

SASKATCHEWAN PREVENTION INSTITUTE INC.

Auditor's Report

Financial Statements

March 31, 2021

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, 2021** 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, 2021** 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 16, 2021

Chartered Professional Accountants

SASKATCHEWAN PREVENTION INSTITUTE INC.

STATEMENT OF FINANCIAL POSITION

with comparative figures for 2020

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 267,302	402,799
Short term investments (Note 4)	167,686	251,580
Accounts receivable	12,274	95,912
Prepaid expenses	<u>13,284</u>	<u>22,271</u>
Total current assets	460,546	772,562
Long term investments (Note 4)	1,277,253	933,817
Capital assets (Note 5)	<u>62,366</u>	<u>77,685</u>
	<u>\$ 1,800,165</u>	<u>1,784,064</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 104,199	125,644
Deferred income/revenue (Note 6)	<u>228,740</u>	<u>254,550</u>
Total current liabilities	332,939	380,194
Net assets:		
Net assets invested in tangible assets	62,366	77,686
Net assets internally restricted contingency fund	356,275	395,691
Net assets internally restricted program resource fund	192,237	192,462
Net assets internally restricted program development fund	159,426	145,834
Unrestricted net assets	<u>696,922</u>	<u>592,197</u>
Total shareholders' equity	<u>1,467,226</u>	<u>1,403,870</u>
	<u>\$ 1,800,165</u>	<u>1,784,064</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, 2021
with comparative figures for 2020

	<u>2021</u>	<u>2020</u>
Revenue:		
Government of Saskatchewan (Note 8)	\$ 161,395	157,382
Interest income	34,095	35,315
Kinsmen Telemiracle Foundation (Note 8)	120,000	120,000
Program grants and activities (Note 7)	1,588,243	1,997,532
Saskatchewan Abilities Council (Note 8)	<u>54,636</u>	<u>53,420</u>
Total revenue	1,958,369	2,363,649
Operations:		
Amortization	19,580	20,188
Board and committee	768	4,366
Communication	7,417	6,481
Evaluation of Sk Prevention Institute	17,732	20,512
Evaluation, research and website hosting (Note 3)	16,524	8,339
Legal and accounting	11,610	10,981
Office supplies (Note 3)	6,612	5,539
Org. development, human resources and retreats	-	673
Professional development	4,190	13,633
Salaries and employee benefits (Note 3)	282,599	261,140
Travel, meals and accommodation	25	3,183
Type II diabetes	<u>3,000</u>	<u>10,000</u>
	370,057	365,035
Programs:		
Administration (Note 3)	192,006	243,038
Committee expenses	1,095	1,060
Contractual services	250	90,603
Evaluation expense	176	39,590
Legal and accounting (Note 3)	59,659	54,361
Office supplies (Note 3)	76,004	65,397
Professional development	9,198	22,262
Public communication and website (Note 3)	90,036	109,898
Resource development	79,862	123,843
Salaries and employee benefits	748,630	715,466
Speakers bureau and forum	-	6,069
Training and workshop expense	267,874	419,790
Travel, meals and accommodation	<u>166</u>	<u>88,896</u>
	<u>1,524,956</u>	<u>1,980,273</u>
Total expenses	<u>1,895,013</u>	<u>2,345,308</u>
Excess of revenue over expenses	<u>\$ 63,356</u>	<u>18,341</u>

See accompanying notes to the financial statements.

SASKATCHEWAN PREVENTION INSTITUTE INC.

STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31, 2021
with comparative figures for 2020

	<u>Invested in tangible capital assets</u>	<u>Internally restricted for contingency fund</u>	<u>Internally restricted for program res. fund</u>	<u>Internally restricted for program dev. fund</u>	<u>Unrestricted</u>	<u>2021</u>	<u>2020</u>
Balance - beginning of year	\$ 77,686	395,691	192,462	145,834	592,197	1,403,870	1,385,529
Excess of revenue over expenditures	-	-	-	-	63,356	63,356	18,341
Amortization	(19,580)	-	-	-	19,580	-	-
Transfer of funds	-	(39,416)	(225)	13,592	26,049	-	-
Purchase of tangible capital assets	<u>4,260</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,260)</u>	<u>-</u>	<u>-</u>
Balance - end of year	\$ <u>62,366</u>	<u>356,275</u>	<u>192,237</u>	<u>159,426</u>	<u>696,922</u>	<u>1,467,226</u>	<u>1,403,870</u>

See accompanying notes to the financial statements.

SASKATCHEWAN PREVENTION INSTITUTE INC.

STATEMENT OF CASH FLOWS

Year ended March 31, 2021
with comparative figures for 2020

	<u>2021</u>	<u>2020</u>
Operating activities:		
Net earnings	\$ 63,356	18,341
Item not involving an outlay of cash:		
Amortization	<u>19,580</u>	<u>20,188</u>
	82,936	38,529
Changes in non-cash working capital:		
Accounts receivable	83,639	(67,857)
Prepaid	8,988	5,617
Accounts payable and accrued liabilities	(21,449)	(33,050)
Deferred income/revenue	<u>(25,809)</u>	<u>130,436</u>
	45,369	35,146
Investing activities:		
Additions to capital assets	(4,260)	-
Purchase of investments	(510,575)	(300,125)
Redemption of investments	<u>251,033</u>	<u>294,275</u>
	<u>(263,802)</u>	<u>(5,850)</u>
Increase (decrease) in cash during the year	(135,497)	67,825
Cash position, beginning of year	<u>402,799</u>	<u>334,974</u>
Cash position, end of year	<u>\$ 267,302</u>	<u>402,799</u>

See accompanying notes to the financial statements.

SASKATCHEWAN PREVENTION INSTITUTE INC.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

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, 2021

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 \$337,031 from program activities during the year (2020 - \$375,398).

	<u>2021</u>	<u>2020</u>
Salary and benefits	\$ 559,162	584,437
Recovery	<u>(276,563)</u>	<u>(323,297)</u>
Net salary and benefits	<u>282,599</u>	<u>261,140</u>
Office supplies	58,977	51,504
Recovery	<u>(52,365)</u>	<u>(45,965)</u>
Net office supplies	<u>6,612</u>	<u>5,539</u>
Website hosting, development and maintenance	24,627	14,475
Recovery	<u>(8,103)</u>	<u>(6,136)</u>
Net website hosting, development and maintenance	<u>\$ 16,524</u>	<u>8,339</u>

SASKATCHEWAN PREVENTION INSTITUTE INC.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

4. INVESTMENTS

	<u>Interest rate</u>	<u>Maturity</u>	<u>Principal Amount 2021</u>	<u>Principal Amount 2020</u>
Current:				
HSBC Bank GIC	2.05%	Apr. 6/20	\$ -	75,000
LBC Trust GIC	2.06%	Apr. 6/20	-	75,000
Canada Western Trust 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	-
ICICI Bank Canada GIC	1.75%	Jul. 5/21	47,686	-
SBI Canada Bank GIC	2.00%	Jul. 5/21	60,000	-
			<u>167,686</u>	<u>251,580</u>
Non-current:				
B2B Bank GIC	1.95%	Jul. 5/21	-	60,000
ICICI Bank Canada GIC	1.75%	Jul. 5/21	-	47,686
SBI Canada Bank GIC	2.00%	Jul. 5/21	-	60,000
Home Trust Co. GIC	2.95%	Jul. 4/22	47,000	47,000
Canada Western Trust GIC	1.10%	Jul. 8/22	65,000	-
Bank of Nova Scotia GIC	0.90%	Jul. 18/22	56,575	-
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
Canada 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	100,000
Bank of Montreal GIC	2.33%	Jul. 11/24	100,000	100,000
HomeEquity Bank GIC	2.29%	Sep. 23/24	45,125	45,125
Manulife Trust Co. GIC	2.25%	Sep. 23/24	55,000	55,000
Canadian Tire Bank GIC	2.33%	Apr. 14/25	97,500	-
General Bank of Canada GIC	2.17%	Apr. 14/25	97,500	-
PC Bank GIC	2.16%	Apr. 14/25	97,500	-
Versabank GIC	2.15%	Apr. 14/25	96,500	-
Accrued interest			23,341	22,794
			<u>1,277,253</u>	<u>933,817</u>
			<u>\$ 1,444,939</u>	<u>1,185,397</u>

5. CAPITAL ASSETS

		<u>2021</u>		<u>2020</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Building improvements	\$ 183,710	129,732	53,978	71,491
Furniture & equipment	<u>238,857</u>	<u>230,469</u>	<u>8,388</u>	<u>6,194</u>
	<u>\$ 422,567</u>	<u>360,201</u>	<u>62,366</u>	<u>77,685</u>

SASKATCHEWAN PREVENTION INSTITUTE INC.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

6. DEFERRED PROGRAM REVENUE

	<u>2021</u>	<u>2020</u>
Ministry of Health	\$ 125,409	70,559
Saskatchewan Government Insurance	18,174	46,199
Public Health Agency of Canada	187	40,218
Saskatchewan Liquor and Gaming Authority	83,850	70,519
Ministry of Social Services	1,120	61
Sask Abilities	-	13,625
Internally generated	-	13,369
	<u>\$ 228,740</u>	<u>254,550</u>

7. PROGRAM GRANTS AND ACTIVITIES

	<u>Grant received</u>	<u>Deferred revenue adjustment</u>	<u>2021 Grant revenue</u>	<u>2020 Grant revenue</u>
Program Grants:				
Ministry of Health	\$ 979,771	(54,851)	924,920	920,109
Public Health Agency of Canada	132,000	5,974	137,974	460,740
Saskatchewan Government Insurance	223,115	(8,167)	214,948	212,152
Saskatchewan Liquor and Gaming Authority	181,000	(13,330)	167,670	198,335
Ministry of Social Services	<u>75,093</u>	<u>-</u>	<u>75,093</u>	<u>73,803</u>
	<u>\$ 1,590,979</u>	<u>(70,374)</u>	<u>1,520,605</u>	<u>1,865,139</u>
Program Activities:				
Program Resources			16,729	17,036
Program Conference and Training Fees			50,909	115,317
Program Donations			-	40
Program Miscellaneous Income			<u>-</u>	<u>-</u>
			<u>1,588,243</u>	<u>1,997,532</u>

Accounts receivable includes \$0 of grant funding receivable (2020 - \$82,496).

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, 2021

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. This memorandum of understanding has no fixed expiry date. Occupancy costs increase 2% per annum.

Unless terminated by one of the parties, estimated future occupancy costs over the next five (5) years under the agreement are as follows:

2022	\$	12,122
2023		12,364
2024		12,611
2025		12,863
2026		<u>13,120</u>
	\$	<u>63,080</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.