

**Saskatchewan Filmpool Co-operative**

**Financial Statements**

**March 31, 2015**

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# Saskatchewan Filmpool Co-operative

## Financial Statements

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March 31, 2015

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## Independent Auditors' Report

### To the Directors of Saskatchewan Filmpool Co-operative

We have audited the accompanying financial statements of Saskatchewan Filmpool Co-operative, which comprise the statement of financial position as at March 31, 2015, and the statements of operations, changes in net assets 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 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 auditors' 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 auditors consider internal control relevant to the organization'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 organization'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 audit opinion.

#### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Filmpool Co-operative as at March 31, 2015, 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.

Crowe MacKay LLP

Regina, Canada  
June 3, 2015

Chartered Accountants

# Saskatchewan Filmpool Co-operative

## Statement of Operations

For the year ended March 31,	2015	2014
<b>Revenues</b>		
Operating grants	\$ 201,326	\$ 166,855
Project grants	12,500	28,000
Sponsorships	10,763	8,001
Equipment and space rental	8,154	3,112
Member dues	4,140	5,216
Workshop registration	3,322	3,094
Donations	2,413	20,000
Other	1,740	1,099
Fundraising	1,034	780
Interest revenue	206	274
Award - Saskatchewan Arts Board	-	5,000
Recoveries from members	-	659
Splice magazine	-	345
	<b>245,598</b>	<b>242,435</b>
<b>Expenditures</b>		
Film exhibition	10,192	11,726
Film production	5,900	3,960
General and administrative	22,082	17,793
Occupancy	38,102	31,438
Personnel	143,895	122,153
Splice magazine	-	3,226
Travel	7,244	3,910
Workshop and seminars	11,988	9,941
	<b>239,403</b>	<b>204,147</b>
<b>Excess of revenues over expenditures before other items</b>	<b>6,195</b>	<b>38,288</b>
<b>Other expenses (income)</b>		
Amortization	23,238	11,652
Amortization of capital grants	(12,773)	(7,156)
	<b>10,465</b>	<b>4,496</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ (4,270)</b>	<b>\$ 33,792</b>

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## Saskatchewan Filmpool Co-operative

### Statement of Changes in Net Assets

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	Balance, beginning of year	Transfer	Excess (deficiency) of revenues over expenditures	2015 Balance, end of year
Unrestricted net assets	\$ 119,658	\$ (10,465)	\$ 6,195	\$ 115,388
Invested in equipment	-	10,465	(10,465)	-
	<b>\$ 119,658</b>	<b>\$ -</b>	<b>\$ (4,270)</b>	<b>\$ 115,388</b>

	Balance, beginning of year	Transfer	Excess (deficiency) of revenues over expenditures	2014 Balance, end of year
Unrestricted net assets	\$ 85,866	\$ (4,496)	\$ 38,288	\$ 119,658
Invested in equipment	-	4,496	(4,496)	-
	<b>\$ 85,866</b>	<b>\$ -</b>	<b>\$ 33,792</b>	<b>\$ 119,658</b>

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# Saskatchewan Filmpool Co-operative

## Statement of Financial Position

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March 31, 2015 2014

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### Assets

#### Current

Cash (note 3)	\$ 178,250	\$ 185,435
GST receivable	3,111	1,642
Prepaid expenses	4,719	1,321
Accounts receivable	-	5,792
Guaranteed investment certificate	-	20,000
	<b>186,080</b>	214,190
<b>Equipment (note 4)</b>	<b>119,692</b>	<b>118,079</b>
	<b>\$ 305,772</b>	<b>\$ 332,269</b>

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### Liabilities

#### Current

Accounts payable and accrued liabilities	\$ 39,263	\$ 50,540
Deferred revenue	28,715	40,000
Deposits	2,100	3,992
	<b>70,078</b>	<b>94,532</b>
<b>Deferred capital grants (note 5)</b>	<b>120,306</b>	<b>118,079</b>
	<b>190,384</b>	<b>212,611</b>

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### Fund balances

<b>Unrestricted net assets</b>	<b>115,388</b>	<b>119,658</b>
<b>Invested in equipment</b>	<b>-</b>	<b>-</b>
	<b>115,388</b>	<b>119,658</b>
	<b>\$ 305,772</b>	<b>\$ 332,269</b>

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Approved on behalf of the board:

\_\_\_\_\_ Member  
 \_\_\_\_\_ Member

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## Saskatchewan Filmpool Co-operative

### Statement of Cash Flows

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For the year ended March 31,	2015	2014
<b>Operating activities</b>		
Cash from grants and award	\$ 204,972	\$ 239,855
Cash receipts from enterprise and fundraising	31,566	37,790
Cash paid to suppliers	(110,182)	(46,345)
Cash paid to personnel	(143,895)	(122,153)
Interest received	206	37
	<b>(17,333)</b>	109,184
<b>Financing activity</b>		
Funds received for capital grants	15,000	16,660
<b>Investing activities</b>		
Purchase of equipment	(24,852)	(43,223)
Purchase of guaranteed investment certificate	-	(20,000)
Proceeds of matured guaranteed investment certificate	20,000	-
	<b>(4,852)</b>	(63,223)
<b>Increase (decrease) in cash</b>	<b>(7,185)</b>	62,621
<b>Cash, beginning of year</b>	<b>185,435</b>	122,814
<b>Cash, end of year</b>	<b>\$ 178,250</b>	<b>\$ 185,435</b>

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# Saskatchewan Filmpool Co-operative

## Notes to the Financial Statements

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March 31, 2015

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**1. Nature of operations**

Saskatchewan Filmpool Co-operative is a not-for-profit organization incorporated under The Co-operatives Act of Saskatchewan. The Co-operative was formed to promote and assist independent motion picture production by providing related services to its Members. The Co-operative is a registered charity under the Income Tax Act.

**2. Significant accounting policies**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

**(a) Revenue recognition**

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Investment income includes dividends and interest income recorded on the accrual basis, as well as realized investment gains and losses and unrealized gains and losses on financial instruments subsequently measured at fair value. Investment income is included in the statement of operations, deferred or reported directly in net assets depending on the nature of any external restrictions imposed on the investment income.

Revenue from the sale of services is recognized upon provision of the services to the purchaser.

**(b) Equipment**

Equipment is recorded at cost. The organization provides for amortization using the following methods at rates designed to amortize the cost of the assets over their estimated useful lives, as set out in note 4.

When equipment is sold or retired, the related cost and accumulated amortization are removed from the accounts and any gain or loss is charged against earnings in the period.



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## Saskatchewan Filmpool Co-operative

### Notes to the Financial Statements

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March 31, 2015

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#### 2. Significant accounting policies (continued)

##### (c) Financial instruments

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction are initially measured at their fair value. In the case of a financial asset or financial liability not subsequently measured at its fair value, the initial fair value is adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Such fees and costs in respect of financial assets and liabilities subsequently measured at fair value are expensed.

Subsequent measurement:

Financial assets measured at amortized cost include cash, and GST receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and deposits.

At the end of each reporting period, management assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired. If there is an indication of impairment, management determines whether a significant adverse change has occurred in the expected timing or the amount of future cash flows from the asset, in which case the asset's carrying amount is reduced to the highest expected value that is recoverable by either holding the asset, selling the asset or by exercising the right to any collateral. The carrying amount of the asset is reduced directly or through the use of an allowance account and the amount of the reduction is recognized as an impairment loss in operations. Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal, to a maximum of the related accumulated impairment charges recorded in respect of the particular asset, is recognized in operations.

##### (d) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in operations in the period in which they become known.

#### 3. Cash

The company's has a Conexus Credit Union revolving line of credit in the amount of \$5,000 bearing interest at prime plus 4% and secured by a general security agreement.

# Saskatchewan Filmpool Co-operative

## Notes to the Financial Statements

March 31, 2015

### 4. Equipment

	2015		2014	
	Cost	Accumulated amortization	Net book value	Net book value
Equipment	\$ 443,555	\$ 323,863	\$ 119,692	\$ 118,079
Equipment consists of:				
Camera equipment	\$ 118,752	\$ 91,919	\$ 26,833	\$ 30,204
Sound equipment	49,651	38,689	10,962	12,506
Production equipment	275,152	193,255	81,897	75,369
	\$ 443,555	\$ 323,863	\$ 119,692	\$ 118,079

### 5. Deferred capital grants

	2015	2014
Balance, beginning of year	\$ 118,079	\$ 108,575
Additional funds received	15,000	38,726
	133,079	147,301
Amount recognized in operations	(12,773)	(7,156)
Grants repaid	-	(22,066)
Balance, end of year	\$ 120,306	\$ 118,079

### 6. Lease commitments

The current building lease agreement ends on November 30, 2015. The photocopier lease agreement ends on September 30, 2019. The annual minimum lease payments over the next five years of the lease are as follows:

	Premise	Equipment
2016	\$ 18,207	\$ 1,695
2017	-	1,695
2018	-	1,695
2019	-	1,695
2020	-	848
	\$ 18,207	\$ 7,628

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## **Saskatchewan Filmpool Co-operative**

### **Notes to the Financial Statements**

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**March 31, 2015**

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**7. Economic dependence**

The organization receives the majority of its revenue through two funding agreement from government agencies. The organization's continued operations are dependent on this funding agreement.

**8. Comparative figures**

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.