

Saskatchewan Council for International Cooperation

Financial Statements

March 31, 2017

Saskatchewan Council for International Cooperation

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Independent Auditors' Report

To the Members of Saskatchewan Council for International Cooperation

We have audited the accompanying financial statements of Saskatchewan Council for International Cooperation, which comprise the statement of financial position as at March 31, 2017 and the statements of operations, changes in net assets and cash flow 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 from 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 auditors' 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.

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 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 our verification of these transactions was limited to accounting for the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to the revenues, surplus (deficit) for the year, assets and cumulative surplus.

Qualified Opinion

In our 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, 2017 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Priority Accountants CPA

Priority Accounting Services CPA Prof. Corp.
Chartered Professional Accountants

Regina, SK
June 21, 2017

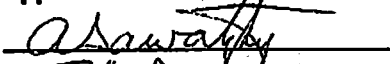
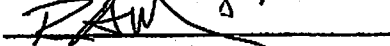
Saskatchewan Council for International Cooperation

Statement of Financial Position

March 31, 2017

	Note	2017	2016
Assets			
Current Assets			
Cash		\$ 139,651	\$ 106,931
Short term investments		75,000	152,400
Accounts receivable, net of allowances	3.	3,011	16,561
Prepaid expenses		-	1,257
		217,662	277,149
Long term investments	4.	77,805	76,388
Property, plant and equipment, net of accumulated amortization	5.	8,997	15,728
Total Assets		\$ 304,464	\$ 369,265
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts payable	6.	\$ 31,561	\$ 39,543
Government remittances payable		4,083	6,608
Deferred revenue	8.	40,713	39,388
		76,357	85,539
Net Assets			
Operating fund		(45,400)	10,219
Contingency reserve fund	9.	215,378	217,916
Severance reserve fund	10.	58,129	55,591
		228,107	283,726
Total Liabilities and Net Assets		\$ 304,464	\$ 369,265

Approved on Behalf of the Board:

The accompanying notes are an integral part of these financial statements.

Saskatchewan Council for International Cooperation

Statement of Operations

For the Year Ended March 31, 2017

	2017	2016
Revenue		
General Operations (Schedule 1)	\$ 369,711	\$ 488,264
Government of Saskatchewan	-	310,888
Government of Saskatchewan - Emergency Assistance	-	23,100
Public Engagement Small Projects Fund (Schedule 3)	4,000	22,060
	373,711	844,312
Expenditures		
General Operations (Schedule 2)	419,114	490,536
Government of Saskatchewan	-	310,888
Government of Saskatchewan - Emergency Assistance	-	23,100
Public Engagement Small Projects Fund (Schedule 3)	10,216	10,255
	429,330	834,779
Revenue from operations	(55,619)	9,533
Revenues (deficiencies) over expenses	\$ (55,619)\$	9,533

The accompanying notes are an integral part of these financial statements.

Saskatchewan Council for International Cooperation

Statement of Changes in Net Assets

For the Year Ended March 31, 2017

	2017	2016
Net assets (deficit), beginning of year	\$ 10,219	\$ 686
Excess (deficiency) of revenue over expenditures	(55,619)	9,533
Net assets (deficit), end of year	\$ (45,400)	\$ 10,219

The accompanying notes are an integral part of these financial statements.

Saskatchewan Council for International Cooperation

Statement of Cash Flows

For the Year Ended March 31, 2017

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Revenues (deficiencies) over expenses	\$ (55,619)	\$ 9,533
Amortization	7,216	6,935
Increase (decrease) in receivables	13,551	(3,787)
Increase (decrease) in temporary investments	77,400	(77,400)
Increase (decrease) in prepaid expense and other assets	1,257	(1,160)
Increase (decrease) in accounts payable	(7,982)	9,563
Increase (decrease) in government remittances payable	(2,525)	223
Increase (decrease) in deferred revenue	1,324	19,771
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	34,622	(36,322)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments to acquire property, plant, and equipment	(485)	(1,948)
Payments to acquire investments	(1,417)	73,612
NET CASH USED BY INVESTING ACTIVITIES	(1,902)	71,664
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from (repayments of) bank overdrafts	-	(5,037)
OTHER ACTIVITIES:		
Net cash increase (decreases) in cash and cash equivalents	32,720	30,305
Cash and cash equivalents at beginning of period	106,931	76,626
Cash and cash equivalents at end of period	\$ 139,651	\$ 106,931

The accompanying notes are an integral part of these financial statements.

Saskatchewan Council for International Cooperation

Notes to the Financial Statements

For the Year Ended March 31, 2017

1. Nature of Operations

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.

2. Significant Accounting Policies

a. Cash and cash equivalents

Cash and cash equivalents includes short-term investments.

b. Property, plant and equipment

Property, plant and equipment is carried at cost. Depreciation is calculated using the straight-line method over estimated useful lives ranging from 3-10 years. Depreciation expense for March 31, 2017 was \$ 7,216 (2016 - \$ 6,935).

c. 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.

d. Financial instruments

The organization 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.

e. 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 have incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collections are reasonably assured. Unrestricted investment income is recognized as revenue when earned.

Saskatchewan Council for International Cooperation

Notes to the Financial Statements

For the Year Ended March 31, 2017

2. Significant Accounting Policies

f. Management estimates

The preparation of financial statements in accordance 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses 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.

g. 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 organization and its objectives. These contributed services are not recognized in the financial statements.

3. Receivables

	2017	2016
Accounts receivable	\$ 273	\$ 13,656
Taxes receivable	944	-
Interest receivable	1,794	2,905
Total	\$ 3,011	\$ 16,561

4. Investment

The investment consists of \$77,805, 3 year non-redeemable GIC, with an annual interest rate of 1.85%, which matures June 13, 2017

5. Property, plant and equipment

	2017		2016	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Computer equipment	\$ 15,965	\$ (15,164)	\$ 801	\$ 3,615
Office equipment	14,275	(9,048)	5,227	6,693
Leasehold improvements	12,247	(9,278)	2,969	5,419
Total	\$ 42,487	\$ (33,490)	\$ 8,997	\$ 15,727

Saskatchewan Council for International Cooperation

Notes to the Financial Statements

For the Year Ended March 31, 2017

6. Accounts payable

	2017	2016
Accounts payable	\$ 2,555	\$ 4,698
MasterCard payable	2,229	1,993
Commitment - Dev. ED projects	1,300	1,300
Accrual for overtime	1,290	5,210
Vacation payable	24,187	26,328
Solidarity Fund Payable	-	14
Total	\$ 31,561	\$ 39,543

7. Saskatchewan matching grants

There was no funding received for Matching Grants during the year ended March 31, 2017. SCIC did receive \$4,000 for Public Engagement Small Projects and \$10,855 for core operations. In the previous fiscal year the Council received grants totaling of \$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.

8. Deferred revenue

	2017	2016
Global Affairs Canada (previously DFATD)	\$ 40,713	\$ 39,388

9. 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 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.

10. 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 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

Saskatchewan Council for International Cooperation

Notes to the Financial Statements

For the Year Ended March 31, 2017

10. Severance reserve fund

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.

11. Economic dependence

Effective June 1, 2016 the Government of Saskatchewan decided to no longer provide funding for the Matching Grants in Aid Program. 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 will be completed March 31, 2019 that SCIC is significantly dependent upon.

12. Financial instruments

SCIC 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, 2017

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 2016.

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 2016.

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 2016.

13. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation. Prior year's financial statements were audited by another firm.

Saskatchewan Council for International Cooperation

For the Year Ended March 31, 2017

Schedule 1 General Operations

	2017	2016
Revenue		
Global Affairs Canada (previously DFATD)	\$ 328,240	\$ 354,968
Government of Saskatchewan	10,855	66,387
Memberships	6,742	46,359
Government of Canada - Summer Career placement	-	4,002
Interest	3,491	5,335
Government of Saskatchewan - Student Employment Grant	3,500	-
University of Regina community research unit grant	-	3,000
Donations	583	784
Annual general meeting registrations	320	840
Restricted donations	100	1,448
ECMF administration	3,200	2,500
Government of Canada - payroll rebate/WCB rebate	4,170	2,641
Sask Artist in Residence Grant	8,510	-
Total revenue	\$ 369,711	\$ 488,264

Schedule 2 General Operations

	2017	2016
Expenditures		
Administration		
Amortization	\$ 7,216	\$ 6,935
Audit & legal	3,470	3,343
Bad debts	-	100
Bank charges	72	61
Insurance	1,461	1,461
Memberships	50	31
Office repairs and maintenance	3,113	2,901
Rent	15,459	11,623
Supplies	2,091	4,019
Telephone	3,458	3,622
Total administration expenditures	36,390	34,096

The accompanying notes are an integral part of these financial statements.

Saskatchewan Council for International Cooperation

For the Year Ended March 31, 2017

Schedule 2 General Operations

	2017	2016
Personnel		
Salaries and benefits	272,959	331,306
Staff development, planning & appreciation	134	348
Total personnel expenditures	273,093	331,654
Program		
Annual General Meeting conference	1,391	3,508
Annual report	1,160	1,188
Branding	-	1,612
Gathering of Global Minds	510	443
Generating Momentum Youth Event	20,010	7,000
Inter-council network capacity	8,949	8,949
International development week	6,925	4,308
Member agency meetings	3,009	3,150
Memberships - CCIC	309	1,537
Newsletter (printing & postage)	685	-
Planning and coordination	13,756	5,959
Professional development, training & program planning	2,771	970
Public engagement events	2,012	1,822
Publicity Information Campaign	35,787	33,499
Regional International Development Issue analysis	42	1,958
Restricted donations	100	1,450
Teacher training & global youth project	9,962	7,921
Transport	374	1,001
Volunteer appreciation	431	445
Website & Ezine development	893	3,354
Youth tours to member projects	555	34,713
Total program expenditures	109,631	124,787
	\$ 419,114	\$ 490,537

The accompanying notes are an integral part of these financial statements.

Saskatchewan Council for International Cooperation

For the Year Ended March 31, 2017

Schedule 3 Public Engagement Small Projects Fund

	2017	2016
Revenue		
Members	\$ -	\$ 12,435
Government of Saskatchewan	4,000	9,625
	4,000	22,060
Expenditures		
Briarpatch Magazine - Sit up	-	2,000
Briarpatch Magazine - Sirocco Winds	-	2,000
D. Kossick - video - Making the Links	-	500
Fair Trade Saskatoon	2,000	-
Global Health Committee	1,000	-
Mennonite Central Committee - Migration	-	2,000
Mozambique Building Fund	2,000	1,500
NASHI	2,500	-
Next Up Leadership	2,000	1,850
SCIC - World food Day	168	-
SCIC - Treaty blanket exercise held by MCC	348	-
Bangladesh Education Project	-	(495)
University of Saskatchewan - Global Health Conference	-	900
Yves Engler	200	-
	10,216	10,255
	\$ (6,216)	\$ 11,805

The accompanying notes are an integral part of these financial statements.