

SCHIZOPHRENIA SOCIETY OF SASKATCHEWAN INC.

REGINA, SASKATCHEWAN

**FINANCIAL STATEMENTS
AS AT MARCH 31, 2022**

**MANAGEMENT'S RESPONSIBILITY FOR
FINANCIAL STATEMENTS**

The accompanying financial statements of **Schizophrenia Society of Saskatchewan Inc.** have been prepared by the Society's management in accordance with Canadian accounting standards for not-for-profit organizations and necessarily include some amounts based on informed judgement and management estimates.

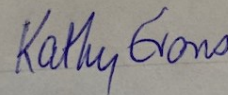
To assist management in fulfilling its responsibilities, a system of internal controls has been established to provide reasonable assurance that the financial statements are accurate and reliable and that assets are safeguarded.

The board of directors has reviewed and approved these financial statements.

These financial statements have been examined by the independent auditors, **Virtus Group LLP**, and their report is presented separately.



Executive Director



President

INDEPENDENT AUDITORS' REPORT



**VIRTUS
GROUP**
Chartered Professional Accountants
& Business Advisors LLP

**To the Board of Directors,
Schizophrenia Society of Saskatchewan Inc.**

Qualified Opinion

We have audited the financial statements of **Schizophrenia Society of Saskatchewan Inc.**, which comprise the statement of financial position as at March 31, 2022, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2022, and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many non-profit organizations, the Society derives revenues from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of revenue was limited to accounting for amounts recorded in the records of the Society. As a result, we were not able to determine whether any adjustments might be necessary in respect of revenues, assets, liabilities or fund balances.

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 Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Saskatchewan, 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.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance 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 those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

INDEPENDENT AUDITORS' REPORT continued

In preparing the financial statements, management is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Society'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 Society'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 Society 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 those charged with governance regarding, among other matters, the planned scope and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

June 2, 2022
Regina, Saskatchewan

VIRTUS GROUP CP
Chartered Professional Accountants



SCHIZOPHRENIA SOCIETY OF SASKATCHEWAN INC.
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022
(with comparative figures for 2021)

ASSETS

	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Total 2022</u>	<u>Total 2021</u>
Current Assets				
Cash	\$ 54,934	\$ -	\$ 54,934	\$ 93,752
Investments (Note 3)	-	468,298	468,298	455,319
Accounts receivable	8,242	-	8,242	6,031
Prepaid expenses	572	-	572	556
Due from (to) reserve fund	114,320	(114,320)	-	-
	178,068	353,978	532,046	555,658
Tangible Capital Assets (Note 4)	365,280	-	365,280	382,185
	\$ 543,348	\$ 353,978	\$ 897,326	\$ 937,843

LIABILITIES

Current Liabilities				
Accounts payable and accrued liabilities	\$ 28,230	\$ -	\$ 28,230	\$ 23,902
Current portion of deferred contributions relating to tangible capital assets (Note 5)	8,206	-	8,206	7,667
Deferred revenue	78,912	-	78,912	66,752
	115,348	-	115,348	98,321
Deferred contributions relating to tangible capital assets (Note 5)	18,110	-	18,110	26,316
	133,458	-	133,458	124,637

FUND BALANCES

Internally Restricted Funds (Note 6)	203,000	-	203,000	232,213
Unrestricted Funds	206,890	353,978	560,868	580,993
	409,890	353,978	763,868	813,206
	\$ 543,348	\$ 353,978	\$ 897,326	\$ 937,843

APPROVED BY THE BOARD:



Director



Director

SCHIZOPHRENIA SOCIETY OF SASKATCHEWAN INC.
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2022
(with comparative figures for the year ended March 31, 2021)

	<u>Internally restricted funds</u>	<u>Unrestricted surplus</u>	<u>Reserve fund</u>	<u>Total 2022</u>	<u>Total 2021</u>
Balance - beginning of year	\$ 232,213	\$ 245,242	335,751	\$ 813,206	\$ 491,706
Excess (deficiency) of revenues over expenses	-	(67,565)	18,227	(49,338)	321,500
Interfund transfers (Note 6)	(29,213)	29,213	-	-	-
Fund balances - end of year	<u>\$ 203,000</u>	<u>\$ 206,890</u>	<u>\$ 353,978</u>	<u>\$ 763,868</u>	<u>\$ 813,206</u>

SCHIZOPHRENIA SOCIETY OF SASKATCHEWAN INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2022
(with comparative figures for the year ended March 31, 2021)

	Operating Fund	Reserve Fund	Total 2022	Total 2021
Revenues				
Donations	\$ 13,906	\$ -	\$ 13,906	\$ 80,849
Other grants (Schedule 2)	63,000	-	63,000	54,550
Other revenue	7,534	5,248	12,782	23,935
Provincincial grants (Schedule 1)	288,061	-	288,061	507,838
Unrealized gain (loss) on investments	-	12,979	12,979	70,426
	<u>372,501</u>	<u>18,227</u>	<u>390,728</u>	<u>737,598</u>
Expenses				
Amortization	20,051	-	20,051	19,091
Board and fundraising expenses	1,494	-	1,494	1,014
Building occupancy	7,871	-	7,871	6,967
General and administrative	40,183	-	40,183	46,972
Office and general	14,114	-	14,114	13,962
Other contracts	6,073	-	6,073	6,555
Partnership program Regina	100,128	-	100,128	70,655
Partnership program Rural	25,779	-	25,779	25,626
Partnership program Saskatoon	78,706	-	78,706	82,480
Programs	13,991	-	13,991	13,300
Promotion and publicity	1,198	-	1,198	4,119
Travel	566	-	566	1,531
Volunteer recognition	124	-	124	-
Wages and benefits	129,788	-	129,788	123,826
	<u>440,066</u>	<u>-</u>	<u>440,066</u>	<u>416,098</u>
Excess (deficiency) of revenues over expenses	<u>\$ (67,565)</u>	<u>\$ 18,227</u>	<u>\$ (49,338)</u>	<u>\$ 321,500</u>

SCHIZOPHRENIA SOCIETY OF SASKATCHEWAN INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2022
(with comparative figures for the year ended March 31, 2021)

	<u>2022</u>	<u>2021</u>
Cash provided by (used in) operating activities:		
Excess (deficiency) of revenue over expenses	\$ (49,338)	\$ 321,500
Items not involving cash:		
- Amortization	20,051	19,091
	(29,287)	340,591
Non-cash operating working capital:		
- Accounts receivable and prepaid expenses	(2,227)	9,212
- Accounts payable and accrued liabilities	4,328	(1,602)
- Deferred revenue	4,493	(238,139)
	(22,693)	110,062
Cash provided by (used in) investing activities:		
Additions to capital assets	(3,146)	(10,705)
Net change in investments	(12,979)	(70,426)
	(16,125)	(81,131)
Cash provided by (used in) financing activities:		
Repayment of long-term debt	-	(231,335)
	-	(231,335)
Decrease in cash	(38,818)	(202,404)
Cash position - beginning of year	93,752	296,156
Cash position - end of year	\$ 54,934	\$ 93,752

SCHIZOPHRENIA SOCIETY OF SASKATCHEWAN INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022
(with comparative figures for the year ended March 31, 2021)

1. Purpose of the organization

The Society was incorporated in the Province of Saskatchewan under the *Non-Profit Corporations Act*, 1995 without share capital. The purpose of the Society is to provide education and encourage research into schizophrenia and provide help for individuals and family members who are afflicted with schizophrenia. The Society is exempt from taxation under section 149(1)(f) of the *Income Tax Act*.

2. Summary of significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations which required management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known. The financial statements reflect the following policies:

Fund accounting

The Society follows the restricted fund method of accounting.

The Operating Fund accounts for the Society's administration activities and certain program delivery. It reports unrestricted resources and certain restricted operating grants. Transfers from this fund are made at the direction of the Board of Directors.

The Reserve Fund segregates invested resources arising from prior surplus revenues.

Internally restricted funds

The Society has established four internally restricted funds.

- The equipment reserve fund was established to provide funds for purchase or replacement of equipment that has a useful life of more than one year.
 - The building and furniture reserve fund was established to provide funds for the purchase of a building and furniture to house the general office and programs of the Society.
 - The fundraising reserve fund was established to fund staffing and purchase the necessary goods and services for any fundraising event sanctioned by the Society.
 - The program initiative reserve fund was established to provide funding for any program initiative approved by the board that has an expected duration of 12 months or less.
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SCHIZOPHRENIA SOCIETY OF SASKATCHEWAN INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022
(with comparative figures for the year ended March 31, 2021)

2. Significant accounting policies (continued)

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Amortization is provided on the straight-line basis over the estimated useful life of the assets at the following rates:

Buildings	25 years
Furniture and fixtures	5 years

All additions to property, plant and equipment are subject to amortization at half of the annual rate in the first year.

Revenue recognition

Unrestricted contributions are recognized as revenue in the the appropriate fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions, for which no separate fund exists, are deferred until the year that the related restrictions are fulfilled, at which time they are recognized as revenue. Contributions for tangible capital assets are deferred and recognized into revenue on the same basis as the asset is amortized.

Contributed services

Volunteers contribute many hours each year to assist the Society in carrying out its delivery activities. These contributions are not recognized in the financial statements as the fair value of these donated services are not reasonably determinable.

Financial instruments - recognition and measurement

Financial assets and financial liabilities are recorded on the statement of financial position when the becomes party to the contractual provisions of the financial instrument. All financial instruments are required to be recognized at fair value upon initial recognition, except for certain related party transactions. Measurement in subsequent periods of equity instruments is at fair value. All other financial assets and financial liabilities are subsequently measured at amortized cost adjusted by transaction costs, which are amortized over the expected life of the instrument.

Fair value is the amount at which a financial instrument could be exchanged at arm's length between willing, unrelated parties in an open market. Changes in fair values of financial assets and financial liabilities measured at fair value are recognized in excess of revenues over expenses.

When there is an indication of impairment and such impairment is determined to have occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted cash flows expected or the proceeds that could be realized from sale of the financial asset. Such impairments can be subsequently reversed if the value improves.

SCHIZOPHRENIA SOCIETY OF SASKATCHEWAN INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022
(with comparative figures for the year ended March 31, 2021)

3. Investments

	<u>2022</u>	<u>2021</u>
Investments measured at fair value:		
BCE Inc. common stocks	\$ 2,841	\$ 2,326
CI GBL Income & GR	59,899	-
CI Investment Grade Bond Fund Retail	-	28,263
CI North American Dividend Fund	27,180	25,118
CI Select Income Managed Corp	-	20,112
Franklin Mutual Global Discovery Fund	-	23,656
Invesco Global Diversified Income Fund	28,285	28,836
Invesco Intactive Balanced Growth Portfolio	-	28,312
Mackenzie Global Dividend Fund	42,099	38,931
Mackenzie Income Fund	18,045	17,950
Mackenzie IVY Global Balanced	35,720	36,053
Manulife Financial Corporation common stocks	39,990	40,545
Manulife Money Market Fund	-	80
Signature Global Income & Growth Fund	-	57,137
PH&N Global Equity	32,069	-
RBC Bond Fund	10,820	-
RBC North American Value	34,874	-
	<u>331,822</u>	<u>347,319</u>

At March 31, 2022, the cost base of investments measured at fair value is \$306,043 (2021 - \$303,680).

Investments measured at cost:

Corporate Bonds	37,000	58,000
Guaranteed Investment Certificates	99,476	50,000
	<u>136,476</u>	<u>108,000</u>
	<u>\$ 468,298</u>	<u>\$ 455,319</u>

At March 31, 2022, the market value of investments measured at cost is \$140,236 (2021 - \$113,497).

4. Tangible Capital Assets

	<u>2022</u>			<u>2021</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>	
Land	\$ 100,000	\$ -	\$ 100,000	\$ 100,000	
Buildings	293,598	52,210	241,388	253,132	
Furniture and fixtures	43,111	19,219	23,892	29,053	
	<u>\$ 436,709</u>	<u>\$ 71,429</u>	<u>\$ 365,280</u>	<u>\$ 382,185</u>	

SCHIZOPHRENIA SOCIETY OF SASKATCHEWAN INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022
(with comparative figures for the year ended March 31, 2021)

5. Deferred contributions relating to purchase of tangible capital assets

In previous years, the Society received a grant for the purpose of capital improvement projects:

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 33,983	\$ 41,543
Revenue recognized in the year	(7,667)	(7,560)
	26,316	33,983
Current portion	8,206	7,667
Balance, end of year	\$ 18,110	\$ 26,316

6. Internally restricted funds

The internally restricted funds consist of amounts set aside for equipment, building repairs and furniture replacement, fundraising and program initiatives.

	<u>Opening fund balance</u>	<u>Transfers</u>	<u>Amounts spent</u>	<u>Ending fund balance</u>
Equipment reserve fund	\$ 27,248	\$ -	\$ -	\$ 27,248
Building and furniture reserve fund	48,715	67,603	(5,812)	110,506
Fundraising reserve fund	89,364	(89,364)	-	-
Program initiative reserve fund	66,886	-	(1,640)	65,246
Total	\$ 232,213	\$ (21,761)	\$ (7,452)	\$ 203,000

7. Economic dependence

Approximately 74% (2021 - 69%) of the Society's revenues are provided as grants from the Province of Saskatchewan. As a result, the Society is dependent upon the continuance of these grants to maintain operations at their current level.

SCHIZOPHRENIA SOCIETY OF SASKATCHEWAN INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022
(with comparative figures for the year ended March 31, 2021)

8. Financial risk management

The Society has a risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The significant financial risks to which the Society is exposed are:

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society's exposure to liquidity risk is dependent on the receipt of funds from its operations, donations, and grants. Funds from these sources are primarily used to finance working capital and are considered adequate to meet the Society's financial obligations.

Price risk

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. The Society's investments in mutual funds expose the Society to market price risk as such investments are subject to price changes in the open market. The Society does not use any derivative financial instruments to alter the effects of this risk.

SCHIZOPHRENIA SOCIETY OF SASKATCHEWAN INC.
SCHEDULES TO THE STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2022
(with comparative figures for the year ended March 31, 2021)

PROVINCIAL GRANT REVENUE - SCHEDULE 1

	<u>2022</u>	<u>2021</u>
Operating grant	\$ 279,855	\$ 275,278
Amortization of deferred revenue relating to tangible capital assets	8,206	7,560
Mortgage funding	-	225,000
	<u>\$ 288,061</u>	<u>\$ 507,838</u>

OTHER GRANT REVENUE - SCHEDULE 2

	<u>2022</u>	<u>2021</u>
Cameco Fund for Mental Health	\$ 9,426	\$ 8,750
City of Regina	14,450	21,722
City of Regina - Mentorship	3,281	-
City of Regina - Strategic Plan	8,000	-
Community Initiatives Fund	1,215	1,211
Government of Canada	2,355	2,775
HLS Therapeutic Grant	1,650	-
Ostuka Lundbeck - Grant	-	6,250
Ostuka Lundbeck - Scholarship	-	1,000
Royal University Hospital	2,032	2,503
Saskatoon Community Foundation	10,591	10,339
Wendy Morris	10,000	-
	<u>\$ 63,000</u>	<u>\$ 54,550</u>

GRANT EXPENSES - SCHEDULE 3

	<u>2022</u>	<u>2021</u>
Cameco Fund for Mental Health	\$ 9,593	\$ 18,939
City of Regina	14,540	21,588
City of Regina - Mentorship	3,516	-
City of Regina - Strategic Plan	8,000	-
Community Initiatives Fund	3,240	1,211
Government of Canada	2,038	3,276
HLS Therapeutic Grant	1,650	-
Ostuka Lundbeck - Grant	-	6,250
Ostuka Lundbeck - Scholarship	1,000	-
Royal University Hospital	2,032	2,503
Wendy Morris	14,288	-
	<u>\$ 59,897</u>	<u>\$ 53,767</u>

Certain comparative figures have been reclassified to conform with the presentation in the current year.