

Schizophrenia Society of Ontario

Financial Statements

March 31, 2010



nis Paganelli, C.A.

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AUDITOR'S REPORT TO THE MEMBERS

I have audited the statement of financial position of Schizophrenia Society of Ontario as at March 31, 2010 and the statements of operations and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Society's management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as explained in the following paragraph, I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Society 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 Society and I was not able to determine whether any adjustments might be necessary to revenue from contributions and fundraising activities, net revenue for the year, assets and net assets.

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, these financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2010 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

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

Denis Paganelli, C.A.
Licensed Public Accountant

Toronto, Canada
May 28, 2010

Schizophrenia Society of Ontario

Statement of Financial Position

March 31, 2010

	Total 2010	Total 2009
Assets		
Current assets		
Cash	\$ 164,040	\$ 340,666
Amounts receivable	49,279	79,282
Bequest receivable	-	53,198
Prepaid expense	70,024	83,801
	283,343	556,947
Capital assets (note 3)		
Investments	71,526	96,077
	1,900,508	1,946,799
	\$ 2,255,377	\$ 2,599,823
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 101,578	\$ 42,185
Deferred contributions (note 4)	77,089	171,993
	178,667	214,178
Net assets		
Externally restricted for endowment (schedule)	50,000	50,000
Externally restricted (schedule)	1,776,571	1,850,638
Internally restricted (schedule)	178,613	388,930
Invested in capital assets	71,526	96,077
Unrestricted	-	-
	2,076,710	2,385,645
Commitments (note 5)		
	\$ 2,255,377	\$ 2,599,823

See accompanying notes to financial statements.

Approved on behalf of the board:

Director



Director



Denis Paganelli, C.A.

Schizophrenia Society of Ontario

Statement of Operations

Year ended March 31, 2010

	Operating Fund	Designated Fund	Total 2010	Total 2009
Revenue				
Contributions				
Donations – individuals	\$ 320,001	\$ 7,514	\$ 327,515	\$ 387,526
Donations – corporate	-	-	-	20,705
Donations – foundations	1,675	-	1,675	10,757
Membership dues	18,060	-	18,060	27,305
Bequests	256,416	-	256,416	321,669
Events and gaming (note 8)	545,462	48,829	594,291	598,590
Grants				
Provincial government (note 7)	583,920	-	583,920	566,394
Government - other	49,934	-	49,934	62,598
Corporate	224,756	-	224,756	181,194
Foundations and other agencies	372,083	-	372,083	362,546
Investment income	30,424	23,455	53,879	68,328
Sundry	21,319	-	21,319	571
	2,424,050	79,798	2,503,848	2,608,183
Expense				
Program – (schedule)	1,472,787	42,000	1,514,787	1,536,702
Research grants	-	81,000	81,000	55,000
Fundraising – (schedule)	660,568	-	660,568	604,121
Administration – (schedule)	526,299	30,129	556,428	554,566
	2,659,654	153,129	2,812,783	2,750,389
Net revenue (expense) for the year	\$ (235,604)	\$ (73,331)	\$ (308,935)	\$ (142,206)

See accompanying notes to financial statements.

Schizophrenia Society of Ontario

Statement of Changes in Net Assets

Year ended March 31, 2010

	Invested in Capital Assets	Unrestricted	Internally Restricted	Externally Restricted	Endowment	Total
Net assets, beginning of year	\$ 96,077	\$ -	\$ 388,930	\$ 1,850,638	\$ 50,000	\$ 2,385,645
Net revenue (expense) for the year	(24,551)	(211,053)	-	(74,067)	736	(308,935)
Investment in capital assets	-	-	-	-	-	-
Interfund transfers (note 6)	-	211,053	(210,317)	-	(736)	-
Net assets, end of year	\$ 71,526	\$ -	\$ 178,613	\$ 1,776,571	\$ 50,000	\$ 2,076,710

See accompanying notes to financial statements.

Schizophrenia Society of Ontario

Statement of Cash Flows

Year Ended March 31, 2010

	2010	2009
Cash provided by (used in):		
Operating activities		
Net revenue (expense) for the year	\$ (308,935)	\$ (142,206)
Adjustment for item not affecting cash		
Amortization of capital assets	24,550	27,024
Interest earned and maintained in investments	(53,709)	(68,108)
	(338,094)	(183,290)
Net change in non-cash working capital balances related to operations	61,468	(39,752)
	(276,626)	(223,042)
Investing activities		
Investments cashed in and transferred to cash	100,000	175,000
	100,000	175,000
Financing activities		
Purchase of capital assets	-	(1,470)
	-	(1,470)
Increase (decrease) in cash during the year	(176,626)	(49,512)
Cash, beginning of year	340,666	390,178
Cash, end of year	\$ 164,040	\$ 340,666

See accompanying notes to financial statements.

Schizophrenia Society of Ontario

Notes to Financial Statements

March 31, 2010

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 improve the quality of life for those affected by schizophrenia and psychosis through education, support programs, public policy and research.

2. Summary of 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 Designated Fund consists of the following externally and internally restricted funds:

The Research Fund consists of three externally restricted sub-funds, the Bill Jefferies Research Fund, the Helen Pfohl Research Fund and the Tam Grant Research Fund.

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.

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 Tam Grant Research Fund reports resources that are to be used to fund and support cause and cure research for 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 Olenka Maksymiw Memorial Fund is an endowment fund on which the investment income earned on the resources of the fund is to be used to help raise awareness.

(b) Investments

Investments consisting of bonds and mutual funds are used to fund current operations when required. All investments are considered held-for-trading and are recorded at fair value with unrealized gains and losses included as investment income for the year.

(c) 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.

Schizophrenia Society of Ontario

Notes to Financial Statements

March 31, 2010

2. Summary of significant accounting policies (continued)

(d) 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.

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.

(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.

(f) Management's use of estimates

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and net assets at the date of the financial statements, and the reported amounts of the statement of operations and changes in net assets. Actual results could differ from those estimates.

3. Capital assets

Details of capital assets are as follows:

			2010	2009
	Cost	Accumulated amortization	Net	Net
Leasehold improvements	\$123,101	\$51,575	\$71,526	\$96,077

Amortization expense for the year is \$24,550 (2009 - \$27,024).

Schizophrenia Society of Ontario

Notes to Financial Statements

March 31, 2010

4. Deferred contributions

The deferred contributions reported in the Operating Fund represent restricted operating funding received in the current period that is related to the subsequent period. Changes in the deferred contributions balance are as follows:

	2010	2009
Deferred contributions, beginning of year	\$ 171,993	\$ 140,181
Less amount recognized as revenue in the year	(171,993)	(140,181)
Add amounts received related to next year	77,089	171,993
Deferred contributions, end of year	\$ 77,089	\$ 171,993

5. 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
2011	\$ 193,948
2012	167,793
2013	104,573
	\$ 466,314

6. Interfund transfers

The Board of Directors approved the transfer of \$210,317 (2009-\$152,989) from the internally restricted Development Fund to the Operating Fund to support the activities of the Operating Fund.

The income earned in the year from The Olenka Maksymiw Memorial Fund of \$736 was transferred to the Operating Fund in order to fund activities in raising awareness.

7. Grants – Provincial Government

Details of the Society's funding are as follows:

	2010	2009
Ministry of Health and Long-Term Care	\$ 271,405	\$ 242,494
LHIN – Toronto Central	179,616	178,271
LHIN – Hamilton Niagara Haldimand Brant	87,899	86,841
	538,920	507,606
Ministry of the Attorney General	45,000	58,788
	\$ 583,920	\$ 566,394

Schizophrenia Society of Ontario

Notes to Financial Statements

March 31, 2010

8. Events and gaming revenue and expenses

Details of events and gaming revenue are as follows:

	2010	2009
Walk of Hope	\$ 156,843	\$ 152,286
Provincial Golf – Harry and Shirley Young Drive to Survive Golf Classic	56,981	55,591
Nevada	144,534	135,454
Bingo	50,099	62,533
Gala – Iris Ball	40,808	72,015
Yogathon	72,482	44,359
Other fundraising events	72,544	76,352
	<u>\$ 594,291</u>	<u>\$ 598,590</u>

Details of events and gaming expenses are as follows:

	2010	2009
Walk of Hope	\$ 31,690	\$ 39,126
Provincial Golf – Harry and Shirley Young Drive to Survive Golf Classic	35,304	32,842
Nevada	96,240	92,727
Bingo	936	1,336
Gala – Iris Ball	30,853	31,379
Yogathon	20,017	16,122
Other fundraising events	31,391	49,106
	<u>\$ 246,432</u>	<u>\$ 262,638</u>

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.

10. Capital Disclosures

The organization defines capital as Net Assets which is the sum of unrestricted net assets, net assets invested in capital assets, internally restricted net assets, externally restricted net assets and endowment funds.

The organization's objective when managing capital is to hold sufficient unrestricted net assets to enable it to withstand negative unexpected financial events, in order to maintain stability in the financial structure. The organization seeks to maintain sufficient liquidity to meet its obligations as they become due. The organization's objective with externally restricted net assets is to ensure that the funds are used as per the donor's requirements. The organization's objective with endowment funds is to ensure that the income generated is used per the donor's requirements.

Schizophrenia Society of Ontario

Notes to Financial Statements

March 31, 2010

11. Financial instruments

Under the standards for recognizing and measuring financial instruments, all financial assets are classified into one of the following four categories: held for trading, held to maturity, loans and receivables or available for sale. All financial liabilities are classified into one of the following two categories: held for trading or other financial liabilities.

The organization's financial assets and liabilities are classified and measured as follows:

ASSET/LIABILITY	CATEGORY	MEASUREMENT
Cash	Held for trading	Fair Value
Amounts receivable	Loans and receivables	Amortized Cost
Investments	Held for trading	Fair value
Accounts payable and Accrued Liabilities	Other financial liabilities	Amortized Cost

Financial instruments measured at amortized cost are initially recognized at fair value and then subsequently at amortized cost with gains and losses recognized in the statement of operations in the period in which the gain or loss occurs.

Fair value of financial instruments

The fair value of a financial instrument is the estimated amount that the organization would receive or pay to settle a financial asset or financial liability as at the reporting date.

The fair values of cash, amounts receivable and accounts payable and accrued liabilities approximate their carrying values due to the nature or capacity for prompt liquidation.

The fair value of investments, which consist of fixed income securities, is determined based on the market value at year-end.

Risk Management

The organization manages its exposure to risks associated with financial instruments that have the potential to affect its operating and financial performance in accordance with its budgeting process and review of the organization's financial performance by the Board of Directors at their meetings.

The organization is subject to credit risk with respect to its amounts receivable and interest and market risk with respect to its investments.

12. Comparative figures

Certain of the comparative figures for 2009 have been adjusted to correspond with the classification adopted in 2010.

Schizophrenia Society of Ontario

Schedule of Designated Fund Revenues and Expenses

For the year ended March 31, 2010

	Balance, Beginning of year	Donations received	Events and gaming	Investment income	Research grants	Other expenses	Interfund transfers (note 6)	Balance, End of year
Externally Restricted Funds								
Bill Jefferies Research Fund	\$ 908,883	\$ 7,514	\$ 48,829	-	\$ (2,000)	\$ (9,595)	-	\$ 953,631
Helen Pfohl Research Fund	377,122	-	-	14,410	(27,000)	(31,267)	-	333,265
Tam Grant Research Fund	564,633	-	-	8,309	(52,000)	(31,267)	-	489,675
Olenka Maksymiw Endowment Fund	50,000	-	-	736	-	-	(736)	50,000
	\$ 1,900,638	\$ 7,514	\$ 48,829	\$ 23,455	\$ (81,000)	\$ (72,129)	\$ (736)	\$ 1,826,571
Internally Restricted Funds								
Development Fund	\$ 388,930	-	-	-	-	-	\$ (210,317)	\$ 178,613
	\$ 388,930	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (210,317)	\$ 178,613

See accompanying notes to financial statements.

Schizophrenia Society of Ontario

Schedule of Expenses - Operating Fund

For the year ended March 31, 2010

	2010			2009			
	Program	Fundraising	Administration	Program	Fundraising	Administration	Net
Salaries and benefits	\$ 1,008,058	\$ 310,259	\$ 284,454	\$ 990,814	\$ 251,574	\$ 294,740	\$ 1,537,128
Occupancy costs	116,496	43,104	34,332	129,473	36,591	44,250	210,314
Office and administration supplies	61,356	5,676	58,203	55,811	7,968	45,044	108,823
Computer and web costs	53,247	9,106	47,170	41,373	8,688	39,351	89,412
Education and recruitment costs	2,520	2,076	5,705	7,395	1,560	5,254	14,209
Contracted services	8,884	41,733	53,681	49,487	34,777	47,717	131,981
Program and publicity	193,080	69,787	22,330	221,930	51,934	34,275	308,139
Travel and meetings	26,146	1,122	20,424	40,419	1,412	17,031	58,862
Events and gaming	-	177,705	-	-	185,767	-	185,767
Miscellaneous	3,000	-	-	-	-	1,584	1,584
	\$ 1,472,787	\$ 660,568	\$ 526,299	\$ 1,536,702	\$ 580,271	\$ 529,246	\$ 2,646,219

See accompanying notes to financial statements