

**WASCANA & UPPER QU'APPELLE WATERSHEDS ASSOCIATION TAKING  
RESPONSIBILITY, INC.  
FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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**INDEPENDENT AUDITOR'S REPORT**

To the Members of  
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 statements of financial position as at December 31, 2018 and the statements of operations, net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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, 2018 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 Entity in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled our 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 the 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

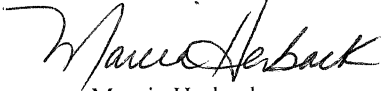
My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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 Entity'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 Entity'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 my auditor's report. However, future events or conditions may cause the Entity 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.

Regina, Saskatchewan  
July 8, 2019

  
Marcia Herback  
CPA, CA

**WASCANA & UPPER QU'APPELLE WATERSHEDS ASSOCIATION TAKING  
RESPONSIBILITY, INC.  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2018  
(with comparative figures for 2017)**

	2018	2017
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 61,696	\$ 97,730
Cash - operating reserve	42,955	25,032
Investment	132,364	102,461
Accounts receivable	53,970	34,052
Prepaid expenses	<u>768</u>	<u>-</u>
	<u>\$ 291,753</u>	<u>\$ 259,275</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 8,163	\$ 3,009
Deferred revenue	<u>84,359</u>	<u>94,157</u>
	92,522	97,166
<b>Long-term liabilities</b>		
ALUS Deferred revenue	<u>94,005</u>	<u>89,638</u>
	186,527	186,804
<b>SURPLUS</b>		
Operating reserve fund	71,405	42,651
Cumulative surplus	<u>33,821</u>	<u>29,820</u>
	<u>105,226</u>	<u>72,471</u>
	<u>\$ 291,753</u>	<u>\$ 259,275</u>

See accompanying notes

Approved on Behalf of the Board

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**WASCANA & UPPER QU'APPELLE WATERSHEDS ASSOCIATION TAKING  
RESPONSIBILITY, INC.  
STATEMENT OF REVENUE AND CUMULATIVE SURPLUS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(with comparative figures for 2017)**

	2018	2017
<b>Revenue</b>		
<b>Grants</b>		
Water Security Agency	\$ 88,977	\$ 78,623
<b>Project Funding</b>		
AEGP Project funding	2,391	85,434
ALUS Project funding	30,652	50,109
EcoAction	-	27,915
Drainage	19,157	8,084
Memberships	32,770	32,490
Ministry of Argiculture	61,240	-
Interest and other income	2,708	2,355
Other grants	-	10,698
Other project funding	21,372	-
Summer student funding	11,743	13,236
	<u>271,010</u>	<u>308,944</u>
<b>Expenditures</b>		
General and administration (Schedule 1)	210,469	159,282
<b>Project expense</b>		
AEGP	-	77,956
ALUS	27,786	50,108
	<u>238,255</u>	<u>287,346</u>
<b>Surplus for the year</b>	32,755	21,598
<b>Cumulative surplus, beginning of year</b>	29,820	25,872
<b>Transfer to operating reserve fund</b>	<u>(28,754)</u>	<u>(17,650)</u>
<b>Cumulative surplus, end of year</b>	<u>\$ 33,821</u>	<u>\$ 29,820</u>

See accompanying notes

**WASCANA & UPPER QU'APPELLE WATERSHEDS ASSOCIATION TAKING  
RESPONSIBILITY, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(with comparative figures for 2017)**

	2018	2017
<b>Operating activities</b>		
Surplus for the year	\$ 32,755	\$ 21,598
Net change in non-cash working capital balances		
Investment	(29,903)	(102,461)
Accounts receivable	(19,918)	79,051
Prepaid expenses	(768)	6
Accounts payable	5,154	(424)
Deferred revenue	(9,798)	(83,829)
Cash used in operating activities	<u>(22,478)</u>	<u>(86,059)</u>
<b>Financing activities</b>		
ALUS Deferred revenue	<u>4,367</u>	<u>29,572</u>
<b>Decrease in cash</b>	(18,111)	(56,487)
<b>Cash position, beginning of year</b>	<u>122,762</u>	<u>179,249</u>
<b>Cash position, end of year</b>	<u>\$ 104,651</u>	<u>\$ 122,762</u>
<b>Cash represented by:</b>		
Cash	\$ 61,696	\$ 97,730
Cash - operating reserve	<u>42,955</u>	<u>25,032</u>
	<u>\$ 104,651</u>	<u>\$ 122,762</u>

See accompanying notes

**WASCANA & UPPER QU'APPELLE WATERSHEDS ASSOCIATION TAKING  
RESPONSIBILITY, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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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, 2018**

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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, 2018:

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 2017.

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 2017.

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 2017.

**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, 2018  
(with comparative figures for 2017)**

Expenditures	2018	2017 Schedule 1
<b>Administration</b>		
Administration	\$ 544	\$ -
Advertising	431	-
Bank charges and interest	268	258
Conferences and meetings	4,266	2,469
Communications	1,557	389
Computer expense	519	2,014
Insurance	2,888	2,394
Office	2,261	760
Professional fees	5,884	4,330
Programming	13,091	19,698
Registration and membership fees	4,000	4,221
Rent	7,660	3,000
Summer student payroll and expenses	20,480	20,562
Staff training and education	1,355	1,240
Supplies	1,361	1,181
Telephone	2,645	2,325
Travel and meals	21,059	20,670
Wages and benefits	119,481	73,412
Website	719	359
	<u>\$ 210,469</u>	<u>\$ 159,282</u>
<b>ALUS Project</b>		
Conferences and meetings	\$ 49	\$ 8,227
Insurance	1,444	-
Office	407	2,426
Professional fees	1,062	1,915
Programming	-	1,644
Registration and membership fees	5,000	5,253
Travel and meals	683	1,918
Wages and benefits	19,141	28,725
	<u>\$ 27,786</u>	<u>\$ 50,108</u>
<b>AEGP</b>		
Administration	\$ -	\$ 707
Accounting and professional services	-	1,915
Communications	-	3,770
Conferences and meetings	-	324
Office	-	1,708
Programming	-	1,332
Registration and membership fees	-	739
Staff training	-	400
Travel and meals	-	6,148
Wages and benefits	-	60,913
	<u>\$ -</u>	<u>\$ 77,956</u>