

Safe Drinking Water Foundation  
Financial Statements  
December 31, 2008



Hounjet/Tastad/Harpham  
Certified General Accountants | Comptables Généraux Accrédités

**SAFE DRINKING WATER FOUNDATION**

**DECEMBER 31, 2008**

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# Hounjet/Tastad/Harpham

Certified General Accountants | Comptables Généraux Accrédités

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## AUDITORS' REPORT

To the Members of:  
Safe Drinking Water Foundation

We have audited the balance sheet of Safe Drinking Water Foundation as at December 31, 2008 and the statement of receipts and expenditures and net assets and statement of cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2008 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

*Hounjet Tastad Harpham*

Saskatoon, Saskatchewan  
March 31, 2009

**CERTIFIED GENERAL ACCOUNTANTS**

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**SAFE DRINKING WATER FOUNDATION**  
**STATEMENT OF RECEIPTS AND EXPENDITURES AND NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>2008</u>	<u>2007</u>
<b>REVENUE</b>	\$ <u>190,889</u>	\$ <u>280,441</u>
<b>EXPENDITURES</b>		
Advertising and promotion	330	1,709
Amortization	1,714	769
Analysis	-	9,168
Clothing	-	1,203
Community development	135	2,500
Computer support	296	691
Courier and postage	11,345	7,469
DVD recordings	-	2,378
Honorariums	3,824	150
Insurance	750	-
Interest and bank charges	696	1,410
Lab supplies	8,275	24,543
Meals and entertainment	73	-
Moving and renovation	3,961	-
Newsletter	427	525
Operation water drop	23,116	17,558
Operation water pollution	-	5,512
Operation water spirit	1,500	7,338
Presentations	9,176	6,076
Printing	1,118	5,151
Professional fees	4,348	3,980
Recognition	-	150
Rent	2,153	5,340
Repairs and maintenance	810	-
Research reports	-	21
Reverse Osmosis expense	-	955
Salaries and benefits	71,330	107,419
Supplies	3,244	1,996
Technical	5,380	9,854
Telephone	4,732	3,357
Travel	1,751	2,841
Website	7,363	2,276
	<u>167,847</u>	<u>232,339</u>
<b>NET SURPLUS</b>	23,042	48,102
<b>NET ASSETS, beginning of year</b>	<u>113,390</u>	<u>65,288</u>
<b>NET ASSETS, end of year</b>	<u>\$ 136,432</u>	<u>\$ 113,390</u>

(see accompanying notes)



**SAFE DRINKING WATER FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>2008</u>	<u>2007</u>
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Net surplus	\$ 23,042	\$ 48,102
Items not involving cash:		
Amortization	<u>1,714</u>	<u>769</u>
	24,756	48,871
Net change in working capital:		
Accounts receivable	25,846	(8,243)
GST receivable	1,244	(881)
Inventory	8,250	5,230
Accrued interest receivable	(590)	(94)
Prepaid expenses	(64)	873
Accounts payable	(967)	5,915
Unearned revenue	<u>-</u>	<u>(10,560)</u>
	58,475	41,111
<b>INVESTING ACTIVITIES</b>		
Additions to capital assets	<u>(7,560)</u>	<u>(3,428)</u>
<b>INCREASE IN CASH</b>	50,915	37,683
<b>CASH, beginning of year</b>	<u>45,020</u>	<u>7,337</u>
<b>CASH, end of year</b>	<u>\$ 95,935</u>	<u>\$ 45,020</u>
<hr/>		
<b>CASH IS REPRESENTED BY:</b>		
Cash	\$ 19,497	\$ 11,559
Investments	78,226	35,000
Bank indebtedness	<u>(1,788)</u>	<u>(1,539)</u>
	<u>\$ 95,935</u>	<u>\$ 45,020</u>

(see accompanying notes)





## SAFE DRINKING WATER FOUNDATION

## BALANCE SHEET

AS AT DECEMBER 31, 2008

	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 19,497	\$ 11,559
Investments	78,226	35,000
Accounts receivable	-	25,846
GST receivable	1,387	2,631
Inventory (Note 3)	35,400	43,650
Accrued interest receivable	684	94
Prepaid expenses	<u>254</u>	<u>189</u>
	135,448	118,969
<b>CAPITAL ASSETS</b> (Note 4)	<u>10,636</u>	<u>4,789</u>
	<u>\$ 146,084</u>	<u>\$ 123,758</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Bank indebtedness (Note 5)	\$ 1,788	\$ 1,539
Accounts payable	<u>7,864</u>	<u>8,829</u>
	9,652	10,368
<b>NET ASSETS</b>	<u>136,432</u>	<u>113,390</u>
	<u>\$ 146,084</u>	<u>\$ 123,758</u>

## APPROVED ON BEHALF OF THE BOARD:

 \_\_\_\_\_, Director  
 \_\_\_\_\_, Director

(see accompanying notes)

**SAFE DRINKING WATER FOUNDATION**  
**SCHEDULE OF PROJECTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>2008</u>	<u>2007</u>
<b>ADMINISTRATION</b>		
<b>Revenue</b>		
Corporate contributions	\$ -	\$ 5,000
Corporate memberships	-	100
Foundation donations	-	8,800
Individual donations	5,555	4,422
Individual memberships	231	276
Interest	1,617	831
Miscellaneous	-	436
Saskatchewan Employment Insurance Training	<u>10,705</u>	<u>-</u>
	<u>18,108</u>	<u>19,865</u>
<b>Expenditures</b>		
Advertising	280	-
Amortization	1,714	769
Community development	45	-
Computer support	555	-
Courier and postage	321	662
Fundraising	1,070	-
Honorariums	-	150
Interest and bank charges	650	570
Insurance	750	-
Meals and entertainment	73	-
Printing	777	-
Professional fees	3,119	3,068
Recognition	-	150
Renovations and moving	3,961	-
Rent	-	2,136
Supplies	1,010	1,996
Telephone	-	1,343
Travel/hotels	551	-
Wages and salaries	-	3,911
Workers compensation	<u>-</u>	<u>248</u>
	<u>14,876</u>	<u>15,003</u>
<b>PROJECT SURPLUS</b>	<u>\$ 3,232</u>	<u>\$ 4,862</u>

(see accompanying notes)



**SAFE DRINKING WATER FOUNDATION**  
**SCHEDULE OF PROJECTS CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>2008</u>	<u>2007</u>
<b>ALBERTA CHAPTER PROJECT</b>		
<b>Revenue</b>		
Alberta Eco Trust Foundation	\$ 15,000	\$ -
Interest	<u>7</u>	<u>-</u>
	<u>15,007</u>	<u>-</u>
<b>Expenditures</b>		
Interest and bank charges	33	-
Presentations	2,758	-
Workshop	<u>810</u>	<u>-</u>
	<u>3,601</u>	<u>-</u>
<b>PROJECT SURPLUS</b>	<u>\$ 11,406</u>	<u>\$ -</u>
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<b>ADVANCED ABORIGINAL WATER TREATMENT TEAM</b>		
<b>Revenue</b>		
RBC Foundation	\$ -	\$ 25,000
Specified donations	10,000	-
Sponsorship	<u>-</u>	<u>15,000</u>
	<u>10,000</u>	<u>40,000</u>
<b>Expenditures</b>		
Clothing	-	1,203
Community development	90	-
Interest and bank charges	8	-
Postage and courier	48	-
Presentations	2,458	-
Printing	341	258
Professional fees	1,209	-
Telephone	841	-
Travel/hotels	<u>1,200</u>	<u>-</u>
	<u>6,195</u>	<u>1,461</u>
<b>PROJECT SURPLUS</b>	<u>\$ 3,805</u>	<u>\$ 38,539</u>

(see accompanying notes)





**SAFE DRINKING WATER FOUNDATION**  
**SCHEDULE OF PROJECTS CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>2008</u>	<u>2007</u>
<b>COMMUNITY DEVELOPMENT</b>		
<b>Revenue</b>		
Human Resources Development Canada - AB	\$ -	\$ 48
Human Resources Development Canada - SK	-	3,671
Specified donations	<u>1,243</u>	<u>-</u>
	<u>1,243</u>	<u>3,719</u>
<b>Expenditures</b>		
Advertising	50	-
Interest and bank charges	2	-
Honorariums	360	2,500
Presentations	325	-
Research reports	-	21
Telephone	852	-
Wages and salaries	<u>-</u>	<u>6,000</u>
	<u>1,589</u>	<u>8,521</u>
<b>PROJECT DEFICIT</b>	<u>\$ (346)</u>	<u>\$ (4,802)</u>
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<b>INTERNATIONAL CONFERENCE</b>		
<b>Revenue</b>		
	\$ -	\$ -
<b>Expenditures</b>		
Advertising	-	1,709
Courier and postage	-	835
DVD recordings	-	2,378
Printing	-	4,894
Travel and accommodations	-	42
Wages and salaries	<u>-</u>	<u>6,000</u>
	<u>-</u>	<u>15,858</u>
<b>PROJECT DEFICIT</b>	<u>\$ -</u>	<u>\$ (15,858)</u>
<hr/>		
<b>NEWSLETTER</b>		
<b>Revenue</b>		
	\$ -	\$ -
<b>Expenditures</b>		
Newsletter	<u>-</u>	<u>525</u>
<b>PROJECT DEFICIT</b>	<u>\$ -</u>	<u>\$ (525)</u>

(see accompanying notes)

**SAFE DRINKING WATER FOUNDATION**  
**SCHEDULE OF PROJECTS CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>2008</u>	<u>2007</u>
<b>POLICY PROGRAMS</b>		
<b>Revenue</b>		
Foundation donations	\$ 11,000	\$ -
Specified donations	<u>4,072</u>	<u>-</u>
	<u>15,072</u>	<u>-</u>
<b>Expenditures</b>		
Honorariums	2,394	-
Interest and bank charges	2	-
Rent	200	-
Telephone	419	-
Wages and salaries	15,606	-
Workers compensation	<u>16</u>	<u>-</u>
	<u>18,637</u>	<u>-</u>
<b>PROJECT DEFICIT</b>	<u>\$ (3,565)</u>	<u>\$ -</u>
<hr/>		
<b>PRESENTATIONS</b>		
<b>Revenue</b>		
	\$ -	\$ -
<b>Expenditures</b>		
Newsletter - technical	427	-
Presentations	2,885	5,308
Supplies	441	-
Travel and accommodations	<u>-</u>	<u>2,058</u>
	<u>3,753</u>	<u>7,366</u>
<b>PROJECT DEFICIT</b>	<u>\$ (3,753)</u>	<u>\$ (7,366)</u>
<hr/>		
<b>RESEARCH FINGERPRINTING AND ARSENIC</b>		
<b>Revenue</b>		
Arsenic research	\$ -	\$ 6,700
George Weston Limited	<u>25,000</u>	<u>25,000</u>
	<u>25,000</u>	<u>31,700</u>
<b>Expenditures</b>		
Analysis	-	9,168
Rent	860	-
Travel and accommodations	-	740
Telephone	1,154	-
Wages and salaries	22,916	8,500
Workers compensation	<u>70</u>	<u>-</u>
	<u>25,000</u>	<u>18,408</u>
<b>PROJECT SURPLUS</b>	<u>\$ -</u>	<u>\$ 13,292</u>

(see accompanying notes)



**SAFE DRINKING WATER FOUNDATION**  
**SCHEDULE OF PROJECTS CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>2008</u>	<u>2007</u>
<b>REVERSE OSMOSIS UNITS</b>		
<b>Revenue</b>	\$ -	\$ -
<b>Expenditures</b>		
Content	86	-
Reverse Osmosis units	<u>-</u>	<u>955</u>
	<u>86</u>	<u>955</u>
<b>PROJECT DEFICIT</b>	<u>\$ (86)</u>	<u>\$ (955)</u>
<hr/>		
<b>SCHOOL PROGRAMS</b>		
<b>Revenue</b>		
Arcangelo Rea Foundation	\$ 3,500	\$ 25,000
Canadian school registrations	160	10,800
Corporate contributions	1,000	-
Corporate memberships	1,000	-
Green Street	20,360	55,460
Program revenue	400	-
Saskatchewan student subsidy	3,120	23,500
TD Friends of the Environment	60,850	41,774
Thomas Sill Foundation	<u>8,050</u>	<u>6,950</u>
	<u>98,440</u>	<u>163,484</u>
<b>Expenditures</b>		
Computer support	-	691
Courier and postage	10,976	5,972
Interest and bank charges	3	840
Lab supplies	8,275	24,543
Operation water drop program	23,116	17,558
Operation water pollution	-	5,512
Operation water spirit	1,500	7,338
Presentations	750	768
Professional fees	20	912
Rent	1,093	3,204
Supplies	1,794	-
Telephone	1,467	2,014
Wages and salaries	24,613	70,760
Website expenses	194	-
Workers compensation	<u>89</u>	<u>-</u>
	<u>73,890</u>	<u>140,112</u>
<b>PROJECT SURPLUS</b>	<u>\$ 24,550</u>	<u>\$ 23,372</u>

(see accompanying notes)



**SAFE DRINKING WATER FOUNDATION**  
**SCHEDULE OF PROJECTS CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>2008</u>	<u>2007</u>
<b>SASKATCHEWAN CHAPTER</b>		
<b>Revenue</b>		
Saskatchewan Employment Insurance Training	\$ 8,020	\$ 12,460
<b>Expenditures</b>		
Wages and salaries	<u>8,020</u>	<u>-</u>
<b>PROJECT SURPLUS</b>	<u>\$ -</u>	<u>\$ 12,460</u>
<hr/>		
<b>WEBSITE</b>		
<b>Revenue</b>		
AB - student subsidy	\$ -	\$ 3,073
Corporate contributions	-	1,000
Saskatchewan Employment Insurance Training	<u>-</u>	<u>5,140</u>
	<u>-</u>	<u>9,213</u>
<b>Expenditures</b>		
Content	2,435	-
Technical	5,120	9,854
Wages and salaries	-	12,000
Website	<u>4,646</u>	<u>2,276</u>
	<u>12,201</u>	<u>24,130</u>
<b>PROJECT DEFICIT</b>	<u>\$ (12,201)</u>	<u>\$ (14,917)</u>

(see accompanying notes)

**SAFE DRINKING WATER FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2008**

The Foundation was incorporated under the laws of the Province of Saskatchewan on January 1, 1998.

**1. PURPOSE OF THE ORGANIZATION**

The Foundation is a registered charitable organization. Its primary purpose is to promote safe drinking water through supporting innovative research and development, increase awareness of health concerns from consumption of poor quality water, and act as a catalyst to ensure that appropriate action is taken to enable the provision of safe drinking water to rural residents.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Organization are in accordance with Canadian generally accepted accounting principles applied on a basis consistent with that of the preceding year. Outlined below are those policies considered particularly significant.

**Inventory**

Inventory is recorded at the lower of cost and net realizable value.

**Capital assets and amortization**

Capital assets are recorded at cost. Amortization is provided using the declining balance method at a rate intended to amortize the cost of the asset over its estimated useful life. The annual rate is 20%.

**Revenue recognition**

Pledges are recognized as revenue when the amount can be reasonably estimated and collection of the pledge is reasonably certain.

**3. INVENTORY**

	<u>2008</u>	<u>2007</u>
Operation Water Drop - elementary school kits	\$ 11,500	\$ 11,050
Operation Water Drop - high school kits	23,900	16,300
Operation Water Pollution	-	16,300
	<u>\$ 35,400</u>	<u>\$ 43,650</u>

**4. CAPITAL ASSETS**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2008</u>	<u>Net 2007</u>
Computer equipment	\$ 6,454	\$ 2,738	\$ 3,716	\$ 4,645
Leasehold improvements	6,995	700	6,295	-
Office equipment	765	141	624	144
	<u>\$ 14,214</u>	<u>\$ 3,579</u>	<u>\$ 10,635</u>	<u>\$ 4,789</u>



**SAFE DRINKING WATER FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2008**

**5. BANK INDEBTEDNESS**

The bank indebtedness consists of a Visa credit card authorized to \$15,000. Interest on the Visa is charged monthly at a rate of 19.5%.

**6. COMPARATIVE STATEMENTS**

Certain accounts from the prior year's financial statements have been reclassified for comparative purposes.

**7. CONTRACTUAL OBLIGATIONS**

The Foundation has signed a 5-year lease to occupy the premises in the building known as Unit 1 - 912 Idylwyld Drive North Saskatoon, Saskatchewan. The lease will expire on July 31, 2013. The lease payments due in each of the next five years are as follows:

2009	\$ 6000
2010	6000
2011	6000
2012	6000
2013	3500