

THE WASKESIU FOUNDATION INC.

FINANCIAL STATEMENTS

MARCH 31, 2015

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.



Randy Kershaw
Executive Director



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, 2015 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, 2015 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.

September 29, 2015
Saskatoon, Saskatchewan

Virtua Group LLP
Chartered Professional Accountants

THE WASKESIU FOUNDATION INC.
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2015
(with comparative figures for 2014)

| ASSETS | | <u>2015</u> | <u>2014</u> |
|--|----|-------------------|-------------------|
| Current assets | | | |
| Cash and cash equivalents (Note 3) | \$ | 581,339 | \$ 310,996 |
| Accounts receivable | | - | 420 |
| Prepaid expenses | | 561 | 663 |
| | | <u>\$ 581,900</u> | <u>\$ 312,079</u> |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | \$ | 4,059 | \$ 17,493 |
| NET ASSETS | | | |
| Net assets (Note 4) | | <u>577,841</u> | <u>294,586</u> |
| | | <u>\$ 581,900</u> | <u>\$ 312,079</u> |

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, 2015
(with comparative figures for the year ended March 31, 2014)

| | <u>2015</u> | <u>2014</u> |
|---|-------------------|-------------------|
| Revenue | | |
| Donations and fundraising | \$ 497,445 | \$ 222,245 |
| Interest and other | 6,439 | 2,410 |
| | <u>503,884</u> | <u>224,655</u> |
| Expenses | | |
| Bank charges | 252 | 73 |
| Brochures and other media | 6,084 | 2,361 |
| Foundation dinner | 19,728 | 18,445 |
| Golf discs | - | 253 |
| Insurance | 1,304 | 1,304 |
| Memorial benches | 1,000 | 4,000 |
| Office and administration | 16,024 | 8,852 |
| Professional fees | 4,332 | 3,888 |
| Spruce budworm spraying | - | 32,000 |
| Townsite improvements | 170,285 | 86,609 |
| Waskesiu Heritage Museum | 1,620 | 50 |
| | <u>220,629</u> | <u>157,835</u> |
| Excess (deficiency) of revenue over expenses | 283,255 | 66,820 |
| Net assets, beginning of year | <u>294,586</u> | <u>227,766</u> |
| Net assets, end of year | <u>\$ 577,841</u> | <u>\$ 294,586</u> |

See accompanying notes to the financial statements.

THE WASKESIU FOUNDATION INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2015
(with comparative figures for the year ended March 31, 2014)

| | <u>2015</u> | | <u>2014</u> |
|---|-------------------|----|----------------|
| Cash provided by (used in) operating activities: | | | |
| Excess (deficiency) of revenue over expenses | \$ 283,255 | \$ | 66,820 |
| Non-cash operating working capital (Note 5) | (12,912) | | 14,351 |
| | <u>270,343</u> | | <u>81,171</u> |
| Increase in cash and cash equivalents | 270,343 | | 81,171 |
| Cash and cash equivalents - beginning of year | <u>310,996</u> | | <u>229,825</u> |
| Cash and cash equivalents - end of year | <u>\$ 581,339</u> | \$ | <u>310,996</u> |

See accompanying notes to the financial statements.

THE WASKESIU FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015
(with comparative figures for the year ended March 31, 2014)

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, 2015
(with comparative figures for the year ended March 31, 2014)

3. Cash and cash equivalents

| | <u>2015</u> | <u>2014</u> |
|--|-------------------|-------------------|
| Cash on hand | \$ | \$ 40 |
| Bank of Montreal - bank account | 152,550 | 141,777 |
| National Bank Financial - money market fund and GICs | 428,790 | 169,179 |
| | <u>\$ 581,340</u> | <u>\$ 310,996</u> |

The investments with National Bank Financial consist of a money market fund and three GICs that bear interest at rates of 1.55%, 1.6% and 1.85%.

4. Net assets

The Foundation has committed to outstanding projects with an estimated cost of \$361,028. The remaining \$216,813 of net assets is currently uncommitted.

5. Non-cash operating working capital

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

| | <u>2015</u> | <u>2014</u> |
|--|--------------------|------------------|
| (Increase) decrease in current assets: | | |
| Accounts receivable | \$ 420 | \$ 1,779 |
| Prepaid expenses | 102 | (663) |
| | <u>522</u> | <u>1,116</u> |
| Increase (decrease) in current liabilities: | | |
| Accounts payable and accrued liabilities | (13,434) | 15,665 |
| Deferred revenue | - | (2,430) |
| | <u>(13,434)</u> | <u>13,235</u> |
| | <u>\$ (12,912)</u> | <u>\$ 14,351</u> |

THE WASKESIU FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015
(with comparative figures for the year ended March 31, 2014)

6. 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:

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.
