



Policy Wise
for Children & Families

ANNUAL REPORT

2018-2019

We connect people with evidence.





OUR VISION

Children, youth,
and families thrive
in respectful, safe,
and supportive
environments shaped
by wise decisions.

OUR MISSION

To inform, identify,
and promote
effective policy and
practice to improve
the well-being of
children, families,
and communities.

TABLE OF CONTENTS

Welcome Message	2
About PolicyWise	4
Partnerships	9
Outcomes	11
Management Discussion & Analysis.....	13
Independent Auditors' Report	15
Statement of Financial Position	17
Statement of Revenues and Expenses.....	18
Statement of Changes in Net Assets.....	19
Statement of Cash Flows	20
Notes to Financial Statements.....	21
Schedule 1: Schedule of Deferred Contributions	27

MESSAGES FROM BOARD CHAIR AND PRESIDENT & CEO

For me, mental health is something extremely important and I think that mental health services should be more readily available, especially for youth; it can be extremely difficult to tell someone you are suffering. ”

- Youth Hub
Participant, age 16

At PolicyWise, we are passionate about the work that we do and feel strongly that evidence-informed changes to policy and practice can most effectively address the need for increased access to mental health services. By leveraging the Data-to-Wisdom cycle, which embraces lived experience like that of the youth quoted on the left, the projects we have collaborated on with our partners have produced many important outcomes, particularly in the area of mental health. For example, in collaboration with the Government of Alberta, the Canadian Mental Health Association, the Graham Boeckh Foundation, and the Mental Health Foundation, we have worked together on the Integrated Youth Hubs Initiative, focused on providing access to a range of services youth need to ultimately improve their mental health. The potential of this initiative to positively affect so many Alberta youth in need is truly encouraging. This should also benefit families and enhance communities.

Another extensive project that has helped to provide key insights to the creation of the Youth Hubs and many other projects, is the Child and Youth Data Lab (CYDL). A multifaceted, impactful initiative, the CYDL project linked and analyzed data across six Government of Alberta Ministries from over 20 programs, over a six year period of time, to inform policy and program development. The CYDL project has now formally ended, however, an array of project results are still to be shared and the benefits of this work will be felt for years to come.

Dr. James Talbot, Board Chair

The work that our staff do in the area of mental health and so many others is truly impressive and their drive to excel knows no bounds. When we asked them, “What is your why?” they cited: a passion for innovation; good evidence making a difference; and not wanting people in Alberta, especially children, to suffer when there’s no need. Truly inspiring!

This year, in support of these amazing individuals, we launched the CMHA initiative Not Myself Today in both our Edmonton and Calgary offices. The program’s aim is to change the way we think about, act towards, and support mental health, and to help build a safe and supportive work environment. Like its name, it’s a way to recognize that we are all affected by mental health and there will be days where you are not feeling like yourself and that’s okay. The staff have embraced this new program and the impact on the work environment has been positive.

At PolicyWise, we continue to look for opportunities to make a difference with our partners in the area of mental health and the other dimensions affecting the well-being of children and families. We encourage you to join us in our quest to make real, lasting change.

Robyn Blackadar, President & CEO

To our Board, partners, stakeholders, and PolicyWise team, ***thank you*** for your support and inspiration, without which we could not achieve what we do.



BOARD OF DIRECTORS

Front row, left to right:

Robyn Blackadar, Shannon Spenceley, James Talbot, Belinda Boleantu

Back row, left to right:

Brian Callaghan, Sandra Davidge, Jackie Sieppert, Tanya McLeod

Missing:

Martin Coutts, Denise Lightning, Brenda Rebman

ABOUT POLICYWISE

It was not until the partnership between our area and PolicyWise' Child and Youth Data Laboratory where our intuitions and work over 10 years were validated. The results of their work clearly showed the need for a multi-sector collaborative framework to support these complex needs individuals. Their report and considerations assisted us in opening significant dialogue with our partners. We were no longer relying solely on experience and intuition but on an evidence-based approach provided by the results of data from an Alberta context. These learnings and data analysis have propelled us forward significantly."

”

- Menasha Nikhanj,
Director, Integrated
Community Safety,
Justice and
Solicitor General

PolicyWise was established as a charitable, nonprofit corporation in 2003 and is a strategic partnership between Alberta's universities, the community, and the Government of Alberta.

We are a provincial organization, with offices in Calgary and Edmonton, governed by a Board of Directors from across Alberta, managed by a President and CEO, and supported by a team of individuals with expertise in applied research, data science, evaluation, knowledge mobilization, communications, and administration.

OUR VISION

Children, youth, and families thrive in respectful, safe, and supportive environments shaped by wise decisions.

OUR MISSION

To inform, identify, and promote effective policy and practice to improve the well-being of children, families, and communities.

OUR VALUES:

- Impact
- Innovation
- Transparency
- Ethics
- Quality-focus

OUR FOUNDATION IS GROUNDED IN TRUSTED:

- Relationships
- Approaches
- Evidence

OUR APPROACH

We meet people where they are. This means that we work collaboratively with people to clearly define the issue that they need to address and work together to determine what we will do to support their Data-to-Wisdom needs. Together we ensure that we do high quality, collaborative work that informs wise decisions. We continuously assess what is working and what is not and adjust to ensure that we achieve our common goals.

ACCOMPLISHING OUR MISSION

By staying true to our Theory of Change, we will accomplish our mission.



[With SAGE we] created opportunities for new partnerships to create new evidence with experienced researchers ... to have new researchers work on the data with autonomy is very rare ... the small grants have been hugely successful for emerging scientists ... [new researchers have told me] ... their project is a consequence of the SAGE grants.

”

- Researcher

ASSESSING OUR IMPACT

We hold ourselves to the highest standards for delivering quality services and products. This drives our passion to pursue organizational excellence. Measuring our results goes beyond looking at goals and objectives to provide a deeper understanding of how and why we are doing what we do.

The question that guides how we evaluate our work is, *“What happened or changed as a result of our actions?”* Through our commitment to learning, rigorous monitoring, and evaluation of our approach, PolicyWise learns, adapts, and improves.

DATA-TO-WISDOM CYCLE





DATA

The raw materials of information (distinct pieces of information) comprised of any sort of raw fact or points of reality. It is typically expressed by numbers, words, images, sounds, experiences, etc.



INFORMATION

Data that has meaning. Data is in a usable form that is processed or organized in some way to describe a particular situation or condition.



EVIDENCE

Information derived from a range of sources that has been subjected to testing and is found to be credible. These include, but are not limited to research, experience, evaluation, information from the local context and environment, economics, and politics.



KNOWLEDGE

Derived from practical use of evidence. It involves personal experience to interpret and apply the evidence.



WISDOM

The ability to successfully apply knowledge to make strategic decisions. The soundness of an action or decision with regard to the application of experience, knowledge, and good judgment.

CHEO, Kmb Toolkit
<http://www.kmbtoolkit.ca/what-is-kmb>

Bellinger G, Castor D, Mills A (2004). Data, Information Knowledge, and Wisdom. Retrieved from the internet on March 5, 2018 from www.systems-thinking.org/dikw/dikw.htm.

Ackoff, R. L. (1989). From data to wisdom. *Journal of Applied Systems Analysis* 15: 3-9.



We are going to use the [PolicyWise] report to have conversations about sustainable solutions that are not based on funding ... the information [PolicyWise provided] gives us confidence to speak about what we need to do next ...

”

- Nonprofit

We knew we were on the right track [with our integrated service approach], we just never had the numbers to support what we had done ... the information PolicyWise gave us ... is helping us operationalize in a really evidence based way ... give us numbers to say to other departments, “Yes, you should be involved.”

”

- Government of Alberta

PARTNERSHIPS

Our founding partners are Alberta Children's Services, the University of Alberta, the University of Calgary, the University of Lethbridge, the University of Athabasca, and the community sector.

Since 2003, we have helped Alberta Children's Services deliver evidence-informed services for children, youth, and families. As part of our grant agreement for 2018/19, we conducted research in the following areas:

1 INTERSECTIONAL TOPICS

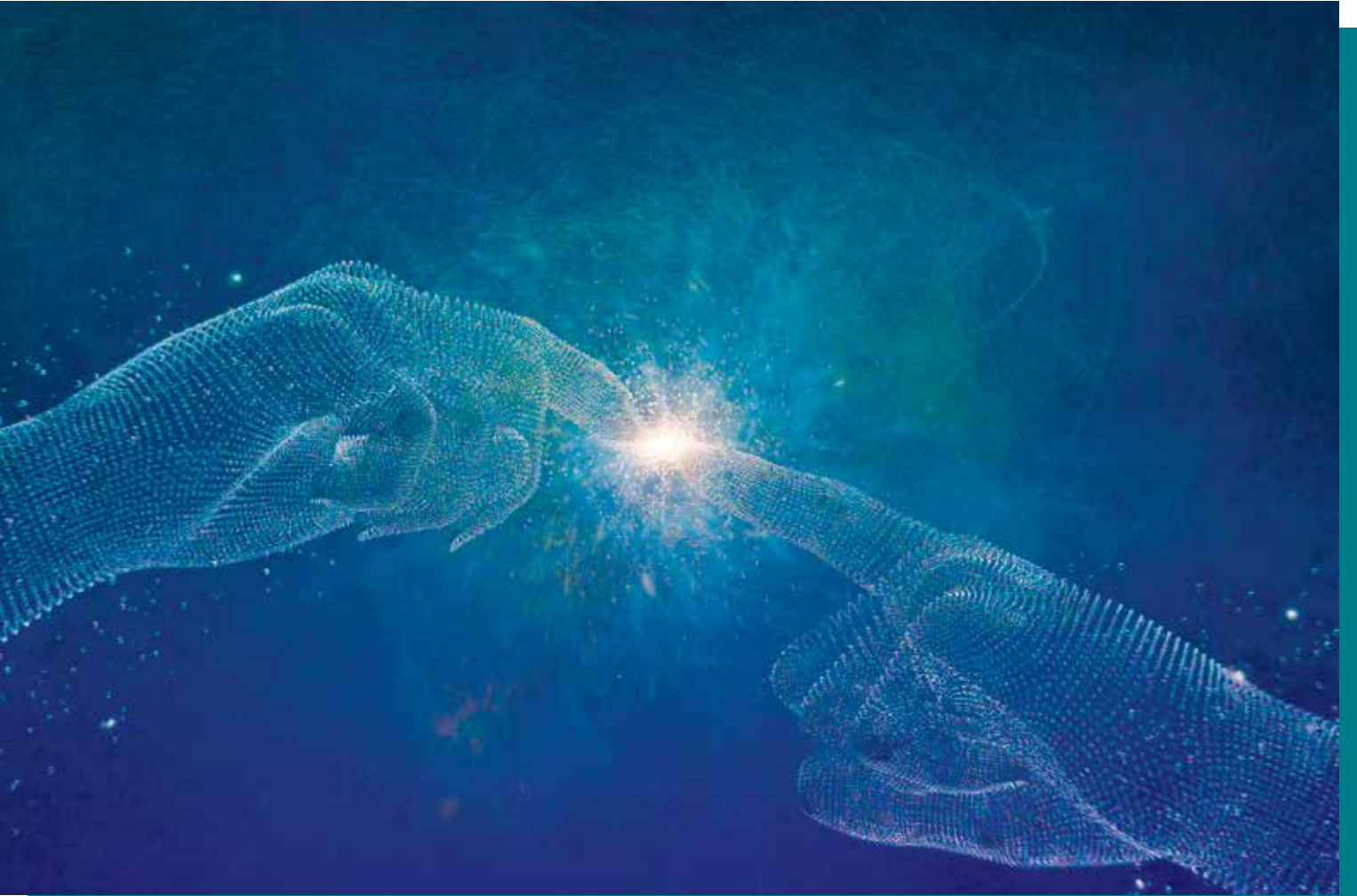
- Indigenous
- Resilience
- Long-term outcomes of supports and services

2 NEEDS/SERVICES "WHAT"

- Mental health
- Early childhood development
- Transitions for youth
- Intergenerational trauma

3 DELIVERY/ACCESS "HOW"

- Child intervention system
- Collaboration/service integration
- Community capacity



PolicyWise also generates evidence for other provincial government departments, such as: Alberta Education; Advanced Education; Alberta Health; Alberta Justice and Solicitor General; and Community and Social Services. In addition, we work with provincial organizations such as: Alberta Health Services; Office of the Auditor General; Office of the Child and Youth Advocate; Alberta Mentoring Partnership; the Institute for Health Economics; and Alberta Innovates.

Our stakeholder list is comprised of agencies, organizations, and associations that focus on children, youth, and families. We also work with private businesses who share our interest in data management and technology to support social good.

Partnerships with our founding academic partners have grown to include affiliations with other educational institutions such as:

- Alberta Children's Hospital Research Institute
- Women's and Children's Health Research Institute
- Community University Partnership
- Mount Royal Centre for Child Well-being

PolicyWise also collaborates with many researchers and several PolicyWise staff have adjunct appointments with Alberta universities.

Nationally, we collaborate with organizations and institutes such as: the Child Welfare League of Canada; UNICEF Canada; the Canadian Red Cross; the Centre for Research on Children and Families (McGill University); and Canadian Institutes for Health Research. We also connect with many international organizations with shared interests and activities.

OUTCOMES

PolicyWise uses a collaborative research and evaluation approach that engages stakeholders while creating evidence that answers their questions. Our research and evaluation projects are policy-relevant and align with our designated areas of focus.

The following highlights the outcomes from four of our major projects:

VALUING MENTAL HEALTH – INTEGRATED HUBS

The Government of Alberta's *Valuing Mental Health: Next Steps* report was released in June 2017. Within the report, the first action step calls for the implementation of a community-based service model (integrated hub) where services are jointly planned and delivered by multiple sectors through one location. PolicyWise has been contracted to create a framework that will support community-led implementation of integrated hubs in small- to medium-sized population centres in Alberta for youth ages 11-24 years. Read more about this initiative on our website:

<https://policywise.com/research-evaluation/mental-health/>

CHILD AND YOUTH DATA LABORATORY (CYDL)

PolicyWise conducts policy-relevant analyses to support decision-making for government, community organizations, and other stakeholders. The CYDL is a key partnership with the Government of Alberta, focusing on linking data across ministries to inform policy and practice. The CYDL linked data for Albertans 0 to 30 years old over a 6-year period and focused on service use within and across ministries, across key indicators and time.

Several major research themes were identified as a result of extensive consultations and ongoing collaboration with participating ministries. These include transitions, resilience, early childhood development, disability, Fetal Alcohol Spectrum Disorder, and mental health. This work provides a quantitative perspective and reveals deep and complex relationships of determinants and influencing factors on the outcomes of children, youth, and families. Read more about this initiative on our website:

<https://policywise.com/data/>

MULTI-YEAR TRAUMA INFORMED SERVICES ACTION PLAN

In collaboration with Alberta Justice and the Alberta Solicitor General, PolicyWise is developing an action plan to integrate trauma-informed practices in the youth criminal justice system. Trauma informed practice is an approach that understands, recognizes, and responds to the effects of trauma in individuals. This project includes: updating Young Offender Branch policies and documents to reflect this approach; creating related materials for staff and families; and developing and implementing an action plan. Read more about this initiative on our website:

<https://policywise.com/research-evaluation/trauma-informed-practice/>

BENT ARROW: EXPLORING CEREMONY AND TRADITIONAL PRACTICE IN SERVICE DELIVERY

This project is a partnership between Children's Services, Bent Arrow, and PolicyWise. It seeks to understand and describe the impact of ceremony and traditional practices in promoting and restoring child and family well-being. As part of the methodological process, PolicyWise participated in cultural teachings, practices, and activities at Bent Arrow prior to engaging with service providers and client families. An illustrated explanation of Bent Arrow's service delivery process is a key deliverable for this project.

Important thematic messages from the findings include:

- Culture and ceremony are practiced in ways of thinking, doing, and relating to oneself and others
- Including ceremony and traditional practice within service delivery facilitate healing and promotes resilience for staff and client families. Connecting to culture, spirituality, identity, community, support workers, and kin are ways in which healing occurs and resiliency is developed
- Offering ceremony and traditional practice in service delivery does not preclude being responsive to other cultures. A foundation of the Bent Arrow approach is that people from all different cultures are served with compassion and empathy and service practitioners meet families where they are at and understand and accommodate unique needs

Read more about this initiative on our website:

Generating New Evidence: Project and Research Report 2018-19, P.11



MANAGEMENT DISCUSSION & ANALYSIS

PolicyWise's mission is to inform, identify, and promote effective policy and practice to improve the well-being of children, families and communities.

We do this by conducting, funding, and mobilizing research and evaluation that informs sound social policy and practice.

Financially, PolicyWise manages and operates three funds:

RESEARCH

CHILD AND YOUTH DATA LAB (CYDL)

OPERATIONS

For 2018/19, PolicyWise's revenues totalled \$6,149,087, up 5% (\$269,751) from the 2017/18 total (\$5,879,336). The increase was due primarily to more grant income (\$4,879,113) for 2018/19 compared to 2017/18 (\$4,717,075). This is a difference in grant income of \$162,038. When eligible expenses are incurred on projects and activities, the revenue is recognized. An increase in recovered expenses and donations also contributed to the higher revenue this year.

RESEARCH

PolicyWise's Research Fund supports and mobilizes innovative evidence and knowledge to inform social policies and programs for Alberta's children, youth, and families.

This fund had an excess of revenues over expenditures of \$550,377 in 2018/19. In 2017/18 the excess was \$685,233. In both years the excess was due to substantial investment returns. The investment return was \$704,874 in the current year and \$685,233 in 2017/18.

The Research Fund grant revenue was \$3,145,032 in 2018/19, up from \$2,692,399 in 2017/18, due primarily to increased research activity. The fund expenses were \$3,697,636 in 2018/19 as compared to \$2,965,650 in 2017/18.

The direct costs for research grants and awards and research contracts were lower in 2018/19 at \$1,095,209, compared to \$1,469,244 in 2017/18. PolicyWise reduced research grants this year and focused on Children's Services initiatives. We also saw decreased research contract activity on behalf of PolicyWise partners. The latter is funded from outside sources so revenue is recognized as the activity is undertaken. Research grants are made with funding assistance from Children's Services and therefore revenue is recognized when they are paid out to the recipients.

CHILD AND YOUTH DATA LAB (CYDL)

This was a transitional year with the CYDL wrapping up and new data Initiatives were being conducted, so the fund reflects revenue and expenditures from both streams of business.

In July, 2018, the Government of Alberta (GoA) informed PolicyWise that it decided to transition the CYDL to be internal to government after 2018/19. As a result, they will no longer provide funding to PolicyWise for this project after March 31, 2019. The CYDL generated significant insight and interest over the years, and PolicyWise will continue to mobilize the knowledge it generated through the project.

The CYDL's and other data initiative expenditures for the year were \$902,023, a decrease of \$312,672 over 2017/18.

OPERATIONS

Operational expenses for all activities were \$898,576 in 2018/19, an increase of \$76,273 from 2017/18.

LOOKING FORWARD

PolicyWise will continue to strive towards maintaining a strong financial position by securing funding to support foundational projects and build on existing projects. PolicyWise has taken on new data initiatives as a result of the wind-down of the CYDL, and will pursue new collaborative funding opportunities. PolicyWise will develop, secure funding, and deliver many projects that explicitly support using our integrated service approach to address strategic priorities to support the well-being of children, families, and communities.

INDEPENDENT AUDITORS' REPORT

*R. G NOBLE, B. Comm., CA
*James R. WADE, B. Comm., CGA, CA
*B. D. MAYER, B. MGMT., CA

P.O. BOX 100
ROCKY MOUNTAIN HOUSE
ALBERTA, T4T 1A1

Phone: 403.845.3226
Fax: 403.845.5666

To the Board of Directors of PolicyWise for Children & Families

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of PolicyWise for Children & Families (the Entity), which comprise the statement of financial position as at March 31, 2019, and the statements of operations, cash flows, and changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2019 and the results of its operations, cash flows and net assets for the year then ended in accordance with Canadian Accounting Standards for Not for Profit Organizations.

Basis of 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 the Entity in accordance with the Chartered Professional Accountants of Alberta Rules of Professional Conduct 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.

Responsibility of Management and the Board of Directors 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 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 using 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. The Board of Directors are responsible for overseeing the Entity's financial reporting process.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the annual report but does not include the financial statements or our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information included in the annual report and we do not express any form of assurance on conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available 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. When we read the annual report, if we conclude that there is a material misstatement therein we are required to communicate the matter to the Board of Directors.



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 the Board of Directors 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.

Wade Noble & Partners LLP

Chartered Accountants

*Rocky Mountain House, Alberta
June 11, 2019*

*DENOTES PROFESSIONAL CORPORATION

STATEMENT OF FINANCIAL POSITION

MARCH 31

ASSETS	OPERATIONS FUND	RESEARCH FUND	CYDL FUND	2019 TOTAL	2018 TOTAL
Current					
Cash and cash equivalents	\$ 2,921,482	\$ 132,359	\$ -	\$ 3,053,841	\$ 4,408,459
Short term investments (Note 4)	2,348,474	-	-	2,348,474	2,160,788
Amounts receivable (Note 3)	256,451	321,313	212,500	790,264	1,414,339
Prepaid expenses	49,431	-	-	49,431	76,376
Interfund loans and advances (Note 6)	(4,563,566)	3,949,542	614,024	-	-
	1,012,272	4,403,214	826,524	6,242,010	8,059,962
Long-term investments (Note 4)	1,300,000	2,810,651	-	4,110,651	3,669,431
Property, plant and equipment (Note 5)	49,847	182,883	145,953	378,683	385,608
Restricted investments (Note 4)	-	6,025,100	-	6,025,100	5,901,176
	\$ 2,362,119	\$ 13,421,848	\$ 972,477	\$ 16,756,444	\$ 18,016,177
LIABILITIES					
Current					
Amounts payable	\$ 86,657	\$ 204,412	\$ 48,946	\$ 340,015	\$ 454,028
Deferred contributions (Schedule 1)	1,262,289	2,534,803	298,645	4,095,737	9,062,220
	1,348,946	2,739,215	347,591	4,435,752	9,516,248
Deferred contributions (Schedule 1)	-	3,746,421	-	3,746,421	545,409
Deferred capital contributions (Note 7)	-	-	145,953	145,953	177,055
	1,348,946	6,485,636	493,544	8,328,126	10,238,712
Commitments (Note 9)					
Contingencies (Note 11)					
NET ASSETS					
Net assets invested in property, plant and equipment	49,847	182,883	-	232,730	208,552
Internally restricted net assets (Note 8)	-	6,025,100	-	6,025,100	5,901,176
Unrestricted net assets	963,326	728,229	478,933	2,170,488	1,667,737
	1,013,173	6,936,212	478,933	8,428,318	7,777,465
	\$ 2,362,119	\$ 13,421,848	\$ 972,477	\$ 16,756,444	\$ 18,016,177

Approved by the board:

Martin Coultas

Director

See accompanying notes to the financial statements.

STATEMENT OF REVENUES AND EXPENSES

YEAR ENDED MARCH 31

REVENUES	OPERATIONS FUND	RESEARCH FUND	CYDL FUND	2019 TOTAL	2018 TOTAL
Current					
Grants (Schedule 1)	\$ 850,000	\$ 3,145,032	\$ 884,081	\$ 4,879,113	\$ 4,717,075
Recovered expenses	42,284	333,593	17,940	393,817	308,564
Investment income (Note 4)	75,284	704,874	21,174	801,332	746,667
Donations	10,311	64,514	-	74,825	19,795
Amortization of deferred lease inducement	-	-	-	-	87,235
	977,879	4,248,013	923,195	6,149,087	5,879,336
EXPENDITURES					
Salaries and subcontractors	632,646	2,079,797	496,628	3,209,071	2,654,165
Research grants and awards	-	230,126	-	230,126	370,120
Communications and knowledge transfer	18,824	50,308	769	69,901	57,647
Research contracts	-	865,083	99,323	964,406	1,099,580
Consulting	60,181	-	59,179	119,360	16,520
Office and equipment rental	51,789	273,300	66,601	391,690	295,496
Travel	15,991	55,442	21,917	93,350	76,452
Amortization	18,784	43,212	36,488	98,484	132,655
Information technology and office expense	64,183	100,130	105,052	269,365	221,231
Legal and audit fees	20,806	238	16,066	37,110	61,809
Board expenses	15,261	-	-	15,261	16,577
Committee expenses	111	-	-	111	394
	898,576	3,697,636	902,023	5,498,235	5,002,646
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	79,303	550,377	21,172	650,852	876,690
Loss on disposal of property, plant and equipment	-	-	-	-	(125,053)
EXCESS OF REVENUES OVER EXPENSES	\$ 79,303	\$ 550,377	\$ 21,172	\$ 650,852	\$ 751,637

See accompanying notes to the financial statements.

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED MARCH 31

2019	UNRESTRICTED NET ASSETS	INTERNALLY RESTRICTED NET ASSETS	INVESTED IN PROPERTY, PLANT AND EQUIPMENT	TOTAL
Balance, beginning of year	\$ 1,667,738	\$ 5,901,176	\$ 208,552	\$ 7,777,466
Excess of revenues over expenses	650,852	-	-	650,852
Amortization of capital contributions	(36,490)	-	36,490	-
Amortization of property, plant and equipment	98,484	-	(98,484)	-
Purchase of property, plant and equipment	(91,557)	-	91,557	-
Increase in deferred capital contributions	5,385	-	(5,385)	-
Allocation to reserve	(123,924)	123,924	-	-
	\$ 2,170,488	\$ 6,025,100	\$ 232,730	\$ 8,428,318

2018	UNRESTRICTED NET ASSETS	INTERNALLY RESTRICTED NET ASSETS	INVESTED IN PROPERTY, PLANT AND EQUIPMENT	TOTAL
Balance, beginning of year	\$ 998,925	\$ 5,819,700	\$ 207,204	\$ 7,025,829
Excess of revenues over expenses	751,637	-	-	751,637
Amortization of deferred lease inducements	(87,235)	-	87,235	-
Amortization of capital contributions	3,410	-	(3,410)	-
Amortization of property, plant and equipment	132,655	-	(132,655)	-
Purchase of property, plant and equipment	(175,231)	-	175,231	-
Loss on disposal of property, plant and equipment	125,053	-	(125,053)	-
Allocation to reserve	(81,476)	81,476	-	-
	\$ 1,667,738	\$ 5,901,176	\$ 208,552	\$ 7,777,466

See accompanying
notes to the financial
statements.

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

OPERATING	OPERATIONS FUND	RESEARCH FUND	CYDL FUND	2019 TOTAL	2018 TOTAL
Excess of revenues over expenses	\$ 79,303	\$ 550,377	\$ 21,172	\$ 650,852	\$ 751,637
<i>Items not affecting cash flows:</i>					
Amortization of property, plant and equipment	18,784	43,212	36,488	98,484	132,655
Amortization of deferred lease inducement	-	-	-	-	(87,235)
Amortization of capital contributions	-	-	(36,490)	(36,490)	3,411
Loss on disposal of property, plant and equipment	-	-	-	-	125,053
Unrealized loss (gain) on investments	1,361	(892)	383	852	(95,694)
	99,448	592,697	21,553	713,698	829,827
Net changes in non-cash working capital	35,070	(1,116,169)	(141,983)	(1,223,082)	(383,174)
Cash (used for) from operating activities	134,518	(523,472)	(120,430)	(509,384)	446,653
FINANCING					
Interfund transfers	(1,358,490)	1,232,296	126,194	-	-
Cash (used for) from financing activities	(1,358,490)	1,232,296	126,194	-	-
INVESTING					
Purchase of investments	(189,045)	(564,253)	(379)	(753,677)	(627,073)
Purchase of property, plant and equipment	(13,141)	(73,031)	(5,385)	(91,557)	(175,231)
Cash used for investment activities	(202,186)	(637,284)	(5,764)	(845,234)	(802,304)
DECREASE IN CASH AND CASH EQUIVALENTS	(1,426,158)	71,540	-	(1,354,618)	(355,651)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,347,640	60,819	-	4,408,459	4,764,110
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 2,921,482	\$ 132,359	\$ -	\$ 3,053,841	\$ 4,408,459

See accompanying notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

MARCH 31,
2019

1. NATURE OF OPERATIONS

PolicyWise for Children & Families (the Entity) was incorporated as a not for profit corporation under the Alberta Business Corporations Act on March 21, 2003 and is exempt from taxation. Effective April 1, 2004 the Entity was registered as a registered charity under the Income Tax Act. The Entity's mission is to develop, support and integrate research across sectors and disciplines to provide a strong, evidence based foundation for identifying and promoting effective public policy and service delivery to improve the well-being of Alberta's children, families and communities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not for profit organizations as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

a) Cash

Cash includes cash on deposit with a Canadian financial institution.

b) Fund accounting

The Operations Fund accounts for the Entity's administration and governance activities. The Research Fund is maintained to finance direct research, research evaluations and support and dissemination activities. The Child and Youth Data Lab Fund (CYDL) accounts are maintained to account for restricted grant contributions provided to link data across government ministries and programs with an intent to provide policy makers and service providers with better information for research, analysis and decision making.

c) Property, Plant and Equipment

Property, plant and equipment are recorded at cost less accumulated amortization. The Entity provides for amortization using the reducing balance method at rates designed to amortize the cost of the property, plant and equipment over their estimated useful lives.

Amortization rates are as follows:

Office Furniture	-	20%
Office Equipment	-	20%
Research Equipment	-	20%
Leasehold improvements	-	10% Straight line

In the year of acquisition amortization is calculated at one-half of the normal rates and no amortization is recorded in the year of disposition.

d) 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 at the date of the financial statements and the reported amount of revenue and expenses during the reporting period.

Actual results could differ from those estimated. Estimates are used when accounting for items and matters such as deferred contributions, deferred lease inducements, unamortized external capital contributions, internally restricted net assets, unrestricted net assets, amortization of deferred lease inducements, and amortization of property, plant and equipment.

e) Donated Services and In Kind Contributions

The value of donated services and in kind contributions are not recognized in these financial statements.

f) Cash Flow Reporting

The Entity follows the indirect method in reporting its cash flows from operating activities.

g) Revenue

The Entity follows the deferral method in accounting for contributions. Restricted grant and donation contributions are recognized as revenue in the year which the related expenses are incurred. Unrestricted grant and donation contributions are recognized as revenue when they are received or receivable if the amount receivable can be reasonably estimated and its collection is reasonably assured. Restricted investment income is recognized when the related expenses are incurred. Unrestricted investment income and recovered expenses are recognized as revenue when earned.

h) Financial Instruments

i) Measurement of financial instruments

When a financial asset is acquired or a financial liability is issued it is recorded at its fair value except for certain related party transactions. The entity subsequently measures all its financial assets and financial liabilities at amortized cost less any impairments except for financial instruments that are quoted in an active market. Financial instruments that are quoted in an active market are measured at fair value. Financial assets measured at amortized cost include cash and cash equivalents and amounts receivable. Financial assets measured at fair value included short, long and restricted term investments. Financial liabilities measured at amortized cost include amounts payable.

ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income in the year incurred.

iii) Transaction costs

The Entity recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

NOTES TO FINANCIAL STATEMENTS

MARCH 31,
2019 CON'T

3. AMOUNTS RECEIVABLE

The amounts receivable consist of:

	2019	2018
Grants receivable	\$ 754,314	\$ 1,396,504
GST rebate receivable	35,950	17,835
	\$ 790,264	\$ 1,414,339

4. INVESTMENTS

The amounts receivable consist of:

	2019	2018
Short term investments	\$ 2,348,474	\$ 2,160,788
Long term investments	4,110,651	3,669,431
Restricted investments	6,025,100	5,901,176
	\$12,484,225	\$ 11,731,395

The Entity's investments are held in mutual funds managed by an external investment management company and are measured at fair market value.

The amounts receivable consist of:

	2019	2018
Interest, dividends and other income	\$ 855,553	\$ 702,879
Unrealized gain (loss) on investments	(852)	95,694
Investment management fees	(53,370)	(51,906)
	\$ 801,331	\$ 746,667

5. PROPERTY, PLANT AND EQUIPMENT

	COST	ACCUMULATED AMORTIZATION	NET 2019	2018
Office Furniture	\$ 329,339	\$ 205,203	\$ 124,136	\$ 143,863
Office Equipment	716,084	475,188	240,896	241,745
Leasehold improvements	14,320	669	13,651	-
	\$ 1,059,743	\$ 681,060	\$ 378,683	\$ 385,608

6. INTERFUND LOANS AND ADVANCES

Transfers between the Operations Fund, Research Fund and Child and Youth Data Lab Fund are made to maximize investment income on cash and cash equivalents and investments. The loans and advances have no set terms of repayment.

7. DEFERRED CAPITAL CONTRIBUTIONS

Capital assets acquired for Child and Youth Data Lab are funded from external capital contributions. External capital contributions are recognized as revenue in the year in which the amortization of the related property, plant and equipment is incurred.

	2019	2018
Opening deferred capital contributions	\$ 177,055	\$ 173,645
Property, plant and equipment additions	5,385	48,141
Amortization of deferred capital contributions	(36,487)	(44,731)
	\$ 145,953	\$ 177,055

8. INTERNALLY RESTRICTED NET ASSETS

Effective January 1, 2016, the Board of Directors placed a restriction on the long-term research fund investments. The capital of the long-term research fund investments is to be maintained at a minimum of \$5,700,000, as indexed using the consumer price index.

Annually, the Board of Directors will determine if any capital can be withdrawn to fund upcoming research projects.

NOTES TO FINANCIAL STATEMENTS

MARCH 31,
2019 CON'T

9. COMMITMENTS

The Entity is committed to research grant payments for approved research amounting to \$59,600 (2018 - \$166,842).

The Entity has two ten year office leases, one effective until September 30, 2027 with the option to renew for one further five year term, and a second lease effective until 2028. The minimum lease payments are as follows:

2020	\$ 169,194
2021	171,767
2022	174,339
2023	177,556
Thereafter	956,937
	<hr/>
	\$ 1,649,793

10. RELATED PARTY TRANSACTIONS

During the year, the Entity procured consulting services in the amount of \$30,812 (2018 - nil) from a company controlled by an employee's spouse. The transactions were in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Amounts owing to related parties included in trade payables at year-end were \$6,024 (2018 - nil).

11. CONTINGENT LIABILITIES

Under the terms of the Entity's grant agreements signed with certain grant providers, use of the funds are restricted for various purposes. Per the agreements, providers may request repayment of all or part of the grant proceeds, should the Entity fail to fulfill any of the terms and conditions agreed to. Further, provided the agreements have not been terminated, the Entity may request a retention of any unexpended grant proceeds remaining upon the expiry of the term of the agreements.

As at the date of the audit report, management is not aware of any grant providers requesting repayment of the grant proceeds previously received.

12. FINANCIAL INSTRUMENTS

Transacting in financial instruments exposes the Entity to certain financial risks and uncertainties. These risks include:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The Entity provides credit to its clients in the normal course of operations. Amounts receivable are generally unsecured with established terms of repayment. The Entity is exposed to some possible credit risks due to the concentration of amounts receivable from certain customers. Two customers comprise 78% of the total amounts receivable balance.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Entity manages liquidity risk by continuously monitoring cash flows.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Entity is not exposed to currency risk as it does not deal in foreign currencies.

Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Entity is not exposed to significant interest rate risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Entity is exposed to price risk to the extent that changes to the fair market value of its investments consisting of mutual funds could significantly effect future cash flows.

13. ECONOMIC DEPENDENCE

The Entity is economically dependent on the Province of Alberta, as a significant amount of the grant funding received is from Alberta Children's Services and Alberta Health.

SCHEDULE OF DEFERRED CONTRIBUTIONS

Schedule 1

YEAR ENDED MARCH 31

OPERATIONS FUND	BEGINNING OF PERIOD	UNAMORTIZED EXTERNAL CAPITAL CONTRIBUTIONS	CONTRIBUTIONS RECEIVED (REPAID)	REVENUE RECOGNIZED	END OF PERIOD	CURRENT	LONG TERM
Alberta Children Services - Annual Grant	\$ 1,262,289	\$ -	\$ 850,000	\$ 850,000	\$ 1,262,289	\$ 1,262,289	\$ -
RESEARCH FUND							
Alberta Health	1,331,517	-	816,138	669,453	1,478,202	1,250,929	227,273
Alberta Children Services	913,244	-	710,000	923,013	700,231	700,231	-
Alberta Community & Social Services	448,733	-	160,000	253,553	355,180	275,180	80,000
Alberta Health Services	237,610	-	2,003	239,613	-	-	-
Sage Anonymous Donor	228,534	-	217,432	303,529	142,437	142,437	-
Calgary Public Libraries	-	-	25,000	39	24,961	24,961	-
Alberta PCAP Council	-	-	6,000	-	6,000	6,000	-
Alberta Red Cross	-	-	38,000	38,000	-	-	-
Max Bell Foundation/Palix Foundation/Alberta Children's Hospital	30,000	-	15,000	45,000	-	-	-
Bell Canada	615,484	-	(550,971)	64,513	-	-	-
Canadian Mental Health Association (Alberta Region)	-	-	31,250	1,099	30,151	30,151	-
Alberta Innovates	303,837	-	-	303,837	-	-	-
Stollery Foundation & Don and Joan Stanley Family Fund	-	-	60,000	86	59,914	59,914	-
CanFASD	-	-	10,000	-	10,000	10,000	-
Alberta Culture and Tourism	-	-	35,000	-	35,000	35,000	-
Initial Research Fund	3,806,958	-	-	367,810	3,439,148	-	3,439,148
TOTAL	7,915,917	-	1,574,852	3,209,545	6,281,224	2,534,803	3,746,421

DATA LAB	BEGINNING OF PERIOD	UNAMORTIZED EXTERNAL CAPITAL CONTRIBUTIONS	CONTRIBUTIONS RECEIVED (REPAID)	REVENUE RECOGNIZED	END OF PERIOD	CURRENT	LONG TERM
Alberta Children's Services	-	-	500,000	500,000	-	-	-
Alberta Advanced Education	-	-	15,000	15,000	-	-	-
Alberta Community & Social Services	-	-	127,200	127,200	-	-	-
The Alberta First Nations Information Governance Centre	-	-	80,000	52,597	27,403	27,403	-
Capital assets purchased	-	(5,385)	-	-	(5,385)	(5,385)	-
Initial Data Lab Fund	429,421	-	-	152,794	276,627	276,627	-
TOTAL	429,421	(5,385)	722,200	847,591	298,645	298,645	-
GRAND TOTAL	\$ 9,607,627	\$ (5,385)	\$ 3,147,052	\$ 4,907,136	\$ 7,842,158	\$ 4,095,737	\$ 3,746,421

Grant revenue of \$4,879,113 (2018 - \$4,717,075) consists of revenue recognized from deferred contributions of \$4,907,136 (2018 - \$4,688,086) and revenue recognized from unamortized external capital contributions of \$36,490 (2018 - \$43,816) and less donation revenue of \$64,513 (2018 - \$14,827).



Policy Wise
for Children & Families

info@PolicyWise.com
www.PolicyWise.com

EDMONTON

1000, 9925-109 Street NW
Edmonton, AB T5K 2J8

☎ 780.944.8630

🏠 780.944.8637

CALGARY

402, 609-14 Street NW
Calgary, AB T2N 2A1

☎ 587.354.4805

🏠 587.354.0558