

THE WASKESIU FOUNDATION INC.

FINANCIAL STATEMENTS

MARCH 31, 2019

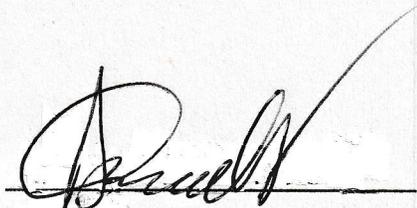
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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.

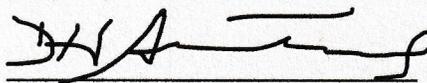
To assist management in fulfilling its responsibilities, a system of internal controls has been established to provide reasonable assurance that the financial statements are accurate and reliable and that assets are safeguarded.

The board of directors have 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.



Greg Thorimbert
Treasurer



Derwin Arnstead
Board Chair



INDEPENDENT AUDITORS' REPORT

**To the Members,
The Waskesiu Foundation Inc.**

Opinion

We have audited the financial statements of **The Waskesiu Foundation Inc.**, which comprise the statement of financial position as at March 31, 2019, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2019, and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Saskatchewan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT *continued*

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

October 15, 2019
Saskatoon, Saskatchewan

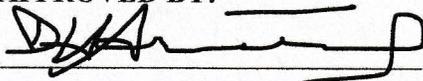
Virtus Group LLP
Chartered Professional Accountants

THE WASKESIU FOUNDATION INC.
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019
(with comparative figures for 2018)

| | ASSETS | |
|--|------------------------|-------------|
| | 2019 | 2018 |
| Current assets | | |
| Cash and cash equivalents (Note 3) | \$ 282,830 | \$ 389,904 |
| Accounts receivable | 19,616 | 16,267 |
| Prepaid expenses | 1,627 | 26,010 |
| | \$ 304,073 | \$ 432,181 |
| | LIABILITIES | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | \$ 5,599 | \$ 4,340 |
| | MEMBERS' EQUITY | |
| Fund balances | | |
| Operating | 157,333 | 193,757 |
| Project | 90,932 | 193,238 |
| Endowment | 50,209 | 40,846 |
| | 298,474 | 427,841 |
| | \$ 304,073 | \$ 432,181 |

See accompanying notes to the financial statements.

APPROVED BY:

 Director

 Director

THE WASKESIU FOUNDATION INC.
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2019
(with comparative figures for the year ended March 31, 2018)

| | <u>Operating Fund</u> | <u>Project Fund</u> | <u>Endowment Fund</u> | <u>2019 Total</u> | <u>2018 Total</u> |
|---|---------------------------|-------------------------|---------------------------|-----------------------|-----------------------|
| Balance - beginning of year | \$ 193,757 | \$ 193,238 | \$ 40,846 | \$ 427,841 | \$ 430,778 |
| Excess (deficiency) of revenue over expenses | 21,169 | (159,899) | - | (138,730) | (3,531) |
| Interfund transfers (Note 4) | (57,593) | 57,593 | - | - | - |
| Endowment contributions received | - | - | 8,464 | 8,464 | - |
| Endowment interest earned | - | - | 899 | 899 | 594 |
| Balance - end of year | <u>\$ 157,333</u> | <u>\$ 90,932</u> | <u>\$ 50,209</u> | <u>\$ 298,474</u> | <u>\$ 427,841</u> |

See accompanying notes to the financial statements.

THE WASKESIU FOUNDATION INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2019
(with comparative figures for the year ended March 31, 2018)

| | <u>Operating Fund</u> | <u>Project Fund</u> | <u>2019</u> | <u>2018</u> |
|---|---------------------------|-------------------------|---------------------|-------------------|
| Revenue | | | | |
| Donations and fundraising | \$ 77,873 | \$ 133,203 | \$ 211,076 | \$ 457,917 |
| Interest and other | 4,041 | - | 4,041 | 4,165 |
| | <u>81,914</u> | <u>133,203</u> | <u>215,117</u> | <u>462,082</u> |
| Expenses | | | | |
| Bank charges | 407 | - | 407 | 319 |
| Brochures and other media | 1,886 | - | 1,886 | 1,744 |
| Foundation Dinner | 22,053 | - | 22,053 | 23,824 |
| Insurance | 950 | - | 950 | 897 |
| Memorial benches | 3,270 | - | 3,270 | 586 |
| Office and administration | 17,897 | - | 17,897 | 10,975 |
| Other fundraising events | 8,856 | - | 8,856 | - |
| Professional fees | 5,426 | - | 5,426 | 5,138 |
| Townsite improvements | - | 293,102 | 293,102 | 422,070 |
| Waskesiu Heritage Museum | - | - | - | 60 |
| | <u>60,745</u> | <u>293,102</u> | <u>353,847</u> | <u>465,613</u> |
| Excess (deficiency) of revenue over expenses | <u>\$ 21,169</u> | <u>\$ (159,899)</u> | <u>\$ (138,730)</u> | <u>\$ (3,531)</u> |

See accompanying notes to the financial statements.

THE WASKESIU FOUNDATION INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2019
(with comparative figures for the year ended March 31, 2018)

| | <u>2019</u> | <u>2018</u> |
|---|--------------|-------------|
| Cash provided by (used in) operating activities: | | |
| Excess (deficiency) of revenue over expenses | \$ (138,730) | \$ (3,531) |
| Non-cash operating working capital (Note 5) | 22,293 | 23,838 |
| | (116,437) | 20,307 |
| Cash provided by (used in) investing activities: | | |
| Endowment interest earned | 899 | 594 |
| Endowment contributions received | 8,464 | - |
| | 9,363 | 594 |
| Increase (decrease) in cash and cash equivalents | (107,074) | 20,901 |
| Cash position - beginning of year | 389,904 | 369,003 |
| Cash position - end of year | \$ 282,830 | \$ 389,904 |

See accompanying notes to the financial statements.

THE WASKESIU FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019
(with comparative figures for the year ended March 31, 2018)

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.

The Foundation is not taxable for income tax purposes under section 149 of the Income Tax Act.

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:

Fund accounting

The Foundation accounts for its operations using the following funds:

The Operating Fund accounts for the administrative and operating activities of the Foundation.

The Project Fund accounts for the donations, expenditures, and internally restricted funds that are committed to ongoing projects.

The Endowment Fund accounts for the accumulation of externally restricted endowment contributions.

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, and 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.

THE WASKESIU FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019
(with comparative figures for the year ended March 31, 2018)

2. Summary of significant accounting policies (continued)

Contributions of materials and services

The Foundation receives contributions of materials and services, as well as volunteer time. The value of these contributions is not recognized in these statements.

Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Unrestricted donations and fundraising revenue are recognized when received. Restricted donations are recognized as revenue in the year in which the related expenses are incurred. Endowment contributions and the interest earned on those funds are recognized as a direct increase in net assets.

3. Cash and cash equivalents

| | <u>2019</u> | <u>2018</u> |
|---|-------------------|-------------------|
| Bank of Montreal - bank account | \$ 8,221 | \$ 56,699 |
| National Bank Financial - cash, money market fund, and GICs | 274,609 | 333,205 |
| | <u>\$ 282,830</u> | <u>\$ 389,904</u> |

The investments with National Bank Financial consist of a cash balance, a money market fund, and three GICs that bear interest at rates of 1.95%, 2.12%, and 2.4% and mature between June and October 2019.

4. Interfund transfers

Interfund transfers consist of operating funds internally restricted by the Board to be used towards ongoing projects, netted against surplus project funds transferred back to the Operating Fund.

THE WASKESIU FOUNDATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019
(with comparative figures for the year ended March 31, 2018)

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>2019</u> | <u>2018</u> |
|--|-------------|-------------|
| (Increase) decrease in current assets: | | |
| Accounts receivable | \$ (3,349) | \$ 48,786 |
| Prepaid expenses | 24,383 | (25,108) |
| | 21,034 | 23,678 |
| Increase (decrease) in current liabilities: | | |
| Accounts payable and accrued liabilities | 1,259 | 160 |
| | \$ 22,293 | \$ 23,838 |

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 term deposits. The interest rates on these accounts are variable; therefore, the Foundation may face decreasing interest revenues in a decreasing interest rate market.

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.

7. Comparative figures

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