

SAFE DRINKING WATER FOUNDATION

Auditor's Report

Financial Statements

December 31, 2014

INDEPENDENT AUDITOR'S REPORT

To the Members of **Safe Drinking Water Foundation**

Report on the Financial Statements

We have audited the accompanying financial statements of **Safe Drinking Water Foundation**, which comprise the statement of financial position as at **December 31, 2014** and the statements of revenues, expenditures and fund balances 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 generally accepted accounting principles, 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.

Auditor's 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 auditor's judgment, including the assessment of 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.

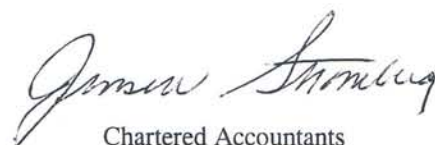
Basis for Qualified Opinion

In common with many not-for-profit organizations, the foundation derives revenue from cash donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the foundation and we were not able to determine whether any adjustments might be necessary to donations, excess of revenues over expenditures, current assets, and net assets.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of **Safe Drinking Water Foundation** as at **December 31, 2014**, the results of its revenues and expenditures, and change in its fund balances and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Saskatoon, Saskatchewan
May 25, 2015


Chartered Accountants

SAFE DRINKING WATER FOUNDATION

STATEMENT OF FINANCIAL POSITION

December 31, 2014
with comparative figures for 2013

	<u>Operating</u> <u>Fund</u>	<u>Capital</u> <u>Fund</u>	<u>Total</u> <u>2014</u>	<u>Total</u> <u>2013</u>
<u>ASSETS</u>				
Current assets:				
Cash	\$ 1,897	-	1,897	1,444
Short-term investments	60,173	-	60,173	95,210
Accounts receivable	3,130	-	3,130	1,463
Inventory	4,057	-	4,057	3,256
Prepaid expenses	550	-	550	342
Total current assets	69,807	-	69,807	101,715
Capital assets (Note 3)	-	2,264	2,264	2,830
	<u>\$ 69,807</u>	<u>2,264</u>	<u>72,071</u>	<u>104,545</u>

LIABILITIES AND FUND BALANCES

Current liabilities:

Accounts payable and accrued liabilities	\$ 4,560	-	4,560	4,496
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Fund Balances:

Capital fund	-	2,264	2,264	2,830
Unrestricted	65,247	-	65,247	97,219
Total fund balances	65,247	2,264	67,511	100,049
	<u>\$ 69,807</u>	<u>2,264</u>	<u>72,071</u>	<u>104,545</u>

APPROVED ON BEHALF OF THE BOARD:


_____ Director


_____ Director

See accompanying notes to the financial statements.

SAFE DRINKING WATER FOUNDATION

STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCES

Year ended December 31, 2014

with comparative figures for 2013

	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Total 2014</u>	<u>Total 2013</u>
Revenue	\$ 87,752	-	87,752	160,605
Expenditures:				
Amortization	-	566	566	707
Courier and postage	13,158	-	13,158	12,212
Insurance	656	-	656	656
Interest and bank charges	543	-	543	540
Meals and entertainment	-	-	-	106
Memberships and licenses	35	-	35	30
Education programs expenses	30,824	-	30,824	32,660
Presentations	-	-	-	8
Rental	8,610	-	8,610	8,610
Printing	20	-	20	-
Professional fees	4,992	-	4,992	4,753
Salaries and Wages	54,661	-	54,661	64,267
Technical	4,489	-	4,489	6,037
Telephone	1,468	-	1,468	1,611
Supplies	268	-	268	329
Travel expenses	-	-	-	161
	<u>119,724</u>	<u>566</u>	<u>120,290</u>	<u>132,687</u>
Excess (deficiency) of revenues over expenditures	(31,972)	(566)	(32,538)	27,917
Fund balances, beginning of year	<u>97,219</u>	<u>2,830</u>	<u>100,049</u>	<u>72,131</u>
Fund balances, end of year	<u>\$ 65,247</u>	<u>2,264</u>	<u>67,511</u>	<u>100,049</u>

See accompanying notes to the financial statements.

SAFE DRINKING WATER FOUNDATION

STATEMENT OF CASH FLOWS

Year ended December 31, 2014
with comparative figures for 2013

	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Total 2014</u>	<u>Total 2013</u>
Cash provided by (used in):				
Operating activities:				
Excess (deficiency) of revenues over expenditures	\$ (31,972)	(566)	(32,538)	27,917
Item not involving an outlay of cash:				
Amortization	<u>-</u>	<u>566</u>	<u>566</u>	<u>707</u>
	(31,972)	-	(31,972)	28,624
Changes in non-cash working capital:				
Accounts receivable	(1,668)	-	(1,668)	(106)
Inventories	(801)	-	(801)	1,886
Prepaid expenses	(208)	-	(208)	69
Accounts payable and accrued liabilities	<u>64</u>	<u>-</u>	<u>64</u>	<u>(2,087)</u>
	<u>(34,585)</u>	<u>-</u>	<u>(34,585)</u>	<u>28,386</u>
Investing activities:				
Investments	<u>35,038</u>	<u>-</u>	<u>35,038</u>	<u>(40,860)</u>
Financing activities:				
Net change in cash during the year	453	-	453	(12,474)
Cash position, beginning of year	<u>1,444</u>	<u>-</u>	<u>1,444</u>	<u>13,918</u>
Cash position, end of year	<u>\$ 1,897</u>	<u>-</u>	<u>1,897</u>	<u>1,444</u>
Cash position is comprised of cash in bank less outstanding cheques.				

See accompanying notes to the financial statements.

SAFE DRINKING WATER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

1. OPERATIONS

The foundation was incorporated under the laws of the Province of Saskatchewan on January 1, 1998. The foundation is a registered charitable organization. Its primary purpose is to educate the leaders of today and tomorrow about drinking water quality issues to realize its goal of safe drinking water being available to every Canadian.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

(a) **Fund Accounting**

The accounts of the foundation are maintained in accordance with the principles of fund accounting. For financial reporting purposes, accounts with similar characteristics have been combined into the following major funds:

(i) **Operating Fund**

The operating fund accounts for the foundation's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

(ii) **Capital Fund**

The capital fund reports the assets, liabilities, revenues and expenses related to the foundation's capital assets.

(b) **Revenue Recognition**

Unrestricted contributions are recognized as revenue in the operating fund in the year received, or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions related to general operations are recognized as revenue of the operating fund in the year in which the related expenses are incurred.

(c) **Inventory**

Inventory is carried at the lesser of cost and net realizable value. Cost is determined using the first in, first out method.

SAFE DRINKING WATER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(d) Capital Assets

Capital assets are recorded at cost. Amortization is calculated using the following annual rates and methods and is designed to amortize the assets over their useful lives:

Furniture and fixtures	20% - declining balance
Computer hardware	20% - declining balance
Leasehold improvements	20% - declining balance

(e) Measurement uncertainty

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the year. Actual results could differ from those estimates.

(f) Financial Instruments

The foundation's financial instruments comprise cash, short-term investments, accounts receivable and accounts payable. Cash, accounts receivable and accounts payable are reported at their fair values on the balance sheet. The fair values are the same as the carrying values due to their short-term nature.

Short-term investments

The foundation has designated all of its short-term investments as held for trading upon initial recognition. Held for trading investments are recognized at fair value with related gains and losses recognized immediately in the statement of revenues and expenditures.

3. CAPITAL ASSETS

	<u>2014</u>		<u>2013</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Furniture and fixtures	\$ 766	602	164	204
Leasehold improvements	4,995	3,869	1,126	1,408
Computer hardware	<u>6,454</u>	<u>5,480</u>	<u>974</u>	<u>1,218</u>
	<u>\$ 12,215</u>	<u>9,951</u>	<u>2,264</u>	<u>2,830</u>

SAFE DRINKING WATER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

4. LEASE COMMITMENTS

The foundation has signed a new 3-year lease March 12, 2013, to occupy the premises in the building known as Unit 1 - 912 Idywyld Drive North Saskatoon, Saskatchewan. The lease will expire on July 31, 2016. The lease payments due each of the next two years are as follows:

2015	\$	8,820
2016		5,145

SAFE DRINKING WATER FOUNDATION

SCHEDULE OF ADMINISTRATION REVENUES AND EXPENDITURES

Year ended December 31, 2014
with comparative figures for 2013

	<u>2014</u>	<u>2013</u>
Revenue:		
Individual donations	\$ 3,002	3,656
Interest	554	603
Miscellaneous	37	-
Rebates	87	-
Student subsidy	-	5,600
	<u>3,680</u>	<u>9,859</u>
Expenses:		
Amortization	566	708
Courier and postage	250	59
Insurance	656	656
Interest and bank charges	543	540
Meals and entertainment	-	106
Memberships and subscriptions	35	30
Printing	20	-
Professional fees	4,992	4,753
Rent	861	861
Salaries and benefits	4,273	5,395
Supplies	268	329
Technical	714	3,018
Telephone	147	161
Travel	-	104
	<u>13,325</u>	<u>16,720</u>
Excess of revenues over expenditures	<u>(9,645)</u>	<u>(6,861)</u>

See accompanying notes to the financial statements.

SAFE DRINKING WATER FOUNDATION

SCHEDULE OF PROJECTS

REVENUES AND EXPENDITURES

Year ended December 31, 2014
with comparative figures for 2013

WEBSITE

	<u>2014</u>	<u>2013</u>
Revenue:	-	-
Expenditures:		
Salaries and benefits	\$ <u>8,539</u>	<u>3,763</u>
Excess of revenues over expenditures	\$ <u>(8,539)</u>	<u>(3,763)</u>

See accompanying notes to the financial statements.

SAFE DRINKING WATER FOUNDATION

SCHEDULE OF PROJECTS

REVENUES AND EXPENDITURES

Year ended December 31, 2014
with comparative figures for 2013

	<u>2014</u>	<u>2013</u>
<u>SCHOOL PROGRAMS</u>		
Revenue:		
Canadian school registration	\$ 6,107	2,914
Corporate contributions	73,368	60,351
Foundation Donations	4,000	17,000
Individual donations	597	481
TD Friends of the Environment	-	70,000
	<u>84,072</u>	<u>150,746</u>
Expenditures:		
Courier and postage	\$ 12,908	12,153
Education programs expenses	30,824	32,660
Presentations	-	7
Rent	7,749	7,749
Salaries and benefits	41,849	55,109
Technical	3,775	3,019
Telephone	1,321	1,450
Travel	-	57
	<u>98,426</u>	<u>112,204</u>
Excess of revenue over expenditures	<u>\$ (14,354)</u>	<u>38,542</u>

See accompanying notes to the financial statements.