

**SCHIZOPHRENIA SOCIETY OF CANADA  
- SOCIÉTÉ CANADIENNE DE LA  
SCHIZOPHRÉNIE**

**Non-consolidated Financial Statements  
For the year ended March 31, 2020**

# **SCHIZOPHRENIA SOCIETY OF CANADA - SOCIÉTÉ CANADIENNE DE LA SCHIZOPHRÉNIE**

**Non-consolidated Financial Statements**  
For the year ended March 31, 2020

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## **Contents**

<b>Independent Auditor's Report</b>	<b>2</b>
<b>Non-consolidated Financial Statements</b>	
Statement of Financial Position	4
Statement of Operations and Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7



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## Independent Auditor's Report

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To the Board of Directors of the Schizophrenia Society of Canada - Société canadienne de la schizophrénie

### Opinion

We have audited the non-consolidated financial statements of Schizophrenia Society of Canada - Société canadienne de la schizophrénie (the Society), which comprise the non-consolidated statement of financial position as at March 31, 2020, and the non-consolidated statement of operations and changes in net assets, and the non-consolidated statement of cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of Schizophrenia Society of Canada - Société canadienne de la schizophrénie as at March 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

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 non-consolidated financial statements in Canada, 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.

### Responsibilities of Management and Those Charged with Governance for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated 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 Non-consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the non-consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*BDO Canada LLP*

Chartered Professional Accountants

Winnipeg, Manitoba  
September 16, 2020

**SCHIZOPHRENIA SOCIETY OF CANADA -  
SOCIÉTÉ CANADIENNE DE LA SCHIZOPHRÉNIE**  
**Non-consolidated Statement of Financial Position**

**March 31** **2020** **2019**

**Assets**

**Current Assets**

Cash and bank	\$	371,441	\$	155,272
Grant and accounts receivable (Note 3)		192,307		36,451
Due from related party (Note 8)		9,058		-
Prepaid expenses		9,036		521
		581,842		192,244

**Investments** (Note 4) 661,658 675,155

**Capital assets** (Note 5) 4,896 2,897

**\$ 1,248,396** **\$ 870,296**

**Liabilities and Net Assets**

**Current Liabilities**

Accounts payable and accrued liabilities	\$	28,407	\$	67,710
Deferred contributions (Note 6)		44,601		52,167
		73,008		119,877

**Net Assets**

Unrestricted 1,175,388 750,419

**\$ 1,248,396** **\$ 870,296**

Approved on behalf of the Board of Directors:



Director



Director

**SCHIZOPHRENIA SOCIETY OF CANADA -  
SOCIÉTÉ CANADIENNE DE LA SCHIZOPHRÉNIE**  
**Non-consolidated Statement of Operations  
and Changes in Net Assets**

<b>For the year ended March 31</b>	<b>2020</b>	<b>2019</b>
<b>Revenue</b>		
Bequests	\$ 588,029	\$ 556,011
Contributions (Note 6)	7,566	17,606
Donations	104,599	145,102
Grants		
Government of Canada Health	286,491	82,304
Investment income		
Realized	74,886	15,618
Unrealized gain (loss)	(73,966)	20,831
Management fee and other	11,827	265
	<b>999,432</b>	<b>837,737</b>
<b>Expenses</b>		
Administration	72,811	84,545
Fundraising	95,282	57,515
Public awareness and education	369,645	212,305
Research and advocacy	36,725	29,191
	<b>574,463</b>	<b>383,556</b>
<b>Excess of revenue over expenses for the year</b>	<b>424,969</b>	<b>454,181</b>
<b>Net assets, beginning of year</b>	<b>750,419</b>	<b>296,238</b>
<b>Net assets, end of year</b>	<b>\$ 1,175,388</b>	<b>\$ 750,419</b>

**SCHIZOPHRENIA SOCIETY OF CANADA -  
SOCIÉTÉ CANADIENNE DE LA SCHIZOPHRÉNIE**  
**Non-consolidated Statement of Cash Flows**

<b>For the year ended March 31</b>	<b>2020</b>	<b>2019</b>
<b>Cash Flows from Operating Activities</b>		
Excess of revenue over expenses for the year	\$ 424,969	\$ 454,181
Adjustments for items not affecting cash		
Unrealized loss (gain) on investment	73,966	(20,831)
Amortization of capital assets	451	180
	<u>499,386</u>	433,530
Changes in non-cash working capital		
Grant and accounts receivable	(155,856)	16,425
Prepaid expenses	(8,515)	3,306
Accounts payable and accrued liabilities	(39,303)	(15,460)
Due to related parties	(9,058)	-
Deferred contributions	(7,566)	25,394
	<u>279,088</u>	463,195
<b>Cash Flows from Investing and Financing Activities</b>		
Purchase of investments	(702,400)	(440,935)
Proceeds from disposal of investments	639,481	4,352
	<u>(62,919)</u>	(436,583)
<b>Net increase in cash and cash equivalents</b>	<b>216,169</b>	<b>26,612</b>
<b>Cash and bank, beginning of year</b>	<b>155,272</b>	<b>128,660</b>
<b>Cash and bank, end of year</b>	<b>\$ 371,441</b>	<b>\$ 155,272</b>

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# SCHIZOPHRENIA SOCIETY OF CANADA - SOCIÉTÉ CANADIENNE DE LA SCHIZOPHRÉNIE

## Notes to Non-consolidated Financial Statements

**For the year ended March 31, 2020**

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### 1. Nature of the Organization

The Schizophrenia Society of Canada - Société canadienne de la schizophrénie (the Society) is a national organization that provides information and support to families and individuals living and coping with schizophrenia. The Society continues to work towards its mission: to improve the quality of life for those affected by schizophrenia and psychosis through education, support programs, public policy and research. The Society is a registered charity for income tax purposes.

### 2. Summary of Significant Accounting Policies

#### a. Basis of Accounting

The non-consolidated financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

#### b. Basis of Accounting for Controlled Entity

The Society has not consolidated the financial statements of its controlled entity, Schizophrenia Society of Canada Foundation - Fondation de la société canadienne de la schizophrénie (the Foundation). The summary financial statements of the controlled entity are disclosed at Note 8.

#### c. Revenue Recognition

The Society follows the deferral method of accounting for contributions.

Operating grants are recorded as revenue in the period to which they relate. Restricted contributions are recognized as revenue when the related expense has been incurred. Unrestricted contributions including donations are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized as revenue in the period it is earned.

Management fees are recognized as revenue in the period earned.

#### d. Contributed Services

Volunteers contributed many hours per year to assist the Society in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the non-consolidated financial statements.



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**SCHIZOPHRENIA SOCIETY OF CANADA -  
SOCIÉTÉ CANADIENNE DE LA SCHIZOPHRÉNIE**  
**Notes to Non-consolidated Financial Statements**

**For the year ended March 31, 2020**

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**2. Summary of Significant Accounting Policies (continued)**

e. Capital Assets

Purchased capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution less accumulated amortization. Capital assets are amortized over their estimated useful life using the declining balance method at the following rates:

Computer equipment	30%
Furniture and fixtures	20%

f. Allocation of Expenses

Certain administrative expenses are allocated to programs based on an estimate of the time expended on the program (Note 9).

g. Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets in actively traded markets and all other investments are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs are the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

h. Use of Estimates

The preparation of these non-consolidated financial statements in accordance with accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported assets, liabilities, revenue and expenses during the reporting period, as well as the disclosure of contingencies at the date of the non-consolidated financial statements. Actual results could differ from those estimates.

**3. Grant and Accounts Receivable**

	<u>2020</u>	<u>2019</u>
Grant receivable	\$ 185,609	\$ 32,729
GST and HST rebate	6,501	3,722
Other	197	-
	<u>\$ 192,307</u>	<u>\$ 36,451</u>

**SCHIZOPHRENIA SOCIETY OF CANADA -  
SOCIÉTÉ CANADIENNE DE LA SCHIZOPHRÉNIE  
Notes to Non-consolidated Financial Statements**

**For the year ended March 31, 2020**

**4. Investments**

The investments in mutual funds by nature of investments is as follows:

	<u>2020</u>	<u>2019</u>
Equities	\$ 195,148	\$ 201,955
Fixed income	466,510	473,200
	<u>\$ 661,658</u>	<u>\$ 675,155</u>

**5. Capital Assets**

	<u>2020</u>		<u>2019</u>	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 7,030	\$ 5,583	\$ 5,557	\$ 5,278
Furniture and fixtures	9,373	5,924	8,396	5,778
	<u>\$ 16,403</u>	<u>\$ 11,507</u>	<u>\$ 13,953</u>	<u>\$ 11,056</u>
Net book value		<u>\$ 4,896</u>		<u>\$ 2,897</u>

Amortization of expenses for the year of \$451 (\$180 in 2019) has been included in the administration expenses.

**6. Deferred Contributions**

Deferred contributions represent restricted contributions received for which funds are unspent at year end. A summary of the transactions for the year and balances at year end are as follows:

	Balance, Beginning of Year	Received During the Year	Recognized as Revenue During the Year	Balance, End of Year
Janssen - Strengthening Families				
Clinical Practice Guideline	\$ 15,452	\$ -	\$ 3,896	\$ 11,556
Together	19,000	-	-	19,000
SSC website and government relations campaign	17,715	-	3,670	14,045
Total	<u>\$ 52,167</u>	<u>\$ -</u>	<u>\$ 7,566</u>	<u>\$ 44,601</u>

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**SCHIZOPHRENIA SOCIETY OF CANADA -  
SOCIÉTÉ CANADIENNE DE LA SCHIZOPHRÉNIE**  
**Notes to Non-consolidated Financial Statements**

**For the year ended March 31, 2020**

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**7. Credit Facility**

The Society has available a line of credit of \$60,000 which bears interest at prime plus 2.70% with effective rate of 5.15% at March 31, 2020, and a credit card facility of \$15,000. The credit facility is due on demand and is secured by a general security agreement. At March 31, 2020, the Society had not drawn on the line of credit.

**8. Controlled Entity**

The Foundation is a national foundation that supports research and other activities to alleviate the suffering caused by schizophrenia. The Foundation operates as a separate entity to the Society. The Board of Directors of the Foundation is comprised of five members who must also be Board Members of the Society. As a consequence, the Society controls the strategic operating, investing and financing policies of the Foundation.

The Foundation's financial statements have not been consolidated in the Society's non-consolidated financial statements. Financial statements of the Foundation are available on request. The summary financial statements of the Foundation for the year ended March 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
<u>Statement of Financial Position</u>		
Total assets	<b>\$ 1,572,878</b>	\$ 1,665,572
Total liabilities	<b>\$ 47,813</b>	\$ 4,000
Fund balances	<b>1,525,064</b>	1,661,572
	<b>\$ 1,572,877</b>	\$ 1,665,572
	<u>2020</u>	<u>2019</u>
<u>Statement of Operations</u>		
Revenue	<b>\$ 51,011</b>	\$ 235,516
Expenses	<b>187,519</b>	64,656
Excess (deficiency) of revenue over expenses for the year	<b>\$ (136,508)</b>	\$ 170,860
<u>Statement of Cash Flows</u>		
Cash provided by (used in) operating activities	<b>\$ (17,351)</b>	\$ 166,161
Cash used in investing and financing activities	<b>(58,769)</b>	(161,835)
Net increase (decrease) in cash and bank	<b>\$ (76,120)</b>	\$ 4,326

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**SCHIZOPHRENIA SOCIETY OF CANADA -  
SOCIÉTÉ CANADIENNE DE LA SCHIZOPHRÉNIE**  
**Notes to Non-consolidated Financial Statements**

**For the year ended March 31, 2020**

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**8. Controlled Entity (continued)**

During the year, the Society charged management fees of \$11,535 (\$- in 2019) to the Foundation for management and accounting services provided by the Society. These transactions are in the normal course of operations and are measured at the exchange value, which approximates the arm's length equivalent value for services.

In addition, in 2014, a one-time restricted donation in the amount of \$40,000 was made to the Foundation by the Society for the purpose of funding the research to be carried out on a relapse risk assessment tool.

A balance of \$9,058 (\$- in 2019) is due to the Society from the Foundation which is non-interest bearing, has no specific terms of repayment, is unsecured and arose in the normal course of operations.

**9. Allocated Expenses**

Salaries and benefits of \$144,353 (\$171,052 in 2019) have been allocated as follows based on estimate of time spent for each function:

	<u>2020</u>	<u>2019</u>
Administration	\$ 28,871	\$ 34,210
Fundraising	36,088	42,763
Public awareness and education	64,959	76,974
Research and advocacy	14,435	17,105
	<u>\$ 144,353</u>	<u>\$ 171,052</u>

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# SCHIZOPHRENIA SOCIETY OF CANADA - SOCIÉTÉ CANADIENNE DE LA SCHIZOPHRÉNIE

## Notes to Non-consolidated Financial Statements

**For the year ended March 31, 2020**

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### **10. Financial Risk Management**

The Society, through its financial assets and liabilities, is exposed to various types of risk in the normal course of operations. The Society's objective in risk management is to optimize the risk return trade-off, within set limits, by applying integrated risk management and control strategies, policies and procedures throughout the Society's activities. The following analysis provides a measurement of those risks at year end.

#### Credit Risk

Credit risk is the risk that the Society will incur a loss due to the failure by its debtors to meet their contractual obligations. Financial instruments that potentially subject the Society to significant concentrations of credit risk consist primarily of cash, grants and accounts receivable and investments. The Society is not exposed to significant credit risk as the accounts receivable have typically been paid when due, and investments are diversified.

#### Liquidity Risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting financial obligations as they become due, and arises from the Society's management of working capital. The Society's policy is to ensure that it will have sufficient cash to allow it to meet its liabilities when they become due.

#### Interest Rate, Market and Foreign Currency Risks

The Society is not exposed to significant interest rate, market or foreign currency risks as investments are diversified.

### **11. Uncertainty Due to COVID-19 Issue**

On March 13, 2020, the World Health Organization declared COVID-19 a global pandemic. This has adverse impacts in Canada and on the global economy. As this continues, there could be further impact on the Society, its funders and community of service. Management is actively monitoring the effect on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the pandemic and the global responses to curb its spread, the Society is not able to estimate fully the effects at this time.