

SCHIZOPHRENIA SOCIETY OF SASKATCHEWAN INC.

REGINA, SASKATCHEWAN

**FINANCIAL STATEMENTS
AS AT MARCH 31, 2017**

**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.

We have audited the accompanying financial statements of **Schizophrenia Society of Saskatchewan Inc.** which comprise the consolidated statement of financial position as at March 31, 2017, and the statements of operations, changes in fund balances 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those 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 of 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 the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those assessments, the auditor considers internal control relevant to the Society'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 Society'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 qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Society derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenses, current assets or fund balances.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2017 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.

June 11, 2017

Regina, Saskatchewan

VIRTUS GROUP LLP
Chartered Professional Accountants

SCHIZOPHRENIA SOCIETY OF SASKATCHEWAN INC.
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2017
(with comparative figures for 2016)

ASSETS

	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Total 2017</u>	<u>Total 2016</u>
Current assets				
Cash	\$ 247,071	\$ -	\$ 247,072	\$ 211,901
Investments (Note 3)	-	351,712	351,712	251,993
Accounts receivable	23,654	390	24,043	26,588
Prepaid expenses	387	-	387	497
	<u>\$ 271,112</u>	<u>\$ 352,102</u>	<u>\$ 623,214</u>	<u>\$ 490,979</u>

LIABILITIES

Current liabilities				
Accounts payable and accrued liabilities	\$ 38,859	\$ -	\$ 38,859	\$ 35,251
Deferred revenue	37,014	-	37,014	1,429
	<u>75,873</u>	<u>-</u>	<u>75,873</u>	<u>36,680</u>

FUND BALANCES

Surplus	<u>195,239</u>	<u>352,102</u>	<u>547,341</u>	<u>454,299</u>
	<u>\$ 271,112</u>	<u>\$ 352,102</u>	<u>\$ 623,214</u>	<u>\$ 490,979</u>

APPROVED BY THE BOARD:

_____ Director

_____ Director

SCHIZOPHRENIA SOCIETY OF SASKATCHEWAN INC.
CONSOLIDATED STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2017
(with comparative figures for the year ended March 31, 2016)

	Operating Fund	Reserve Fund	Total 2017	Total 2016
Fund balances - beginning of year	\$ 229,459	\$ 224,840	\$ 454,299	\$ 477,792
Excess (deficiency) of revenues over expenses	68,672	24,370	93,042	(23,493)
Transfer from operating to reserve	(102,892)	102,892	-	-
Fund balances - end of year	\$ 195,239	\$ 352,102	\$ 547,341	\$ 454,299

SCHIZOPHRENIA SOCIETY OF SASKATCHEWAN INC.
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2017
(with comparative figures for the year ended March 31, 2016)

	Operating Fund	Reserve Fund	Total 2017	Total 2016
Revenues				
Grants: Province of Saskatchewan	\$ 234,615	\$ -	\$ 234,615	\$ 234,615
Donations and memberships (Note 4)	183,817	-	183,817	93,355
United Way	218	-	218	26,734
Other revenue	17,383	12,949	30,332	24,531
	<u>436,033</u>	<u>12,949</u>	<u>448,982</u>	<u>379,235</u>
Expenses				
Board expenses	6,147	-	6,147	8,683
Building occupancy	22,504	-	22,504	25,845
Promotion and publicity	32,776	-	32,776	29,894
General and administrative	33,626	-	33,626	47,336
Office and general	21,830	-	21,830	21,418
Other contracts	14,844	-	14,844	5,779
Partnership program Regina	52,083	-	52,083	47,140
Partnership program Saskatoon	64,850	-	64,850	66,969
Programs	2,830	-	2,830	3,170
Public awareness	956	-	956	2,060
Travel	3,238	-	3,238	5,408
Volunteer recognition	390	-	390	681
Wages and benefits	111,287	-	111,287	126,820
	<u>367,361</u>	<u>-</u>	<u>367,361</u>	<u>391,203</u>
Excess (deficiency) of revenues over expenses from operations	68,672	12,949	81,621	(11,968)
Other income				
Gain (loss) on investments	-	11,421	11,421	(11,525)
Excess (deficiency) of revenues over expenses	\$ 68,672	\$ 24,370	\$ 93,042	(23,493)

SCHIZOPHRENIA SOCIETY OF SASKATCHEWAN INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2017
(with comparative figures for the year ended March 31, 2016)

	<u>2017</u>	<u>2016</u>
Cash provided by (used in) operating activities:		
Excess (deficiency) of revenue over expenses	\$ 93,042	\$ (23,493)
Non-cash operating working capital:		
- Accounts receivable and prepaid expenses	2,655	(15,157)
- Accounts payable and accrued liabilities	3,608	20,790
- Deferred revenue	35,585	(970)
	134,890	(18,830)
Cash provided by (used in) investing activities:		
Net change in investments	(99,719)	58,789
Increase in cash	35,171	39,959
Cash position - beginning of year	211,901	171,942
Cash position - end of year	\$ 247,072	\$ 211,901

SCHIZOPHRENIA SOCIETY OF SASKATCHEWAN INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017
(with comparative figures for the year ended March 31, 2016)

1. Purpose of the organization

The Society was incorporated in the Province of Saskatchewan under the *Non-Profit Corporations Act* 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:

Basis of consolidation

These financial statements include the activities of Schizophrenia Society Saskatchewan and the Regina chapter. During the year the activities of the Saskatoon chapter were combined into that of the provincial office. All other local Saskatchewan chapters are independent of the Society and therefore, those financial activities are not reflected in these financial statements.

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.

Equipment

Equipment assets are expensed in the year purchased.

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.

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.

SCHIZOPHRENIA SOCIETY OF SASKATCHEWAN INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017
(with comparative figures for the year ended March 31, 2016)

2. Significant accounting policies (continued)

Financial instruments - recognition and measurement

Financial assets and financial liabilities are recorded on the statement of financial position when the Society 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.

3. Investments

	<u>2017</u>	<u>2016</u>
Investments measured at fair value:		
CI Canadian Dividend Fund	\$ 8,613	\$ 7,597
CI Select Income Managed Corp	28,739	-
Franklin Mutual Global Discovery Fund	22,180	18,908
Mackenzie Global Dividend Fund	28,206	24,397
Mackenzie Income Fund	26,300	24,531
Mackenzie IVY Global Balanced	29,753	-
Manulife Financial Corporation common stocks	35,385	27,570
Symmetry Fixed Income Fund	35,826	-
	215,002	103,003

At March 31, 2017, the cost base of investments measured at fair value is \$200,396 (2016 - \$77,238).

Investments measured at cost:

Corporate Bonds	136,710	120,990
Canada Savings Bonds	-	28,000
	136,710	148,990
	\$ 351,712	\$ 251,993

At March 31, 2017, the market value of investments measured at cost is \$142,681 (2016 - \$158,492).

SCHIZOPHRENIA SOCIETY OF SASKATCHEWAN INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017
(with comparative figures for the year ended March 31, 2016)

4. Donation and membership revenues

	<u>2017</u>	<u>2016</u>
Donations	\$ 183,817	\$ 92,110
Memberships	-	1,245
	<u>\$ 183,817</u>	<u>\$ 93,355</u>

5. 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 publicly traded securities 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.

6. Economic dependence

Approximately 52% (62% in 2016) of the Society's revenues are derived 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.

7. Comparative figures

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