

**Saskatchewan Prevention
Institute Inc.**

Financial Statements
March 31, 2017



June 28, 2017

Independent Auditor's Report

To the Directors of Saskatchewan Prevention Institute Inc.

We have audited the accompanying financial statements of the Saskatchewan Prevention Institute Inc., which comprise the statement of financial position as at March 31, 2017 and the statements of operations, changes in net assets and cash flows for the year then ended and the related notes, which comprise 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 of 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 misstatements.

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.

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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Saskatchewan Prevention Institute Inc. as at March 31, 2017 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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Saskatchewan Prevention Institute Inc.

Statement of Financial Position

As at March 31, 2017

	2017 \$	2016 \$
Assets		
Current assets		
Cash and cash equivalents	291,692	275,930
Investments (note 4)	276,891	263,302
Prepaid expenses	15,980	19,067
Account receivable	25,028	46,413
	<u>609,591</u>	<u>604,712</u>
Investments (note 4)	765,163	1,044,558
Tangible capital assets	<u>136,675</u>	<u>158,621</u>
	<u>1,511,429</u>	<u>1,807,891</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	130,131	305,240
Deferred program revenue (note 6)	33,651	124,339
	<u>163,782</u>	<u>429,579</u>
Net assets		
Net assets invested in tangible capital assets	136,675	158,621
Net assets internally restricted contingency fund	425,245	433,364
Net assets internally restricted program resource fund	180,513	242,622
Net assets internally restricted program development fund	113,595	131,296
Unrestricted net assets	<u>491,619</u>	<u>412,409</u>
	<u>1,347,647</u>	<u>1,378,312</u>
	<u>1,511,429</u>	<u>1,807,891</u>

Commitments (note 10)

Approved by the Board of Directors

 Director  Director

The accompanying notes are an integral part of these financial statements.

Saskatchewan Prevention Institute Inc.

Statement of Changes in Net Assets
For the year ended March 31, 2017

	Investment in tangible capital assets \$	Internally restricted for contingency fund \$	Internally restricted for program resource fund \$	Internally restricted for development program fund \$	Unrestricted \$	2017 \$	2016 \$
Balance – Beginning of year	158,621	433,364	242,622	131,296	412,409	1,378,312	1,333,909
Excess of revenue over expenditures	-	-	-	-	(30,665)	(30,665)	44,403
Amortization	(21,946)	-	-	-	21,946	-	-
Transfer of funds	-	(8,119)	(62,109)	(17,701)	87,929	-	-
Purchase of tangible capital assets	-	-	-	-	-	-	-
Balance – End of year	136,675	425,245	180,513	113,595	491,619	1,347,647	1,378,312

The accompanying notes are an integral part of these financial statements.

Saskatchewan Prevention Institute Inc.

Statement of Operations

For the year ended March 31, 2017

	2017	2016
	\$	\$
Revenue		
Program grants and activities (note 7)	1,654,762	2,067,382
Government of Saskatchewan (note 9)	254,172	254,171
Kinsmen Telemiracle Foundation (note 9)	120,000	120,000
Saskatchewan Abilities Council (note 9)	51,255	50,250
Interest income	28,126	32,425
	<hr/>	<hr/>
	2,108,315	2,524,228
Expenses (note 3)		
Operations		
Salaries and employee benefits (note 3)	359,594	303,781
Healthy pregnancy application	30,000	-
Amortization	21,946	21,945
Legal and accounting	20,000	17,756
Office supplies (note 3)	15,762	14,759
Occupancy expense (note 10)	10,979	10,764
Database, research and website hosting (note 3)	7,563	17,035
Board and committee	6,696	4,036
Environmental health	5,766	4,275
Professional development	5,616	13,570
Communication	5,254	6,703
Travel, meals and accommodation	4,187	3,645
Healthy parenting & your pregnancy matters	4,154	-
Child death review	2,741	6,043
Community partnership and evaluation	791	2,857
Organizational development, human resources and retreats	449	1,189
	<hr/>	<hr/>
	501,498	428,358
Programs		
Salaries and employee benefits (note 3)	597,388	625,427
Training and workshop expense	381,727	463,558
Administration (note 3)	203,052	251,267
Printing and development	105,811	67,510
Public communication and website (note 3)	105,372	105,429
Contractual services	77,195	132,974
Office supplies (note 3)	49,285	65,863
Legal and accounting (note 3)	34,427	40,990
Travel, meals and accommodation	31,868	68,964
Professional development	21,359	18,918
Evaluation expense	16,434	70,159
Educational program materials	11,157	109,218
Committee expenses	1,960	8,283
Speakers bureau and forum	447	22,907
	<hr/>	<hr/>
	1,637,482	2,051,467
Total expenses	<hr/>	<hr/>
	2,138,980	2,479,825
Excess of revenue over expenses	<hr/>	<hr/>
	(30,665)	44,403

The accompanying notes are an integral part of these financial statements.

Saskatchewan Prevention Institute Inc.

Statement of Cash Flows

For the year ended March 31, 2017

	2017 \$	2016 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	(30,665)	44,403
Items not affecting cash		
Amortization	21,946	21,945
	(8,719)	66,348
Net change in non-cash working capital items (note 8)	(241,325)	(356,846)
	(250,044)	(290,498)
Investing activities		
Purchase of investments	(17,695)	(251,580)
Redemption of investments	283,501	136,644
Purchase of tangible capital assets	-	(4,653)
	265,806	(119,589)
Net change in cash	15,762	(410,087)
Cash and cash equivalents – Beginning of year	275,930	686,017
Cash and cash equivalents – End of year	291,692	275,930

The accompanying notes are an integral part of these financial statements.

Saskatchewan Prevention Institute Inc.

Notes to Financial Statements

March 31, 2017

1 Nature of operations

The Saskatchewan Prevention Institute Incorporated (the "Institute") is the legal name of the organization. It is a not-for-profit organization that helps the people of Saskatchewan learn to reduce the occurrence of disabling conditions in children. Formed in 1980, the Institute is incorporated under the Saskatchewan Non-Profit Corporations Act. In June of 2004, the Institute changed its operating name to Saskatchewan Prevention Institute.

2 Significant accounting policies

Basis of presentation

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations as issued by the Canadian Accounting Standards Board.

Cash and cash equivalents

Cash and cash equivalents represent cash on hand and highly liquid investments that are readily convertible into cash and are subject to insignificant risk of changes in value.

Capital assets and amortization

Capital assets are recorded at cost less accumulated amortization and accumulate impairment losses, if any. They are recorded as assets by allocation of a like amount of surplus and are reported as an investment in capital assets under the net assets section of the statement of financial position. Amortization is calculated on a straight-line basis allocated over the useful life of the assets, which are estimated to be two years for software, five years for furniture and equipment, and ten years for building improvements. The amortization charge reduces both the book value of the capital assets and the investment in capital assets at rates intended to amortize the cost of the assets over their estimated useful lives.

Revenue recognition

The Institute follows the deferral method of accounting for grants. Grants relating to operating activities are recognized as revenue in operations in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Grants relating to program activities are recognized as revenue in programs in the year in which the related expenses are incurred. Deferred program revenue for which no expenses remain to be incurred is recognized when it has been established that the remaining funds are available for the discretionary use of the Institute.

Saskatchewan Prevention Institute Inc.

Notes to Financial Statements

March 31, 2017

Donated services

Donated services have not been recorded in the financial statements due to the difficulty in determining their fair value. Certain ancillary services of the Institute are voluntarily provided by the community.

Since these services are not normally purchased by the Institute and because of the difficulties in determining their fair value, these donated services are not recognized in these financial statements.

Financial instruments

The Institute's financial assets and liabilities consist of cash and cash equivalents, accounts receivable, investments, and accounts payable and accrued liabilities.

The Institute recognizes and measures its financial instruments as follows: cash and cash equivalents, accounts receivable, investments and accounts payable and accrued liabilities are initially recorded at their fair value. Cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities are subsequently measured at amortized cost. Investments are subsequently measured at cost less any reduction for impairment. Financial assets are tested for impairment at the end of each reporting period when there are indications that an asset may be impaired.

Use of estimates and measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The inherent uncertainty involved in making such estimates and assumptions may impact the actual results reported in future periods.

Saskatchewan Prevention Institute Inc.

Notes to Financial Statements

March 31, 2017

3 Recoveries

Recoveries are a set percentage levied to program grants and activities. These recoveries are for such expense categories as administrative/program support, accounting and legal, office supplies, repairs and maintenance, telephone, public communications and website/internet. Administration expenses represent salaries and benefits for operations staff on program related activities. These recoveries are recorded as a reduction of the related expense categories. Operations recovered \$309,869 from program activities during the year (2016 - \$417,553).

	2017 \$	2016 \$
Salary and benefits Recovery	632,473 (272,879)	678,874 (375,093)
Net salary and benefits	<u>359,594</u>	<u>303,781</u>
Office supplies Recovery	47,503 (31,741)	51,968 (37,209)
Net office supplies	<u>15,762</u>	<u>14,759</u>
Database, research and website hosting Recovery	12,812 (5,249)	22,286 (5,251)
Net database, research and website hosting	<u>7,563</u>	<u>17,035</u>

4 Investments

	Interest rate	Maturity	Principal amount 2017 \$	Principal amount 2016 \$
Current				
ICICI Bank GIC	2.66%	Sep. 16/16	-	54,350
Bank of Nova Scotia GIC	2.56%	Sep. 19/16	-	76,282
Canadian Western Bank GIC	2.40%	Sep. 21/16	-	79,265
Pacific & Western GIC	1.95%	Oct. 8/16	-	53,405
Bank of Montreal GIC	2.06%	July 4/17	100,000	-
BMO Mortgage Corp. GIC	2.06%	July 4/17	100,000	-
B2B Trust GIC	2.10%	Nov. 24/17	36,629	-
Homequity Bank GIC	2.45%	Dec. 12/17	40,262	-
			<u>276,891</u>	<u>263,302</u>

Saskatchewan Prevention Institute Inc.

Notes to Financial Statements

March 31, 2017

Non-current				
Bank of Montreal GIC	2.06%	July 4/17	-	100,000
BMO Mortgage Corp. GIC	2.06%	July 4/17	-	100,000
B2B Trust GIC	2.10%	Nov. 24/17	-	36,629
Homeequity Bank GIC	2.45%	Dec. 12/17	-	40,262
Home Trust Co. GIC	2.35%	July 3/18	50,000	50,000
Equitable Bank GIC	2.62%	July 16/18	79,573	79,573
Montreal Trust CDA	2.80%	Sep. 3/18	52,225	52,225
State Bank of India GIC	2.26%	Sep. 10/18	33,951	33,951
ICICI Bank GIC	2.86%	Oct. 29/18	35,139	35,139
Laurentian Bank GIC	2.55%	July 3/19	100,000	100,000
Canadian Tire Bank GIC	2.55%	July 3/19	100,000	100,000
Homeequity Bank GIC	2.50%	Sep. 9/19	45,000	45,000
HSBC Bank GIC	2.05%	Apr. 6/20	75,000	75,000
LBC Trust GIC	2.06%	Apr. 6/20	75,000	75,000
Canadian Western Bank GIC	2.27%	July 3/20	61,270	61,270
Manulife Bank CDA GIC	2.25%	July 16/20	40,310	40,310
Accrued interest			17,695	20,199
			<u>765,163</u>	<u>1,044,558</u>
			<u>1,042,054</u>	<u>1,307,860</u>

5 Tangible capital assets

			2017	2016
	Cost	Accumulated amortization	Net	Net
	\$	\$	\$	\$
Building improvements	199,481	65,671	133,810	152,903
Furniture & equipment	233,293	230,428	2,865	5,718
Computer and software	9,345	9,345	-	-
	<u>442,119</u>	<u>305,444</u>	<u>136,675</u>	<u>158,621</u>

Saskatchewan Prevention Institute Inc.

Notes to Financial Statements

March 31, 2017

6 Deferred program revenue

As at March 31, the Institute has deferred the recognition of program funding revenue. These amounts relate to payments received in advance for the coming year, and program activities and events which the Institute commenced in the current and previous year, but will not be completed until some future year. The funding and related expenses for these projects are separate from the Institute's operations.

	2017	2016
	\$	\$
Ministry of Health	22,325	83,828
Government of Canada – First Nations Inuit Health Branch	8,405	18,000
Saskatchewan Government Insurance	2,346	13,111
Public Health Agency of Canada	-	9,400
Saskatchewan Liquor and Gaming Authority	575	-
	<hr/>	<hr/>
	33,651	124,339
	<hr/>	<hr/>

7 Program grants and activities

Program grants

	<hr/>		2017	<hr/>		2016
	Grant received	Deferred revenue adjustment	Grant revenue	Grant revenue	Grant revenue	Grant revenue
Ministry of Health	975,616	61,503	1,037,119	1,037,119	1,162,036	1,162,036
Public Health Agency of Canada	132,000	9,400	141,400	141,400	400,131	400,131
Saskatchewan Government Insurance	213,658	10,765	224,423	224,423	216,391	216,391
Saskatchewan Liquor and Gaming Authority	75,000	(575)	74,425	74,425	85,702	85,702
Ministry of Social Services	77,628	-	77,628	77,628	68,160	68,160
Government of Canada – First Nations Inuit Health Branch	-	9,595	9,595	9,595	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,473,902	90,688	1,564,590	1,564,590	1,932,420	1,932,420
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Saskatchewan Prevention Institute Inc.

Notes to Financial Statements

March 31, 2017

Program activities

	2017	2016
	\$	\$
Program resources	10,364	11,037
Program conferences and training fees	78,528	123,575
Program donations	1,250	-
Program miscellaneous income	30	350
	<hr/>	<hr/>
Total program grants and activities	1,654,762	2,067,382

8 Net change in non-cash working capital items

	2017	2016
	\$	\$
Prepaid expenses	3,087	15,445
Accounts receivables	21,385	(8,457)
Accounts payable and accrued liabilities	(175,109)	(158,593)
Deferred program revenue	(90,688)	(205,241)
	<hr/>	<hr/>
	(241,325)	(356,846)

9 Related party transactions

The Institute receives funding from certain of its members, namely the Ministry of Health, Saskatchewan Abilities Council, and Kinsmen Telemiracle Foundation. The amount received from each of these members is detailed on the Statement of Income and in note 6, and these transactions are measured at carrying amounts.

10 Commitments

Project expenditures

As at March 31, 2017, the Institute has committed from its restricted net assets the following payments for program projects:

	\$
2017	23,000
Thereafter	<hr/> -
	<hr/> 23,000

Occupancy costs

On December 18, 2012, the Institute entered into a memorandum of understanding with the Saskatoon Regional Health Authority for the use of office space within the Kinsmen Children's Centre.

Saskatchewan Prevention Institute Inc.

Notes to Financial Statements

March 31, 2017

Future occupancy costs due under the agreement are as follows:

	\$
2018	11,199
2019	11,423
2020	11,651
2021	11,884
2022	12,122
	<hr/>
	58,279
	<hr/>

11 Financial instruments

Credit risk

The Institute's financial assets, including accounts receivable, are not exposed to significant credit risk.

Interest rate risk

Interest rate risk is the potential for financial loss arising from changes in interest rates. The Institute is exposed to changes in interest rates related to its investments. The Institute's primary objective is to ensure the security of principal amounts invested and provide for a high degree of liquidity, while achieving a satisfactory return.

Liquidity risk

Liquidity risk is the risk that the Institute will not be able to meet its financial obligations as they become due. Liquidity risk also includes the risk of not being able to liquidate assets in a timely manner at a reasonable price. The Institute's approach to managing liquidity is to ensure that it has sufficient cash flows available to fund its operations and to meet its obligations when due, under both normal and stressed conditions. The Institute is not exposed to significant liquidity risk.

Other

The Institute has no significant exposure to currency risk or other price risk.