

WATERLOO PUBLIC INTEREST RESEARCH GROUP
Financial Statements
Year Ended August 31, 2010

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WATERLOO PUBLIC INTEREST RESEARCH GROUP
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Year Ended August 31, 2010

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AUDITORS' REPORT

To the Members of Waterloo Public Interest Research Group

We have audited the statement of financial position of Waterloo Public Interest Research Group as at August 31, 2010 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many not-for-profit organizations, the organization derives revenue from donations and programming fees 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.

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 the contributions referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at August 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Kitchener, Ontario
June 6, 2011



CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

WATERLOO PUBLIC INTEREST RESEARCH GROUP
Statement of Financial Position
August 31, 2010

	2010	2009
ASSETS		
CURRENT		
Cash	\$ 192,252	\$ 141,287
Term deposit (Note 3)	76,077	76,077
Accounts receivable	5,936	5,912
Prepaid expenses	876	504
	275,141	223,780
CAPITAL ASSETS (Note 4)	4,597	6,451
LOANS AND NOTES RECEIVABLE	-	50
	\$ 279,738	\$ 230,281
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 9,297	\$ 5,176
NET ASSETS		
INVESTED IN CAPITAL ASSETS	4,597	6,451
UNRESTRICTED	265,844	218,654
	270,441	225,105
	\$ 279,738	\$ 230,281

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, 2010

	Invested in capital assets	Unrestricted	2010	2009
NET ASSETS - BEGINNING OF YEAR	\$ 6,451	\$ 218,654	\$ 225,105	\$ 197,322
Excess of revenue over expenses	-	45,336	45,336	27,784
Amortization	(1,854)	1,854	-	-
NET ASSETS - END OF YEAR	\$ 4,597	\$ 265,844	\$ 270,441	\$ 225,106

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, 2010

	2010	2009
REVENUE		
Membership fees - students	\$ 215,807	\$ 197,458
Human Resources Development grant	5,936	5,185
Programming	3,788	7,171
Interest income	3,037	4,075
Membership fees - community	85	60
	<u>228,653</u>	<u>213,949</u>
EXPENSES		
Wages and benefits	123,460	129,355
Programming	26,966	29,258
Office	7,577	4,722
Rent	7,550	7,270
Ontario P.I.R.G.	6,809	6,426
Volunteer development	2,604	1,944
Professional fees	2,500	2,020
Insurance	2,196	1,906
Amortization	1,854	2,470
Bookkeeping	861	457
Resource library	489	33
Interest and bank charges	352	278
Travel	99	26
	<u>183,317</u>	<u>186,165</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ 45,336</u>	<u>\$ 27,784</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, 2010

	2010	2009
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 45,336	\$ 27,784
Item not affecting cash:		
Amortization	1,854	2,470
	<u>47,190</u>	<u>30,254</u>
Changes in non-cash working capital:		
Accounts receivable	(24)	(648)
Prepaid expenses	(372)	49
Accounts payable and accrued liabilities	4,121	(4,131)
Deferred revenue	-	(1,400)
	<u>3,725</u>	<u>(6,130)</u>
Cash flow from operating activities	<u>50,915</u>	<u>24,124</u>
INVESTING ACTIVITIES		
Purchase of capital assets	-	(1,547)
Loan receivable	50	-
	<u>50</u>	<u>(1,547)</u>
Cash flow from (used by) investing activities	<u>50</u>	<u>(1,547)</u>
INCREASE IN CASH FLOW	50,965	22,577
Cash - beginning of year	<u>217,364</u>	<u>194,787</u>
CASH - END OF YEAR	\$ 268,329	\$ 217,364
CASH CONSISTS OF:		
Cash	\$ 192,252	\$ 141,287
Term deposit	76,077	76,077
	<u>\$ 268,329</u>	<u>\$ 217,364</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, 2010

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.

(continues)

WATERLOO PUBLIC INTEREST RESEARCH GROUP
Notes to Financial Statements
Year Ended August 31, 2010

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, 2010, the organization's net assets were \$270,441 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.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

3. Term deposit

	2010	2009
Redeemable term deposit bearing interest at 4.00% per annum, maturing October 22, 2010	\$ 76,077	\$ 76,077

The term deposit is valued at cost plus accrued interest, which approximates the market value as at August 31, 2010. Subsequent to year end the organization reinvested in a one year term deposit at 1.55% per annum, maturing November 3, 2011.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2010 Net book value	2009 Net book value
Computer equipment	\$ 28,245	\$ 24,970	\$ 3,275	\$ 4,799
Computer software	27,311	27,311	-	-
Furniture and fixtures	8,986	7,664	1,322	1,652
	\$ 64,542	\$ 59,945	\$ 4,597	\$ 6,451

5. FINANCIAL INSTRUMENTS

The company'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 company'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 company is exposed to interest rate risk primarily through its term deposits as described in Note 3.