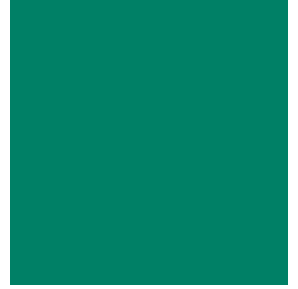
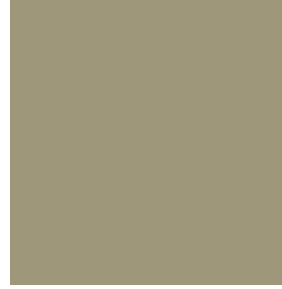
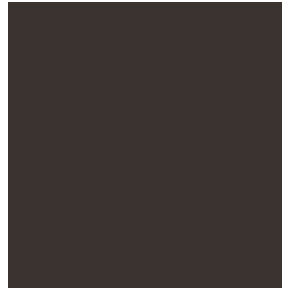


Annual report

2013-2014



Dedicated to providing a range of quality assessment, treatment, education, support and community services that improve the lives of children, youth and their families.

www.ehrlo.com

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Message from board chair

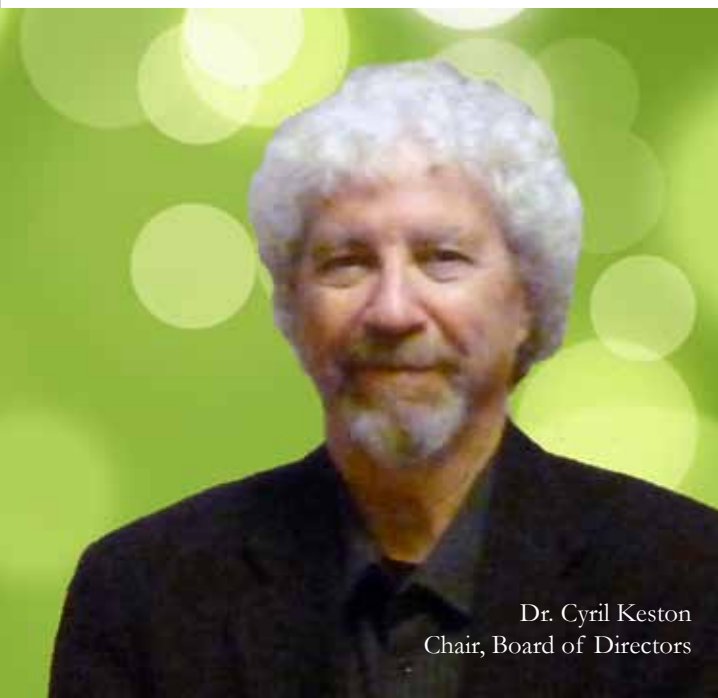
With the completion of my first year as chair of the board of directors, it is my privilege to present the 2013-2014 Annual Report for Ranch Ehrlo Society.

This past year the board of directors facilitated the change in senior leadership for Ranch Ehrlo Society. In December 2013, the board of directors appointed Linda Meyer as interim president/CEO effective Jan. 1, 2014. This appointment followed the previously announced retirement of the agency's then president/CEO Dr. Marion MacIver. The board of directors finalized their selection of a permanent appointment in June of this year and announced Andrea Brittin, former Assistant Deputy Minister of Child and Family Services, Minister of Social Services, as the new president/CEO effective Aug. 18, 2014.

The board continued its effort in transitioning the agency to a new governance model by strengthening its board renewal and recruitment process, revising its policies and procedures, and implementing an enterprise risk management system. In addition, the agency's bylaws have been updated and new financial policies have been adopted to ensure the financial assets of the organization are safeguarded.

There have been many special events over the past year and some of those highlights have been the grand opening of the new Mitchell House and the re-grand opening of Jewison House. Ranch Ehrlo also celebrated the opening of the emergency receiving services program. The new program provides temporary emergency care to youth awaiting placement, and is separate from Ranch Ehrlo's residential treatment intake. Youth coming into the emergency receiving services program are placed in the recently renovated Rorison House and "former" Mitchell House.

The agency's community programs also continue to expand. In partnership with the three levels of government, the agency celebrated the official opening of Chaz Court, a unique pocket suite apartment building in Regina's Heritage neighbourhood. The housing development is for young people transitioning toward greater independence and into their early years of adulthood. The spectrum of services continues to expand in the agency and the commitment to excellence is as strong as ever.



I would like to thank all members of the board for their dedicated service, especially to those members who will be rotating off the board. I would also like to thank Marion MacIver and Linda Meyer, the vice-presidents and other members of the management team, especially those who served as staff resources to the board and committees, for their valuable assistance and support. And finally, thank you to all the employees and volunteers who have transformed the lives of many young people and their families.

***The spectrum of services
continues to expand in the
agency and the commitment to
excellence is as strong as ever.***

Message from the acting president and CEO

This past year has been a year of transformation and success for Ranch Ehrlo Society. The agency continues to expand and develop its many programs and services to meet the needs of our clients through a seamless continuum of care. With a focus on the future, Ranch Ehrlo Society continues its work to ensure the agency will Go Forward with Pride.

This past year the leadership team underwent great transformation. Following the retirement of Dr. Marion MacIver, I was chosen by the board of directors to temporarily lead the Ranch Ehrlo Society. I learned a great deal about the agency as interim president/CEO for the past six months. I welcome Andrea Brittin and look forward to working with her.

In February the agency was again selected as one of Saskatchewan's Top Employers. The agency was rated high in its encouragement of work-life balance. The honour reflects the quality of people we have in positions at every level of the agency.

We had a number of guests tour Ranch Ehrlo this past year including MP Genest-Jourdain and ten police officers from Hong Kong. In October the agency began operating a new emergency receiving program with six beds for temporary emergency care to youth awaiting placement. The program expanded into the old Mitchell House on the Pilot Butte campus in March.

Also in March of this year the renovations of Jewison House and the grand opening of Mitchell House were celebrated. These projects were previously identified by staff as Ranch Ehrlo's top priorities, and included in the agency's long-term capital plans.

A highlight of this past year was the launch of UltiPro, one of three software projects that will make up the new Integrated Enterprise System. UltiPro went live in April of this year, giving staff a self-service online portal to allow access to personal and agency information. The Integrated Enterprise System will change the procedures of finance, payroll, and human resources with the conversion to an online integrated system.



Linda Meyers
acting president and CEO

I would like to thank members of the board of directors for their direction and support during this past year, especially to board chair, Cyril Kesten. I'd also like to thank the management team along with all the employees for their tremendous commitment and dedication to the young people, families, and communities that we serve. I invite you to explore all of the agency's accomplishments over the past year in this our 2013-2014 Annual Report.

***The agency continues to expand
and develop its many programs
and services to meet the needs
of our clients through a seamless
continuum of care.***



WHO

we are.

WHAT

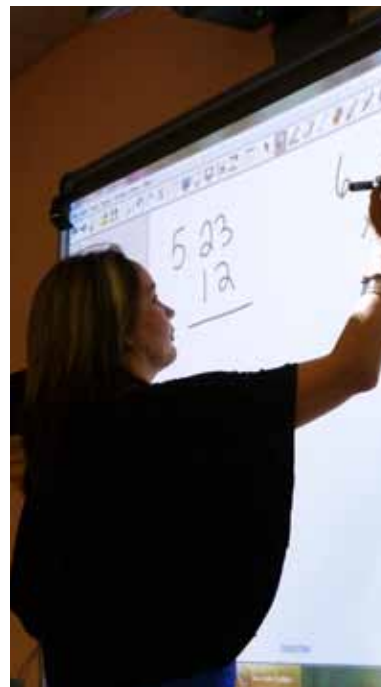
we do.

WHO

we serve.

Who we are





Ranch Ehrlo Society is a non-profit, registered charitable organization dedicated to providing a range of quality assessment, treatment, education, support, and community services that improve the social and emotional functioning of children, youth, and families.

Since 1966, we have continued to grow, and we now operate more than 40 residential group homes, several schools, and community-based and family programs in Saskatchewan.

Youth are referred to our residential programs by the Saskatchewan Ministry of Social Services, First Nations Child & Family agencies, as well as out-of-province referrals. Clients are referred to our community-based programs through a variety of channels including advertising and promotion, professional referrals, and word-of-mouth.

Turn the page to see who we serve.





Residential programming

Buckland campus

- 30 beds available in three residential homes: Alex Guy House, Klassen House, Matheson House (Prince Albert)
- Donalda Hansen Centre for Equine Assisted Therapy
- outdoor hockey rink, basketball courts, soccer field, riding and walking trails
- Hansen Education Centre
- Frank Flegel House

Corman Park campus

- 20 beds available in two residential homes: May House and Welke House
- Ellen Gunn Education Centre
- outdoor hockey rink and basketball court
- Tim Young Administration Building

Pilot Butte campus

- 50 beds available in: Mitchell House, Jewison House, Rever House, Jordan House, and Appleton House
- 12 beds available in two emergency receiving homes
- McNamara Family home
- Schaller School
- Hudson Administration Building
- outdoor rink, outdoor sports field, common picnic area

Regina

- Dalla-Vicenza House
- Fitch House
- Hilsden House
- Jillings House
- Kruzeniski House
- Lee House
- MacKay House
- Peterson House
- Lammer House
- Supportive Living Program
- Supportive Independent Living Program
- Transition programs
- Family programs



Buckland campus



Corman Park campus



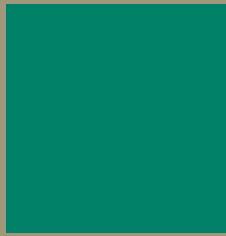
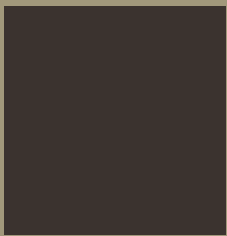
Pilot Butte campus

Buckland campus

Corman Park campus

Pilot Butte campus





Community programming



Paper Crane Community Arts Centre

Arts programming to assist individuals in the community with personal growth and well-being.



Ehrlo Housing

Affordable housing for low-income families, single mothers, individuals with chronic mental health conditions and youth transitioning from care.



Ehrlo Sport Venture

Inner-city recreation programs, sports equipment, summer camps, and after school programs.



Avant-Garde College

Training in hairstyling, esthetics and nail technician throughout the year.



Ehrlo Counselling Services

Professional counselling services and programs available to children, adolescents and families in the community that address a variety of issues.



Ehrlo Early Learning Centre

Quality early learning and child care available in five locations in Regina.



Family programming

Our diverse family programs offer resources and supports to keep families together, to assist families in the reunification process, and to provide family-based care for children.

Family Treatment Program: The program aims to improve family safety, family functioning, and child well-being so families can remain together. The Family Treatment Program provides in-home services to assist families in preventing the placement of children out of their home or to assist families unite after having a child in care.

Intensive Family Preservation Services: The Intensive Family Preservation Services (IFPS) program is an intensive in-home family treatment program that works with families who are at imminent risk of having their children removed from their homes, or those who have recently had children removed from their care. IFPS is designed to stabilize and strengthen families and to prevent the unnecessary out-of-home placement of children.

Treatment Foster Care Program: The 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.



Parent education group



Equine therapy



Family camp at Echo Lake



MP Genest-Jourdain with Ranch Ehrlo Pow Wow instructors

A year in review

Stories that have taken place at Ranch Ehrlo Society over the past year and highlight our mission to improve the lives of children, youth, and their families.

July 2013

Youth embraced by the community

Youth from Matheson House got down and dirty, pitching in and helping out at the annual Relay for Life fundraiser in Prince Albert.

The youth rose early and rushed to Max Clunie Field where they assisted with event wrap-up efforts; cleaning up, putting away tables, moving sand bags, dismantling tents and offering helping hands where they were needed.

Youth at Matheson also helped out with a community barbecue held at the John M. Cuelenaere Public Library in Prince Albert. The youth organized the burgers and buns, giving hungry book lovers something to eat during the book sale and Prince Albert Street Fair.

Before wrapping up the month of June, the youth of

Matheson House rolled up their sleeves once again, working together to host a fundraiser garage sale and barbecue. The kids organized the garage sale and community barbecue on the property; pushing sales, moving boxes, grilling burgers and loading vehicles. The day of burgers and bargains paid off for the youth who raised an incredible \$916.

MP Genest-Jourdain visits

Ranch Ehrlo Society worked further to break down barriers by hosting Quebec Member of Parliament Jonathan Genest-Jourdain on July 23, 2013.

September 2013

Facelift for Sport Venture

Sport Venture and the North Central Community Association (NCCA) partnered with artist Andres Araneda to bring beauty to the building by painting a mural on an exterior wall.

The Sport Venture mural project was made possible



Director Rick Norick shows Hong Kong police officers around Pilot Butte campus

by cooperation and funding made available through the NCCA Go Green program.

The mural was unveiled on September 28, 2013 during Culture Days.

Moving Day

The Clinical Assessment and Ehrlo Counselling Services teams, along with Facilities, Communications, Human Resources, Treatment Foster Care program, the coordinator for the Ehrlo Vocational program, coordinator of Volunteer Services, and director of Ehrlo Early Learning Centres moved their offices to a new building on 1951 Francis St.

The new office is a two-storey handicap accessible building optimized with staff parking, 39 sound proof offices, four meeting rooms, nine bathrooms, a new heating and cooling system, and more.

Second Annual Youth Activity Fair

The Second Annual Youth Activity Fair was a success, bringing together more than 1,000 students and 29 community clubs and organizations in Prince Albert.

The Youth Activity partners with dozens of community organizations, clubs, and non-profits in an effort to get children and youth involved in their community by participating in after-school activities.

October 2013

Hong Kong officers inspect Ranch Ehrlo

Ten police officers from Hong Kong toured the Pilot Butte campus on October 11, 2013.

The officers spent a week in Saskatchewan learning some of the RCMP's crime prevention youth initiatives. Because of the agency's mandate and commitment to youth, a former board member associated with the RCMP determined a campus tour would be beneficial to the visitors.

Fifth annual Chili Cookoff

The fifth annual Corman Park Chili Cookoff was held on October 31, 2013.

Hungry judges were served a sample cup of each of the three chili entries, which was blind taste-tested and voted upon by secret ballot.



Renovated Rorison House

Third place was awarded to unit manager Josh Miller and youth Dryden, second place was Dionne Baergen, the director of residential services, and first place was awarded to education assistant Dorrie Marckoski and youth Ivan.

New emergency receiving program

The Ranch Ehrlo emergency receiving services program began operations in October.

The program exclusively provides temporary emergency care to youth awaiting placement, and is not part of the Ranch Ehrlo residential treatment intake.

Ranch Ehrlo provides emergency receiving services for children ages 12 to 15 for up to 30 days. The program provides a safe place for children to live while the Ministry of Social Services develops a plan. Many of the children that will be coming into this program will be coming into care for the first time.

Youth coming into the new emergency receiving services program will live in the recently renovated six-bedroom Rorison House at the Pilot Butte campus.

In March 2014 the program was expanded by six beds in the old Mitchell House.

November 2013 Group home renovations complete

Ranch Ehrlo's financial stability has allowed the agency to invest in its future, continually fulfilling its long term capital plans.

In 2010, group home renovations at our Pilot Butte campus was identified by staff as the agency's top priorities. Now, three years later, Ranch Ehrlo has opened two brand new group homes (Jordan and Mitchell) and two fully-renovated group homes (Rorison and Jewison).

The interiors of Rorison House and Jewison House were completely renovated. The design of Rorison transitioned from a 10-bed residential group home to a spacious six-bed emergency receiving services unit. Jewison House remained a 10-bed unit, but was expanded with an 800 square-foot addition.

Renovation of Jewison House was completed in November 2013, nearly two months ahead of schedule. Renovations of Rorison House were completed in January 2013, along with the construction of Mitchell House. And the reconstruction of Jordan House was completed in May 2012.

Ehrlo Housing recognized at National Housing Day

Ranch Ehrlo Society has been recognized for its role in supporting individuals and families in need of affordable housing.

Ranch Ehrlo Society's Ehrlo Housing was one of five organizations recognized at the 2013 National Housing Day luncheon in Regina. Other groups recognized included Habitat for Humanity, Silver Sage Housing Corp, Namerind, and Gabriel Housing Corp. Selected groups were recognized based on duration of service, size of portfolio, support for renters, and



National Housing award

participation in local initiatives to sustain and increase the availability of affordable housing in Regina.

New Ranch video

Ranch Ehrlo Society created and launched a new promotional video depicting the programs and services of the agency. The video takes viewers on a journey through our homes and schools, introduces viewers to our clinical and counselling teams; and tours Sport Venture, Ehrlo Housing, Paper Crane, and Ehrlo Early Learning Centres.

December 2013

Linda appointed acting CEO/President

At its December, 3, 2013 meeting, the board of directors of the Ranch Ehrlo Society, appointed Linda Meyer acting president/CEO effective January 1, 2014. This appointment followed the previously announced retirement of the agency's president/CEO Dr. Marion MacIver.

The board of directors finalized its selection of a permanent president/CEO in June.

Art from the Heart

The annual Art from the Heart calendars were unveiled just in time for the New Year. Approximately 1,000 calendars were printed and distributed to Ranch youth, staff, board members, and referring agencies. Youth whose art was featured in this year's calendar were celebrated with an Art from the Heart reception on December 18, 2013.

January 2014

New location for Learning Centre

The Learning Centre moved to a new location, optimizing client services and allowing a special program to spread its WINGS.

The Learning Centre is a special education program designed for adults to support Ranch Ehrlo participants with developmental disabilities and sensory needs to lead a full life.

The new Learning Centre facility has the ability to accommodate growth with its additional space and user-friendly design. The open space also promotes safety while reducing anxieties and triggers for clients.

The former Learning Centre building at 288 Hodsman Rd., has been taken over by the Working towards Independence and Nourishing Growing Skills (WINGS) program, which continues to expand.

February 2014

Northern Winterfest

The northern winter festival was held on February 14, 2014, hosting about 50 youth from Corman Park and Buckland campuses, with a handful of special guests in attendance.

Prince Albert police chief Troy Cooper, Prince Albert Mayor Greg Dionne, Cheryl Starr of Saskatchewan Advocate of Children and Youth, and a representative from Prince Albert Social Services all made a special appearance. Klassen House took home the Shinnery Cup and title of Best Unit Banner while Alex Guy House won the Northern Olympic Games with the most points.

Expand and explore

Paper Crane was awarded a \$10,000 grant from the Saskatchewan Arts Board to hire an artist on a contractual three-month basis (January 30th – April 30th)



Northern Winterfest



Avant-Garde head shave

to explore and connect community outreach opportunities with community groups, youth, and individuals within the community.

The Arts Board also awarded Paper Crane a second grant of \$10,000 to cover the cost of having art therapist Dianne Shannon work with students at Schaller Education Centre (Pilot Butte campus) to create visual art and writing to be featured on a special project website.

Paper Crane Community Arts Centre was also fortunate to receive a \$3,500 Saskatchewan Instructional Development Research Unit (SIDRU) grant through the University of Regina's Faculty of Education. The grant will finance a portion of programming supplies, and will be used to hire a research assistant to assess the centre's yoga and art program for one year.

Making the cut

For the third consecutive year, Ranch Ehrlo Society has been named one of Saskatchewan's Top Employers.

Ranch Ehrlo was announced as one of Saskatchewan's Top Employers on Feb. 5, 2014, in special supplements published by the Regina Leader-Post and the Saskatoon Star Phoenix, as well as online at Eluta.ca.

March 2014

Schaller College closes its doors

The Regina-based college has closed its doors.

The small private vocational school helped prepare students for a career in the field of information technology (IT) for the past eight years.

The school expanded to include students from the community, local businesses, and various programs, in addition to Ranch Ehrlo youth.

Unfortunately the school experienced declining enrollments, a trend that many trade schools are facing in a booming Saskatchewan economy.

Shaving for a good cause

Avant-Garde, in partnership with Canadian Western Bank and Beer Bros Gastropub & Deli, raised \$7,000 for the Regina Neonatal Intensive Care Unit through several generous donations and more than a dozen heads shaved.

The third annual Shaving Heads to Save Babies fundraiser was held on Thursday, March 13th.

April 2014

Literacy Camp

Students from Schaller Education Centre learned language and literacy with a partnership between Ranch Ehrlo and the University of Regina, Faculty of Education.

This was the sixth year of the Literacy Program Partnership, an initiative to give Ranch students increased access to literacy while providing practical experience to pre-service teachers.

Beyond borders

Two African university associates visited Ranch Ehrlo, exploring the delivery of education at several classrooms, as part of a Scholar Bursary awarded by the University of Regina.

The pair made the trip from the University of Malawi to further their research and curriculum development of Senga Model Primary School in Malawi.

May 2014

Golf tournament

The 2014 Dr. Geoff Pawson Memorial Golf Classic was a huge success. Over \$34,000 was raised in support of Ehrlo Sport Venture program, providing community sport and recreation programming for Regina's inner-city youth. This year the venue was changed to the Wascana Country Club.



Board report

Since its inception in 1966, Ranch Ehrlo Society has been governed by a volunteer board of directors. These volunteers contribute a significant amount of time to assist in the direction of programs and services for youth and their families.



Board of Directors

2013-2014

Dr. Cyril Kesten (chair) – Professor, Faculty of Education, U of R

Jim Kenyon (past chair) – JC Kenyon Engineering Inc.

Debbie McKague (vice chair) – Vice-President, Trans Gas (retired)

Heather Collins (treasurer) – Financial consultant

Harvey Lammer – Senate appointment to the board

Dr. Craig Chamberlin – Associate professor of Kinesiology & Health Studies, U of R

Karen Bright – Senior Director of Strategic Services, Farm Credit Corporation

Mike Shaw – Consultant

Laurel Garven - Director, Strategy and Stakeholder Relations, Information Services Corporation

Staff Sergeant Jerry Nelson (retired) – job coach, Saskatchewan Indian Institute of Technology's Construction Careers

Greg Fieger - Professional management consultant, Conroy Ross Partners

Jamie Burrows - Assurance Partner, MNP

Mark Guillet - Vice-President, General Counsel & Corporate Secretary, SaskEnergy

Prince Albert board members

Allan Fraser – Retired Prince Albert police officer

Corman Park board members

Ernestine Starr – Retired

Quinton Hardage – Chief Technical Officer, HCF Mercantile Inc





Board report

Audit committee:

Members: Craig Chamberlin (chair), Heather Collins, Allan Fraser

The audit committee met with the external auditor, Mintz and Wallace, to review the year-end audited financial statements and findings and to consider recommendations and responses to the auditor's Constructive Services Letter. It also met with the external auditor to review the external audit plan for 2013/2014. In addition, the committee conducted the annual external auditor assessment. The committee continues to have responsibility for monitoring agency-wide risk. The committee reviewed and recommended to the board acceptance of the annual Enterprise Risk Management Report and approval of an Enterprise Risk Management Policy.

Finance committee:

Members: Heather Collins (chair), Jim Kenyon, Jamie Burrows, Quinton Hardage, Jim Kenyon, Cyril Kesten

The finance committee reviewed and presented to the board the agency's monthly and quarterly financial statements and quality assurance indicators. The committee reviewed the budget assumptions and proposed capital and operating budgets for 2014-2015. In conjunction with the human resources committee of the board, the committee recommended the implementation of a salary administration schedule. It also reviewed and recommended revisions to the residential and education rates and reviewed one Early Childhood Services grant recommendation. The committee recommended to the board the adoption of a number of financial policies and procedures including policies on signing authority, expenditure authorization, banking, corporate credit cards, petty cash and financial information processing.

Governance and Nominations committee:

Members: Debbie McKague (chair), Craig Chamberlin, Mark Guillet, Harvey Lammer

The governance and nominations committee continued its work in strengthening the board governance structure including finalization of the terms of reference for board committees, development of a decision-line/delegation of authority framework, development of terms of reference for the Ranch Ehrlo Society senate, and establishing a process to appoint a senate representative to the Ranch Ehrlo Society board of directors. The committee revised templates for board decision-making and information items to ensure the board makes effective use of its time on board deliberations. The committee also undertook an extensive review of the agency's bylaws to align them with the new governance structure.

and to reflect best practices. The committee continued its work on board renewal, refining and honing a process that was introduced one year ago. As in the past, the committee continued to overview board training and orientation, and facilitated the annual board self-evaluation process.

Human Resources and Compensation committee:

Karen Bright (chair), Laurel Garven, Greg Fieger, Jerry Nelson, Mike Shaw, Ernestine Starr

The human resources and compensation committee focused its attention this past year on salary administration, employee benefits, staff retention, succession planning, and the CEO evaluation process. The committee received regular updates on the finance, human resources, and payroll software upgrade and implementation. The committee continued to review the objectives, and implementation plans for the agency's diversity plan. The committee reviewed the 2013 turnover report, the exit survey report, and summary of employee survey comments for March 2014. In addition to reviewing quarterly human resources (HR) indicators, the committee worked on the establishment of a smaller number of key HR indicators that would assist the committee in gauging the health of the organization. The committee reviewed detailed market analysis in preparation for the salary administration schedule.



Board vice chair Debbie McKague with the staff of Jewison House at the unit's grand re-opening

Staff associations



The staff associations of Ranch Ehrlo Society organize staff functions, promote employee involvement within the agency, and operate as committees on behalf of their memberships.

Regionally, each campus operates its own staff association through the direction of a staff council. All members are encouraged to get involved with their local staff council to help organize and promote events such as Christmas parties and sporting events.

Buckland/Prince Albert **Staff association president Jody Weisner**

Prince Albert staff association has had another successful year. We kicked off the school year with a Meet and Greet for all staff with some appetizers to introduce new staff and get re-acquainted with old staff.

Our annual Christmas party was held again at the Par Place, a facility with a gorgeous rustic log cabin feel with a real wood burning fireplace and all. Alex Guy House graciously volunteered to host a casino night as our entertainment. Robin from Matheson House was the DJ for the rest of the evening. We did an elimination style draw throughout the night for a \$1200 travel voucher. Half the fun is watching people's names get removed from the draw as it gets closer and closer to the winner. DJ Maurice from Klassen House was the big winner this year.

The staff association has also been having draws every second month for movie passes and restaurant gift cards. We also had a bowling fundraiser in March to help cover the cost of the travel voucher. There was a lot of hype over who was going to win the championship cup but it eventually went to Matheson House. We will see if they can hold on to that title next year.

For our year-end event we hosted a Golf and Dinner night followed by a bonfire. Staff were invited to golf and have supper or to just come out for the dinner if they were not interested in golf.

Corman Park **Staff association president Josh Lemieux**

It has been a quiet, but successful, year for the Corman Park staff association. Josh Lemieux remains president of the staff association. Brenda Charles resigned from the association shortly before Christmas, 2013. All other members remain unchanged.

The annual Christmas Party was held at the Radisson Hotel in Saskatoon this past December. It was an enjoyable night filled with humorous Minute-to-Win-It games and socializing over board games. This coming December, the Christmas Party has been booked at the Park Town Hotel with entertainment provided by the Laugh Shop.

Currently, the association is working to put together a summer wrap-up event at Rock Ridge Paintball and Laser Tag Games.

Regina/Pilot Butte **Staff association president Shauna Linnen**

The past year has been a busy one for the Regina/Pilot Butte staff association. We had our annual Christmas party in December which was another huge success. During the event we held our annual Operation Sunshine draw which is a program designed to give workers an opportunity for an expense-paid vacation.

The agency contributes two weeks leave to the winner of Operation Sunshine. We also had a Christmas Party for the children of staff.

We sponsored a team of four to play in the Dr. Geoff Pawson Memorial Golf Classic. The association also reimbursed any staff member who played in the tournament \$50 towards the entry fee.

We once again held our Rider ticket draw. Every home game we draw a staff member winner who received two tickets to the Rider game. We also continued our monthly movie ticket draws.

The association allotted money to the conference fund. These funds can be used by staff to attend professional development opportunities within Saskatchewan up to a cost of \$500. Applications that cost more than \$500 or that are out-of-province are now authorized by the requesting individual's director.

We also distributed money for the Employee Wellness Reimbursement Program. We initiated this program to promote wellness for staff. Each employee is eligible to apply once per calendar year, for a \$100 reimbursement of the actual costs of an ongoing program of personal fitness. We also sponsored a Ranch beach volleyball team.



2013-2014

Performance outcomes report

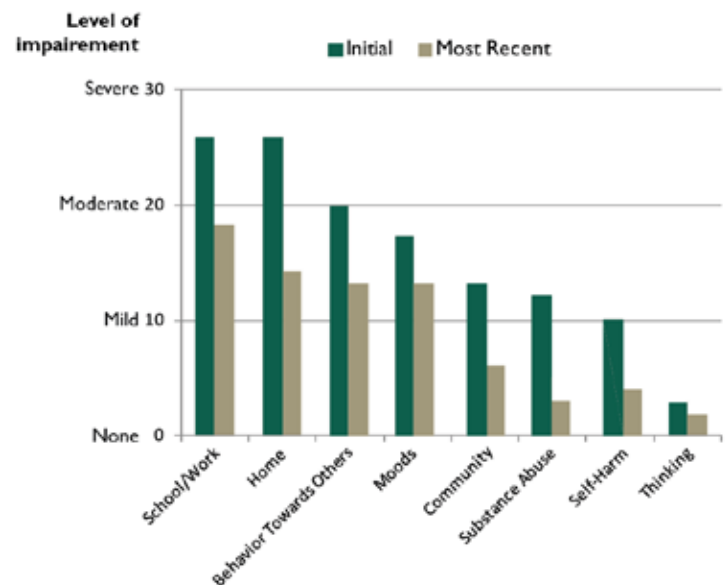
Reporting on our residents' success at Ranch Ehrlo Society is a major hallmark of the agency. This report presents a summary of resident outcomes at Ranch Ehrlo Society for the period June 1, 2013 to May 31, 2014. It is the agency's ninth annual Outcome Report but the third year using Efforts to Outcomes (ETO) software (managed by Social Solutions Inc).

The software provides access to information that is used to assess youth needs, develop treatment goals, document efforts, analyze trends, and report to funders.

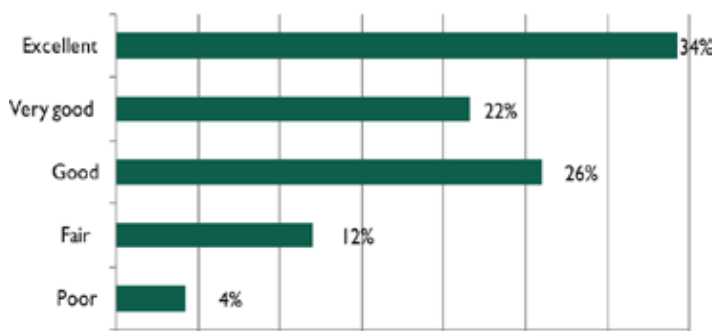
One of the primary goals of the Ranch is improved psychosocial functioning for residents. In order to measure progress in this area for youth, the Ranch uses the Child and Adolescent Functional Assessment Scale (CAFAS). The CAFAS measures the degree of impairment in youth with emotional, behavioural, psychiatric, psychological, or substance abuse problems. CAFAS scores range from 0 to 240, with higher scores indicating more severe impairments in functioning.

The average CAFAS score for our youth at their initial assessment was 134. The average score after their most recent assessment was 77. The decreases in scores are significant and indicate that the functioning of our youth has improved within the structured, nurturing, and supportive environments at the Ranch.

CAFAS scores then and now

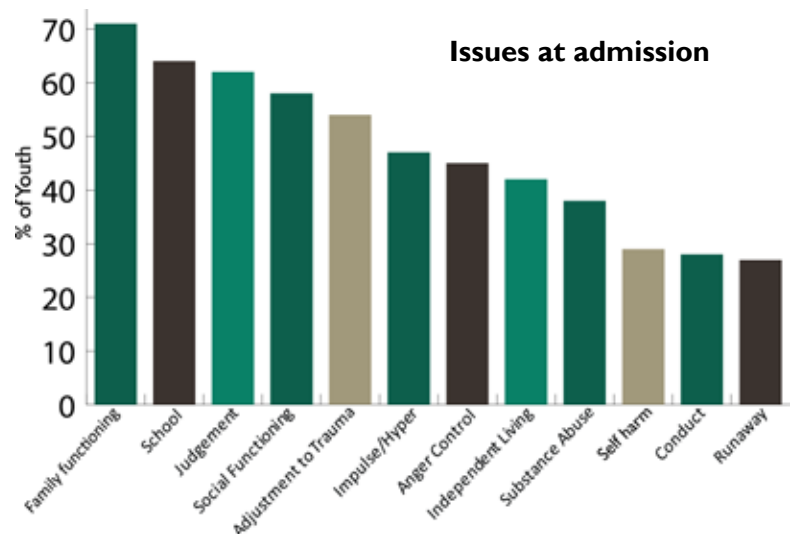


How well has living at the Ranch helped you deal with your problems?



Residents at the Ranch have a needs assessment completed when they arrive. The graph to the right lists the main reasons identified for why youth come to the Ranch and helps staff determine the degree of attention each issue requires.

Issues at admission



AUDITOR'S report



To the Members of Ranch Ehrlo Society

We have audited the accompanying financial statements of Ranch Ehrlo Society, which comprise the statement of financial position as at May 31, 2014 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ranch Ehrlo Society as at May 31, 2014 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.

Regina, Saskatchewan
September 2, 2014

Mintz & Wallace
Chartered Accountants LLP

MANAGEMENT'S responsibility for financial reporting

Management's Responsibility for Financial Reporting


The financial statements of Ranch Ehrlo Society have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Ranch Ehrlo Society's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Board and meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Audit Committee reports to the Board of Directors prior to its approval of the financial statements. The Committee also considers, for review by the Board and approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by Mintz & Wallace Chartered Accountants LLP, in accordance with Canadian generally accepted auditing standards.



President and CEO

Chief Financial Officer

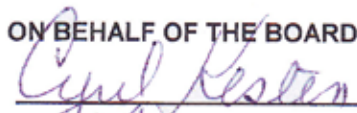
Pilot Butte, Saskatchewan
September 02, 2014

STATEMENT of financial position

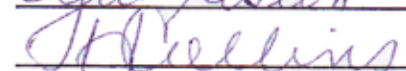
	2014	2013
ASSETS		
CURRENT		
Cash	\$ -	\$ 2,119,188
Inventory	23,691	23,142
Goods and services tax recoverable	68,243	68,475
Prepaid expenses	34,546	134,768
Accounts receivable	5,808,888	4,346,047
Trust assets (Note 5)	50,902	53,032
	<u>5,986,270</u>	<u>6,744,652</u>
CAPITAL ASSETS (Note 3)	14,171,902	12,957,133
INTANGIBLE ASSETS (Note 4)	582,363	91,684
RESTRICTED CASH (Note 6)	1,867,638	489,676
	<u>\$ 22,608,173</u>	<u>\$ 20,283,145</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Bank indebtedness (Note 7)	\$ 81,513	\$ -
Accounts payable and accrued liabilities	3,605,351	4,172,620
Callable debt due in one year (Note 9)	211,111	204,267
Current portion of long term debt (Note 10)	23,679	22,193
Employee deductions payable	552,856	86,948
Deferred revenue (Note 8)	550,680	341,850
Trust liabilities (Note 5)	50,902	53,032
	<u>5,076,092</u>	<u>4,880,910</u>
Callable debt due thereafter (Note 9)	251,394	462,520
	<u>5,327,486</u>	<u>5,343,430</u>
LONG TERM DEBT (Note 10)	937,641	962,155
ACCRUED BENEFIT LIABILITY (Note 16)	-	145,973
FORGIVABLE LOANS/CAPITAL FUNDING (Note 11)	4,854,875	4,648,689
	<u>11,120,002</u>	<u>11,100,247</u>
NET ASSETS		
General fund	9,620,533	8,693,222
Restricted fund (Note 6)	1,867,638	489,676
	<u>11,488,171</u>	<u>9,182,898</u>
	<u>\$ 22,608,173</u>	<u>\$ 20,283,145</u>

CONTINGENT LIABILITY (Note 13)

ON BEHALF OF THE BOARD



Director



Director

STATEMENT

of revenues and expenditures

Year Ended May 31, 2014

	2014	%	2013	%
REVENUES				
Residential	\$ 43,128,198	73.69	\$ 39,402,471	72.99
Education	8,735,453	14.92	8,284,152	15.35
Community	6,281,634	10.73	5,917,411	10.96
Forgiven/amortized capital funding (Note 11)	317,983	0.54	309,635	0.57
Other	66,352	0.11	69,465	0.13
	<u>58,529,620</u>	<u>99.99</u>	<u>53,983,134</u>	<u>100.00</u>
EXPENDITURES				
Salaries and benefits	40,949,397	69.96	37,629,434	69.71
Occupancy costs (Note 14)	5,361,383	9.16	4,683,658	8.68
Operational requirements	1,380,939	2.36	1,193,399	2.21
Interest and bank charges	33,672	0.06	42,150	0.08
Interest on callable debt	18,919	0.03	26,757	0.05
Interest on long term debt	43,764	0.07	34,538	0.06
Programming	7,334,917	12.53	6,444,913	11.94
Miscellaneous other	303,166	0.52	353,164	0.65
Amortization of capital assets	1,226,262	2.10	816,702	1.51
Amortization of intangible assets	9,599	0.02	-	-
	<u>56,662,018</u>	<u>96.81</u>	<u>51,224,715</u>	<u>94.89</u>
EXCESS OF REVENUES OVER EXPENDITURES BEFORE WRITE DOWN OF ACCRUED BENEFITS LIABILITY	<u>1,867,602</u>	<u>3.18</u>	<u>2,758,419</u>	<u>5.11</u>
WRITE DOWN OF ACCRUED BENEFITS LIABILITY (Note 16)	<u>437,671</u>	<u>0.75</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 2,305,273</u>	<u>3.93</u>	<u>\$ 2,758,419</u>	<u>5.11</u>

STATEMENT

of changes of net assets

Year Ended May 31, 2014				
	General Fund	Restricted Fund (Note 6)	2014	2013
NET ASSETS - BEGINNING OF YEAR	\$ 8,693,222	\$ 489,676	\$ 9,182,898	\$ 6,424,479
Excess of revenues over expenditures	2,305,273	-	2,305,273	2,758,419
Internal transfer (Note 12)	(1,377,962)	1,377,962	-	-
NET ASSETS - END OF YEAR	\$ 9,620,533	\$ 1,867,638	\$ 11,488,171	\$ 9,182,898

STATEMENT of cash flows

Year Ended May 31, 2014

	2014	2013
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 2,305,273	\$ 2,758,419
Items not affecting cash:		
Amortization of capital assets	1,226,262	816,702
Amortization of intangible assets	9,599	-
Gain on disposal of capital assets	-	(25,104)
Forgivable loan recognized	(317,983)	(309,635)
	3,223,151	3,240,382
Changes in non-cash working capital	(1,255,468)	(864,643)
Cash flow from operating activities	1,967,683	2,375,739
INVESTING ACTIVITIES		
Purchase of capital assets	(2,452,067)	(2,480,186)
Purchase of intangible assets	(500,278)	(91,684)
Proceeds on disposal of capital assets	11,036	25,104
Cash flow used by investing activities	(2,941,309)	(2,546,766)
FINANCING ACTIVITIES		
Advances to related parties	-	(14,064)
Accrued benefit liability	(145,973)	(28,775)
Proceeds from long term financing	-	1,000,000
Repayment of callable debt	(204,281)	(261,800)
Repayment of long term debt	(23,028)	(49,098)
Forgivable loans received	524,169	77,895
Cash flow from financing activities	150,887	724,158
INCREASE (DECREASE) IN CASH FLOW	(822,739)	553,131
CASH - BEGINNING OF YEAR	2,608,864	2,055,733
CASH - END OF YEAR	\$ 1,786,125	\$ 2,608,864
CASH CONSISTS OF:		
Cash	\$ -	\$ 2,119,188
Bank indebtedness	(81,513)	-
Restricted cash	1,867,638	489,676
	\$ 1,786,125	\$ 2,608,864

NOTES to financial statements

Year Ended May 31, 2014

1. NATURE OF ORGANIZATION

The Boards of Ranch Ehrlo Society and Ehrlo Community Services Inc., an associated charity, voted to amalgamate as of June 1, 2011 to form a single larger entity called Ranch Ehrlo Society that will continue to carry on the activities of each of the predecessors.

Ranch Ehrlo Society is a non-profit, registered charitable organization dedicated to providing programming in the following areas:

- Early learning/vocational
- Affordable housing
- Community therapeutic recreation
- Therapeutic counselling
- Family community
- Family residential
- Adolescent residential/education/clinical
- Life span residential

While the Society operates from a number of facilities in Saskatchewan, it serves communities across Canada on a referral basis.

The Society operates in Saskatchewan and is exempt from income taxes under section 149 of the *Income Tax Act*.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements are presented in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets including cash, restricted cash and accounts receivable are reported at amortized cost. Investments are recorded at fair market value.

Financial liabilities including bank indebtedness, accounts payable, accrued liabilities, callable debt, long term debt and forgivable loans/capital funding are measured at amortized cost.

NOTES

to financial statements

Year Ended May 31, 2014

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

Revenue recognition

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

Capital funding is deferred and recognized at the same rate that the 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 recognize internally restricted activities.

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

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

Geoff Pawson scholarship - this bursary is intended to provide funding for former students to further their education in a post secondary institution.

Avant Garde bursary - this bursary is intended to support potential applicants to this vocational school who may not have the resources to enroll.

Capital projects - the Society has multi-year plans to expand and improve their facilities and sets aside monies annually to invest in future capital projects.

McEwen Manor maintenance reserve - 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.

Inventory

Inventory is recorded at the lower of cost and net realizable value using the first in first out cost method.

NOTES

to financial statements

Year Ended May 31, 2014

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

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. The Society regularly reviews its capital assets to eliminate obsolete items. Amortization begins in the month that the asset is put into use.

Buildings	4 - 10%	declining balance method
Equipment	20%	declining balance method
Motor vehicles	30%	declining balance method
Computer equipment	50%	declining balance method
Leasehold improvements	10% - 30%	declining balance method

Intangible assets

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

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.

Use of estimates

The Society made a significant investment in the year in financial reporting and human resource management software. While a large portion of these costs were purchases of the related software and equipment, the Society invested additional dollars in salaries and benefits of employees and contract personnel to make this software functional. The Society monitored the number of persons and the share of their time devoted to this project and has included it in the capital cost.

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Land	\$ 266,472	\$ -	\$ 266,472	\$ 265,831
Buildings	12,160,211	1,376,816	10,783,395	10,345,943
Equipment	2,588,787	1,623,972	964,815	765,417
Motor vehicles	296,144	234,331	61,813	61,100
Computer equipment	660,231	505,748	154,483	159,123
Leasehold improvements	2,988,501	1,047,577	1,940,924	1,359,719
	\$ 18,960,346	\$ 4,788,444	\$ 14,171,902	\$ 12,957,133

NOTES

to financial statements

Year Ended May 31, 2014

4. INTANGIBLE ASSETS

	2014	2013
Software	\$ 591,962	\$ 91,684
Accumulated amortization	(9,599)	-
	<u>\$ 582,363</u>	<u>\$ 91,684</u>

In the current year \$165,512 of salaries was capitalized in the implementation of the new software.

5. TRUST ASSETS/LIABILITIES

Clients may receive or raise funds to use at their discretion for recreational or other activities. While the Society holds these monies in an administrative capacity, funds raised or spent are not properly treated as revenues or expenses reported in these statements.

6. RESTRICTED FUNDS

Restricted fund is cash that has been earmarked for a specific purposes and is tracked in separate bank accounts.

	2014	2013
Geoff Pawson scholarship	\$ 238,273	\$ 217,338
Avant Garde bursary	978	2,453
Capital projects	1,552,748	225,615
McEwen Manor maintenance reserve	75,639	44,270
	<u>\$ 1,867,638</u>	<u>\$ 489,676</u>

7. BANK INDEBTEDNESS

The Society has an operating line with Royal Bank of Canada totaling \$1,600,000 of which \$385,000 (2013 - \$Nil) has been advanced at year end. The bank indebtedness figure appearing in the statement of financial position for the year will vary from the operating line advance as a consequence of deposits in transit, outstanding cheques and other bank accounts. The line of credit bears interest at bank prime + .30% and is secured by accounts receivable. The line of credit is in addition to the credit facility outlined in Note 13 below and is independent of it.

The Society has an additional line of credit with Conexus Credit Union totaling \$75,000 of which \$Nil (2013 - \$Nil) has been advanced at year end. The line of credit bears interest at bank prime + .5% and is secured by a general security agreement.

NOTES

to financial statements

Year Ended May 31, 2014

8. DEFERRED REVENUE

	2014	2013
2013-2014 golf tournament	\$ -	\$ 49,171
Specialized after school program	-	2,775
Treatment Foster Support Program	49,533	227,122
Groundwork-Montreal St	-	22,426
Ehrlo Child and Family Foundation housing funding	100,800	-
Ehrlo Child and Family Foundation family treatment funding	200,000	-
Ehrlo Child and Family Foundation camp site upgrades	74,200	-
Roof replacement funding for leased property	45,000	-
Avant Garde gift certificates	2,008	1,810
Avant Garde tuition	79,139	38,546
	<u>\$ 550,680</u>	<u>\$ 341,850</u>

9. CALLABLE DEBT

	2014	2013
Royal Bank loan bearing interest at prime plus .30% per annum, repayable in monthly blended payments of \$8,100. The loan is renewable on August 18, 2014. The security on this loan is outlined in Note 13.	\$ 177,228	\$ 266,996
Royal Bank loan bearing interest at prime plus 0.30% per annum, repayable in monthly blended payments of \$10,500. The loan is renewable on December 16, 2014. The security on this loan is outlined in Note 13.	285,277	399,791
	462,505	666,787
Principal due in one year	(211,111)	(204,267)
	<u>\$ 251,394</u>	<u>\$ 462,520</u>

Principal repayment terms are approximately:

2015	\$ 211,111
2016	206,814
2017	44,580
	<u>\$ 462,505</u>

The above loans are advanced on a demand basis but the Royal Bank has agreed to fixed repayment terms that extend beyond one year.

NOTES to financial statements

Year Ended May 31, 2014

10. LONG TERM DEBT

	2014	2013
Conexus Credit Union loan bearing interest at 4.487% per annum, repayable in monthly blended payments of \$5,528. The loan is renewable on August 1, 2015 and is secured by the McEwen land/building and a general security agreement.	\$ 961,320	\$ 984,348
Amounts payable within one year	(23,679)	(22,193)
	<u>\$ 937,641</u>	<u>\$ 962,155</u>

Principal repayment terms are approximately:

2015	\$ 23,679
2016	24,764
2017	25,899
2018	27,084
2019	28,325
	<u>\$ 129,751</u>

11. FORGIVABLE LOANS/CAPITAL FUNDING

	2014	2013
Saskatchewan Housing Corporation Forgivable Loan - forgivable in monthly instalments of \$16,667.	\$ 3,184,263	\$ 3,376,263
Federal/Municipal grant funding - amortized in monthly instalments of \$5,703.	838,469	906,869
Ehrlo Child and Family Foundation capital funding - amortized at a rate of 10-20% annually.	309,678	287,661
Saskatchewan Housing Corporation Forgivable Loan - Pocket project	522,465	77,896
	<u>\$ 4,854,875</u>	<u>\$ 4,648,689</u>

The forgiven/amortized portion is recorded as revenue in the statement of revenue and expenditures.

In the event that 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.

The Pocket Project is eligible for additional funding under Saskatchewan Housing Corporation's Forgivable loan program. The Society applied for and received \$205,020 subsequent to the yearend related to capital costs which are included in these financial statements.

12. INTERNAL TRANSFERS

In the current year the board of directors approved a \$1,377,962 (2013 - \$130,650) transfer from the general fund.

NOTES

to financial statements

Year Ended May 31, 2014

13. CREDIT FACILITIES/CONTINGENCY

Royal Bank

Ranch Ehrlo Society and RES & E Holding Corporation share a common credit facility. The security for this facility is a general security agreement covering all assets of these two entities and thus each is contingently liable for the debts of the other in addition to their own debt. At yearend the facility consisted of:

Drawn by Ranch Ehrlo Society	Drawn by RES & E Holding Corporation	2014 Total
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Capital line of Credit

The established limit of this facility is \$2,000,000 and it bears interest at RBC bank prime plus .30%. Each advance has fixed repayment terms that cannot exceed 5 years. Ranch Ehrlo Society and RES & E Holding Corporation can draw upon this line.

\$ 462,505	\$ 120,975	\$ 583,480
------------	------------	------------

Fixed Term

Mortgage payable bearing interest at 3.95% per annum; renewable on October 10, 2015.

\$ -	\$ 2,982,978	\$ 2,982,978
\$ 462,505	\$ 3,103,953	\$ 3,566,458

14. RELATED PARTIES

The Society is related to RES & E Holding Corporation in that they share a common credit facility and the Society is the Corporation's only tenant.

During the year the Society paid rent and related expenses of \$1,321,621 (2013 - \$1,472,021). Rent is intended to recover all costs plus a modest allowance for overhead. As at the yearend, the balance owing from the Society to RES & E Holding Corporation was \$Nil (2013 - \$Nil). Payments between related parties are treated like trade payables and are settled on a current basis. In addition, these two related parties share common credit facilities as outlined in Note 13.

15. DEFINED 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 \$1,019,467 (2013 - \$945,157).

NOTES

to financial statements

Year Ended May 31, 2014

16. WRITE DOWN OF ACCRUED BENEFITS LIABILITY

In prior years, the Society offered retired employees a fixed sum benefit package. In order to qualify for this package, employees were obliged to meet years of service criteria and since the proper accounting treatment is to accrue the potential liability over each employee's term of service, the Society used the services of an actuary to estimate the accrued benefit liability. Over the years the plan was in place, the liability grew to \$446,671. In the prior years' statements this liability was set off against funds on deposit earmarked to settle the plan costs.

In the year, the Society chose to terminate this plan and only those persons who were already receiving payments will continue to be paid benefits for the period originally contracted. The difference between the liability accrued above less payments under the plan in the current fiscal year and the remaining liability has been taken into income.

17. COMMITMENTS

The Society has long term leases with respect to property, equipment and vehicles. Future minimum lease payments as of May 31, 2014 are as follows:

	Equipment	Vehicles	Property	Total
2015	\$ 78,587	\$ 436,980	\$ 2,276,548	\$ 2,792,115
2016	51,000	242,274	2,083,623	2,376,897
2017	48,109	150,814	1,930,991	2,129,914
2018	15,941	60,450	1,891,799	1,968,190
2019	10,130	904	1,419,628	1,430,662

Prior to the yearend a contract was signed with P3 Architecture Partnership for the construction of the administration centre at the Pilot Butte campus. Costs related to this contract are based on a percentage of the building construction cost. No services have been rendered at yearend and there is no estimate of the total cost that will be incurred.

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, 2014.

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 a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Society has a significant number of customers which minimizes concentration of credit risk and most of those are government agencies or large institutions and the likelihood of default is considered small. This risk is considered to be low.

NOTES

to financial statements

Year Ended May 31, 2014

18. FINANCIAL INSTRUMENTS (*continued*)

Liquidity risk

Liquidity risk is the risk that the Society will not be able to meet a demand for cash or 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. The Society has also made arrangements with its financial institution to provide a credit facility which will meet any anticipated shortfalls.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Society manages exposure through its normal operating and financing activities. The Society is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities but it is not significantly levered and thus this risk is considered low.

19. CORRESPONDING FIGURES

Some of the corresponding figures have been reclassified to conform to the current year's presentation.

Ranch Ehrlo Society senior leadership



Meet the team (l to r): Corinna Hayden-Fidler - vice-president of education, Ian Rea - chief financial officer, Carole Bryant - vice-president of administration and quality improvement, Dr. Marion MacIver - former president and CEO, Dean Parker - vice-president of human resources, Linda Meyer - acting president and CEO, and Malcolm Neill - vice-president of residential services.



Ranch Ehrlo Society

Pilot Butte campus

Box 570

Pilot Butte, SK S0G 3Z0

Phone: 306-781-1800

www.ehrlo.com

