

**Prescription to Get Active NPC**  
**Financial Statements**  
*March 31, 2020*  
*(Unaudited)*

# Prescription to Get Active NPC Contents

For the year ended March 31, 2020  
(Unaudited)

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To the Members of Prescription to Get Active NPC:

We have reviewed the accompanying financial statements of Prescription to Get Active NPC which comprise the statement of financial position as at March 31, 2020, and the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Prescription to Get Active NPC as at March 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## Comparative Information

Without modifying our conclusion, we draw attention to Note 3 to the financial statements which describes that Prescription to Get Active NPC adopted Canadian accounting standards for not-for-profit organizations on April 1, 2019 with a transition date of March 31, 2018. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statement of financial position as at March 31, 2019 and at April 1, 2018, and the statements of operations and changes in net assets and cash flows for the year ended March 31, 2019 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is neither audited nor reviewed.

Edmonton, Alberta

March 3, 2021



Chartered Professional Accountants

# Prescription to Get Active NPC Statement of Financial Position

*As at March 31, 2020  
(Unaudited)*

	<b>March 31 2020</b>	<i>March 31 2019 (Restated - Note 3)</i>	<i>April 1 2018</i>
<b>Assets</b>			
<b>Current</b>			
Cash	127,237	179,497	7,833
Investment	5,000	-	-
Prepaid expenses	847	824	-
	<b>133,084</b>	180,321	7,833
<b>Capital assets (Note 4)</b>	<b>22,835</b>	4,491	9,980
	<b>155,919</b>	184,812	17,813
<b>Liabilities</b>			
<b>Current</b>			
Accounts payable and accruals	9,541	1,500	3,315
Deferred contributions (Note 5)	103,283	131,723	-
	<b>112,824</b>	133,223	3,315
<b>Deferred contributions (Note 5)</b>	<b>9,366</b>	-	-
	<b>122,190</b>	133,223	3,315
<b>Significant event (Note 8)</b>			
<b>Subsequent event (Note 9)</b>			
<b>Net Assets</b>	<b>33,729</b>	51,589	14,498
	<b>155,919</b>	184,812	17,813

Approved on behalf of the Board of Directors

*signed by "Scott Wildeman"*

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Director

*The accompanying notes are an integral part of these financial statements*

**Prescription to Get Active NPC**  
**Statement of Operations and Changes in Net Assets**

*For the year ended March 31, 2020*  
*(Unaudited)*

	2020	2019 <i>(Restated - Note 3)</i>
<b>Revenue</b>		
Grants <i>(Note 5)</i>	169,074	18,277
Sponsorships	6,848	45,000
Interest	1,380	44
	<b>177,302</b>	63,321
<b>Expenses</b>		
Salaries and benefits	113,230	700
Amortization	27,910	5,489
Advertising	15,859	-
Professional fees	11,258	14,877
Office	10,466	1,649
Consulting	6,400	-
Graphic design	2,825	848
Travel	2,695	-
Insurance	1,716	850
Telephone	1,399	1,711
Bank charges and interest	891	106
Meals and entertainment	513	-
	<b>195,162</b>	26,230
<b>Excess (deficiency) of revenue over expenses</b>	<b>(17,860)</b>	37,091
<b>Net assets, beginning of year</b>	<b>51,589</b>	14,498
<b>Net assets, end of year</b>	<b>33,729</b>	51,589

*The accompanying notes are an integral part of these financial statements*

## Prescription to Get Active NPC

### Statement of Cash Flows

For the year ended March 31, 2020

(Unaudited)

	2020	2019
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Cash receipts from grants and sponsorships	158,230	195,043
Cash paid for program services	(45,115)	(22,573)
Cash paid for salaries and benefits	(113,230)	(700)
Interest paid	(891)	(106)
	<b>(1,006)</b>	171,664
<b>Investing</b>		
Purchase of capital assets	(46,254)	-
Purchase of investment	(5,000)	-
	<b>(51,254)</b>	-
<b>Increase (decrease) in cash resources</b>	<b>(52,260)</b>	171,664
<b>Cash resources, beginning of year</b>	<b>179,497</b>	7,833
<b>Cash resources, end of year</b>	<b>127,237</b>	179,497

The accompanying notes are an integral part of these financial statements

# Prescription to Get Active NPC Notes to the Financial Statements

For the year ended March 31, 2020  
(Unaudited)

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## 1. Purpose of the organization

Prescription to Get Active NPC (the "Organization") was incorporated under the Canada Not-for-profit Corporations Act and is registered under Section 149.1(l) of the Income Tax Act, and as such is exempt from taxes.

The Organization's objective is to promote physical activity in sedentary individuals to improve overall health by integrating primary care and recreation through its partners and members. Physicians provide a prescription to individuals giving them the opportunity to discuss the importance of physical activity and grants patients access to community recreation.

## 2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, using the following significant accounting policies:

### **Revenue recognition**

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

### **Cash**

Cash consists of balances with banks.

### **Investment**

Investment consists of a guaranteed investment certificate ("GIC") recorded at fair value. Income from the investment is recorded as interest income as earned.

### **Capital assets**

Purchased capital assets are recorded at cost.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	<b>Method</b>	<b>Rate</b>
Website	declining balance	55 %

### **Long-lived assets**

Long-lived assets consists of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the Organization determines that a long-lived asset no longer has any long-term service potential to the organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations and changes in net assets. Write-downs are not reversed.

### **Measurement uncertainty (use of estimates)**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess (deficiency) of revenue over expenses in the periods in which they become known.

# Prescription to Get Active NPC Notes to the Financial Statements

For the year ended March 31, 2020  
(Unaudited)

## 2. Significant accounting policies (Continued from previous page)

### **Contributed materials and services**

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations and changes in net assets when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Organization's operations and would otherwise have been purchased. No contributed materials and services were recognized in the year.

### **Financial instruments**

All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with Section 3840 *Related Party Transactions*. At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess (deficiency) of revenue over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

The Organization assesses impairment of all of its financial assets measured at cost or amortized cost when there is an indication of impairment. Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenue over expenses.

## 3. Impact of adopting accounting standards for not-for-profit organizations

These are the Organization's first financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). The accounting policies in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2020, the comparative information for the year ended March 31, 2019, and the opening ASNPO statement of financial position as at April 1, 2018 (the Organization's date of transition to ASNPO).

Reconciliations and explanatory notes on how the transition to ASNPO has affected the statement of financial position and statement of operations and changes in net assets previously reported are provided below.

### **Explanation of changes to net assets at April 1, 2018**

There were no changes to net assets at April 1, 2018 from amounts previously reported.

### **Reconciliation of excess of revenue over expenses for the year ended March 31, 2019**

	<i>Sub-Notes</i>	<i>Previously reported March 31, 2019</i>	<i>Adjustments</i>	<i>ASNPO March 31, 2019</i>
Revenue	i	195,044	(131,723)	63,321
Expenses		26,230	-	26,230
<b>Excess of revenue over expenses</b>		<b>168,814</b>	<b>(131,723)</b>	<b>37,091</b>

#### **i. Decrease in revenue**

Certain revenues received by the Organization have been deferred for the year ended March 31, 2019, resulting in a reduction of revenues of \$131,723.

## Prescription to Get Active NPC Notes to the Financial Statements

*For the year ended March 31, 2020  
(Unaudited)*

#### 4. Capital assets

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2020 Net book value</b>	<b>2019 Net book value</b>
Website	<b>76,754</b>	<b>53,919</b>	<b>22,835</b>	4,491

#### 5. Deferred contributions

Deferred contributions consist of unspent contributions externally restricted for the purpose of fulfilling the Organization's goals or consist of the unamortized amount of contributions received for the purchase of a capital asset. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made or when the related capital asset is amortized. Changes in the deferred contribution balance are as follows:

	<b>2020</b>	<b>2019 (Restated - Note 3)</b>
Balance, beginning of year	<b>131,723</b>	-
Amount received during the year	<b>150,000</b>	150,000
Amount recognized as revenue during the year	<b>(169,074)</b>	(18,277)
	<b>112,649</b>	131,723
Less: long-term portion	<b>9,366</b>	-
Balance, end of year	<b>103,283</b>	131,723

#### 6. Economic dependence

The Organization's primary source of revenue is Government of Alberta grants. The grant funding can be cancelled if the Organization does not observe certain established guidelines. The Organization's ability to continue viable operations is dependent upon maintaining its compliance with the criteria within their agreement. As at the date of these financial statements, the Organization believes that it is in compliance with the agreement.

The term of the grant agreement with the Government of Alberta is set to expire on March 31, 2021. As at the date of these financial statements, this grant agreement has not been renewed.

#### 7. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

##### **Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Organization is exposed to interest rate risk with respect to its investment, which bears interest at fixed rates.

# Prescription to Get Active NPC Notes to the Financial Statements

For the year ended March 31, 2020  
(Unaudited)

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## 8. Significant event

During the year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

## 9. Subsequent event

Subsequent to year-end, the Organization received a Canada Emergency Business Account ("CEBA") loan offered by the Canadian government in response to the COVID-19 pandemic. The loan is for a total of \$40,000 for a term of three years with no interest for the full term. A portion of the loan, \$10,000, will be deemed forgivable if the Organization meets the criteria set out by the government. Compliance with the criteria will be assessed in the following fiscal period.

**Prescription to Get Active NPC**  
**Schedule 1 - Schedule of Alberta Chapter Revenue and Expenses**

*For the year ended March 31, 2020*  
*(Unaudited)*

	<b>2020</b>	2019 <i>(Restated - Note 3)</i>
<hr/>		
<b>Revenue</b>		
Grants (Note 5)	<b>169,074</b>	18,277
Interest	<b>1,380</b>	-
Sponsorships	<b>41</b>	25,438
	<hr/> <b>170,495</b>	<hr/> 43,715
<b>Expenses</b>		
Salaries and benefits	<b>101,080</b>	-
Amortization	<b>27,910</b>	5,489
Advertising	<b>14,551</b>	-
Professional fees	<b>11,258</b>	14,877
Office	<b>8,889</b>	-
Travel	<b>2,695</b>	-
Insurance	<b>1,716</b>	850
Telephone	<b>1,356</b>	1,618
Bank charges and interest	<b>826</b>	84
Consulting	<b>750</b>	-
Meals and entertainment	<b>513</b>	-
Graphic design	<b>-</b>	848
	<hr/> <b>171,544</b>	<hr/> 23,766
<b>Excess (deficiency) of revenue over expenses</b>	<hr/> <b>(1,049)</b>	<hr/> 19,949
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**Prescription to Get Active NPC**  
**Schedule 2 - Schedule of Ontario Chapter Revenue and Expenses**

*For the year ended March 31, 2020*  
*(Unaudited)*

	<b>2020</b>	<b>2019</b>
<b>Revenue</b>		
Sponsorships	<b>6,807</b>	19,563
Interest	-	44
	<b>6,807</b>	19,607
<b>Expenses</b>		
Salaries and benefits	<b>12,150</b>	700
Consulting	<b>5,650</b>	-
Graphic design	<b>2,825</b>	-
Office	<b>1,577</b>	1,649
Advertising	<b>1,309</b>	-
Bank charges and interest	<b>65</b>	22
Telephone	<b>43</b>	93
	<b>23,619</b>	2,464
<b>Excess (deficiency) of revenue over expenses</b>	<b>(16,812)</b>	17,143