

**THE WASKESIU FOUNDATION INC.**

**FINANCIAL STATEMENTS**

**MARCH 31, 2018**

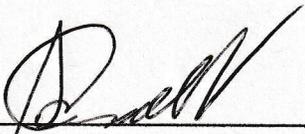
## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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



**VIRTUS  
GROUP**  
Chartered Professional Accountants  
& Business Advisors LLP

## 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, 2018** and the statements of operations 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 Foundation'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 Foundation'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, 2018 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.

**October 31, 2018**

**Saskatoon, Saskatchewan**

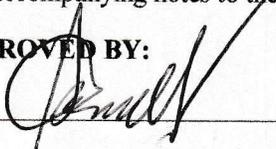
*Virtus Group LLP*

**Chartered Professional Accountants**

**THE WASKESIU FOUNDATION INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2018**  
(with comparative figures for 2017)

ASSETS		2018	2017
<b>Current assets</b>			
Cash and cash equivalents (Note 3)	\$	389,904	\$ 369,003
Accounts receivable		16,267	65,053
Prepaid expenses		26,010	902
		\$ 432,181	\$ 434,958
		\$ 432,181	\$ 434,958
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	\$	4,340	\$ 4,180
		\$ 4,340	\$ 4,180
<b>MEMBERS' EQUITY</b>			
<b>Fund balances</b>			
Operating		193,757	208,836
Project		193,238	181,690
Endowment		40,846	40,252
		427,841	430,778
		\$ 432,181	\$ 434,958

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, 2018**  
(with comparative figures for the year ended March 31, 2017)

	<u>Operating Fund</u>	<u>Project Fund</u>	<u>Endowment Fund</u>	<u>2018 Total</u>	<u>2017 Total</u> (restated)
Balance - beginning of year	\$ 208,836	\$ 181,690	\$ 40,252	\$ 430,778	\$ 419,891
Correction of prior year error (Note 5)	-	-	-	-	8,548
Opening net assets, as restated	208,836	181,690	40,252	430,778	428,439
Excess (deficiency) of revenue over expenses	24,911	(28,442)	-	(3,531)	(197)
Interfund transfers (Note 4)	(39,990)	39,990	-	-	-
Endowment contributions received	-	-	-	-	2,100
Endowment interest earned	-	-	594	594	436
Balance - end of year	<u>\$ 193,757</u>	<u>\$ 193,238</u>	<u>\$ 40,846</u>	<u>\$ 427,841</u>	<u>\$ 430,778</u>

See accompanying notes to the financial statements.

**THE WASKESIU FOUNDATION INC.**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31, 2018**  
(with comparative figures for the year ended March 31, 2017)

	<u>Operating Fund</u>	<u>Project Fund</u>	<u>2018</u>	<u>2017</u>
<b>Revenue</b>				
Donations and fundraising	\$ 64,289	\$ 393,628	\$ 457,917	\$ 349,669
Interest and other	4,165	-	4,165	5,116
	<u>68,454</u>	<u>393,628</u>	<u>462,082</u>	<u>354,785</u>
<b>Expenses</b>				
Bank charges	319	-	319	286
Brochures and other media	1,744	-	1,744	1,935
Foundation Dinner	23,824	-	23,824	22,722
Insurance	897	-	897	1,397
Memorial benches	586	-	586	250
Office and administration	10,975	-	10,975	6,161
Professional fees	5,138	-	5,138	5,500
Townsite improvements	-	422,070	422,070	316,575
Waskesiu Heritage Museum	60	-	60	156
	<u>43,543</u>	<u>422,070</u>	<u>465,613</u>	<u>354,982</u>
<b>Excess (deficiency) of revenue over expenses</b>	<u>\$ 24,911</u>	<u>\$ (28,442)</u>	<u>\$ (3,531)</u>	<u>\$ (197)</u>

See accompanying notes to the financial statements.

**THE WASKESIU FOUNDATION INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2018**  
(with comparative figures for the year ended March 31, 2017)

	<u>2018</u>	<u>2017</u>
<b>Cash provided by (used in) operating activities:</b>		
Excess (deficiency) of revenue over expenses	\$ (3,531)	\$ (197)
Non-cash operating working capital (Note 6)	23,838	(57,848)
	<u>20,307</u>	<u>(58,045)</u>
<b>Cash provided by (used in) investing activities:</b>		
Endowment contributions received	-	2,100
Endowment interest earned	594	436
	<u>594</u>	<u>2,536</u>
<b>Increase (decrease) in cash and cash equivalents</b>	20,901	(55,509)
<b>Cash position - beginning of year</b>	<u>369,003</u>	<u>424,512</u>
<b>Cash position - end of year</b>	<u>\$ 389,904</u>	<u>\$ 369,003</u>

See accompanying notes to the financial statements.

**THE WASKESIU FOUNDATION INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2018**  
**(with comparative figures for the year ended March 31, 2017)**

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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.

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, 2018**  
(with comparative figures for the year ended March 31, 2017)

**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>2018</u>	<u>2017</u>
Bank of Montreal - bank account	\$ 56,699	\$ 17,860
National Bank Financial - cash, money market fund, and GICs	333,205	351,143
	<u>\$ 389,904</u>	<u>\$ 369,003</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 1.62%, 1.65%, and 1.75% and mature between June and October 2018.

**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.

**5. Correction of prior year error**

For the year ended March 31, 2017, the Foundation noted that they had not received the GST Public Service Bodies' Rebate in prior years. The Foundation was eligible for these rebates and they were therefore applied for retroactively (2015 - 2017). The correction of the error resulted in an increase in the prior year's accounts receivable of \$10,337, an increase in the prior year's opening net assets of \$8,548, and a decrease in the prior year's townsite improvement expenses of \$1,789.

**THE WASKESIU FOUNDATION INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2018**  
(with comparative figures for the year ended March 31, 2017)

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

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

	<u>2018</u>	<u>2017</u>
<b>(Increase) decrease in current assets:</b>		
Accounts receivable	\$ 48,786	\$ (56,385)
Prepaid expenses	(25,108)	60
	<u>23,678</u>	<u>(56,325)</u>
<b>Increase (decrease) in current liabilities:</b>		
Accounts payable and accrued liabilities	160	(452)
Deferred funding	-	(1,071)
	<u>160</u>	<u>(1,523)</u>
	<u>\$ 23,838</u>	<u>\$ (57,848)</u>

**7. 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.

**8. Comparative figures**

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