of the fund's capital.



**SASKATCHEWAN ABILITIES COUNCIL INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**year ended December 31, 2021**

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**15. NET ASSETS RESTRICTIONS (continued)**

Internally restricted net assets originate from decisions by the Board of Directors and provide for unexpected shortfalls or specific future causes as well as investment in capital assets.

These internally restricted amounts are not available without prior approval of the Board of Directors.

**16. CAMP EASTER SEAL**

During the year, SaskAbilities received a grant of \$94,860 (2020 - \$92,727) from Saskatchewan Lotteries Trust Fund. The grant was applied to the following expenses:

	<u>2021</u>	<u>2020</u>
Program development	\$ 85,762	\$ 83,073
Administration	2,153	4,623
Communications	6,945	5,031
	<u>\$ 94,860</u>	<u>\$ 92,727</u>

**17. OTHER REVENUE**

SaskAbilities was eligible for and received \$744,585 from the Canada Emergency Wage Subsidy (CEWS) during 2021 (2020 - \$3,865,787) as a result of the COVID-19 pandemic. These funds are to assist with salary and wage expenses and keep people employed. \$518,832 of these funds (2020 - \$2,722,079) are directly related to program salary and wage expenses and have been recorded with programming revenues. \$225,753 of these funds (2020 - \$1,143,708) are related to administrative salary and wage expenses that cannot be attributed to specific programs and have been recorded as other revenue.

**18. PENSION PLANS**

SaskAbilities has certain of its employees enrolled in two multi-employer defined contribution plans and a SaskAbilities sponsored contributory defined benefit pension plan.

***Defined Benefit Pension Plan***

SaskAbilities sponsors and funds a contributory defined benefit pension plan for some of its employees. The plan provides pensions based on length of service and career average earnings. As at December 31, 2004, the defined benefit pension plan was closed to new enrolments.

**SASKATCHEWAN ABILITIES COUNCIL INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**year ended December 31, 2021**

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**18. PENSION PLANS (continued)**

***Defined Benefit Pension Plan (continued)***

Special payments in the amount of \$NIL were paid in 2021 (2020 - \$102,198) to the plan to fund the solvency deficiency. Special payments of \$NIL are required to be paid in 2022 to fund the solvency deficiency.

Current service contribution payments of \$60,239 were paid in 2021 (2020 - \$75,265).

SaskAbilities measures its defined benefit obligation and the fair value of the plan assets for funding purposes as at December 31 of each year. Based on the most recent actuarial determination of pension plan benefits completed as at December 31, 2020 and extrapolated to December 31, 2021, the information about the plan is as follows:

	<u>2021</u>	<u>2020</u>
Fair value of plan assets	\$ <b>2,194,693</b>	\$ 2,153,320
Defined benefit obligation	<u><b>1,635,187</b></u>	<u>1,734,427</u>
Funded status - plan surplus	<b>559,506</b>	418,893
Valuation allowance	<u><b>559,506</b></u>	<u>418,893</u>
Defined benefit asset, net of valuation allowance	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

A valuation allowance has been recorded by SaskAbilities as at December 31, 2021 and December 31, 2020 as no application has been made for distribution of plan assets nor is any application contemplated in the future. SaskAbilities' practice is to allocate plan actuarial surplus to improve benefits for plan members.

The next required actuarial valuation for funding and solvency purposes will be prepared no later than 2023 as at December 31, 2022.

The components of the cost for the period are as follows:

	<u>2021</u>	<u>2020</u>
Current service cost reduced to reflect employee contributions with interest	\$ <b>61,248</b>	\$ 65,865
Finance income	<u><b>(670)</b></u>	<u>(3,957)</u>
Pension expense	<b>60,578</b>	61,908
Remeasurements and other items	<u><b>(339)</b></u>	<u>115,555</u>
	\$ <u><u><b>60,239</b></u></u>	\$ <u><u>177,463</u></u>

**SASKATCHEWAN ABILITIES COUNCIL INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**year ended December 31, 2021**

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**18. PENSION PLANS (continued)**

***Defined Benefit Pension Plan (continued)***

The current year's pension expense of \$60,578 (2020 - \$61,908) is included in the statement of operations and remeasurements and other items of \$(339) (2020 - \$115,555) are recorded directly in the statement of changes in net assets.

***Defined Contribution Pension Plans***

Employer contributions to the defined contribution pension plans of \$857,024 for 2021 (2020 - \$829,409) are included in expenses.

**19. PROVINCIAL RESOURCE CENTRE ALLOCATIONS**

Provincial Resource Centre expenses are included in the expenses of the reporting areas. These expenses are first allocated to Camp Easter Seal at a flat rate. Then, the remaining Provincial Resource Centre expenses are allocated to the remaining reporting areas in proportion to their total expenses, as follows:

	<u>2021</u>	<u>2020</u>
Regina Branch	\$ 645,239	\$ 582,377
Saskatoon Branch	771,716	685,594
Swift Current Branch	263,354	241,504
Yorkton Branch	484,983	454,615
Camp Easter Seal	291,688	266,298
Rehabilitation Services	459,897	432,590
	<u>\$ 2,916,877</u>	<u>\$ 2,662,978</u>

There were no changes to the allocation method from the prior year.

**20. SIGNIFICANT EVENT**

On March 11, 2020, the World Health Organization (WHO) declared a global pandemic for the COVID-19 virus. SaskAbilities is following health advisories and mandatory requirements from local, provincial, and national health and government organizations. The longer term impact and any resulting financial impact cannot be estimated at this time.



**SASKATCHEWAN ABILITIES COUNCIL INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**year ended December 31, 2021**

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**21. FINANCIAL INSTRUMENTS**

***Credit Risk***

SaskAbilities' principal financial assets are cash and accounts receivable, which are subject to credit risk. The carrying amounts of financial assets on the statement of financial position represent SaskAbilities' maximum exposure at the financial statement date.

SaskAbilities' credit risk is primarily attributable to its accounts receivable. SaskAbilities provides credit to its customers in the normal course of its operations. It carries out, on a continuing basis, credit checks on its clients and maintains provisions for potential credit losses. SaskAbilities minimizes its credit risk by concluding transactions with a large number of clients. For grants receivable, SaskAbilities assesses, on a continuous basis, amounts receivable on the basis of amounts it is virtually certain to receive based on their estimated realizable value.

***Liquidity Risk***

Liquidity risk is the risk that SaskAbilities will not be able to meet cash requirements or to fund obligations as they become due. SaskAbilities' most significant financial liabilities as at December 31, 2021 and December 31, 2020 had contractual maturities of less than one year. SaskAbilities' most significant financial liabilities are accounts payable and accrued liabilities, callable debt, and long term debt. SaskAbilities manages liquidity risk by forecasting cash flows from operations in amounts that are sufficient to maintain an adequate cash balance.

***Interest Rate Risk***

SaskAbilities is exposed to interest rate risk on its floating interest rate financial instruments. Floating rate instruments subject SaskAbilities to a cash flow risk. SaskAbilities is exposed to this type of risk as a result of investments and callable debt. The interest bearing investments have a limited exposure to interest rate risk due to their short-term maturity. Callable debt is exposed to interest rate risk due to the variable interest rates on this debt.

**SASKATCHEWAN ABILITIES COUNCIL INC.**  
**SCHEDULE OF OPERATING REVENUES AND EXPENSES**  
**year ended December 31, 2021**

	2021	2020
<b>REGINA BRANCH</b>		
<b>REVENUE</b>		
Program	\$ 7,997,562	\$ 7,066,550
Amortization of capital asset funding	20,143	18,335
Regional services	251,503	265,969
	<u>8,269,208</u>	<u>7,350,854</u>
<b>EXPENSES</b>		
Program	<u>8,246,293</u>	7,395,604
<b>CONTRIBUTION (TO) FROM FUNDRAISING</b>	\$ <u>(22,915)</u>	\$ <u>44,750</u>
<b>SASKATOON BRANCH</b>		
<b>REVENUE</b>		
Program	\$ 9,002,244	\$ 7,784,347
Recycling	937,260	938,776
Amortization of capital asset funding	49,369	48,101
	<u>9,988,873</u>	<u>8,771,224</u>
<b>EXPENSES</b>		
Program	8,834,287	7,681,299
Recycling	<u>1,028,409</u>	<u>1,025,052</u>
	<u>9,862,696</u>	<u>8,706,351</u>
<b>CONTRIBUTION TO FUNDRAISING</b>	\$ <u>(126,177)</u>	\$ <u>(64,873)</u>

**SASKATCHEWAN ABILITIES COUNCIL INC.**  
**SCHEDULE OF OPERATING REVENUES AND EXPENSES**  
**year ended December 31, 2021**

	2021	2020
<b>SWIFT CURRENT BRANCH</b>		
<b>REVENUE</b>		
Program	\$ 1,841,237	\$ 1,784,942
Recycling	711,221	635,042
Transportation	434,203	401,012
Amortization of capital asset funding	1,806	1,908
Regional services	255,881	247,148
	<u>3,244,348</u>	<u>3,070,052</u>
<b>EXPENSES</b>		
Program	1,997,040	1,712,840
Recycling	801,890	822,124
Transportation	566,791	531,897
	<u>3,365,721</u>	<u>3,066,861</u>
<b>CONTRIBUTION FROM (TO) FUNDRAISING</b>	<u>\$ 121,373</u>	<u>\$ (3,191)</u>
<b>YORKTON BRANCH</b>		
<b>REVENUE</b>		
Program	\$ 3,635,734	\$ 3,210,026
Recycling	1,784,383	1,617,480
Transportation	591,505	566,993
Amortization of capital asset funding	82,350	81,152
Regional services	198,275	212,296
	<u>6,292,247</u>	<u>5,687,947</u>
<b>EXPENSES</b>		
Program	3,797,191	3,331,878
Recycling	1,734,705	1,754,166
Transportation	666,301	687,108
	<u>6,198,197</u>	<u>5,773,152</u>
<b>CONTRIBUTION (TO) FROM FUNDRAISING</b>	<u>\$ (94,050)</u>	<u>\$ 85,205</u>
<b>CAMP EASTER SEAL</b>		
<b>REVENUE</b>		
Camp Easter Seal	\$ 78,540	\$ 68,291
Saskatchewan Lotteries Trust Fund (Note 16)	94,860	92,727
Amortization of capital asset funding	101,505	73,477
	<u>274,905</u>	<u>234,495</u>
<b>EXPENSES</b>		
Camp Easter Seal	952,748	810,514
<b>CONTRIBUTION FROM FUNDRAISING</b>	<u>\$ 677,843</u>	<u>\$ 576,019</u>



**SASKATCHEWAN ABILITIES COUNCIL INC.**  
**SCHEDULE OF OPERATING REVENUES AND EXPENSES**  
**year ended December 31, 2021**

	2021	2020
<b>REHABILITATION SERVICES</b>		
<b>REVENUE</b>		
Orthopaedics	\$ 5,408,351	\$ 4,896,869
Special needs equipment - loan program	8,122,686	7,363,126
Special needs equipment - retail sales	53,696	61,900
Technology services	244,375	221,435
	<u>13,829,108</u>	<u>12,543,330</u>
<b>EXPENSES</b>		
Orthopaedics	5,553,637	5,185,916
Special needs equipment - loan program	8,122,783	7,338,496
Special needs equipment - retail sales	33,999	39,480
Technology services	323,955	307,543
	<u>14,034,374</u>	<u>12,871,435</u>
<b>CONTRIBUTION FROM FUNDRAISING</b>	<u>\$ 205,266</u>	<u>\$ 328,105</u>
<b>PROVINCIAL ADMINISTRATION</b>		
<b>REVENUE</b>		
Fund development	\$ 1,048,505	\$ 1,098,915
Provincial resource centre	679,359	642,344
Amortization of capital asset funding	1,665	1,670
	<u>1,729,529</u>	<u>1,742,929</u>
<b>EXPENSES</b>		
Fund development	<u>458,003</u>	<u>337,343</u>
<b>NET REVENUE</b>	<u>1,271,526</u>	<u>1,405,586</u>
Less contributions to (from) reporting areas		
Regina	(22,915)	44,750
Saskatoon	(126,177)	(64,873)
Swift Current	121,373	(3,191)
Yorkton	(94,050)	85,205
Camp Easter Seal	677,843	576,019
Rehabilitation Services	205,266	328,105
	<u>761,340</u>	<u>966,015</u>
<b>EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	510,186	439,571
<b>OTHER REVENUE</b> (Note 9 and Note 17)	<u>3,448,870</u>	<u>1,143,708</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ 3,959,056</u>	<u>\$ 1,583,279</u>

(see accompanying notes)