

**WASCANA & UPPER QU'APPELLE WATERSHEDS ASSOCIATION TAKING  
RESPONSIBILITY, INC.  
FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To the Members of  
Wascona & 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.

Marcia Herback Chartered Accountant Professional Corporation, an independent firm, has been appointed by the members to audit the financial statements and report to them; their report follows. The independent auditor has full and free access to the Board and management to discuss their audit findings.

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Chairman

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Treasurer

May 8, 2017  
Regina, Saskatchewan

MARCIA HERBACK  
*Chartered Accountant  
Professional Corporation*

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**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 December 31, 2016 and the statement of revenue, net assets and cash flow statement 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.

**Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit 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.

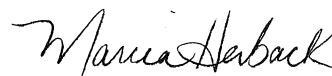
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 audit opinion.

**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 December 31, 2016 and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Regina, Saskatchewan  
May 8, 2017



Marcia Herback  
CPA, CA

**WASCANA & UPPER QU'APPELLE WATERSHEDS ASSOCIATION TAKING  
RESPONSIBILITY, INC.  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2016  
(with comparative figures for 2015)**

	2016	2015
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 164,226	\$ 118,326
Cash - operating reserve	15,024	15,016
Accounts receivable	113,103	102,649
Prepaid expenses	<u>6</u>	<u>-</u>
	<u>\$ 292,359</u>	<u>\$ 235,991</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 3,433	\$ 3,075
Deferred revenue	<u>177,986</u>	<u>186,542</u>
	181,419	189,617
<b>Long-term liabilities</b>		
ALUS Deferred revenue	<u>60,066</u>	<u>-</u>
	241,485	189,617
<b>SURPLUS</b>		
Operating reserve fund	25,002	15,002
Cumulative surplus	<u>25,872</u>	<u>31,372</u>
	<u>50,874</u>	<u>46,374</u>
	<u>\$ 292,359</u>	<u>\$ 235,991</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 DECEMBER 31, 2016  
(with comparative figures for 2015)**

	2016	2015
<b>Revenue</b>		
<b>Grants</b>		
Water Security Agency	\$ 74,877	\$ 92,500
<b>Project Funding</b>		
AEGP Project funding	62,363	77,250
ALUS Project funding	53,406	32,789
EcoAction	14,450	12,886
Memberships	25,776	26,394
Interest and other income	1,859	23
Other grants	7,771	-
Summer student funding	8,928	13,062
Sponsorship	-	10,000
	<u>249,430</u>	<u>264,904</u>
<b>Expenditures</b>		
General and administration (Schedule 1)	123,590	167,915
<b>Project expense</b>		
AEGP	71,674	68,038
ALUS	<u>49,666</u>	<u>28,900</u>
	<u>244,930</u>	<u>264,853</u>
<b>Surplus for the year</b>	4,500	51
<b>Cumulative surplus, beginning of year</b>	31,372	31,321
<b>Transfer to operating reserve fund</b>	<u>(10,000)</u>	<u>-</u>
<b>Cumulative surplus, end of year</b>	<u>\$ 25,872</u>	<u>\$ 31,372</u>

See accompanying notes

**WASCANA & UPPER QU'APPELLE WATERSHEDS ASSOCIATION TAKING  
RESPONSIBILITY, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2016  
(with comparative figures for 2015)**

	2016	2015
<b>Operating activities</b>		
Surplus for the year	\$ 4,500	\$ 51
Net change in non-cash working capital balances		
Accounts receivable	(10,454)	(91,356)
Prepaid expenses	(6)	-
Accounts payable	358	975
Deferred revenue	(8,556)	149,217
Cash provided by (used in) operating activities	<u>(14,158)</u>	<u>58,887</u>
<b>Financing activities</b>		
ALUS Deferred revenue	60,066	-
<b>Increase (decrease) in cash</b>	(14,158)	58,887
<b>Cash position, beginning of year</b>	<u>133,342</u>	<u>74,455</u>
<b>Cash position, end of year</b>	<u>\$ 179,250</u>	<u>\$ 133,342</u>

See accompanying notes

**WASCANA & UPPER QU'APPELLE WATERSHEDS ASSOCIATION TAKING  
RESPONSIBILITY, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

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**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. 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.

Operating reserve fund

The Organization has set up a 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.

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.

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**WASCANA & UPPER QU'APPELLE WATERSHEDS ASSOCIATION TAKING  
RESPONSIBILITY, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

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**3. 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 December 31, 2016:

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 2015.

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 2015.

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 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 risk exposure from 2015.

**4. Comparative figures**

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

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**WASCANA & UPPER QU'APPELLE WATERSHEDS ASSOCIATION TAKING  
RESPONSIBILITY, INC.  
SCHEDULES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016  
(with comparative figures for 2015)**

	2016	2015
Expenditures		Schedule 1
<b>Administration</b>		
Administration	\$ 958	\$ 31
Bank charges and interest	301	258
Conferences and meetings	3,287	5,723
Communications	-	1,286
Computer expense	318	581
Insurance	2,310	1,320
Office	578	268
Professional fees	5,897	4,369
Programming	10,969	9,050
Registration and membership fees	3,956	3,655
Rent	3,000	3,000
Summer student payroll and expenses	10,880	31,454
Staff training and education	650	1,121
Supplies	1,155	1,901
Telephone	2,500	3,738
Tradeshows	163	242
Travel and meals	12,021	12,236
Wages and benefits	64,002	87,037
Website	645	645
	<u>\$ 123,590</u>	<u>\$ 167,915</u>
<b>ALUS Project</b>		
Bank charges	\$ 26	\$ 1
Conferences and meetings	1,819	90
Office	2,336	728
Professional fees	581	1,315
Programming	319	125
Registration and membership fees	5,125	395
Travel and meals	1,444	701
Wages and benefits	38,016	25,545
	<u>\$ 49,666</u>	<u>\$ 28,900</u>
<b>AEGP</b>		
Administration	\$ 675	\$ -
Accounting and professional services	1,005	-
Communications	4,045	6,989
Conferences and meetings	146	57
Office	2,450	583
Programming	2,678	1,692
Registration and membership fees	304	-
Staff training	410	-
Travel and meals	8,133	5,493
Wages and benefits	51,828	53,224
	<u>\$ 71,674</u>	<u>\$ 68,038</u>