

SASKATCHEWAN COUNCIL FOR INTERNATIONAL COOPERATION
FINANCIAL STATEMENTS
MARCH 31, 2016

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

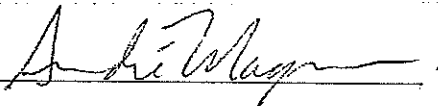
To the Members of
Saskatchewan Council for International Cooperation

Management has responsibility for preparing the accompanying financial statements and ensuring that all information on any related reports is consistent with the financial statements. This responsibility includes selecting appropriate accounting policies and making objective judgements and estimates in accordance with Canadian accounting standards for not-for-profit organizations.

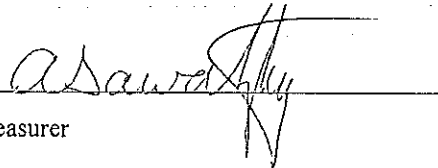
In discharging its responsibilities for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded, and proper records maintained.

Ultimate responsibility for financial statements to members lies with the Board of Directors.

Marcia Herback Chartered Accountant Professional Corporation, an independent firm, has been appointed by the members to audit the financial statements and report to them; their report follows. The independent auditor has full and free access to the Board and management to discuss their audit findings as to the integrity of the organization's financial reporting and the adequacy of the system of internal controls.



President



Treasurer

September 13, 2016
Regina, Saskatchewan

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INDEPENDENT AUDITOR'S REPORT

To the Members of
Saskatchewan Council for International Cooperation

I have audited the accompanying financial statements of Saskatchewan Council for International Cooperation, which comprise the statement of financial position as at March 31, 2016, and the statements of operation, change in net assets and cash flow statement for the years 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.

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.

Basis for Qualified Opinion

In common with many non-profit organizations, Saskatchewan Council for International Cooperation derives part of its revenue from the general public, the completeness and classification of which are not susceptible to satisfactory audit verification. Accordingly my verification of these transactions was limited to accounting for the amounts recorded in the records of the organization and I was not able to determine whether any adjustments might be necessary to the revenues, surplus for the year, assets and cumulative surplus.

Qualified Opinion

In my opinion, except for the effects, if any, of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Council for International Cooperation as at March 31, 2016 and its financial performance and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

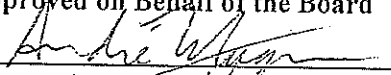
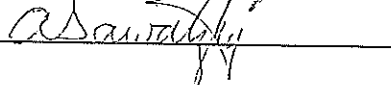
Regina, Saskatchewan
September 13, 2016


Marcia Herback
CPA, CA

SASKATCHEWAN COUNCIL FOR INTERNATIONAL COOPERATION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2016
(with comparative figures for 2015)

	2016	2015
ASSETS		
Current assets		
Cash	\$ 106,931	\$ 76,626
Temporary investments	152,400	75,000
Accounts receivable	16,561	12,774
Prepaid expenses	<u>1,257</u>	<u>97</u>
	277,149	164,497
Capital assets (Note 3)	15,727	20,714
Investments (Note 4)	<u>76,388</u>	<u>150,000</u>
	<u>\$ 369,264</u>	<u>\$ 335,211</u>
LIABILITIES		
Current liabilities		
Bank overdraft	\$ -	\$ 5,037
Accounts payable	39,543	29,980
Government remittances payable	6,608	6,385
Deferred revenue (Note 6)	<u>39,388</u>	<u>19,617</u>
	<u>85,539</u>	<u>61,019</u>
NET ASSETS		
Operating fund	10,219	686
Contingency reserve fund (Note 8)	217,915	234,784
Severance reserve fund (Note 9)	<u>55,591</u>	<u>38,722</u>
	<u>283,725</u>	<u>274,192</u>
	<u>\$ 369,264</u>	<u>\$ 335,211</u>

See accompanying notes

Approved on Behalf of the Board
 Director
 Director

SASKATCHEWAN COUNCIL FOR INTERNATIONAL COOPERATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2016
(with comparative figures for 2015)

	2016	2015
Revenue		
General operations (Schedule 2)	\$ 488,265	\$ 424,333
Government of Saskatchewan (Note 5)	310,888	310,888
Government of Saskatchewan - Emergency Assistance (Note 5)	23,100	23,100
Development Education (Schedule 1)	<u>22,060</u>	<u>22,060</u>
	<u>844,313</u>	<u>780,381</u>
Expenditures		
Development education (Schedule 1)	10,255	10,000
General operations (Schedule 3)	490,537	434,415
Government of Saskatchewan	310,888	310,888
Saskatchewan Emergency Assistance	<u>23,100</u>	<u>23,100</u>
	<u>834,780</u>	<u>778,403</u>
Excess (deficiency) of revenue over expenditures	<u>\$ 9,533</u>	<u>\$ 1,978</u>

See accompanying notes

SASKATCHEWAN COUNCIL FOR INTERNATIONAL COOPERATION
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2016
(with comparative figures for 2015)

	<u>Operating Fund</u>	<u>Contingency Reserve Fund</u>	<u>Severance Reserve Fund</u>	<u>2016</u>	<u>2015</u>
Net Assets					
Balance, beginning of year	\$ 686	234,784	38,722	\$ 274,192	\$ 272,214
Excess (deficiency) of revenue over expenditures	9,533	-	-	9,533	1,978
Inter-fund transfer	<u>-</u>	<u>(16,869)</u>	<u>16,869</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 10,219</u>	<u>217,915</u>	<u>55,591</u>	<u>\$ 283,725</u>	<u>\$ 274,192</u>

SASKATCHEWAN COUNCIL FOR INTERNATIONAL COOPERATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2016
(with comparative figures for 2015)

	2016	2015
Operating activities		
Excess (deficiency) of revenues over expenditures	\$ 9,533	\$ 1,978
Items not involving an outlay (receipt) of cash		
Amortization	6,935	6,095
	16,468	8,073
Net change in non-cash operating working capital balances		
Temporary investments	(77,400)	(75,000)
Accounts receivable	(3,787)	53,435
Prepaid expenses	(1,160)	(20)
Accounts payable	9,563	(8,191)
Government remittances payable	223	817
Deferred revenue	19,771	19,567
Cash used in operating activities	(36,322)	(1,319)
Investing activities		
Additions to investments	73,612	(150,000)
Additions to capital assets	(1,948)	(6,962)
Cash provided by (used in) investing activities	71,664	(156,962)
Financing activities		
Change in bank overdraft	(5,037)	(97,450)
Cash used in financing activities	(5,037)	(97,450)
Increase (decrease) in cash	30,305	(255,731)
Cash position, beginning of year	76,626	332,357
Cash position, end of year	\$ 106,931	\$ 76,626

See accompanying notes

SASKATCHEWAN COUNCIL FOR INTERNATIONAL COOPERATION
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2016

1. Status and nature of activities

Saskatchewan Council for International Cooperation is a coalition involved in international development and committed to the recognition of the dignity of all people and their right to self-determination, to the protection of the world's fragile environment, and to the promotion of global understanding, cooperation, peace and justice. Saskatchewan Council for International Cooperation is a not-for-profit organization and is a registered charity under the Income Tax Act of Canada and therefore is not required to pay income taxes. The organization was granted charitable status in November, 1993.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies.

Capital assets

Capital assets are recorded at cost. There has been a change in accounting policy regarding the life of office furniture/equipment and has been changed from three years to five years. Computer equipment remains at three years. Amortization is provided over this life on a straight line basis. In the year of acquisition amortization is provided using one-half the annual rate.

The lifespan for the leasehold improvements has been estimated as five years with amortization on a straight line basis and there is no one-half the annual rate in the year of acquisition.

Revenue recognition

Saskatchewan Council for International Cooperation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted investment income is recognized as revenue when earned.

Commitments

At March 31 the Council records committed expenditures for projects that will not be fully completed until the next fiscal period in order to show related expenditures within the time frame in which the activity was to have taken place.

Financial instruments

The Saskatchewan Council for International Cooperation initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets subsequently measured at amortized cost include cash, investments and accounts receivable. Financial liabilities subsequently measured at amortized cost include accounts payable, commitments and deferred revenue.

SASKATCHEWAN COUNCIL FOR INTERNATIONAL COOPERATION
 NOTES TO THE FINANCIAL STATEMENTS
 MARCH 31, 2016

2. Summary of significant accounting policies cont'd

Management estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

Contributed services

The operations of the council are partially dependent on volunteer time spent by the board and committee members for attending meetings, conferences and other activities which support the organizations and its objective. These contributed services are not recognized in the financial statements.

3. Capital assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2016 Net Book Value</u>	<u>2015 Net Book Value</u>
Computer equipment	\$ 15,480	11,865	3,615	\$ 3,765
Office equipment	13,761	7,068	6,693	9,080
Leasehold improvements	<u>12,247</u>	<u>6,828</u>	<u>5,419</u>	<u>7,869</u>
	<u>\$ 41,488</u>	<u>25,761</u>	<u>\$ 15,727</u>	<u>\$ 20,714</u>

4. Investment

The investment consists of a \$76,388, 3 year non-redeemable GIC, with an annual interest rate of 1.85%, which matures June 13, 2017.

5. Saskatchewan matching grants

The Council received grants totaling \$410,000 from the Government of Saskatchewan of which \$310,888 was distributed to member organizations of the Saskatchewan Council for International Cooperation as matching grants, \$23,100 for Saskatchewan Emergency Assistance Program, \$9,625 to development education projects, \$41,387 was used to cover costs of administering the matching grants program and \$25,000 was received as core operating fund grant.

6. Deferred revenue

	<u>2016</u>	<u>2015</u>
Department of Foreign Affairs, Trade and Development	\$ 39,388	\$ 19,617

7. Public engagement/development education fees

Funding for public education continued out of the development education pool of fees collected from the provincial government and member agencies. The Council was given approval that the development education fees collected from members and the Government of Saskatchewan would be distributed based on a committee's approval of development education project requests.

SASKATCHEWAN COUNCIL FOR INTERNATIONAL COOPERATION
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2016

8. Contingency reserve fund

According to the bylaws SCIC is to internally restrict funds to ensure there is adequate funding should the Council have to terminate. The contingency reserve fund is to be divided into two parts:

- (a) an amount necessary to cover core operations in the event of a wind-down and
- (b) an operating reserve fund which will accumulate deficits and surpluses. The contingency reserve fund is to cover two months of operations in preparation of the office's closure and employees' severance in accordance with the collective agreement.

The allocation of the balance to the contingency reserve fund is recommended by the treasurer and approved at a board meeting according to the bylaw.

9. Severance reserve fund

As per the collective agreement SCIC is obliged to internally restrict funds for severance for employees should employees become redundant. As per the collective agreement an individual employee that becomes redundant is to receive three weeks' salary for every year of employment up to a maximum of five months salary. Weekly salary shall be the average weekly salary of the employee in the previous five years. This benefit is to be pro-rated for part-time employees.

10. Economic dependence

In a letter dated June 1, 2016 the Government of Saskatchewan gave 90 days notice that it is cancelling the funding for the Matching Grants in Aid Program. The Government will provide money for already approved PESP projects and a pro-rated amount of operating funding for the period of April 1, 2016 to August 31, 2016. This decision has required SCIC to make significant restructuring changes, including reducing staff and hours.

SCIC has a five year contract with Global Affairs Canada that is completed March 31, 2019 that SCIC is significantly dependent upon.

11. Financial instruments

Saskatchewan Council for International Cooperation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Saskatchewan Council for International Cooperation's exposure and concentrations at March 31, 2016:

Credit risk

Credit risk arises from the potential that a party may default on their financial obligations, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the Council could incur a financial loss. The Council is exposed to credit risk with respect to cash, investments and accounts receivable. The Council manages its credit risk by placing cash and investments with major financial institutions. Credit risk for accounts receivable is managed by the credit quality and diverse debtor base and creating an allowance for bad debts where applicable. There has been no change from credit risk exposure from 2015.

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SASKATCHEWAN COUNCIL FOR INTERNATIONAL COOPERATION
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2016

11. Financial instruments cont'd

Liquidity risk

Liquidity risk is the risk that the Council may not be able to meet a demand for cash or fund its obligations as they come due or not being able to liquidate assets in a timely manner at a reasonable price. The Council is exposed to liquidity risk with respect to its investments and accounts payable but manages its liquidity risk by holding assets that can be readily converted into cash. There has been no change from liquidity risk exposure from 2015.

Interest rate risk

Interest rate risk is a type of market risk that refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. The Council is exposed to interest rate risk with respect to its cash and investments and its effect on interest income. Fluctuations in interest rates do not have a significant effect on cash due to the fact that interest income is not a major percentage of total revenue. There has been no change from interest risk exposure from 2015.

12. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

**SASKATCHEWAN COUNCIL FOR INTERNATIONAL COOPERATION
SCHEDULES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016
(with comparative figures for 2015)**

	2016	2015
Development Education Revenue and Expenses Schedule		Schedule 1
Revenue		
Members	\$ 12,435	\$ 12,435
Government of Saskatchewan	<u>9,625</u>	<u>9,625</u>
	<u>22,060</u>	<u>22,060</u>
Expenditures		
Briarpatch Magazine - Sit up	2,000	-
Briarpatch Magazine - Sirocco Winds	2,000	-
D. Kossick - video - Making the Links	500	-
Mennonite Central Committee - Migration	2,000	-
Mozambique Building Fund	1,500	-
NASHI - trafficking awareness journal	-	2,000
Next Up Leadership	1,850	-
Proyash International 2014 Virtually Bangladesh Education Project	(495)	2,000
Saskatchewan Environmental Network Film Festival	-	4,000
University of Saskatchewan - Global Health Conference	900	1,080
Add commitment to next year	<u>-</u>	<u>920</u>
	<u>10,255</u>	<u>10,000</u>
	<u>\$ 11,805</u>	<u>\$ 12,060</u>

SASKATCHEWAN COUNCIL FOR INTERNATIONAL COOPERATION
SCHEDULES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016
(with comparative figures for 2015)

	2016	2015
Schedule of General Operations		Schedule 2
Revenue		
Department of Foreign Affairs, Trade and Development	\$ 354,968	\$ 291,911
Government of Saskatchewan	66,388	66,388
Memberships	46,359	47,207
Government of Canada - Summer Career placement	4,002	-
Sponsorships - Vandana Shiva Presentation	-	5,000
Interest	5,335	4,546
Government of Saskatchewan - Student Employment Grant	-	3,500
CIDA Institutional Strengthening	-	2,572
University of Regina community research unit grant	3,000	-
Donations	784	1,219
SCIC 40th Anniversary Revenue	-	1,136
Annual general meeting registrations	840	830
Miscellaneous revenue	-	24
Restricted donations	1,448	-
ECMF administration	2,500	-
Government of Canada - payroll rebate	986	-
Saskatchewan Workers Compensation rebate	1,655	-
	<u>\$ 488,265</u>	<u>\$ 424,333</u>

SASKATCHEWAN COUNCIL FOR INTERNATIONAL COOPERATION
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