

**MOTOR SAFETY ASSOCIATION OF SASKATCHEWAN INC.**

**FINANCIAL STATEMENTS**

**December 31, 2023**

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements of **Motor Safety Association of Saskatchewan Inc.** have been prepared by the Association's management in accordance with Canadian accounting standards for not-for-profit organizations and necessarily include some amounts based on informed judgement and management estimates.

To assist management in fulfilling its responsibilities, a system of internal controls has been established to provide reasonable assurance that the financial statements are accurate and reliable and that assets are safeguarded.

The board of directors has reviewed and approved these financial statements.

These financial statements have been examined by the independent auditors, **Virtus Group LLP**, and their report is presented separately.



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Keane Johnson  
President, Board of Directors



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Ryan Bast  
Executive Director



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors,  
Motor Safety Association of Saskatchewan Inc.

### *Opinion*

We have audited the financial statements of **Motor Safety Association of Saskatchewan Inc.**, which comprise the statement of financial position as at December 31, 2023, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2023, and its financial performance and 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. 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 Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Saskatchewan, 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 opinion.

### *Information Other than the Financial Statements and Auditor's Report Thereon*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

## INDEPENDENT AUDITORS' REPORT (continued)

### *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 generally accepted auditing standards 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.

As part of an audit in accordance with Canadian generally accepted auditing standards, 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 Organization'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 Association'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 Organization 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.

March 13, 2024  
Regina, Saskatchewan

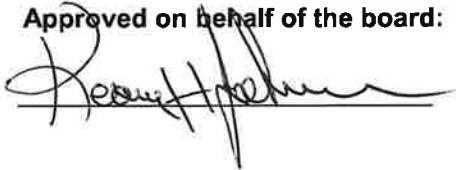
VIRTUS GROUP LLP  
Chartered Professional Accountants

**MOTOR SAFETY ASSOCIATION OF SASKATCHEWAN INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2023**  
(with comparative figures as at December 31, 2022)

	<u>ASSETS</u>	
	<u>2023</u>	<u>2022</u>
<b>Current assets</b>		
Cash	\$ 59,847	\$ 102,339
Investments (Note 3)	216,145	196,391
Accounts receivable	10,843	9,536
Prepaid expenses	11,930	12,915
	<u>298,765</u>	<u>321,181</u>
<b>Tangible capital assets (Note 4)</b>	<u>13,461</u>	<u>15,174</u>
	<u>\$ 312,226</u>	<u>\$ 336,355</u>
	<u>LIABILITIES</u>	
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 36,636	\$ 28,645
Government remittances payable	222	11,854
	<u>36,858</u>	<u>40,499</u>
	<u>NET ASSETS</u>	
<b>Unrestricted surplus</b>	<u>275,368</u>	<u>295,856</u>
<b>Commitments (Note 6)</b>	<u>\$ 312,226</u>	<u>\$ 336,355</u>

See accompanying notes to the financial statements.

Approved on behalf of the board:




**MOTOR SAFETY ASSOCIATION OF SASKATCHEWAN INC.**  
**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
(with comparative figures for the year ended December 31, 2022)

	<b>2023</b>	<b>2022</b>
<b>Revenue</b>		
WCB Funding	\$ 1,082,490	\$ 1,003,890
Other revenue	14,433	7,748
	<u>1,096,923</u>	<u>1,011,638</u>
<b>Expenses</b>		
Advertising and promotion	9,299	10,905
Amortization	5,814	6,020
Bank charges	594	346
Directors' expenses	20,120	14,252
Equipment rental	859	612
Insurance	6,762	6,547
Memberships and subscriptions	3,037	1,955
Office and general	28,039	26,629
Personal protective equipment	1,305	220
Printing	7,561	7,216
Professional development	14,920	13,624
Professional fees	7,487	7,053
Rent and occupancy costs	51,682	50,726
Repairs and maintenance	539	734
Salaries and benefits	820,454	768,348
Telephone	11,797	12,144
Training	10,911	9,098
Travel	87,632	70,747
Utilities	5,160	4,916
Web hosting and computer expenses	23,439	22,753
	<u>1,117,411</u>	<u>1,034,845</u>
<b>Deficiency of revenue over expenses</b>	(20,488)	(23,207)
<b>Unrestricted surplus - beginning of year</b>	295,856	319,063
<b>Unrestricted surplus - end of year</b>	<u>\$ 275,368</u>	<u>\$ 295,856</u>

See accompanying notes to the financial statements.

**MOTOR SAFETY ASSOCIATION OF SASKATCHEWAN INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
(with comparative figures for the year ended December 31, 2022)

	<b>2023</b>	<b>2022</b>
<b>Cash provided by (used in) operating activities:</b>		
Deficiency of revenue over expenses	\$ (20,488)	\$ (23,207)
Amortization	5,814	6,020
Non-cash operating working capital (Note 5)	(23,716)	(145,607)
	<u>(38,390)</u>	<u>(162,794)</u>
<b>Cash provided by (used in) investing activities:</b>		
Additions to capital assets	(4,102)	(1,431)
	<u>(4,102)</u>	<u>(1,431)</u>
<b>Decrease in cash</b>	(42,492)	(164,225)
<b>Cash position - beginning of year</b>	<u>102,339</u>	<u>266,564</u>
<b>Cash position - end of year</b>	<u>\$ 59,847</u>	<u>\$ 102,339</u>

See accompanying notes to the financial statements.

**MOTOR SAFETY ASSOCIATION OF SASKATCHEWAN INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
(with comparative figures for the year ended December 31, 2022)

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**1. Nature of operations**

Motor Safety Association of Saskatchewan Inc. (the "Association") was continued under *The Non-profit Corporations Act, 2022* in the province of Saskatchewan. The Association provides safety training and education to organizations with the goal of reducing of work related injuries and supporting early return to work for those who suffer injury. The Association is exempt from income taxes under Section 149(1)(l) of the *Income Tax Act*.

**2. Summary of significant accounting policies**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The financial statements required management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known. The financial statements reflect the following accounting policies:

*Financial instruments - recognition and measurement*

Financial assets and financial liabilities are recorded on the statement of financial position when the Association becomes party to the contractual provisions of the financial instrument. All financial instruments are required to be recognized at fair value upon initial recognition, except for certain related party transactions. Measurement in subsequent periods of equity instruments is at fair value. All other financial instruments are subsequently measured at amortized cost adjusted by transaction costs, which are amortized over the expected life of the instrument.

Fair value is the amount at which a financial instrument could be exchanged at arm's length between willing, unrelated parties in an open market. Changes in fair value of financial instruments measured at fair value are recognized in the excess of revenues over expenses. When there is an indication of impairment the carrying amount of financial assets measured at amortized cost may be reduced. Such impairments can be subsequently reversed if the value improves.

The Association's recognized financial instruments consist of cash, investments, accounts receivable, accounts payable and accrued liabilities.

*Tangible capital assets*

Capital assets are recorded at cost less accumulated amortization. Amortization is provided on the straight-line basis over the estimated useful life of the assets at the following rates:

Computer equipment	3 years
Furniture and fixtures	8 years

*Revenue recognition*

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Grant funding from the Saskatchewan Workers Compensation Board is recorded as revenue in the period to which the funding relates. Associate memberships and other revenue are recognized when the service is provided. Interest income is recognized in the period the interest is earned.

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**MOTOR SAFETY ASSOCIATION OF SASKATCHEWAN INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
(with comparative figures for the year ended December 31, 2022)

**3. Investments**

Investments consist of term deposits bearing interest between 3.40% - 4.05% (2022 - 3.14%) and maturing between March and August 2024 (2022 - July and August 2023).

**4. Capital assets**

	2023			2022	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value	
Computer equipment	\$ 32,282	\$ 29,547	\$ 2,735	\$	21
Furniture and fixtures	84,490	73,764	10,726		15,153
	<u>\$ 116,772</u>	<u>\$ 103,311</u>	<u>\$ 13,461</u>	<u>\$</u>	<u>15,174</u>

**5. Non-cash operating working capital**

Details of net change in each element of working capital related to operations excluding cash are as follows:

	2023	2022
<b>(Increase) decrease in current assets:</b>		
Investment	\$ (19,754)	\$ (135,153)
Accounts receivable	(1,307)	(5,696)
Prepaid expenses	985	(1,543)
	<u>(20,076)</u>	<u>(142,392)</u>
<b>Increase (decrease) in current liabilities:</b>		
Accounts payable and accrued liabilities	7,992	(1,770)
Government remittances payable	(11,632)	(1,445)
	<u>(3,640)</u>	<u>(3,215)</u>
	<u>\$ (23,716)</u>	<u>\$ (145,607)</u>

**6. Commitments**

The Association leases office space in Regina and Saskatoon and has a cyber security agreement. The rental payments include base rent as well as operating costs. Under these agreements, the required aggregate minimum payments over the next five years are as follows:

2024	\$	79,255
2025		81,050
2026		67,833
2027		53,943
2028		54,475

**7. Economic dependence**

The Association currently receives significant grants from the Saskatchewan Workers Compensation Board. As a result, the Association is dependent upon the continuance of these grants to maintain operations at their current level. Funding for 2024 has been approved.

**MOTOR SAFETY ASSOCIATION OF SASKATCHEWAN INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
(with comparative figures for the year ended December 31, 2022)

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**8. Financial risk management**

The Association has a risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The significant financial risks to which the Association is exposed are:

*Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association is exposed to credit risk on the accounts receivable, however, does not have a significant exposure to any individual customer or counterpart. In order to reduce its credit risk, the Association monitors its accounts receivable regularly.

*Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association's exposure to liquidity risk is dependent on the receipt of funds from its operations, external borrowings and other related sources. Funds from these sources are primarily used to finance working capital and capital expenditure requirements, and are considered adequate to meet the Association's financial obligations.

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