

SASKATCHEWAN FILMPOOL CO-OPERATIVE

FINANCIAL STATEMENTS

MARCH 31, 2013



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INDEPENDENT AUDITORS' REPORT

To the Members of:
Saskatchewan Filmpool Co-operative

Report on the Financial Statements

We have audited the accompanying financial statements of Saskatchewan Filmpool Co-operative, which comprise the statement of financial position as at March 31, 2012, the statement of operations and available net assets and the statement of 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.

Auditors' 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Saskatchewan Filmpool Co-operative derives revenue from memberships, donations and fundraising activities 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 Co-operative and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue (expenses), current assets and net assets.

Opinion

In our opinion, except for the effect of the adjustments, if any, we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Saskatchewan Filmpool Co-operative as at March 31, 2013 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.


Chartered Accountants

Regina, Canada
May 15, 2013

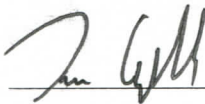
SASKATCHEWAN FILMPOOL CO-OPERATIVE

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2013

	2013	2012	April 1, 2011 Note 2
CURRENT ASSETS			
Cash	\$ 100,748	\$ 109,683	\$ 87,674
Grants receivable	-	-	6,338
Accounts receivable	2,918	2,327	3,661
Prepaid expenses	<u>6,385</u>	<u>1,054</u>	<u>974</u>
	110,051	113,064	98,647
UNSPENT EQUIPMENT GRANT CASH	22,066	21,321	10,384
EQUIPMENT (Note 4)	<u>86,509</u>	<u>98,181</u>	<u>111,535</u>
	<u>\$ 218,626</u>	<u>\$ 232,566</u>	<u>220,566</u>
CURRENT LIABILITIES			
Accounts payable	\$ 15,601	\$ 16,684	\$ 9,837
Accounts payable to members (Note 6)	4,510	4,360	3,480
Deposits	<u>4,072</u>	<u>3,782</u>	<u>3,782</u>
	24,183	24,826	17,099
EQUIPMENT GRANTS (Note 5)	<u>108,575</u>	<u>119,502</u>	<u>120,209</u>
	<u>132,758</u>	<u>144,328</u>	<u>137,308</u>
NET ASSETS			
Invested in equipment	-	-	1,710
Available net assets	<u>85,868</u>	<u>88,238</u>	<u>81,548</u>
	<u>85,868</u>	<u>88,238</u>	<u>83,258</u>
	<u>\$ 218,626</u>	<u>\$ 232,566</u>	<u>\$ 220,566</u>
COMMITMENTS (Note 7)			

APPROVED BY THE BOARD



Director



Director

SASKATCHEWAN FILMPOOL CO-OPERATIVE

STATEMENT OF OPERATIONS AND AVAILABLE NET ASSETS

YEAR ENDED MARCH 31, 2013

	2013	2012
REVENUE		
Operating grants		
Canada Council		
Annual	\$ 56,180	\$ 56,180
City of Regina		
Annual	15,000	15,000
National Film Board	7,500	7,500
Saskatchewan Arts Board	107,680	144,425
Other	<u>18,319</u>	<u>7,922</u>
	<u>204,679</u>	<u>231,027</u>
Amortization of equipment grants	17,844	17,497
Donations	1,362	577
Equipment rental	4,642	8,805
Fundraising	1,933	2,151
Member dues	5,575	6,413
Splice license fee and advertising	340	1,295
Sponsorships	5,500	7,000
Workshop registrations	<u>5,912</u>	<u>5,814</u>
	<u>247,787</u>	<u>280,579</u>
EXPENSES		
Amortization of equipment	28,542	27,418
Personnel (Schedule 1)	130,666	148,468
Occupancy (Schedule 2)	38,030	38,237
General and administrative (Schedule 3)	19,633	21,669
Newsletter and Splice (Schedule 4)	4,198	4,503
Workshops and seminars (Schedule 5)	20,112	10,583
Film production (Schedule 6)	12,554	27,634
Film presentation (Schedule 7)	<u>7,120</u>	<u>5,298</u>
	<u>260,855</u>	<u>283,810</u>
EXCESS OF (EXPENSES) OVER REVENUE	(13,068)	(3,231)
NET ASSETS, BEGINNING OF YEAR	<u>88,238</u>	<u>81,548</u>
	75,170	78,317
CHANGE IN INVESTED IN EQUIPMENT	<u>10,698</u>	<u>9,921</u>
AVAILABLE NET ASSETS, END OF YEAR	<u>\$ 85,868</u>	<u>\$ 88,238</u>

SASKATCHEWAN FILMPOOL CO-OPERATIVE

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2013

	2013	2012
Cash flows from operating activities		
Cash receipts from government grants	\$ 204,679	\$ 237,365
Cash receipts from self-generated revenues	24,673	33,388
Cash paid as grants to film makers	(9,279)	(19,697)
Cash paid to suppliers	(99,087)	(91,516)
Cash paid to employees and equivalents	<u>(130,666)</u>	<u>(148,469)</u>
	(9,680)	11,071
Cash flows from investing activities		
Purchase of equipment	(16,870)	(14,063)
Cash flows from financing activities		
Equipment grants	<u>17,615</u>	<u>25,001</u>
INCREASE IN CASH	(8,935)	22,009
CASH POSITION, BEGINNING OF YEAR	<u>109,683</u>	<u>87,674</u>
CASH POSITION, END OF YEAR	<u>\$ 100,748</u>	<u>\$ 109,683</u>

SASKATCHEWAN FILMPOOL CO-OPERATIVE

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2013

1. DESCRIPTION OF THE ORGANIZATION

Saskatchewan Filmpool Co-operative is incorporated under The Co-operatives Act of Saskatchewan as a not-for-profit organization and is engaged in promoting and assisting independent motion picture production by providing related services to its Members.

Pursuant to Section 149 of the Income Tax Act, the Co-operative is tax exempt.

2 Basis of Presentation

On April 1, 2012, the Co-operative adopted the Canadian accounting standards for not-for-profit organizations (ASNPO) in Part III of the CICA Accounting Handbook. These financial statements are the first financial statements for which the entity has applied accounting standards for not-for-profit organizations.

The adoption of ASNPO had no impact on the previously reported assets, liabilities and net assets of the Co-operative, i.e. April 1, 2011 (beginning of the first fiscal period for comparative purposes). Accordingly, no adjustments have been recorded to the comparative statement of financial position and statement of operations and available net assets.

3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and reflect the following significant accounting policies:

(a) Equipment

Equipment consisting of office equipment and equipment related to the production services offered to members are recorded at cost. Amortization is provided on a straight-line basis over the equipment's estimated useful life of 15 years.

(b) Equipment Grants

The majority of equipment is funded by capital grants from the Co-operative's funding agencies. These grants are deferred and amortized on a straight-line basis over the equipment's estimated useful life of 15 years.

(c) Revenue Recognition

Grants and other revenue related to general operations are recognized as revenue in the year in which the related expenses are incurred.

(d) Financial Instruments

It is management's opinion that the Co-operative is not exposed to significant interest, currency or credit risks arising from its financial instruments.

SASKATCHEWAN FILMPOOL CO-OPERATIVE

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2013

(e) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates, as additional information becomes available in the future. As adjustments become necessary, they are reported in income in the period in which they become known.

(f) Contributed Services

Volunteers contribute their time and energy to assist the Co-operative in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

4. EQUIPMENT

	2013		2012	
	Cost	Accumulated Depreciation	Cost	Accumulated Amortization
Camera equipment	\$ 188,622	\$ 156,825	\$ 188,622	\$ 150,442
Sound equipment	63,827	40,637	61,178	38,633
Production equipment	259,713	238,057	245,491	220,092
Office equipment	<u>45,135</u>	<u>35,269</u>	<u>45,135</u>	<u>33,078</u>
	<u>\$ 557,297</u>	<u>\$ 470,788</u>	<u>\$ 540,426</u>	<u>\$ 442,245</u>
Net book value		\$ <u>86,509</u>		\$ <u>98,181</u>

5. CONTINUITY OF EQUIPMENT GRANTS

	2013	2012
Balance, beginning of year	\$ 119,502	\$ 120,209
Additions in year		
Canada Council	<u>17,615</u>	<u>25,001</u>
	137,117	145,210
Amortized to operations	(17,844)	(17,497)
Adjustment to invested in equipment	<u>(10,698)</u>	<u>(8,211)</u>
Balance, end of year	<u>\$ 108,575</u>	<u>\$ 119,502</u>

6. ACCOUNTS PAYABLE TO MEMBERS

The members' accounts payable are comprised of liabilities to members who are in the process of finishing a film. 60% is granted to members up front, and the remaining is contingent upon the completion of the member's film.

SASKATCHEWAN FILMPOOL CO-OPERATIVE

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2013

7. COMMITMENTS

The Co-operative leases premises under an operating lease that expires in November 2013, the annual rental for which is about \$29,000. Renewal of the lease and alternative arrangements are currently under way.

8. COMPARATIVE FIGURES

Certain comparative figures of the prior year have been reclassified to conform to the current year's financial statement presentation.

SASKATCHEWAN FILMPOOL CO-OPERATIVE

SCHEDULE OF EXPENSES

YEAR ENDED MARCH 31, 2013

	2013	2012
		SCHEDULE 1
PERSONNEL		
CPP expense	\$ 5,341	\$ 6,342
EI expense	2,787	3,119
Group insurance	5,574	5,988
Other wages expense	-	440
Wages	<u>116,964</u>	<u>132,579</u>
	<u>\$ 130,666</u>	<u>\$ 148,468</u>
		SCHEDULE 2
OCCUPANCY		
Insurance	\$ 5,134	\$ 5,117
Maintenance	1,481	1,615
Rent	28,979	28,968
Utilities	<u>2,436</u>	<u>2,537</u>
	<u>\$ 38,030</u>	<u>\$ 38,237</u>
		SCHEDULE 3
GENERAL AND ADMINISTRATIVE		
Advertising and other costs	\$ 3,080	\$ 1,552
Bad debts	-	180
Complimentary member dues	100	400
Equipment rentals and repairs	475	1,224
Interest and bank charges	236	243
Office supplies	1,366	1,726
Organizational membership fees	390	500
Postage	677	1,085
Professional fees	7,544	9,671
Telephone	<u>5,765</u>	<u>5,088</u>
	<u>\$ 19,633</u>	<u>\$ 21,669</u>
		SCHEDULE 4
SPLICE PRODUCTION		
Magazine	\$ 4,198	\$ 4,111
Postage	<u>-</u>	<u>392</u>
	<u>\$ 4,198</u>	<u>\$ 4,503</u>

SASKATCHEWAN FILMPOOL CO-OPERATIVE

SCHEDULE OF EXPENSES

YEAR ENDED MARCH 31, 2013

	2013	2012
		SCHEDULE 5
WORKSHOPS, SEMINARS AND PROJECTS		
Advanced workshops	\$ 13,777	\$ 2,249
Basic workshops	1,091	920
Seminars and conferences	3,389	3,523
Special projects	<u>1,855</u>	<u>3,891</u>
	\$ <u>20,112</u>	\$ <u>10,583</u>
		SCHEDULE 6
FILM PRODUCTION		
Direct production funding	\$ 9,429	\$ 20,577
Equipment repairs	89	2,317
Member supplies	896	2,337
Other film productions	<u>2,140</u>	<u>2,403</u>
	\$ <u>12,554</u>	\$ <u>27,634</u>
		SCHEDULE 7
FILM PRESENTATION		
Collaboration	625	-
Honoraria to film makers	\$ 2,427	\$ 2,209
Publicity and promotional	4,068	3,000
Visiting artists travel	<u>-</u>	<u>89</u>
	\$ <u>7,120</u>	\$ <u>5,298</u>