

**THE WASKESIU FOUNDATION INC.**

**FINANCIAL STATEMENTS**

**MARCH 31, 2014**

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements of **The Waskesiu Foundation Inc.** have been prepared by the Foundation's management in accordance with Canadian accounting standards for not-for-profit organizations and necessarily include some amounts based on informed judgement and management estimates.

To assist management in fulfilling its responsibilities, a system of internal controls has been established to provide reasonable assurance that the financial statements are accurate and reliable and that assets are safeguarded.

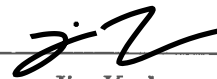
The board of directors reviewed and approved these financial statements.

These financial statements have been examined by the independent auditors, **Virtus Group LLP**, and their report is presented separately.



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**Randy Kershaw**  
Executive Director



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**Jim Kerby**  
Board Chair

## INDEPENDENT AUDITORS' REPORT

To the Members,

**The Waskesiu Foundation Inc.**

We have audited the accompanying financial statements of **The Waskesiu Foundation Inc.** which comprise the statement of financial position as at **March 31, 2014** and the statements of revenue and expenses and changes in net assets and cash flows 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 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 assessments, the auditor considers internal control relevant to the Organization'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 Organization'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, the Foundation derives revenues from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of revenue was limited to accounting for amounts recorded in the records of the Foundation. As a result, we were not able to determine whether any adjustments might be necessary in respect of revenue and expenses for the year, assets, liabilities or net assets.



*Qualified Opinion*

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenues as referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Other Matter*

The financial statements of the Foundation for the year ended March 31, 2013 were audited by another auditor who expressed a qualified opinion on those statements dated October 27, 2013.

**July 31, 2014**

**Saskatoon, Saskatchewan**

*Virtus Group LLP*  
**Chartered Accountants**

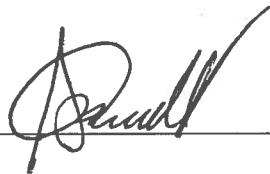
**THE WASKESIU FOUNDATION INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2014**  
**(with comparative figures for 2013)**

ASSETS		2014	2013
<b>Current assets</b>			
Cash and cash equivalents (Note 3)	\$	310,996	\$ 229,825
Accounts receivable		420	2,199
Prepaid expenses		663	-
		\$ 312,079	\$ 232,024
LIABILITIES			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	\$	17,493	\$ 1,828
Deferred revenue		-	2,430
		17,493	4,258
NET ASSETS			
Unrestricted net assets		294,586	227,766
		\$ 312,079	\$ 232,024

See accompanying notes to the financial statements.

APPROVED BY:

 Director

 Director

**THE WASKESIU FOUNDATION INC.**  
**STATEMENT OF REVENUE AND EXPENSES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED MARCH 31, 2014**  
(with comparative figures for the year ended March 31, 2013)

	<u>2014</u>	<u>2013</u>
<b>Revenue</b>		
Donations and fundraising	\$ 222,245	\$ 128,062
Golf disc sales	-	2,096
Interest and other	2,410	2,672
	<u>224,655</u>	<u>132,830</u>
<b>Expenses</b>		
Bank charges	73	46
Brochures and other media	2,361	1,879
Foundation dinner	18,445	12,165
Golf discs	253	1,749
Insurance	1,304	1,304
Memorial benches	4,000	9,250
Office and administration	8,852	5,591
Professional fees	3,888	2,623
Spruce budworm spraying	32,000	32,000
Townsite improvements	86,609	98,374
Waskesiu Heritage Museum	50	154
	<u>157,835</u>	<u>165,135</u>
<b>Excess (deficiency) of revenue over expenses</b>	66,820	(32,305)
<b>Unrestricted net assets, beginning of year</b>	<u>227,766</u>	<u>260,071</u>
<b>Unrestricted net assets, end of year</b>	<u>\$ 294,586</u>	<u>\$ 227,766</u>

See accompanying notes to the financial statements.

**THE WASKESIU FOUNDATION INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2014**  
(with comparative figures for the year ended March 31, 2013)

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	<u>2014</u>	<u>2013</u>
<b>Cash provided by (used in) operating activities:</b>		
Excess (deficiency) of revenue over expenses	\$ 66,820	\$ (32,305)
Non-cash operating working capital (Note 4)	14,351	1,505
	81,171	(30,800)
<b>Increase (decrease) in cash and cash equivalents</b>	81,171	(30,800)
<b>Cash and cash equivalents - beginning of year</b>	229,825	260,625
<b>Cash and cash equivalents - end of year</b>	\$ 310,996	\$ 229,825

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See accompanying notes to the financial statements.

**THE WASKESIU FOUNDATION INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2014**  
**(with comparative figures for the year ended March 31, 2013)**

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**1. Nature of operations**

The Waskesiu Foundation Inc. (the "Foundation") is registered in Saskatchewan under the *Non-Profit Corporations Act*, 1995 and is a Registered Charity. The Foundation engages in activities that are beneficial to the Waskesiu townsite and surrounding area.

**2. Summary of significant accounting policies**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations which required 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 period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known. The financial statements reflect the following policies:

**Financial instruments**

Financial assets and liabilities are recorded on the statement of financial position when the Foundation becomes party to the contractual provisions of the financial instrument. All financial instruments are required to be recognized at fair value upon initial recognition, except for certain related party transactions. Measurement in subsequent periods of equity instruments is at fair value. All other financial assets and financial liabilities are subsequently measured at amortized cost adjusted by transactions costs, which are amortized over the expected life of the instrument.

Fair value is the amount at which a financial instrument could be exchanged at arm's length between willing, unrelated parties in an open market. Changes in fair values of financial assets and financial liabilities measured at fair value are recognized in net income. When there is an indication of impairment the carrying amount of financial assets measured at amortized cost may be reduced. Such impairments can be subsequently reversed if the value improves.

The Foundation's recognized financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities. The fair values of these items approximate their carrying values given the short-term nature of the amounts.

**Tangible capital assets**

Tangible capital assets are expensed in the year they are purchased. Proceeds from disposals of capital assets are recorded as revenue in the year they are received.

**Revenue recognition**

Revenue from fundraising events is recognized at the time of the event. Donations are recognized when the donation is received. The Foundation follows the deferral method of accounting for restricted donations. Restricted donations are recognized as revenue in the year in which the related expenses are incurred.



**THE WASKESIU FOUNDATION INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2014**  
(with comparative figures for the year ended March 31, 2013)

**3. Cash and cash equivalents**

	<u>2014</u>	<u>2013</u>
Cash on hand	\$ 40	\$ -
Bank of Montreal - bank account	141,777	63,058
National Bank Financial - money market fund and GICs	169,179	166,767
	<u>\$ 310,996</u>	<u>\$ 229,825</u>

The investments with National Bank Financial consist of a money market fund and two GICs that bear interest at rates of 1.45% and 1.65%.

**4. Non-cash operating working capital**

Details of net change in each element of working capital relating to operations excluding cash are as follows:

	<u>2014</u>	<u>2013</u>
<b>(Increase) decrease in current assets:</b>		
Accounts receivable	\$ 1,779	\$ (2,199)
Inventory	-	579
Prepaid expenses	(663)	-
	<u>1,116</u>	<u>(1,620)</u>
<b>Increase (decrease) in current liabilities:</b>		
Accounts payable and accrued liabilities	15,665	695
Deferred revenue	(2,430)	2,430
	<u>13,235</u>	<u>3,125</u>
	<u>\$ 14,351</u>	<u>\$ 1,505</u>

**5. Financial risk management**

The Foundation has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The significant financial risks to which the Foundation is exposed are:

**Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation is exposed to credit risk on the accounts receivable from its customers, however, does not have a significant exposure to any individual customer or counterpart.

**THE WASKESIU FOUNDATION INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2014**  
**(with comparative figures for the year ended March 31, 2013)**

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5. **Financial risk management** (continued)

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation's exposure to interest rate risk is limited to deposit interest on its bank account and a term deposit. The interest rates on these accounts are variable; therefore, the Foundation may face decreasing interest revenues in a decreasing interest rate market. The remaining term deposits consists of GICs with fixed interest rates and therefore, do not expose the Foundation to additional risk.

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation's exposure to liquidity risk is dependent on the receipt of funds from its donors and other related sources. Funds from these sources are primarily used to finance working capital and capital expenditure requirements, and are considered adequate to meet the Foundation's financial obligations.

6. **Comparative figures**

Certain comparative figures have been reclassified to conform with the presentation in the current year.

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