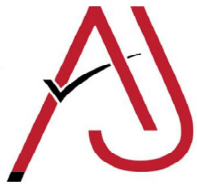


Wascana & Upper Qu'appelle Watersheds Association Taking Responsibility Inc

Financial Statements

December 31, 2021

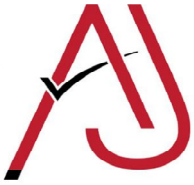


Wascana & Upper Qu'appelle Watersheds Association Taking Responsibility Inc

December 31, 2021

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Amy Jane Chartered Professional Accountant
#213 - 310 Main Street North
Moose Jaw, Saskatchewan S6H 3K1
306-691-1300
cpa@amyjane.ca

Independent Audit Report

To the Board
Wascana & Upper Qu'Appelle Watersheds Association Taking Responsibility Inc

Opinion

I have audited the accompanying financial statements of Wascana & Upper Qu'Appelle Watersheds Association Taking Responsibility Inc, which comprise the statement of financial position as at December 31, 2021 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.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Wascana & Upper Qu'Appelle Watersheds Association Taking Responsibility Inc, as at December 31, 2019 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

In preparing the financial statements, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

My objective is 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Association'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 Association's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My 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 Association 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.

I 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 that I identify during my audit.



Amy Jane Chartered Professional Accountant
Chartered Professional Accountant

Moose Jaw, Saskatchewan
October 19, 2022

Wascana & Upper Qu'appelle Watersheds Association Taking Responsibility Inc

Statement of Financial Position

December 31, 2021

	Note	2021	2020
Assets			
Current Assets			
Cash	2.a.	\$ 28,852	\$ 44,097
Cash - operating reserve	2.e.	94,634	88,470
Cash - ALUS Trust	9.	1,780	27,148
ALUS GIC - General	2.a.	7,566	17,000
ALUS GIC - Specific	2.a.	111,730	43,000
GST Receivable	2.g.	815	488
Accounts Receivable, ALUS	9.	-	53,874
Other accounts receivable	2.d.	112,737	13,500
Total Assets		\$ 358,114	\$ 287,577

The accompanying notes are an integral part of these financial statements.

Wascana & Upper Qu'appelle Watersheds Association Taking Responsibility Inc

Statement of Financial Position

December 31, 2021

		2021	2020
	Note		
Liabilities and Shareholders' Equity			
Current Liabilities			
Credit card payable		\$ 1,348	\$ 1,384
Accounts payable and accrued liabilities		6,643	4,437
Source deductions payable		2,313	3,364
Deferred revenue	2.c.	47,875	33,590
Total Current Liabilities		58,179	42,775
Long Term Liabilities			
ALUS Funds in Trust - Specific	9.	124,845	97,141
ALUS Funds in Trust - General	9.	-	20,268
Total Long Term Liabilities	9.	124,845	117,409
Total Liabilities		183,024	160,184
Net Assets			
Unrestricted net assets	3.	81,685	39,988
Operating reserve fund	2.e.	93,405	87,405
Net Assets		175,090	127,393
Net Assets and Liabilities		\$ 358,114	\$ 287,577

Approved on Behalf of the Board:

David P. Sloan _____

The accompanying notes are an integral part of these financial statements.

Wascana & Upper Qu'appelle Watersheds Association Taking Responsibility Inc

Statement of Operations

For the Year Ended December 31, 2021

	2021	2020
Grants		
Water Security Agency (See Note: 11)	\$ 74,500	\$ 74,500
Project Funding		
ALUS Project funding	54,200	46,733
Ministry of Agriculture	48,750	65,313
Memberships	31,587	31,085
Citizen Science	10,000	3,190
WSA Special projects	8,250	-
Other grants	7,275	-
Other projects	7,025	10,104
Summer student funding	4,680	-
Interest and other income	459	253
Drainage	-	12,826
AIS funding	-	7,000
Service/Fee Income	-	1,000
WSA Forage Program	-	890
Total revenue	246,726	252,894
Expenditures		
General and administration (Schedule of Expenditures)	107,182	113,456
Project expense (Schedule of Expenditures)		
ALUS Project	46,524	50,796
Ministry of Agriculture Project	27,793	63,568
AIS	4,040	3,517
Citizen Science	9,127	212
ECCC	4,363	-
Total expenditures	199,029	231,549
Excess (Deficiency) of Revenues over Expenditures	\$ 47,697	\$ 21,345

The accompanying notes are an integral part of these financial statements.

Wascana & Upper Qu'appelle Watersheds Association Taking Responsibility Inc

Statement of Changes in Net Assets

For the Year Ended December 31, 2021

	Unrestricted Fund	Operating Reserve Fund	2021	2020 Restated
Net assets, beginning of the year	\$ 39,988	\$ 87,405	\$ 127,393	\$ 118,558
Excess (Deficiency) of Revenues over Expenditures	47,697	-	47,697	21,345
Transfer to operating reserve	(6,000)	6,000	-	-
Correction of an error (See Note 12)	-	-	-	(9,146)
Prior period adjustment	-	-	-	(3,364)
Net assets, end of year	\$ 81,685	\$ 93,405	\$ 175,090	\$ 127,393

The accompanying notes are an integral part of these financial statements.

Wascana & Upper Qu'appelle Watersheds Association Taking Responsibility Inc

Statement of Cash Flows

For the Year Ended December 31, 2021

	2021	2020
	Note	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income for the period	\$ 47,697	\$ 21,345
Accounts receivable	(45,691)	(1,371)
Deferred revenue	14,285	4,532
Prepaid expense and other assets	(4,415)	3,364
Credit card payable	(36)	1,126
Accounts payable and accrued expenses	2,206	(589)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	14,046	28,407
CASH FLOWS FROM INVESTING ACTIVITIES:		
CASH FLOWS FROM FINANCING ACTIVITIES:		
ALUS Deferred revenue	7,436	20,565
OTHER ACTIVITIES:		
Prior period adjustment / Correction of an error	11. 3,364	(12,510)
Net cash increase (decreases) in cash and cash equivalents	24,846	36,462
Cash and cash equivalents at beginning of period	219,716	183,253
Cash and cash equivalents at end of period	\$ 244,562	\$ 219,715
Cash and cash equivalents consist of the following:		
Cash	\$ 28,852	\$ 44,097
Cash - ALUS Trust	1,780	27,148
Cash - operating reserve	94,634	88,470
ALUS - GIC General	7,566	17,000
ALUS - GIC Specific	111,730	43,000
	\$ 244,562	\$ 219,715

The accompanying notes are an integral part of these financial statements.

Wascana & Upper Qu'appelle Watersheds Association Taking Responsibility Inc

Notes to the Financial Statements

For the Year Ended December 31, 2021

1. Status and purpose of the organization

Wascana & Upper Qu'appelle Watersheds Association Taking Responsibility Inc (the association) was incorporated on April 22, 2008 as a non-profit corporation in the Province of Saskatchewan. The association's purpose is to lead the Watershed Plan implementation and promote society's understanding of water as finite and essential to life. The association's mission is to have healthy watersheds with abundant quality water, achieved through individuals, communities and their governments working co-operatively to ensure the environmental, social and economic sustainability of the watersheds. The association is not subject to income tax payable on the reported income of their operations.

2. Significant Accounting Policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook and include the following significant accounting policies:

a. Cash and cash equivalents

Cash and cash equivalents are made up of bank balances and short term investments (maturing in 1 year or less), accounts used for separate purposes are presented separately.

b. Capital Assets

Capital assets are expensed against revenues in the year of purchase.

c. Revenue recognition

The association follows the deferral method of accounting for contributions. Grants are recorded as revenue in the fiscal period for which the monies were approved by the funding association. Grants received in advance of the period for which they are to be used are recorded as deferred grant revenue. 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.

Member fees are recognized as revenue for the fiscal year when received.

Service fee income is recognized after the services are provided.

d. Management 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. By their nature, these estimates are subject to management uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

Wascana & Upper Qu'appelle Watersheds Association Taking Responsibility Inc

Notes to the Financial Statements

For the Year Ended December 31, 2021

2. Significant Accounting Policies

e. Operating reserve fund

The association has set up an operating reserve fund to ensure the stability of the mission, programs, employment, and ongoing operations of the organization. It is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time budgeted expenses, unanticipated loss in funding or uninsured losses.

f. Financial instruments

The association initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets subsequently measured at amortized cost include cash and accounts receivable. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities.

g. Sales taxes

The association is a qualifying non-profit organization eligible to claim the public service bodies' rebate for the GST paid on eligible purchases and expenses. These amounts are recorded and reported semi-annually.

h. Allocation of Expenses

The association allocated a number of its expenses by function and project. The costs are allocated based on actual effort expended and estimated portion of common cost. The details of allocation are indicated in the Schedule of Expenditures.

3. Unrestricted Net assets

	2021	2020
Unrestricted net assets, beginning of the year	\$ 39,988	\$ 31,153
Excess (Deficiency) of Revenues over Expenditures	47,697	21,345
Transfer to operating reserve	(6,000)	-
Correction of an error (See Note 12)	-	(9,146)
Prior period adjustment	-	(3,364)
Unrestricted net assets, end of year	\$ 81,685	\$ 39,988

Wascana & Upper Qu'Appelle Watersheds Association Taking Responsibility Inc

Notes to the Financial Statements

For the Year Ended December 31, 2021

4. Financial instruments

Wascana & Upper Qu'Appelle Watersheds Association Taking Responsibility, Inc. is exposed to various risks through its financial instruments. The following analysis provides a measure of the association's exposure and concentrations as at December 31, 2021.

a. Credit risk

Financial instruments which potentially subject the association to concentrations of credit risk consist of cash equivalents and accounts receivable. The cash equivalents consist mainly of short-term money market deposits. The association has deposited the cash equivalents with reputable financial institutions, from which management believes the risk of loss to be remote. The association has accounts receivable from clients primarily governmental agencies and credit risk is managed by the credit quality. There has been no change from credit risk exposure from the prior year.

The maximum exposure to credit risk, as represented by the carrying amount of the financial assets, was:

	2021	2020
Cash	\$ 125,266	\$ 159,715
Accounts receivable	113,552	67,862
Total	\$ 238,818	\$ 227,577

b. Liquidity risk

Liquidity risk is the risk that the association may not be able to meet a demand for cash or fund its obligations as they come due or not able to liquidate assets in a timely manner at a reasonable price. The association is exposed to liquidity risk with respect to its accounts payable and accrued liabilities but manages its liquidity risk by holding assets that can be readily converted into cash. There has been no change from liquidity risk exposure from the prior year.

c. Interest rate risk

Interest rate risk is a type of market risk that refers to the risk that the fair value of financial instruments or future cash flows associated with the financial instruments will fluctuate due to changes in market interest rates. The association is exposed to interest rate risk with respect to its cash and its effect on interest income. Fluctuations in interest rates do not have a significant effect on cash due to the fact that interest income is not a major percentage of total revenue. There has been no change from interest rate risk exposure from the prior year.

Wascana & Upper Qu'Appelle Watersheds Association Taking Responsibility Inc

Notes to the Financial Statements

For the Year Ended December 31, 2021

5. Economic dependence

The association receives significant revenues in the form of a grant from the Water Security Agency. As a result, the association is dependent on the continuation of these grants to maintain operations at their current level.

6. Measurement uncertainty

The COVID-19 pandemic has resulted in the disruption of global trade, which had wide-ranging impacts on the Canadian economy. Certain amounts recognized in the financial statements including valuation of accounts receivable are subject to heightened levels of measurement uncertainty. The recognized amounts of such items are based on the management's best information and judgement but the eventual amounts realized may be materially different from these amounts.

7. Going concern

The accompanying financial statements have been prepared on the going concern assumption that the association will be able to realize its assets and discharge its liabilities in the normal course of business. The association's operating results and fiscal position for the year ended December 31, 2021 do not cast any significant doubts on the organization's ability to continue as a going concern. In prior years, the COVID-19 outbreak temporarily impacted the association's operations, this is not anticipated to have a significant detrimental impact on future programming.

8. Comparative figures

Certain comparative figures in the prior period have been restated to provide comparability of program delivery. These figures are related to the Citizen Science and AIS projects which were not reported in the prior year financial statements, the restatement did not impact the excess of revenues over expenditures or the change in net assets.

9. Significant Agreement - ALUS Canada

The association has a long standing contractual agreement with ALUS Canada. ALUS Canada ("ALUS") is a Canadian charity registered under the Income Tax Act as a charitable organization. ALUS has retained the association to assist in the implementation of charitable activities to provide support to farmers and ranchers in the Wascana & Upper Qu'Appelle Watersheds to create/restore/enhance, manage and maintain the benefits - commonly called 'ecosystem services' - that nature can provide to Canadian Society. The ALUS program involves the modification/improvement of these farmers' marginal, unproductive, inefficient or environmentally sensitive lands and helps to conserve/restore ecosystems and biodiversity by providing cleaner air, cleaner water, erosion and flood control as well as habitat for pollinators, fish and wildlife and by sustaining agriculture, wildlife and natural space for all Canadians.

The association assists in the administration and implementation of this program which results in multi-year contracts with producers, as such funds are held separately in Trust to manage the program. Deferred revenue is recorded to recognize a future obligation exists for funds that have been received and will be paid in a future period(s). During the prior fiscal year a detailed review was undertaken by the association to ensure that the funds held in trust are reflective of the program future obligations.

Wascana & Upper Qu'appelle Watersheds Association Taking Responsibility Inc

Notes to the Financial Statements

For the Year Ended December 31, 2021

10. Prior period adjustment

In the prior period there was an adjustment of \$3,364 related to an incorrect presentation in the prior year, payroll liabilities were offset to Wages expense and they should have been presented on the statement of financial position.

11. Correction of an Error

During the prior audit it was determined that the association had not properly recorded the deferred revenue consistently year over year related to their core funding from the Water Security Agency. This amount has consistently been \$74,500, of which one quarter remains outstanding year over year due to the timing difference in the fiscal year and contract year. (December 31st fiscal year and March 31st contract year).

The 2019 values related to the core funding and deferred revenue have been restated to properly reflect the deferral for comparative purposes.

2019 - prior year deferral reversed, no deferral recorded	\$ 9,497
2020 - deferral recorded for correct amount	(\$18,625)
Corection of error, impact to net assets, ending	(\$9,146)

Wascana & Upper Qu'appelle Watersheds Association Taking Responsibility Inc

Schedule of Expenditures

For the Year Ended December 31, 2021

	2021	2020
Administration		
Wages and benefits	\$ 79,296	\$ 88,804
Conference and meetings	70	6,580
Computer expense	6,240	4,406
Rent	3,293	3,971
Travel and meals	2,338	2,280
Professional fees	4,089	1,652
Insurance	1,730	1,506
Communications	981	1,484
Supplies	748	816
Legal Fees	-	535
Staff training and education	8,010	528
Office	438	405
Advertising	297	282
AGM	-	136
Administration	-	50
Website	20	20
Programming	625	-
Bank charges and interest	2	-
Reconciliation discrepancies	(996)	-
	107,181	113,455
Ministry of Agriculture		
Wages and benefits	19,467	48,003
Administration	4,241	5,562
Travel and meals	502	4,806
Insurance	1,730	1,506
Accounting and professional services	916	1,317
Telecommunications	884	1,073
Advertising	-	723
Programming	53	578
Environment and Climate Change Canada		
Administration	2,250	-
ECCC Travel	110	-
ECCC Salaries	2,003	-
	32,156	63,568

The accompanying notes are an integral part of these financial statements.

Wascana & Upper Qu'appelle Watersheds Association Taking Responsibility Inc

Schedule of Expenditures

For the Year Ended December 31, 2021

	2021	2020
ALUS Project		
Wages and benefits	29,695	33,087
Office	6,137	5,582
Registration and membership fees	5,000	5,000
Travel and meals	1,096	2,215
Insurance	1,730	1,506
Professional fees	1,666	1,317
Telecommunications	924	1,097
Conferences and meetings	201	504
Programming	75	488
	46,524	50,796
Citizen Science		
Supplies	7,842	130
Wages and benefits	1,045	82
Administration	240	-
	9,127	212
Aquatic Invasive Species		
Supplies	40	104
Wages	2,701	2,553
Staff meals/mileage, rentals	678	-
Travel and Meals	621	860
	4,040	3,517
Rounding	1	1
	\$ 199,029	\$ 231,549

The accompanying notes are an integral part of these financial statements.


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