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Financial Statements of

**SASKATCHEWAN
ASSOCIATION FOR SAFE
WORKPLACES IN HEALTH
INC.**

Year ended December 31, 2017



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INDEPENDENT AUDITORS' REPORT

To the Directors of Saskatchewan Association for Safe Workplaces in Health Inc.

We have audited the accompanying financial statements of Saskatchewan Association for Safe Workplaces in Health Inc. which comprise the statement of financial position as at December 31, 2017, the statements of operations and net assets and cash flows for the year then ended, and notes, comprising 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 from material misstatement, whether due to fraud or error.

Auditors' 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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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, we consider 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 Saskatchewan Association for Safe Workplaces in Health Inc. as at December 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.

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Chartered Professional Accountants

February 5, 2018
Regina, Canada

SASKATCHEWAN ASSOCIATION FOR SAFE WORKPLACES IN HEALTH INC.

Statement of Financial Position

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As at December 31, 2017, with comparative information for 2016

	2017	2016
Assets		
Current assets:		
Cash	\$ 772,804	\$ 113,700
Accounts receivable	23,591	4,034
Prepaid expenses	15,660	12,195
Investments (note 4)	560,395	534,741
	<u>1,372,450</u>	<u>664,670</u>
Property, plant and equipment (note 5)	45,435	55,719
Intangible assets (note 6)	29,247	24,167
	<u>\$ 1,447,132</u>	<u>\$ 744,556</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 137,974	\$ 101,521
Deferred revenue (note 8)	657,669	94,423
	<u>795,643</u>	<u>195,944</u>
Net assets	651,489	548,612
Commitments (note 9)		
	<u>\$ 1,447,132</u>	<u>\$ 744,556</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

SASKATCHEWAN ASSOCIATION FOR SAFE WORKPLACES IN HEALTH INC.

Statement of Operations and Net Assets

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Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Revenue:		
Funding from Saskatchewan Workers' Compensation		
Board:		
Annual Funding	\$ 1,777,000	\$ 1,527,000
Violence Initiative Program (note 8)	81,004	5,577
Training and development	59,479	18,473
Interest and other	6,349	6,372
	<u>1,923,832</u>	<u>1,557,422</u>
Expenses:		
Salaries and benefits	1,223,090	1,157,093
Meetings and travel	177,764	139,881
Rent	100,189	96,993
Contracting fees	80,931	14,437
Training and development	66,757	32,597
Office and administration	46,783	20,652
Amortization of property, plant and equipment	27,757	39,784
Consulting	25,928	21,163
Communications	23,845	20,109
Professional fees	9,851	9,483
Repairs and maintenance	9,207	9,363
Utilities	8,608	7,892
Insurance	6,419	5,225
Advertising and promotion	6,332	158
Amortization of intangible assets	5,720	833
Loss on disposal of property, plant and equipment	1,254	132
Miscellaneous	520	520
	<u>1,820,955</u>	<u>1,576,315</u>
Excess (deficiency) of revenue over expenses	102,877	(18,893)
Net assets, beginning of year	548,612	567,505
Net assets, end of year	<u>\$ 651,489</u>	<u>\$ 548,612</u>

See accompanying notes to financial statements.

SASKATCHEWAN ASSOCIATION FOR SAFE WORKPLACES IN HEALTH INC.

Statement of Cash Flows

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Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	\$ 102,877	\$ (18,893)
Items not involving cash:		
Amortization of property, plant and equipment	27,757	39,784
Amortization of intangible assets	5,720	833
Loss on disposal of property, plant and equipment	1,254	132
Change in non-cash operating items:		
Accounts receivable	(19,557)	8,621
Prepaid expenses	(3,465)	(4,562)
Accounts payable and accrued liabilities	36,453	894
Deferred revenue	563,246	94,423
	<u>714,285</u>	<u>121,232</u>
Investments:		
Purchase of property, plant and equipment	(18,727)	(22,689)
Purchase of intangible assets	(10,800)	(25,000)
Net (purchase) sale of investments	<u>(25,654)</u>	<u>16,887</u>
	(55,181)	(30,802)
Increase in cash	659,104	90,430
Cash, beginning of year	113,700	23,270
Cash, end of year	<u>\$ 772,804</u>	<u>\$ 113,700</u>

See accompanying notes to financial statements.

SASKATCHEWAN ASSOCIATION FOR SAFE WORKPLACES IN HEALTH INC.

Notes to Financial Statements

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Year ended December 31, 2017

1. Nature of operations:

The Saskatchewan Association for Safe Workplaces in Health Inc. (the "Corporation") is incorporated under *The Non-Profit Corporations Act of Saskatchewan*. The primary purpose of the Corporation is to develop and coordinate safety training programs for safety and injury prevention for workers in the province of Saskatchewan.

Pursuant to a funding agreement, the Corporation receives significant funding revenue from the Saskatchewan Workers' Compensation Board (the "WCB") to finance the development and co-ordination of the safety training programs referred to above. As a result, the Corporation is dependent upon the continuance of this funding to maintain operations at their current level.

The agreement provides further that all property, plant and equipment or assets acquired for safety program development and training are deemed to be supplied by the WCB and on dissolution of the Corporation, these assets will be transferred to the WCB.

2. Basis of preparation:

The financial statements for the year ended December 31, 2017 have been prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations outlined in Part III of the CPA Canada Handbook - Accounting.

3. Significant accounting policies:

The following accounting policies are considered significant:

(a) Revenue recognition:

The Corporation follows the deferral method of accounting for revenue. Restricted funding is recorded as revenue in the year in which the related expenses are incurred.

Contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(b) Financial assets and liabilities:

Financial instruments are recorded at fair value on initial recognition and are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Corporation has not elected to carry any such financial instruments at fair value.

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Notes to Financial Statements (continued)

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Year ended December 31, 2017

3. Significant accounting policies (continued):

(b) Financial assets and liabilities (continued):

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Corporation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Corporation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(c) Property, plant and equipment:

Property, plant and equipment is recorded at cost. Amortization is calculated using the straight-line method over their estimated useful lives as follows:

Asset	Useful Life
Office furniture and equipment	5 years
Leasehold improvements	5 years
Computer hardware	5 years
Computer software	5 years

(d) Intangible assets:

Intangible assets are recognized as an asset provided they meet the capitalization criteria, which include the Corporation's ability to measure reliably the cost of the asset and the Corporation's ability to demonstrate that the asset will generate future economic benefits. Assets are recorded at cost and are amortized on a straight-line basis over their estimated useful life of 5 years.

(e) Income taxes:

The Corporation is incorporated under *The Non-Profit Corporations Act of Saskatchewan*. Under present legislation, no income taxes are payable on reported income of such corporations.

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Notes to Financial Statements (continued)

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Year ended December 31, 2017

3. Significant accounting policies (continued):

(f) Use of estimates:

The preparation of the financial statements 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 revenue and expenses during the year. Significant estimates include the estimated useful lives of property, plant and equipment and intangible assets. Actual results could differ from those estimates.

4. Investments:

Investments are comprised of a \$256,645 (2016 - \$234,741) term deposit that has an effective interest rate of 0.60% (2016 – 0.75%) and maturity date of January 13, 2018 (2016 – January 13, 2017), a \$101,050 (2016 - \$100,000) term deposit that has an effective interest rate of 0.90% (2016 – 1.05%) and maturity date of July 13, 2018 (2016 – July 13, 2017), and a \$202,700 (2016 - \$200,000) GIC that has an effective interest rate of 1.35% (2016 – 1.35%) and maturity date of January 13, 2018 (2016 – January 13, 2018).

5. Property, plant and equipment:

			2017		2016	
	Cost	Accumulated amortization	Net book value		Net book value	
Office furniture and equipment	\$ 70,239	\$ 62,868	\$ 7,371	\$	10,603	
Leasehold improvements	40,870	35,732	5,138		9,812	
Computer hardware	112,906	79,980	32,926		35,304	
Computer software	13,206	13,206	-		-	
	\$ 237,221	\$ 191,786	\$ 45,435	\$	55,719	

6. Intangible assets:

			2017		2016	
	Cost	Accumulated amortization	Net book value		Net book value	
Website program module	\$ 35,800	\$ 6,553	\$ 29,247	\$	24,167	

SASKATCHEWAN ASSOCIATION FOR SAFE WORKPLACES IN HEALTH INC.

Notes to Financial Statements (continued)

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Year ended December 31, 2017

7. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$11,032 (2016 - \$10,813) which include amounts payable for PST and payroll related taxes.

8. Deferred revenue:

The Corporation entered into a funding arrangement with WCB to deliver a Violence Initiative Program for completion of a logic model outlining the deliverables and strategy of the violence prevention framework. Under the arrangement, any funding received by the Corporation in excess of its costs should either be refunded to WCB or be applied towards program activities in subsequent years.

	2017	2016
Beginning balance	\$ 94,423	\$ -
Additions	200,000	100,000
Recognized as revenue	(81,004)	(5,577)
Ending balance	\$ 213,419	\$ 94,423

As at December 31, 2017, the Corporation deferred the quarterly instalment of its 2018 annual funding received from WCB of \$444,250 towards program activities to be undertaken in 2018.

9. Commitments:

The Corporation is committed under leases for office space and vehicles over the next five years as follows:

2018	\$ 138,844
2019	137,896
2020	135,053
2021	133,531
2022	38,930

SASKATCHEWAN ASSOCIATION FOR SAFE WORKPLACES IN HEALTH INC.

Notes to Financial Statements (continued)

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Year ended December 31, 2017

10. Financial risks and concentration of credit risk:

(a) Liquidity risk:

Liquidity risk is the risk that the Corporation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Corporation manages its liquidity risk by monitoring its operating requirements. The Corporation prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2016.

(b) Credit risk:

The Corporation's principal financial assets are cash, accounts receivable and investments, which are subject to credit risk. The carrying amounts of financial assets on the statement of financial position represent the Corporation's maximum credit exposure at the balance sheet date.

The Corporation's credit risk is primarily attributable to its accounts receivable and cash and investments. The amounts disclosed in the statement of financial position for accounts receivable are net of allowance for doubtful accounts, estimated by management of the Corporation based on previous experience and its assessment of the current economic environment. The Corporation does not have significant exposure to any individual customer and has not incurred any significant bad debts during the year. The credit risk on cash and investments is limited because the counterparties are chartered banks with high credit ratings assigned by national credit-rating agencies.