

Schizophrenia Society of Ontario

Financial Statements

March 31, 2015

INDEPENDENT AUDITOR'S REPORT

TO THE DIRECTORS OF SCHIZOPHRENIA SOCIETY OF ONTARIO

I have audited the accompanying financial statements of Canadian accounting standards for not-for-profit organizations., which comprise the statement of financial position as at March 31, 2015 and statement of operations and changes in net assets and cash flow statement 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 of material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 risk assessments, the auditor considers internal control relevant to the entity'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 entity'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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Qualified Opinion

In common with many charitable organizations, Schizophrenia Society of Ontario derives revenue from contributions and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of revenue from contributions and fundraising activities was limited to the amounts recorded in the records of the organization and I was not able to determine whether any adjustments might be necessary to revenue from contributions and events and gaming activities, net expense for the year, assets and net assets.

Opinion

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the items referred to in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of Schizophrenia Society of Ontario as at March 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

A handwritten signature in black ink that reads "Denis Paganelli". The signature is written in a cursive, flowing style.

Denis Paganelli, CPA, CA
Licensed Public Accountant

June 27, 2015
Toronto, Canada

Schizophrenia Society of Ontario

Statement of Financial Position

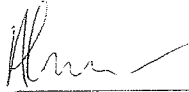
March 31, 2015

	2015	2014
Assets		
Current assets		
Cash (note 10)	\$ 149,390	\$ 91,118
Amounts receivable	87,268	170,302
Prepaid expense	39,845	56,180
Investments (note 3)	49,384	5,767
	325,887	323,367
Investments (note 3)	433,076	1,001,218
	\$ 758,963	\$ 1,324,585
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 38,887	\$ 19,478
Government remittances payable	16,126	34,117
Deferred contributions	70,083	46,642
	125,096	100,237
Net assets		
Externally restricted for endowment (schedule 2)	-	50,000
Externally restricted (schedule 2)	843,695	949,909
Internally restricted (schedule 2)	-	224,439
Unrestricted Operating Fund	(209,828)	-
Unrestricted Research Fund	-	-
	633,867	1,224,348
Commitments (note 4)		
	\$ 758,963	\$ 1,324,585

See accompanying notes to financial statements.

Approved on behalf of the board:

Director


Aaron Stebbins

Director



Schizophrenia Society of Ontario

Statement of Cash Flows

Year Ended March 31, 2015

	2015	2014
Cash provided by (used in):		
Operating activities		
Net revenue (expense) for the year	\$ (590,481)	\$ (340,701)
Adjustment for item not affecting cash		
Investment income maintained in investments	(18,145)	(30,777)
	(608,626)	(371,478)
Net change in non-cash working capital balances related to operations	123,927	(47,009)
	(484,699)	(418,487)
Investing activities		
Investments redeemed and transferred to cash	542,971	392,455
	542,971	392,455
Financing activities		
Purchase of capital assets	-	-
	-	-
Increase (decrease) in cash during the year	58,272	(26,032)
Cash, beginning of year	91,118	117,150
Cash, end of year	\$ 149,390	\$ 91,118

See accompanying notes to financial statements.

Schizophrenia Society of Ontario

Notes to Financial Statements

March 31, 2015

1. Purpose of the organization

Schizophrenia Society of Ontario (the "Society") is incorporated without share capital under the laws of the Province of Ontario and is a registered charity under the Income Tax Act. The Society was founded in 1979 to support and assist families and those affected by schizophrenia. The Mission Statement of the Society is to make a positive difference in the lives of people, families and communities affected by schizophrenia and psychotic illnesses. The Society envisions a world without schizophrenia. For this to happen:

- Society must recognize schizophrenia as a serious brain disease.
- Excellence in service and treatment must become the norm.
- Stigma must be eliminated.
- A cure must be found.

2. Summary of significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook and include the following significant accounting policies:

(a) Fund accounting

The Society follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for the Society's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Research Fund accounts for the Society's research activities. This fund reports unrestricted resources and restricted operating grants.

The Designated Fund reports revenues that are externally restricted by the donor and resources internally restricted by the Board of Directors and consist of the following funds:

The Bill Jefferies Research Fund reports resources that are to be used to fund and support both psychosocial and biomedical research projects related to schizophrenia including grants received from external sources. It includes designated donations and revenue from the Peace of Minds walk.

The Helen Pfohl Research Fund reports resources that are to be used to fund and support research projects for a cure and treatment of schizophrenia.

The Development Fund reports internally restricted resources that are to be used for projects and activities of the organization as approved by the Board of Directors. The Tam Grant Research Fund was transferred to the Development Fund in fiscal 2014.

The Olenka Maksymiw Memorial Fund was an endowment fund on which the investment income earned on the resources of the fund is to be used to help raise awareness. (See note 5).

Schizophrenia Society of Ontario

Notes to Financial Statements

March 31, 2015

2. Summary of significant accounting policies (continued)

(b) Capital assets and amortization

Purchased capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. The Society follows a policy of recording items as capital assets only if they are in excess of \$5,000 each. Leasehold improvements are amortized over the term of the lease.

(c) Revenue Recognition

Contributions

Restricted contributions including grants, donations and membership dues related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate Designated Fund.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions are reported as revenue in the appropriate Designated Fund when received.

Investment Income

Investment income is recognized as revenue of the Operating Fund when earned except for the Helen Pfohl Research Fund, Tam Grant Research Fund and the Olenka Maksymiw Memorial Fund. The donors of these funds have stated that the investment income earned on the fund balances must be used in that fund.

Events and gaming

Events and gaming revenue is recognized in the year that the event takes place.

(d) Financial instruments

The Society initially measures its financial assets and financial liabilities at fair value. The Society subsequently measures all its financial assets and financial liabilities at amortized cost except for marketable securities quoted in an active market and bonds, which it chose to measure at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and amounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

(e) Contributed services

Volunteers contribute significant time each year to assist the Society in carrying out its activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Schizophrenia Society of Ontario

Notes to Financial Statements

March 31, 2015

3. Investments

Investments are maintained in four separate investment accounts with RBC Dominion Securities Inc., are reported at market value and consist of the following:

	2015	2014
Canadian Fixed Income Securities maturing in more than one year Interest rates varying from 2.3% to 3.25%	\$ 433,076	\$ 1,001,218
Cash to be invested	49,384	5,767
	\$ 482,460	\$ 1,006,985

4. Lease commitments

The Society has leased office space on leases over various terms as well as some office equipment. The basic rent requirements are:

Year	Amount
2016	\$ 110,843
2017	103,139
2018	92,137
	\$ 306,119

5. Interfund transfers

Transfers of \$57,595 (2014 - \$130,600) from the Bill Jeffries Research Fund and 102,106 (2014 - \$130,659) from the Helen Pfohl Research Fund were made to support the activities of the Research Fund.

A transfer of \$224,439 from the Development Fund was made to support the activities of the Operating Fund.

On May 21, 2014 the Society entered into an agreement with the primary donor of the Olenka Maksymiw Endowment Fund to change the terms and make the \$50,000 amount received into a regular donation. The amount of \$50,000 was transferred during the year from the Designated Fund to the Operating Fund.

6. Grants – Provincial Government

Details of the Society's funding are as follows:

	2015	2014
Ministry of Health and Long-Term Care	\$ 260,405	\$ 260,405
LHIN – Toronto Central	203,956	215,806
LHIN – Hamilton Niagara Haldimand Brant	90,622	107,522
	554,983	583,733
Ministry of the Attorney General	–	50,000
	\$ 554,983	\$ 633,733

Denis Paganelli, CPA, CA

Schizophrenia Society of Ontario

Notes to Financial Statements

March 31, 2015

7. Pension plan contributions

The organization contributes to individual pension plans that are all defined contribution plans. The pension expense under these plans is equal to the organization's contribution. The 2015 pension expense was \$38,313 (2014-\$35,431).

8. Events and gaming revenue and expenses

Details of events and gaming revenue are as follows:

	2015	2014
Walk of Hope	\$ 97,780	\$ 115,959
Provincial Golf	67,062	72,731
Nevada	228,321	154,756
Bingo	19,089	22,241
Gala	10,534	20,681
Yogathon	26,300	33,032
Other fundraising events	46,318	36,391
	\$ 495,404	\$ 455,791

Details of events and gaming expenses are as follows:

	2015	2014
Walk of Hope	\$ 21,072	\$ 16,472
Provincial Golf	37,930	38,496
Nevada	148,061	104,036
Bingo	1,708	2,926
Gala	16,852	19,062
Yogathon	5,477	13,610
Other fundraising events	9,400	6,784
	\$ 240,500	\$ 201,386

9. Allocation of expenses

The organization allocates expenses between program, administration and fundraising expenses. Salaries and benefits are allocated by assessing the percentage of work done by each employee in each category. Building occupancy is allocated based on the space occupied by the employees and their work in each of the categories. Other expenses are allocated directly into one of the categories or by a percentage determined by the organization.

THE SCHIZOPHRENIA SOCIETY OF ONTARIO
 4351 JONES
 TORONTO, ONTARIO
 M3J 1K6

Schizophrenia Society of Ontario

Notes to Financial Statements

March 31, 2015

10. Cash

The Society maintains separate trust bank accounts in order to satisfy the requirements of the licences granted to it for Nevada and Bingo gaming by the Alcohol and Gaming Commission of Ontario. These funds are restricted as they must be spent on the activities listed on the licence applications. The balances maintained in these accounts at March 31, 2015 was \$189,627 (2014-\$187,891)

11. Financial risks

The Society is exposed to various risks through its financial instruments.

Credit Risk

The Society is exposed to credit risk on its amounts receivable and investments. The Society assesses on a continuous basis, amounts receivable on the basis of amounts it is virtually certain to receive based on their estimated realizable value.

For investments, the Society has established a conservative investment policy which requires investments to be invested in Canadian and provincial government bonds and major Canadian banks and corporations with a debt rating of A or better.

Interest Rate Risk

The Society is exposed to interest rate risk on its investments which consist of fixed rate bonds. Fixed rate bonds subject the Society to a fair value risk; however, the risk associated with these investments is reduced to a minimum since these assets are invested in safe government and corporate securities.

Schizophrenia Society of Ontario

Schedule of Expenses

SCHEDULE 1

For the year ended March 31, 2015

2015	Program	Fundraising	Administration	Research	Designated Fund	2015 Total
Salaries and benefits	\$ 781,941	\$ 238,885	\$ 291,964	\$ 209,791	\$ -	\$ 1,522,581
Occupancy costs	98,679	34,691	44,445	15,083	-	192,898
Office and administration	45,840	56,497	52,930	6,678	-	161,945
Computer and web costs	39,755	17,991	18,338	6,897	-	82,981
Education and recruitment costs	6,128	2,056	2,120	1,004	-	11,308
Contracted services	7,909	29,160	76,403	12,930	-	126,402
Program and publicity	31,835	25,171	3,210	743	-	60,959
Travel	12,657	1,351	7,065	910	-	21,983
Events and gaming	-	240,499	-	-	-	240,499
Research grants	-	-	-	333	-	333
Scholarships	13,600	-	-	-	-	13,600
Miscellaneous	13	1,456	-	-	-	1,469
	\$ 1,038,357	\$ 647,757	\$ 496,475	\$ 254,369	\$ -	\$ 2,436,958

2014	Program	Fundraising	Administration	Research	Designated Fund	2014 Total
Salaries and benefits	\$ 774,542	\$ 224,789	\$ 264,658	\$ 255,600	\$ 12,632	\$ 1,532,221
Occupancy costs	93,370	29,006	38,579	32,997	-	193,952
Office and administration	53,764	39,328	50,016	13,499	-	156,607
Computer and web costs	36,443	14,416	17,403	10,439	-	78,701
Education and recruitment costs	2,562	214	2,414	1,857	-	7,047
Contracted services	49,428	41,750	81,800	35,460	-	208,438
Program and publicity	86,688	16,888	6,326	8,435	-	118,337
Travel	20,899	2,495	7,868	3,403	-	34,665
Events and gaming	-	201,386	-	-	-	201,386
Research grants	-	-	-	4,250	-	4,250
Scholarships	23,483	-	-	-	-	23,483
Miscellaneous	-	-	-	-	-	-
	\$ 1,141,179	\$ 570,272	\$ 469,064	\$ 365,940	\$ 12,632	\$ 2,559,087

See accompanying notes to financial statements

Schizophrenia Society of Ontario

Schedule of Designated Fund Revenues and Expenses

SCHEDULE 2

For the year ended March 31, 2015

	Balance, Beginning of year	Donations received	Events and gaming	Investment Income	Expenses (schedule 1)	Interfund transfers (note 5)	Balance, End of year
Externally Restricted Funds							
Bill Jefferies Research Fund	\$ 852,300	\$ 100	\$ 48,890	\$ -	\$ -	\$ (57,595)	\$ 843,695
Helen Pfohl Research Fund	97,609	-	-	4,497	-	(102,106)	-
	\$ 949,909	\$ 100	\$ 48,890	\$ 4,497	\$ -	\$ (159,701)	\$ 843,695
Externally Restricted Endowment Funds							
Olenka Maksymiw Endowment Fund	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ (50,000)	\$ -
Internally Restricted Funds							
Development Fund	\$ 224,439	\$ -	\$ -	\$ -	\$ -	\$ (224,439)	\$ -

See accompanying notes to financial statements.