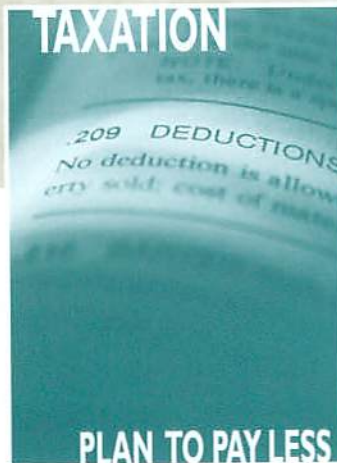


**SAFE DRINKING  
WATER FOUNDATION  
FINANCIAL STATEMENTS  
DECEMBER 31, 2004**



**SAFE DRINKING WATER FOUNDATION**

**DECEMBER 31, 2004**

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CGA, CFP

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B.Comm, CGA

## 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, 2004 and the statements of receipts and expenditures, accumulated surplus and cash flows for the period then ended. These financial statements are the responsibility of the Foundation'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 common with many charitable organizations, the Foundation derives part of its revenue in the form of conference fees and donations which are not susceptible to complete audit verification. Accordingly, our verification of revenue from these sources was limited to accounting for the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses and surplus.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2004 and the results of its operations and the changes in its financial position for the period then ended in accordance with Canadian generally accepted accounting principles.

Saskatoon, Saskatchewan  
March 10, 2005

  
CERTIFIED GENERAL ACCOUNTANTS



**SAFE DRINKING WATER FOUNDATION**  
**STATEMENT OF RECEIPTS AND EXPENDITURES AND ACCUMULATED SURPLUS**  
**FOR THE PERIOD ENDED DECEMBER 31, 2004**

	December 31, 2004 (184 days)	June 30, 2004 (365 days)
<b>ADMINISTRATION</b>		
Revenue (Note 5)	\$ 23,140	\$ 37,657
Expenditures	<u>(7,060)</u>	<u>(10,665)</u>
	<u>16,080</u>	<u>26,992</u>
<b>PUBLIC EDUCATION</b>		
<b>Operation Water Drop</b>		
Revenue (Note 5)	7,500	33,420
Expenditures	<u>(3,532)</u>	<u>(9,839)</u>
	<u>3,968</u>	<u>23,581</u>
<b>Template for change</b>		
Expenditures	<u>(9,509)</u>	<u>(2,156)</u>
	<u>(9,509)</u>	<u>(2,156)</u>
<b>International conference</b>		
Revenue (Note 5)	98,342	11,061
Expenditures	<u>(90,685)</u>	<u>-</u>
	7,657	11,061
Deferred revenue, beginning of year	11,061	-
Deferred revenue, end of year	<u>-</u>	<u>(11,061)</u>
	<u>18,718</u>	<u>-</u>
<b>Summer students</b>		
Revenue (Note 5)	24,804	13,621
Expenditures	<u>(1,069)</u>	<u>(860)</u>
	<u>23,735</u>	<u>12,761</u>
<b>Presentations and workshops</b>		
Expenditures	<u>(6,344)</u>	<u>(544)</u>
	<u>(6,344)</u>	<u>(544)</u>
<b>Public education common expenditures</b>		
Newsletter	-	(1,364)
Website	(3,358)	(3,300)
Salaries and benefits	<u>(38,821)</u>	<u>(48,857)</u>
	<u>(42,179)</u>	<u>(53,521)</u>
	<u>(11,611)</u>	<u>(19,879)</u>
<b>NET SURPLUS</b>	4,469	7,113
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>11,206</u>	<u>4,093</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>\$ 15,675</u>	<u>\$ 11,206</u>

(see accompanying notes)



## SAFE DRINKING WATER FOUNDATION

## STATEMENT OF CASH FLOWS

DECEMBER 31, 2004

	December 31, 2004 (184 days)	June 30, 2004 (365 days)
<b>CASH PROVIDED BY OPERATING ACTIVITIES (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Net surplus	\$ 4,469	\$ 7,113
Items not requiring an outlay of cash:		
Amortization	<u>239</u>	<u>-</u>
	4,708	7,113
Changes in operating working capital		
Accounts receivable	6,327	1,219
GST receivable	(199)	974
Prepaid expenses	17,134	(17,134)
Accounts payable	(4)	(15,828)
Deferred revenue	<u>(11,061)</u>	<u>11,061</u>
	<u>16,905</u>	<u>(12,595)</u>
<b>INVESTING ACTIVITIES</b>		
Additions to capital assets	<u>(2,387)</u>	<u>-</u>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<u>(2,387)</u>	<u>-</u>
<b>NET DECREASE (INCREASE) IN CASH AND CASH EQUIVALENTS</b>	14,518	(12,595)
<b>NET CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>359</u>	<u>12,954</u>
<b>NET CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$ 14,877</u>	<u>\$ 359</u>
 <b>CASH AND CASH EQUIVALENTS IS REPRESENTED BY:</b>		
Cash	\$ 15,372	\$ 11,673
Operating loan	<u>(495)</u>	<u>(11,314)</u>
	<u>\$ 14,877</u>	<u>\$ 359</u>

(see accompanying notes)



## SAFE DRINKING WATER FOUNDATION

## BALANCE SHEET

AS AT DECEMBER 31, 2004

## ASSETS

	December 31, 2004	June 30, 2004
<b>CURRENT</b>		
Cash	\$ 15,372	\$ 11,673
Accounts receivable	-	6,327
GST receivable	988	788
Prepaid expenses	<u>-</u>	<u>17,134</u>
	16,360	35,922
<b>PROPERTY, PLANT AND EQUIPMENT</b> (Note 3)	<u>2,148</u>	<u>-</u>
	<u>\$ 18,508</u>	<u>\$ 35,922</u>
	<b>LIABILITIES</b>	
<b>CURRENT</b>		
Operating loan (Note 4)	\$ 495	\$ 11,314
Accounts payable and accrued liabilities	2,338	2,341
Deferred revenue	<u>-</u>	<u>11,061</u>
	<u>2,833</u>	<u>24,716</u>
	<b>MEMBERS' EQUITY</b>	
<b>ACCUMULATED SURPLUS</b>	<u>15,675</u>	<u>11,206</u>
	<u>\$ 18,508</u>	<u>\$ 35,922</u>

APPROVED ON BEHALF OF THE BOARD:


  
 \_\_\_\_\_ Director

\_\_\_\_\_ Director

(see accompanying notes)



**SAFE DRINKING WATER FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2004**

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 financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

(a) Property, Plant and Equipment

Property, plant and equipment 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%.

(b) Revenue recognition

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

**3. PROPERTY, PLANT AND EQUIPMENT**

	Cost	Amortization	Net December 31, 2004	Net June 30, 2004
Computer equipment	\$ <u>2,387</u>	\$ <u>239</u>	\$ <u>2,148</u>	\$ <u>-</u>

**4. OPERATING LOAN**

The operating loan consists of a line of credit authorized to \$15,000 and a Visa credit card authorized to \$10,000. Interest on the line of credit is charged monthly at a rate of prime plus 2.5%. Prime at December 31, 2004 was 4.25%. Interest on the Visa is charged monthly at a rate of 18.5%.





**SAFE DRINKING WATER FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2004**

**5. REVENUE**

	December 31, 2004 (184 days)	June 30, 2004 (365 days)
<b>ADMINISTRATION</b>		
Community memberships	\$ 520	\$ 200
Corporate contributions	13,150	25,000
Corporate memberships	700	300
Foundation donations	3,000	12,000
Individual donations	69	156
Individual memberships	1,701	-
Interest	-	1
Specified donations	4,000	-
	<u>23,140</u>	<u>37,657</u>
<b>PUBLIC EDUCATION</b>		
<b>Operation Water Drop</b>		
Alberta Ecotrust donation	-	8,000
Alberta Research Council	-	5,000
Alberta school revenue	-	2,829
Manitoba school revenue	-	226
Natural Sciences and Engineering Research Council grant	-	13,600
Ontario school revenue	-	100
Saskatchewan school revenue	-	1,165
Green Street	7,500	-
Shell Canada - Alberta Operation Water Drop - First Nations support	-	2,500
	<u>7,500</u>	<u>33,420</u>
<b>International conference</b>		
First Nations registrations	57,608	4,687
Professional registrations	29,193	1,005
Rural registrations	1,560	551
Human Resources Development Canada - Alberta	6,924	4,818
Suzuki breakfast	377	-
Alcohol sales	1,720	-
DVD sales	960	-
	<u>98,342</u>	<u>11,061</u>
<b>Summer students</b>		
Human Resources Development Canada - Alberta	9,750	6,608
Human Resources Development Canada - Manitoba	3,882	2,970
Human Resources Development Canada - Saskatchewan	11,172	4,043
	<u>24,804</u>	<u>13,621</u>
	<u>\$ 153,786</u>	<u>\$ 95,759</u>

