

SASKATCHEWAN HERITAGE FOUNDATION

FINANCIAL STATEMENTS

MARCH 31, 2019

Responsibility for Financial Statements

The accompanying Financial Statements have been prepared by management of the Saskatchewan Heritage Foundation. They have been prepared in accordance with generally accepted accounting principles in Canada, consistently applied, using management's best estimates and judgments where appropriate. Management is responsible for the reliability and integrity of the Financial Statements and other information contained in this Annual Report.

The Foundation's Board of Directors is responsible for overseeing the business affairs of the Foundation and has approved the Financial Statements for the year ending March 31, 2019.

Management maintains a system of internal controls to ensure the integrity of information that forms the basis of the Financial Statements. The internal controls provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly guarded against unauthorized use and that reliable records are maintained.

The Provincial Auditor of Saskatchewan has audited the Financial Statements. Her report to the Members of the Legislative Assembly, stating the scope of her examination and opinion on the Financial Statements, appears on the next page.



Neil Russell, Chairperson
Moosomin, Saskatchewan
June 19, 2019



Shari Hildred, Manager
Regina, Saskatchewan
June 19, 2019



INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

Opinion

We have audited the financial statements of the Saskatchewan Heritage Foundation, which comprise the statement of financial position as at March 31, 2019, and the statement of operations and accumulated surplus, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Saskatchewan Heritage Foundation as at March 31, 2019, and the results of its operations and its cash flows for the for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Saskatchewan Heritage Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Saskatchewan Heritage Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Saskatchewan Heritage Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Saskatchewan Heritage Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit 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 Saskatchewan Heritage Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Saskatchewan Heritage Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Saskatchewan Heritage Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during the audit.

A handwritten signature in black ink that reads "Judy Ferguson".

Regina, Saskatchewan
June 19, 2019

Judy Ferguson, FCPA, FCA
Provincial Auditor
Office of the Provincial Auditor

SASKATCHEWAN HERITAGE FOUNDATION
STATEMENT OF FINANCIAL POSITION
As at March 31

	<u>2019</u>	<u>2018</u>
Financial Assets:		
Due from General Revenue Fund (Note 3)	\$ 186,653	\$ 154,308
Interest receivable (Note 3)	<u>812</u>	<u>487</u>
	<u>\$ 187,465</u>	<u>\$ 154,795</u>
Liabilities:		
Accounts payable and accrued liabilities	\$ 774	\$ 4,406
Net financial assets	<u>\$ 186,691</u>	<u>\$ 150,389</u>
Accumulated Surplus (Statement 2)	<u>\$ 186,691</u>	<u>\$ 150,389</u>
Commitments (Note 8)		

(See accompanying notes to the financial statements)

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

	<u>2019</u>		<u>2018</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(Note 6)		
Revenues:			
Transfer from General Revenue Fund—			
Ministry of Parks, Culture and Sport			
Annual Operating Grant	\$ 300,000	\$ 300,000	\$ 300,000
Interest (Note 3)	<u>2,000</u>	<u>2,955</u>	<u>1,811</u>
	<u>\$ 302,000</u>	<u>\$ 302,955</u>	<u>\$ 301,811</u>
Expenses:			
Heritage properties:			
Claybank Brick Plant (Note 4)	\$ 3,700	\$ 1,984	\$ 63,725
Grants	186,900	144,531	195,971
Board travel and honoraria	28,500	18,039	26,535
Printing	-	2,358	1,690
General operational	<u>109,586</u>	<u>99,741</u>	<u>78,516</u>
	<u>\$ 328,686</u>	<u>\$ 266,653</u>	<u>\$ 366,437</u>
Surplus/Deficit for the year	<u>\$ (26,686)</u>	\$ 36,302	\$ (64,626)
Accumulated surplus, beginning of year		<u>\$ 150,389</u>	<u>\$ 215,015</u>
Accumulated surplus, end of year (Statement 1)		<u>\$ 186,691</u>	<u>\$ 150,389</u>

(See accompanying notes to the financial statements)

SASKATCHEWAN HERITAGE FOUNDATION
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	<u>2019</u>	<u>2018</u>
Cash flows from (used in) operating activities:		
Transfers from the Ministry of Parks, Culture and Sport	\$ 300,000	\$ 300,000
Interest received	2,630	1,696
Payments relating to Claybank Brick Plant	(1,984)	(63,725)
Payments to recipients of heritage property funding	(144,531)	(195,971)
Payments for board travel and honoraria	(18,039)	(26,535)
Payments to suppliers	<u>(105,731)</u>	<u>(76,527)</u>
Net increase/decrease in cash	\$ 32,345	\$ (61,062)
Cash and cash equivalents, beginning of year	<u>\$ 154,308</u>	<u>\$ 215,370</u>
Cash and cash equivalents, end of year	<u>\$ 186,653</u>	<u>\$ 154,308</u>
Cash and cash equivalents consist of:		
Due from General Revenue Fund	<u>\$ 186,653</u>	<u>\$ 154,308</u>
	<u>\$ 186,653</u>	<u>\$ 154,308</u>

(See accompanying notes to the financial statements)

SASKATCHEWAN HERITAGE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2019

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 Lieutenant Governor-in-Council appoints board members.

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 2019 is 1.54% (2018 – .87%).

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 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.

5. Financial Instruments

The Foundation's financial instruments include due from General Revenue Fund, 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.

6. Budget

The Foundation Board approved the 2018/2019 budget at its April 21, 2018 Board meeting.

7. 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.

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.

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

8. Commitments

The Foundation has multi-year commitments at year end totaling \$ 89,735 (2018 - \$ 81,109) for various approved heritage projects. The Foundation Board has approved these projects but no monies have been paid or eligible expenses incurred.