



**SASKATCHEWAN
CONSTRUCTION
ASSOCIATION**

ANNUAL REPORT SCA 2017-18

We Build Saskatchewan

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The Saskatchewan Construction Association (SCA) is a non-government, industry-led association that delivers a strong provincial advocacy voice for Saskatchewan's dynamic construction industry, and valuable services to its members.

The SCA has approximately 1,300 members and offers a wide variety of services and programs.

The SCA has integrated membership agreements with the Moose Jaw Construction Association, Prince Albert Construction Association, Regina Construction Association, and Saskatoon Construction Association. Members of these associations are also members of the SCA, and the Canadian Construction Association.



MESSAGE FROM THE PRESIDENT

Mark Cooper



It is my pleasure to once again present the Saskatchewan Construction Association's (SCA) Annual Report – this time for the fiscal year ending September 30, 2018. Beyond providing a review of our financial performance, this report also highlights progress towards our strategic objectives as outlined in our 2015-2020 Strategy Map.

Our audited 2017-2018 financial statements are presented on page 8. The SCA has again received an unqualified opinion from our auditor. Credit for our ongoing improvement in financial performance and accountability belongs to our entire team, but special thanks must be given both to our Finance and Audit Committee and Amanda Thick, Director of Operations for their exceptional work in this area.

The SCA finished the year in a very strong position, realizing a surplus of \$49,618 instead of the budgeted \$248 surplus. Given continued economic challenges and associated declining membership numbers, we were able to manage financial risk while still achieving progress towards our strategic and operational priorities. This year's surplus can be attributed to expense management. Additional surplus allowed for investment in capital purchases, including technology to launch video and podcasting – opening more channels to communicate and engage with our members and other stakeholders.

Our 2015-2020 Strategy Map is provided on page 5 of this report. The map was developed by the SCA Board of Directors and outlines the direction and principles of the association. As we enter the fourth year of the five-year map, the SCA Board has begun the process of reviewing and redeveloping the plan for 2021 and beyond.

The Strategy Map directs the SCA towards ten outcomes. We continue to make progress in each area and have had specific success in building the profile of the construction industry and strengthening relationships with public and private sector owners, and design consultants.

In 2017-2018 we achieved some breakthrough success in several provincial policy areas, which will provide significant benefits to our members. The hard work to secure the recent introduction of Prompt Payment legislation was done by the SCA and our many industry partners over the 2017-2018 year. We can expect this legislation to be finalized within the coming year.

At the same time, the province's move to a single-window agency for managing all procurement is the culmination of years of policy work. This kind of progress is a longstanding goal of the SCA. Our lobbying and relationship management, in particular with the SaskBuilds team, has led us to where we are today. It is my hope that this single-window approach will finally get us to the standardized Best Value procurement approach we have spent years advocating for.

Finally, I must acknowledge the incredible volunteer effort put in by the members of the SCA Board of Directors. These individuals commit tremendous time and energy working for the greater good of our industry and province. Their dedication is instrumental in our success as an association. They deserve our members' appreciation and they have my sincere thanks. Please join me in acknowledging the efforts of:

- Cory Richter – Chairperson;
- Miles Dyck – Vice-Chairperson;
- Jason Duke – Past Chairperson;
- Dean Cochrane – Saskatoon (Retiring);
- Chris Doka – Saskatoon;
- Nick Walbaum – Regina (Retiring);
- Nick Friesen – Regina;
- Shaun Cripps – Prince Albert;
- Justin Hoyes – Moose Jaw;
- Mike Lawton – Director-at-Large;
- Monique Buckberger – Director-at-Large (Retired);
- Ryan Leech – Advisory Council Chair; and
- Matt Walker – Advisory Council Vice-Chair (Retired)

We will continue to advocate on your behalf and stay prepared to provide you with any support you may need. Our purpose is to help your business achieve continued success. You can reach out to us any time by email at sca@scaonline.ca or by phone at 306-525-0171. I am available by email at president@scaonline.ca or on my cell at 306-527-6854. We are here to serve.

Sincerely,

Mark Cooper, MBA, PMP
President and CEO
Saskatchewan Construction Association

MESSAGE FROM THE CHAIR

Cory Richter



In reflecting on my first year as Chair of the SCA Board of Directors, I must first thank my fellow board members and our member companies for putting their trust in me to lead the SCA on behalf of our industry. The Board has seen fit to allow me a second one-year term as Chair and I will use that time to continue to make a difference in our association and build on the gains of recent years.

Since the global decline of resource prices, our economy has continued to struggle under the weight of limited public spending – both provincially and federally – and tentative private owners and developers waiting for improved market conditions before investing. The introduction of PST on construction services has also had a dampening effect. This is why we advocated against the PST measure and maintain that it is a hinderance to investment and growth. However, the government had few options given their commitment to a balanced provincial budget, which we can appreciate.

Our association remains strong. While membership numbers are always a concern, we continue to enjoy the support of so many of you – construction's best, brightest and most committed - year over year. The SCA Board and I intend to ensure that we have earned and deserve the trust and confidence you have placed in us. We will continue to make improvements in our association and our services to you because we are so much stronger together than individually.

We enjoy a strong and efficient relationship with the Saskatchewan government. Our SCA staff are considered trusted partners and valued resources by key ministries, Crown corporations, and provincial agencies. This two-way relationship allows the public sector to increase their knowledge and maximize their investment return. At the same time, building, strengthening and maintaining relationships with the public sector enables our association representatives to discuss issues, support changes, and consult on new legislation honestly and effectively on behalf of our industry and to the benefit of our economy.

“We continue to enjoy the support of so many of you – construction's best, brightest and most committed - year over year.”

Prompt payment is a prime example of the kind of success possible when we work together with our industry peers and government. The Prompt Payment Saskatchewan (PPS) working group collaborated for a mere two years before achieving the introduction of draft legislation for first and second reading this fall. Some provinces have spent hundreds of thousands of dollars over several years only to fail. We should all be proud that the partnerships we have created can breed these kinds of successes.

Member engagement and improved collaboration with the Local Construction Associations are among many of the initiatives our board has undertaken to provide better synergy with the Locals and to best ensure that our membership dollars are spent in the most efficient manner.

The SCA Board has made strides in the last year to be more effective and to ensure that each director is accountable and comfortable in the context of open, honest debate and commitment to each other and a common agenda benefiting our membership. This better utilizes everyone's time and sharpens our focus. The SCA Board is made up of association members that volunteer many hours of their own time each year – often through multiple associations, boards and committees – to improve our association and our industry.

Finally, Mark Cooper and the SCA staff work hard to make our communities and our association as successful as they can. We are fortunate to have this great team of individuals working for our industry. Over the past several years, I have had the opportunity to see first-hand the effort they put forward every day.

For the tremendous work of both our staff and Board – both past and present – I want to personally thank you for your commitment to our organization and the construction community in Saskatchewan.

The benefit to our members is both real and significant.

Thanks,

Cory Richter
Board Chair
Saskatchewan Construction Association

The SCA provides collaborative and trusted leadership that sustains a prosperous construction industry and a better quality of life for the people of Saskatchewan.

VALUES

OUR DISTINGUISHING VALUES ARE THE PURSUIT OF:



MISSION

THE SCA EXISTS TO CREATE EXTRAORDINARY VALUE FOR MEMBERS THROUGH:



STRATEGIC DIRECTION OUTCOMES



PROVIDING INDUSTRY LEADERSHIP

- The construction industry in Saskatchewan is able to respond to evolving demands from owners.
- The construction industry in Saskatchewan is unified and works collaboratively towards the collective good.



ENCOURAGING INVESTMENT IN SASKATCHEWAN

- The SCA is a trusted advisor to the public, government, owners, consultants and the industry.
- The construction industry in Saskatchewan is recognized as efficient and effective at delivering value for owners.
- Public policies support the growth and development of the construction industry in Saskatchewan.



GROWING OPPORTUNITIES FOR MEMBERS

- Membership provides seamless access to value-enhancing services and programs province-wide.
- Membership demonstrates the corporate commitment of members to ethical and excellent service.



MAINTAINING A SUSTAINABLE ORGANIZATION

- The associations are less dependent on membership fees.
- Governance and operational processes are well refined.
- Members are better informed, connected, and engaged.

SCA BOARD OF DIRECTORS



SCA BOARD OF DIRECTORS



SASKATCHEWAN CONSTRUCTION ASSOCIATION INC.

Financial Statements

Year Ended September 30, 2018

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Saskatchewan Construction Association Inc. 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 Saskatchewan Construction Association Inc. 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 Finance and Audit Committee. The Finance and 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 Finance and 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 MWC Chartered Professional Accountants LLP, in accordance with Canadian generally accepted auditing standards.



President



Chair

Regina, SK
November 15, 2018



Chartered Professional
Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Saskatchewan Construction Association Inc.

We have audited the accompanying financial statements of Saskatchewan Construction Association Inc., which comprise the statement of financial position as at September 30, 2018 and the statements of operations, 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.

(continues)

An asset to our clients, not an expense

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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Construction Association Inc. as at September 30, 2018 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.

MWC LLP

Chartered Professional Accountants

Regina, Saskatchewan
November 15, 2018

SASKATCHEWAN CONSTRUCTION ASSOCIATION INC.

Statement of Financial Position

September 30, 2018

	Operating Fund	Restricted Funds	2018	2017
ASSETS				
CURRENT				
Cash	\$ 390,046	\$ 51,881	\$ 441,927	\$ 375,235
Investments (Note 3)	-	177,299	177,299	175,740
Accounts receivable	50,395	106,953	157,348	166,747
Goods and services tax recoverable	1,569	-	1,569	2,783
Prepaid expenses	9,046	-	9,046	12,436
	451,056	336,133	787,189	732,941
CAPITAL ASSETS (Note 4)	17,440	-	17,440	15,873
	\$ 468,496	\$ 336,133	\$ 804,629	\$ 748,814
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable	\$ 13,941	\$ 83	\$ 14,024	\$ 18,758
Wages payable	16,733	2,855	19,588	16,324
Deferred revenue (Note 5)	31,965	-	31,965	24,298
	62,639	2,938	65,577	59,380
NET ASSETS	405,857	333,195	739,052	689,434
	\$ 468,496	\$ 336,133	\$ 804,629	\$ 748,814

LEASE COMMITMENTS (Note 9)

ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

See notes to financial statements

SASKATCHEWAN CONSTRUCTION ASSOCIATION INC.

Statement of Operations Year Ended September 30, 2018

	Operating Fund (Schedule 1)	Restricted Funds (Schedule 2)	2018	2017
REVENUES				
Membership dues	\$ 468,764	\$ -	\$ 468,764	\$ 495,263
Government grants	18,234	273,143	291,377	277,874
Event registrations	121,690	-	121,690	94,240
Sponsorship	114,740	-	114,740	159,711
Advertising	56,161	-	56,161	53,662
Administration fee	51,069	-	51,069	35,812
Trade listing fee	17,805	-	17,805	18,585
Scholarship fundraising	12,167	-	12,167	12,549
Affinity program fees	8,534	-	8,534	12,117
Interest	6,582	-	6,582	5,403
Trade booth sales	4,000	-	4,000	-
Other	666	-	666	2,980
Prompt payment sponsorship	125	-	125	23,290
	880,537	273,143	1,153,680	1,191,486
EXPENSES				
Advocacy	14,102	-	14,102	53,298
Governance	29,048	-	29,048	53,952
Industry Workforce Development	15,038	273,143	288,181	297,173
Member services	145,022	5,523	150,545	149,446
SCA internal	622,186	-	622,186	663,862
	825,396	278,666	1,104,062	1,217,731
EXCESS OF REVENUES (EXPENSES)	\$ 55,141	\$ (5,523)	\$ 49,618	\$ (26,245)

See notes to financial statements

SASKATCHEWAN CONSTRUCTION ASSOCIATION INC.

Statement of Changes in Net Assets

Year Ended September 30, 2018

	Operating Fund	Restricted Funds	2018	2017
NET ASSETS - BEGINNING OF YEAR	\$ 388,174	\$ 301,260	\$ 689,434	\$ 715,679
Excess of revenues (expenses)	55,141	(5,523)	49,618	(26,245)
Transfers (Note 7)	(37,458)	37,458	-	-
NET ASSETS - END OF YEAR	\$ 405,857	\$ 333,195	\$ 739,052	\$ 689,434

Restricted Fund Net Assets

Year Ended September 30, 2018

	Opening Net Assets	Excess of revenues (expenses) (Schedule 2)	Internal transfers (Note 7)	Ending Net Assets
Capital Reserve	\$ 101,945	\$ -	\$ 13,785	\$ 115,730
Industry Projects Reserve Fund	10,126	-	(10,126)	-
Plan Deposit Fund	5,523	(5,523)	-	-
Strategic Opportunities Fund	183,666	-	33,799	217,465
Workforce Development Fund	-	-	-	-
	\$ 301,260	\$ (5,523)	\$ 37,458	\$ 333,195

See notes to financial statements

SASKATCHEWAN CONSTRUCTION ASSOCIATION INC.

Statement of Cash Flows Year Ended September 30, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess of revenues (expenses)	\$ 49,618	\$ (26,245)
Items not affecting cash:		
Amortization of capital assets	7,885	12,766
Loss on disposal of assets	669	-
	58,172	(13,479)
Changes in non-cash working capital:		
Accounts receivable	9,399	(69,912)
Accounts payable	(4,734)	(7,543)
Deferred revenue	7,667	(12,397)
Prepaid expenses	3,390	(7,233)
Goods and services tax payable	1,214	1,278
Wages payable	3,264	(1,203)
	20,200	(97,010)
Cash flow from operating activities	78,372	(110,489)
INVESTING ACTIVITIES		
Purchase of capital assets	(10,121)	(7,765)
Purchases and reinvested investment income	(1,559)	(1,740)
Cash flow used by investing activities	(11,680)	(9,505)
INCREASE (DECREASE) IN CASH FLOW	66,692	(119,994)
CASH - BEGINNING OF YEAR	375,235	495,229
CASH - END OF YEAR	\$ 441,927	\$ 375,235

See notes to financial statements

SASKATCHEWAN CONSTRUCTION ASSOCIATION INC.

Notes to Financial Statements

Year Ended September 30, 2018

1. PURPOSE OF THE ASSOCIATION

The Saskatchewan Construction Association Inc. (SCA) is an advocacy group and provides programs for construction associations in Saskatchewan and is incorporated under the *Non-Profit Corporations Act of Saskatchewan*. As a not-for-profit, the Association is exempt from the payment of income tax under Section 149(1)(l) of the Income Tax Act. The SCA's Board of Directors is comprised partially of representatives from Regina Construction Association, Saskatoon Construction Association, Moose Jaw Construction Association and Prince Albert Construction Association.

The SCA exists to create extraordinary value to members through:

- Providing industry leadership
- Encouraging investment in Saskatchewan.
- Growing opportunities for members.
- Maintaining a sustainable organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Revenue recognition

Membership dues, event registrations, fees, advertising and rent are recognized as revenue when the services are rendered. Interest and investment earnings are recognized in the period earned.

SCA follows the deferral method of accounting for contributions which include grants, sponsorships, and fundraising. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Grants for capital assets are recognized over the period in which the related asset is amortized.

Fund accounting

A portion of the monies received by the SCA may only be used for specific purposes and accordingly are accounted for in separate funds. Temporary transfers of monies between these funds are recorded as inter-fund receivables/payables. Permanent transfers are recorded as transfers in the net asset accounts.

Operating Fund - is used for general operations of the SCA. All transactions, except those which are applicable to other funds, are recorded in the accounts of this fund.

Restricted Funds consist of the following funds:

Capital reserve - is internally restricted for the purpose of unexpected and necessary capital expenditures that may occur from time to time. The SCA will allocate 25% of annual operational surpluses to the fund to a maximum of \$150,000. Expenditures of this fund must be part of the annual budget or approved by the Board of Directors.

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SASKATCHEWAN CONSTRUCTION ASSOCIATION INC.

Notes to Financial Statements

Year Ended September 30, 2018

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

Strategic Opportunities Fund - is internally restricted to support one-time investments in unique opportunities to advance the strategic mandate of the SCA. The SCA will allocate 50% of annual operational surpluses to the fund to a maximum of \$250,000. The Board shall be the sole arbiter of what constitutes an acceptable expenditure under this fund.

Industry Projects Reserve Fund - the internally restricted fund receives fee revenue from Canadian Construction Association (CCA) for processing Saskatchewan applications for certification under the CCA Gold Seal Program. Disbursements from the fund will be directed towards industry projects and initiatives designed to address current and future human resource issues. This fund was previously named the Gold Seal Fund.

Plan Deposit Fund - the externally restricted fund was supported by membership fees contributed by participating corporate members, where the funds were used to guarantee the return of architectural plans to project owners, or their representatives, in good condition and on time after the tenders for the project have closed, and underwriters claims when they are not. As the fund has had minimal activity over the past number of years it has been closed.

Workforce Development Fund - the externally restricted fund was created to present construction trades as a respected and viable career alternative, and primarily targets young adults looking to overcome employment barriers in Saskatchewan. The program is funded through the federal government.

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, accounts receivable and investments are reported at amortized cost.

Financial liabilities including accounts payable and accrued liabilities are measured at amortized cost.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	5 - 10 years	straight-line method
Furniture and fixtures	5 years	straight-line method

One full year of amortization is taken in the year of acquisition.

3. INVESTMENTS

The SCA's investment is a one-year cashable GIC, bearing interest at 1.65%, maturing on September 14, 2019.

SASKATCHEWAN CONSTRUCTION ASSOCIATION INC.

Notes to Financial Statements Year Ended September 30, 2018

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Computer equipment	\$ 32,295	\$ 22,177	\$ 10,118	\$ 9,331
Furniture and fixtures	20,265	12,943	7,322	6,542
	\$ 52,560	\$ 35,120	\$ 17,440	\$ 15,873

5. DEFERRED REVENUE

	2018	2017
Prompt payment program sponsorship	\$ 10,272	\$ 10,397
Sponsorships - Hall of Fame	10,000	-
Government grants - capital funding	5,077	4,731
Membership dues	4,375	4,917
Scholarship	1,836	4,253
Event registrations - CER	405	-
	\$ 31,965	\$ 24,298

The deferred capital funding is the remaining amount of funds received for the purchase of capital assets that is to be recognized into revenue on basis as the assets are amortized.

6. DUES PAYABLE TO OTHER ASSOCIATIONS

The SCA has an agreement with the Canadian Construction Association (CCA) and the regional associations, where all member dues are collected by the regions and the SCA and CCA portion are remitted to SCA on a quarterly basis. The SCA then remits to CCA their portion of the dues collected.

During the year \$142,629 (2017 - \$142,842) of dues were collected by SCA on behalf of CCA and a balance of \$4,511 (2017- \$1,573) is included in accounts payable.

7. INTER-FUND TRANSFERS AND BALANCES

As per the financial policy of the SCA the annual financial surplus of the Operating Fund will be allocated 50% to the Strategic Opportunities Reserve Fund and 25% to the Capital Reserve Fund and 25% to the Operating Reserve Fund.

The \$55,141 surplus in the operating fund was allocated to the restricted funds as follows: \$13,785 to the Capital Reserve and \$27,571 to the Strategic Opportunity Fund.

In addition the board approved the following fund transfers: i) \$10,126 from the Industry Projects Reserve Fund to the Strategic Opportunity Fund to close the Industry Projects Reserve Fund, and ii) \$3,900 from the Strategic Opportunity Fund to the Operating Fund towards costs of the political leadership plan.

SASKATCHEWAN CONSTRUCTION ASSOCIATION INC.

Notes to Financial Statements

Year Ended September 30, 2018

8. RELATED PARTIES

The SCA is related to Regina Construction Association (RCA), Saskatoon Construction Association (STNCA), Moose Jaw Construction Association (MJCA) and Prince Albert Construction Association (PACA) because they share common board members and are integrated member agencies representing membership in Saskatchewan Construction Association on behalf of their members of their respective agencies.

The dues of the Association are collected by the integrated member agencies and are remitted to SCA on a quarterly basis.

9. LEASE COMMITMENTS

The SCA entered into a lease for office premises in Regina, which commenced on September 1, 2016. The lease term is 3 years, expiring September 30, 2019. Between September 1, 2017 and September 30, 2019 either party may terminate the agreement without penalty with 6 months notice. In addition, to the office lease the Association has leases related to equipment and services.

Future minimum lease payments are as follows:

	Premise	Equipment	Total
2019	\$ 37,485	\$ 2,079	\$ 39,564
2020	-	1,900	1,900
2021	-	460	460

10. ALLOCATED COSTS

Allocated costs included in the financial statements was salaries and benefits allocated to the Workforce Development Fund based on the allowable portion per the funding agreement for finance and program management of \$19,619 (2017 - \$14,391).

11. FINANCIAL INSTRUMENTS

The SCA is exposed to various risks through its financial instruments and management is responsible to monitor, evaluate and manage these risks. The following analysis provides information about the Association's risk exposure and concentration as of September 30, 2018.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is exposed to credit risk from members. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The SCA has a significant number of members which minimizes concentration of credit risk. Receivables also include government grants and the risk of default is low.

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SASKATCHEWAN CONSTRUCTION ASSOCIATION INC.

Notes to Financial Statements

Year Ended September 30, 2018

11. FINANCIAL INSTRUMENTS *(continued)*

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities as they come due. The Association is exposed to this risk mainly in respect of the timing of receipts of funds from its members and from granting agencies. The Association monitors its cashflow carefully and has accumulated a surplus which allows it to invest in programming in advance of receiving funds. This risk is not significant.

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 Association manages exposure through its normal operating and financing activities. The Association is not exposed to significant interest rate risk.

12. CORRESPONDING FIGURES

The opening net assets have been reclassified to include both internally and externally restricted funds together as restricted funds. There has been no impact on the balance of the funds as a result of the reclassification.

SASKATCHEWAN CONSTRUCTION ASSOCIATION INC.

Operations - Operating Fund
Year Ended September 30, 2018

(Schedule 1)

	2018	2017
REVENUE		
Membership dues	\$ 468,764	\$ 495,263
Event registrations	121,690	94,240
Sponsorship	114,740	159,711
Advertising	56,161	53,662
Administration fee	51,069	35,812
Government grants	18,234	17,852
Trade listing fee	17,805	18,585
Scholarship fundraising	12,167	12,549
Affinity program fees	8,534	12,117
Interest	6,582	5,403
Trade booth sales	4,000	-
Other	666	2,789
Prompt payment sponsorship	125	23,290
	880,537	931,273
EXPENSES		
Member Services		
Administration	-	6,558
Affinity program	232	224
Roster	407	599
Database	2,553	4,121
Summer meeting	90,048	77,929
Meetings and events	3,852	18,535
Construction week	27,179	21,233
Member recruitment and engagement	19,932	19,444
Sponsorship	819	803
SCA Internal		
Administration	613,500	658,605
Communications	8,686	5,257
Governance		
Administration	13,340	18,285
Board	7,893	8,602
Advisory Council	334	258
Committees	-	303
AGM	4,246	1,608
Strategic planning	3,110	1,606
Prompt Payment	125	23,290
Advocacy		
Administration	6,802	14,097
Research	7,300	9,704
Transform SK	-	29,497
Industry Workforce Development		
Administration	2,871	22,035
Scholarship fund	12,167	12,549
Other Expenses		
Gains (losses) on disposal of assets	-	-
	825,396	955,142
EXCESS OF REVENUES (EXPENSES)	\$ 55,141	\$ (23,869)

See notes to financial statements

SASKATCHEWAN CONSTRUCTION ASSOCIATION INC.

Operations - Restricted Funds

(Schedule 2)

Year Ended September 30, 2018

	Plan Deposit Fund	Workforce Development Fund	2018	2017
REVENUE				
Government grants	\$ -	\$ 273,143	\$ 273,143	\$ 260,022
Other	-	-	-	190
	-	273,143	273,143	260,212
EXPENSES				
Member Services				
Memberships	5,523	-	5,523	-
Industry Workforce Development				
Skills Link	-	273,143	273,143	260,022
Trade Up Saskatchewan	-	-	-	2,567
	5,523	273,143	278,666	262,589
EXCESS OF REVENUES (EXPENSES)	\$ (5,523)	\$ -	\$ (5,523)	\$ (2,377)

See notes to financial statements

SASKATCHEWAN CONSTRUCTION ASSOCIATION INC.

Operations - By Type

(Schedule 3)

Year Ended September 30, 2018

	Operating Fund	Restricted Funds	2018	2017
REVENUES				
Membership dues	\$ 468,764	\$ -	\$ 468,764	\$ 495,263
Government contributions	18,234	273,143	291,377	277,874
Sponsorship and partnerships	114,740	-	114,740	159,711
Event registrations	121,690	-	121,690	94,240
Advertising	56,161	-	56,161	53,662
Administration fees	51,069	-	51,069	35,812
Prompt payment sponsorship	125	-	125	23,290
Trade listing fee	17,805	-	17,805	18,585
Scholarships	12,167	-	12,167	12,549
Affinity program fees	8,534	-	8,534	12,117
Interest	6,582	-	6,582	5,403
Other	4,666	-	4,666	2,979
	880,537	273,143	1,153,680	1,191,485
EXPENSES				
Activity and committee costs	1,805	-	1,805	1,628
Advertising, promotion and sponsorship	26,529	-	26,529	29,390
Amortization of capital assets	7,885	-	7,885	12,766
Bad debts	504	-	504	4,372
Consulting fees	37,792	-	37,792	130,451
Entertainment and speaker fees	9,594	-	9,594	7,001
IT and web design	26,145	-	26,145	30,759
Insurance	2,844	-	2,844	2,680
Interest and bank charges	4,411	-	4,411	4,411
Meals and entertainment	74,468	359	74,827	64,152
Member services	-	5,523	5,523	-
Memberships, licenses and subscriptions	7,976	-	7,976	7,263
Office expenses and supplies	10,367	-	10,367	15,177
Professional fees	6,360	-	6,360	22,236
Program material costs	-	2,852	2,852	2,894
Registration and event fees	21,757	-	21,757	19,314
Rental	46,659	6,600	53,259	62,235
Repairs and maintenance	-	-	-	190
Salaries and benefits	475,173	235,663	710,836	680,303
Training and professional development	22,285	23,917	46,202	44,560
Travel	28,725	3,752	32,477	61,353
Utilities	14,117	-	14,117	14,595
	825,396	278,666	1,104,062	1,217,730
EXCESS OF REVENUES (EXPENSES)	\$ 55,141	\$ (5,523)	\$ 49,618	\$ (26,245)

See notes to financial statements

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