

SASKATCHEWAN IMPAIRED DRIVER TREATMENT CENTRE

Financial Statements

Year ended March 31, 2014



INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of Saskatchewan Impaired Driver Treatment Centre, which comprise the statement of financial position as at March 31, 2014, and the statement of operations, statement of change in net financial assets and statement of 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 public sector accounting standards for Treasury Board's approval, 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Impaired Driver Treatment Centre as at March 31, 2014, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Judy Ferguson, FCPA, FCA
Provincial Auditor

Regina, Saskatchewan
June 2, 2015

SASKATCHEWAN IMPAIRED DRIVER TREATMENT CENTRE
STATEMENT OF FINANCIAL POSITION
As at March 31, 2014

	2014	2013
Financial Assets:		
Cash	\$ 36,979	\$ 25,509
Accounts receivable	1,270	1,782
	<u>38,249</u>	<u>27,291</u>
Liabilities:		
Accounts payable and accrued charges	87,798	24,160
Net (debt)/ financial assets (Statement 3)	<u>(49,549)</u>	<u>3,131</u>
Non-financial assets		
Prepaid expenses	-	6,125
Capital assets (Note 3)	38,803	53,699
	<u>38,803</u>	<u>59,824</u>
Accumulated (deficit) surplus (Statement 2)	<u>\$ (10,746)</u>	<u>\$ 62,955</u>

(See accompanying notes to the financial statements)

SASKATCHEWAN IMPAIRED DRIVER TREATMENT CENTRE
STATEMENT OF OPERATIONS
For the Year Ended March 31

	2014		2013
	Budget	Actual	Actual
	(Note 5)		(Note 10)
Revenues:			
Ministry of Health - General Revenue Fund	\$ 1,060,587	\$ 1,060,587	\$ 1,034,181
Miscellaneous	-	6,326	7,276
Total Revenue	1,060,587	1,066,913	1,041,457
Operating Expenses:			
Salaries and wages (Note 7)	800,353	890,421	790,049
Food	77,692	74,164	76,971
Utilities	25,774	29,338	29,141
Rental	73,827	73,496	73,498
Housekeeping & Maintenance	12,962	8,214	12,870
Contractual services	16,024	2,869	13,020
Other operating expenses	2,081	2,739	2,062
Property taxes	14,295	6,421	12,162
Printing, postage and office supplies	13,904	11,640	13,307
Insurance	5,571	7,174	5,631
Staff training and travel	12,953	3,701	5,408
Board honoraria and expenses	2,042	1,313	1,567
Vehicle expenses	3,109	3,343	3,388
Professional services	-	11,129	15,115
Amortization of capital assets	-	14,652	15,688
Total Operating Expenses	1,060,587	1,140,614	1,069,877
Deficit for the year	-	(73,701)	(28,420)
Accumulated surplus, beginning of year		62,955	91,375
Accumulated surplus (deficit), end of year (Statement 1)		\$ (10,746)	\$ 62,955

(See accompanying notes to the financial statements)

SASKATCHEWAN IMPAIRED DRIVER TREATMENT CENTRE
STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended March 31

	Budget (Note 5)	2014	2013
Deficit for the year	\$ -	\$ (73,701)	\$ (28,420)
Disposal (Acquisition) of capital assets	-	244	(6,652)
Amortization of capital assets	-	14,652	15,688
Surplus of revenue over expenditures	-	14,896	9,036
Change in prepaid expenses	-	6,125	(6,125)
Surplus (deficit) of revenue of other non-financial over expenditures	-	6,125	(6,125)
Decrease in net financial assets	-	(52,680)	(25,509)
Net financial assets, beginning of year	3,131	3,131	28,640
Net (debt)/financial assets, end of year (Statement 1)	\$ 3,131	\$ (49,549)	\$ 3,131

(See accompanying notes to the financial statements)

SASKATCHEWAN IMPAIRED DRIVER TREATMENT CENTRE
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	2014	2013
		(Note 10)
Operating Activities		
Annual deficit	\$ (73,701)	\$ (28,420)
Amortization of capital assets	14,652	15,688
	(59,049)	(12,732)
Changes in non-cash assets and liabilities related to operations:		
Accounts receivable	512	(490)
Prepaid expenses	6,125	(6,125)
Accounts payable and accrued charges	63,638	(5,688)
Net cash provided by (used in) operating activities	11,226	(25,035)
Capital Activities		
Disposal (Acquisition) of capital assets	244	(6,652)
Net cash used in capital activities	244	(6,652)
Net increase (decrease) in cash and cash equivalents	11,470	(31,687)
Cash, beginning of year	25,509	57,196
Cash, end of year	<u>\$ 36,979</u>	<u>\$ 25,509</u>

(See accompanying notes to the financial statements)

**SASKATCHEWAN IMPAIRED DRIVER TREATMENT CENTRE
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2014**

1. Legislative authority

Pursuant to section 85 of *The Public Health Act*, a board of governors was established on February 1, 1979 to operate an alcoholism rehabilitation hospital to be known as the Saskatchewan Impaired Driver Treatment Centre (Centre). The Centre commenced operations on October 1, 1979. The current board was appointed by Order in Council #707/2010 dated December 9, 2010.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board and published by Chartered Professional Accountants of Canada (CPA).

Revenue

Government transfers are recognized in the year the transfer is authorized and all eligibility criteria have been met. Other contributions are recognized in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Capital assets

Capital assets are recorded at cost. Normal maintenance and repairs are expensed as incurred. Capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Furniture & Equipment	3 to 20 years
Leasehold improvements	5 to 7 years

Measurement uncertainty

These financial statements have been prepared by management in accordance with Canadian public sector accounting standards. In the preparation of financial statements, management makes various estimates and assumptions in determining the reported amounts of assets and liabilities, revenues and expenses and in the disclosure of contractual obligations and contingencies. Changes in estimates and assumptions will occur based on the passage of time and the occurrence of certain future events. The changes will be reported in earnings in the period in which they become known.

Financial instruments

All financial instruments are measured at fair value upon initial recognition. Accounts receivable, and accounts payable and accrued liabilities, are subsequently measured at cost.

As at March 31, 2014 (2013 – none), the Centre did not have any outstanding contracts or financial instruments with embedded derivatives.

SASKATCHEWAN IMPAIRED DRIVER TREATMENT CENTRE
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2014

3. Capital assets

	2014			2013
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	102,342	75,561	26,781	32,904
Leasehold improvements	65,468	53,446	12,022	20,795
	<u>\$ 167,810</u>	<u>\$ 129,007</u>	<u>\$ 38,803</u>	<u>\$ 53,699</u>

4. Commitments

The Centre has an operating lease agreement for the it's treatment facility at an annual cost of \$70,000 plus applicable taxes. The agreement expires October 31, 2015.

5. Budget

These amounts represent the budget approved by the Centre's Board of Governors.

6. Financial instruments

Financial instruments consist of accounts receivable, accounts payable and accrued liabilities. The Centre's financial instruments are non-interest bearing and there are no significant terms and conditions that may affect the amount, timing and certainty of future cash flows. The carrying value of the Centre's financial instruments approximates fair value due to the short-term nature of these instruments.

The Centre is exposed to credit risk from the potential non-payment of accounts receivable. The Centre's maximum credit risk is \$1,269 (2013 - \$1,782).

7. Pension Plan

The Centre participates in the Public Employees Pension Plan (Plan) which is a defined contribution plan. The Centre's financial obligation to the Plan is limited to making regular payments for the required contribution. The Centre's pension expense for the year totaling \$36,911 (2013 - \$35,658) is included in salaries and wages.

8. Related Party Transactions

These financial statements include transactions with related parties. The Centre is related to all Saskatchewan Crown Agencies such as ministries, corporations, boards and commissions under the common control of the Government of Saskatchewan. The Centre is also related to non-Crown enterprises that the Government jointly controls or significantly influences.

Transactions with these related parties are in the normal course of operations. Amounts due to or from and the recorded amounts of transactions resulting from these transactions are included in the financial statements and the table below. They are recorded at exchange amounts which approximate prevailing market rates charged by those organizations and are settled on normal trade terms.

SASKATCHEWAN IMPAIRED DRIVER TREATMENT CENTRE
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2014

8. Related Party Transactions (*continued*)

	<u>2014</u>	<u>2013</u>
Revenue		
Ministry of Health	\$ 1,060,587	\$ 1,034,181
Expenses		
SaskTel	\$ 5,110	\$ 5,002
SaskPower	12,606	14,281
SaskEnergy	6,624	7,609
SGI	1,005	1,005
Workers' Compensation Board	8,020	7,627
Public Employees Pension Plan	36,911	35,658
Public Employees Disability Income Plan	6,683	6,939
Public Employees Group Life	262	3,364
Public Employees Dental Plan	8,351	<u>7,986</u>
	\$ 85,572	<u>\$ 89,471</u>
Accounts Payable		
SaskTel	\$ 151	\$ 99
SaskPower	113	891
SaskEnergy	69	497
Salary Payable	<u>4,819</u>	-
	\$ 5,152	\$ 1,487

In addition, the Centre pays Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

9. Subsequent Event

On June 3, 2014 the Centre settled a past employee's grievance for \$25,000. The amount of settlement has been recorded as accounts payable in the Statement of Financial Position at March 31, 2014, and expensed in the Statement of Operations.

10. Comparative Figures

Certain prior year figures have been reclassified to conform with the current year presentation.