



CAREing in review

RANCH EHRLO SOCIETY
ANNUAL REPORT 2020-2021



ABOUT US

Ranch Ehrlo, a non-profit organization, was founded by the late Dr. Geoff Pawson in 1966. It started as a single group care unit for six troubled boys and grew to a multi-service agency delivering a wide range of accredited mental health and developmental services delivered in southern Saskatchewan and in and around 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, 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 clients are referred from across the country.

OUR MODEL OF CARE

Our agency follows 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

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3-mile race in Corman Park.



Leadership message

It is our pleasure to present the 2020-21 board chair/CEO report for Ranch Ehrlo Society.

This past year continued to be a difficult but inspiring one at Ranch Ehrlo, as it has been for much of the world.

We unfortunately had to cancel our annual powwow and family carnival at the Pilot Butte campus. Other annual events were modified to ensure social distancing but still allow our participants to have fun and celebrate their accomplishments.

This year, work began on a brand-new home for five participants in our Supported Living Program.

The agency made some organizational changes within the executive team of Ranch Ehrlo Society. At the end of 2020, CEO Andrea Brittin retired from her position at the agency that she assumed in July 2014. New CEO, Natalie Huber joined the agency in January. David Rivers became the new vice-president of clinical services in August, taking over for Dr. Bree Fiissel. Shelley Reddekopp also joined the agency as our new term vice-president of finance. We'd like to thank Kirby Klapatiuk for assuming the acting vice-president of finance responsibilities for a number of months.

In September the agency held flag raising ceremonies at our campuses to acknowledge our commitment to further action points laid out in the Truth and Reconciliation Commission of Canada: Calls to Action.

In October the Downtowner's Optimist Club of Regina officially gifted Wilson House to Ranch Ehrlo. We had been operating the premises as a group home for years, renting it from the Optimist Club. The mortgage was discharged in June 2020 and the decision was made to gift the home to Ranch Ehrlo so we could continue to operate the group home.

In February, Ranch Ehrlo was named a Top Employer in Saskatchewan for the tenth 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 Family Treatment Program expanded this past year in a new format for families struggling with addictions. The Family Centred Addiction Program, based out of Moose Jaw, is an innovative addictions treatment program that supports not only the individual struggling with substance misuse but also their immediate family.

During the many months when the restrictions from the pandemic were in place, the talent and commitment of our staff was evident. Our employees went above and beyond to create daily activities that adhered to all the regulations while keeping youth, families, and adults informed, safe, and engaged during the year as the pandemic continued.

We would like to thank all members of the Ranch Ehrlo Society board of directors for their dedicated service. A special thank you to Laurel Garven who will be rotating off the board after serving for nine years.

We would like to welcome Dr. Louise Greenberg as incoming chair of the board and David Hedlund as the vice-chair. 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



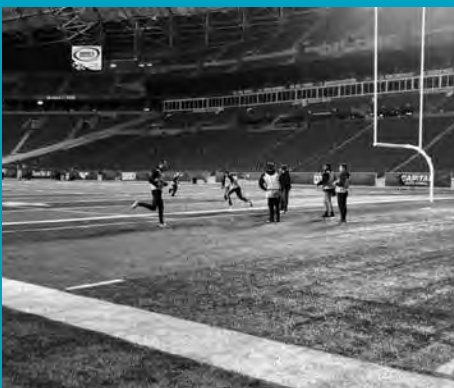
Greg Fieger,
board chair

Innovation during the pandemic

More than one year into the pandemic and life and our work at the Ranch have changed in very dramatic ways. We learned how to work in full personal protective gear but most importantly, we learned we could adapt, think outside the box, and that we can come together safely in times of great need for the people we care for. Our staff came up with fun, creative programming to keep both participants and staff safe.

- Lee House penned letters for elderly care homes to help ease loneliness.
- Dalla-Vincenza made sure family connections remained by creating sibling care packages and delivered them to the front steps of families.
- Teachers, educational assistants, and vocational workers joined group care programs to deliver programming in a safe environment.
- Matheson House took leadership roles so younger youth could enjoy the great outdoors.
- Ehrlo Sport Venture staff and volunteers adapted their sports programs so youth could still access recreation.
- Cavendish participants helped the #heartsofyqr movement and created window art to support first responders.
- Our arts therapy program adapted to virtual programming so participants would still have access to drama, hip hop, art classes, as well as yoga.
- Jordan House held a socially distanced pride celebration, complete with a parade.
- Jewison House created the first ever socially distanced drive-in movie theatre on the Pilot Butte campus.
- The family programs ensured the youth in the program had a safe visit from Santa at Christmas with a drive-by seasonal parade.

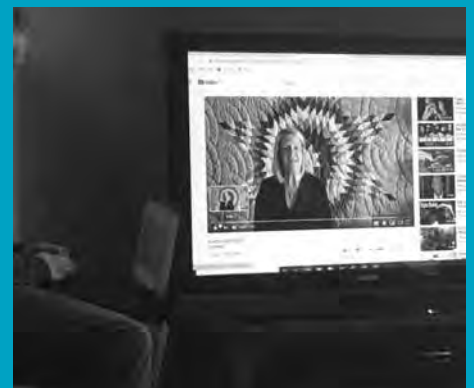
We could go on and on with stories about how staff and participants stepped up this last year but there is not enough room in this annual report.



Monday Night Football.



Pilot Butte drive-in movie.



Virtual Awards Night.

Group-living

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



Matheson House building a picnic table.



Youth making cinnamon buns.



Youth planting flowers.



Youth picking sage.

Group living programs

Youth group living programs

Young people are in treatment 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. There are life skills building opportunities available to youth such as shopping, meal preparation, accessing support services, and other skills.

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 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.



Conservation officers dropped off 375 kg of elk meat to Ranch Ehrlo. Teacher Vi used some of the meat for her cooking program at Schaller Education Centre on the Pilot Butte campus.

Wild meat donations are very important for many of our youth, allowing them to connect with memories of home and family through traditional food. Learning how to prepare the meat is also a skill they can take with them when they leave the class.

Family

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



Family program staff as Santa in a socially distanced parade.



Recognising Sharon Miller (c) for her efforts in helping get the Family Centred Addiction Program up and running in Moose Jaw. Also pictured, SASW Executive Director Karen Wasylenska (r) and Patti Petrucka, Ranch Ehrlo family program director.



Foster family doing an activity during the pandemic.



Family Centred Addiction Program apartments in Moose Jaw.

Family programs

The agency operates four 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 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, 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.



Community

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



Ehrlo Sport Venture's Outdoor Hockey League.



Optomist volunteers donating hockey sticks.



Ehrlo Early Learning Centre staff geared up in personal protective equipment.



Ehrlo Sport Venture's Rookie Baseball League.

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.

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.



Staff at Ehrlo Counselling volunteered their time at the warm up centre at Awasiw in Regina. The centre is a place of hope to give back and help people who are marginalized.

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 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.



Art therapy outside of our art-based therapy space in Regina.

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.



The Vocational Training Employment Program crew assisted with the building of a new storage and maintenance facility on the Pilot Butte campus.



Ranch Ehrlo's artists showed off their artistic talents in the 16th annual Art from the Heart calendar. Unfortunately, this year due to COVID-19 there was not a reception for the artists to unveil their work.



Hayley Maurer, education director on Orange Shirt Day at Schaller Education Centre.



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 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.

Schaller Education Centre held a tribute to Fred Sasakamoose. There were a number of recollections that staff shared about his visits to speak to our youth at Ranch Ehrlo Society over the years.

Our achievements

The past year was filled with extraordinary achievements.

Flag ceremony

At Ranch Ehrlo, we pride ourselves on our strong commitment to truth and reconciliation efforts – but we know we can do better.

On September 1, 2020 we held flag-raising/blessing ceremonies simultaneously at our campuses. A reconciliation flag will continue to fly at each campus, acknowledging our commitment to further action points laid out in the Truth and Reconciliation Commission of Canada: Calls to Action. The flag-raising ceremony acknowledges the agency's commitment to reconciliation and the beginning of the work of Ranch Ehrlo's newly created Reconciliation Action Committee which is made up of staff from across the agency.

“We are beginning the journey of consultation to meaningfully acknowledge the land that we are on and the lands of those nations who trust us to care and support their members,” Greg Fieger, Ranch board chair explained.



New mural

Participants from several Ranch programs, both youth, and Supportive Living Programs, have lent a hand on a project at Ehrlo Sport Venture Library, a Marvel comics mural. Dustin Ritter, who works part-time at the art-based therapy program and part time as a vocational program job coach at the agency, took the lead on the project.

Client-centred changes

Many changes were made this year to better meet the needs of our participants in our Supported Living Program. Several participants moved into different homes to better suit their individual needs. Also the construction of a brand-new home, to house five participants, began this year. The new building was designed so all the spaces participants need to access (bedrooms, living room, kitchen) are on one floor. The home also has a sensory space.

Learning on the job

Participants in the Vocational Training Employment Program (VTEP) assisted with the building of a new storage and maintenance facility on the Pilot Butte campus.

The focus for VTEP is to help participants develop life skills, vocational training, skill development, and supervised vocational activities. What better way to do that than by working on a building that they will soon be using themselves to further develop their skills.

The new facility is for Ranch maintenance facilities workers. Having a shop space also allows the workers to do projects with VTEP clients, like onsite trailer servicing and certification.

Drum making offers youth new opportunity

Ranch Ehrlo staff members Wade Lavallee and Lexie Obey provided youth with a great opportunity at Jordan House and Emergency Receiving on the Pilot Butte campus.

In a socially distanced way, the staff exchanged a deer hide between their programs. Youth were given the chance to work on processing and tanning the hide, which will be turned into a hand drum that they can use.

“The reason that I think it is imperative for youth to learn cultural activities such as this is that it connects youth with identity,” Lavallee, a youth care leader in Pilot Butte, said.



New family program

The Family Centred Addiction Program, based out of Moose Jaw, is an innovative addictions treatment program that supports not only the individual struggling with substance misuse but also their immediate family. This new program, which launched in November 2020, is an extension of the Family Treatment Program (FTP) started over a decade ago by Ranch Ehrlo Society.

The program hosts individual two and three suite family apartments within a secure environment that offers 24/7 on-site staff support. Individuals ready to enter recovery attend daily structured programming.

Special delivery

Matheson House youth in Prince Albert made a special delivery in the winter, but the foundation that led to such a generous act was laid long before.

The youth delivered a handmade picnic table to Elder Dave Laroque and his partner, Margaret. Elder Dave and Margaret have a long history of working with the youth and staff in our northern programs. From attending annual events to offering cultural ceremonies and teachings such as sweats, powwows, and dressmaking, the roots between the couple and the Buckland youth and staff run deep.



Comfort kits

Regina and Pilot Butte youth received a surprise last February. Each youth received a comfort kit backpack. Organized by the Children's Aid Foundation's Ted and Loretta Rogers Foster Care Transition Program, the aim of the comfort kits is to ease the transition for children and youth who require support during a time of tremendous uncertainty in their lives.

Virtual art

Although participants could not get together to create art this year, staff with our art-based services made it easy for individuals to express and grow.

Through online video conferencing, they have been running various art classes that help individuals stay engaged and get through the long pandemic.

"Even though we are isolating, the arts give participants the opportunity for exploration, expression, and growth," Leslie Charlton, a recreation worker with the program, said. "Additionally, mindfulness, expression, holistic wellness, and the opportunity for movement are all benefits of our yoga and drama classes."

With video conferencing, instructors were able to deliver sessions from the studio or from their home.

"One up-side of this new virtual delivery of programming is that we can now deliver arts and wellness programming outside of the Regina area," Charlton added.

Helping hands for the community fridge

Take what you need, leave what you can – that is the idea behind the concept known as the community fridge. They are a 24-hour free food resource offering everything from fresh produce to canned products for people in need, no questions asked.

Christal Gerrard, a caseworker at Kruzeniski House, along with a youth decided to help their neighbours by collecting non-perishables and donating them to one of the community fridges in the city.

"I was working with her on empathy skills and development and we were discussing how to help others in our neighbourhood. I asked her if she would like to help collect donations for the community fridge and how it may directly help someone in need," explained Gerrard.

The youth said she felt really good helping out and would like to continue to collect and make donations monthly if possible. Other youth at the home have also expressed interest in wanting to help.

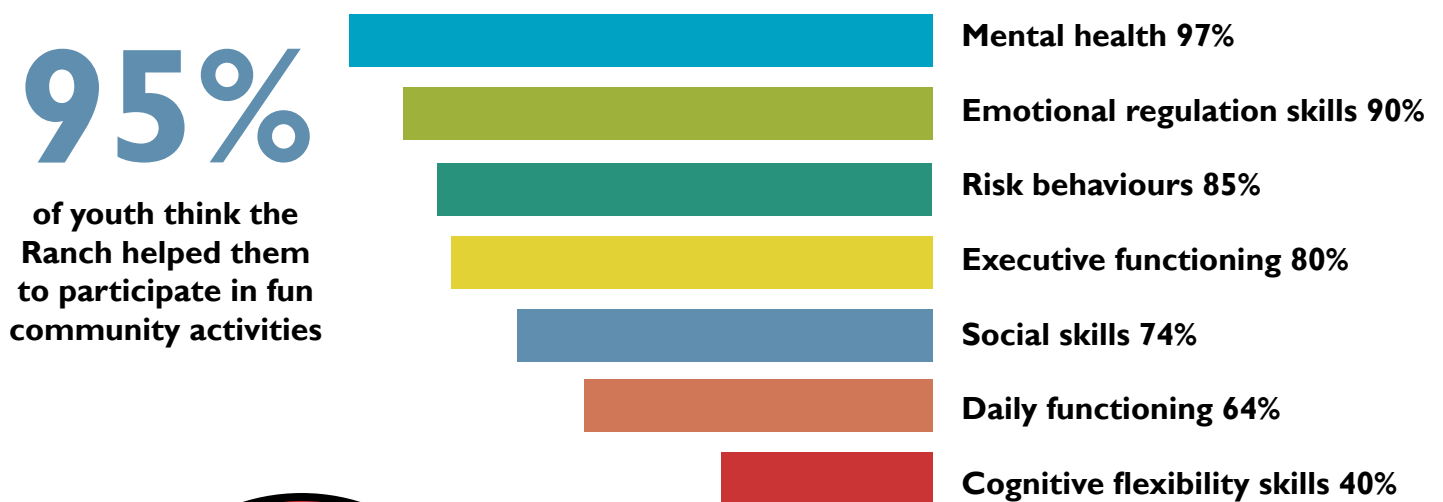
Focus on outcomes

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.



Going tobogganing.

Why are youth at the Ranch?



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.



Andrea Brittin retired from her position as Ranch Ehrlo president/CEO at the end of 2020. She began her career at Ranch Ehrlo in August 2014.



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 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 25 years. Before being appointed the vice-president of education in September 2013, she held the title of director of

secondary and vocational programs.



Judy Bidyk joined the Ranch 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.



David Rivers has over 20 years of experience in the agency. He has filled many roles in several programs before becoming the vice-president of clinical services in 2020.



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 is currently on leave.



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

2020-2021

- **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, registrar, Court of Appeal**
- **Deb Pacholka, retired general counsel**
- **Hirsch Greenberg, retired justice studies professor**



Winter camping experience.

Board committee report

Audit and Finance Committee

Members: Peter Hoffmann (chair), Carmen Lien, Diana Leray, Marlys Tafelmeyer, Greg Fieger, Hirsch Greenberg (part of year)

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 construction of a new home for five supported living program participants as well as the decommission and sale of office space at 1807 MacKay Street in Regina. In conjunction with the human resources and compensation committee, the committee reviewed and recommended to the board approval of the 2021-2022 business and sustainability plan. It reviewed the 2020 Enterprise Risk Management Report, heat map, and mitigation initiatives, noting the addition of one new risk regarding the agency's ability to respond to significant/unforeseen events. It also reviewed in detail the risks dealing with financial sustainability. The committee recommended the board formalize two existing credit facilities with RBC and approve an updated Agency Reserves Policy. 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 conducted its biennial review of the Decision Approval Framework and Decision-making Matrix,

the Board of Directors Conflict of Interest Policy and Declaration Form, and the Board of Directors Alert System and recommended changes to the board for approval. The committee also reviewed the revised Policy and Procedure Development Policy as the new framework for policy development at the agency. It continued its work on board renewal, board training and orientation, and facilitated the annual board and committee self-evaluation process. The committee undertook its biennial review of the terms of reference for the board of directors and in conjunction with the other committees a review of terms of reference for the three board committees. The committee reviewed the risks from the Enterprise Risk Management Annual Report dealing with stakeholder confidence, accreditation, and regulatory and licensing requirements. The committee also had oversight transitioning the annual general meeting from an in-person to a virtual event.

Human Resources and Compensation Committee

Members: Hiedi Pearson (chair), Amy Groothuis, Frank Regel, 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 2020 employee engagement survey results, noting an impressive response rate of 81%. It 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.



Socially distanced Winterfest.

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



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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, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (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, 2021, 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 7, 2021

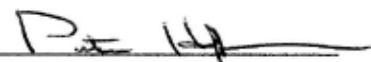
STATEMENT of financial position

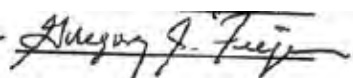
	2021	2020
ASSETS		
Current		
Cash	\$ 9,373,670	\$ 7,162,818
Investments (Note 8)	419,768	418,854
Goods and services tax recoverable	76,072	82,600
Prepaid expenses	118,431	123,331
Accounts receivable	9,645,163	10,604,782
Trust assets (Note 6)	70,551	73,208
Assets held for sale (Note 4)	235,548	-
	<u>19,939,203</u>	<u>18,465,593</u>
Restricted fund (Note 7 and 8)	6,036,902	5,585,391
Capital assets (Note 4)	22,752,165	22,853,172
Intangible assets (Note 5)	275,138	363,305
	<u>\$ 49,003,408</u>	<u>\$ 47,267,461</u>
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	\$ 5,003,343	\$ 4,621,021
Government remittances payable	99,258	624,650
Deferred revenue (Note 10)	140,495	120,507
Trust liabilities (Note 6)	70,551	73,208
Current portion of long term debt (Note 11)	377,266	377,266
Current portion of forgivable loans/ capital funding (Note 12)	417,430	388,377
	<u>6,108,343</u>	<u>6,205,029</u>
Long Term Debt (Note 11)	282,950	660,217
Forgivable loans/capital funding (Note 12)	2,451,482	2,868,912
	<u>8,842,775</u>	<u>9,734,158</u>
NET ASSETS		
General fund	34,123,731	31,947,912
Restricted fund (Note 7)	6,036,902	5,585,391
	<u>40,160,633</u>	<u>37,533,303</u>
	<u>\$ 49,003,408</u>	<u>\$ 47,267,461</u>

Commitments (Note 15)

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

ON BEHALF OF THE BOARD

Director 

Director 

STATEMENT of operations

	2021	2020
REVENUES		
Residential	\$ 53,055,274	\$ 51,048,097
Education	10,664,336	10,741,334
Community	4,583,398	4,222,594
Family	8,650,266	7,741,429
Other	506,407	312,610
Forgiven/amortized capital funding (Note 12)	388,377	413,785
	<u>77,848,058</u>	<u>74,479,849</u>
EXPENSES		
Salaries and benefits	57,727,091	54,330,675
Occupancy costs	5,856,387	6,094,064
Operational requirements	2,708,952	2,162,077
Interest and bank charges	26,350	27,171
Interest on long term debt	30,601	51,351
Programming	6,665,310	6,381,753
Miscellaneous	614,430	617,060
Amortization of capital assets	1,520,682	1,495,987
Amortization of intangible assets	88,167	88,168
	<u>75,237,970</u>	<u>71,248,306</u>
EXCESS OF REVENUES OVER EXPENSES BEFORE THE FOLLOWING	<u>2,610,088</u>	<u>3,231,543</u>
Donation of property (Note 4)	330,000	-
Pension settlement (Note 3)	(312,759)	-
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 2,627,329</u>	<u>\$ 3,231,543</u>

STATEMENT of changes in net assets

	General Fund	Restricted Fund	2021	2020
Net Assets - Beginning of Year	\$ 31,947,912	\$ 5,585,391	\$ 37,533,303	\$ 34,301,760
Excess of revenues over expenses	2,627,329	-	2,627,329	3,231,543
Internal transfers (Note 13)	(451,511)	451,511	-	-
Net Assets - End of Year	<u>\$ 34,123,731</u>	<u>\$ 6,036,902</u>	<u>\$ 40,160,633</u>	<u>\$ 37,533,303</u>

STATEMENT of cash flows

	2021	2020
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 2,627,329	\$ 3,231,543
Items not affecting cash		
Amortization of capital assets	1,520,682	1,495,987
Amortization of intangible assets	88,167	88,168
Forgiven/amortized capital funding	(388,377)	(413,785)
Realized/unrealized gain on investments	(408,665)	(167,317)
Gain/loss on capital assets	(343,473)	-
	<u>3,095,663</u>	<u>4,234,596</u>
Changes in non-cash working capital		
Net change in non-cash current assets (Note 16)	973,704	(4,129,997)
Net change in non-cash current liabilities (Note 17)	(125,739)	(34,007)
Cash from operating activities	<u>3,943,628</u>	<u>70,592</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(1,350,847)	(638,818)
Disposal of capital assets	39,097	66,293
Cash used by investing activities	<u>(1,311,750)</u>	<u>(572,525)</u>
FINANCING ACTIVITIES		
Repayment of long term debt	(377,266)	(377,266)
Cash used by financing activities	<u>(377,266)</u>	<u>(377,266)</u>
NET INCREASE (DECREASE) IN CASH	2,254,612	(879,199)
Cash, beginning of year	<u>7,247,973</u>	<u>8,127,172</u>
Cash, end of year	<u>\$ 9,502,585</u>	<u>\$ 7,247,973</u>
CASH CONSISTS OF		
Cash	9,373,670	7,162,818
Restricted cash (Note 7)	128,915	85,155
	<u>\$ 9,502,585</u>	<u>\$ 7,247,973</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 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:

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 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

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

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. PENSION SETTLEMENT

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. Amounts owing were determined and paid within the current fiscal year.

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	2021 Net Book Value	2020 Net Book Value
Land	\$ 2,687,499	\$ -	\$ 2,687,499	\$ 2,737,499
Buildings	28,001,276	9,313,197	18,688,079	18,778,311
Equipment	2,760,352	2,364,726	395,626	400,520
Motor Vehicles	1,714,011	861,806	852,205	769,156
Computer Equipment	855,810	853,958	1,852	7,185
Leasehold Improvements	1,186,230	1,059,326	126,904	160,501
	<u>\$ 37,205,178</u>	<u>\$ 14,453,013</u>	<u>\$ 22,752,165</u>	<u>\$ 22,853,172</u>

The Society was gifted property by the Optimist Club Downtowners of Regina, valued at \$330,000. The transaction was completed July 2020 and recognized as a non-cash donation. Assets held for sale (\$235,548) relate to 1809 Mackay Street, including land (\$50,000) and buildings (\$185,548).

NOTES to the financial statements

5. INTANGIBLE ASSETS

	<u>2021</u>	<u>2020</u>
Software	\$ 881,676	\$ 881,676
Accumulated Amortization	<u>(606,538)</u>	<u>(518,371)</u>
	<u>\$ 275,138</u>	<u>\$ 363,305</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.

	<u>2021</u>	<u>2020</u>
Geoff Pawson Scholarship (Internally Restricted)	\$ 256,849	\$ 240,333
Capital Reserve (Internally Restricted)	4,340,507	4,030,485
Operating Reserve (Internally Restricted)	1,065,447	1,000,000
McEwen Manor Maintenance Reserve	<u>374,099</u>	<u>314,573</u>
	<u>\$ 6,036,902</u>	<u>\$ 5,585,391</u>
Cash	128,915	85,155
Investments	<u>5,907,987</u>	<u>5,500,236</u>
	<u>\$ 6,036,902</u>	<u>\$ 5,585,391</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

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 *	\$ 594,759	0.20%	9.40%	0%	0% / 15%
Fixed Income **	4,030,905	2.32%	63.70%	75%	50% / 80%
Canadian Equities	1,251,836	4.03%	19.78%	15%	0% / 25%
US Equities (in CAD)	450,255	1.38%	7.12%	5%	0% / 10%
International Equities	-	0.00%	0.00%	5%	0% / 10%
	<u>\$ 6,327,755</u>	<u>2.39%</u>	<u>100.00%</u>	<u>100.00%</u>	

* Includes Unrestricted Cash of \$419,768

** Current Portion Maturing by December 31, 2021 is \$1,150,000

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 (2020 - \$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.

10. DEFERRED REVENUE

	2021	2020
Social Connections	\$ 1,457	\$ 1,457
Annual Pow Wow	7,000	4,500
Mentorship Program	23,361	5,873
Regina ByPass Road Access	108,677	108,677
	<u>\$ 140,495</u>	<u>\$ 120,507</u>

NOTES to the financial statements

11. LONG TERM DEBT

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

	2021	2020
	\$ 660,217	\$ 1,037,483
	660,217	1,037,483
Current Portion	(377,266)	(377,266)
	\$ 282,951	\$ 660,217

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

- 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 \$388,377 (2020 - \$413,785).

	2021	2020
Saskatchewan Housing Corporation forgivable loans are forgivable in monthly instalments of \$6,328 (Lakeshore Village). Maturity Date: December 31, 2021	\$ 44,298	\$ 129,325
Saskatchewan Housing Corporation forgivable loan with monthly instalments of \$15,846 increasing to \$31,691 in February 2022 (McEwen Manor). Maturity Date: August 31, 2026	1,876,142	2,066,291
Federal/Municipal grant funding amortized with monthly instalments of \$5,700 (McEwen Manor). Maturity Date: August 31, 2026	359,669	428,069
Saskatchewan Housing Corporation forgivable loan amortized as the sum of all digits with monthly instalments of \$3,733 (Chaz Court), Maturity Date: May 31, 2029	588,804	633,604
	2,868,912	3,257,289
	(417,430)	(388,377)
Current portion	\$ 2,451,482	\$ 2,868,912

NOTES to the financial statements

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 \$59,526 (2020 - \$39,506).

The Society systematically sets aside monies to fund upcoming capital improvements. The transfer in the current year is \$375,469 (2020 - \$96,148).

The Geoff Pawson Scholarship fund increased by \$16,516 (decreased in 2020 - \$2,866) due to a gain in investment value.

NOTES to the financial statements

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 \$1,510,247 (2020 - \$1,434,285).

15. COMMITMENTS

The Society has long term agreements with respect to property, equipment and software licenses. Future minimum payments as of May 31, 2021 are as follows:

	Equipment	Property	Software Licenses	Total
2022	\$ 3,048	\$ 1,201,452	\$ 434,360	\$ 1,638,860
2023	1,428	1,011,982	206,631	1,220,041
2024	1,071	670,980	138,581	810,632
2025	-	315,696	138,581	454,277
2026 and thereafter	-	-	-	-
	<u>\$ 5,547</u>	<u>\$ 3,200,110</u>	<u>\$ 918,153</u>	<u>\$ 4,123,810</u>

16. NET CHANGE IN NON-CASH CURRENT ASSETS

	2021	2020
Goods and Services Tax Recoverable	\$ 6,528	\$ 1,453
Prepaid Expenses	4,900	(38,220)
Accounts Receivable	959,619	(4,090,237)
Trust Assets	2,657	(2,993)
	<u>\$ 973,704</u>	<u>\$ (4,129,997)</u>

NOTES to the financial statements

17. NET CHANGE IN NON-CASH CURRENT LIABILITIES

	<u>2021</u>	<u>2020</u>
Accounts Payable and Accrued Liabilities	\$ 382,322	\$ (22,449)
Government Remittances Payable	(525,392)	21,349
Deferred Revenue	19,988	(35,900)
Trust Liabilities	<u>(2,657)</u>	<u>2,993</u>
	<u>\$ (125,739)</u>	<u>\$ (34,007)</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, 2021.

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 2021 is \$Nil (2020 - \$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

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.



Corman Park 3-mile.



(l to r) Andrea Brittin, Doreen Wilson, and Garth Chatterson. On October 6th, Downtowner's Optimist Club of Regina handed Ranch Ehrlo the "key" to Wilson House.



Youth berry picking.



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