

A year of CAREing

ANNUAL REPORT 2019-2020



ABOUT US

Ranch Ehrlo, a non-profit organization, was founded by the late Dr. Geoff Pawson in 1966. It started as a single residential unit for six troubled boys and grew to a multi-service agency delivering a wide range of accredited mental health and developmental services on campuses located in and around Regina, Saskatoon, and Prince Albert.

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, vocational training, emergency receiving services, treatment foster care, affordable housing, residential treatment and education for children and youth with mental health, behavioural, and addictions needs, and residential 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 clients are referred from across the country.

OUR MODEL OF CARE (and theme for this report)

Our agency follows the CARE model, Children And Residential Experiences: Creating Conditions for Change. CARE is 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

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Ehrlo Sport Venture summer camp for forest fire evacuees in 2019.

Leadership message

It is our pleasure to present the 2019-20 board chair/CEO report for Ranch Ehrlo Society.

This past year has been a difficult yet inspiring one at Ranch Ehrlo, as it has been for much of the world. In spite of the significant challenges we all faced due to the pandemic, there were many silver linings that emerged in our programs.

In August 2019, we held our 4th annual powwow and family carnival at the Pilot Butte campus. The event welcomes participants, staff, families, and community members from across the province.

In September the Council on Accreditation (COA) site visit wrapped up the year long process for certification. A five-member team conducted on-site file reviews at the agency's three campuses, toured various facilities, and conducted meetings and one-to-one interviews with staff, youth, and board members. The team noted the many strengths of the agency, including the excellent facilities, the strength of our staff, the inclusiveness and community focus of our programs, and the consistency in approach and philosophy. The agency received formal notice that we achieved COA reaccreditation in December.

In October, the agency made some organizational changes within the executive team of Ranch Ehrlo Society. A new division - Strategy and Organizational Effectiveness – was created with vice-president Malcolm Neill, taking on the new role. Pam Dmytriw moved from a director position to assume the role of vice-president of residential services.

In the new year, the agency released its new five-year strategic plan. The resulting plan includes a re-articulation of our vision, mission and value statements as well as the adoption of new strategic themes and objective statements.

In February, Ranch Ehrlo was named a Top Employer in Saskatchewan for the ninth 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 that we do.

Ranch Ehrlo's Treatment Foster Care Program expanded this past year. In its new format, developed to help children transition from group home to family living, a family has fully trained staff rotating in and out of the house to assist the foster parents. Families still have access to Ranch Ehrlo's assessment and therapeutic services.

In March, as the COVID-19 pandemic hit, the agency created a pandemic preparedness committee that met regularly to develop policies, plans, and procedures to keep staff and participants safe. While some things temporarily changed, like annual events, meetings, and training, our commitment to our participants did not.

The talent and commitment of our staff has never been more evident than in the past several months. Staff went above and beyond to create daily activities that adhered to all the regulations while keeping youth, families, and adults informed, safe, and calm during the process.

We would like to thank all members of the Ranch Ehrlo Society board of directors for their dedicated service. Especially this past year, your dedication to serving youth and families is truly appreciated.

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.



Andrea Brittin,
CEO



Greg Fieger,
board chair

“Across the country, thousands of people were asked to work from home to help flatten the curve of COVID-19. But like many others who provide essential services in the community, our direct care workers were needed to provide services to young people, adults, and families despite a pandemic. These staff stepped up in a huge way - they were there both physically and emotionally, for some of the population’s most vulnerable in a very uncertain time. We are so grateful and so proud of them for rising to the challenge.

Thank you. We couldn’t do what we do without you.”

Andrea Brittin, CEO



Southern Winterfest at Pilot Butte campus.

Group-living

Our integrated treatment programs provide youth and participants with developmental disabilities with residential services, clinical treatment, education/vocational services, and recreation.

Group-living treatment programs

Youth programs

Residential programs for youth provide an integrated treatment approach that incorporates residential services, clinical treatment, education, and recreation. Every activity a youth takes part in, is focused on achieving the best outcome for that individual.

Youth have access to psychiatric services, speech and language pathologists, equine assisted learning, and occupational therapists. Individualized treatment plans include both group and individual therapy, and time is spent engaged with highly-trained staff taking part in creative or athletic activities.

Services include:

- Intake and assessment services
- Residential treatment services
- Youth transition services

Programs for Persons with Developmental Disabilities

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 hold backgrounds in speech and language pathology, occupational therapy, social work, psychiatric nursing, and psychology. Target areas include oral 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.



Keeping busy and social distancing during the pandemic.



Foster parents create art projects during the pandemic.

FAMILY

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

Family programs

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

The agency operates three family-focused programs that prevent the placement of children out of their home, 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 from the Ministry of Social Services in 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. The average length of stay is six to 12 months.



Culture paint day in the Treatment Foster Care program.



Riders signing autographs at the kickoff of Ehrlo Sport Venture's Monday Night Football League.

COMMUNITY

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

Community programs

Ranch Ehrlo Society is built upon the hope and belief that all individuals, families, and communities have the ability to achieve their full potential.

Ranch Ehrlo provides community services designed to promote the well-being of all. The community services make areas of living, working, and playing better places to be.

A little boy can play hockey for the first time; a young teen can express herself through art; a student can learn outside of the classroom; 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 support; and families can heal together and stay together.

What programs do we offer?

- **Ehrlo Housing** - affordable housing for low-income families, individuals with chronic mental health conditions, and youth transitioning from care.
- **Ehrlo Sport Venture** - organized recreation programs, free sports equipment lending, summer camps, and an after school program.
- **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.



Kids at Ehrlo Early Learning painting windows in support of essential workers.



Registered psychologist Sherry Rapley (c) with Ehrlo Counselling's True Colours youth group was presented a cheque by the Farm Credit Canada's Pride Committee. The group allows youth ages 11 to 16 a safe space to discuss topics or raise questions related to sexual orientation or gender identity.

CLINICAL

We help clients confront the issues that brought them here, while working to enhance their individual psychological and social well-being.

Clinical programs

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

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

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



Clinical consultant Terrea Woodward-Friesen showcases some of the tools she and her team uses to help participants.



Sensory rooms like the one above helps students.

EDUCATION

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

Education programs

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

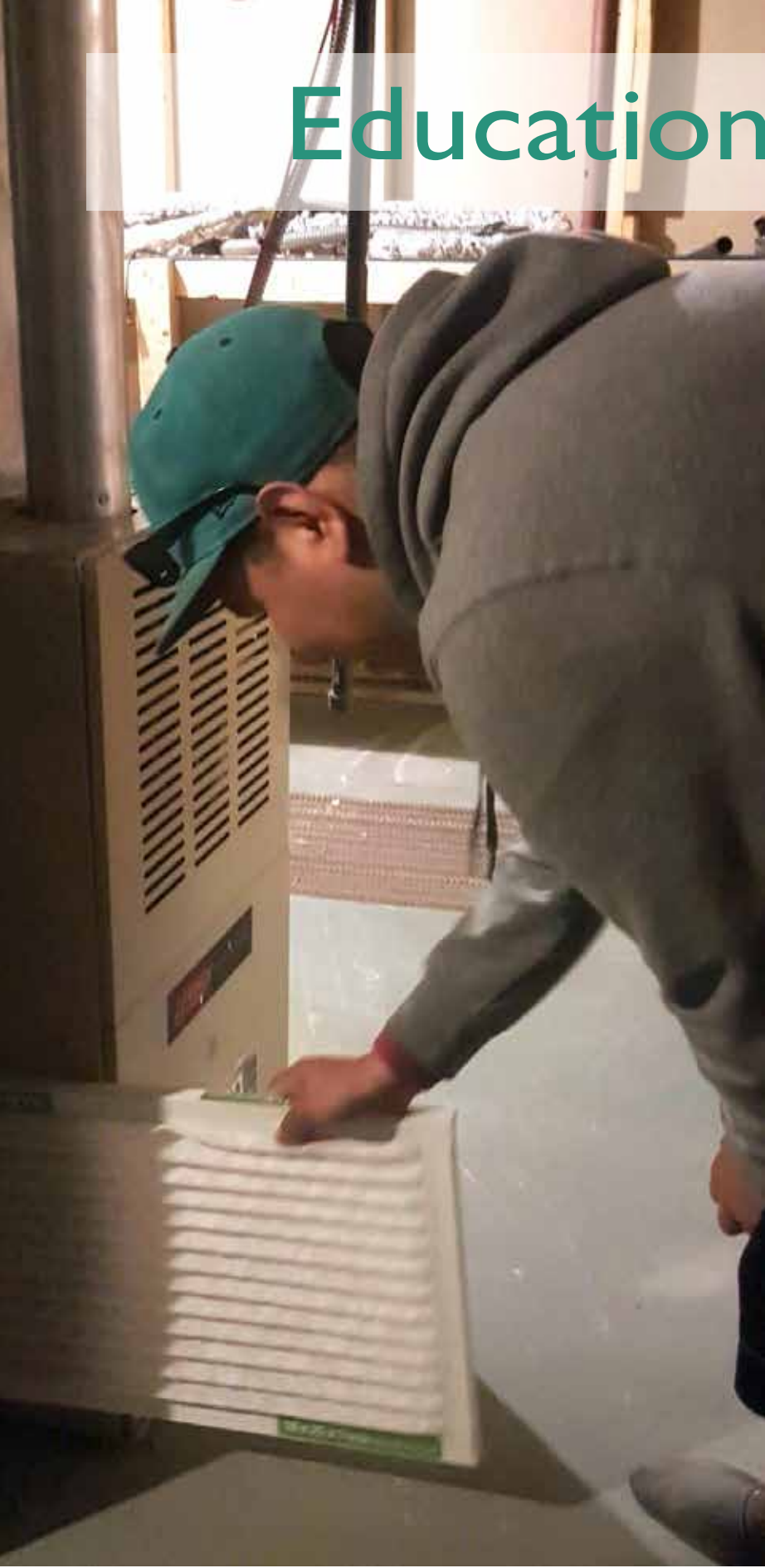
Frustration and failure have often led to anger or withdrawal. As a result, they are no longer interested in learning.

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 under the supervision of a teacher and an assistant employed by the Ranch. This provides opportunity for students to adjust to what will be required in a regular school. The only difference in these classrooms is that the number of students is kept small in order to provide more individual attention to each student.

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

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



Participant in a vocational program learns how to change furnace filters.

Our achievements

The past year was filled with extraordinary achievements. Here are some of our accomplishments that furthered our six CARE principles.

RELATIONSHIP BASED

3-mile tradition continues

This May we knew we couldn't hold our annual 3-mile race – at least not in the way we have been for over 50 years. But we came together to find a way to adapt the event to ensure our youth could still experience it. Instead of the traditional race, programs this year were challenged to earn 300 points through completing a variety of exercises, each assigned a point value. Walking or running were worth 100 points per mile.

Important connections

Last September, Susan Craig officially retired from her role as housemother at Dalla-Vincenza. But when she left, she knew she'd be back. Five weeks after her official retirement, Susan began her new Sunday night routine – coming into the house to read bedtime stories to any youth who wanted to hear them.

Craig said. "I love going back. We do share a deep connection between the kids and me in that house, so that's why there was no just walking away and retiring quietly."

Dreams into a reality

When Ranch Ehrlo youth Brock* approached his staff to see if it

would be possible for him to travel to Winnipeg to watch his favourite team, the Pittsburgh Penguins, it seemed like an unlikely dream. But staff worked hard to make it a reality.

Brock and Les Yufrum, a youth care worker, have built a solid relationship over the game they both loved. The pair travelled to Winnipeg to enjoy the game. The icing on the cake was when the Penguins pulled out an impressive 7 – 2 win over the home team.

"When we were sitting at the game, he told me that this is a memory that will stick with him forever," Yufrum said.

*name changed

Camping program expansion

Ranch Ehrlo acquired a new addition to its therapeutic camping program in the summer of 2019. Ranch Ehrlo's camping program has long been an integral part of the agency's summer activities.

The newest site, equipped with a large three-season cabin and a garage for storage, is located at Heritage Lake.

"Our intention with all our camp trips is to give young people an opportunity to play, have fun, and make life long positive memories," said Karl Mack, director of child and youth development.

DEVELOPMENTALLY FOCUSED

Recognizing our students

Over the years, hundreds of Ranch youth have received the



Youth watching the Penguins.

Scotiabank Stay in School Award in recognition of their educational achievements. The program was established to recognize students who are doing exceptionally well in school given their difficult personal circumstances.

“The majority of youth who come to the Ranch have experienced difficulties in school. The fact that they are attending every day and that they are working towards their goal is very impressive,” explained Corinna Hayden-Fidler, vice-president of education at Ranch Ehrlo. “This is extra motivation for the students to work towards their goals, take part in school activities, as well as move forward in their education plan.”

Preparing for Winterfest

One of the highlights of winter at our agency is the annual Winterfest celebrations. This year, our southern campus’ event got a big upgrade thanks to the staff and youth at Jewison House! Led by youth care leader Brandon Radmacher and youth care worker Ryan Cloutier, the staff and youth came together to build miniature curling rinks and a life-sized foosball table for a human foosball tournament! Projects like this are a wonderful example of what can and does happen when staff goes above and beyond what may be considered the call of duty.

Creativity shines in foster care

During the pandemic, children were out of school and spending all their time at home. This includes Ranch Ehrlo’s Treatment



Julie Francella, clinical intake support coordinator, showcasing some of her art.

Foster Care (TFC) program, a specialized, accredited foster care program for children with complex needs who respond best in a family setting.

TFC parents Brittanie and Sam Park used creativity and flexibility in their routine to adjust to the change. One of the projects they took on as a family was painting a basement wall black then allowing each of their children to use coloured house paint to create a giant work of art.

TRAUMA INFORMED

Culture an important aspect

At Ranch Ehrlo, we know the importance of culture – not just talking about it but experiencing it. With the majority of our participants of Indigenous descent, we strive to provide cultural experiences that we know matter.

“Our goal is to not just talk. We need to teach, guide, model, and mentor the importance of their culture,” said Treatment Foster Care program manager Lisa Neill.

A few of the memorable cultural activities this year include, foster parents Heather Whitequill and Quincy Dustyhorn hosting a presentation for the families in the program called “Powwow 101”. In our schools, students at Schaller Education Centre had the opportunity to work with Joely BigEagle-Kequahtoway and Lorne Kequahtoway from Buffalo People Arts Institute to create leather moccasins and other crafts. Angel Whitestar worked with families in our Family Treatment Program and students in some of our education programs to do beading and other crafts.

COA reaccreditation

Ranch Ehrlo has been reaccredited by the Council on Accreditation (COA) following a year review of the agency which culminated with a site visit in Sept. 2019. COA accreditation demonstrates that our organization meets the highest national standards of best practice and that it is delivering the best quality services, which aligns with our commitment to excellence in our continuum of service delivery.



COA accreditation team at the Ranch.

“The reaccreditation has brought attention to our dedicated staff who continues to make the agency a success in fulfilling its mission and helping all individuals realize their full potential,” commented Andrea Brittin Ranch Ehrlo CEO.

Ranch Ehrlo Society was first accredited in 1977 and has successfully maintained accreditation since that time. We are also the only residential treatment program in Saskatchewan that is accredited by COA.

Former youth returns

Seated at a picnic table away from the hustle and bustle of the fourth annual Ranch Ehrlo powwow, Frederick Ironstar looked around the Pilot Butte campus and noticed the changes from when he was a boy. Frederick spent close to three years at Ranch Ehrlo. He arrived on July 31, 1973.

He recalled camping trips and taking care of the horses, along with finally finding success in school. Dealing with PTSD from residential school, he always used art as a way to cope. But when it wasn't enough, he was grateful for the opportunity to come to

Ranch Ehrlo to further his healing.

“I needed a place like this,” he said. “I had a hard life before coming here.”

ECOLOGICALLY ORIENTATED

Pride around the agency

We are constantly striving to ensure all our clients feel safe, whether they are at home, school, or out in the community. So when Schaller Education Centre staff received a letter from a student asking them to display the Pride flag at Schaller for the month of June, they didn't hesitate.

The student, who identifies as a lesbian, talked about how, since coming to Ranch Ehrlo, she has felt accepted and safe.

What success looks like

To find examples of how relationships and environment foster success, we simply have to look at our Programs for Persons with Developmental Disabilities (PDD). The program supports persons with multiple,



Pride flag in Schaller school.

complex developmental needs by providing person-centered and strength-based care and support in its residential, educational, and vocational programs.

When client Reid* arrived last year, he had no strategies to manage his emotions. Clinical consultant Terrea Woodward-Friesen and the PDD team began working with him, teaching him coping mechanisms for his big emotions.

“In one year, he's gone from having absolutely no control over his behaviour to now where he's able to really help himself. A lot of the time, he's even initiating that himself, which is huge.”

*name changed

A new tool to tackle issues

A sensory room was created for the boys at Hilsden House, who range in age from eight to 12. Many of them have delays in gross and fine motor skills, and several have been diagnosed with Attention Deficit Hyperactivity Disorder. More than just a space to burn off

energy and build motor skills, the sensory room is also space where caseworkers can take the youth to talk. The distractions provided often allow them to open up more freely than they would in a traditional office setting.

“It’s new and we’re trying to figure out how to work it with staff, but right now we’re finding that it’s really beneficial as a proactive intervention rather than reactive,” explained caseworker Sydney Campbell.

Culture during COVID

A connection to culture helps create resilience. While everyone has their own reasons for needing to develop resilience, the COVID-19 pandemic has thrust us all into similar territory. Clinical caseworker Julie Francella’s cultural work with agency youth is more important than ever.

“Especially in times of uncertainty, it’s important to continue on with these activities in safe ways so that we can continue to provide ways for our youth to feel safe and connected,” said Julie.

COMPETENCE CENTRED

Ice shack rehab

An abandoned ice fishing shack has a new lease on life thanks to Jewison House youth. The group learned new skills to refurbish the shack.

“Our decision to pursue this project was based on the strong relationships we’ve fostered with the Jewison youth, and from past experiences which fueled the idea,” said Brandon Radmacher, youth care worker, alluding to earlier this



Jewison House refinishing the ice shack

year when one of Jewison’s youth caught a 17-pound northern pike on a house fishing trip.

Message of perseverance

You can do whatever you put your mind to. That’s the message multiple program worker Dustin Molleken has for the youth he works with. Dustin spent 18 years as a professional baseball player.

“My hope is that by instilling some of my dedication to the kids at the Ranch, and by showing them what I had to go through to reach my dream, maybe they can build confidence in themselves.”

FAMILY INVOLVED

Foster care expansion

Ranch Ehrlo’s Treatment Foster Care (TFC) program has expanded in a new way. The new format, developed to help children transition from group home to family living, has fully trained staff rotating in and out of the house to assist the foster parents. Families will continue to have access to Ranch Ehrlo’s assessment and therapeutic services. The home is run by parents who have been in the TFC for several years. When

the new format was announced, the pair decided to volunteer to be the first to implement the new program.

Family programs continue to serve

During the pandemic while many of us were tucked safely in our own homes, staff at Ranch Ehrlo’s Family Treatment Program (FTP) and Intensive Family Preservation Services (IFPS) continue to serve those in need. With the loss of positive social community activities, this was an even higher risk time for some families.

Fourth annual powwow a success

Our fourth annual powwow was filled with families, dancers, and observers! Talent of dancers and drummers was on full display.

“Our youth need to understand what it is to be at a powwow – a celebration of life. A lot of it has to do with getting connected back to their roots again, and realizing the importance of their culture in their life,” said educational assistant and organizer John Whitestar.

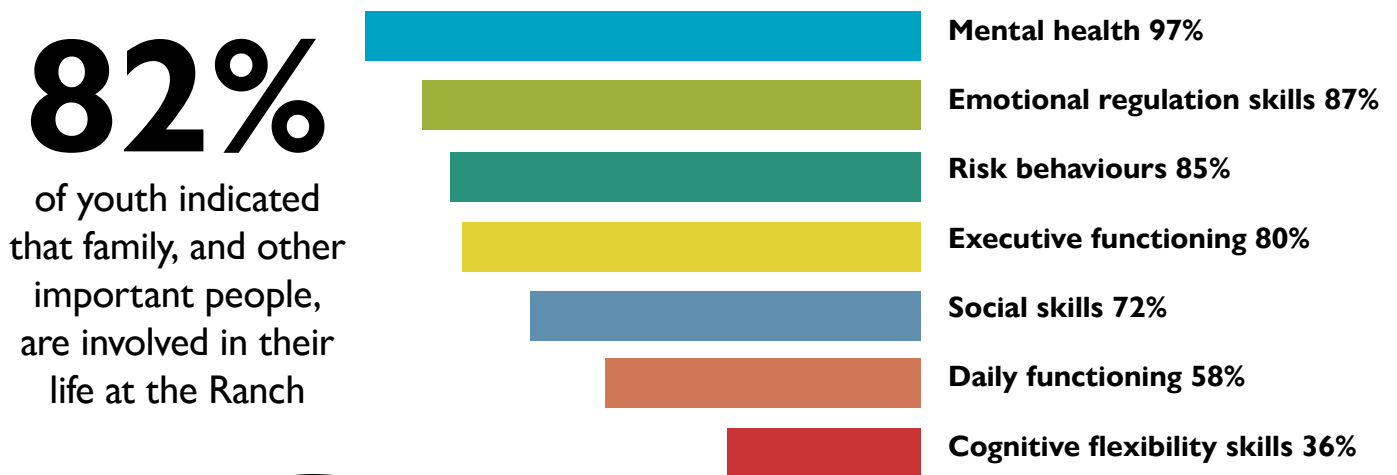
Focus on outcomes

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.



Ehrlo Sport Venture's Rookie Baseball League 2019.

Why are youth at the Ranch?



79%
of youth think the Ranch helped them to participate in community activities

82%
Youth who were satisfied with services at Ranch Ehrlo!

Our executive



Andrea Brittin started her career at Ranch Ehrlo in August 2014 as the president/CEO. Prior to this, she spent 24 years in the area of child welfare, most recently working as the assistant

deputy minister of child and family services with Saskatchewan Social Services.



Lori Mann started her career at Ranch Ehrlo in July 2015 as the chief financial officer, becoming vice-president of finance and administration in 2016. She came to the agency

from the Saskatchewan School Board Association. In addition to SSBA she has management experience from the Government of Saskatchewan and SaskTel.



Malcolm Neill joined the Ranch in 1988. He held various positions including vice-president of Ehrlo Community Services and vice-president of residential 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 residential director and moved into the role of vice-president of residential 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 25 years. Before being appointed the vice-president of education in September 2013, she held the title of director of secondary and vocational

programs at the agency.



Judy Bidyk joined the executive team at Ranch Ehrlo in March 2017 as the vice-president of human resources. She came to the agency from Supreme Office Products Ltd., where she was the vice-president of HR

for the past seven years.



Dr. Bree Fiissel began at Ranch Ehrlo in 1994 as a youth care worker, and has spent over 20 years working in the residential, clinical, and community programs at Ranch Ehrlo. In 2007, Bree became a clinical director,

leading, developing, and implementing clinical services for both community and residential areas. In 2017, Bree was promoted to vice-president of clinical services.



Carole Bryant joined the Ranch in 2000. In 2003 she became the vice-president of Ehrlo Community Services and in 2005 she became the vice-president of administration and quality improvement. In 2016, she assumed a new role

as director of governance and corporate services.

Board of Directors

2019-2020

- **Greg Fieger, (chair) managing director, Optimum Talent**
- **Marlys Tafelmeyer, (vice-chair/secretary) HR consultant**
- **Laurel Garven, (past-chair) vice-president, business strategy, ISC**
- **Peter Hoffmann, (treasurer) senate representative**
- **Carmen Lien, principal of Link Developments**
- **Dr. Louise Greenberg, executive in residence, Johnson Shoyama, U of R**
- **Hiedi Pearson, manager of HR & corporate communications, Harvard Developments**
- **David Hedlund, health care consultant**
- **Sheri Woods, lawyer, Mokuruk and Woods**
- **Diana Leray, partner, KPMG**
- **Frank Regel, retired human services professional**
- **Amy Groothuis, partner, Miller Thomson**
- **Deb Pacholka, retired general counsel**



Winterfest north shiny puck drop.

Board committee report

Audit and Finance Committee

Members: Peter Hoffmann (chair), Carmen Lien, Diana Leray, Amy Groothuis, Greg Fieger

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 residential, persons with developmental disabilities, family treatment, emergency receiving, and the education programs. The committee reviewed and recommended to the board the sale of property on McTavish Street in Regina. The committee recommended that the approval of the 2020-2021 business plan be deferred as the executive team was fully engaged in pandemic preparedness and response. The 2020-2021 business plan was subsequently approved by the board in June 2020. The committee reviewed the 2019 Enterprise Risk Management Report, heat map, and mitigation initiatives, noting no new risks were added in 2019. It also reviewed in detail the risks dealing with financial sustainability. The committee revised the agency's Investment Policy as well as reviewed new policies regarding Operating Reserves and Restricted funds and recommended their approval to the board. The committee annually reviews the agency's insurance coverage.

Governance and Nominations Committee

Members: Louise Greenberg (chair), Dave Hedlund, Laurel Garven, Deb Pacholka

The governance and nominations committee continued its work in strengthening the board governance structure. The

committee reviewed the agency's bylaws and recommended changes regarding board terms, officers, and the ability to hold virtual annual meetings. The committee conducted its biennial review of the Board of Directors Code of Conduct Policy and the Board Orientation and Training Policy and recommended changes to the board. It continued its work on board renewal, board training and orientation, and facilitated the annual board and committee self-evaluation process, furthering the assessment process by including an assessment of the board and committee chairs. The committee reviewed the risks from the Enterprise Risk Management Report dealing with stakeholder confidence, accreditation, and regulatory and licensing requirements. The committee had oversight for the Council of Accreditation (COA) re-accreditation process and the renewal of the agency's five-year strategic plan.

Human Resources and Compensation Committee

Members: Marlys Tafelmeyer (chair), Frank Regel, Hiedi Pearson, Sheri Woods

The human resources and compensation committee continued to provide oversight for the agency's total compensation plan, performance management framework, and implementation of a strengthened safety and management system, and safety governance structure. It conducted its annual review of the performance of the agency's self-directed pension plan. 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 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. It oversees the process for the annual performance review and evaluation of the CEO.



Winterfest north bell kick

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 also 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, and golf events.



INDEPENDENT auditor's report



To the Members 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, 2020, 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, 2020, 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.

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.

continued

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
Regina, Saskatchewan
September 1, 2020

STATEMENT of financial position

May 31, 2020

	2020	2019
ASSETS		
Current		
Cash	\$ 7,162,818	\$ 8,084,258
Investments (Note 8)	418,854	342,084
Goods and services tax recoverable	82,600	84,053
Prepaid expenses	123,331	85,111
Accounts receivable	10,604,782	6,514,545
Trust assets (Note 6)	73,208	70,215
	<u>18,465,593</u>	<u>15,180,266</u>
Restricted fund (Note 7 and 8)	5,585,391	5,452,603
Capital assets (Note 4)	22,853,172	23,776,634
Intangible assets (Note 5)	363,305	451,473
	<u>\$ 47,267,461</u>	<u>\$ 44,860,976</u>
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	\$ 4,621,021	\$ 4,643,470
Government remittances payable	624,650	603,301
Deferred revenue (Note 10)	120,507	156,407
Trust liabilities (Note 6)	73,208	70,215
Current portion of long term debt (Note 11)	377,266	377,266
Current portion of forgivable loans/ capital funding (Note 12)	383,795	413,785
	<u>6,200,447</u>	<u>6,264,444</u>
Long Term Debt (Note 11)	660,217	1,037,483
Forgivable loans/capital funding (Note 12)	2,873,494	3,257,289
	<u>9,734,158</u>	<u>10,559,216</u>
NET ASSETS		
General fund	31,947,912	28,849,157
Restricted fund (Note 7)	5,585,391	5,452,603
	<u>37,533,303</u>	<u>34,301,760</u>
	<u>\$ 47,267,461</u>	<u>\$ 44,860,976</u>
Contingent Liability (Note 3)		
Commitments (Note 15)		

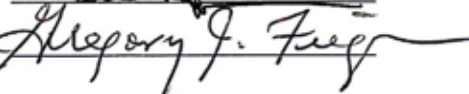
The accompanying notes are an integral part of the financial statements.

ON BEHALF OF THE BOARD

Director



Director



STATEMENT of operations

May 31, 2020

	2020	2019
REVENUES		
Residential	\$ 57,242,325	\$ 54,121,397
Education	10,741,334	10,649,586
Community	5,769,795	6,034,083
Other	312,610	409,170
Forgiven/amortized capital funding (Note 12)	413,785	440,924
	<u>74,479,849</u>	<u>71,655,160</u>
EXPENSES		
Salaries and benefits	54,330,675	52,460,074
Occupancy costs	6,094,064	5,072,993
Operational requirements	2,162,077	2,143,330
Interest and bank charges	27,171	26,137
Interest on long term debt	51,351	66,280
Programming	6,381,753	6,576,270
Miscellaneous	617,060	420,444
Amortization of capital assets	1,495,987	1,515,859
Impairment of capital assets	-	1,276,380
Amortization of intangible assets	88,168	88,168
	<u>71,248,306</u>	<u>69,645,935</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 3,231,543</u>	<u>\$ 2,009,225</u>

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

STATEMENT of changes in net assets

May 31, 2020

	General Fund	Restricted Fund	2020	2019
Net Assets - Beginning of Year	\$ 28,849,157	\$ 5,452,603	\$ 34,301,760	\$ 32,292,535
Excess of revenues over expenses	3,231,543	-	3,231,543	2,009,225
Internal transfers (Note 13)	<u>(132,788)</u>	<u>132,788</u>	<u>-</u>	<u>-</u>
Net Assets - End of Year	<u>\$ 31,947,912</u>	<u>\$ 5,585,391</u>	<u>\$ 37,533,303</u>	<u>\$ 34,301,760</u>

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

STATEMENT of cash flows

May 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 3,231,543	\$ 2,009,225
Items not affecting cash		
Amortization of capital assets	1,495,987	1,515,859
Amortization of intangible assets	88,168	88,168
Forgiven/amortized capital funding	(413,785)	(440,924)
Realized/unrealized gain on investments	(167,317)	-
Impairment of capital assets	-	1,276,380
	<u>4,234,596</u>	<u>4,448,708</u>
Changes in non-cash working capital		
Net change in non-cash current assets (Note 16)	(4,129,997)	458,734
Net change in non-cash current liabilities (Note 17)	<u>(34,007)</u>	<u>208,002</u>
Cash from operations	<u>70,592</u>	<u>5,115,444</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(638,818)	(998,917)
Disposal of capital assets	66,293	373,399
Purchase of investments	-	(3,850,150)
Cash used by investing activities	<u>(572,525)</u>	<u>(4,475,668)</u>
FINANCING ACTIVITIES		
Repayment of long term debt	<u>(377,266)</u>	<u>(377,266)</u>
Cash used by financing activities	<u>(377,266)</u>	<u>(377,266)</u>
NET (DECREASE) INCREASE IN CASH	<u>(879,199)</u>	<u>262,510</u>
Cash, beginning of year	<u>8,127,172</u>	<u>7,864,662</u>
Cash, end of year	<u>\$ 7,247,973</u>	<u>\$ 8,127,172</u>
CASH CONSISTS OF		
Cash	7,162,818	8,084,258
Restricted cash (Note 7)	<u>85,155</u>	<u>42,914</u>
	<u>\$ 7,247,973</u>	<u>\$ 8,127,172</u>

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

NOTES to the financial statements

Year Ended May 31, 2020

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 Residential/Education/Clinical Services
- Life Span Residential/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:

Adoption of new accounting standards

The Society has adopted Canadian accounting standards for not-for-profit Section 4434, Intangible Assets Held by Not-for-Profit Organizations; and Section 4441, Collections Held by Not-for-Profit Organizations. These accounting standards are effective for fiscal years beginning on or after January 1, 2019. The adoption of these standards did not affect the financial statements.

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

Year Ended May 31, 2020

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 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.

Residential, education, community, 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

Year Ended May 31, 2020

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 7 and 13). 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

Year Ended May 31, 2020

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. CONTINGENT LIABILITY

The Society has determined that some employees on certain protected leaves were not or may not have been offered an opportunity to continue to contribute to the Pension Plan fully, or in some cases at all, during their leaves. Since it is not yet possible to determine the financial impact of this, no provision has been made in the financial statements.

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	2020 Net Book Value	2019 Net Book Value
Land	\$ 2,737,499	\$ -	\$ 2,737,499	\$ 2,747,499
Buildings	26,991,480	8,213,169	18,778,311	19,759,741
Equipment	2,670,074	2,269,554	400,520	407,772
Motor Vehicles	1,395,424	626,268	769,156	655,729
Computer Equipment	855,811	848,626	7,185	19,067
Leasehold Improvements	1,186,230	1,025,729	160,501	186,825
	<u>\$ 35,836,518</u>	<u>\$ 12,983,346</u>	<u>\$ 22,853,172</u>	<u>\$ 23,776,634</u>

The Society conducts regular program operational reviews to ensure programs are strategically aligned, specifically under the strategic themes of Program Excellence and Effective/Efficient Governance and Working Environments resulting in total impairment recognized on the statement of operations of \$Nil (2019 - \$1,276,380).

NOTES to the financial statements

Year Ended May 31, 2020

5. INTANGIBLE ASSETS

	2020	2019
Software	\$ 881,676	\$ 881,676
Accumulated Amortization	(518,371)	(430,203)
	<u>\$ 363,305</u>	<u>\$ 451,473</u>

6. 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.

7. RESTRICTED FUND

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

	2020	2019
Geoff Pawson Scholarship (Internally Restricted)	\$ 240,333	\$ 243,199
Capital Reserve (Internally Restricted)	4,030,485	4,934,338
Operating Reserve (Internally Restricted)	1,000,000	-
McEwen Manor Maintenance Reserve	314,573	275,067
	<u>\$ 5,585,391</u>	<u>\$ 5,452,603</u>
Cash	85,155	42,914
Investments	5,500,236	5,409,689
	<u>\$ 5,585,391</u>	<u>\$ 5,452,603</u>

In March 2020, the Society implemented a reserve policy adding an operational reserve as an internally restricted fund. The operating reserve has a minimum requirement of \$1,000,000 which was segregated from the capital reserve at the end of the 2020 fiscal year.

NOTES to the financial statements

Year Ended May 31, 2020

8. 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 2020 to 2023.

	Market Value	Current Yield	Asset % of Portfolio	Asset Mix Policy Target	Asset Mix Min / Max
Cash or Cash Equivalent *	\$ 471,771	0.25%	7.97%	0%	0% / 15%
Fixed Income **	4,036,364	2.63%	68.19%	75%	50% / 80%
Canadian Equities	1,013,977	5.27%	17.13%	15%	0% / 25%
US Equities (in CAD)	396,979	1.72%	6.71%	5%	0% / 10%
International Equities	0	0.00%	0.00%	5%	0% / 10%
	<u>\$ 5,919,091</u>	<u>2.83%</u>	<u>100.00%</u>	<u>100.00%</u>	

* Includes Unrestricted Cash of \$418,854

** Current Portion Maturing by December 31, 2020 is \$1,093,616

Associated investment risks are outlined in Note 18.

9. LINE OF CREDIT

The Society has an operating line with Royal Bank of Canada totaling \$2,000,000 of which \$Nil (2019 - \$Nil) has been advanced at year end. The line of credit bears interest at prime plus 0.3% and is secured by accounts receivable. The line of credit is in addition to and independent of the credit facility outlined in Note 11.

The Society had an operating line with Conexus Credit Union totaling \$75,000, however, this line of credit was discontinued with the closure of the Conexus accounts in December 2019.

10. DEFERRED REVENUE

	2020	2019
Social Connections	\$ 1,457	\$ 1,457
Annual Pow Wow	4,500	15,400
Mentorship Program	5,873	5,873
Jays Baseball Camp	-	25,000
Regina Bypass Road Access	108,677	108,677
	<u>\$ 120,507</u>	<u>\$ 156,407</u>

NOTES to the financial statements

Year Ended May 31, 2020

11. LONG TERM DEBT

	2020	2019
RBC loan bearing interest at RBC Prime+0.30% repayable in monthly fixed principal payments of \$31,439 plus interest over 60 months.	\$ 1,037,483	\$ 1,414,749
	1,037,483	1,414,749
Current Portion	(377,266)	(377,266)
	\$ 660,217	\$ 1,037,483

Principal repayment terms for the years ending May 31 are approximately:

- 2021 - \$377,266
- 2022 - \$377,266
- 2023 - \$282,951

12. FORGIVABLE LOANS/CAPITAL FUNDING

The annual forgiven/amortized portion of the forgivable loans/capital funding recorded as revenue in the statement of operations is \$413,785 (2019 - \$440,924).

	2020	2019
Saskatchewan Housing Corporation forgivable loans are forgivable in monthly instalments of \$8,146 (Lakeshore Village).	\$ 129,325	\$ 242,161
Saskatchewan Housing Corporation forgivable loan with monthly instalments of \$15,846 (McEwen Manor).	2,066,291	2,256,440
Federal/Municipal grant funding amortized with monthly instalments of \$5,700 (McEwen Manor).	428,069	496,469
Saskatchewan Housing Corporation forgivable loan amortized as the sum of all digits with monthly instalments of \$3,200 (Chaz Court),	633,604	672,004
City of Regina grant funding amortized with monthly instalments of \$1,333 (Chaz Court).	-	4,000
	3,257,289	3,671,074
Current portion	(383,795)	(413,785)
	\$ 2,873,494	\$ 3,257,289

NOTES to the financial statements

Year Ended May 31, 2020

12. FORGIVABLE LOANS/CAPITAL FUNDING (continued)

The Saskatchewan Housing Corporation forgivable loans are not interest bearing and were advanced to cover a portion of the costs of significant renovations at Lakeshore Village. A condition of the advances is that the housing unit must be substantially used to provide long-term accommodation throughout the term of the agreement to qualifying low-income persons and families. If these conditions are not met, the unamortized portion must be repaid and interest will apply at a rate of 5.29% to 8.00%. The forgiven portion is taken into income over the amortization period outlined in the contract, which is a reasonable approximation of the life of the underlying asset. This commitment will be met in 2023.

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). 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.

13. INTERNAL TRANSFERS

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

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 \$39,506 (2019 - \$49,025).

The Society systematically sets aside monies to fund upcoming capital improvements. The transfer in the current year is \$96,148 (2019 - \$1,669,088).

The Geoff Pawson Scholarship fund decreased by \$2,866 (increased in 2019 - \$6,402) due to a loss in investment value.

NOTES to the financial statements

Year Ended May 31, 2020

14. 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 \$1,434,285 (2019 - \$1,408,833).

15. COMMITMENTS

The Society has long term leases with respect to property, equipment, and vehicles. Future minimum lease payments as of May 31, 2020 are as follows:

	<u>Equipment</u>	<u>Vehicles</u>	<u>Property</u>	<u>Total</u>
2021	\$ 4,668	\$ 3,154	\$ 1,205,409	\$ 1,213,231
2022	3,048	-	834,053	837,101
2023	1,428	-	707,240	708,668
2024	1,071	-	366,238	367,309
2025 and thereafter	-	-	10,954	10,954
	<u>\$ 10,215</u>	<u>\$ 3,154</u>	<u>\$ 3,123,894</u>	<u>\$ 3,137,263</u>

16. NET CHANGE IN NON-CASH CURRENT ASSETS

	<u>2020</u>	<u>2019</u>
Goods and Services Tax Recoverable	\$ 1,453	\$ (9,853)
Prepaid Expenses	(38,220)	(7,018)
Accounts Receivable	(4,090,237)	483,811
Trust Assets	<u>(2,993)</u>	<u>(8,206)</u>
	<u>\$ (4,129,997)</u>	<u>\$ 458,734</u>

NOTES to the financial statements

Year Ended May 31, 2020

17. NET CHANGE IN NON-CASH CURRENT LIABILITIES

	2020	2019
Accounts Payable and Accrued Liabilities	\$ (22,449)	\$ 219,349
Government Remittances Payable	21,349	18,276
Deferred Revenue	(35,900)	(37,829)
Trust Liabilities	2,993	8,206
	<u>\$ (34,007)</u>	<u>\$ 208,002</u>

18. 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, 2020.

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 2020 is \$Nil (2019 - \$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 7 and Note 13. 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

Year Ended May 31, 2020

18. 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 and long-term debt.

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.

19. COMPARATIVE FIGURES

Certain comparative figures have been changed to conform with current year presentation.



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