

Government House Foundation

Financial Statements

March 31, 2014



INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of Government House Foundation, which comprise the statement of financial position as at March 31, 2014, and the statement of operations and accumulated surplus and statement of cash flow 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 public sector accounting standards for Treasury Board's approval, 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Government House Foundation as at March 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Judy Ferguson, FCA
Acting Provincial Auditor

Regina, Saskatchewan
June 23, 2014

GOVERNMENT HOUSE FOUNDATION
Statement of Financial Position
As at March 31, 2014
(in dollars)

	2014	2013
Financial Assets		
Cash due from General Revenue Fund (<i>note 3</i>)	115,871	106,314
Accounts receivable	750	-
Interest receivable	279	288
Total Financial Assets	116,900	106,602
Liabilities		
Accounts payable and accrued liabilities (<i>note 5</i>)	-	13,565
Deferred revenue (<i>note 4</i>)	-	682
Total Liabilities	-	14,247
Net Financial Assets	116,900	92,355
Accumulated Surplus	116,900	92,355

The accompanying notes are an integral part of these financial statements.

GOVERNMENT HOUSE FOUNDATION
Statement of Operations and Accumulated Surplus
For the year ended March 31, 2014
(in dollars)

	Annual Budget (note 6)	2014	2013
Revenue			
Grant	-	12,682	10,000
Donations	15,000	15,400	7,600
Restricted contributions (note 4)	-	-	12,267
Food service	1,300	1,601	1,327
Interest	1,000	1,091	1,121
Total Revenue	17,300	30,774	32,315
Expense			
Food service	1,300	1,436	1,291
Meetings	100	-	-
Printing and courier	300	310	240
Total Operating Expense	1,700	1,746	1,531
Excess of revenue over operating expense	15,600	29,028	30,784
Diamond Jubilee Initiative (note 4)	-	-	(11,318)
Government House Security System	(22,500)	-	-
Government House Revitalization Project (note 5)	-	13,565	-
Youth Mentorship Program	(18,500)	(18,048)	(10,811)
(Deficit)/Surplus	(25,400)	24,545	8,655
Accumulated Surplus, Beginning of year	92,355	92,355	83,700
Accumulated Surplus, End of Year	66,955	116,900	92,355

The accompanying notes are an integral part of these financial statements.

GOVERNMENT HOUSE FOUNDATION
Statement of Cash Flow
For the year ended March 31, 2014
(in dollars)

	2014	2013
Operating Activities		
Surplus	24,545	8,655
(Increase)/Decrease in receivables	(741)	46,878
Decrease in accounts payable and accrued liabilities	(13,565)	-
Decrease in deferred revenue	(682)	(12,267)
Cash Provided By Operating Activities	9,557	43,266
Increase in Cash	9,557	43,266
Cash, beginning of year	106,314	63,048
Cash, End of Year	115,871	106,314
Cash consists of:		
Cash due from General Revenue Fund	115,871	106,314

The accompanying notes are an integral part of these financial statements.

GOVERNMENT HOUSE FOUNDATION
Notes to the Financial Statements
As at March 31, 2014
(in dollars)

1. Authority

The Government House Foundation (Foundation) was established on January 21, 2002 by *The Government House Foundation Regulations* and falls under the authority of *The Historic Properties Foundations Act*. Government House was designated as a Provincial Heritage Property on August 26, 1981.

The mandate of the Foundation is:

- a) To preserve and enhance the Government House; and
- b) To promote public awareness of:
 - the character, setting and decor of the Government House;
 - the historic and cultural values of the Government House;
 - the significant events in the governance of Saskatchewan; and
 - the history of Saskatchewan generally.

Funding for the Foundation is obtained primarily through gifts, grants, bequests, donations and interest revenue.

2. Significant Accounting Policies

These financial statements are prepared in accordance with generally accepted accounting principles for the public sector as recommended by the Canadian Public Sector Accounting Board. A statement of change in net financial assets has not been prepared as the information is readily determinable from the other statements. The following accounting policies are considered significant:

a) Revenue

Grants

Government grants are recognized as revenue when the transfer is authorized, eligibility criteria have been met and transfer stipulations have been fulfilled.

Donations

Donations are recorded as revenue in the fiscal period in which they are received by the Foundation. Donations-in-kind are recorded at fair market value on the date of their donation.

GOVERNMENT HOUSE FOUNDATION

Notes to the Financial Statements

As at March 31, 2014

(in dollars)

Restricted contributions

Externally restricted contributions are deferred and recognized as revenue in the year expenses are incurred for the specified purpose.

Food Service

During the year the Foundation supported a food service program at Government House known as the "Butler's Pantry". The program was operated on a cost recovery basis and revenue is recognized as received.

Interest revenue

Interest revenue is recorded in the year received or receivable.

b) Use of Estimates

The preparation of financial information requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the Statement of Operations and Accumulated Surplus in the period in which they become known. Actual results could differ from those estimates.

c) Fair Value

The Foundation's financial instruments include cash due from the General Revenue Fund, grants receivable, interest receivable, and accounts payable and accrued liabilities. The carrying amount of these instruments approximates fair value due to their immediate or short-term maturity. These instruments have no interest or credit risk.

3. Cash Due from General Revenue Fund

The Foundation's bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan. The Foundation earns interest on a quarterly basis, calculated on the Government's thirty-day borrowing rate and the Foundation's average daily bank account balance. The Government's average thirty-day borrowing rate for the year was 1.02% (2013 – 1.09%).

GOVERNMENT HOUSE FOUNDATION
Notes to the Financial Statements
As at March 31, 2014
(in dollars)

4. Deferred Revenue

Deferred revenue represents externally restricted contributions and certain grants received that can only be used for specified purposes.

	Diamond Jubilee Initiative	2014	2013
Deferred revenue, beginning of year	682	682	12,949
Use of funds	(682)	(682)	(12,267)
Deferred revenue, end of year	-	-	682

The Diamond Jubilee Exhibit was an exhibit developed at Government House to celebrate the Queen's Diamond Jubilee.

5. Government House Revitalization Project

During the year new information became available which required a change in estimate resulting in a prospective adjustment to accounts payable and current year expenses. It was determined that the project consultant would not be submitting any additional invoices; therefore the professional services fees which had previously been accrued were reversed.

6. Budget

The 2013/14 budget was approved at the Annual General Meeting by the Board of Trustees on June 26, 2013.

7. Related Party Transactions

The Foundation is related to all Saskatchewan Crown agencies such as ministries, corporations, boards and commissions under the common control of the Government of Saskatchewan; Saskatchewan Crown agencies; non-Crown enterprises that the Government jointly controls or significantly influences; and trustees and their corporations over which they have significant control. The Foundation's bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. Provincial Sales Tax to the Saskatchewan Ministry of Finance is included in the cost of the related purchases.

The Ministry of Government Relations provided administrative services at no charge to the Foundation.

GOVERNMENT HOUSE FOUNDATION

Notes to the Financial Statements

As at March 31, 2014

(in dollars)

The following table summarizes the related party transactions for the year.

(in dollars)	2014	2013
Accounts receivable	750	-
Interest receivable	279	288
Grant revenue	12,000	10,000
Interest revenue	1,091	1,121

8. New Standards and interpretations Not Yet Adopted

A number of new standards are effective for future periods beginning after April 1, 2014. These future standards have not been applied in preparing these financial statements. Those which may be relevant to the Foundation are set out below. The Foundation does not plan to adopt these standards early.

PS 3260 Liability for Contaminated sites – This standard is effective for fiscal years beginning on or after April 1, 2014. This standard establishes how to account for and report a liability associated with the remediation of contaminated sites. At this time, the impact of the adoption of this standard is unknown.

PS 3450 Financial Instruments – This standard is effective for fiscal years beginning on or after April 1, 2016. At this time the impact of the adoption of this standard is unknown.

PS 1201 Financial statement presentation – The standard is effective for fiscal years beginning on or after April 1, 2016. At this time the impact of the adoption of this standard is unknown.

PS 2601 Foreign currency translation – The standard is effective for fiscal years beginning on or after April 1, 2016. At this time the impact of this standard is unknown.