

**WATERLOO PUBLIC INTEREST  
RESEARCH GROUP**

**Financial Statements**

**Year Ended August 31, 2009**

**WATERLOO PUBLIC INTEREST RESEARCH GROUP**  
**Index to Financial Statements**  
**Year Ended August 31, 2009**

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## AUDITORS' REPORT

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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, 2009 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 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, 2009 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  
November 1, 2010

*Clarke Starke & Diegel LLP*

CHARTERED ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS

**WATERLOO PUBLIC INTEREST RESEARCH GROUP**  
**Statement of Financial Position**  
**August 31, 2009**

|  | 2009              | 2008              |
|--|-------------------|-------------------|
| <b>ASSETS</b>                            |                   |                   |
| <b>CURRENT</b>                           |                   |                   |
| Cash                                     | \$ 141,287        | \$ 194,787        |
| Term deposit (Note 3)                    | 76,077            | -                 |
| Accounts receivable                      | 5,912             | 5,264             |
| Prepaid expenses                         | 504               | 553               |
|  | <u>223,780</u>    | <u>200,604</u>    |
| <b>CAPITAL ASSETS (Note 4)</b>           | <b>6,451</b>      | <b>7,374</b>      |
| <b>LOAN RECEIVABLE (Note 5)</b>          | <b>50</b>         | <b>50</b>         |
|  | <u>\$ 230,281</u> | <u>\$ 208,028</u> |
| <b>LIABILITIES</b>                       |                   |                   |
| <b>CURRENT</b>                           |                   |                   |
| Accounts payable and accrued liabilities | \$ 5,176          | \$ 9,307          |
| Deferred revenue                         | -                 | 1,400             |
|  | <u>5,176</u>      | <u>10,707</u>     |
| <b>NET ASSETS</b>                        |                   |                   |
| <b>INVESTED IN CAPITAL ASSETS</b>        | <b>6,451</b>      | <b>7,374</b>      |
| <b>UNRESTRICTED</b>                      | <b>218,654</b>    | <b>189,947</b>    |
|  | <u>225,105</u>    | <u>197,321</u>    |
|  | <u>\$ 230,281</u> | <u>\$ 208,028</u> |

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, 2009**

|                                       | Invested in<br>capital assets | Unrestricted      | 2009              | 2008              |
|---------------------------------------|-------------------------------|-------------------|-------------------|-------------------|
| <b>NET ASSETS - BEGINNING OF YEAR</b> | \$ 7,374                      | \$ 189,947        | \$ 197,321        | \$ 143,392        |
| Excess of revenue over expenses       | -                             | 27,784            | 27,784            | 53,930            |
| Capital asset additions               | 1,547                         | (1,547)           | -                 | -                 |
| Amortization                          | (2,470)                       | 2,470             | -                 | -                 |
| <b>NET ASSETS - END OF YEAR</b>       | <b>\$ 6,451</b>               | <b>\$ 218,654</b> | <b>\$ 225,105</b> | <b>\$ 197,322</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, 2009**

|   | 2009             | 2008             |
|---|------------------|------------------|
| <b>REVENUE</b>                                      |                  |                  |
| Membership fees - students                          | \$ 197,458       | \$ 195,881       |
| Programming   | 7,171            | 5,203            |
| Human Resources Development grant                   | 5,185            | 4,639            |
| Interest income                                     | 4,075            | 325              |
| Membership fees - community                         | 60               | 30               |
| Literature and merchandise                          | -                | 340              |
|   | <u>213,949</u>   | <u>206,418</u>   |
| <b>EXPENSES</b>                                     |                  |                  |
| Wages and benefits                                  | 129,355          | 107,308          |
| Programming   | 29,258           | 17,832           |
| Rent  | 7,270            | 7,187            |
| Ontario P.I.R.G.                                    | 6,426            | 5,936            |
| Office  | 4,722            | 5,215            |
| Amortization  | 2,470            | 2,791            |
| Professional fees                                   | 2,020            | 2,313            |
| Volunteer development                               | 1,944            | 1,706            |
| Insurance   | 1,906            | 1,551            |
| Bookkeeping   | 457              | 475              |
| Interest and bank charges                           | 278              | 121              |
| Resource Library                                    | 33               | -                |
| Travel  | 26               | 53               |
|   | <u>186,165</u>   | <u>152,488</u>   |
| <b>EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR</b> | <u>\$ 27,784</u> | <u>\$ 53,930</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, 2009**

|  | 2009                     | 2008                     |
|--|--------------------------|--------------------------|
| <b>OPERATING ACTIVITIES</b>              |                          |                          |
| Excess of revenue over expenses          | \$ 27,784                | \$ 53,930                |
| Item not affecting cash:                 |                          |                          |
| Amortization                             | 2,470                    | 2,791                    |
|  | <u>30,254</u>            | <u>56,721</u>            |
| Changes in non-cash working capital:     |                          |                          |
| Accounts receivable                      | (648)                    | (1,505)                  |
| Prepaid expenses                         | 49                       | (27)                     |
| Accounts payable and accrued liabilities | (4,131)                  | 663                      |
| Deferred revenue                         | (1,400)                  | 785                      |
|  | <u>(6,130)</u>           | <u>(84)</u>              |
| Cash flow from operating activities      | <u>24,124</u>            | <u>56,637</u>            |
| <b>INVESTING ACTIVITY</b>                |                          |                          |
| Purchase of capital assets               | <u>(1,547)</u>           | -                        |
| <b>INCREASE IN CASH FLOW</b>             | <b>22,577</b>            | <b>56,637</b>            |
| Cash - beginning of year                 | <u>194,787</u>           | <u>138,150</u>           |
| <b>CASH - END OF YEAR</b>                | <b><u>\$ 217,364</u></b> | <b><u>\$ 194,787</u></b> |

The accompanying notes form an integral part of these financial statements

WATERLOO PUBLIC INTEREST RESEARCH GROUP

Notes to Financial Statements

Year Ended August 31, 2009

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

Fund Accounting

The Organization follows the restricted fund method of accounting for contributions.

1. The Unrestricted fund reflects the transactions associated with the operating and fundraising activities related to the Organization.
2. The Restricted fund reflects the transactions associated with acquisitions and improvements of capital assets, net of amortization.

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%  |

(continues)



**WATERLOO PUBLIC INTEREST RESEARCH GROUP**

**Notes to Financial Statements**

**Year Ended August 31, 2009**

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

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.

Capital management

Capital is comprised of the organization's net assets and any debt that it may issue. As at August 31, 2009, the organization's net assets were \$225,105 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

|  | <u>2009</u>      | <u>2008</u> |
|--|------------------|-------------|
| Redeemable term deposit bearing interest at 4.00% per annum, maturing October 22, 2010 | \$ <b>76,077</b> | \$ -        |

The term deposit is valued at cost plus accrued interest, which approximates the market value as at August 31, 2009.

4. CAPITAL ASSETS

|                        | Cost             | Accumulated<br>amortization | <b>2009<br/>Net book<br/>value</b> | 2008<br>Net book<br>value |
|------------------------|------------------|-----------------------------|------------------------------------|---------------------------|
| Computer equipment     | \$ 29,445        | \$ 24,646                   | \$ 4,799                           | \$ 5,309                  |
| Computer software      | 27,311           | 27,311                      | -                                  | -                         |
| Furniture and fixtures | 8,986            | 7,334                       | 1,652                              | 2,065                     |
|                        | <u>\$ 65,742</u> | <u>\$ 59,291</u>            | <u>\$ 6,451</u>                    | <u>\$ 7,374</u>           |

5. LOAN RECEIVABLE

The loan receivable represents a non-interest bearing member loan to Ebytown Food Co-op.

**WATERLOO PUBLIC INTEREST RESEARCH GROUP**

**Notes to Financial Statements**

**Year Ended August 31, 2009**

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**6. 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.