

**SASKATCHEWAN
ABILITIES COUNCIL INC.**

FINANCIAL STATEMENTS

December 31, 2023



INDEPENDENT AUDITORS' REPORT

**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, 2023, 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, 2023, 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. The annual report is expected to be made available to us after the date of this auditors' report.

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 identified above when it becomes available 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 timing of the audit, and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

March 6, 2024
Saskatoon, Saskatchewan

Virtus Group LLP
Chartered Professional Accountants

SASKATCHEWAN ABILITIES COUNCIL INC.
STATEMENT OF OPERATIONS
year ended December 31, 2023

	2023	2022
REVENUE (see schedule)		
Regina Branch	\$ 8,265,408	\$ 8,169,446
Saskatoon Branch	11,711,248	11,354,246
Swift Current Branch	3,483,680	3,306,311
Yorkton Branch	6,512,558	6,644,494
Camp Easter Seal	929,937	729,386
Rehabilitation Services	16,099,096	14,364,639
Provincial Administration	2,760,710	2,622,378
	<u>49,762,637</u>	<u>47,190,900</u>
EXPENSES (see schedule)		
Regina Branch	8,142,786	7,955,938
Saskatoon Branch	11,652,517	10,978,606
Swift Current Branch	3,825,534	3,492,923
Yorkton Branch	6,819,317	6,870,926
Camp Easter Seal	1,836,514	1,417,724
Rehabilitation Services	15,827,662	14,522,674
Provincial Administration	666,645	592,231
	<u>48,770,975</u>	<u>45,831,022</u>
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	991,662	1,359,878
OTHER EXPENSE (see schedule)	<u>-</u>	<u>(428,030)</u>
EXCESS OF REVENUE OVER EXPENSES	\$ <u>991,662</u>	\$ <u>931,848</u>

SASKATCHEWAN ABILITIES COUNCIL INC.
STATEMENT OF FINANCIAL POSITION
as at December 31, 2023

	2023	2022
CURRENT ASSETS		
Cash	\$ 6,421,950	\$ 4,064,226
Investments (Note 4)	2,850,238	3,205,271
Accounts receivable (Note 5)	2,724,874	2,965,886
Inventories (Note 6)	1,226,366	1,104,866
Prepaid expenses	332,306	291,137
	13,555,734	11,631,386
DESIGNATED INVESTMENTS (Note 4)	1,841,914	1,854,576
CAPITAL ASSETS (Note 7)	11,357,404	11,622,031
	\$ 26,755,052	\$ 25,107,993
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 8)	\$ 4,256,850	\$ 3,920,172
Deferred grants	2,459,523	2,116,833
Scheduled repayments of callable debt (Note 9)	30,212	30,212
Current portion of long term debt (Note 10)	22,661	22,068
	6,769,246	6,089,285
Callable debt (Note 9)	125,029	155,241
	6,894,275	6,244,526
LONG TERM DEBT (Note 10)	185,133	207,793
DEFERRED DONOR DESIGNATED FUNDS (Note 11)	87,287	44,019
DEFINED BENEFIT PENSION PLAN LIABILITY (Note 12)	-	13,857
UNAMORTIZED CAPITAL ASSET FUNDING (Note 13)	4,216,067	4,329,878
	11,382,762	10,840,073
COMMITMENTS (Note 14)		
NET ASSETS		
Net assets restricted for endowment purposes (Note 15)	588,823	560,557
Internally restricted net assets invested in capital assets	6,973,775	7,071,610
Internally restricted net assets - other (Note 15)	1,165,804	1,250,000
Unrestricted net assets	6,643,888	5,385,753
	15,372,290	14,267,920
	\$ 26,755,052	\$ 25,107,993

APPROVED BY THE BOARD

Livingston
..... Director

Paul Blumatt
..... Director

(see accompanying notes)

SASKATCHEWAN ABILITIES COUNCIL INC.
STATEMENT OF CHANGES IN NET ASSETS
year ended December 31, 2023

	Internally Restricted			Externally Restricted		Unrestricted	2023	2022 total
	<i>Invested in Capital Assets</i>	<i>Other</i>	<i>Total</i>	<i>Restricted for Endowment Purposes</i>				
Balance, beginning of year	\$ 7,071,610	\$ 1,250,000	\$ 8,321,610	\$ 560,557	\$ 5,385,753	\$	14,267,920	\$ 13,293,889
Excess of revenue over expenses	-	-	-	-	991,662	-	991,662	931,848
Employee future benefits remeasurements and other items (Note 12)	-	-	-	-	84,442	-	84,442	29,918
Transfers	-	(84,196)	(84,196)	-	84,196	-	-	-
Amortization of capital assets	(835,569)	-	(835,569)	-	835,569	-	-	-
Capital asset funding recognized	296,574	-	296,574	-	(296,574)	-	-	-
Capital asset funding deferred	(182,764)	-	(182,764)	-	182,764	-	-	-
Purchase of capital assets	572,022	-	572,022	-	(572,022)	-	-	-
Loss on disposal of capital assets	(378)	-	(378)	-	378	-	-	-
Repayment of callable debt	30,212	-	30,212	-	(30,212)	-	-	-
Repayment of long term debt	22,068	-	22,068	-	(22,068)	-	-	-
Interest income earned on endowment funds	-	-	-	28,266	-	-	28,266	12,265
Balance, end of year	<u>\$ 6,973,775</u>	<u>\$ 1,165,804</u>	<u>\$ 8,139,579</u>	<u>\$ 588,823</u>	<u>\$ 6,643,888</u>	<u>\$</u>	<u>15,372,290</u>	<u>\$ 14,267,920</u>

(see accompanying notes)

SASKATCHEWAN ABILITIES COUNCIL INC.
STATEMENT OF CASH FLOWS
year ended December 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 991,662	\$ 931,848
Interest income earned on endowment funds	28,266	12,265
Employee future benefits remeasurements and other items	84,442	29,918
Adjustments for		
Amortization of capital assets	835,569	810,720
Capital asset funding recognized	(296,574)	(284,621)
Deferred donor designated funds recognized	(1,830)	(11,125)
Loss on disposal of capital assets	378	28,754
Loss (gain) on disposal of investments	3,658	(2,253)
In-kind donation	(20,034)	(10,000)
Changes in non-cash working capital items		
Accounts receivable	241,012	221,989
Inventories	(121,500)	57,314
Prepaid expenses	(41,169)	5,268
Accounts payable and accrued liabilities	336,680	352,889
Deferred grants	342,690	260,164
	<u>2,383,250</u>	<u>2,403,130</u>
INVESTING ACTIVITIES		
Capital asset additions	(572,022)	(1,855,887)
Proceeds on disposal of capital assets	700	19,190
Purchase of investments	(2,840,000)	(3,717,338)
Proceeds on disposal of investments	3,211,409	1,447,031
Designated investments, net	12,662	401,317
	<u>(187,251)</u>	<u>(3,705,687)</u>
FINANCING ACTIVITIES		
Proceeds from long term debt	-	162,016
Repayment of callable debt	(30,212)	(30,212)
Repayment of long term debt	(22,068)	(7,721)
Receipt of donor designated funds	227,862	699,877
Defined benefit pension plan liability, net	(13,857)	13,857
	<u>161,725</u>	<u>837,817</u>
NET INCREASE (DECREASE) IN CASH	2,357,724	(464,740)
CASH POSITION, BEGINNING OF YEAR	4,064,226	4,528,966
CASH POSITION, END OF YEAR	\$ <u>6,421,950</u>	\$ <u>4,064,226</u>

(see accompanying notes)

SASKATCHEWAN ABILITIES COUNCIL INC.
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2023

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, 2022* 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, 2023

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, 2023

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, 2023

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, 2023 (December 31, 2022 - \$3,535,000).

As of December 31, 2023, the credit facility was at prime (December 31, 2022 - prime). Prime at December 31, 2023 was 7.20% (December 31, 2022 – 6.45%).

During 2023, no new loans were drawn under these facilities (2022 - no new loans drawn). These loans and specific security, when applicable, are detailed in Note 9. There are no other borrowings outstanding under these facilities at December 31, 2023 (December 31, 2022 - \$NIL).

4. INVESTMENTS

Investments

Investments consist of guaranteed income certificates (GICs) with interest rates ranging from 4.55% to 5.15% and maturing from February 13, 2024 to July 2, 2024.

SASKATCHEWAN ABILITIES COUNCIL INC.
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2023

4. INVESTMENTS (continued)

Designated Investments

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

	2023	2022
Deferred donor designated funds	\$ 87,287	\$ 44,019
Net assets restricted for endowment purposes	588,823	560,557
Internally restricted net assets - other	1,165,804	1,250,000
	\$ 1,841,914	\$ 1,854,576

5. ACCOUNTS RECEIVABLE

	2023	2022
Grants receivable	\$ 575,428	\$ 816,260
GST rebate	4,458	29,156
Trade receivables	2,044,742	2,103,639
Accrued interest receivable	130,246	46,831
Allowance for uncollectible accounts	(30,000)	(30,000)
	\$ 2,724,874	\$ 2,965,886

6. INVENTORIES

	Regina	Saskatoon	Swift Current	Yorkton	Rehabilitation Services	2023	2022
Sewing	\$ 74,208	\$ 140,375	\$ 55,578	\$ -	\$ -	\$ 270,161	\$ 239,295
Assembly	2,618	25,351	-	-	-	27,969	8,410
Wood Products	102,101	136,464	-	-	-	238,565	355,696
Metal Work	-	50,173	-	-	-	50,173	34,546
Commercial Products	-	-	-	3,021	-	3,021	3,906
Special Needs Equipment - Retail Sales	-	-	-	-	27,284	27,284	19,698
Orthopaedics	-	-	-	-	609,193	609,193	443,315
	\$ 178,927	\$ 352,363	\$ 55,578	\$ 3,021	\$ 636,477	\$ 1,226,366	\$ 1,104,866

The cost of inventory recognized as an expense during 2023 was \$4,281,733 (2022 - \$4,667,135). During the year, there were \$4,246 of inventory write-downs (2022 - \$68,860).

SASKATCHEWAN ABILITIES COUNCIL INC.
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2023

7. CAPITAL ASSETS

	<u>Land</u>	<u>Building</u>	<u>Equipment</u>	2023	Total 2022
Cost, beginning of year	\$ 416,119	\$ 21,600,069	\$ 4,214,371	\$ 26,230,559	\$ 24,503,280
Additions					
Regina Branch	-	18,913	9,699	28,612	112,546
Saskatoon Branch	-	29,399	170,088	199,487	476,712
Swift Current Branch	-	28,969	17,702	46,671	21,134
Yorkton Branch	8,200	74,950	7,188	90,338	55,283
Camp Easter Seal Rehabilitation Services	-	132,638	41,148	173,786	988,350
Provincial Administration	-	5,063	28,065	33,128	166,289
	<u>8,200</u>	<u>289,932</u>	<u>273,890</u>	<u>572,022</u>	<u>1,855,885</u>
Write down/disposals	-	(15,079)	(170,461)	(185,540)	(128,606)
Cost, end of year	<u>424,319</u>	<u>21,874,922</u>	<u>4,317,800</u>	<u>26,617,041</u>	<u>26,230,559</u>
Accumulated amortization, beginning of year	-	11,332,636	3,275,892	14,608,528	13,878,472
Write down/disposals	-	(14,001)	(170,461)	(184,462)	(80,662)
Amortization expense	-	597,541	238,030	835,571	810,718
Accumulated amortization, end of year	-	11,916,176	3,343,461	15,259,637	14,608,528
Net book value	<u>\$ 424,319</u>	<u>\$ 9,958,746</u>	<u>\$ 974,339</u>	<u>\$ 11,357,404</u>	<u>\$ 11,622,031</u>

SASKATCHEWAN ABILITIES COUNCIL INC.
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2023

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Trade payables and accrued liabilities	\$ 2,165,574	\$ 2,188,547
Amount payable in respect of government remittances	248,379	208,990
Payroll accrual	790,501	528,154
Vacation accrual	1,052,396	994,481
	\$ 4,256,850	\$ 3,920,172

9. CALLABLE DEBT

	2023	2022
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, 2023 was 7.20% (December 31, 2022 - 6.45%).	\$ 139,493	\$ 163,406
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 \$23,454 and a general security agreement. Prime at December 31, 2023 was 7.20% (December 31, 2022 - 6.45%).	15,748	22,047
	155,241	185,453
Less: scheduled repayments of callable debt	(30,212)	(30,212)
	\$ 125,029	\$ 155,241

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:

2024	\$	30,212
2025		30,212
2026		27,063
2027		23,913
2028		23,913
	\$	135,313

SASKATCHEWAN ABILITIES COUNCIL INC.
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2023

10. LONG TERM DEBT

	2023	2022
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.	\$ 59,568	\$ 67,845
Private loan repayable to June 30, 2032 in monthly instalments of \$1,859 including principal and interest at 6.00%. Secured by a lease agreement.	148,226	162,016
	207,794	229,861
Less: current portion of long term debt	(22,661)	(22,068)
	\$ 185,133	\$ 207,793

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

2024	\$	22,661
2025		24,153
2026		25,744
2027		27,440
2028		29,246
	\$	129,244

11. 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:

	2023	2022
Beginning balance	\$ 44,019	\$ 457,601
Donor designated funds received	133,863	415,232
Capital asset funding	(88,765)	(817,689)
Amounts amortized to revenue	(1,830)	(11,125)
Ending balance	\$ 87,287	\$ 44,019

SASKATCHEWAN ABILITIES COUNCIL INC.
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2023

12. 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.

Employer current service contribution payments ended in June 2022, as required under the *Income Tax Act*, since the plan was in an excess surplus position. Subsequent to this, SaskAbilities applied for a voluntary employer current service contribution payment holiday, which was approved until the next required actuarial valuation for funding and solvency purposes.

Current service contribution payments of \$NIL were paid in 2023 (2022 - \$39,772).

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, 2021 and extrapolated to December 31, 2023, the information about the plan is as follows:

	2023	2022
Fair value of plan assets	\$ 1,875,313	\$ 1,871,073
Defined benefit obligation	1,736,131	1,884,930
Funded status - plan surplus (deficit)	139,182	(13,857)
Valuation allowance	139,182	-
Defined benefit asset (liability), net of valuation allowance	\$ -	\$ (13,857)

A valuation allowance has been recorded by SaskAbilities as at December 31, 2023 (2022 - \$NIL) 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 2025 as at December 31, 2024.

SASKATCHEWAN ABILITIES COUNCIL INC.
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2023

12. PENSION PLANS (continued)

Defined Benefit Pension Plan (continued)

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

	2023	2022
Current service cost reduced to reflect employee contributions with interest	\$ 70,659	\$ 70,124
Finance income	(73)	(434)
Pension expense	70,586	69,690
Remeasurements and other items	(84,442)	(29,918)
	\$ (13,856)	\$ 39,772

The current year's pension expense of \$70,586 (2022 - \$69,690) is included in the statement of operations and remeasurements and other items of \$(84,442) (2022 - \$(29,918)) are recorded directly in the statement of changes in net assets.

Defined Contribution Pension Plans

Employer contributions to the defined contribution pension plans of \$966,119 for 2023 (2022 - \$921,527) are included in expenses.

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:

	2023	2022
Beginning balance	\$ 4,329,878	\$ 3,512,165
Capital asset funding	182,763	1,102,334
Amounts amortized to revenue	(296,574)	(284,621)
Ending balance	\$ 4,216,067	\$ 4,329,878

SASKATCHEWAN ABILITIES COUNCIL INC.
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2023

14. COMMITMENTS

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

2024	\$	900,860
2025		677,882
2026		445,053
2027		401,549
2028		351,872

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.

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 (2022 - \$94,860) from Saskatchewan Lotteries Trust Fund. The grant was applied to the following expenses:

	2023	2022
Program development	\$ 77,565	\$ 81,660
Administration	10,279	4,397
Communications	7,016	8,803
	\$ 94,860	\$ 94,860

SASKATCHEWAN ABILITIES COUNCIL INC.
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2023

17. OTHER EXPENSE

During the year, SaskAbilities elected to return \$NIL (2022 - \$428,030) of the Canada Emergency Wages Subsidy (CEWS) funding received in 2020 and 2021.

18. 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:

	2023		2022
Regina Branch	\$ 633,411	\$	652,107
Saskatoon Branch	906,425		899,859
Swift Current Branch	297,580		286,297
Yorkton Branch	530,461		563,174
Camp Easter Seal	318,955		324,907
Rehabilitation Services	502,718		522,723
	\$ 3,189,550	\$	3,249,067

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

19. SIGNIFICANT EVENT

During the year, SaskAbilities provided written notice to Saskatchewan Association of Rehabilitation Centres (SARC) that SaskAbilities will not be entering into negotiations to extend the term of the SARCAN Recycling funding agreement and intends to allow the said agreement to expire and terminate on March 31, 2024. SaskAbilities has also provided written notice to SARC that SaskAbilities is resigning its four memberships in SARC effective March 31, 2024.

20. COMPARATIVE BALANCES

Certain amounts in the prior year have been reclassified for comparative purposes.

SASKATCHEWAN ABILITIES COUNCIL INC.
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2023

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, 2023 and December 31, 2022 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, 2023

	2023	2022
REGINA BRANCH		
REVENUE		
Program	\$ 7,992,718	\$ 7,892,406
Amortization of capital asset funding	27,584	27,002
Regional services	245,106	250,038
	<u>8,265,408</u>	<u>8,169,446</u>
EXPENSES		
Program	<u>8,142,786</u>	<u>7,955,938</u>
CONTRIBUTION TO FUNDRAISING	<u>\$ (122,622)</u>	<u>\$ (213,508)</u>
SASKATOON BRANCH		
REVENUE		
Program	\$ 10,349,428	\$ 10,085,362
Recycling (Note 19)	1,090,827	1,029,812
Amortization of capital asset funding	61,041	52,680
Regional services	209,952	186,392
	<u>11,711,248</u>	<u>11,354,246</u>
EXPENSES		
Program	10,465,934	9,815,343
Recycling (Note 19)	1,186,583	1,163,263
	<u>11,652,517</u>	<u>10,978,606</u>
CONTRIBUTION TO FUNDRAISING	<u>\$ (58,731)</u>	<u>\$ (375,640)</u>

SASKATCHEWAN ABILITIES COUNCIL INC.
SCHEDULE OF OPERATING REVENUES AND EXPENSES
year ended December 31, 2023

	2023	2022
SWIFT CURRENT BRANCH		
REVENUE		
Program	\$ 2,012,583	\$ 1,898,473
Recycling (Note 19)	790,850	731,325
Transportation	435,669	431,778
Amortization of capital asset funding	2,522	1,849
Regional services	242,056	242,886
	<u>3,483,680</u>	<u>3,306,311</u>
EXPENSES		
Program	2,215,087	2,013,371
Recycling (Note 19)	972,853	870,051
Transportation	637,594	609,501
	<u>3,825,534</u>	<u>3,492,923</u>
CONTRIBUTION FROM FUNDRAISING	<u>\$ 341,854</u>	<u>\$ 186,612</u>
YORKTON BRANCH		
REVENUE		
Program	\$ 4,037,792	\$ 3,956,450
Recycling (Note 19)	1,605,436	1,823,647
Transportation	599,996	575,252
Amortization of capital asset funding	57,099	78,339
Regional services	212,235	210,806
	<u>6,512,558</u>	<u>6,644,494</u>
EXPENSES		
Program	4,399,487	4,260,525
Recycling (Note 19)	1,764,919	1,945,688
Transportation	654,911	664,713
	<u>6,819,317</u>	<u>6,870,926</u>
CONTRIBUTION FROM FUNDRAISING	<u>\$ 306,759</u>	<u>\$ 226,432</u>
CAMP EASTER SEAL		
REVENUE		
Camp Easter Seal	\$ 693,268	\$ 515,048
Saskatchewan Lotteries Trust Fund (Note 16)	94,860	94,860
Amortization of capital asset funding	141,809	119,478
	<u>929,937</u>	<u>729,386</u>
EXPENSES		
Camp Easter Seal	<u>1,836,514</u>	<u>1,417,724</u>
CONTRIBUTION FROM FUNDRAISING	<u>\$ 906,577</u>	<u>\$ 688,338</u>

SASKATCHEWAN ABILITIES COUNCIL INC.
SCHEDULE OF OPERATING REVENUES AND EXPENSES
year ended December 31, 2023

	2023	2022
REHABILITATION SERVICES		
REVENUE		
Orthopaedics	\$ 6,268,268	\$ 5,883,456
Special needs equipment - loan program	9,394,655	8,129,360
Special needs equipment - retail sales	68,272	65,289
Technology services	366,499	285,807
Amortization of capital asset funding	1,402	727
	<u>16,099,096</u>	<u>14,364,639</u>
EXPENSES		
Orthopaedics	5,993,276	5,989,109
Special needs equipment - loan program	9,342,778	8,099,433
Special needs equipment - retail sales	22,208	45,830
Technology services	469,400	388,302
	<u>15,827,662</u>	<u>14,522,674</u>
CONTRIBUTION (TO) FROM FUNDRAISING	<u>\$ (271,434)</u>	<u>\$ 158,035</u>
PROVINCIAL ADMINISTRATION		
REVENUE		
Fund Development	\$ 1,655,681	\$ 1,578,409
Provincial Resource Centre	1,102,600	1,042,111
Amortization of capital asset funding	2,429	1,858
	<u>2,760,710</u>	<u>2,622,378</u>
EXPENSES		
Fund development	666,645	592,231
NET REVENUE	<u>2,094,065</u>	<u>2,030,147</u>
Less contributions to (from) reporting areas		
Regina Branch	(122,622)	(213,508)
Saskatoon Branch	(58,731)	(375,640)
Swift Current Branch	341,854	186,612
Yorkton Branch	306,759	226,432
Camp Easter Seal	906,577	688,338
Rehabilitation Services	(271,434)	158,035
	<u>1,102,403</u>	<u>670,269</u>
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	991,662	1,359,878
OTHER EXPENSE (Note 17)	-	(428,030)
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 991,662</u>	<u>\$ 931,848</u>

(see accompanying notes)