

Financial Statements of

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

Year ended December 31, 2018



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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of Saskatchewan Association for Safe Workplaces in Health Inc. (the Corporation), which comprise:

- the statement of financial position as at December 31, 2018
- the statement of operations and net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2018, and its results of 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 "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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.



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

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

Auditors' Responsibilities 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 auditors' 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 the 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.



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- 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 Corporation'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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Corporation 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
- 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.

KPMG LLP

Chartered Professional Accountants

March 11, 2019
Regina, Canada

SASKATCHEWAN ASSOCIATION FOR SAFE WORKPLACES IN HEALTH INC.

Statement of Financial Position

As at December 31, 2018, with comparative information for 2017

	2018	2017
Assets		
Current assets:		
Cash	\$ 752,715	\$ 772,804
Accounts receivable	39,349	23,591
Prepaid expenses	18,930	15,660
Investments (note 4)	564,224	560,395
	<u>1,375,218</u>	<u>1,372,450</u>
Property, plant and equipment (note 5)	25,528	45,435
Intangible assets (note 6)	22,087	29,247
	<u>\$ 1,422,833</u>	<u>\$ 1,447,132</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 136,720	\$ 137,974
Deferred revenue (note 8)	444,250	657,669
	<u>580,970</u>	<u>795,643</u>
Net assets	841,863	651,489
Commitments (note 9)		
	<u>\$ 1,422,833</u>	<u>\$ 1,447,132</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

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Revenue:		
Funding from Saskatchewan Workers' Compensation		
Board:		
Annual Funding	\$ 1,777,000	\$ 1,777,000
Violence Initiative Program (note 8)	413,419	81,004
Training and development	115,667	59,479
Interest and other	6,640	6,349
	<u>2,312,726</u>	<u>1,923,832</u>
Expenses:		
Salaries and benefits	1,179,397	1,223,090
Contracting fees	424,483	80,931
Meetings and travel	166,619	177,764
Rent	117,253	100,189
Office and administration	76,366	46,783
Communications	33,989	23,845
Training and development	29,276	66,757
Amortization of property, plant and equipment	25,580	27,757
Consulting	22,986	25,928
Professional fees	10,335	9,851
Utilities	8,889	8,608
Repairs and maintenance	8,724	9,207
Amortization of intangible assets	7,160	5,720
Insurance	5,826	6,419
Advertising and promotion	5,358	6,332
Miscellaneous	111	520
Loss on disposal of property, plant and equipment	-	1,254
	<u>2,122,352</u>	<u>1,820,955</u>
Excess of revenue over expenses	190,374	102,877
Net assets, beginning of year	651,489	548,612
Net assets, end of year	<u>\$ 841,863</u>	<u>\$ 651,489</u>

See accompanying notes to financial statements.

SASKATCHEWAN ASSOCIATION FOR SAFE WORKPLACES IN HEALTH INC.

Statement of Cash Flows

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 190,374	\$ 102,877
Items not involving cash:		
Amortization of property, plant and equipment	25,580	27,757
Amortization of intangible assets	7,160	5,720
Loss on disposal of property, plant and equipment	-	1,254
Change in non-cash operating items:		
Accounts receivable	(15,758)	(19,557)
Prepaid expenses	(3,270)	(3,465)
Accounts payable and accrued liabilities	(1,254)	36,453
Deferred revenue	(213,419)	563,246
	(10,587)	714,285
Investments:		
Purchase of property, plant and equipment	(5,673)	(18,727)
Purchase of intangible assets	-	(10,800)
Purchase of investments	(3,829)	(25,654)
	(9,502)	(55,181)
(Decrease) increase in cash	(20,089)	659,104
Cash, beginning of year	772,804	113,700
Cash, end of year	\$ 752,715	\$ 772,804

See accompanying notes to financial statements.

SASKATCHEWAN ASSOCIATION FOR SAFE WORKPLACES IN HEALTH INC.

Notes to Financial Statements

Year ended December 31, 2018

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, 2018 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.

SASKATCHEWAN ASSOCIATION FOR SAFE WORKPLACES IN HEALTH INC.

Notes to Financial Statements (continued)

Year ended December 31, 2018

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.

SASKATCHEWAN ASSOCIATION FOR SAFE WORKPLACES IN HEALTH INC.

Notes to Financial Statements (continued)

Year ended December 31, 2018

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 \$258,185 (2017 - \$256,645) term deposit that has an effective interest rate of 0.60% (2017 – 0.60%) and maturity date of January 13, 2019 (2017 – January 13, 2018), a \$101,959 (2017 - \$101,050) term deposit that has an effective interest rate of 1.98% (2017 – 0.90%) and maturity date of July 13, 2019 (2017 – July 13, 2018), and a \$204,080 (2017 - \$202,700) GIC that has an effective interest rate of 1.8% (2017 – 1.35%) and maturity date of July 13, 2019 (2017 – January 13, 2018).

5. Property, plant and equipment:

			2018		2017	
	Cost	Accumulated amortization	Net book value		Net book value	
Office furniture and equipment	\$ 70,239	\$ 70,028	\$ 211	\$	\$ 7,371	
Leasehold improvements	40,870	39,862	1,008		5,138	
Computer hardware	118,579	94,270	24,309		32,926	
Computer software	13,206	13,206	-		-	
	\$ 242,894	\$ 217,366	\$ 25,528	\$	\$ 45,435	

6. Intangible assets:

			2018		2017	
	Cost	Accumulated amortization	Net book value		Net book value	
Website program module	\$ 35,800	\$ 13,713	\$ 22,087	\$	\$ 29,247	

SASKATCHEWAN ASSOCIATION FOR SAFE WORKPLACES IN HEALTH INC.

Notes to Financial Statements (continued)

Year ended December 31, 2018

7. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$14,184 (2017 - \$11,032) 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.

Violence initiative program	2018	2017
Beginning balance	\$ 213,419	\$ 94,423
Additions during the year	200,000	200,000
Recognized as revenue during the year	(413,419)	(81,004)
Ending balance	\$ -	\$ 213,419

As at December 31, 2018, the Corporation deferred the quarterly instalment of its 2019 annual funding received from WCB of \$444,250 (2017 - \$444,250) towards program activities to be undertaken in 2019.

9. Commitments:

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

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)

Year ended December 31, 2018

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 2017.

(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.