

SASKATCHEWAN IMPAIRED DRIVER TREATMENT CENTRE

Financial Statements

Year ended March 31, 2015



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, 2015, 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, 2015, 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.

Regina, Saskatchewan
August 19, 2015

Judy Ferguson, FCPA, FCA
Provincial Auditor

SASKATCHEWAN IMPAIRED DRIVER TREATMENT CENTRE**Statement of Financial Position**

As at March 31, 2015

	<u>2015</u>	<u>2014</u>
Financial assets:		
Cash	\$ 49,553	\$ 36,979
Accounts receivable	<u>-</u>	<u>1,270</u>
	<u>49,553</u>	<u>38,249</u>
Liabilities:		
Accounts payable and accrued liabilities	<u>82,535</u>	<u>87,798</u>
Net debt (statement 3)	<u>(32,982)</u>	<u>(49,549)</u>
Non-financial assets		
Prepaid expenses	1,935	-
Capital assets (note 3)	<u>20,432</u>	<u>38,803</u>
	<u>22,367</u>	<u>38,803</u>
Accumulated deficit (statement 2)	<u>\$ (10,615)</u>	<u>\$ (10,746)</u>

See accompanying notes to the financial statements

SASKATCHEWAN IMPAIRED DRIVER TREATMENT CENTRE**Statement of Operations**

For the year ended March 31, 2015

	<u>Budget</u> (Note 5)	<u>2015</u>	<u>2014</u>
Revenues:			
Ministry of Health - general revenue fund	\$ 1,071,193	\$ 1,071,193	\$ 1,060,587
Miscellaneous	-	6,145	6,326
	<u>1,071,193</u>	<u>1,077,338</u>	<u>1,066,913</u>
Operating Expenses:			
Salaries and wages (note 7)	810,370	821,183	890,421
Food	78,077	72,446	74,164
Utilities	20,909	30,613	29,338
Rental	73,495	73,496	73,496
House keeping and maintenance	13,027	7,453	8,214
Contractual services	16,103	9,277	2,869
Other operating expenses	9,131	9,475	2,739
Property taxes	14,367	7,827	6,421
Printing, postage and office supplies	13,973	8,170	11,640
Insurance	5,598	7,158	7,174
Interest and bank charges	-	424	-
Staff training and travel	10,000	493	3,701
Board honoraria and expenses	3,018	2,141	1,313
Vehicle expenses	3,125	1,553	3,343
Professional services	-	10,951	11,129
Amortization of capital assets	-	14,547	14,652
	<u>1,071,193</u>	<u>1,077,207</u>	<u>1,140,614</u>
Surplus (deficit) for the year	<u>-</u>	<u>131</u>	<u>(73,701)</u>
Accumulated surplus (deficit) - beginning of year		<u>(10,746)</u>	<u>62,955</u>
Accumulated deficit, end of year (statement 1)		<u>\$ (10,615)</u>	<u>\$ (10,746)</u>

See accompanying notes to the financial statements

SASKATCHEWAN IMPAIRED DRIVER TREATMENT CENTRE**Statement of Change in Net Financial Assets**

For the year ended March 31, 2015

	<u>2015</u>	<u>2014</u>
Surplus (deficit) for the year	\$ 131	\$ (73,701)
Disposal of capital assets	3,824	244
Amortization of capital assets	<u>14,547</u>	<u>14,652</u>
Surplus of revenue over expenditures	<u>18,371</u>	<u>14,896</u>
Change in prepaid expenses	<u>(1,935)</u>	<u>6,125</u>
(Deficit) Surplus of revenue of other non-financial over expenditures	<u>(1,935)</u>	<u>6,125</u>
Increase (decrease) in net financial assets	16,567	(52,680)
Net (debt) / financial assets, beginning of year	<u>(49,549)</u>	<u>3,131</u>
Net debt, end of year (statement 1)	<u><u>\$ (32,982)</u></u>	<u><u>\$ (49,549)</u></u>

See accompanying notes to the financial statements

SASKATCHEWAN IMPAIRED DRIVER TREATMENT CENTRE**Statement of Cash Flows**

For the year ended March 31, 2015

	2015	2014
Operating Activities		
Annual surplus (deficit)	\$ 131	\$ (73,701)
Amortization of capital assets	14,547	14,652
	14,678	(59,049)
Changes in non-cash assets and liabilities related to operations:		
Accounts receivable	1,270	512
Prepaid expenses	(1,935)	6,125
Accounts payable and accrued liabilities	(5,263)	63,638
Net cash provided by operating activities	8,750	11,226
Capital Activities		
Disposal of capital assets	3,824	244
Net cash provided by capital activities	3,824	244
Net increase in cash and cash equivalents	12,574	11,470
Cash, beginning of the year	36,979	25,509
Cash, end of the year	<u>\$ 49,553</u>	<u>\$ 36,979</u>

SASKATCHEWAN IMPAIRED DRIVER TREATMENT CENTRE

Notes to Financial Statements

Year ended March 31, 2015

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. Summary of 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 and fixtures	3 to 20 years
Leasehold improvements	5 to 7 years

Measurement uncertainty

These financial statements have been prepared in accordance with Canadian public sector accounting standards. In the preparation of the 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. Actual amounts could differ from those estimates. 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, 2015 (2014 - none), the Centre does not have any outstanding contracts or financial instruments with embedded derivatives.

SASKATCHEWAN IMPAIRED DRIVER TREATMENT CENTRE

Notes to Financial Statements

Year ended March 31, 2015

3. Capital assets

	Cost	Accumulated Amortization	2015 Net Book Value	2014 Net Book Value
Equipment	95,360	78,177	17,183	26,781
Leasehold improvements	65,468	62,219	3,249	12,022
	<u>\$ 160,828</u>	<u>\$ 140,396</u>	<u>\$ 20,432</u>	<u>\$ 38,803</u>

4. Commitments

The Centre has an operating lease agreement for the Centre's treatment facility at an annual cost of \$70,000 plus applicable taxes. The agreement expires on 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 amounts, 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 \$0 (2014 - \$1,269)

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 2015 totalled \$40,119 (2014 - \$36,911) and is included in salaries and employee benefits.

8. Related Party Transactions

These financial statements include transaction 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 organization and are settled on normal trade terms.

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Notes to Financial Statements

Year ended March 31, 2015

8. Related Party Transactions *(continued)*

	<u>2015</u>	<u>2014</u>
Revenue		
Ministry of Health	\$ 1,071,193	\$ 1,060,587
Expenses		
SaskTel	4,721	5,110
SaskPower	14,343	12,606
SaskEnergy	9,180	6,624
SGI	1,106	1,005
Workers' Compensation Board	14,669	8,020
Public Employees Pension Plan	39,696	36,911
Public Employees Disability Income Plan	6,944	6,683
Public Employees Group Life	267	262
Public Employees Dental Plan	5,755	8,351
	<u>96,681</u>	<u>85,572</u>
Accounts payable		
SaskTel	93	151
SaskPower	1,104	113
SaskEnergy	566	69
Salary Payable	8,347	4,819
	<u>\$ 10,110</u>	<u>\$ 5,152</u>

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.