

**WASCANA & UPPER QU'APPELLE WATERSHEDS ASSOCIATION TAKING  
RESPONSIBILITY, INC.  
FINANCIAL STATEMENTS  
JANUARY 31, 2013**

**MARCIA HERBACK**  
*Chartered Accountant*  
*Professional Corporation*

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To the Members of  
Wascana & Upper Qu'Appelle Watersheds Association Taking Responsibility, Inc.

Management has responsibility for preparing the accompanying financial statements and ensuring that all information on any related reports is consistent with the financial statements. This responsibility includes selecting appropriate accounting policies and making objective judgements and estimates in accordance with Canadian accounting standards for not-for-profit organizations.


In discharging its responsibilities for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded, and proper records maintained.

Ultimate responsibility for financial statements to members lies with the Board of Directors.

Independent auditors appointed by the members audit the financial statements. The independent auditors report directly to the members and their report follows. The independent auditors have full and free access to the Board and management to discuss their audit findings as to the integrity of the organization's financial reporting and the adequacy of the system of internal controls.

---

President

---

Treasurer

March 28, 2013  
Regina, Saskatchewan

**INDEPENDENT AUDITOR'S REPORT**

To the Members of  
Wascana & Upper Qu'Appelle Watersheds Association Taking Responsibility, Inc.

I have audited the accompanying financial statements of Wascana & Upper Qu'Appelle Watersheds Association Taking Responsibility, Inc., which comprise the statements of financial position as at January 31, 2013, January 31, 2012 and February 1, 2011, and the statements of revenue, net assets and cash flow statement for the years ended January 31, 2013 and January 31, 2012, 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.

**Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinions.

**Opinion**

In my opinion the financial statements present fairly, in all material respects, the financial position of Wascana & Upper Qu'Appelle Watersheds Association Taking Responsibility, Inc. as at January 31, 2013, January 31, 2012 and February 1, 2011, and its financial performance and cash flows for the years ended January 31, 2013 and January 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

Regina, Saskatchewan  
March 28, 2013

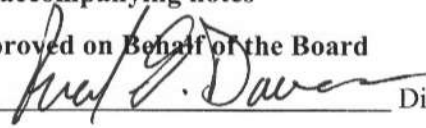
  
Marcia Herback  
Chartered Accountant

**WASCANA & UPPER QU'APPELLE WATERSHEDS ASSOCIATION TAKING  
RESPONSIBILITY, INC.  
BALANCE SHEET  
AS AT JANUARY 31, 2013**

	January 31, 2013	January 31, 2012	February 1, 2011
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	\$ 68,466	\$ 50,109	\$ 74,494
Accounts receivable	<u>2,339</u>	<u>38,561</u>	<u>2,159</u>
	<u>\$ 70,805</u>	<u>\$ 88,670</u>	<u>\$ 76,653</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	\$ 3,803	\$ 2,101	\$ 1,907
Deferred revenue (Note 4)	<u>28,886</u>	<u>30,314</u>	<u>42,161</u>
	32,689	32,415	44,068
<b>SURPLUS</b>			
<b>Cumulative surplus</b>	<u>38,116</u>	<u>56,255</u>	<u>32,585</u>
	<u>\$ 70,805</u>	<u>\$ 88,670</u>	<u>\$ 76,653</u>

See accompanying notes

Approved on Behalf of the Board

 Director

\_\_\_\_\_  
Director

**MARCIA HERBACK**  
Chartered Accountant  
Professional Corporation

**WASCANA & UPPER QU'APPELLE WATERSHEDS ASSOCIATION TAKING  
RESPONSIBILITY, INC.  
STATEMENT OF REVENUE AND CUMULATIVE SURPLUS  
FOR THE YEAR ENDED JANUARY 31, 2013  
(with comparative figures for 2012)**

	2013	2012
<b>Revenue</b>		
<b>Grants</b>		
Saskatchewan Water Shed Authority	\$ 92,500	\$ 90,417
<b>Project Funding</b>		
AEGP Project - Buffalo Pound	48,827	37,006
AEGP Project - Lanigan Manitou	33,286	42,075
AEGP Project - Lewis Creek	19,315	16,768
Duck Unlimited AEGP Funding	5,000	5,000
EcoAction	6,754	17,920
Memberships	25,255	23,388
Interest Income	29	48
Other grants	3,500	-
Other project funding	4,408	10,131
SWA PRAC Funding	7,243	10,000
Workshop or Conference fees	160	1,715
Other income	-	1,540
	<u>246,277</u>	<u>256,008</u>
<b>Expenditures</b>		
General and administration (Schedule 1)	158,115	148,396
<b>Project expense</b>		
Buffalo Pound Project (Schedule 1)	48,564	31,006
Lanigan Manitou Project (Schedule 1)	38,422	36,168
Lewis Creek Project (Schedule 1)	<u>19,315</u>	<u>16,769</u>
	<u>264,416</u>	<u>232,339</u>
<b>Surplus for the year</b>	(18,139)	23,669
<b>Cumulative surplus, beginning of year</b>	<u>56,255</u>	<u>32,586</u>
<b>Cumulative surplus, end of year</b>	<u>\$ 38,116</u>	<u>\$ 56,255</u>

See accompanying notes

**MARCIA HERBACK**  
Chartered Accountant  
Professional Corporation

**WASCANA & UPPER QU'APPELLE WATERSHEDS ASSOCIATION TAKING  
RESPONSIBILITY, INC.**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JANUARY 31, 2013  
(with comparative figures for 2012)**

	2013	2012
<b>Operating activities</b>		
Surplus for the year	\$ (18,139)	\$ 23,669
Net change in non-cash working capital balances		
Accounts receivable	36,222	(36,402)
Accounts payable	1,702	195
Deferred revenue	<u>(1,428)</u>	<u>(11,847)</u>
Cash provided by (used in) operating activities	<u>18,357</u>	<u>(24,385)</u>
<b>Increase (decrease) in cash</b>	18,357	(24,385)
<b>Cash position, beginning of year</b>	<u>50,109</u>	<u>74,494</u>
<b>Cash position, end of year</b>	<u>\$ 68,466</u>	<u>\$ 50,109</u>

See accompanying notes

**WASCANA & UPPER QU'APPELLE WATERSHEDS ASSOCIATION TAKING  
RESPONSIBILITY, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
JANUARY 31, 2013**

---

**1. Status and nature of activities**

Wascana & Upper Qu'Appelle Watersheds Association Taking Responsibility, Inc.'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. They are incorporated under the non-profit laws of Saskatchewan. Under present legislation, no income taxes are payable on the reported income of such operations.

**2. Adoption of accounting standards for non-for-profit organizations**

On January 1, 2012 Wascana & Upper Qu'Appelle Watersheds Association Taking Responsibility, Inc. adopted accounting standards for not-for-profit organizations. These are the first financial statements prepared in accordance with this new framework which have been applied retrospectively.

There were no adjustments to net assets as at January 1, 2011 or excess (deficiency) of revenues over expenditures for the year ended December 31, 2011 as a result of transition to Canadian accounting standards for not-for-profit organizations.

**3. Summary of significant accounting policies**

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

Capital assets

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

Revenue

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.

Financial instruments

The Wascana & Upper Qu'Appelle Watersheds Association Taking Responsibility, Inc. 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.

Management estimates

The preparation of the financial statements in conformity 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 amount of revenues and expenditures during the reporting period. By their nature, these estimates are subject to measurement 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  
JANUARY 31, 2013**

---

**4. Deferred revenue**

During the year Wascana & Upper Qu'Appelle Watersheds Association Taking Responsibility, Inc. received monies for expenses which will occur in the following fiscal year.

**5. 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 Wascana & Upper Qu'Appelle Watersheds Association Taking Responsibility, Inc.'s exposure and concentrations at January 31, 2013:

Credit risk

Credit risk arises from the potential that a party may default on their financial obligations, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the association could incur a financial loss. The association is exposed to credit risk with respect to cash and accounts receivable. Credit risk for accounts receivable is managed by the credit quality and diverse debtor base and creating an allowance for bad debts where applicable. There has been no change from credit risk exposure from 2011.

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 being 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 2011.

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 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 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 risk exposure from 2011.

**6. Comparative figures**

Certain comparative figures have been reclassified to conform with the current year's presentation.

---



**WASCANA & UPPER QU'APPELLE WATERSHEDS ASSOCIATION TAKING  
RESPONSIBILITY, INC.  
SCHEDULES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JANUARY 31, 2013  
(with comparative figures for 2012)**

	2013	2012
Expenditures		Schedule 1
<b>Administration</b>		
Administration	\$ 1,973	\$ 2,232
Bank charges and interest	263	420
Conferences and meetings	2,916	8,886
Computer expense	1,122	-
Insurance	1,060	1,110
Office	2,426	5,935
Professional fees	2,365	2,420
Projects (Eco-action)	7,647	16,357
Registration and membership fees	3,584	3,241
Rent	3,000	3,000
Research and education	-	243
Staff training	350	297
Supplies	1,902	2,789
Telephone	3,274	2,827
Tradeshows	5,776	1,891
Travel and meals	8,614	4,778
Wages and benefits	110,413	91,205
Website	1,430	765
	<u>\$ 158,115</u>	<u>\$ 148,396</u>
<b>Buffalo Pound Project</b>		
Advertising	\$ 346	\$ 89
Office	4,646	1,332
Travel and meals	8,908	3,823
Wages and benefits	32,092	24,523
Workshops	2,572	1,239
	<u>\$ 48,564</u>	<u>\$ 31,006</u>
<b>Lanigan Manitou Project</b>		
Advertising	\$ 1,760	\$ 540
Office	5,119	1,454
Travel and meals	3,623	2,978
Wages and benefits	26,512	29,523
Workshops	1,408	1,673
	<u>\$ 38,422</u>	<u>\$ 36,168</u>
<b>Lewis Creek Project</b>		
Advertising	\$ 119	\$ 128
Office	1,856	817
Trade show and conferences	1,435	938
Travel and meals	2,649	2,624
Wages and benefits	13,256	12,262
	<u>\$ 19,315</u>	<u>\$ 16,769</u>