



# Annual Report

2017 - 2018



**Policy Wise**  
for Children & Families

# Lead • Create • Mobilize

## OUR VISION

Alberta is a leader in creating and mobilizing evidence to ensure the well-being of children, families, and communities.

## OUR MISSION

To develop and integrate evidence to inform, identify, and promote effective public policy and service delivery to improve the well-being of children, families, and communities.



**Policy Wise**  
for Children & Families

# Contents

Welcome .....	4
Board of Directors .....	5
About PolicyWise .....	7
Partnerships .....	10
Outcomes .....	11
Performance at a Glance .....	12
Management Discussion & Analysis .....	14
Financial Statements .....	16
Independent Auditor's Report .....	16
Statement of Financial Position .....	18
Statement of Revenues and Expenses .....	19
Statement of Changes in Net Assets .....	20
Statement of Cash Flows .....	21
Notes to Financial Statements .....	22
Schedule 1: Schedule of Deferred Contributions .....	30

# Welcome



**Robyn Blackadar**  
President & CEO



**Jim Talbot**  
Board Chair

As a long-standing strategic partner of Alberta Children's Services, we continue to produce evidence to inform its services, programs, and policies. This year, we began supporting the work of the Ministerial Panel on the Child Intervention System and its recommendations in regards to cultural safety, diversity, and the need for co-development with those who access the system. In the next fiscal year, our annual grant will be devoted to assisting the Ministry in implementing the research and evaluation priorities identified in the public action plan, *A Stronger, Safer Tomorrow*.

After many years of very successful work completed by the Child and Youth Data Laboratory (CYDL) initiative, the Government of Alberta has decided to transition the CYDL internal to government after 2018/19. PolicyWise will be fully involved in the transition process over the next year and the collective learnings will be invaluable to the new model under development. The CYDL Longitudinal Study was one of the many innovative data initiatives accomplished by our team. Please visit our website to access the 2017/18 project and research report, *Generating New Evidence*, to read about our collective projects.

Our reliance on an enthusiastic, engaged, and experienced Board of Directors is essential for success. We welcomed two new board members this year: Dr. Jackie Sieppert, Dean Faculty of Social Work, University of Calgary; and Ms. Belinda Boleantu, community leader. We said farewell to Dr. Gayla Rogers, Mr. David Elton, and Dr. Brent Scott, whose leadership and guidance have been instrumental in our journey.

**This year's annual report is inspired by kites. The kite is a symbol for progress and a brighter future, which is our story today.**

Over the past 12 months, PolicyWise for Children & Families has played an important role in many of the province's initiatives to ensure that the future of children, youth, and families has focused on safety, wellness, inclusion, achievement, and happiness.

**Without the wooden dowels and strings that form the frame of the kite, there would be nothing to keep the kite afloat. Our team is the frame of PolicyWise.**

With new opportunities and projects, our team has grown in both our Calgary and Edmonton offices. Each office has settled into their bright new space. The new work environments are designed to support increased connections with our partners as the nature of our work is highly collaborative, with the provincial ministries and community agencies, with our focus being on building and mobilizing capacity for evidence-informed policy and practice.

To our board, partners, stakeholders, and our PolicyWise team - we thank you for your continued support and dedication. Each of you help us soar higher!

**Robyn Blackadar**, President & CEO

**Jim Talbot**, Board Chair



# Board of Directors



**(Front row, left to right):** Denise Lightning, Belinda Boleantu, and Tanya McLeod

**(Back row, left to right):** Jackie Sieppert, James Talbot, Robyn Blackadar, Martin Coutts, and Brian Callaghan

**(Absent):** Sandra Davidge and Brenda Rebman

**The Board promotes the work of PolicyWise through the development of strategies and establishing partnerships with key stakeholders.**



*Thank you to our  
staff for another  
wonderful year  
together.  
We could not do  
the work we do  
without them.*





# About PolicyWise

## Supporting Wise Decisions

PolicyWise is an innovative, not-for-profit organization that exists to improve the well-being of children, families, and communities. We do this by leading, creating, and mobilizing research and evaluation to inform social policy and practice.

We are governed by members representing government, academia, and community. Our employees are experts in data analytics, applied research and evaluation, and knowledge mobilization.

PolicyWise prides itself on building long-term relationships with stakeholders that improve the well-being of children, families, and communities across Alberta.

Through the development of our Impact Assessment (p. 8), we are committed to a set of long-term outcomes:

1. Alberta is a policy and practice leader for child, family, and community well-being
2. There will be an increasingly receptive and integrated environment for the use of data, information, and evidence
3. Alberta policy-makers, researchers, and practitioners will further build a contextual, credible, and comprehensive picture of the state of child, family, and community well-being.

## Informing Policy and Practice

### Lead

- Through the Child and Youth Data Laboratory (CYDL), we play a unique role in analyzing and interpreting linked administrative data collected across all child- and youth-serving ministries.
- Through Secondary Analysis to Generate Evidence (SAGE), we increase the value of existing data by bringing people together to use it in new ways. SAGE manages and shares data from research, community service, and administrative activities.

### Create

- By collaborating on research, evaluation, and funding, we help generate policy-relevant evidence in Alberta.

### Mobilize

- Mobilizing knowledge is a cornerstone of our work. We are committed to helping people apply evidence in policy and practice.



*The kite is a symbol representing child and family well-being through health and happiness. Kite flying is a common family activity that resonates across many cultures.*

# About PolicyWise

## Theory of Change

Our Theory of Change is based on trust: trust in the wisdom of the children, families, communities, and others we work with; trust in our funders; and trust in the knowledge that our work will improve the well-being of children, families, and communities.

Evidence-informed policy and practice are embedded in our theory of change. Comprehensive understanding, collaborative action, and our drive to advance knowledge informs the work we do to affect positive change.


## 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.







*"I have been very pleased with my experience with PolicyWise. All of the staff have been generous with their time and expertise. I continue to be grateful for the SEED funds that have led to the development of a research proposal and new projects."*

- Dr. Gina Dimitropoulos,  
Faculty of Social Work, University of Calgary

# Partnerships

## Who We Work With

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 2017/18, 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.



***Flying a kite without a tail will often result in spinning and rolling due to instability. Like the tail of a kite, we at PolicyWise use both communication and collaboration to keep us strong and balanced.***

# 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 three of our major projects underway this year:

## Child and Youth Data Laboratory

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 Child and Youth Longitudinal 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/>

You can read a more comprehensive summary of the PolicyWise 2017/18 projects and funded research in the *Generating New Evidence* report on our website: <https://policywise.com/about-us/annual-report/>

## 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/>

## 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/>



# Performance at a Glance





# Management Discussion & Analysis

PolicyWise exists for a single reason: to improve the well-being of child, 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: one for Research, one for the CYDL, and a third for Operations. For 2017/18, revenues for PolicyWise totalled \$5,879,336, down 15% (\$1,035,675) from the 2016/17 total (\$6,915,011). The decrease was due primarily to a reduction in grant income (\$4,717,075) for 2017/18 compared to 2016/17 (\$5,813,936). This is a difference in grant income of \$1,096,861. When eligible expenses are incurred on projects and activities, we also recognize that amount as revenue.

## Research

The PolicyWise 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 \$685,233 in 2017/18. In 2016/17, the excess was \$709,116. In both years, the excess was due to substantial investment returns.

The investment return was \$685,233 in the current year and \$709,116 in 2016/17.

The Research Fund grant revenue was \$2,692,399 in 2017/18, down from \$3,747,261 in 2016/17, due primarily to decreased research activity. The fund expenses were \$2,965,650 in 2017/18 as compared to \$4,018,494 in 2016/17.

The direct costs for research grants and awards and research contracts were lower in 2017/18 at \$1,469,244, compared to \$2,227,565 in 2016/17. PolicyWise reduced research grants this year and focused on an Alberta Children's Services initiative. We also saw decreased research contract activity driven by PolicyWise partners. The latter is funded from outside sources and therefore revenue is recognized as the activity is undertaken. Research grants are made with funding assistance from Alberta Children's Services and therefore revenue is recognized when they are paid out to the recipients.







## The Child and Youth Data Laboratory

The Government of Alberta has decided to transition the CYDL to be internal to government. As a result, they will no longer provide funding to PolicyWise for this project after March 2019.

The CYDL generated significant insight and interest over the years. The Government of Alberta is committed to continuing this work and making it a part of its efforts to create enterprise-wide data analytics environment. The CYDL has overcome a great number of hurdles and barriers and we believe our collective learning will be invaluable to the Government of Alberta moving forward.

The CYDL's expenditures for the year were \$1,214,695, a decrease of \$80,383 over 2016/17.

## Operations

Operational expenses for all activities were \$822,303 in 2017/18, an increase of \$85,362 from 2016/17.

## Looking Forward

A total of \$500,000 in funding is available to the CYDL for the 2018/19 fiscal year. Children's Services, in conjunction with partner ministries, is working with PolicyWise to finalize the grant agreement and the deliverables for this transition year. The CYDL initiative has gained national and international recognition and attention, with many organizations interested in collaborating and connecting. It is expected that the Government of Alberta will have a clear action plan for the transition process, and PolicyWise will work with the government to facilitate this transition. As an organization committed to creating and mobilizing evidence to inform policy and practice, we will co-design and implement an evaluation of the CYDL with our government partners. The lessons that we learn will be shared with the government transition team to inform their next steps. We view this new phase in the CYDL's evolution as one where we celebrate successes, learn from challenges, and bridge our collective experience to build a sustainable and positive future.

# Financial Statements



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of PolicyWise for Children & Families:

### Report on the Financial Statements

We have audited the financial position of PolicyWise for Children & Families as at March 31, 2018 and the statements of revenue and expenses, changes in net assets and cash flows for the year then ended, as well as the 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 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.

### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian auditing standards. These 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 the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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, these financial statements present fairly, in all material respects, the financial position of PolicyWise for Children & Families as at March 31, 2018 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Rocky Mountain House, Alberta  
June 7, 2018

*Wade Noble & Partners LLP*

Wade Noble & Partners LLP  
Chartered Accountants

\*DENOTES PROFESSIONAL CORPORATION



# Statement of Financial Position

March 31, 2018

## ASSETS

	Operations Fund	Research Fund	CYDL Fund	2018 Total	2017 Total
<b>Current</b>					
Cash and cash equivalents	\$4,347,640	\$60,819	\$ -	\$4,408,459	\$4,764,110
Short-term investments (Note 4)	2,160,788	-	-	2,160,788	2,026,276
Amounts receivable (Note 3)	264,953	899,386	250,000	1,414,339	991,079
Prepaid expenses	76,377	-	-	76,377	68,463
Interfund loans and advances (Note 6)	(5,922,056)	5,181,838	740,218	-	-
	<b>\$927,702</b>	<b>\$6,142,043</b>	<b>\$990,218</b>	<b>\$8,059,963</b>	<b>\$7,849,928</b>
Long-term investments (Note 4)	1,300,000	2,369,431	-	3,669,431	3,162,652
Property, plant and equipment (Note 5)	55,488	153,064	177,055	385,607	468,084
Restricted investments (Note 4)	-	5,901,176	-	5,901,176	5,819,700
	<b>\$2,283,190</b>	<b>\$14,565,714</b>	<b>\$1,167,273</b>	<b>\$18,016,177</b>	<b>\$17,300,364</b>

## LIABILITIES

	Operations Fund	Research Fund	CYDL Fund	2018 Total	2017 Total
<b>Current</b>					
Amounts payable	\$87,031	\$263,956	\$103,041	\$454,028	\$422,384
Deferred contributions (Schedule 1)	1,262,289	7,370,510	429,421	9,062,220	8,878,440
	<b>\$1,349,320</b>	<b>\$7,634,466</b>	<b>\$532,462</b>	<b>\$9,516,248</b>	<b>\$9,300,824</b>
Deferred contributions (Schedule 1)	-	545,409	-	545,409	712,828
Deferred lease inducement	-	-	-	-	87,235
Deferred capital contributions (Note 7)	-	-	177,055	177,055	173,645
	<b>\$1,349,320</b>	<b>\$8,179,875</b>	<b>\$709,517</b>	<b>\$10,238,712</b>	<b>\$10,274,532</b>

Commitments (Note 9)  
Contingencies (Note 10)

## NET ASSETS

	Operations Fund	Research Fund	CYDL Fund	2018 Total	2017 Total
Net assets invested in property, plant and equipment	\$55,488	\$153,064	\$ -	\$208,552	\$207,205
Internally restricted net assets (Note 8)	-	5,901,176	-	5,901,176	5,819,700
Unrestricted net assets	878,382	331,599	457,756	1,667,737	998,927
	<b>\$933,870</b>	<b>\$6,385,839</b>	<b>\$457,756</b>	<b>\$7,777,465</b>	<b>\$7,025,832</b>
	<b>\$2,283,190</b>	<b>\$14,565,714</b>	<b>\$1,167,273</b>	<b>\$18,016,177</b>	<b>\$17,300,364</b>

Approved by the board:

  
Director

See accompanying notes to the financial statements

# Statement of Revenues and Expenses

Year Ended March 31, 2018

## REVENUES

	Operations Fund	Research Fund	CYDL Fund	2018 Total	2017 Total
Grants (Schedule 1)	\$830,860	\$2,692,399	\$1,193,816	\$4,717,075	\$5,813,936
Recovered expenses	40,868	265,203	2,493	308,564	195,574
Investment income (Note 4)	42,531	685,233	18,903	746,667	774,898
Donations	4,968	14,827	-	19,795	109,240
Amortization of deferred lease inducement	3,725	-	83,510	87,235	21,363
	<b>\$922,952</b>	<b>\$3,657,662</b>	<b>\$1,298,722</b>	<b>\$5,879,336</b>	<b>\$6,915,011</b>

## EXPENDITURES

	Operations Fund	Research Fund	CYDL Fund	2018 Total	2017 Total
Salaries and subcontractors	\$603,858	\$1,122,363	\$927,944	\$2,654,165	\$2,888,229
Research grants and awards	-	370,120	-	370,120	689,255
Communications and knowledge transfer	12,647	45,000	-	57,647	199,354
Research contracts	-	1,099,124	457	1,099,581	1,542,785
Consulting	8,701	5,371	2,448	16,520	13,415
Office and equipment rental	59,761	159,681	76,055	295,497	274,987
Travel	19,377	32,911	24,165	76,453	73,623
Amortization	29,258	40,281	63,116	132,655	116,243
Information technology and office expense	29,034	87,859	104,338	221,231	209,976
Legal and audit fees	42,696	2,940	16,172	61,808	28,836
Board expenses	16,577	-	-	16,577	13,810
Committee expenses	394	-	-	394	-
	<b>\$822,303</b>	<b>\$2,965,650</b>	<b>\$1,214,695</b>	<b>\$5,002,648</b>	<b>\$6,050,513</b>

## EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS

	Operations Fund	Research Fund	CYDL Fund	2018 Total	2017 Total
	\$100,649	\$692,012	\$84,027	\$876,688	\$864,498
Loss on disposal of property, plant and equipment	(53,150)	(6,779)	(65,124)	(125,053)	(88,101)

## EXCESS OF REVENUES OVER EXPENSES

Operations Fund	Research Fund	CYDL Fund	2018 Total	2017 Total
<b>\$47,499</b>	<b>\$685,233</b>	<b>\$18,903</b>	<b>\$751,635</b>	<b>\$776,397</b>

See accompanying notes to the financial statements

# Statement of Changes in Net Assets

Year Ended March 31, 2018

## 2018

	Unrestricted Net Assets	Internally Restricted Net Assets	Invested in Equipment	Total
Balance, beginning of year	\$998,926	\$5,819,700	\$207,204	\$7,025,830
Excess of revenues over expenses	751,635	-	-	751,635
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	-	-
	<b>\$1,667,737</b>	<b>\$5,901,176</b>	<b>\$208,552</b>	<b>\$7,777,465</b>

## 2017

	Unrestricted Net Assets	Internally Restricted Net Assets	Invested in Equipment	Total
Balance, beginning of year	\$385,225	\$5,700,000	\$164,210	\$6,249,435
Excess of revenues over expenses	776,397	-	-	776,397
Amortization of deferred lease inducements	(21,364)	-	21,364	-
Amortization of capital contributions	(106,813)	-	106,813	-
Amortization of property, plant and equipment	116,243	-	(116,243)	-
Purchase of property, plant and equipment	(119,162)	-	119,162	-
Loss on disposal of property, plant and equipment	88,101	-	(88,101)	-
Allocation to reserve	(119,700)	119,700	-	-
	<b>\$998,927</b>	<b>\$5,819,700</b>	<b>\$207,205</b>	<b>\$7,025,832</b>

See accompanying notes to the financial statements



# Statement of Cash Flows

## Year Ended March 31, 2018

### OPERATING

	Operations Fund	Research Fund	CYDL Fund	2018 Total	2017 Total
Excess of revenues over expenses	\$47,499	\$685,233	\$18,903	\$751,635	\$776,397
Items not affecting cash flows:					
Amortization of property, plant and equipment	29,258	40,281	63,116	132,655	116,243
Amortization of deferred lease inducement	(3,725)	-	(83,510)	(87,235)	(21,363)
Amortization of capital contributions	-	-	3,411	3,411	(106,812)
Loss on disposal of property, plant and equipment	53,150	6,779	65,124	125,053	88,101
Unrealized loss (gain) on investments	420	(96,114)	-	(95,694)	(84,086)
	<b>\$126,602</b>	<b>\$636,179</b>	<b>\$67,044</b>	<b>\$829,825</b>	<b>\$768,480</b>
Net changes in non-cash working capital	(216,023)	242,145	(409,294)	(383,172)	(1,028,178)
Cash from (used for) operating activities	<b>\$(89,421)</b>	<b>\$878,324</b>	<b>\$(342,250)</b>	<b>\$446,653</b>	<b>\$(259,698)</b>

### FINANCING

	Operations Fund	Research Fund	CYDL Fund	2018 Total	2017 Total
Interfund transfers	\$(69,969)	\$(320,422)	\$390,391	\$ -	\$ -
Cash (used for) from financing activities	<b>\$(69,969)</b>	<b>\$(320,422)</b>	<b>\$390,391</b>	<b>\$ -</b>	<b>\$ -</b>

### INVESTING

	Operations Fund	Research Fund	CYDL Fund	2018 Total	2017 Total
Purchase of investments	\$(134,932)	\$(492,141)	\$ -	\$(627,073)	\$(656,700)
Purchase of property, plant and equipment	(23,743)	(103,347)	(48,141)	(175,231)	(119,162)
Cash (used for) investment activities	(158,675)	(595,488)	(48,141)	(802,304)	(775,862)
Decrease in cash and cash equivalents	(318,065)	(37,586)	-	(355,651)	(1,035,560)
Cash and cash equivalents, beginning of year	4,665,705	98,405	-	4,764,110	5,799,670
Cash and cash equivalents, end of year	<b>\$4,347,640</b>	<b>\$60,819</b>	<b>\$ -</b>	<b>\$4,408,459</b>	<b>\$4,764,110</b>

See accompanying notes to the financial statements

# Notes to Financial Statements

March 31, 2018

## 1. NATURE OF OPERATIONS

PolicyWise for Children & Families 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 PolicyWise 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. PolicyWise 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%

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**

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

**(g) Revenue**

PolicyWise 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.



# Notes to Financial Statements

March 31, 2018

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (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.

## 3. AMOUNTS RECEIVABLE

The amounts receivable consist of:

	2018	2017
Grants receivable	\$1,396,504	\$972,623
GST rebate receivable	17,835	18,456
	<b>\$1,414,339</b>	<b>\$991,079</b>

#### 4. INVESTMENTS

Investments consist of:

	2018	2017
Short-term investments	\$2,160,788	\$2,026,276
Long-term investments	3,669,431	3,162,652
Restricted investments	5,901,176	5,819,700
	<b>\$11,731,395</b>	<b>\$11,008,628</b>

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

Investment income consist of:

	2018	2017
Interest, dividends and other income	\$702,879	\$740,786
Unrealized gain on investments	95,694	84,086
Investment management fees	(51,906)	(49,974)
	<b>\$746,667</b>	<b>\$774,898</b>

#### 5. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated Amortization	Net 2018	Net 2017
Office Furniture	\$318,031	\$174,168	\$143,863	\$56,137
Office Equipment	650,150	408,406	241,744	250,641
Leasehold improvements	-	-	-	161,306
	<b>\$968,181</b>	<b>\$582,574</b>	<b>\$385,607</b>	<b>\$468,084</b>

#### 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.

# Notes to Financial Statements

March 31, 2018

## 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.

	2018	2017
Opening deferred capital contributions	\$173,645	\$280,457
Property, plant and equipment additions	48,141	1,851
Amortization of deferred capital contributions	(44,731)	(108,663)
	<b>\$177,055</b>	<b>\$173,645</b>

## 8. INTERNALLY RESTRICTED NET ASSETS

Effective January 1, 2009, 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 \$5,000,000, 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.

## 9. COMMITMENTS

PolicyWise is committed to research grant payments for approved research amounting to \$166,842 (2017 - \$457,823).

PolicyWise 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:

2019	\$169,194
2020	169,194
2021	171,766
2022	\$174,339
Thereafter	<b>\$977,844</b>
	<b>\$1,662,337</b>



## 10. CONTINGENT LIABILITIES

Under the terms of the PolicyWise for Children & Families 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 PolicyWise for Children & Families fail to fulfil any of the terms and conditions agreed to. Further, provided the agreements have not been terminated, PolicyWise for Children & Families 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.

## 11. 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. Three 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.

# Notes to Financial Statements

March 31, 2018

## 11. FINANCIAL INSTRUMENTS (continued)

### 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 affect future cash flows.

## 12. ECONOMIC DEPENDENCE

PolicyWise for Children & Families 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.



*Kites are believed to have originated in China. Their original use was for fishing. Fisherman would attach bait to the tail of the kite, and use a net to catch the fish. This technique is still used today.*



*"PolicyWise is a very collaborative partner. They have shown great sensitivity and expertise in conceptualizing research and evaluation in the complex area of violence against women. PolicyWise brings a women-centered approach to their work with the ACWS supported by strong ethics and never losing sight of client safety."*

- Ian Wheeliker, Director of Programs  
Alberta Coalition of Women's Shelters



# Schedule 1: Schedule of Deferred Contributions

## Year Ended March 31, 2013

OPERATIONS FUND	Beginning of Period	Capital Contributions	Contributions Received	Revenue Recognized	Total	Current	Long Term
Children's Services	\$1,262,289	-	\$830,860	\$830,860	\$1,262,289	\$1,262,289	-

RESEARCH FUND	Beginning of Period	Capital Contributions	Contributions Received	Revenue Recognized	Total	Current	Long Term
ACCFR Startup Grant	\$3,806,958	-	-	-	\$3,806,958	\$3,806,958	-
Adverse Childhood Experiences	-	-	30,000	-	30,000	30,000	-
Alberta Education	71,592	-	-	71,592	-	-	-
Alberta Health	1,171,489	-	720,403	560,375	1,331,517	786,108	545,409
Alberta Human Services	1,369,096	-	90,683	845,555	614,224	614,224	-
Alberta Mentoring Partnership	4,000	-	-	4,000	-	-	-
Bell Canada	480,313	-	150,000	14,827	615,486	615,486	-
Calgary Thrives	46,107	-	50,000	96,107	-	-	-
Children's Services	-	-	715,140	416,120	299,020	299,020	-
Community and Social Services	120,000	-	520,000	191,267	448,733	448,733	-
Libraries	44,275	-	-	44,275	-	-	-
MyChild	399,993	-	-	96,156	303,837	303,837	-
SAGE	159,321	-	310,846	241,633	228,534	228,534	-
Sheldon Kennedy Centre	29,189	-	30,000	59,189	-	-	-
Supporting MH Outcomes	-	-	273,740	36,130	237,610	237,610	-
Valuing Mental Health	-	-	30,000	30,000	-	-	-
<b>TOTAL</b>	<b>\$7,702,333</b>	<b>-</b>	<b>\$2,920,812</b>	<b>\$2,707,226</b>	<b>\$7,915,919</b>	<b>\$7,370,510</b>	<b>\$545,409</b>

CHILD & YOUTH DATA LAB	Beginning of Period	Capital Contributions	Contributions Received	Revenue Recognized	Total	Current	Long Term
Government of Alberta	\$476,648	\$(47,227)	\$1,000,000	\$1,000,000	\$429,421	\$429,421	\$ -
School Based Analysis	150,000	-	-	150,000	-	-	-
<b>TOTAL</b>	<b>\$626,648</b>	<b>\$(47,227)</b>	<b>\$1,000,000</b>	<b>\$1,150,000</b>	<b>\$429,421</b>	<b>\$429,421</b>	<b>-</b>

<b>GRAND TOTAL</b>	<b>\$9,591,270</b>	<b>\$(47,227)</b>	<b>\$4,751,672</b>	<b>\$4,688,086</b>	<b>\$9,607,629</b>	<b>\$9,062,220</b>	<b>\$545,409</b>
--------------------	--------------------	-------------------	--------------------	--------------------	--------------------	--------------------	------------------

Grant revenue of \$4,717,075 (2017 - \$5,813,936) consists of revenue recognized from deferred contributions of \$4,688,086 (2017 - \$5,813,015) and revenue recognized from unamortized external capital contributions of \$43,816 (2017 - \$108,661) and less donation revenue of \$14,827 (2017 - \$107,740).

# Questions?

Contact us by email or visit our website  
for more information:

[info@policywise.com](mailto:info@policywise.com) • [www.policywise.com](http://www.policywise.com)





**Policy Wise**  
**for Children & Families**

**Edmonton**

1000, 9925- 109 Street NW  
Edmonton, AB T5K 2J8  
T: 780.944.8630  
F: 780.944.8637

**Calgary**

402, 609- 14 Street NW  
Calgary, AB T2N 2A1  
T: 587.354.4805  
F: 587.354.0558

[info@policywise.com](mailto:info@policywise.com) • [www.policywise.com](http://www.policywise.com)