

Saskatchewan Prevention Institute

Financial Statements
March 31, 2016



June 14, 2016

Independent Auditor's Report

To the Directors of the Saskatchewan Prevention Institute

We have audited the accompanying financial statements of the Saskatchewan Prevention Institute, which comprise the statement of financial position as at March 31, 2016 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Saskatchewan Prevention Institute as at March 31, 2016 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

PricewaterhouseCoopers LLP
128 4th Avenue South, Suite 600, Saskatoon, Saskatchewan, Canada S7K 1M8
T: +1 306 668 5900, F: +1 306 652 1315

**Saskatchewan Prevention Institute
Statement of Financial Position
As at March 31, 2016**

	2016	2015
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	275,930	686,017
Investments (note 4)	263,302	139,375
Prepaid expenses	19,067	34,512
Accounts receivable	46,413	37,956
	<u>604,712</u>	<u>897,860</u>
Investments (note 4)	1,044,558	1,053,549
Tangible capital assets (note 5)	<u>158,621</u>	<u>175,913</u>
	<u>1,807,891</u>	<u>2,127,322</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	305,240	463,833
Deferred program revenue (note 6)	124,339	329,580
	<u>429,579</u>	<u>793,413</u>
Net Assets		
Net assets invested in tangible capital assets	158,621	175,913
Net assets internally restricted contingency fund (note 8)	433,364	408,119
Net assets internally restricted program resource fund	242,622	229,335
Net assets internally restricted program development fund	131,296	186,079
Unrestricted net assets	412,409	334,463
	<u>1,378,312</u>	<u>1,333,909</u>
	<u>1,807,891</u>	<u>2,127,322</u>

Approved by the Board of Directors

Director

Director

**Saskatchewan Prevention Institute
Statement of Changes in Net Assets
For the year ended March 31, 2016**

	Invested in tangible capital assets \$	Internally restricted for contingency fund \$	Internally restricted for program res. fund \$	Internally restricted for program dev. fund \$	Unrestricted \$	2016 \$	2015 \$
Balance - Beginning of year	175,913	408,119	229,335	186,079	334,463	1,333,909	1,305,618
Excess of revenue over expenditures					44,403	44,403	28,291
Amortization	(21,945)				21,945	-	-
Transfer of funds		25,245	13,287	(54,783)	16,251	-	-
Purchase of tangible capital assets	4,653				(4,653)	-	-
Balance - End of year	158,621	433,364	242,622	131,296	412,409	1,378,312	1,333,909

Saskatchewan Prevention Institute
Statement of Operations
For the year ended March 31, 2016

	2016	2015
	\$	\$
Revenue:		
Program Grants and Activities (notes 7 and 10)	2,067,382	2,056,021
Government of Saskatchewan (note 10)	254,171	251,655
Kinsmen Telemiracle Foundation (note 10)	120,000	120,000
Saskatchewan Abilities Council (note 10)	50,250	50,000
Interest Income	32,425	34,378
Miscellaneous Income	-	6,857
Total Revenue	<u>2,524,228</u>	<u>2,518,912</u>
Expenses (note 3):		
OPERATIONS:		
Salaries and Employee Benefits (note 3)	303,781	310,485
Legal and Accounting	17,756	21,075
Board and Committee	4,036	5,443
Office Supplies (note 3)	14,759	21,586
Occupancy Expense	10,764	10,553
Amortization	21,945	21,178
Travel, Meals and Accommodation	3,645	5,584
Professional Development	13,570	14,016
Database, Research and Website Hosting (note 3)	17,035	11,360
Org.Development, Human Resources and Retreats	1,189	843
Community Partnership and Evaluation	2,857	5,702
Communication	6,703	12,505
Environmental Health	4,275	8,500
Child Death Review	6,043	-
Healthy Weight Symposium	-	6,173
Total Operations Expense	<u>428,358</u>	<u>455,003</u>
PROGRAMS:		
Administration (note 3)	251,267	294,214
Committee Expenses	8,283	25,501
Contractual Services	132,974	384,681
Educational Program Material	109,218	10,283
Evaluation Expense	70,159	6,951
Legal and Accounting (note 3)	40,990	34,188
Office Supplies (note 3)	65,863	75,164
Printing and Development	67,510	97,780
Professional Development	18,918	32,760
Public Communication and Website (note 3)	105,429	80,984
Salaries and Employee Benefits	625,427	614,701
Speakers Bureau and Forum	22,907	8,593
Training and Workshop Expense	463,558	264,103
Travel Meals and Accommodation	68,964	105,715
Total Programs Expense	<u>2,051,467</u>	<u>2,035,618</u>
Total Expenses	2,479,825	2,490,621
Excess of Revenue over Expenses	<u>44,403</u>	<u>28,291</u>

Saskatchewan Prevention Institute
Statement of Cash Flows
For the year ended March 31, 2016

	2016	2015
	\$	\$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	44,403	28,291
Items not affecting cash		
Amortization	21,945	21,178
	<hr/>	<hr/>
	66,348	49,470
Net change in non-cash working capital items (note 9)	<hr/> (356,846)	<hr/> 307,642
	<hr/> (290,498)	<hr/> 357,112
Investing activities		
Purchase of investments	(251,580)	(836,950)
Redemption of investments	136,644	455,063
Purchase of tangible capital assets	(4,653)	(189,303)
	<hr/> (119,589)	<hr/> (571,190)
Net change in cash	(410,087)	(214,079)
Cash and cash equivalents - Beginning of year	<hr/> 686,017	<hr/> 900,096
Cash and cash equivalents - End of year	<hr/> 275,930	<hr/> 686,017

Saskatchewan Prevention Institute
Notes to Financial Statement
March 31, 2016

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 the 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.

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
Notes to Financial Statement
March 31, 2016

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 \$417,553 from program activities during the year (2015 - \$372,529).

	2016 \$	2015 \$
Salary and Benefits	678,874	642,412
Recovery	(375,093)	(331,927)
Net Salary and Benefits	<u>303,781</u>	<u>310,485</u>
Office Supplies	51,968	52,996
Recovery	(37,209)	(31,410)
Net Office Supplies	<u>14,759</u>	<u>21,586</u>
Database, Research and Website Hosting	22,286	20,552
Recovery	(5,251)	(9,192)
Net Database, Research and Website Hosting	<u>17,035</u>	<u>11,360</u>

4 Investments

			Principal amount 2016 \$	Principal amount 2015 \$
Current:				
Vancity Credit Union GIC	1.75%	Jul. 3/15	-	50,000
B2B Trust GIC	3.50%	Jul. 16/15	-	36,933
ING Bank of Canada GIC	3.20%	Dec. 14/15	-	52,442
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	-
			<u>263,302</u>	<u>139,375</u>
Non-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%	Jul. 4/17	100,000	100,000
BMO Mortgage Corp. GIC	2.06%	Jul. 4/17	100,000	100,000
B2B Trust GIC	2.10%	Nov. 24/17	36,629	36,629
Homequity Bank GIC	2.45%	Dec. 12/17	40,262	40,262
Home Trust Co. GIC	2.35%	Jul. 3/18	50,000	50,000
Equitable Bank GIC	2.62%	Jul. 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%	Jul. 3/19	100,000	100,000
Canadian Tire Bank GIC	2.55%	Jul. 3/19	100,000	100,000
Homequity Bank GIC	2.50%	Sep. 9/19	45,000	45,000
HSBC Bank GIC	2.05%	April 6/20	75,000	-
LBC Trust GIC	2.06%	April 6/20	75,000	-
Canadian Western Bank GIC	2.27%	Jul. 3/20	61,270	-
Manulife Bank CDA GIC	2.25%	Jul. 16/20	40,310	-
Accrued interest			20,199	17,468
			<u>1,044,558</u>	<u>1,053,549</u>
			<u>1,307,860</u>	<u>1,192,924</u>

**Saskatchewan Prevention Institute
Notes to Financial Statement
March 31, 2016**

5 Tangible Capital Assets

	2016		2015	
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Building Improvements	199,481	46,578	152,903	170,372
Furniture & Equipment	233,293	227,575	5,718	5,541
Computer Software	9,345	9,345	-	-
	<u>442,119</u>	<u>283,498</u>	<u>158,621</u>	<u>175,913</u>

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.

	2016 \$	2015 \$
Ministry of Health	83,828	275,643
Government of Canada - First Nations Inuit Health Branch	18,000	-
Saskatchewan Government Insurance	13,111	48,235
Public Health Agency of Canada	9,400	-
Saskatchewan Liquor and Gaming Authority	-	5,702
	<u>124,339</u>	<u>329,580</u>

7 Program grants and activities

	2016 \$		2015 \$	
Program Grants:	Grant received	Deferred revenue adjustment	Grant revenue	Grant revenue
Ministry of Health (note 9)	970,221	191,815	1,162,036	1,379,795
Public Health Agency of Canada	409,531	(9,400)	400,131	237,565
Saskatchewan Government Insurance	181,267	35,124	216,391	215,694
Saskatchewan Liquor and Gaming Authority	80,000	5,702	85,702	80,318
Ministry of Social Services	68,160	-	68,160	72,570
Government of Canada - First Nations Inuit Health Branch	18,000	(18,000)	-	-
Canadian Association of Family Resource Programs	-	-	-	24,600
Ministry of Education	-	-	-	7,193
Potash Corporation	-	-	-	1,958
	<u>1,727,180</u>	<u>205,241</u>	<u>1,932,420</u>	<u>2,019,693</u>

Program Activities:

Program Resources	11,037	7,014
Program Conference and Training Fees	123,575	20,845
Program Miscellaneous Income	350	8,469
Total Program Grants and Activities	<u>2,067,382</u>	<u>2,056,021</u>

Saskatchewan Prevention Institute
Notes to Financial Statement
March 31, 2016

8 Net assets internally restricted contingency fund

The Institute allocates unrestricted net assets to net assets internally restricted contingency fund to provide for potential future obligations and contingencies.

9 Net change in non-cash working capital items

	2016	2015
	\$	\$
Decrease (increase) in prepaid expenses	15,445	(5,232)
Decrease (increase) in accounts receivable	(8,457)	3,918
Increase (decrease) in accounts payable and accrued liabilities	(158,593)	276,210
Increase (decrease) in deferred program revenue	(205,241)	32,746
	<u>(356,846)</u>	<u>307,642</u>

10 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.

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.