

# Drawn together

RANCH EHRLO SOCIETY  
ANNUAL REPORT 2022-2023



Artwork featured in this report was created by Ranch Ehrlo youth, adults, and families.

## ABOUT US

Ranch Ehrlo Society is a charitable organization dedicated to providing a range of quality assessment, treatment, education, support, and community services that improve the lives of children, youth, adults, and families.

Ranch Ehrlo is proud to work with families representing some of the many diverse First Nations, Inuit, and Métis communities from across Canada. We are located on Treaty 4 and Treaty 6 territories, home of the Cree, Dene, Ojibwe, Saulteaux, Dakota, Nakota, Lakota, and homeland of the Métis Nation – Michif Nation.

## OUR MISSION

Ranch Ehrlo Society has developed unique and innovative programs to assist children, youth, families, and communities.

The mission of Ranch Ehrlo Society is to provide quality prevention, restorative, and advocacy services to vulnerable individuals and families through highly engaged and professional employees.

## OUR VISION

We envision communities where all individuals and families achieve their full potential.

## WHO WE SERVE

Our services include assessment and psychotherapy for members of the broader community, family treatment and reunification, early learning, counselling, emergency receiving, specialized foster care, affordable housing, group care treatment and education for children and youth with mental health, behavioural, and addictions needs, and group care and vocational services for older adolescents and adults with pervasive and complex developmental disorders, and community recreation and sports programs for at-risk youth. Our participants are referred from across the country.

## OUR MODEL OF CARE

As a CARE certified agency, we follow the CARE model, a multi-level program aimed at improving services for children and youth in care. Based on the six guiding principles below, the CARE model is designed to significantly influence the way we, as professionals, work with children, youth, adults, and families.

Relationship  
based

Developmentally  
focused

Family  
involvement

Competence  
centred

Trauma  
informed

Ecologically  
oriented



# Table of contents

4  
Message from the board chair and  
CEO

5-6  
Group Living Services

7-8  
Family services

9-10  
Clinical services

11-12  
Education services

13-14  
Community services

15-18  
Our achievements

19  
Outcomes

20  
Ranch Ehrlo executive

21  
Ranch Ehrlo board of directors

22  
Highlights from the board  
committees

23  
Ranch Ehrlo staff association

24  
Auditor's report

25  
Statement of financial position

26  
Statement of operations

27  
Statement of changes in net assets

28  
Statement of cash flows

29-39  
Notes to financial statements

# Leadership message

It is our pleasure to present the 2022-23 board chair/CEO report for Ranch Ehrlo Society and highlight some of our achievements throughout the year.

Our powwow returned in August 2022 after a brief hiatus due to COVID-19. We welcomed dancers and drummers from across the province and brought together youth, families, participants, and staff to honour the culture of our Indigenous families and community partners.

In September we celebrated the 15th anniversary of the Corman Park campus and the 25th anniversary of the Buckland campus. Combined, they are home to five Group Living Programs and one Emergency Receiving Program.

In the fall of 2022, Ranch Ehrlo was one of ten organizations chosen by the Ministry of Social Services' Community Living Service Delivery to participate in a pilot project to improve the services to people with differing abilities. The project is especially important for the participants in our Supported Living Programs who consider the Ranch their home.

In November, we celebrated the 30th anniversary of the Outdoor Hockey League, and Sport Venture was chosen to be the charity of choice for the Tim Hortons Holiday Smile Cookie campaign raising a total of \$67,000 through cookie sales.

In December, a new gazebo area on the Buckland campus, called Pawson Place, was officially opened to honour the founder of Ranch Ehrlo, the late Dr. Geoff Pawson.

In February 2023, Ranch Ehrlo was named a Top Employer in Saskatchewan for the 12th consecutive year. We are very proud of this designation and continue to work hard to ensure we provide a workplace that encourages our employees to be engaged, forward-thinking, and committed to the work we do.

In the same month, the agency undertook an organizational restructuring to create a new support services division which includes the human resources department. Other changes included the transfer of Ehrlo Housing and Sport Venture to the strategy and organizational effectiveness division. The employee safety division was transferred to quality improvement to reduce duplication and streamline processes.

Employees in all areas were busy throughout the year preparing for two important milestones with the agency applying for CARE certification in June 2023 and for

re-accreditation with Council on Accreditation (COA), expected in November 2023. Currently, there are only two CARE-certified organizations in Canada. Ranch Ehrlo hopes to be the third. Ranch Ehrlo has been successfully accredited since 1977. It is the only COA-accredited organization in Saskatchewan.

Our family programs remain strong. Our Treatment Foster Care program continues to grow and between the foster families in the north and south, we now have 14 families serving 24 children with more families still coming on board.

During the year, youth, participants, and staff had the opportunity to take part in several different events to strengthen their cultural connections including walking our reconciliation path at Pilot Butte (māmawipimohtêtân) on Orange Shirt Day, raising a teepee on the Corman Park Campus, participating in the Moose Hide Campaign and Red Dress Day, and taking part in sweat ceremonies in partnership with Piapot First Nation.

During the fiscal year, we welcomed two new members to Ranch Ehrlo board of directors, with Robin James Clarke and Jordan Baptiste joining the team. These two bring a wealth of experience to the board and we look forward to working with them.

We would like to thank all members of the Ranch Ehrlo Society's board of directors for their dedicated service. A special thank you to Greg Fieger and Peter Hoffmann who will be rotating off the board. Your contributions will be missed.

Thank you, as always, to the executive team for their continued excellent work. And finally, a special thank you to all the employees and volunteers who time and time again, go above and beyond to provide excellent care to those we serve.



**Natalie Huber,**  
**CEO and**  
**president**



**Dr. Louise**  
**Greenberg,**  
**board chair**



# Group living

Our integrated treatment programs provide youth and participants with differing abilities with group living, clinical treatment, education/vocational services, and recreation opportunities.

3

Emergency receiving homes in Pilot Butte and Prince Albert



22

Supported living homes in Regina and Pilot Butte



18

Youth group living homes in Regina, Pilot Butte, Corman Park, and Prince Albert



(top) Youth jumping into the lake on a therapeutic camping trip.

(above) Participant in the Supported Living Program cooking a meal inside his home.





# Group living programs

## Youth Group Living Programs

Young people are in programming 24-hours a day and every activity is focused on achieving the best outcome for that youth.

Our programs are designed to first stabilize and assess youth entering our program. Following an intake period, programming focuses on providing opportunities for greater independence. Life skills building opportunities include shopping, meal preparation, accessing support services, and others.

Once youth are ready to leave the Ranch, we help support them to successfully navigate the transition from adolescence to adulthood. Focus is on daily life skills, community/family connectedness, medical resources, community involvement, and vocational/education skills.

## Supported Living Programs

Ranch Ehrlo provides programs for participants with multiple, complex developmental needs. Care and support are focused on person-centred and strength-based services.

Participants have access to a multi-disciplinary team of clinical consultants who are trained in speech and language pathology, occupational therapy, music therapy, social work, psychiatric nursing, and psychology. Target areas include fine motor skills, functional language development, social-emotional abilities, sensory processing ability, and daily living skills.

## Emergency Receiving Programs

Ranch Ehrlo provides temporary Emergency Receiving Services for youth while the Ministry of Social Services develops a longer term plan.



# Family

Ranch Ehrlo has four family programs that help keep or bring families together.



# Family programs


The agency operates four family-focused programs that prevent the placement of children out of their homes, assist families to reunite after having a child in care, or provide family-based care for children.

**Family Treatment Program** aims to improve family safety, family functioning, and child well-being so families can remain together. The program provides services to the whole family to assist families to safely care for their children and prevent out-of-home care, or to assist families to reunite after having a child in care. The length of time in the program is dependent on the family members' treatment needs.

**Intensive Family Preservation Services** is an intensive six-week in-home family treatment program that works with families referred by the Ministry of Social Services from the southern region of the province. It is designed to stabilize and strengthen families and to prevent out-of-home placement of children.

**Treatment Foster Care Program** provides a supportive environment for children to live and thrive in a family setting. Foster families support the care, treatment, and community engagement of the children in their care while helping to develop and strengthen healthy relationships between the child and their birth family. A typical length of stay is six to 12 months.

**Family Centred Addiction Program** based out of Moose Jaw, it is an innovative addictions treatment program that supports not only the individual struggling with substance misuse, but also their immediate family.



**Ranch Ehrlo is a family-focused agency and its goal is to keep families together whenever possible.**



**34**

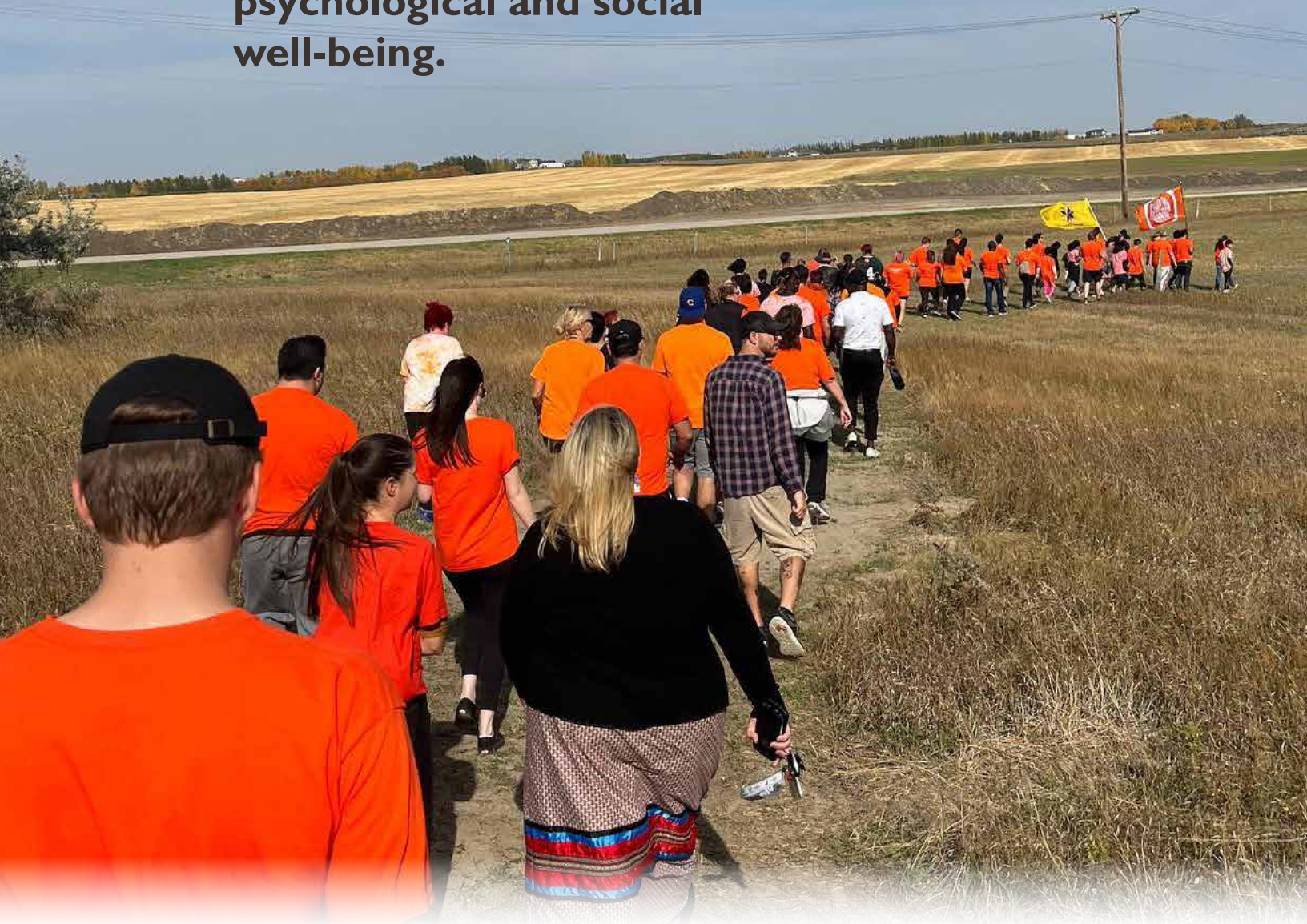
Family treatment homes in Regina and Moose Jaw and one family-centred addiction apartment building in Moose Jaw.





# Clinical programs

**Ranch Ehrlo helps participants confront the issues that brought them here, while working to enhance their individual psychological and social well-being.**



Youth and staff walking the māmawī-pimohtētān path on Pilot Butte campus on September 30th.

# Clinical programs



Clinical treatment at the Ranch is comprised of our program caseworkers, specialized clinical consultants, and a team of registered psychologists at the Clinical Assessment and Resources Services. Participants also have access to psychiatric services, equine assisted therapy, music therapy, and occupational therapists.

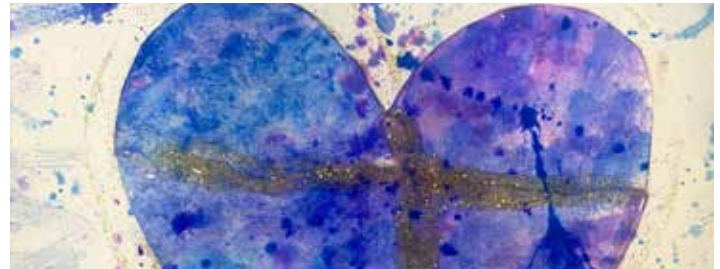
Children, youth, adults, and families spend time engaged with our highly-trained staff taking part in creative or athletic activities like yoga, art-based services, and therapeutic camping to name a few. Essentially participants are in programming 24-hours a day. Even though it may not look it, every activity is focused on achieving the best outcome for that young person or adult.



(above) Youth at Dalla Vicenza House being led through some clinical activities by a caseworker during a therapeutic camping trip at Chitek Lake.

(left) Youth taking part in a summer art camp through Ranch Ehrlo's Paper Crane expressive arts service led by instructor Dustin Ritter.

(below) A participant in our Supported Living Program works with a clinical consultant to help with daily skills like budgeting.



**Clinical activities include individual, group, and family counselling, psychological intervention and assessment, occupational therapy, speech and language services, arts-based services, and a number of other supplementary treatments.**



# Education

Our diverse education programs offer resources to students who have not traditionally had success in the classroom and vocational programs for participants with developmental and cognitive needs.

Participants in the Vocational Training Employment Program learned to build a steel briquette barbecue from scratch.

# Education programs



**Most youth coming to Ranch Ehrlo have had little success in school.**

Frustration and failure have often led a child to anger and withdrawal, and as a result, they are no longer interested in learning.

To meet this challenge, the agency provides accredited, structured educational environments within Ranch-operated Schaller, Hansen, and Ellen Gunn education centres located on our three campuses at Pilot Butte, Buckland, and Corman Park. The agency also has a Transition Program in Regina which prepares youth to transition from a Ranch classroom toward mainstream placement.

Each school provides an environment for academic assessment, modified programming, and behaviour stabilization in preparation for future educational placements.

As students progress and their behaviours stabilize, they are moved to classrooms in city schools with the support of an on-site teacher and an educational assistant employed by the Ranch. This provides opportunity for students to adjust to what will be required in a regular school. The difference in these classrooms is that the number of students is kept small in order to provide more individual attention to each student.

## **Vocational and alternative programs**

The Learning Centre is a special education program designed to meet the needs of young adults who have severe developmental and sensory needs.

Ranch Ehrlo's four vocational and life skills programs provide a variety of work training experience and skills development designed to assist those with developmental and cognitive needs.

(top) Art chosen for the Art from the Heart Calendar

(l) Student receiving the President's Trophy in Education from board member Robin James Clarke and MLA Terry Jenson at the Northern Awards Night.

5

**Vocational and alternative education programs**



3

**Accredited education centres on our campuses**





# Community

Ranch Ehrlo offers community programs that make areas of living, working, and playing better places to be.

**Ranch Ehrlo Society is built upon the hope and belief that all individuals, families, and communities have the ability to achieve their full potential. Our community services are designed to promote the well-being of all.**

A little boy can play hockey for the first time.

Parents can feel confident about leaving their child at an Early Learning Centre.

A single mother can give her children a roof over their heads.

A father struggling to parent can find counselling support.

## Programs we offer

- **Ehrlo Housing** - affordable housing for low-income families, individuals with enduring mental health conditions, and youth transitioning from care.
- **Ehrlo Sport Venture** - organized recreation programs, free sports equipment lending, and specialized camps.
- **Ehrlo Counselling Services** - professional counselling, assessment, training, and consultation services for children, teens, and families.
- **Ehrlo Early Learning Centres** - quality learning and childcare for families in Regina.



# Community programs



In February, the Pats, including Connor Bedard, joined Outdoor Hockey League players at the FROST Regina festival to celebrate Hockey Night on Wascana.



Children in one of our Ehrlo Early Learning Centres participating in an Indigenous talking circle.



In December, Ehrlo Counselling Services held an open house to connect and network with current community stakeholders and potential stakeholders.



Ehrlo Housing held a tenants appreciation barbecue to celebrate tenants of Lakeshore Village, Chaz Court, and McEwen Manor.

# Our achievements

The past year was filled with extraordinary achievements.

## June 2022

### Multiple graduates

Last June, Ranch Ehrlo was fortunate to have four participants graduate from high school. Staff, participants, and families were able to celebrate the perseverance of the outstanding graduates and their accomplishments.

### Lee House community clean up



Lee House took matters into its own hands at its Regina community clean-up event and demonstrated the power of teamwork.

“We thought this would be a good way to bring the youth together to do something nice, not just for our house, but for everyone in the neighbourhood. Our goal was to promote a culture of teamwork and pride in their work. The aim is for us to continue to build positive relationships within the community,” said Michael Torrie, program manager at Lee House.

## August 2022

### 5th annual powwow

After a brief hiatus due to COVID-19, Ranch Ehrlo’s 5th annual powwow returned to the Pilot Butte campus



at the end of August. The event began with a pipe ceremony and feast before the grand entry. A family-style carnival and inflatable waterslide provided entertainment for families who stepped away from the dancing and drumming.

## September 2022

### New therapy program

Staff at the Learning Centre used the start of a new academic year to plan and develop a new animal therapy program for the participants at the Learning Centre.

The Learning Centre is a special education program designed to support adults, aged 17 and older, with differing abilities and sensory needs to lead a full life.

The centre partnered with St. John’s Ambulance to introduce therapy dogs into the program. Certified animals can help people with autism build social communication, manage their emotions, and build play skills. They are also used to support positive social interactions with peers.



### Battle at the Butte

The third annual Battle at the Butte took place in September on the Pilot Butte campus. There were approximately 40 participants

from 10 different programs participating in the strength contest.

Nicholas Hadjistavropoulos, youth care leader at Jewison House and one of the planners said, “Participants had the opportunity to challenge their bodies and minds through lifting and competing. Even though it was a tough feat, everyone finished strong with big smiles on their faces.”

## November 2022



### Holiday cookie campaign

During the holiday season, Ehrlo Sport Venture (ESV) was chosen to be the charity of choice for the Tim Hortons Holiday Smile Cookie campaign. Approximately \$67,000 was raised for ESV through the sale of these cookies at Tim Hortons stores in Regina, Balgonie, Emerald Park, and Indian Head.

“We are grateful to the local owners who were fully committed to the campaign, invited us into their stores to promote the cookies, and for their belief in the power of sport,” stated Gloria Patrick, ESV manager. “And of course, we are grateful to everyone in the community who purchased a cookie!”

### Inter-campus culture

In November, trees from Buckland campus travelled to Pilot Butte in



a north-meets-south gesture to make a cultural statement. A symbolic teepee made from the trees is now one of the teaching stations on the new Path to Reconciliation being constructed at the Pilot Butte campus. The path is called *māmawī-pimohtētān* which in Cree means “walking all together.”

## December 2022

### Art from the Heart 2022

Ranch participants from around Saskatchewan created beautiful artwork for the *Art from the Heart* exhibition. There were

16 pieces chosen to be featured in the Ranch Ehrlo Society 2023 calendar. The artists showed off their work

at a formal reception in December on the Pilot Butte campus.



### Pawson Place



In December, youth and staff at Buckland campus, outside of Prince Albert, gathered to officially open a new gazebo area on campus called Pawson Place.



“This idea was started years ago to honour Geoff Pawson and recognize him for bringing Ranch Ehrlo to Prince Albert,” explained Kevin Mugford, (now retired) northern Group Living director.

Dr. Geoff Pawson founded Ranch Ehrlo Society in 1966; growing the concept from a single home to a multi-service agency. He passed away in January 2012 after a brief battle with cancer. Despite his passing, his passion for helping young people, families, and the community continues.

## February 2023

### Kits once again provide comfort



The Ranch was once again a recipient of the Ted and Loretta Rogers Foster Care Comfort Kit Program, through the Children’s Aid Foundation

of Canada. The program aims to significantly improve the experience of children and youth coming into care.

The program provides backpacks stuffed with items and resources that bring comfort, well-being, safety, and a sense of security to young people struggling to cope with an overwhelming period of their lives.

## April 2023

### Generous grants and donations for families

Families in Ranch Ehrlo Society’s Family Treatment Program are a lot safer, warmer, and blessed thanks to several generous grants and donations over the year.

SGL provided a grant for the purchase of car seats for families and an additional grant was provided for the purchase of bike helmets from a partnership between the SGL Traffic Safety Community Outreach Department, and the Provincial Acquired Brain Injury Education and Prevention Program.

Families in the Family Treatment Program expanded their cultural experience thanks to a donation from Ritenburg and Associates. During the Christmas holidays, the families also had a hand up thanks to many local businesses and individuals.

In June the Viscount-Plunkett chapter of Blankets for Canada donated 25 youth and adult blankets.

### Family advisory committee underway

Ranch Ehrlo began a new initiative involving participants’ families last spring that continued throughout the year. While family involvement has always been an integral part of a participant’s treatment program, the agency took the next step to establish a structured Family Advisory Committee consisting of the families of participants from our Group Living Services as well as the Supported Living Program.

“Ranch Ehrlo is committed to the practice of continuous improvement,” explained Dr. Karl Mack, director of child and youth development. “One of the ways the Ranch does that is by listening to the feedback from various groups who experience the programs.”

The committee will meet several times a year and provide input to Ranch Ehrlo’s board of directors, leadership team, and all levels of the organization on how the Ranch may be able to improve.

## Make a Mark 2.0



Ranch Ehrlo's Paper Crane expressive arts services have once again teamed up with the Regina Public Library for the new Make A Mark Mythical Art Exhibit in May 2023.

This year the original works of art from Ranch Ehrlo participants featured the theme of mythical creatures and the use of blacklight paint. There was also another large live mural to allow everyone to contribute their artistic touch.

The exhibit was on display at the George Bothwell, Southland Mall location, and at the downtown location of the Regina Public Library throughout May.

## OHL donation



Ehrlo Sport Venture's Outdoor Hockey League (OHL) received a \$50,000 donation from Brandt Group of Companies.

Shaun and Gavin Semple, owners of the Regina

Pats and the Brandt Group of Companies, presented the cheque on the ice before the 3rd Western Hockey League playoff game in Regina.

"We believe that everyone should have the right to play. Thanks to this significant donation from Brandt, even more Regina youth will have the opportunity to play the sport they love," said Gloria Patrick, Ehrlo Sport Venture program manager.

## May 2023

*I Belong*



Artists in the Paper Crane expressive arts services at Ranch Ehrlo Society exhibited their original creations at the Cathedral Village Arts Festival as part of the *I Belong* art show. The exhibition explored identity and examined how each unique individual brings strengths to the layered canvas that is community.

Over a two-month period, more than 50 participants ranging in age from two years to adults took part in creating collages for *I Belong*. They made art either as individuals or as family groups creating pieces together.

# Focus on outcomes

Continual improvement has always been a top priority for us. We take great strides to better understand how our programs impact our youth, adults, and families, and we work diligently to ensure the delivery of our services are effective in meeting their needs. We have a system in place for analyzing and reporting our service recipients' success. We use the data to evaluate services, identify opportunities for improvement, and develop plans. If you want to see more outcomes, look for the Outcomes Report on [ehrlo.com](http://ehrlo.com).



## Why are youth at the Ranch?



**91%**

of youth attained all or part of their goals!

**91%**  
of Supported Living Program participants were satisfied with services.

**91%**

of families stayed together in our Intensive Family Preservation Services!

# Our executive



**Natalie Huber** joined Ranch Ehrlo in January 2021 as the president/CEO. She has worked in child and family services for close to 28 years.



**Shelley Reddekopp** joined the Ranch in June 2021 as the vice-president of finance. She came to the agency with significant corporate, leadership, and financial experience. She assumed the role of vice-president of support services in 2023.



**Malcolm Neill** joined the Ranch in 1988. He held various positions including vice-president of Ehrlo Community Services and vice-president of Group Living Services, before being appointed as the vice-president of strategy and organizational effectiveness in January 2020.



**Pam Dmytriw** joined the Ranch in 2016 as a Group Living director and moved into the role of vice-president of Group Living Services in 2020. Prior to coming to the agency, she worked at the Ministry of Social Services and the Regina Qu'Appelle Health Region.



**Corinna Hayden-Fidler** has been an educator for over 28 years. Before being appointed the vice-president of education in September 2013, she held the title of director of secondary and vocational programs.



**David Rivers** has over 25 years of experience in the agency. He has filled many roles in several programs before becoming the vice-president of clinical services in 2020.



**Carole Bryant** joined the Ranch in 2000. In 2016, she assumed a new role as director of governance and corporate services. She remains a member of the executive team.



# Board of directors

## 2022-2023

- **Dr. Louise Greenberg, (chair) former executive in residence, Johnson Shoyama, U of R**
- **David Hedlund, (vice-chair) health care consultant**
- **Greg Fieger, (past-chair) vice-president, Gallagher Benefit Services**
- **Peter Hoffmann, senate representative, chair of the SaskTel Pension Board**
- **Diana Leray, partner, KPMG**
- **Frank Regel, retired human services professional**
- **Amy Groothuis, registrar, Court of Appeal**
- **Deb Pacholka, retired general counsel**
- **Hirsch Greenberg, retired justice studies professor**
- **Darren McKee, CEO/executive director, SK School Boards Association**
- **Benjamin Findlay, vice-president, Connor, Clark, and Lunn Private Capital Ltd.**
- **Blair Swystun, retired CIC president and CEO**
- **Lana Gray, owner of Lana Gray Leadership Services**
- **Robin Clarke, director of surveillance at Saskatchewan Indian Gaming Authority**
- **John Baptiste, vice-president of Xtended Hydraulics and Machine**



Lively baseball game

# Board committee reports

## Audit and finance committee

**Members: Peter Hoffmann (chair), Diana Leray, Louise Greenberg, Hirsch Greenberg, Blair Swystun**

The audit and finance committee reviewed the audited financial statements with the agency's external auditor Deloitte, as well as reviewing the external auditor's performance. The committee reviewed the agency's long-term lease commitments including equipment, vehicles, and real estate. It reviewed and presented to the board the agency's quarterly financial results and agency score card. The committee reviewed and recommended to the board rate increases for youth group living, supported living, family treatment, emergency receiving, and the education programs. The committee reviewed and recommended to the board the extension of long-term lease agreements on two office buildings and a program facility in the City of Regina. In conjunction with the human resources and compensation committee, it reviewed and recommended to the board approval of the 2023-2024 business and sustainability plan. It reviewed the 2023 Enterprise Risk Management annual report, heat map, and mitigation initiatives and amended its terms of reference to clarify its oversight responsibilities as it relates to the report. It also reviewed in detail the risks dealing with financial sustainability. The committee annually reviews the agency's insurance coverage, investment, reserves, and restricted funds policies as well as the effectiveness of internal controls.

## Governance and nominations committee

**Members: Deb Pacholka (chair), Dave Hedlund, Greg Fieger, Benjamin Findlay**

The governance and nominations committee continued its work in strengthening the board governance structure. The committee conducted its biennial review and recommended changes to the Decision Approval Framework Policy and Matrix and the Board of Directors Code of Conduct Policy. It also reviewed the Board of Directors Alert System procedures. On behalf of the board, it reviewed the agency's five-year Strategic Plan and confirmed its ongoing validity. It continued its work on board renewal, board training and orientation, and facilitated the annual board

and committee self-evaluation process. The committee reviewed standards for effectiveness of board committees and confirmed that the committees are complying with best practices by annually reviewing their terms of reference, approving robust work plans, and completing an annual self-assessment. The committee reviewed the risks from the Enterprise Risk Management annual report dealing with stakeholder confidence, accreditation, and regulatory and licensing requirements. The committee recommended to the board amendments to the agency's bylaws to remove the requirement for a senate representative to the board and to align the wording with The Non-profit Corporations Act, 2022 which was proclaimed in March 2023. The committee reviewed the governance standards for the Council of Accreditation and provided general oversight for the self-study and site visit. The committee is responsible for the planning and conduct of the annual general meeting.

## Human resources and compensation committee

**Members: Amy Groothuis (chair), Frank Regal, Darren McKee, Lana Gray**

The human resources and compensation committee continued to provide oversight for the agency's total compensation plan, performance management framework, and health and safety program. It conducted its annual review of the performance of the agency's self-directed pension plan and received recommendations on addressing the issues raised. It also provided oversight for the succession plan for key leadership roles in the agency, including the president and CEO. The committee reviewed the risks from the Enterprise Risk Management annual report dealing with attracting a competent workforce, engaging, supporting, and managing the workforce, staff safety and congruence of Ranch Ehrlo philosophy, approach, and direction throughout the agency. The committee reviewed the results of the 2022 employee engagement survey, noting key drivers and the development of action plans to address the issues raised. The committee reviewed and amended its terms of reference to clarify its role in employee compensation. It oversees the process for the annual performance review and evaluation of the CEO.



# Staff associations



The staff association of Ranch Ehrlo Society organizes staff functions, promotes employee involvement within the agency, and operates as committees on behalf of their membership. Regionally, each campus operates its own staff association through the direction of a staff council. All members are encouraged to get involved to help organize and promote events such as holiday parties and sporting events. Although the activities in each association differ, common activities include school year meet and greets, movie nights, holiday parties, barbecues, and golf events.

# INDEPENDENT auditor's report



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## Independent Auditor's Report

To the Board of Directors of Ranch Ehrlo Society

### Opinion

We have audited the financial statements of Ranch Ehrlo Society (the "Society"), which comprise the statement of financial position as at May 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 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at May 31, 2023, and the results of its operations and its 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 ("Canadian GAAS"). 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 Society in accordance with the 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 audit opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

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 GAAS 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 GAAS, 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 Society'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 Society'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 Society 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.

*Deloitte LLP*

Chartered Professional Accountants  
September 5, 2023  
Regina, Saskatchewan

# STATEMENT of financial position

May 31, 2023

	2023	2022
<b>ASSETS</b>		
Current		
Cash	\$ 11,479,005	\$ 12,002,460
Current investments (Note 7)	1,397,088	1,000,000
Goods and services tax recoverable	94,789	104,681
Prepaid expenses	219,082	125,665
Accounts receivable	10,604,426	8,704,564
Trust assets (Note 5)	48,483	71,380
	<u>23,842,873</u>	<u>22,008,750</u>
Restricted fund (Note 6 and 7)	4,924,729	5,303,941
Investments (Note 7)	427,404	430,388
Capital assets (Note 3)	22,285,198	22,747,418
Intangible assets (Note 4)	98,802	186,970
	<u>\$ 51,579,006</u>	<u>\$ 50,677,467</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current		
Accounts payable and accrued liabilities	\$ 4,596,423	\$ 5,438,677
Government remittances payable	103,009	103,321
Deferred revenue (Note 9)	574,683	137,940
Trust liabilities (Note 5)	48,483	71,380
Current portion of long term debt (Note 10)	-	282,951
Current portion of forgivable loans/ capital funding (Note 11)	512,700	506,299
	<u>5,835,298</u>	<u>6,540,568</u>
Forgivable loans/capital funding (Note 11)	1,432,483	1,945,183
	<u>7,267,781</u>	<u>8,485,751</u>
<b>NET ASSETS</b>		
General fund	37,989,408	35,887,772
Restricted fund (Note 6)	6,321,817	6,303,944
	<u>44,311,225</u>	<u>42,191,716</u>
	<u>\$ 51,579,006</u>	<u>\$ 50,677,467</u>

Commitments (Note 14)

The accompanying notes are an integral part of the financial statements.

**ON BEHALF OF THE BOARD**

Director *A Greenberg*  
 Director *P H*

# STATEMENT of operations

	2023	2022
<b>REVENUES</b>		
Group living	\$ 57,995,999	\$ 55,384,205
Education	11,746,139	11,226,498
Community	5,158,606	4,398,664
Family	10,575,592	9,474,652
Other	177,426	682,713
Forgiven/amortized capital funding (Note 11)	506,299	417,430
	<u>86,160,061</u>	<u>81,584,162</u>
<b>EXPENSES</b>		
Salaries and benefits	63,984,786	60,720,188
Occupancy costs	6,618,407	6,124,906
Operational requirements	2,817,122	2,936,422
Interest and bank charges	36,243	35,563
Interest on long term debt	2,214	9,071
Programming	8,085,184	7,385,530
Miscellaneous	775,502	652,740
Amortization of capital assets	1,632,926	1,600,492
Amortization of intangible assets	88,168	88,167
	<u>84,040,552</u>	<u>79,553,079</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 2,119,509</u>	<u>\$ 2,031,083</u>

The accompanying notes are an integral part of the financial statements.

# STATEMENT of changes in net assets

	General Fund	Restricted Fund	2023	2022
<b>Net Assets - Beginning of Year</b>	\$ 35,887,772	\$ 6,303,944	\$ 42,191,716	\$ 40,160,633
Excess of revenues over expenses	2,119,509	-	2,119,509	2,031,083
Internal transfers (Note 12)	<u>(17,873)</u>	<u>17,873</u>	<u>-</u>	<u>-</u>
<b>Net Assets - End of Year</b>	<u>\$ 37,989,408</u>	<u>\$ 6,321,817</u>	<u>\$ 44,311,225</u>	<u>\$ 42,191,716</u>

# STATEMENT of cash flows

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 2,119,509	\$ 2,031,083
Items not affecting cash		
Amortization of capital assets	1,632,926	1,600,492
Amortization of intangible assets	88,168	88,168
Forgiven/amortized capital funding	(506,299)	(417,430)
Realized/unrealized gain on investments	10,479	(232,909)
Gain/loss on capital assets (Note 3)	(14,714)	154,509
	<u>3,330,069</u>	<u>3,223,913</u>
Changes in non-cash working capital		
Net change in non-cash current assets (Note 15)	(1,960,490)	903,927
Net change in non-cash current liabilities (Note 16)	(428,720)	437,671
Cash from operating activities	<u>940,859</u>	<u>4,565,511</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(1,216,392)	(1,591,979)
Proceeds on disposal of capital assets	60,400	77,274
Cash used by investing activities	<u>(1,155,992)</u>	<u>(1,514,705)</u>
<b>FINANCING ACTIVITIES</b>		
Repayment of long term debt	(282,951)	(377,266)
Cash used by financing activities	<u>(282,951)</u>	<u>(377,266)</u>
<b>NET (DECREASE) INCREASE IN CASH</b>	(498,084)	2,673,540
<b>Cash, beginning of year</b>	<u>12,176,125</u>	<u>9,502,585</u>
<b>Cash, end of year</b>	<u>\$ 11,678,041</u>	<u>\$ 12,176,125</u>
<b>CASH CONSISTS OF</b>		
Cash	11,479,005	12,002,460
Restricted cash (Note 6)	199,036	173,665
	<u>\$ 11,678,041</u>	<u>\$ 12,176,125</u>

# NOTES to the financial statements

## 1. NATURE OF ORGANIZATION

Ranch Ehrlo Society (the “Society”) is a non-profit, registered charitable organization dedicated to providing quality prevention, restorative, and advocacy services to vulnerable individuals. This mission is carried out through the provision of programming in the following areas:

- Early Learning
- Affordable Housing
- Therapeutic Counselling
- Family Preservation Services
- Family Treatment Services
- Youth Group Living/Education/Clinical Services
- Life Span Supportive Group Living/Vocational/Clinical Services
- Community Recreation

The Society operates from a number of locations in Saskatchewan, providing services to communities across Canada on a referral basis.

The Society is exempt from income taxes under section 149 of the Income Tax Act.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### ***Basic Presentation***

These financial statements are presented in accordance with Canadian accounting standards for not-for-profit organizations and reflect the following significant accounting policies:

### ***Use of Estimates***

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the reporting date, and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. Significant financial statement items that require the use of estimates include useful lives of capital assets, impairment of capital assets, and amortization of forgivable loans/capital funding. These estimates are reviewed periodically, and adjustments made as appropriate in the statement of operations in the year they become known.

# NOTES to the financial statements

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

### ***Financial Instruments***

The Society initially measures its financial assets and financial liabilities at fair value. The Society subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity and fixed income 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.

Transaction costs are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized using the effective interest method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life using the effective interest method and recognized in net earnings as interest income or expense.

With respect to financial assets measured at cost or amortized cost, the Society recognizes in net earnings an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed in net earnings in the period the reversal occurs.

### ***Revenue Recognition***

The Society follows the deferral method of accounting for contributions, where externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection reasonably assured.

Capital funding is deferred and recognized at the same rate that the related assets are being amortized.

Group living, education, community, family and other revenue are recognized on an accrual basis when the good or service has been rendered.

### ***Fund Accounting***

The Society uses fund accounting to report the assets, liabilities, and net assets of the general, internally, and externally restricted funds. The Board of Directors may allocate a portion of accumulated net assets to restricted cash to provide for sound financial management and planning for future capital and operating requirements consistent with the agency's Restricted Funds and Reserve Policies. In a similar manner, previously apportioned restricted cash may be returned to the general fund in periods where qualifying investment has been made. The funds in use at the year end include the following:

# NOTES to the financial statements

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

### ***Fund Accounting (continued)***

The General Fund reports revenues and expenses related to program delivery and administrative services.

The Restricted Fund reports amounts set aside (net any withdrawals) for specific purposes (Note 6 and 12). These funds may be ongoing in nature or resources for specific future activities and include:

*Geoff Pawson Scholarship* – the bursary is internally restricted and is intended to provide funding for former students to further their education in a post-secondary institution.

*Mary Miller Fund* – the fund is internally restricted and is intended to provide financial assistance to former clients with a demonstrated urgent financial need.

*Capital Reserve* – is internally restricted for multi-year plans to improve existing infrastructure, as well as, to invest in future capital projects.

*Operating Reserve* – is internally restricted to address emergent situations that arise between budget cycles and provide funding for new programs and services required to meet emergent needs identified by referring agencies.

*McEwen Manor Maintenance Reserve* – is restricted under the forgivable loan agreement with Saskatchewan Housing Corporation. The Society is obliged to fund a reserve that is intended to support ongoing maintenance at McEwen Manor.

### ***Intangible Assets***

Software license rights and trademarks are being amortized on a straight-line basis over their estimated useful life of ten years.

### ***Capital Assets***

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

Building	4% - 10% declining balance/25 years straight-line
Equipment	20% declining balance/5 years straight-line
Motor Vehicles	30% declining balance/5 years straight-line
Computer Equipment	50% declining balance/3 years straight-line
Leasehold Improvements	10% - 30% declining balance/10 years straight-line



# NOTES to the financial statements

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

### *Impairment of Long-lived Assets*

When conditions indicate that a tangible capital asset is impaired, the net carrying amount of the tangible capital asset is written down to the asset's fair value or replacement cost. The write-downs of tangible capital assets is recognized as an expense in the statement of operations. A write-down should not be reversed.

### *Employee Future Benefits*

The Society has a defined contribution pension plan where the Society and its employees contribute an identified amount to the plan annually. Amounts due to the plan are settled as they come due and there is no further obligation to report.

## 3. CAPITAL ASSETS

	Cost	Accumulated Amortization	2023 Net Book Value	2022 Net Book Value
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Land	\$ 2,687,499	\$ -	\$ 2,687,499	\$ 2,687,499
Buildings	28,994,014	11,087,321	17,906,693	18,609,104
Equipment	3,038,221	2,676,450	361,771	415,308
Motor Vehicles	2,480,306	1,575,903	904,403	865,091
Computer Equipment	1,058,209	855,462	202,747	697
Leasehold Improvements	1,511,955	1,289,870	222,085	169,719
	<u>\$ 39,770,204</u>	<u>\$ 17,485,006</u>	<u>\$ 22,285,198</u>	<u>\$ 22,747,418</u>

# NOTES to the financial statements

## 4. INTANGIBLE ASSETS

	<u>2023</u>	<u>2022</u>
Software	\$ 881,676	\$ 881,676
Accumulated Amortization	<u>(782,874)</u>	<u>(694,706)</u>
	<u>\$ 98,802</u>	<u>\$ 186,970</u>

## 5. TRUST ASSETS/LIABILITIES

Clients may raise funds to be used for recreational or other activities and at the discretion of the Society. While the Society holds these monies in an administrative capacity, these funds are held for clients. As a result, there are no revenues or expenses reported in these financial statements.

## 6. RESTRICTED FUND

Restricted cash has been set aside for specific purposes and is maintained in separate bank accounts and investments.

	<u>2023</u>	<u>2022</u>
Geoff Pawson Scholarship (Internally Restricted)	\$ 262,951	\$ 264,786
Capital Reserve (Internally Restricted)	4,518,067	4,514,358
Operating Reserve (Internally Restricted)	1,090,756	1,098,372
McEwen Manor Maintenance Reserve	<u>450,043</u>	<u>426,425</u>
	<u>\$ 6,321,817</u>	<u>\$ 6,303,941</u>
Cash	199,036	173,665
Current Investments	1,397,088	1,000,000
Investments	<u>4,725,693</u>	<u>5,130,276</u>
	<u>\$ 6,321,817</u>	<u>\$ 6,303,941</u>

The McEwen Manor Maintenance Reserve is for repairs to the building and repairs and/or replacement of equipment as established by the forgivable loan agreement with Saskatchewan Housing Corporations referenced in Note 11.

# NOTES to the financial statements

## 7. INVESTMENTS

Investments in RBC Wealth Management Dominion Securities are in a balanced portfolio. The portfolio is flexible and can accommodate withdrawals necessary for ongoing operations, capital requirements, and strategic initiatives. Fixed income investments have terms up to four years with maturity dates ranging from 2023 to 2025.

	Market Value 2023	Current Yield	Asset % of Portfolio	Asset Mix Target	Asset Mix Min / Max	Market Value 2022
Cash or Cash Equivalent	\$ 40,087	1.10%	0.61%	0%	0% / 15%	94,637
Fixed Income *	4,659,910	3.22%	71.14%	75%	50% / 80%	4,331,422
Canadian Equities **	1,531,680	5.23%	23.38%	15%	0% / 25%	1,621,549
US Equities (in CAD)	318,508	1.58%	4.86%	5%	0% / 10%	513,056
International Equities	-	0.00%	0.00%	5%	0% / 10%	-
	<u>\$ 6,550,185</u>	<u>3.60%</u>	<u>100.00%</u>	<u>100.00%</u>		<u>6,560,664</u>

\* Current Portion Maturing in the 2023-2024 fiscal year is \$1,397,088.

\*\* Includes \$427,404 unrestricted investments

Associated investment risks are outlined in Note 17.

## 8. LINE OF CREDIT

The Society has an operating line with Royal Bank of Canada totaling \$2,000,000 of which \$Nil (2022 - \$Nil) has been advanced at year end. The line of credit bears interest at prime plus 0.3% and is secured by accounts receivable.

## 9. DEFERRED REVENUE

	<u>2023</u>	<u>2022</u>
Social Connections	\$ -	\$ 7,163
Annual Pow Wow	50,393	22,100
Early Learning Grant	415,613	-
Regina ByPass Road Access	108,677	108,677
	<u>\$ 574,683</u>	<u>\$ 137,940</u>

# NOTES to the financial statements

## 10. LONG TERM DEBT

	2023	2022
RBC loan bearing interest at RBC Prime+0.30% repayable in monthly fixed principal payments of \$31,439 plus interest over 60 months. Maturity Date: February 6, 2023	\$ -	\$ 282,951
	-	282,951
Current Portion	-	(282,951)
	\$ -	\$ -

Long term debt was discharged February 2023.

## 11. FORGIVABLE LOANS/CAPITAL FUNDING

The annual forgiven/amortized portion of the forgivable loans/capital funding recorded as revenue in the statement of operations is \$506,299 (2022 - \$417,430).

	2023	2022
Saskatchewan Housing Corporation forgivable loan with monthly instalments of \$31,691 (February 22 to Maturity) (McEwen Manor). Maturity Date: August 31, 2026	\$ 1,242,310	\$ 1,622,609
Federal/Municipal grant funding amortized with monthly instalments of \$5,700 (McEwen Manor). Maturity Date: August 31, 2026	222,869	291,269
Saskatchewan Housing Corporation forgivable loan amortized as the sum of all digits with monthly instalments of \$4,800 (Chaz Court), Maturity Date: May 31, 2029	480,004	537,604
	1,945,183	2,451,482
Current portion	(512,700)	(506,299)
	\$ 1,432,483	\$ 1,945,183

# NOTES to the financial statements

## 11. FORGIVABLE LOANS/CAPITAL FUNDING (continued)

The Saskatchewan Housing Corporation forgivable loan and the Federal/Municipal grant funding were used to develop a supportive housing complex for homeless and at-risk adults with chronic, persistent mental health conditions (McEwen Manor). The forgivable loans associated with this project are forgiven over a period of 176 months. Under the agreement with Saskatchewan Housing Corporation, the Society must provide affordable units to eligible households, at rents priced at or below the average market rates for comparable housing in the community. This commitment, the longest of the three agreements associated with the project, will be met in 2026. In the event the Society does not meet the conditions of the Saskatchewan Housing Corporation forgivable loan, interest of 5.19% will be calculated on the principal amount outstanding at the time of default and monthly repayments would be required.

Funding for the Chaz Court was provided for the development of 8 affordable housing units. The forgivable loans associated with this project are recorded as revenue over the life of each of the agreements (Saskatchewan Housing Corporation – 180 months; City of Regina – 60 months (has been fulfilled)). Under the agreement with Saskatchewan Housing Corporation, Chaz Court units may only be rented to eligible households at rents priced at or below the average market housing rent for comparable housing in the community. The commitment under this agreement will be met in 2029. In the event the Society does not meet the conditions of the Saskatchewan Housing Corporation forgivable loan related to Chaz Court, interest is due on the remaining balance not forgiven at a rate of 5.24%.

In the event of default on Saskatchewan Housing Corporation loans, principal and interest is due on demand. The loans are secured by a collateral mortgage charging the lands with the principal amount of the project loan and such other security as the Saskatchewan Housing Corporation may from time to time reasonably require to confirm or clarify its charge, mortgage, and security interest in the Project.

## 12. INTERNAL TRANSFERS

In the current year, the following transfers were made from the General Fund to the Restricted Fund:

The Geoff Pawson Scholarship fund decreased by \$1,836 (2022 increase - \$7,940) due to a loss in investment value.

The Society systematically sets aside monies to fund upcoming capital improvements. The transfer in the current year is \$3,708 (2022 - \$173,851).

The Society systematically sets aside monies as an operational reserve. The operational reserve in the current year decreased by \$7,616 (2022 increase - \$32,925) due to a loss in investment value.

The Society's agreement with Saskatchewan Housing Corporation obliges it to fund a maintenance reserve for McEwen Manor. The transfer in the current year is \$23,617 (2022 - \$52,326).

# NOTES to the financial statements

## 13. DEFINED CONTRIBUTION PENSION PLAN

The Society sponsors and funds a defined contribution pension plan on behalf of its employees. During the year, the employer's contribution to the plan was \$1,631,245 (2022 - \$1,556,754).

## 14. COMMITMENTS

The Society has long term agreements with respect to property, equipment and software licenses. Future minimum payments as of May 31, 2023 are as follows:

	<u>Equipment</u>	<u>Property</u>	<u>Software Licenses</u>	<u>Total</u>
2024	\$ 1,071	\$ 790,717	\$ 456,585	\$ 1,248,373
2025	-	763,441	388,536	1,151,977
2026	-	389,276	330,794	720,070
2027	-	293,275	218,439	511,714
2028 and thereafter	-	586,550	15,215	601,765
	<u>\$ 1,071</u>	<u>\$ 2,823,259</u>	<u>\$ 1,409,569</u>	<u>\$ 4,233,899</u>

## 15. NET CHANGE IN NON-CASH CURRENT ASSETS

	<u>2023</u>	<u>2022</u>
Goods and Services Tax Recoverable	\$ (9,892)	\$ (28,609)
Prepaid Expenses	93,417	(7,234)
Accounts Receivable	1,899,862	940,599
Trust Assets	(22,897)	(829)
	<u>\$ 1,960,490</u>	<u>\$ 903,927</u>

# NOTES to the financial statements

## 16. NET CHANGE IN NON-CASH CURRENT LIABILITIES

	<u>2023</u>	<u>2022</u>
Accounts Payable and Accrued Liabilities	\$ (842,254)	\$ 435,334
Government Remittances Payable	(312)	4,063
Deferred Revenue	436,743	(2,555)
Trust Liabilities	<u>(22,897)</u>	<u>829</u>
	<u>\$ (428,720)</u>	<u>\$ 437,671</u>

## 17. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate, and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of May 31, 2023.

### ***Credit Risk***

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk from customers. In order to reduce its credit risk, the Society reviews outstanding receivables on a monthly basis and reviews the allowance for doubtful accounts based on risk of specific accounts, historical trends, and other information. The allowance for doubtful accounts for 2023 is \$35,000 (2022 - \$Nil). In addition, the Society has a consistent number of customers which minimizes concentration of credit risk and most of those are government agencies or large institutions where the likelihood of default is considered small. This risk is considered to be low.

### ***Liquidity Risk***

Liquidity risk is the risk that the Society will not be able to meet a demand for cash to fund its obligations as they come due. Liquidity risk also includes the risk of the Society not being able to liquidate assets in a timely manner at a reasonable price.

The Society meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flow from operations, anticipating investing and financing activities, and holding assets that can be readily converted into cash.

As part of its strategic capital plan, the Society sets aside monies in internally restricted funds outlined in Note 6 and Note 12. The Society has also made arrangements with its financial institution to provide a credit facility which will meet any anticipated shortfalls.

# NOTES to the financial statements

## 17. FINANCIAL INSTRUMENTS (continued)

### *Interest Rate Risk*

The Society is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate instruments subject the Society to a fair value risk, while the floating rate instruments subject it to a cash flow risk. The Society is exposed to this type of risk as a result of its fixed income investments.

### *Investment Risk*

The following is a summary of risks associated with investing. This list is not exhaustive, but provides an indication of the factors that can affect the value of the Society's investment.

*Equity Risk:* Investments in equity securities may be exposed to a high level of risk because the price of equity securities can rise and fall significantly in a short period of time. This risk is mitigated through sector investment diversification.

*Credit Risk:* Fixed income investments may be exposed to risk if the issuer of the fixed income security fails to honour the investment and repay with interest at the time of maturity. This risk is mitigated by investing in securities that have a credit rating of A- or higher.

*Foreign Currency Risk:* Investing in securities that are priced in foreign currencies can lose value when the Canadian dollar rises against the foreign currency. This risk is mitigated by restricting the overall portfolio percentage allowed for in foreign investment.

*Liquidity Risk:* Refers to the speed and ease with which an investment can be sold and converted into cash. The Society mitigates this risk through a diversified portfolio that consists of both short-term and long-term investments.

*Interest Rate Risk:* Refers to the potential that a change in overall interest rates will reduce the value of a bond or other fixed rate investment. This risk is reduced through diversification of bond maturities.

## 18. Comparative Figures

Certain comparative figures have been reclassified to conform to current year presentation. The restricted funds is made up of cash and investments (Note 6). In the current year, current investments of \$1,397,088 is reflected in the statement of financial position with the comparative amount of \$1,000,000 reclassified from the investment line to conform with current year presentation.





Ranch Ehrlo Society

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