

# **SASKATCHEWAN PREVENTION INSTITUTE INC.**

**Auditor's Report**

**Financial Statements**

**March 31, 2019**

## INDEPENDENT AUDITOR'S REPORT

To the Directors of **Saskatchewan Prevention Institute Inc.**

### *Report on the Financial Statements*

#### *Opinion*

We have audited the financial statements of **Saskatchewan Prevention Institute Inc.**, which comprise the statement of financial position as at **March 31, 2019** 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Saskatchewan Prevention Institute Inc.** as at **March 31, 2019** 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

#### *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 **Saskatchewan Prevention Institute Inc.** in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, 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.

#### *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 entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and the use of the going concern basis of accounting unless management either intends to liquidate the entity or cease operations, or has no realistic alternative but to do so.

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

#### *Auditor's Responsibility 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 entity'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 entity'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 entity 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.

Saskatoon, Saskatchewan  
June 19, 2019



Chartered Professional Accountants

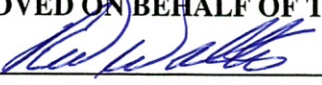
# SASKATCHEWAN PREVENTION INSTITUTE INC.

## STATEMENT OF FINANCIAL POSITION

with comparative figures for 2018

	<u>2019</u>	<u>2018</u>
<b><u>ASSETS</u></b>		
Current assets:		
Cash	\$ 334,974	372,402
Short term investments (Note 4)	295,000	250,888
Accounts receivable	28,055	15,783
Prepaid expenses	<u>27,888</u>	<u>13,466</u>
Total current assets	685,917	652,539
Long term investments (Note 4)	884,547	857,110
Capital assets (Note 5)	<u>97,874</u>	<u>119,735</u>
	<u>\$ 1,668,338</u>	<u>1,629,384</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 158,693	186,612
Deferred income/revenue (Note 6)	<u>124,114</u>	<u>60,659</u>
Total current liabilities	282,807	247,271
Net assets:		
Net assets invested in tangible assets	97,874	119,735
Net assets internally restricted contingency fund	362,364	371,232
Net assets internally restricted program resource fund	192,462	189,821
Net assets internally restricted program development fund	145,373	121,543
Unrestricted net assets	<u>587,458</u>	<u>579,782</u>
Total shareholders' equity	<u>1,385,531</u>	<u>1,382,113</u>
	<u>\$ 1,668,338</u>	<u>1,629,384</u>

APPROVED ON BEHALF OF THE BOARD:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

See accompanying notes to the financial statements.

# SASKATCHEWAN PREVENTION INSTITUTE INC.

## STATEMENT OF OPERATIONS

Year ended March 31, 2019  
with comparative figures for 2018

	<u>2019</u>	<u>2018</u>
Revenue:		
Program grants and activities (Note 7)	\$ 1,809,860	1,933,679
Government of Saskatchewan (Note 8)	156,171	156,171
Kinsmen Telemiracle Foundation (Note 8)	120,000	120,000
Saskatchewan Abilities Council (Note 8)	52,280	52,020
Interest income	<u>33,336</u>	<u>26,272</u>
Total revenue	2,171,647	2,288,142
Operations:		
Salaries and employee benefits (Note 3)	255,629	201,052
Legal and accounting	11,718	7,982
Board and committee	9,954	11,750
Office supplies (Note 3)	20,244	18,429
Amortization	12,187	21,167
Travel, meals and accommodation	4,611	3,071
Professional development	9,422	1,743
Evaluation, research and website hosting (Note 3)	10,224	10,551
Org. development, human resources and retreats	597	-
Community collaboration	-	7,500
Communication	6,439	7,085
Environmental health	(3,000)	3,024
Child death review	448	1,086
Healthy parenting & your pregnancy matters	-	18,613
Healthy pregnancy app	-	33,416
Evaluation of Sk Prevention Institute	<u>20,359</u>	<u>-</u>
	358,832	346,469
Programs:		
Administration (Note 3)	236,253	235,627
Committee expenses	1,016	1,127
Contractual services	75,252	87,222
Resource development	151,130	137,932
Evaluation expense	17,500	54,549
Legal and accounting (Note 3)	49,078	45,221
Office supplies (Note 3)	69,254	61,982
Professional development	22,689	10,267
Public communication and website (Note 3)	89,143	107,884
Salaries and employee benefits	712,371	697,014
Speakers bureau and forum	-	15,147
Training and workshop expense	326,868	370,601
Travel, meals and accommodation	<u>58,843</u>	<u>82,637</u>
	1,809,397	1,907,210
Total expenses	<u>2,168,229</u>	<u>2,253,679</u>
Excess of revenue over expenses	\$ <u>3,418</u>	<u>34,463</u>

See accompanying notes to the financial statements.

# SASKATCHEWAN PREVENTION INSTITUTE INC.

## STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31, 2019  
with comparative figures for 2018

	Invested in tangible capital assets	Internally restricted for contingency fund	Internally restricted for program res. fund	Internally restricted for program dev. fund	Unrestricted	2019	2018
Balance - beginning of year	\$ 119,735	371,232	189,821	121,543	579,782	1,382,113	1,347,650
Excess of revenue over expenditures	-	-	-	-	3,418	3,418	34,463
Amortization	(12,187)	-	-	-	12,187	-	-
Transfer of funds	-	(8,868)	2,641	23,830	(17,603)	-	-
Purchase of tangible capital assets	(9,674)	-	-	-	9,674	-	-
Balance - end of year	\$ 97,874	362,364	192,462	145,373	587,458	1,385,531	1,382,113

See accompanying notes to the financial statements.

# SASKATCHEWAN PREVENTION INSTITUTE INC.

## STATEMENT OF CASH FLOWS

Year ended March 31, 2019  
with comparative figures for 2018

	<u>2019</u>	<u>2018</u>
Operating activities:		
Net earnings	\$ 3,418	34,463
Item not involving an outlay of cash:		
Amortization	<u>12,187</u>	<u>21,167</u>
	15,605	55,630
Changes in non-cash working capital:		
Accounts receivable	(12,272)	9,245
Prepaid	(14,422)	2,514
Accounts payable and accrued liabilities	(27,919)	56,484
Deferred income/revenue	<u>63,455</u>	<u>27,008</u>
	8,842	95,251
Investing activities:		
Additions to capital assets	9,674	(4,227)
Purchase of investments	(441,662)	(360,530)
Redemption of investments	<u>370,113</u>	<u>294,586</u>
	<u>(61,875)</u>	<u>(70,171)</u>
Increase (decrease) in cash during the year	(37,428)	80,710
Cash position, beginning of year	<u>372,402</u>	<u>291,692</u>
Cash position, end of year	<u>\$ 334,974</u>	<u>372,402</u>

See accompanying notes to the financial statements.

# SASKATCHEWAN PREVENTION INSTITUTE INC.

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2019

### 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

#### (a) **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.

#### (b) **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.

#### (c) **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.

#### (d) **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.

# SASKATCHEWAN PREVENTION INSTITUTE INC.

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2019

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (e) 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.

#### (f) Use of estimates

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.

### 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 \$361,995 from program activities during the year (2018 - \$376,651).

	<u>2019</u>	<u>2018</u>
Salary and benefits	\$ 567,106	528,838
Recovery	<u>(311,477)</u>	<u>(327,786)</u>
Net salary and benefits	<u>255,629</u>	<u>201,052</u>
Office supplies	64,532	62,528
Recovery	<u>(44,288)</u>	<u>(44,099)</u>
Net office supplies	<u>20,244</u>	<u>18,429</u>
Website hosting, development and maintenance	16,454	15,317
Recovery	<u>(6,230)</u>	<u>(4,766)</u>
Net website hosting, development and maintenance	<u>\$ 10,224</u>	<u>10,551</u>

# SASKATCHEWAN PREVENTION INSTITUTE INC.

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2019

### 4. INVESTMENTS

	<u>Interest rate</u>	<u>Maturity</u>	<u>Principal Amount 2019</u>	<u>Principal Amount 2018</u>
<b>Current:</b>				
Home Trust Company GIC	2.35%	Jul. 3/18	\$ -	50,000
Equitable Bank GIC	2.62%	Jul. 16/18	-	79,573
Montreal Trust CDA	2.80%	Sep. 3/18	-	52,225
State Bank of India GIC	2.26%	Sep. 10/18	-	33,951
ICICI Bank GIC	2.86%	Oct. 29/18	-	35,139
Canadian Tire Bank GIC	2.55%	Jul. 3/19	100,000	-
Laurentian Bank GIC	2.55%	Jul. 3/19	100,000	-
HomeEquity Bank GIC	2.50%	Sep. 9/19	45,000	-
General Bank of CDA GIC	2.38%	Sep. 23/19	50,000	-
			<u>295,000</u>	<u>250,888</u>
<b>Non-current:</b>				
Laurentian Bank GIC	2.55%	Jul. 3/19	-	100,000
Canadian Tire Bank GIC	2.55%	Jul. 3/19	-	100,000
HomeEquity Bank GIC	2.50%	Sep. 9/19	-	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%	Jul. 3/20	61,270	61,270
Manulife Bank CDA GIC	2.25%	Jul. 16/20	40,310	40,310
B2B Bank GIC	1.95%	Jul. 5/21	60,000	60,000
ICICI Bank Canada GIC	1.75%	Jul. 5/21	47,686	47,686
SBI Canada Bank GIC	2.00%	Jul. 5/21	60,000	60,000
Home Trust Co. GIC	2.95%	Jul. 4/22	47,000	47,000
B2B Bank GIC	3.10%	Oct. 31/22	36,146	-
CDN Western Bank GIC	2.75%	Dec. 21/22	95,000	95,000
CDN Western Trust GIC	2.75%	Dec. 21/22	31,619	31,619
Home Trust Co. GIC	3.13%	Jul. 4/23	50,000	-
Equitable Bank GIC	3.23%	Jul. 17/23	93,914	-
HomeEquity Bank GIC	3.17%	Sep. 12/23	50,000	-
Manulife Bank CDA GIC	3.10%	Sep. 12/23	39,533	-
Accrued interest			22,069	19,225
			<u>884,547</u>	<u>857,110</u>
			<u>\$ 1,179,547</u>	<u>1,107,998</u>

### 5. CAPITAL ASSETS

		<u>2019</u>		<u>2018</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Building improvements	\$ 183,707	94,701	89,006	118,522
Computer software	9,345	9,345	-	-
Furniture & equipment	<u>243,620</u>	<u>234,752</u>	<u>8,868</u>	<u>1,213</u>
	<u>\$ 436,672</u>	<u>338,798</u>	<u>97,874</u>	<u>119,735</u>

# SASKATCHEWAN PREVENTION INSTITUTE INC.

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2019

### 6. DEFERRED PROGRAM REVENUE

	<u>2019</u>	<u>2018</u>
Ministry of Health	\$ 35,259	\$ 2,380
Saskatchewan Government Insurance	-	10,553
Public Health Agency of Canada	-	13,450
Saskatchewan Liquor and Gaming Authority	88,855	-
Community Initiatives Fund	-	34,276
	<u>\$ 124,114</u>	<u>\$ 60,659</u>

### 7. PROGRAM GRANTS AND ACTIVITIES

<u>Program Grants:</u>	<u>Grant received</u>	<u>Deferred revenue adjustment</u>	<u>2019 Grant revenue</u>	<u>2018 Grant revenue</u>
Ministry of Health	\$ 948,061	(32,880)	915,181	968,006
Public Health Agency of Canada	383,463	13,450	396,913	464,209
Saskatchewan Government Insurance	217,953	10,553	228,506	207,587
Saskatchewan Liquor and Gaming Authority	175,000	(88,855)	86,145	75,575
Ministry of Social Services	72,894	-	72,894	72,894
Government of Canada - First Nations Inuit Health Branch	-	-	-	8,405
Community Initiatives Fund	<u>9,589</u>	<u>34,276</u>	<u>43,865</u>	<u>4,080</u>
	<u>\$ 1,806,960</u>	<u>(63,456)</u>	<u>1,743,504</u>	<u>1,800,756</u>

#### Program Activities:

Program Resources	7,696	10,659
Program Conference and Training Fees	58,660	108,578
Program Donations	-	12,550
Program Miscellaneous Income	-	1,136
	<u>1,809,860</u>	<u>1,933,679</u>

### 8. 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.

# SASKATCHEWAN PREVENTION INSTITUTE INC.

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2019

### 9. LEASE COMMITMENTS

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.

Future occupancy costs due under the agreement are as follows:

2020	\$	11,651
2021		11,884
2022		12,122
2023		12,364
2024		<u>12,611</u>
	\$	<u>60,632</u>

### 10. 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.