

The Saskatchewan First Nations Water Association Inc.

Financial Statements

March 31, 2022



McClelland Debusschere

Chartered Professional Accountants
Assurance Tax Advisory

Independent Audit Report

To the Board of Directors
The Saskatchewan First Nations Water Association Inc.

Opinion

We have audited the financial statements of The Saskatchewan First Nations Water Association Inc., which comprise the statement of financial position as at March 31, 2022 and the statement of operation and net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Saskatchewan First Nations Water Association Inc. as at March 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Accounting Standards for Not-for-Profit Organizations.

Basis for Opinion

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

Emphasis of Matter - Corresponding Information

We draw attention to Note 1 in the financial statements which describes that The Saskatchewan First Nations Water Association Inc. adopted Canadian accounting standards for not-for-profit organizations on April 1, 2021 with a transition date of April 1, 2020. These standards were applied retrospectively by management to the corresponding information in these financial statements, including the statement of financial position as at March 31, 2021 and April 1, 2020, and the statement of operations and net assets, and cash flows for the year ended March 31, 2021, and related disclosures. Our opinion is not modified in respect of this matter

We are not engaged to report on the comparative information, and as such, it is unaudited.

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 the applicable financial reporting framework, 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 these financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative to do so.

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



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Auditor's Responsibilities for the Audit of the Financial Statements

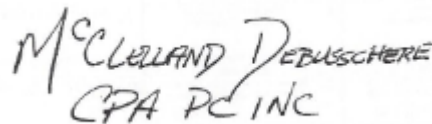
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 company'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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our 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 company 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.

We 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 we identify during our audit.



Saskatoon, SK
August 23, 2022

Chartered Professional Accountants

The Saskatchewan First Nations Water Association Inc.

Statement of Financial Position

March 31, 2022

	2022	2021	April 1, 2020
Assets			
Current Assets			
Cash	\$ 538,444	\$ 4,184	\$ 1,897
Current Liabilities			
Accounts payable	\$ 2,000	\$ -	\$ -
Deferred revenue (Note 2)	536,999	-	-
	<u>538,999</u>	<u>-</u>	<u>-</u>
Net Assets			
Unrestricted net assets	(655)	4,184	1,897
	<u>\$ 538,444</u>	<u>\$ 4,184</u>	<u>\$ 1,897</u>

Approved on Behalf of the Board:



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

The Saskatchewan First Nations Water Association Inc.

Statement of Operation and Net Assets

For the Year Ended March 31, 2022

	<u>2022</u>	<u>2021</u>
Revenue		
Indigenous Services Canada	\$ 550,000	\$ -
Other revenue	63	2,432
Memberships	-	4,500
Course fees	-	940
Deferred revenue	(536,999)	-
	<u>13,064</u>	<u>7,872</u>
Operating expenditures		
Honorarium	10,200	500
Contracts	3,000	-
Office	2,552	1,527
Rental	2,000	2,353
Bank charges	51	205
Award	-	1,000
	<u>17,803</u>	<u>5,585</u>
Excess of revenue over expenditures for the year	(4,739)	2,287
Unrestricted net assets - beginning of year	<u>4,184</u>	<u>1,897</u>
Unrestricted net assets - end of year	\$ (555)	\$ 4,184

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

The Saskatchewan First Nations Water Association Inc.

Statement of Cash Flows

For the Year Ended March 31, 2022

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income for the period	\$ (4,739)	\$ 2,287
Increase in accounts payable	2,000	-
Increase in deferred revenue	536,999	-
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	534,260	2,287
Net increase in cash	534,260	2,287
Cash at beginning of period	4,184	1,897
Cash at end of period	\$ 538,444	\$ 4,184

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

The Saskatchewan First Nations Water Association Inc.

Notes to the Financial Statements

For the Year Ended March 31, 2022

The Saskatchewan First Nations Water Association Inc. provides an opportunity for education, training, networking and skills enhancement to the staff involved in the day-to-day operations and maintenance of water and wastewater systems. The organization is exempt from income tax due to its status as a not-for-profit organization under section 149 of the Income Tax Act.

1. Significant Accounting Policies

a. First time adoption of Canadian accounting standards for not-for-profit organizations

The Association adopted Canadian accounting standards for not-for-profit organizations on April 1, 2021 with a transition date of April 1, 2020. These standards were applied retrospectively by management to the corresponding information in these financial statements, including the statement of financial position as at March 31, 2021 and April 1, 2020, and the statement of operations and net assets, and cash flows for the year ended March 31, 2021, and related disclosures where no adjustments were needed.

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit Organizations ("ASNFPO") issued by the Accounting Standards Board of CPA Canada and set out in Part III of the CPA Canada Handbook. The Association has chosen to apply the following accounting policies:

b. Cash

Cash includes cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

c. Revenue recognition

The Association uses the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which related expenses are incurred. 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. Endowment contributions are recognized as a direct increase to net assets. Other income, memberships and course fees are recognized as earned.

d. Contributed Services

Contributed services are not recognized in the financial statements because of the difficulty in determining their fair value.

2. Deferred Revenue

	2021	Current Deferral	Revenue Recognized	2022
Indigenous Services Canada	\$ -	\$ 536,999	\$ -	\$ 536,999

The Saskatchewan First Nations Water Association Inc.

Notes to the Financial Statements

For the Year Ended March 31, 2022

3. Financial Instruments

Financial assets include cash and are measured at amortized cost as presented on the balance sheet.

The Association, as part of its operations, carries a number of financial instruments. It is management's opinion that the Association is not exposed to significant interest, market, liquidity, credit, other price, or currency risks arising from these financial instruments.

4. Economic Dependence

The Association receives majority of its revenue pursuant to funding agreements with Indigenous Services Canada. Should any of the funding be discontinued, it would greatly affect the operations.