

UNIVERSITY OF SASKATCHEWAN

CROWN FOUNDATION

FINANCIAL STATEMENTS

For the Three Months Ended July 31, 2013



INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the University of Saskatchewan Crown Foundation, which comprise the statement of financial position as at July 31, 2013, and the statement of operations and changes in net assets and the statement of cash flows for the three-month period 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 the University of Saskatchewan Crown Foundation as at July 31, 2013, and the results of its operations, changes in its net assets, and its cash flows for the three-month period then ended in accordance with Canadian public sector accounting standards.

Regina, Saskatchewan
August 8, 2013

Bonnie Lysyk, MBA, CA
Provincial Auditor

Statement 1

UNIVERSITY OF SASKATCHEWAN CROWN FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT

	July 31, 2013	April 30, 2013
	<hr/>	<hr/>
Assets		
Cash	\$ -	\$ -
Other assets	-	-
	<hr/>	<hr/>
	\$ <u>-</u>	\$ <u>-</u>
Net assets (Statement 2)	\$ <u>-</u>	\$ <u>-</u>

On behalf of the Board of Trustees

Chairperson of the Board

Secretary of the Board

(See accompanying notes to the financial statements)

Statement 2

UNIVERSITY OF SASKATCHEWAN CROWN FOUNDATION
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

	For the Three Months Ended July 31, 2013	For the Year Ended April 30, 2013
	<u> </u>	<u> </u>
REVENUES		
Donations	\$ -	\$ -
Life Insurance Proceeds	-	-
Investment income	<u>-</u>	<u>641</u>
	<u>-</u>	<u>641</u>
EXPENSES		
Transfer to the University of Saskatchewan	-	81,173
Legal Fees	-	429
Insurance policy premiums (Note 3)	<u>-</u>	<u>193</u>
	<u>-</u>	<u>81,795</u>
(Deficiency) excess of revenues over expenses	-	(81,154)
Net assets, beginning of year	<u>-</u>	<u>81,154</u>
Net assets, end of year - to Statement 1	<u>\$ -</u>	<u>\$ -</u>

(See accompanying notes to the financial statements)

Statement 3

UNIVERSITY OF SASKATCHEWAN CROWN FOUNDATION
STATEMENT OF CASH FLOWS

	For the Three Months Ended July 31, 2013	For the Year Ended April 30, 2013
Cash provided by (used in):		
Operating activity:		
Donations	\$ -	\$ -
Funds Received from Life Insurance Policies	-	-
Transfer to University of Saskatchewan	-	(15,724)
Investment income	-	189
	<u>-</u>	<u>189</u>
Net (decrease) increase in cash position during the year	-	(15,535)
Cash, beginning of year	-	15,535
	<u>-</u>	<u>15,535</u>
Cash, end of year	\$ <u>-</u>	\$ <u>-</u>

(See accompanying notes to the financial statements)

**THE UNIVERSITY OF SASKATCHEWAN CROWN FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS**

July 31, 2013

1. Authority and Purpose

The University of Saskatchewan Crown Foundation (Foundation) is incorporated under *The Crown Foundation Act* pursuant to Order in Council 842/94 effective December 15, 1994. As an agent of the Crown in the right of the province, donations to the Foundation qualify under the *Income Tax Act* for a tax credit in the case of individuals and for a deduction in the case of corporations.

The purpose of the Foundation is to receive gifts of real and personal property, including money, and to provide grants and transfers of real and personal property to the University of Saskatchewan (University) for the purpose of supporting and promoting its education or research activities. The Foundation began operations on December 20, 1995. Legislation to wind up the Foundation effective July 31, 2013 was proclaimed in force on July 31, 2013.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian public sector accounting standards.

The following accounting policies are considered significant:

a) Donations and Pledges

Donations are recorded as revenue in the fiscal period in which they are received. Gifts in Kind are recorded at fair market value on the date of their donation.

Pledges made by donors for donations to be received in future years are not recorded in the financial statements.

There were no donations or pledges received during the three months ended July 31, 2013.

b) Cash Surrender Value of Life Insurance Policies

Where there is a cash surrender value of an insurance policy owned by the Foundation that value is recognized in 'Other Assets'. The value is provided by the insurance company based on the terms and conditions of the corresponding insurance policy.

c) Financial Instruments

The Foundation's financial instruments consist of cash and other assets and are measured at fair value. Changes in fair value are recognized in the Statement of Operations and Changes in Net Assets.

3. Life Insurance Premiums

Various individuals have named the Foundation as the owner and beneficiary of their life insurance policies. Those individuals pay the premiums on the life insurance policies directly to the insurance companies. The Foundation recognizes these payments as donation revenue and recognizes insurance costs as an expense in its Statement of Operations and Changes in Net Assets.

4. Related Party Transactions

These financial statements include transactions with related parties. 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. Also, the Foundation is related to non-Crown enterprises that the Government jointly controls or significantly influences.

The University of Saskatchewan is related to the Foundation. The Foundation has negotiated a service agreement with the University to provide certain administrative and management services to the Foundation without charge; therefore, no provision for such costs is reflected in these financial statements.

In anticipation of the dissolution of the Crown Foundation, all of the assets of the Crown Foundation have been transferred to the University of Saskatchewan.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

UNIVERSITY OF SASKATCHEWAN

CROWN FOUNDATION

FINANCIAL STATEMENTS

For the Year Ended April 30, 2013



INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the University of Saskatchewan Crown Foundation, which comprise the statement of financial position as at April 30, 2013 and April 30, 2012, and the statement of operations and changes in net assets and the statement of cash flows for the years 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 the University of Saskatchewan Crown Foundation as at April 30, 2013 and April 30, 2012, and the results of its operations, changes in its net assets, and its cash flows for the years then ended in accordance with Canadian public sector accounting standards.

Regina, Saskatchewan
July 17, 2013

Bonnie Lysyk, MBA, CA
Provincial Auditor

Statement 1

UNIVERSITY OF SASKATCHEWAN CROWN FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30

	2013	2012
	<hr/>	<hr/>
Assets		
Cash	\$ -	\$ 15,535
Other assets	-	65,619
	<hr/>	<hr/>
	\$ <u>-</u>	\$ <u>81,154</u>
Net assets (Statement 2)	\$ <u>-</u>	\$ <u>81,154</u>

On behalf of the Board of Trustees

Chairperson of the Board

Secretary of the Board

(See accompanying notes to the financial statements)

Statement 2

UNIVERSITY OF SASKATCHEWAN CROWN FOUNDATION
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED APRIL 30

	2013	2012
	<u> </u>	<u> </u>
REVENUES		
Donations	\$ -	\$ 4,019
Life Insurance Proceeds	-	-
Investment income	<u>641</u>	<u>1,410</u>
	<u>641</u>	<u>5,429</u>
EXPENSES		
Transfer to the University of Saskatchewan	81,173	-
Legal Fees	429	-
Insurance policy premiums (Note 3)	<u>193</u>	<u>148</u>
	<u>81,795</u>	<u>148</u>
(Deficiency) excess of revenues over expenses	(81,154)	5,281
Net assets, beginning of year	<u>81,154</u>	<u>75,873</u>
Net assets, end of year - to Statement 1	\$ <u><u>-</u></u>	\$ <u><u>81,154</u></u>

(See accompanying notes to the financial statements)

Statement 3

UNIVERSITY OF SASKATCHEWAN CROWN FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30

	<u>2013</u>	<u>2012</u>
Cash provided by (used in):		
Operating activity:		
Donations	\$ -	\$ -
Funds Received from Life Insurance Policies	-	-
Transfer to University of Saskatchewan	(15,724)	-
Investment income	<u>189</u>	<u>193</u>
Net (decrease) increase in cash position during the year	(15,535)	193
Cash, beginning of year	<u>15,535</u>	<u>15,342</u>
Cash, end of year	\$ <u><u>-</u></u>	\$ <u><u>15,535</u></u>

(See accompanying notes to the financial statements)

THE UNIVERSITY OF SASKATCHEWAN CROWN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

April 30, 2013

1. Authority and Purpose

The University of Saskatchewan Crown Foundation (Foundation) is incorporated under *The Crown Foundation Act* pursuant to Order in Council 842/94 effective December 15, 1994. As an agent of the Crown in the right of the province, donations to the Foundation qualify under the *Income Tax Act* for a tax credit in the case of individuals and for a deduction in the case of corporations.

The purpose of the Foundation is to receive gifts of real and personal property, including money, and to provide grants and transfers of real and personal property to the University of Saskatchewan (University) for the purpose of supporting and promoting its education or research activities. The Foundation began operations on December 20, 1995.

2. Significant Accounting Policies

During the year, the Foundation adopted Canadian Public Sector Accounting Standards. The date of transition to the new standards is May 1, 2012. The adoption of the new accounting standards had no impact on the financial statements.

The following accounting policies are considered significant:

a) Donations and Pledges

Donations are recorded as revenue in the fiscal period in which they are received. Gifts in Kind are recorded at fair market value on the date of their donation.

Pledges made by donors for donations to be received in future years are not recorded in the financial statements.

There were no donations or pledges received during the year.

b) Cash Surrender Value of Life Insurance Policies

Where there is a cash surrender value of an insurance policy owned by the Foundation that value is recognized in 'Other Assets'. The value is provided by the insurance company based on the terms and conditions of the corresponding insurance policy.

c) Financial Instruments

The Foundation's financial instruments consist of cash and other assets and are measured at fair value. Changes in fair value are recognized in the Statement of Operations and Changes in Net Assets.

3. Life Insurance Premiums

Various individuals have named the Foundation as the owner and beneficiary of their life insurance policies. Those individuals pay the premiums on the life insurance policies directly to the insurance companies. The Foundation recognizes these payments as donation revenue and recognizes insurance costs as an expense in its Statement of Operations and Changes in Net Assets.

4. Related Party Transactions

These financial statements include transactions with related parties. 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. Also, the Foundation is related to non-Crown enterprises that the Government jointly controls or significantly influences.

The University of Saskatchewan is related to the Foundation. The Foundation has negotiated a service agreement with the University to provide certain administrative and management services to the Foundation without charge; therefore, no provision for such costs is reflected in these financial statements.

In anticipation of the dissolution of the Crown Foundation, all of the assets of the Crown Foundation have been transferred to the University of Saskatchewan.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.