

**WATERLOO PUBLIC INTEREST
RESEARCH GROUP
FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2014**

**WATERLOO PUBLIC INTEREST RESEARCH GROUP
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YEAR ENDED AUGUST 31, 2014**

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Moore, McDermott & Partners LLP *Chartered Accountants*

Charles J. Moore, H.B.A., CPA, CA
McDermott Professional Corporation
Calvin F. Siefert, B. Math., CPA, CA
James P. Morgan, B. Math., CPA, CA
Michelle C. Massel, B. Admin., CPA, CA

928 King Street West
Kitchener, Ontario, N2G 1G4
(519) 579-0700
Fax (519) 579-2894

INDEPENDENT AUDITOR'S REPORT

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, 2014 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 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.

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.

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Basis for Qualified Opinion

In common with many non-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.

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 the contributions referred to in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of Waterloo Public Interest Research Group as at August 31, 2014 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Kitchener, Ontario
March 2, 2015

Moore, McDermott & Partners LLP

Chartered Accountants
Licensed Public Accountants

WATERLOO PUBLIC INTEREST RESEARCH GROUP
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2014

	2014	2013
ASSETS		
CURRENT ASSETS		
Cash	\$ 65,603	\$ 157,471
Term deposits (Note 3) (Page 8)	77,752	77,243
Accounts receivable	549	4,112
Prepaid expenses	715	713
	144,619	239,539
CAPITAL ASSETS (Note 4) (Page 8)	5,330	3,018
	\$ 149,949	\$ 242,557
 LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 23,496	\$ 29,233
Government remittances payable	6,316	120
	29,812	29,353
NET ASSETS		
CAPITAL ASSET FUND (Page 4)	5,330	3,018
UNRESTRICTED FUND (Page 4)	114,807	210,186
	120,137	213,204
	\$ 149,949	\$ 242,557

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

WATERLOO PUBLIC INTEREST RESEARCH GROUP
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED AUGUST 31, 2014

	Capital Asset Fund	Unrestricted Fund	2014	2013
NET ASSETS - beginning of year	\$ 3,018	\$ 210,186	\$ 213,204	\$ 279,500
Investment in capital assets	3,706	(3,706)	-	-
Deficiency of revenues over expenses (Page 5)	(1,394)	(91,673)	(93,067)	(66,296)
NET ASSETS - end of year	\$ 5,330	\$ 114,807	\$ 120,137	\$ 213,204

WATERLOO PUBLIC INTEREST RESEARCH GROUP
STATEMENT OF REVENUES AND EXPENDITURES
YEAR ENDED AUGUST 31, 2014

	Budget 2014	2014	2013
REVENUES			
Membership fees - students	\$ 260,000	\$ 250,146	\$ 243,112
Programming	8,000	1,831	5,055
Interest income	500	759	958
Membership fees - community	200	45	-
Human resources development grant	-	-	4,112
	<u>268,700</u>	<u>252,781</u>	<u>253,237</u>
EXPENSES			
Salaries and wages	151,350	184,468	166,814
Projects	52,500	43,131	46,320
Networking	42,500	26,845	30,624
Human resource development	14,000	22,991	8,166
Programming	24,700	18,648	23,661
Action groups	10,900	16,693	5,678
Office	21,100	12,932	12,688
Rental	6,000	6,625	7,227
Professional fees	6,600	5,100	8,407
Insurance	2,850	2,857	2,836
Interest and bank charges	900	2,217	4,033
Bookkeeping	1,500	1,434	1,687
Amortization	1,500	1,394	866
Library	2,750	513	526
	<u>339,150</u>	<u>345,848</u>	<u>319,533</u>
DEFICIENCY OF REVENUES OVER EXPENSES FOR YEAR	<u>\$ (70,450)</u>	<u>\$ (93,067)</u>	<u>\$ (66,296)</u>

WATERLOO PUBLIC INTEREST RESEARCH GROUP
STATEMENT OF CASH FLOWS
YEAR ENDED AUGUST 31, 2014

	2014	2013
OPERATING ACTIVITIES		
Deficiency of revenues over expenses for year (Page 5)	\$ (93,067)	\$ (66,296)
Items not affecting cash:		
Amortization of capital assets	1,394	866
	-	-
	<u>(91,673)</u>	<u>(65,430)</u>
Changes in non-cash working capital:		
Accounts receivable	3,563	(4,112)
Accounts payable and accrued liabilities	(5,737)	(31,107)
Prepaid expenses	(2)	(15)
Government remittances payable	6,196	(3,661)
	-	-
	<u>4,020</u>	<u>(38,895)</u>
Cash flow used by operating activities	<u>(87,653)</u>	<u>(104,325)</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(3,706)	(1,434)
	-	-
	<u>(3,706)</u>	<u>(1,434)</u>
DECREASE IN CASH FLOW	(91,359)	(105,759)
CASH - beginning of year	234,714	340,473
CASH - end of year	\$ 143,355	\$ 234,714
CASH CONSISTS OF:		
Cash	\$ 65,603	\$ 157,471
Term deposits	77,752	77,243
	<u>\$ 143,355</u>	<u>\$ 234,714</u>

WATERLOO PUBLIC INTEREST RESEARCH GROUP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2014

1. DESCRIPTION OF BUSINESS

Waterloo Public Interest Research Group (the "organization") is incorporated under the Business Corporations Act of Ontario as a not-for-profit organization without share capital. The organization's principal business activity 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 activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Revenue recognition

Membership fees are recognized when received from the University of Waterloo.

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

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

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

The organization regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Contributed services

Volunteers contribute a significant amount of their time each year. Because of the difficulty in determining their 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, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. TERM DEPOSIT

	2014	2013
Non-redeemable term deposit bearing interest at 0.80% per annum, maturing November 4, 2015 (market value \$77,970)	\$ 77,752	\$ 77,243

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Computer equipment	\$ 14,085	\$ 9,296	\$ 4,789	\$ 2,342
Computer software	7,111	7,111	-	-
Furniture and fixtures	8,986	8,445	541	676
	\$ 30,182	\$ 24,852	\$ 5,330	\$ 3,018

5. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of August 31, 2014. The extent of the organization's exposure to these risks did not change in 2014 compared to previous year.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be 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.

6. ECONOMIC DEPENDENCE

The organization is dependent upon membership fees received from the University of Waterloo, \$250,146 - 2014 (\$243,112 - 2013), to carry out its programs. At the date of this report, management has no reason to believe that this financial support will not continue.