

SCHIZOPHRENIA SOCIETY OF SASKATCHEWAN INC.

REGINA, SASKATCHEWAN

**FINANCIAL STATEMENTS
AS AT MARCH 31, 2021**

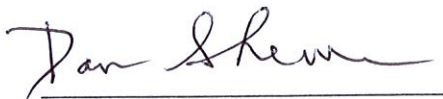
**MANAGEMENT'S RESPONSIBILITY FOR
FINANCIAL STATEMENTS**

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, 2021, 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, 2021, 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.

May 27, 2021
Regina, Saskatchewan

VIRTUS GROUP LP
Chartered Professional Accountants

SCHIZOPHRENIA SOCIETY OF SASKATCHEWAN INC.
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021
(with comparative figures for 2020)

ASSETS

	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Total 2021</u>	<u>Total 2020</u> (Note 11)
Current Assets				
Cash	\$ 93,752	\$ -	\$ 93,752	\$ 296,156
Investments (Note 3)	-	455,319	455,319	384,893
Accounts receivable	6,031	-	6,031	12,259
Prepaid expenses	556	-	556	3,540
Due from (to) reserve fund	119,568	(119,568)	-	-
	219,907	335,751	555,658	696,848
Tangible Capital Assets (Note 4)	382,185	-	382,185	390,570
	\$ 602,092	\$ 335,751	\$ 937,843	\$ 1,087,418

LIABILITIES

Current Liabilities				
Accounts payable and accrued liabilities	\$ 23,902	\$ -	\$ 23,902	\$ 25,504
Current portion of deferred contributions relating to tangible capital assets	7,667	-	7,667	7,560
Deferred revenue	66,752	-	66,752	294,331
Current portion of long-term debt (Note 5)	-	-	-	231,335
	98,321	-	98,321	558,730
Deferred contributions relating to tangible capital assets (Note 6)	26,316	-	26,316	36,982
	124,637	-	124,637	595,712

FUND BALANCES

Internally Restricted Funds (Note 7)	232,213	-	232,213	232,213
Unrestricted Funds	245,242	335,751	580,993	259,493
	477,455	335,751	813,206	491,706
	\$ 602,092	\$ 335,751	\$ 937,843	\$ 1,087,418

APPROVED BY THE BOARD:



Director



Director

SCHIZOPHRENIA SOCIETY OF SASKATCHEWAN INC.
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2021
(with comparative figures for the year ended March 31, 2020)

	Internally restricted funds	Unrestricted surplus	Reserve fund	Total <u>2021</u>	Total <u>2020</u>
Balance - beginning of year	\$ 232,213	\$ -	259,493	\$ 491,706	\$ 560,756
Excess (deficiency) of revenues over expenses	-	245,242	76,258	321,500	(69,050)
Fund balances - end of year	\$ 232,213	\$ 245,242	\$ 335,751	\$ 813,206	\$ 491,706

SCHIZOPHRENIA SOCIETY OF SASKATCHEWAN INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2021
(with comparative figures for the year ended March 31, 2020)

	Operating Fund	Reserve Fund	Total 2021	Total 2020
Revenues				
Donations	\$ 80,849	\$ -	\$ 80,849	\$ 27,293
Other grants (Schedule 2)	54,550	-	54,550	57,216
Other revenue	18,103	5,832	23,935	19,242
Provincincial grants (Schedule 1)	507,838	-	507,838	284,573
Unrealized gain (loss) on investments	-	70,426	70,426	(27,107)
	<u>661,340</u>	<u>76,258</u>	<u>737,598</u>	<u>361,217</u>
Expenses				
Amortization	19,091	-	19,091	14,989
Board and fundraising expenses	1,014	-	1,014	6,090
Building occupancy	6,967	-	6,967	7,076
General and administrative	46,972	-	46,972	44,901
Office and general	13,962	-	13,962	14,193
Other contracts	6,555	-	6,555	5,668
Partnership program Regina	70,655	-	70,655	88,464
Partnership program Rural	25,626	-	25,626	26,561
Partnership program Saskatoon	82,480	-	82,480	90,052
Programs	13,300	-	13,300	13,850
Promotion and publicity	4,119	-	4,119	2,452
Travel	1,531	-	1,531	2,820
Volunteer recognition	-	-	-	347
Wages and benefits	123,826	-	123,826	112,804
	<u>416,098</u>	<u>-</u>	<u>416,098</u>	<u>430,267</u>
Excess (deficiency) of revenues over expenses	<u>\$ 245,242</u>	<u>\$ 76,258</u>	<u>\$ 321,500</u>	<u>\$ (69,050)</u>

SCHIZOPHRENIA SOCIETY OF SASKATCHEWAN INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2021
(with comparative figures for the year ended March 31, 2020)

	<u>2021</u>	<u>2020</u>
Cash provided by (used in) operating activities:		
Excess (deficiency) of revenue over expenses	\$ 321,500	\$ (69,050)
Items not involving cash:		
- Amortization	19,091	14,989
	340,591	(54,061)
Non-cash operating working capital:		
- Accounts receivable and prepaid expenses	9,212	(861)
- Accounts payable and accrued liabilities	(1,602)	(6,175)
- Deferred revenue	(238,139)	266,616
	110,062	205,519
Cash provided by (used in) investing activities:		
Additions to capital assets	(10,705)	(34,574)
Net change in investments	(70,426)	27,468
	(81,131)	(7,106)
Cash provided by (used in) financing activities:		
Repayment of long-term debt	(231,335)	(8,398)
Increase (decrease) in cash	(202,404)	190,015
Cash position - beginning of year	296,156	106,141
Cash position - end of year	\$ 93,752	\$ 296,156

SCHIZOPHRENIA SOCIETY OF SASKATCHEWAN INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021
(with comparative figures for the year ended March 31, 2020)

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 Organization 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.
-

SCHIZOPHRENIA SOCIETY OF SASKATCHEWAN INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021
(with comparative figures for the year ended March 31, 2020)

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, 2021
(with comparative figures for the year ended March 31, 2020)

3. Investments

	<u>2021</u>	<u>2020</u>
Investments measured at fair value:		
BCE Inc. common stocks	\$ 2,326	\$ 2,367
CI Investment Grade Bond Fund Retail	28,263	27,398
CI North American Dividend Fund	25,118	17,926
CI Select Income Managed Corp	20,112	18,695
Franklin Mutual Global Discovery Fund	23,656	16,708
Invesco Global Diversified Income Fund	28,836	22,859
Invesco Intactive Balanced Growth Portfolio	28,312	22,456
Mackenzie Global Dividend Fund	38,931	30,344
Mackenzie Income Fund	17,950	16,116
Mackenzie IVY Global Balanced	36,053	29,895
Manulife Financial Corporation common stocks	40,545	26,505
Manulife Money Market Fund	80	79
Signature Global Income & Growth Fund	57,137	45,545
	<u>347,319</u>	<u>276,893</u>

At March 31, 2021, the cost base of investments measured at fair value is \$303,680 (2020 - \$303,680).

Investments measured at cost:

Corporate Bonds	58,000	58,000
Guaranteed Investment Certificates	50,000	50,000
	<u>108,000</u>	<u>108,000</u>
	<u>\$ 455,319</u>	<u>\$ 384,893</u>

At March 31, 2021, the market value of investments measured at cost is \$113,497 (2020 - \$108,662).

4. Tangible Capital Assets

	<u>2021</u>			<u>2020</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>	<u>Value</u>
Land	\$ 100,000	\$ -	\$ 100,000	\$ 100,000	100,000
Buildings	293,598	40,466	253,132	259,453	259,453
Furniture and fixtures	39,965	10,911	29,053	31,117	31,117
	<u>\$ 433,563</u>	<u>\$ 51,377</u>	<u>\$ 382,185</u>	<u>\$ 390,570</u>	<u>390,570</u>

SCHIZOPHRENIA SOCIETY OF SASKATCHEWAN INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021
(with comparative figures for the year ended March 31, 2020)

5. Long-term debt

	<u>2021</u>	<u>2020</u>
Loan payable to Conexus Credit Union in monthly payments of \$1,573 including interest at 4.47%. Balance paid in 2021.	\$ -	\$ 231,335

6. Deferred contributions relating to purchase of tangible capital assets

The Organization received a grant for the purpose of capital improvement projects:

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 41,543	\$ -
Contributions received	-	45,000
Revenue recognized in the year	(7,560)	(3,457)
	33,983	41,543
Current portion	7,667	7,560
Balance, end of year	\$ 26,316	\$ 33,982

7. 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	-	-	48,715
Fundraising reserve fund	89,364	-	-	89,364
Program initiative reserve fund	66,886	-	-	66,886
Total	\$ 232,213	\$ -	\$ -	\$ 232,213

8. Economic dependence

Approximately 69% (2020 - 73%) 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, 2021
(with comparative figures for the year ended March 31, 2020)

9. 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 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.

10. Significant event

On March 11, 2020, the World Health Organization declared a global pandemic for the COVID-19 virus. The Society is following health advisories and mandatory requirements from local, provincial and national health and government organizations. On March 17, 2020 the Society closed its facilities to help protect the health and safety of the public during the pandemic, but continues to provide mental health services through other methods. The future impact of the pandemic on the Society's operations and finances, if any, is unknown at this time.

11. Comparative figures

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

SCHIZOPHRENIA SOCIETY OF SASKATCHEWAN INC.
SCHEDULES TO THE STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2021
(with comparative figures for the year ended March 31, 2020)

PROVINCIAL GRANT REVENUE - SCHEDULE 1

	<u>2021</u>	<u>2020</u>
Operating grant	\$ 275,278	\$ 268,433
Amortization of deferred revenue relating to tangible capital assets	7,560	3,457
Mortgage funding	225,000	-
Special purpose grant	-	12,683
	<u>\$ 507,838</u>	<u>\$ 284,573</u>

OTHER GRANT REVENUE - SCHEDULE 2

	<u>2021</u>	<u>2020</u>
Cameco Fund for Mental Health	\$ 8,750	\$ 8,201
City of Regina	21,722	12,397
Community Initiatives Fund - 2018/2019	1,211	3,370
Community Initiatives Fund - 2019/2020	-	2,684
Government of Canada	2,775	4,849
Ostuka Lundbeck - Grant	6,250	6,250
Ostuka Lundbeck - Scholarship	1,000	-
Royal University Hospital	2,503	-
Saskatoon Community Foundation	10,339	10,372
Wendy Morris Foundation	-	9,094
	<u>\$ 54,550</u>	<u>\$ 57,217</u>

GRANT EXPENDITURES - SCHEDULE 3

	<u>2021</u>	<u>2020</u>
Cameco Fund for Mental Health	\$ 18,939	\$ 7,946
City of Regina	21,588	12,397
Community Intiatives Fund	1,211	3,370
Ostuka Lundbeck - Grant	6,250	6,250
Royal University Hospital	2,503	-
	<u>\$ 50,491</u>	<u>\$ 29,963</u>

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