

SASKATCHEWAN HERITAGE FOUNDATION

FINANCIAL STATEMENTS

March 31, 2015



INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of Saskatchewan Heritage Foundation, which comprise the statement of financial position as at March 31, 2015 and the statements of operations and accumulated surplus 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 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 Saskatchewan Heritage Foundation as at March 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Regina, Saskatchewan
June 13, 2015

Judy Ferguson, FCPA, FCA
Provincial Auditor

SASKATCHEWAN HERITAGE FOUNDATION

STATEMENT OF FINANCIAL POSITION

As at March 31

	<u>2015</u>	<u>2014</u>
Financial Assets:		
Due from General Revenue Fund (Note 3)	\$ 498,387	\$ 450,136
Accounts receivable	-	288
Interest receivable (Note 3)	<u>969</u>	<u>1,059</u>
	<u>\$ 499,356</u>	<u>\$ 451,483</u>
Liabilities:		
Accounts payable and accrued liabilities	\$ 1,584	\$ 3,347
Deferred revenue	<u>-</u>	<u>1,700</u>
	<u>\$ 1,584</u>	<u>\$ 5,047</u>
Net financial assets	<u>\$ 497,772</u>	<u>\$ 446,436</u>
Accumulated Surplus (Statement 2)	<u>\$ 497,772</u>	<u>\$ 446,436</u>
Commitments (Note 9)		

(See accompanying notes to the financial statements)

SASKATCHEWAN HERITAGE FOUNDATION
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended March 31

	<u>2015</u>		<u>2014</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(Note 7)		
Revenues:			
Transfer from General Revenue Fund—			
Ministry of Parks, Culture and Sport			
Annual Operating Grant	\$ 504,000	\$ 504,000	\$ 504,000
Ministry of Parks, Culture and Sport	20,000	-	-
Parks Canada	-	-	679
Kaplan Fund (Note 5)	-	1,700	3,400
Interest (Note 3)	4,300	4,586	4,192
	<u>\$ 528,300</u>	<u>\$ 510,286</u>	<u>\$ 512,271</u>
Expenses:			
Heritage properties:			
Claybank Brick Plant (Note 4)	\$ 200,000	\$ 75,865	\$ 73,713
Other	285,500	282,914	280,080
Board travel and honoraria	65,100	60,709	34,386
Printing	5,000	5,016	3,815
General operational	69,100	34,446	47,223
	<u>\$ 624,700</u>	<u>\$ 458,950</u>	<u>\$ 439,217</u>
(Deficit) Surplus for the year	<u>\$ (96,400)</u>	\$ 51,336	\$ 73,054
Accumulated surplus, beginning of year		<u>\$ 446,436</u>	<u>\$ 373,382</u>
Accumulated surplus, end of year (Statement 1)		<u>\$ 497,772</u>	<u>\$ 446,436</u>

(See accompanying notes to the financial statements)

SASKATCHEWAN HERITAGE FOUNDATION

STATEMENT OF CASH FLOWS

For the Year Ended March 31

	<u>2015</u>	<u>2014</u>
Cash flows from (used in) operating activities:		
Transfers from the Ministry of Parks, Culture and Sport	\$ 504,000	\$ 504,000
Receipts from Parks Canada	-	33,583
Interest received	4,676	4,309
Payments relating to Claybank Brick Plant	(75,577)	(74,001)
Payments to recipients of heritage property funding	(282,914)	(280,080)
Payments for board travel and honoraria	(60,709)	(34,386)
Payments to suppliers	<u>(41,225)</u>	<u>(50,101)</u>
Net increase in cash	\$ 48,251	\$ 103,324
Cash and cash equivalents, beginning of year	<u>\$ 450,136</u>	<u>\$ 346,812</u>
Cash and cash equivalents, end of year	<u><u>\$ 498,387</u></u>	<u><u>\$ 450,136</u></u>
Cash and cash equivalents consist of:		
Due from General Revenue Fund	<u>\$ 498,387</u>	<u>\$ 450,136</u>
	<u><u>\$ 498,387</u></u>	<u><u>\$ 450,136</u></u>

(See accompanying notes to the financial statements)

SASKATCHEWAN HERITAGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2015

1. Authority

The Saskatchewan Heritage Foundation (Foundation) was established under the authority of *The Saskatchewan Heritage Foundation Act* effective February 18, 1991, as amended by *The Saskatchewan Heritage Foundation Amendment Act, 2001*. In June 2010, *The Saskatchewan Heritage Foundation Act* was repealed and its various sections were incorporated, via *The Streamlining Act*, into an amended, and expanded, *The Heritage Property Act*. The Foundation works in close consultation with the Ministry of Parks, Culture and Sport. The Ministry may also provide funds to the Foundation for its operations. The Foundation provides financial support to individuals, municipalities, community-based organizations and businesses for various heritage initiatives which research, conserve, develop, interpret and promote Saskatchewan's rich heritage resources.

The Saskatchewan Heritage Foundation Board oversees the Foundation. The Minister of Parks, Culture and Sport appoints board members.

Since its inception in 1991, the Foundation has acquired a number of provincially significant historic artifacts through donation and purchase. Those historic artifacts are not recorded in these financial statements.

2. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian public sector accounting standards. A statement of changes in net financial assets has not been prepared as the information is readily determinable from the other statements. These statements do not present a Statement of Remeasurement Gains and Losses as the Foundation has no remeasurement gains or losses. The following policies are considered significant:

a) Heritage Properties

The cost incurred to restore and develop the Claybank Brick Plant is expensed in the year the services are rendered and/or goods received.

Other heritage projects that the Foundation supports are recorded as an expense when recipients incur eligible expenses for projects approved by the Foundation Board.

Donated heritage properties, materials and services are not recorded.

Heritage properties purchased by the Foundation are expensed when acquired.

b) Revenue

Transfers are recognized as revenue when the transfers are authorized and any eligibility criteria are met. Transfers not recognized as revenue are recorded as deferred revenue.

3. Due From General Revenue Fund

The Foundation's bank accounts are included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan.

The Foundation's earned interest is calculated and paid by the Government's General Revenue Fund on a quarterly basis using 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 2015 is .92% (2014 – 1.02%).

4. Claybank Brick Plant

The Claybank Brick Plant (Plant), including land, was donated to the Foundation in 1992. In 1994, the Plant was designated as a National Historic Site, and as a Provincial Heritage Property in 1998. The Foundation incurs conservation and management costs and seeks contributions from other organizations to offset a portion of those costs.

The Claybank Brick Plant Historical Society (Society) donates material and services to the Foundation to achieve the common goal of preserving the Brick Plant as a nationally significant heritage property and tourist attraction. The Foundation has a co-operating agreement with the Society which requires that some funds acquired by the Society, depending on how they are received and for what purpose, shall be directed to the Foundation.

5. Kaplan Funds

The J.M. Kaplan Fund is a philanthropic family foundation, based in New York, which administers a conservation program to help restore and protect aspects of the natural and historic legacies of the North American continent. Since 2002, the Kaplan Fund has approved five separate allocations to the Foundation, totalling \$277,429, for preserving historic churches and other heritage sites. The Kaplan Fund has agreed to match any funds approved by the Foundation for heritage conservation projects. The grant recipient must then at least match the amounts they may receive from the Foundation including the Kaplan Fund amount. Total Kaplan dollars expensed to date is \$ 277,429 with \$ 0 remaining in deferred revenue.

6. Financial Instruments

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

7. Budget

The Foundation Board approved the 2014/2015 budget at their May 1 - 4, 2014 Board meeting.

8. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies and boards related to the Foundation by virtue of common control by the Government of Saskatchewan. Also, the Foundation is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at rates charged by those organizations and are settled on normal trade terms.

The Foundation pays Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

In accordance with established Government practice, the Foundation has not been charged with certain administrative and occupancy costs and no provision for such costs is reflected in these financial statements. These costs are borne by the Ministry of Parks, Culture and Sport, from monies appropriated by the Legislature for such purposes.

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

9. Commitments

The Foundation has multi-year commitments at year end totaling \$ 254,162 (2014 - \$ 297,052) for various approved heritage projects. The Foundation Board has approved these projects but no monies have been paid or eligible expenses incurred.