

SASKATCHEWAN PREVENTION INSTITUTE INC.

Auditor's Report

Financial Statements

March 31, 2020

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, 2020** 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, 2020** 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.

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

Management is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our independent auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Annual Report prior to the date of this independent auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this independent auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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

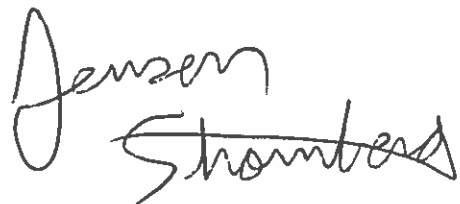
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 17, 2020



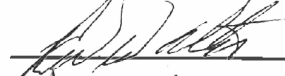
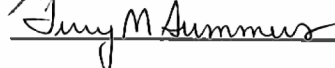
Chartered Professional Accountants

SASKATCHEWAN PREVENTION INSTITUTE INC.

STATEMENT OF FINANCIAL POSITION with comparative figures for 2019

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 402,799	334,974
Short term investments (Note 4)	251,580	295,000
Accounts receivable	95,912	28,055
Prepaid expenses	<u>22,271</u>	<u>27,888</u>
Total current assets	772,562	685,917
Long term investments (Note 4)	933,817	884,547
Capital assets (Note 5)	<u>77,686</u>	<u>97,874</u>
	<u>\$ 1,784,065</u>	<u>1,668,338</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 125,645	158,695
Deferred income/revenue (Note 6)	<u>254,550</u>	<u>124,114</u>
Total current liabilities	380,195	282,809
Net assets:		
Net assets invested in tangible assets	77,686	97,874
Net assets internally restricted contingency fund	395,691	362,364
Net assets internally restricted program resource fund	192,462	192,462
Net assets internally restricted program development fund	145,834	145,373
Unrestricted net assets	<u>592,197</u>	<u>587,456</u>
Total shareholders' equity	<u>1,403,870</u>	<u>1,385,529</u>
	<u>\$ 1,784,065</u>	<u>1,668,338</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, 2020
with comparative figures for 2019

	<u>2020</u>	<u>2019</u>
Revenue:		
Program grants and activities (Note 7)	\$ 1,997,533	1,809,860
Government of Saskatchewan (Note 8)	157,382	156,171
Kinsmen Telemiracle Foundation (Note 8)	120,000	120,000
Saskatchewan Abilities Council (Note 8)	53,420	52,280
Interest income	<u>35,314</u>	<u>33,336</u>
Total revenue	2,363,649	2,171,647
Operations:		
Salaries and employee benefits (Note 3)	261,140	255,629
Legal and accounting	10,981	11,718
Board and committee	4,366	9,954
Office supplies (Note 3)	5,539	20,244
Amortization	20,188	12,187
Travel, meals and accommodation	3,183	4,611
Professional development	13,633	9,422
Evaluation, research and website hosting (Note 3)	8,339	10,224
Org. development, human resources and retreats	673	597
Communication	6,481	6,439
Type II diabetes	10,000	(3,000)
Child death review	-	448
Evaluation of Sk Prevention Institute	<u>20,512</u>	<u>20,359</u>
	365,035	358,832
Programs:		
Administration (Note 3)	243,038	236,253
Committee expenses	1,060	1,016
Contractual services	90,603	75,252
Resource development	123,843	151,130
Evaluation expense	39,590	17,500
Legal and accounting (Note 3)	54,361	49,078
Office supplies (Note 3)	65,397	69,254
Professional development	22,262	22,689
Public communication and website (Note 3)	109,898	89,143
Salaries and employee benefits	715,466	712,371
Speakers bureau and forum	6,069	-
Training and workshop expense	419,790	326,868
Travel, meals and accommodation	<u>88,896</u>	<u>58,843</u>
	1,980,273	1,809,397
Total expenses	<u>2,345,308</u>	<u>2,168,229</u>
Excess of revenue over expenses	\$ <u>18,341</u>	<u>3,418</u>

See accompanying notes to the financial statements.

SASKATCHEWAN PREVENTION INSTITUTE INC.

STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31, 2020

with comparative figures for 2019

	Invested in tangible capital assets	Internally restricted for contingency fund	Internally restricted for program res. fund	Internally restricted for program dev. fund	Unrestricted	2020	2019
Balance - beginning of year	\$ 97,874	362,364	192,462	145,373	587,456	1,385,529	1,382,111
Excess of revenue over expenditures	-	-	-	-	18,341	18,341	3,418
Amortization	(20,188)	-	-	-	20,188	-	-
Transfer of funds	-	33,327	-	461	(33,788)	-	-
Balance - end of year	\$ 77,686	395,691	192,462	145,834	592,197	1,403,870	1,385,529

See accompanying notes to the financial statements.

SASKATCHEWAN PREVENTION INSTITUTE INC.

STATEMENT OF CASH FLOWS

Year ended March 31, 2020
with comparative figures for 2019

	<u>2020</u>	<u>2019</u>
Operating activities:		
Net earnings	\$ 18,341	3,418
Item not involving an outlay of cash:		
Amortization	<u>20,188</u>	<u>12,187</u>
	38,529	15,605
Changes in non-cash working capital:		
Accounts receivable	(67,857)	(12,272)
Prepaid	5,617	(14,422)
Accounts payable and accrued liabilities	(33,050)	(27,919)
Deferred income/revenue	<u>130,436</u>	<u>63,455</u>
	35,146	8,842
Investing activities:		
Additions to capital assets	-	9,674
Purchase of investments	(300,125)	(441,662)
Redemption of investments	<u>294,275</u>	<u>370,113</u>
	<u>(5,850)</u>	<u>(61,875)</u>
Increase (decrease) in cash during the year	67,825	(37,428)
Cash position, beginning of year	<u>334,974</u>	<u>372,402</u>
Cash position, end of year	<u>\$ 402,799</u>	<u>334,974</u>

See accompanying notes to the financial statements.

SASKATCHEWAN PREVENTION INSTITUTE INC.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2020

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. The Institute is exempt from taxes under Section 149 (1)(l) of the Income Tax Act.

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, 2020

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.

(g) New Accounting Standards

Financial Instruments

CPA Canada Handbook Part II Section 3856 has been amended to provide guidance on accounting for financial instruments in a related party transaction and to update the financial instrument risk disclosures. Specifically, additional guidance is provided to clarify the initial measurement of such instruments and to align the subsequent and initial measurement requirements. Further guidance related to impairment and forgiveness of related party financial assets, and the measurement of related party compound financial instruments has been added. Financial instrument risk disclosure requirements have been amended and require a focus on relevant enterprise-specific information.

This amendment is effective for fiscal years beginning on or after January 1, 2020. The Organization has not determined the impact of this amendment.

SASKATCHEWAN PREVENTION INSTITUTE INC.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2020

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 \$375,398 from program activities during the year (2019 - \$361,995).

	<u>2020</u>	<u>2019</u>
Salary and benefits	\$ 584,437	567,106
Recovery	<u>(323,297)</u>	<u>(311,477)</u>
Net salary and benefits	<u>261,140</u>	<u>255,629</u>
Office supplies	51,504	64,532
Recovery	<u>(45,965)</u>	<u>(44,288)</u>
Net office supplies	<u>5,539</u>	<u>20,244</u>
Website hosting, development and maintenance	14,475	16,454
Recovery	<u>(6,136)</u>	<u>(6,230)</u>
Net website hosting, development and maintenance	<u>\$ 8,339</u>	<u>10,224</u>

SASKATCHEWAN PREVENTION INSTITUTE INC.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2020

4. INVESTMENTS

	<u>Interest rate</u>	<u>Maturity</u>	<u>Principal Amount 2020</u>	<u>Principal Amount 2019</u>
Current:				
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
HSBC Bank GIC	2.05%	Apr. 6/20	75,000	-
LBC Trust GIC	2.06%	Apr. 6/20	75,000	-
Canda Western Trust GIC	2.27%	Jul. 3/20	61,270	-
Manulife Bank CDA GIC	2.25%	Jul. 16/20	40,310	-
			<u>251,580</u>	<u>295,000</u>
Non-current:				
HSBC Bank GIC	2.05%	Apr. 6/20	-	75,000
LBC Trust GIC	2.06%	Apr. 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
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	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	50,000
Equitable Bank GIC	3.23%	Jul. 17/23	93,914	93,914
HomeEquity Bank GIC	3.17%	Sep. 12/23	50,000	50,000
Manulife Bank CDA GIC	3.10%	Sep. 12/23	39,533	39,533
Royal Bank of Canada GIC	2.33%	Jul. 11/24	100,000	-
Bank of Montreal GIC	2.33%	Jul. 11/24	100,000	-
HomeEquity Bank GIC	2.29%	Sep. 23/24	45,125	-
Manulife Trust Co. GIC	2.25%	Sep. 23/24	55,000	-
Accrued interest			22,794	22,069
			<u>933,817</u>	<u>884,547</u>
			<u>\$ 1,185,397</u>	<u>1,179,547</u>

5. CAPITAL ASSETS

		<u>2020</u>		<u>2019</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Building improvements	\$ 183,708	112,217	71,491	89,006
Furniture & equipment	<u>243,620</u>	<u>237,425</u>	<u>6,195</u>	<u>8,868</u>
	<u>\$ 427,328</u>	<u>349,642</u>	<u>77,686</u>	<u>97,874</u>

SASKATCHEWAN PREVENTION INSTITUTE INC.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2020

6. DEFERRED PROGRAM REVENUE

	<u>2020</u>	<u>2019</u>
Ministry of Health	\$ 70,559	35,259
Saskatchewan Government Insurance	46,199	-
Public Health Agency of Canada	40,218	-
Saskatchewan Liquor and Gaming Authority	70,519	88,855
Sask Abilities	13,625	-
Internally generated	<u>13,430</u>	<u>-</u>
	<u>\$ 254,550</u>	<u>124,114</u>

7. PROGRAM GRANTS AND ACTIVITIES

	<u>Grant received</u>	<u>Deferred revenue adjustment</u>	<u>2020 Grant revenue</u>	<u>2019 Grant revenue</u>
Program Grants:				
Ministry of Health	\$ 955,410	(35,300)	920,110	915,181
Public Health Agency of Canada	500,958	(40,218)	460,740	396,913
Saskatchewan Government Insurance	222,159	(10,007)	212,152	228,506
Saskatchewan Liquor and Gaming Authority	180,000	18,335	198,335	86,145
Ministry of Social Services	73,803	-	73,803	72,894
Community Initiatives Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,865</u>
	<u>\$ 1,932,330</u>	<u>(67,190)</u>	<u>1,865,140</u>	<u>1,743,504</u>
Program Activities:				
Program Resources			17,036	7,696
Program Conference and Training Fees			115,317	58,660
Program Donations			40	-
Program Miscellaneous Income			<u>-</u>	<u>-</u>
			<u>1,997,533</u>	<u>1,809,860</u>

Accounts receivable includes \$82,496 of grant funding receivable (2019 - \$9,589).

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, 2020

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:

2021	\$	11,884
2022		12,122
2023		12,364
2024		<u>12,611</u>
	\$	<u>48,981</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.