

**WATERLOO PUBLIC INTEREST  
RESEARCH GROUP  
FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015**

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YEAR ENDED AUGUST 31, 2015**

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# ***Moore, McDermott & Partners LLP*** *Chartered Accountants*

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## **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, 2015 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.

*(continues)*

### 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, 2015 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  
January 29, 2016

*Moore, McDermott & Partners LLP*

Chartered Accountants  
Licensed Public Accountants

**WATERLOO PUBLIC INTEREST RESEARCH GROUP**  
**STATEMENT OF FINANCIAL POSITION**  
**AUGUST 31, 2015**

	2015	2014
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 43,064	\$ 65,603
Term deposits (Note 3) (Page 8)	78,484	77,752
Accounts receivable	21	549
Prepaid expenses	1,789	715
	123,358	144,619
<b>CAPITAL ASSETS (Note 4) (Page 8)</b>	<b>3,785</b>	<b>5,330</b>
	<b>\$ 127,143</b>	<b>\$ 149,949</b>
 <b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 24,498	\$ 23,496
Government remittances payable	2,752	6,316
	27,250	29,812
<b>NET ASSETS</b>		
<b>CAPITAL ASSET FUND (Page 4)</b>	3,785	5,330
<b>UNRESTRICTED FUND (Page 4)</b>	<b>96,108</b>	<b>114,807</b>
	99,893	120,137
	<b>\$ 127,143</b>	<b>\$ 149,949</b>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ *Director*

\_\_\_\_\_ *Director*

**WATERLOO PUBLIC INTEREST RESEARCH GROUP**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**YEAR ENDED AUGUST 31, 2015**

	<b>Capital Asset Fund</b>	<b>Unrestricted Fund</b>	<b>2015</b>	<b>2014</b>
<b>NET ASSETS - beginning of year</b>	\$ 5,330	\$ 114,807	\$ <b>120,137</b>	\$ 213,204
Investment in capital assets	-	-	-	-
Deficiency of revenues over expenses (Page 5)	(1,545)	(18,699)	<b>(20,244)</b>	(93,067)
<b>NET ASSETS - end of year</b>	<b>\$ 3,785</b>	<b>\$ 96,108</b>	<b>\$ 99,893</b>	<b>\$ 120,137</b>

**WATERLOO PUBLIC INTEREST RESEARCH GROUP**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**YEAR ENDED AUGUST 31, 2015**

	Budget <b>2015</b>	<b>2015</b>	<b>2014</b>
<b>REVENUES</b>			
Membership fees - students	\$ 270,000	\$ 252,048	\$ 250,146
Programming	3,000	1,286	1,831
Interest income	500	774	759
Membership fees - community	200	-	45
	<u>273,700</u>	<u>254,108</u>	<u>252,781</u>
<b>EXPENSES</b>			
Salaries and wages	170,890	160,063	184,468
Networking	28,500	26,223	26,845
Projects	28,000	22,124	43,131
Action groups	21,200	14,238	16,693
Rental	9,000	13,617	6,625
Programming	19,000	13,284	18,648
Office	16,000	9,535	12,932
Professional fees	3,600	4,757	5,100
Human resource development	10,500	2,938	22,991
Insurance	2,850	2,931	2,857
Amortization	1,500	1,545	1,394
Bookkeeping	2,000	1,373	1,434
Library	1,550	956	513
Interest and bank charges	900	768	2,217
	<u>315,490</u>	<u>274,352</u>	<u>345,848</u>
<b>DEFICIENCY OF REVENUES OVER EXPENSES FOR YEAR</b>	<u>\$ (41,790)</u>	<u>\$ (20,244)</u>	<u>\$ (93,067)</u>

**WATERLOO PUBLIC INTEREST RESEARCH GROUP**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED AUGUST 31, 2015**

	2015	2014
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenues over expenses for year (Page 5)	\$ (20,244)	\$ (93,067)
Item not affecting cash:		
Amortization of capital assets	1,545	1,394
	<u>(18,699)</u>	<u>(91,673)</u>
Changes in non-cash working capital:		
Accounts receivable	528	3,563
Accounts payable and accrued liabilities	1,002	(5,737)
Prepaid expenses	(1,074)	(2)
Government remittances payable	(3,564)	6,196
	<u>(3,108)</u>	<u>4,020</u>
Cash flow used by operating activities	<u>(21,807)</u>	<u>(87,653)</u>
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	-	(3,706)
	<u>-</u>	<u>(3,706)</u>
<b>DECREASE IN CASH FLOW</b>	<b>(21,807)</b>	<b>(91,359)</b>
<b>CASH - beginning of year</b>	<b>143,355</b>	<b>234,714</b>
<b>CASH - end of year</b>	<b>\$ 121,548</b>	<b>\$ 143,355</b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 43,064	\$ 65,603
Term deposits	78,484	77,752
	<u>\$ 121,548</u>	<u>\$ 143,355</u>



**WATERLOO PUBLIC INTEREST RESEARCH GROUP**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2015**

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**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%	declining balance method
Computer software	100%	declining balance method
Furniture and fixtures	20%	declining balance method

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, 2015**

**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**

	<b>2015</b>	<b>2014</b>
Non-redeemable term deposit bearing interest at 0.80% per annum, maturing November 4, 2015 (market value \$78,484)	<b>\$ 78,484</b>	<b>\$ 77,752</b>

**4. CAPITAL ASSETS**

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2015 Net book value</b>	<b>2014 Net book value</b>
Computer equipment	\$ 14,085	\$ 10,733	\$ 3,352	\$ 4,789
Computer software	7,111	7,111	-	-
Furniture and fixtures	8,986	8,553	433	541
	<b>\$ 30,182</b>	<b>\$ 26,397</b>	<b>\$ 3,785</b>	<b>\$ 5,330</b>

**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, 2015.

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.

The extent of the corporation's exposure to these risks did not change in 2015 compared to the previous year.

**6. ECONOMIC DEPENDENCE**

The organization is dependent upon membership fees received from the University of Waterloo, \$252,048 - 2015 (\$250,146 - 2014), to carry out its programs. At the date of this report, management has no reason to believe that this financial support will not continue.