

**WATERLOO PUBLIC INTEREST RESEARCH GROUP**  
**Financial Statements**  
**Year Ended August 31, 2011**

**WATERLOO PUBLIC INTEREST RESEARCH GROUP**

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**Year Ended August 31, 2011**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Waterloo Public Interest Research Group

We have audited the accompanying financial statements of Waterloo Public Interest Research Group, which comprise the statement of financial position as at August 31, 2011 and the statements of revenues and expenditures, 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 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 the 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 organization derives revenue from programming fees and donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

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Independent Auditor's Report to the Members of Waterloo Public Interest Research Group *(continued)*

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Waterloo Public Interest Research Group as at August 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Handwritten signature in cursive script that reads "Clarke Starke & Diegel LLP".

Kitchener, Ontario  
March 29, 2012

CHARTERED ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS

**WATERLOO PUBLIC INTEREST RESEARCH GROUP**  
**Statement of Financial Position**  
**August 31, 2011**

	2011	2010
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 259,324	\$ 192,252
Term deposit (Note 3)	75,959	76,077
Accounts receivable	5,501	5,936
Prepaid expenses	679	876
	341,463	275,141
<b>CAPITAL ASSETS (Note 4)</b>	3,350	4,597
	\$ 344,813	\$ 279,738
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 16,781	\$ 9,297
<b>NET ASSETS</b>		
INVESTED IN CAPITAL ASSETS	3,350	4,597
UNRESTRICTED	324,682	265,844
	328,032	270,441
	\$ 344,813	\$ 279,738

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

The accompanying notes form an integral part of these financial statements

**WATERLOO PUBLIC INTEREST RESEARCH GROUP**  
**Statement of Changes in Net Assets**  
**Year Ended August 31, 2011**

	Invested in capital assets	Unrestricted	2011	2010
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 4,597	\$ 265,844	\$ <b>270,441</b>	\$ 225,105
Excess of revenue over expenses	-	57,591	<b>57,591</b>	45,336
Amortization	(1,247)	1,247	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 3,350</b>	<b>\$ 324,682</b>	<b>\$ 328,032</b>	<b>\$ 270,441</b>

The accompanying notes form an integral part of these financial statements

**WATERLOO PUBLIC INTEREST RESEARCH GROUP**  
**Statement of Revenues and Expenditures**  
**Year Ended August 31, 2011**

	2011	2010
<b>REVENUE</b>		
Membership fees - students	\$ 231,238	\$ 215,807
Programming	10,006	3,788
Human Resources Development grant	5,501	5,936
Interest income	1,862	3,037
Membership fees - community	85	85
	<u>248,692</u>	<u>228,653</u>
<b>EXPENSES</b>		
Wages and benefits	115,772	123,128
Programming	31,773	26,966
Office	11,138	6,752
Ontario P.I.R.G.	7,588	6,809
Rent	7,170	7,550
Training and development	7,674	3,860
Professional fees	3,476	2,500
Insurance	2,914	2,196
Bookkeeping	1,678	861
Amortization	1,247	1,854
Resource library	441	489
Interest and bank charges	230	352
	<u>191,101</u>	<u>183,317</u>
<b>EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR</b>	<u>\$ 57,591</u>	<u>\$ 45,336</u>

The accompanying notes form an integral part of these financial statements

**WATERLOO PUBLIC INTEREST RESEARCH GROUP**

**Statement of Cash Flows**

**Year Ended August 31, 2011**

	2011	2010
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 57,591	\$ 45,336
Item not affecting cash:		
Amortization	1,247	1,854
	<u>58,838</u>	<u>47,190</u>
Changes in non-cash working capital:		
Accounts receivable	435	(24)
Prepaid expenses	197	(372)
Accounts payable and accrued liabilities	7,484	4,121
	<u>8,116</u>	<u>3,725</u>
Cash flow from operating activities	<u>66,954</u>	<u>50,915</u>
<b>INVESTING ACTIVITY</b>		
Loan receivable	-	50
<b>INCREASE IN CASH FLOW</b>	<u>66,954</u>	<u>50,965</u>
Cash - beginning of year	<u>268,329</u>	<u>217,364</u>
<b>CASH - END OF YEAR</b>	<u>\$ 335,283</u>	<u>\$ 268,329</u>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 259,324	\$ 192,252
Term deposit	75,959	76,077
	<u>\$ 335,283</u>	<u>\$ 268,329</u>

The accompanying notes form an integral part of these financial statements



# WATERLOO PUBLIC INTEREST RESEARCH GROUP

## Notes to Financial Statements

Year Ended August 31, 2011

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### 1. DESCRIPTION OF BUSINESS

The organization was incorporated on October 9, 1979 under the provisions of the Ontario Corporations Act as a not-for-profit organization without share capital. The purpose of the organization is to engage in charitable research and other non-profit activities to advance the welfare of the community. Pursuant to paragraph 149(1)(1) of the Income Tax Act, the organization is exempt from income tax on its activities.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Financial instruments

The following is a summary of the accounting model the organization has elected to apply to each of its significant categories of financial instruments:

Cash	Held for trading
Term deposits	Loans and receivables
Accounts receivable	Loans and receivables
Accounts payable and accrued liabilities	Other financial liabilities

Subsequent measurement and treatment of any gain or loss on the financial instruments is recorded as follows:

(a) Held for trading financial assets are measured at fair value at the balance sheet date with any gain or loss recognized immediately in net income. Interest and dividends earned from held for trading assets are also included in income for the period.

(b) Loans and receivables are measured at amortized cost using the effective interest method. Any gain or loss is recognized in net income.

(c) Other financial liabilities are measured at amortized cost using the effective interest method

#### Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	30%
Computer software	100%
Furniture and fixtures	20%

#### Revenue recognition

a) Membership fees are recognized when received from the University.

b) Other revenue is recognized upon receipt or when collection is reasonably certain.

#### Contributed services

Volunteers contribute a significant amount of time each year to assist the organization in carrying out its activities. Because of the difficulty in determining the fair value, contributed services are not recognized in the financial statements.

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# WATERLOO PUBLIC INTEREST RESEARCH GROUP

## Notes to Financial Statements

Year Ended August 31, 2011

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Capital management

Capital is comprised of the organization's net assets and any debt that it may issue. As at August 31, 2011, the organization's net assets were \$328,032 and it had no outstanding debt. The organization's objectives when managing capital are to continue as a going concern to protect its ability to meet its on-going liabilities and its ability to offer programs that meet its mandate.

#### Measurement uncertainty

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the company's best information and judgment. Actual results could differ from these estimates. Examples of significant estimates include the useful lives of capital assets and providing for amortization of capital assets.

### 3. Term deposit

	2011	2010
Non-redeemable term deposit bearing interest at 1.55% per annum, maturing November 3, 2011	<b>\$ 75,959</b>	<b>\$ 76,077</b>

The term deposit is valued at cost plus accrued interest, which approximates the market value as at August 31, 2011.

### 4. CAPITAL ASSETS

	Cost	Accumulated amortization	2011 Net book value	2010 Net book value
Computer equipment	\$ 8,945	\$ 6,652	\$ 2,293	\$ 3,275
Furniture and fixtures	8,986	7,929	1,057	1,322
Computer software	7,111	7,111	-	-
	<b>\$ 25,042</b>	<b>\$ 21,692</b>	<b>\$ 3,350</b>	<b>\$ 4,597</b>

### 5. FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash, term deposits, accounts receivable, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the company is not exposed to significant currency or credit risks arising from these financial instruments.

The organization's carrying value of cash and cash equivalents, accounts receivable, and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments.

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The organization is exposed to interest rate risk primarily through its term deposit as described in Note 3.