



STEWARDSHIP ASSOCIATION

Assiniboine Watershed Stewardship Association

2010 Annual Report



Table of Contents

Acknowledgements	1
Board Chair’s Message	2
Watershed Manager’s Message	3
Introduction	4
The Association at a Glance	5
Membership	6
Assiniboine Watershed Stewardship Association Office	7
Assiniboine River Watershed Map	8
Yorkton Area Aquifers Map	9
2010 Projects / Results	10
Municipal Well Decommissioning Program	11
StormWater Study in the City of Yorkton	12
Fish Enhancement Projects - Assiniboine River & Cupar Creek	13
Agri-Environmental Group Plans (AEGPs)	14
AEGP Project Locations Map.....	15
Whitesand River AEGP	16
Lower Assiniboine River AEGP	18
Upper Assiniboine / Swan River AEGP.....	20
Yorkton Area Aquifers AEGP.....	22
Beneficial Management Practices Top-Up Funding Projects	24
2010 Workshops and Field Tour Pictures.....	26
2010 Poster Contest.....	28
Yellow Fish Road Education & Awareness Project	29
Don Harris Conservation Project	30
City of Yorkton - Flood Pictures.....	31
Aerial Photos - Canora Area	32
Good Spirit Lake - Flood Pictures	33
Assiniboine River Watershed Flight Pictures	34
Fishing Lake - Flood Pictures	35
2010 Saskatchewan Rainfall Map.....	36
Acronym List	37
Auditor’s Report	38

Acknowledgements

We would like to first and foremost acknowledge our “grass roots” members who truly value the importance of clean, fresh water and have made a considerable effort to protect this precious resource.

We want to thank the board of directors, staff, advisory committees and the technical committee for their hard work, time and vision towards source water protection. A special thanks to Don Olson, AWSA board chair, for all of his time and effort towards the success of our organization.

We would like to recognize the Saskatchewan Watershed Authority for their financial support, guidance and expertise in aiding us with our source water protection plans now and into the future.

We would also like to recognize the Saskatchewan Wildlife Federation, Ducks Unlimited Canada, Environment Canada, Agriculture and Agri-Food Canada and the Saskatchewan Ministry of Agriculture for their financial support and interest in protecting the source waters within the Assiniboine River Watershed.

Board Chair's Message



This 2010 AWSA Annual Report is our fourth annual report since we were incorporated in 2007. It's tremendously gratifying for me to report that our growth continues to increase, and I know that you will be especially impressed with the accomplishments that the AWSA has achieved this year. I believe our sizeable accomplishments can be attributed directly to:

1. Our staff – to the dedication, determination and *team effort* of our Manager: Aron Hershmillier, Coordinator: Jesse Nielsen, BMP Technician: Nolan Johnson and Finance Officer/Administrator: Gwen Mackesey. Any small business, company or corporation is only as good as the people who work there; success is achieved when you have great staff working together on a strategic vision. We are tremendously blessed at the AWSA.

2. The Board of Directors – our Board consists of municipal representatives, six from the rural municipalities and six from the urban municipalities throughout the Assiniboine River Watershed. We have the strongest membership base of any of the watershed groups in Saskatchewan. The tremendous financial return that our membership sees coming back to their individual municipality's rate payers is very gratifying. We are talking about *millions of dollars* flowing back to the watershed region. This alone, more than justifies the small cost of membership fees.

2010 was one of the wettest years in history for the Assiniboine River Watershed. Water issues are present in our watershed, in the province and they are rising up the international political agenda of many countries.

At the recent Saskatchewan Water Management Forum held in Regina on October 13, 2010 (co-sponsored by the Saskatchewan Association of Watersheds), Dr. Howard Wheater, Canada Excellence Research Chair in Water Security at the University of Saskatchewan hit the nail on the head when he said "*clean drinking water is essential for survival, we need water for food production (70-80% of the world's water use is for irrigation), we need water for energy, we need water for industry, and we need water for the environment.*" Developing an Integrated Water Management Plan for Saskatchewan would be very welcome to see.

Water issues in Saskatchewan are the responsibility of the Saskatchewan Watershed Authority. Watershed groups in Saskatchewan, like the AWSA, have been established to provide grassroots strength in dealing with local *Source Water Protection* issues and concerns. Source water protection is viewed as our first line of defence in maintaining excellent quality clean drinking water, now and for generations to come. Nothing is more vital to maintaining our way of life and the viability of our region.

Don Olson
Chair, Board of Directors
Assiniboine Watershed Stewardship Association

Watershed Manager's Message



I have the honor to provide this report on the activities and advancements of the Assiniboine Watershed Stewardship Association for the year ending October 31st, 2010.

I would like to thank our members first and foremost, as none of this would be possible without their support. I would also like to thank the board of directors for their time, effort and support, with special thanks to Don Olson, board chair, for his hard work and passion towards the association.

I want to thank the staff; Gwen, Jesse, and Nolan for the excellent work they accomplished in 2010.

This year was once again a busy and trying year for our organization. We experienced record rain events that shocked the city of Yorkton on July 1st and the watershed as a whole throughout the summer months.

- We gained three new members this year, the Rural Municipalities of Foam Lake and Livingston and the Village of Theodore. We now have 36 members.
- We added another Agri-Environmental Group Plan (AEGP) within our watershed, the Yorkton Area Aquifers - AEGP.
- We continue to work on our Wetland Restoration Reverse Auction Pilot Project.
- We implemented a cost shared Municipal Well Decommissioning Program.
- We gathered water samples for our Stormwater Study in the City of Yorkton and have now extended it to a three year study.
- We enhanced some fish habitat on the Assiniboine River by removing an old failing low level crossing in the RM of St. Philips.
- We assisted with the restoration of Cupar Creek in the RM of Calder.
- We have been facilitating a major water re-use project in the city of Yorkton - the "Logan Greens Project"
- We were part of a provincial wide Essay/Poster contest for grade 5 & 6 students. Our local winner also won the provincial grand prize.
- We hosted and participated in a number of public extension field days and tradeshow.
- We were invited to many provincial and national conferences this year.
- We participated in the 5th annual provincial Watershed Conference in Swift Current.

The considerable accomplishments we made in 2010 are a great continuation in the delivery of the Association's vision. I am looking forward to 2011 where we will continue to work on the key actions outlined in the *Assiniboine River Watershed Source Water Protection Plan* and the *Yorkton Area Aquifers Source Water Protection Plan*.

Aron Hershmillier
Manager,
Assiniboine Watershed Stewardship Association

Introduction

This Annual Report describes the Assiniboine Watershed Stewardship Association's work during the balance of the 2010 fiscal year. This work was guided by the Association's vision statement, as written by its Board of Directors, and by the objectives, recommendations and key actions contained in the *Assiniboine River Watershed Source Water Protection Plan* and the *Yorkton Area Aquifers Source Water Protection Plan*.

This Annual Report is also electronically available at the Association's website, www.assiniboinewatershed.com. Copies of the *Assiniboine River Watershed Source Water Protection Plan* and the *Yorkton Area Aquifers Source Water Protection Plan* are also available on the website.

2010 Board of Directors & Staff



Front Row: Jesse Nielsen (Coordinator), Aron Hershmillier (Manager), Nolan Johnson (Technician)

Middle Row: Tom Gall, Don Olson, (Chair), Grant McCallum, Al Schatz,

Back Row: Wallace Butterfield, Dale Heshka, Howard Maas, Don Fogg (Vice-Chair), Ben Pengilly

Missing: Gil Comeault, Chris Wyatt, Garry Liebrecht & Gwen Mackesey (Finance Officer)

The Association at a Glance

The Assiniboine Watershed Stewardship Association is an independent, non-profit organization committed to protecting source waters in the Assiniboine River Watershed. The Association's vision is:

Citizens and communities of the Assiniboine River Watershed working together to protect the source waters of the Assiniboine River, its tributaries and aquifers within the watershed.

To fulfill this vision, the Association works in partnership with public and private stakeholders throughout the watershed to carry out projects that protect and enhance water sources. Much of this work focuses on the objectives, recommendations and key actions contained in the Assiniboine River Watershed Source Water Protection Plan and the Yorkton Area Aquifers Source Water Protection Plan. The Association's Board of Directors has also chosen to undertake some other initiatives, which are detailed in this Annual Report.

The business and affairs of the Association are managed by its Board of Directors. The Board is comprised of 12 members elected from three advisory committees: the Assiniboine River Advisory Committee, the Whitesand River Advisory Committee and the Yorkton Area Aquifers Advisory Committee. Each advisory committee elects four members to the Board.

The Assiniboine Watershed Stewardship Association's Board of Directors:

Chris Wyatt - City of Yorkton
 Grant McCallum - Town of Saltcoats
 Howard Maas - R.M. of Orkney No. 244
 Garry Liebrecht - R.M. of Wallace No. 243
 Dale Heshka - City of Melville
 Tom Gall - Town of Springside
 Al Schatz - R.M. of Stanley No. 215
 Ben Pengilly - R.M. of Cana No. 214
 Don Olson - Town of Sturgis
 Don Fogg - Town of Langenburg
 Wallace Butterfield - R.M. of Keys No. 303
 Gil Comeault - R.M. of St. Philips No. 301

All Directors are elected for a two-year term at their respective Advisory Committee meetings. Directors are elected on a staggered two-year basis after the first meeting of the Advisory Committees. For the initial appointments, half of each Advisory Committee was appointed for two years and the other half for one year. These appointments were determined randomly.

All Directors may be re-elected and are not restricted as to the number of consecutive terms served.

The Board of Directors meets four times a year, and annually appoints a Chair, Vice-Chair and such other officers as the Board may determine.

The day-to-day business of the Association is conducted by the Watershed Manager. The Watershed Manager reports to the Board, and is granted such powers and duties as the Board may specify.

The Association receives operating revenue in the form of a grant from the Saskatchewan Watershed Authority. The Association also receives revenues from its paid membership. The membership currently consists of the following 36 local municipalities:

City of Melville	City of Yorkton
Town of Kamsack	Town of Langenburg
Town of Preeceville	Town of Saltcoats
Town of Springside	Town of Sturgis
Village of MacNutt	Village of Rhein
Village of Theodore	
R.M. of Spy Hill #152	R.M. of Langenburg #181
R.M. of Churchbridge#211	R.M. of Saltcoats #213
R.M. of Cana #214	R.M. of Stanley #215
R.M. of Calder #241	R.M. of Wallace #243
R.M. of Orkney #244	R.M. of Garry #245
R.M. of Ituna Bon Accord #246	
R.M. of Cote #271	R.M. of Sliding Hills #273
R.M. of Good Lake #274	R.M. of Insinger #275
R.M. of Foam Lake #276	R.M. of St.Philips #301
R.M. of Keys #303	R.M. of Buchanan #304
R.M. of Invermay #305	R.M. of Livingston #331
R.M. of Clayton #333	R.M. of Preeceville #334
R.M. of Hazel Dell #335	R.M. of Sasman #336

Membership

2010 Board of Directors

Don Olson Board Chair	Town of Sturgis
Don Fogg Board Vice Chair	Town of Langenburg
Dale Heshka	City of Melville
Chris Wyatt	City of Yorkton
Ben Pengilly	R.M. of Cana No. 214
Howard Maas	R.M. of Orkney No. 244
Wallace Butterfield	R.M. of Keys No. 303
Al Schatz	R.M. of Stanley No. 215
Gil Comeault	R.M. of St. Philips No. 301
Garry Liebrecht	R.M. of Wallace No. 243
Grant McCallum	Town of Saltcoats
Tom Gall	Town of Springside

2010 Staff Members

Aron Hershmillier - Watershed Manager
Jesse Nielsen - Aquifer/Watershed Coordinator
Nolan Johnson - BMP Technician
Gwen Mackesey - Finance Officer/Administrator

Assiniboine River Advisory Committee

Robert Bruce - R.M. of Spy Hill No. 152
Marlo Schappert - R.M. of Langenburg No. 181
Neil Mehrer - R.M. of Churchbridge No. 211
Gerald Schepp - R.M. of Calder No. 241
Vern Bowes - R.M. of Cote No. 271
Gil Comeault - R.M. of St.Philips No. 301
Wallace Butterfield - R.M. of Keys No. 303
Ted Klimm - R.M. of Livingston No. 331
Nick Anaka - R.M. of Clayton No. 333
Earl Pottle - R.M. of Preeceville No. 334
Miranda Serhan - R.M. of Hazel Dell No. 335
Darryl Binkley - Town of Kamsack
Don Fogg - Town of Langenburg
Beatrice Sekel - Town of Preeceville
Don Olson - Town of Sturgis
Fred Peppler - Village of MacNutt

Whitesand River Advisory Committee

Dale Heshka - City of Melville
Chris Wyatt - City of Yorkton
Tom Gall - Town of Springside
Grant McCallum - Town of Saltcoats
Craig Walsh - Village of Rhein
Administrator - Village of Theodore
Joe Skitcko - R.M. of Saltcoats No. 213
Ben Pengilly - R.M. of Cana No. 214
Al Schatz - R.M. of Stanley No. 215
Garry Liebrecht - R.M. of Wallace No. 243
Howard Maas - R.M. of Orkney No. 244
Ken Smuk - R.M. of Garry No. 245
Aaron Ivey - R.M. of Ituna Bon Accord No. 246
John Bodnaryk - R.M. of Sliding Hills No. 273
James Hupka - R.M. of Good Lake No. 274
Anne Prince - R.M. of Insinger No. 275
Dan Hoover - R.M. of Foam Lake No. 276
Richard Stefanyshyn - R.M. of Buchanan No. 304
Jack Prychak - R.M. of Invermay No. 305
Ron Kulyk - R.M. of Sasman No. 336

Yorkton Area Aquifers Advisory Committee

Chris Wyatt - City of Yorkton
Grant McCallum - Town of Saltcoats
Joe Skitcko - R.M. of Saltcoats No. 213
Ben Pengilly - R.M. of Cana No. 214
Garry Liebrecht - R.M. of Wallace No. 243
Howard Maas - R.M. of Orkney No. 244

Technical Committee Members

Michael Buchholzer - City of Yorkton
Doug Brook - Ducks Unlimited Canada
Trevor Plews - Ducks Unlimited Canada
Adam Matichuk - Saskatchewan Wildlife Federation
Brian Campbell - Saskatchewan Ministry of Agriculture
Todd Jorgenson - Saskatchewan Ministry of Agriculture
Naomi Paley - Saskatchewan Ministry of Agriculture
Ries Mansuy - Saskatchewan Ministry of Environment
Jeff Olson - Saskatchewan Watershed Authority
Jason Puckett - Saskatchewan Watershed Authority
Don Newcombe - Saskatchewan Watershed Authority
Jon Gaudrey - Sunrise Health Region
Neil Lamberty - Agri-Environment Services Branch

Assiniboine Watershed Stewardship Association Office

The AWSA office is located on 29 2nd Avenue North in Yorkton, Saskatchewan. Our office hours are Monday to Friday from 8:00am to 5:00pm (closed over the noon hour).

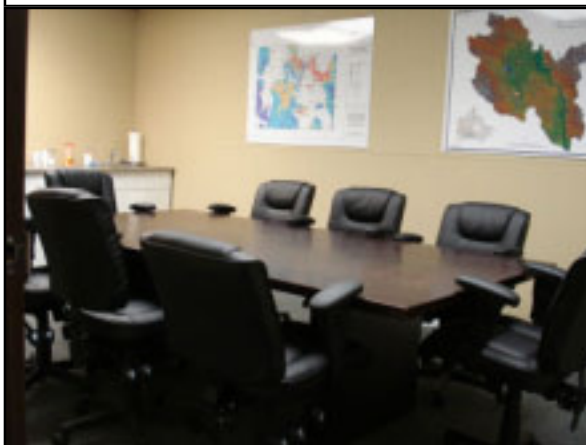
The AWSA received a huge influx of office visits in 2010. Since opening our stand-alone office in May 2009, the increased exposure of our excellent window frontage has assisted with our true identity as an association. Our office is excellently located in the heart of downtown Yorkton; located only one block from City Hall and three blocks from the RM of Orkney and Wallace offices. It is also located in close proximity to Canada Post, many local businesses and banks, making it an ideal location.

The AWSA invites everyone to stop into our office to discuss their Source Water Protection concerns.

AWSA Office - Window Frontage



AWSA Board Room



AWSA Office Hours

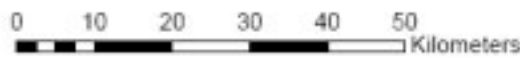


Assiniboine River Watershed Advisory Committees



- Assiniboine River Advisory Committee
- Whitesand River Advisory Committee
- Yorkton Area Aquifer Advisory Committee
- Rural Municipality
- Town

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Saskatchewan Research Council
Environment and Minerals Branch

Groundwater Resources in the Yorkton Aquifer Management Plan Area, Final Report

Location and extent of major aquifers in the Yorkton study area

Aquifer extents

- Brederbury (Dunleath) aqu.
 - Brederbury aqu.
 - Collicott aqu.
 - Empress Gp. aqu.
 - Leach Lake aqu.
 - Logan North aqu.
 - Logan South aqu.
 - Logan Valley aqu.
 - Orcadia aqu.
 - Olthou aqu.
 - Sturdee aqu.
 - Unnamed Brederbury Fm. aqu.
 - Unnamed Empress Gp. aqu.
 - Unnamed Intertill aqu.
 - Willowbrook "K" aqu.
 - Willowbrook aqu.
- Road
 Highway

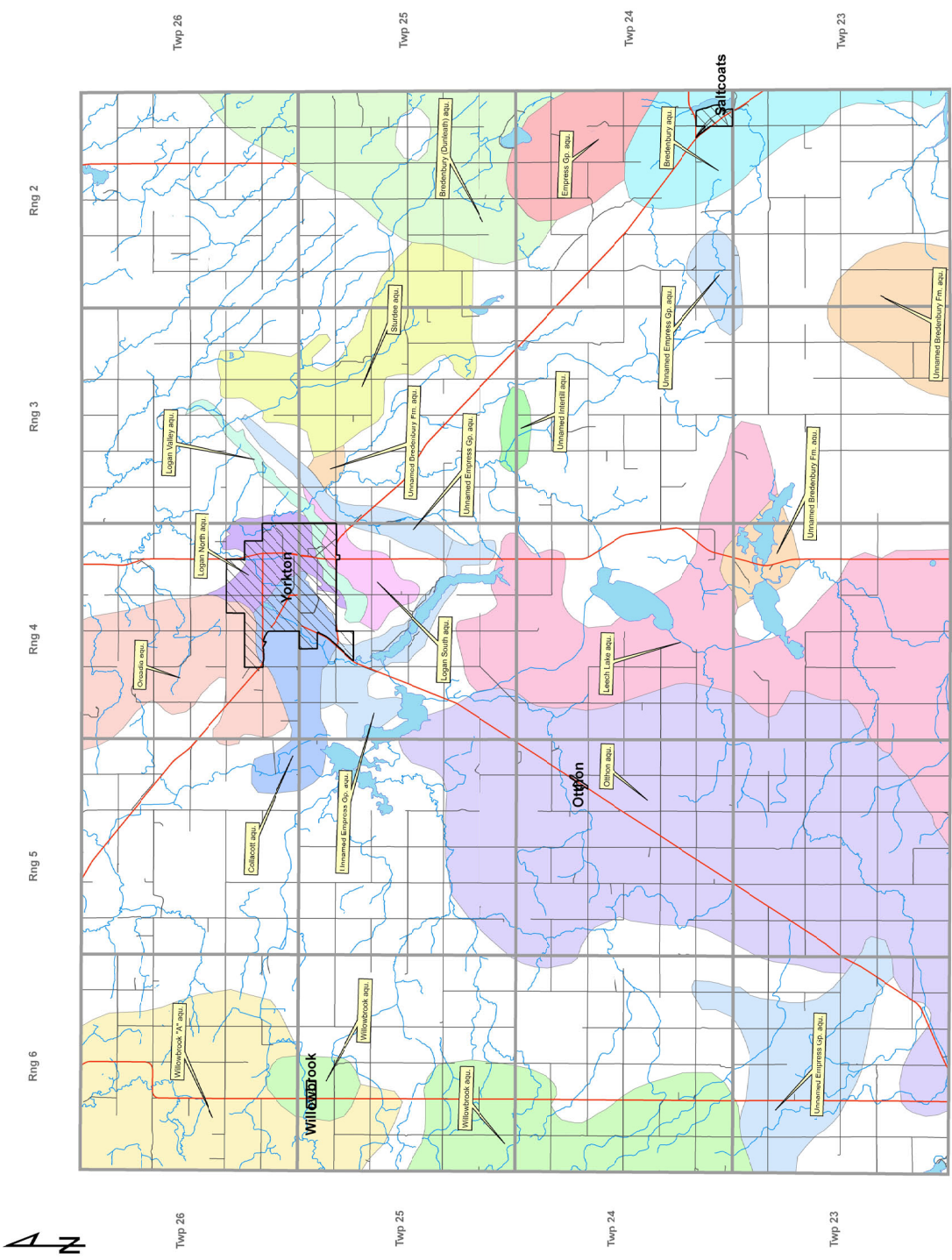


These maps are accompanied by a series of cross sections which depict the subsurface units along the transects shown on the map. The maps and cross sections are representations of the map. The boundaries outline areas in which the aquifer or aquifers are present. The boundaries do not necessarily indicate the presence of a specific aquifer or aquifers. The boundaries shown, and may not be found at a specific site or may occur at bearing areas may be found outside the boundaries shown.

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Map accompanies report:

Mearns, H. and Simpson, M. 2006. Groundwater resources in the Yorkton Aquifer Management Plan Area. Saskatchewan Research Council, SRC Publication No. 0413-1E06



Map accompanies report:

Mearns, H. and Simpson, M. 2006. Groundwater resources in the Yorkton Aquifer Management Plan Area. Saskatchewan Research Council, SRC Publication No. 0413-1E06

2010 Projects / Results

The AWSA has made significant progress on several projects this year. The projects we work on pertain to key actions contained in the *Assiniboine River Watershed Source Water Protection Plan* and the *Yorkton Area Aquifers Source Water Protection Plan*.

The following chart illustrates the members we worked with and the amount of project funding the AWSA brought into the Assiniboine River Watershed in 2010.

- 1.) Municipal Well Decommissioning Program (\$10,125)
- 2.) Stormwater Study (\$80,469)
- 3.) Fish Enhancement Projects - Assiniboine River & Cupar Creek (\$19,839)
- 4.) Agri-Environmental Group Plans (\$3,478,030)
- 5.) Beneficial Management Practices (BMP) Top-up Funding (\$12,244)

<i>Members</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>Totals</i>
Village of Rhein	\$2,250.00					\$2,250.00
Town of Preeceville	\$1,125.00					\$1,125.00
City of Melville	\$1,125.00					\$1,125.00
City of Yorkton		\$80,469.00				\$80,469.00
R.M. of Spy Hill				\$24,829.57		\$24,829.57
R.M. of Langenburg				\$30,524.10	\$1,351.76	\$31,875.86
R.M. of Churchbridge				\$99,477.73	\$2,014.93	\$101,492.66
R.M. of Saltcoats				\$136,299.11	\$1,626.29	\$137,925.40
R.M. of Cana	\$3,375.00			\$243,351.51		\$246,726.51
R.M. of Stanley				\$292,242.05		\$292,242.05
R.M. of Calder	\$1,125.00		\$9,625.00	\$194,512.21	\$396.25	\$205,658.46
R.M. of Wallace				\$159,870.09	\$558.02	\$160,428.11
R.M. of Orkney				\$363,624.35	\$1,457.46	\$365,081.81
R.M. of Garry				\$141,692.57		\$141,692.57
R.M. of Ituna Bon Accord				\$57,341.62		\$57,341.62
R.M. of Cote				\$75,698.55		\$75,698.55
R.M. of Sliding Hills				\$52,506.85	\$981.23	\$53,488.08
R.M. of Good Lake	\$1,125.00			\$237,920.38		\$239,045.38
R.M. of Insinger				\$122,323.68	\$664.63	\$122,988.31
R.M. of Foam Lake				\$28,575.00	\$1,289.26	\$29,864.26
R.M. of St.Philips			\$10,214.00	\$33,767.76		\$43,981.76
R.M. of Keys				\$147,922.03		\$147,922.03
R.M. of Buchanan				\$158,452.11	\$750.00	\$159,202.11
R.M. of Invermay				\$108,376.03		\$108,376.03
R.M. of Livingston				\$41,356.93		\$41,356.93
R.M. of Clayton				\$247,127.36	\$375.00	\$247,502.36
R.M. of Preeceville				\$346,528.75	\$404.46	\$346,933.21
R.M. of Hazel Dell				\$51,645.61		\$51,645.61
R.M. of Sasman				\$82,064.67	\$375.00	\$82,439.67
Totals	\$10,125.00	\$80,469.00	\$19,839.00	\$3,478,030.62	\$12,244.29	\$3,600,707.91

Municipal Well Decommissioning Program

We implemented a 75:25 cost-shared municipal well decommissioning program with our member municipalities. The AWSA expended 75% of the cost to decommission any old abandoned water wells owned by member municipalities. The municipality covered the remaining 25% of the cost.

We decommissioned nine wells in 2010 through this program:

City of Melville - 1 well Village of Rhein - 2 wells R.M. of Cana - 3 wells
R.M. of Preeceville - 1 well R.M. of Good Lake - 1 well R.M. of Calder - 1 well

Note *** If an agriculture producer owns a well that they would like to decommission, they can apply for cost-shared funding through one of our Agri-Environmental Group Plans which is funded through Growing Forward (the Canada-Saskatchewan Farm Stewardship Program).

The following photos are from four of the nine wells we decommissioned. These unused or abandoned wells pose a huge contamination threat to both neighboring wells and local aquifers.

R.M. of Cana well #1



R.M. of Cana well #2



R.M. of Good Lake well



R.M. of Calder well



StormWater Study in the City of Yorkton

In 2009 the Assiniboine Watershed Stewardship Association began a 3 year study on the water quality of Yorkton's storm water and snowmelt runoff. This study is to determine risks that storm water and snowmelt runoff from small prairie urban communities pose to receiving water sources.

Runoff can carry pollutants such as oil, pesticides, sediment, and bacteria from urban areas through storm sewers and into downstream water bodies, such as Yorkton Creek.

Water quality samples are collected during significant snowmelt/ rainfall runoff events at 3 strategic locations throughout city, representing commercial, urban, and urban/commercial combo runoff catchment areas.

Water level, flow, quantity and rainfall data is continuously monitored at these 3 locations. Samples are analyzed for nutrients, ions, metals, sediment, pH, alkalinity, total coli forms, E. coli, petroleum products, chemical oxygen demand and biological oxygen demand.

Results of the study will aid in the implementation of beneficial management practices aimed at protecting our source waters by mitigating potential impacts from the community's urban runoff.

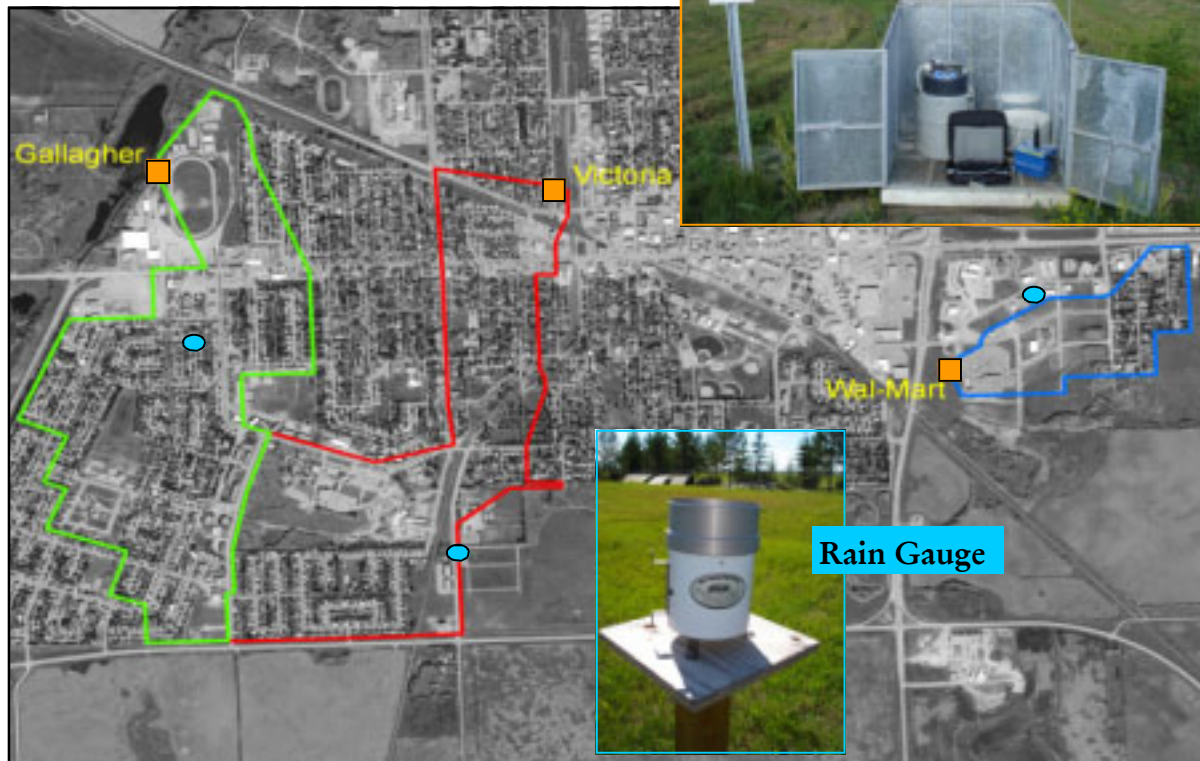
■ Fully automated 24 hr data collecting system Water Sampler and Flow Meter

● Fully automated 24 hr data collecting Rain Gauges

— Gallagher Drainage Area

— Victoria Drainage Area

— Wal-Mart Drainage Area



Fish Enhancement Projects - Assiniboine River & Cupar Creek

The goal of these projects is to continue to improve fish habitat in the Assiniboine River Watershed.

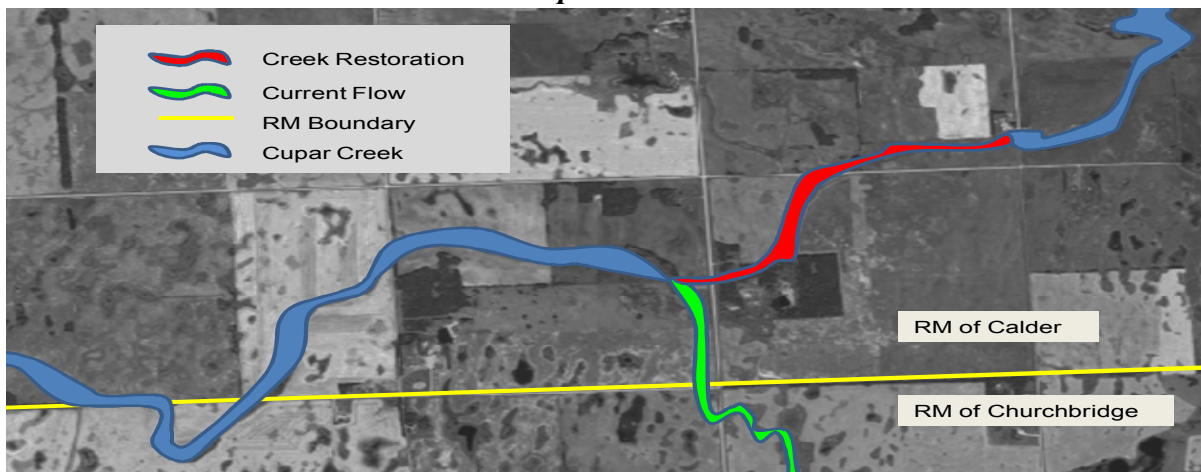
The Project on the **Assiniboine River** took place in the R.M. of St.Philips. We partnered with the R.M. of St. Philips, the Saskatchewan Wildlife Federation (SWF) and the Saskatchewan Watershed Authority (SWA) to remove a low level crossing. The concrete low level crossing was in such great disrepair that it impeded the movement of fish on the Assiniboine River. Now that the crossing has been removed, it not only allows fish to access valuable habitat upstream but the area where the crossing was provides a riffle area for added oxygen, with the substrate providing excellent spawning habitat.

The Project on **Cupar Creek** took place in the R.M. of Calder. We worked in partnership with SWA and the Rural Municipalities of Calder and Churchbridge to re-establish flows into Cupar Creek. Over the last several decades the flows down Cupar Creek (in the R.M. of Calder) have been significantly altered. The altered flow waters caused a significant loss of aquatic habitat in Cupar Creek. By re-establishing natural flows in Cupar Creek, we will improve the overall water quality and aquatic habitat in the Assiniboine River Watershed.

Assiniboine River



Cupar Creek



Agri-Environmental Group Plans

The AWSA administered Four Agri-Environmental Group Plans (AEGPs) in 2010.

- The Whitesand River AEGP
- The Lower Assiniboine River AEGP
- The Upper Assiniboine / Swan River AEGP
- The Yorkton Area Aquifers AEGP

We offer technical assistance and aid producers with their Canada-Saskatchewan Farm Stewardship Program (CSFSP) applications. We explain the environmental benefits of the Beneficial Management Practice (BMP) they wish to apply for and how the BMP contributes to water protection.

A BMP is defined as an agricultural management practice which:

- Ensures the health and sustainability of resources used for agricultural production.
- Positively impacts the long-term economic and environmental viability of the agricultural industry.
- Minimizes negative impacts and risk to the environment.

The Canada-Saskatchewan Farm Stewardship Program (CSFSP) is the Saskatchewan component of the National Farm Stewardship Program launched under *Growing Forward*. The program is designed to help Saskatchewan producers address on-farm environmental risks.

Air, Soil, Water and Biodiversity are the four main components underlying the CSFSP. A wide range of agriculture practices are eligible for financial and technical assistance under the BMPs, including manure and nutrient management, water quality, improved crop management, riparian area management, and wildlife management.

The AWSA works with producers on the following 18 BMP's:

Improved Livestock Site Management

- 101 – Relocation of Livestock Confinement Facilities
- 201 – Fencing to Protect the Environment
- 202 – Fencing to Prevent Damage by Big Game Wildlife
- 301 – Utilizing Portable Windbreaks and Shelters
- 302 – Remote Water Systems
- 401 – Farmyard Run-off Control

Improved Manure Management

- 501 – Manure Storage Improvements
- 601 – Manure Storage Increases
- 701 – Manure Application Equipment and Technologies
- 702 – Manure Nutrient Planning

Improved Land Management

- 801 – Modifying and Revegetating Waterways
- 901 – Planting Vegetation to Protect Riparian (stream bank and shoreline) Areas
- 902 – Improved Stream and Creek Crossings
- 1101 – Protecting Marginal High Risk Soils
- 1601 – Shelterbelt Establishment

Water Well Management

- 1001 – Decommissioning Abandoned Wells
- 1002 – Protecting Existing Wells

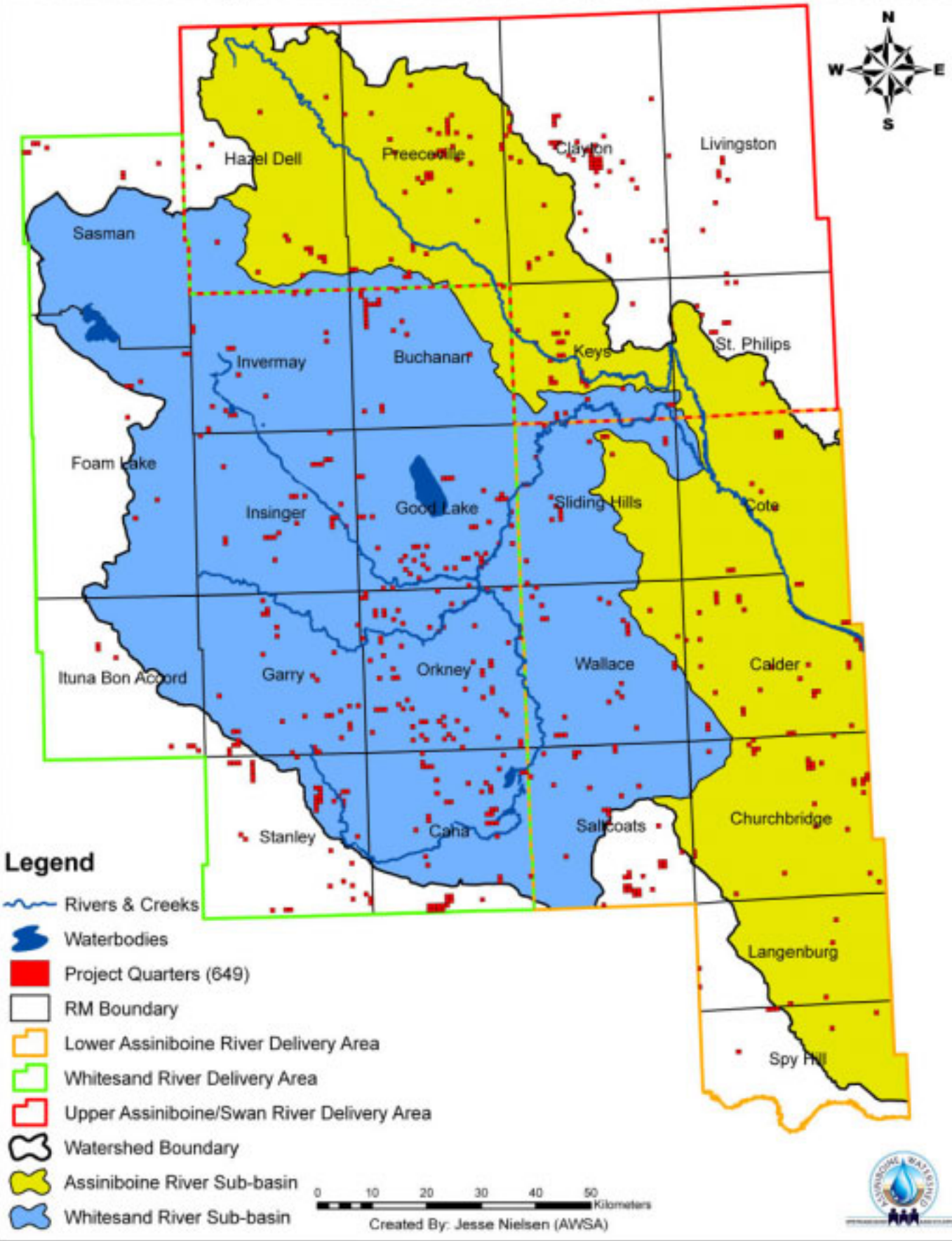
Improved Product and Waste Management

- 1201 – Agricultural Product's Safe Storage and Handling

As of year end we have submitted 601 project applications on 649 quarter sections of land for a total of \$3,478,030.62 in AEGP projects.

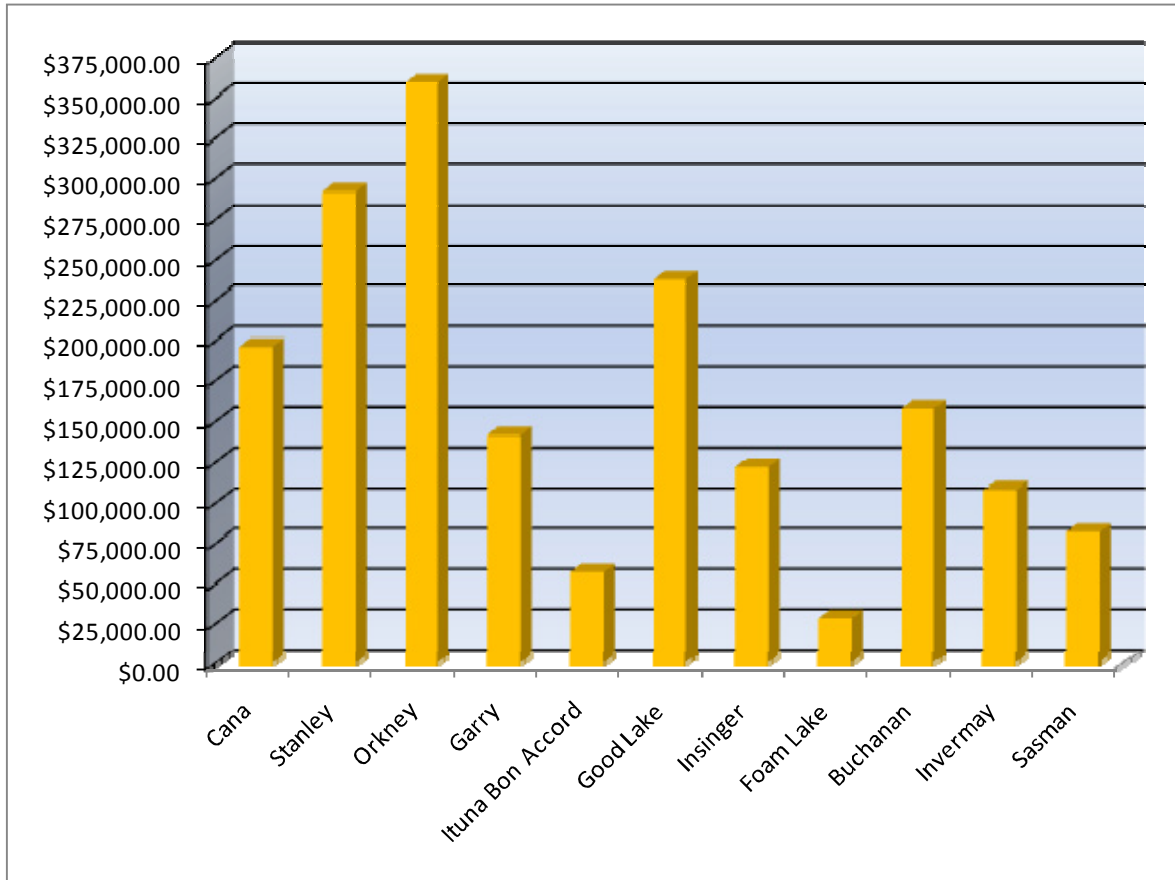
We look to continue this performance in 2011 with many more 'green thinking' producers working to protect the source waters of the Assiniboine River Watershed.

2010 AWSA Agri-Environmental Group Plan Project Locations



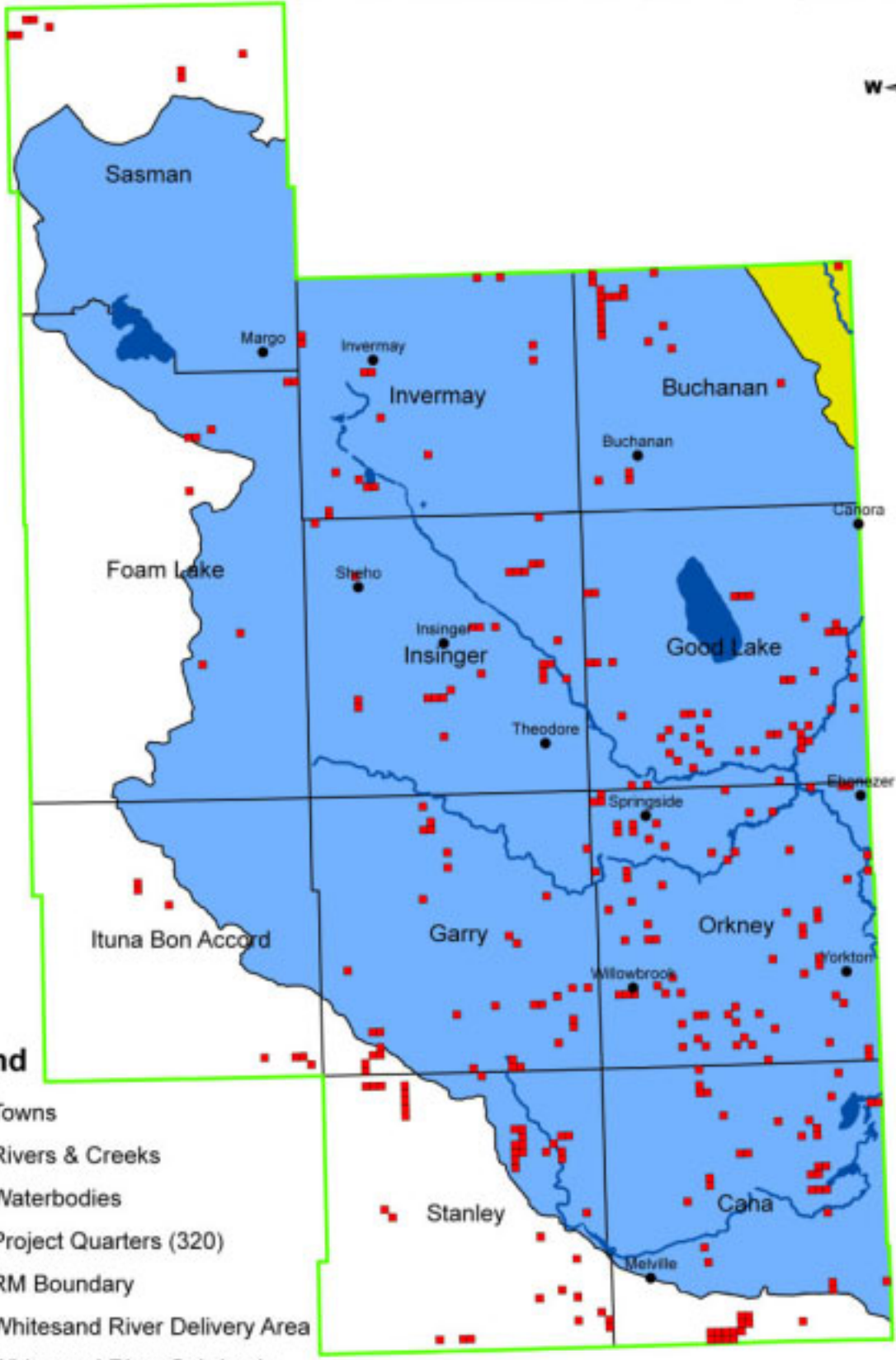
Whitesand River AEGP

As of year end, we have submitted 316 project applications in the Whitesand River AEGP area, for an approximate total of \$1,785,433.97 in projects on 320 quarter sections of land.



Rural Municipality	Total Project Cost	Project Applications	Quarter Sections
Cana	\$196,451.51	32	46
Stanley	\$292,242.05	53	39
Orkney	\$359,994.35	73	69
Garry	\$141,692.57	23	33
Ituna Bon Accord	\$57,341.62	11	7
Good Lake	\$237,920.38	40	46
Insinger	\$122,323.68	30	26
Foam Lake	\$28,575.00	8	8
Buchanan	\$158,452.11	16	22
Invermay	\$108,376.03	21	16
Sasman	\$82,064.67	9	8
Totals	\$1,785,433.97	316	320

2010 Whitesand River Agri-Environmental Group Plan Project Locations



Legend

- Towns
- ~ Rivers & Creeks
- Waterbodies
- Project Quarters (320)
- RM Boundary
- Whitesand River Delivery Area
- Whitesand River Sub-basin
- Assiniboine River Sub-basin

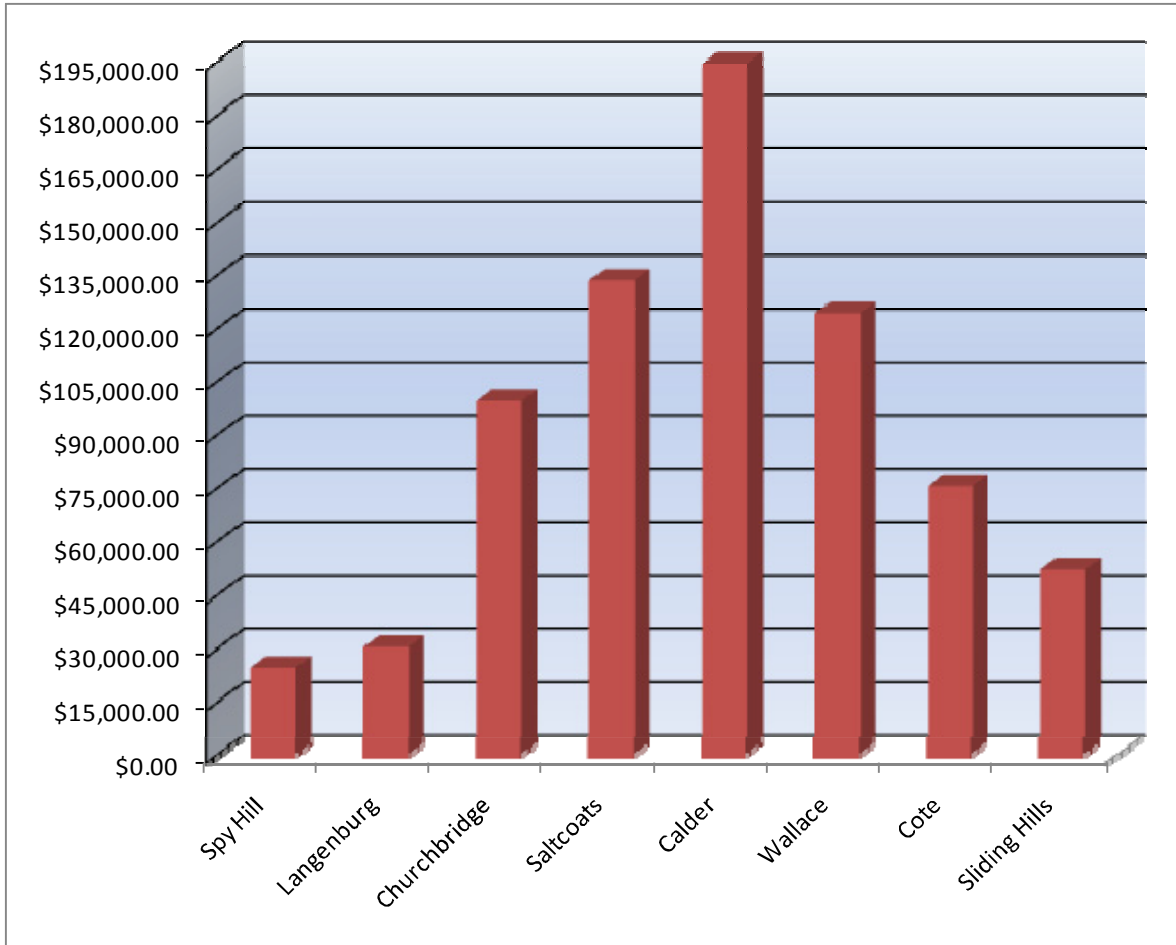


Created By: Jesse Nielsen (AWSA)



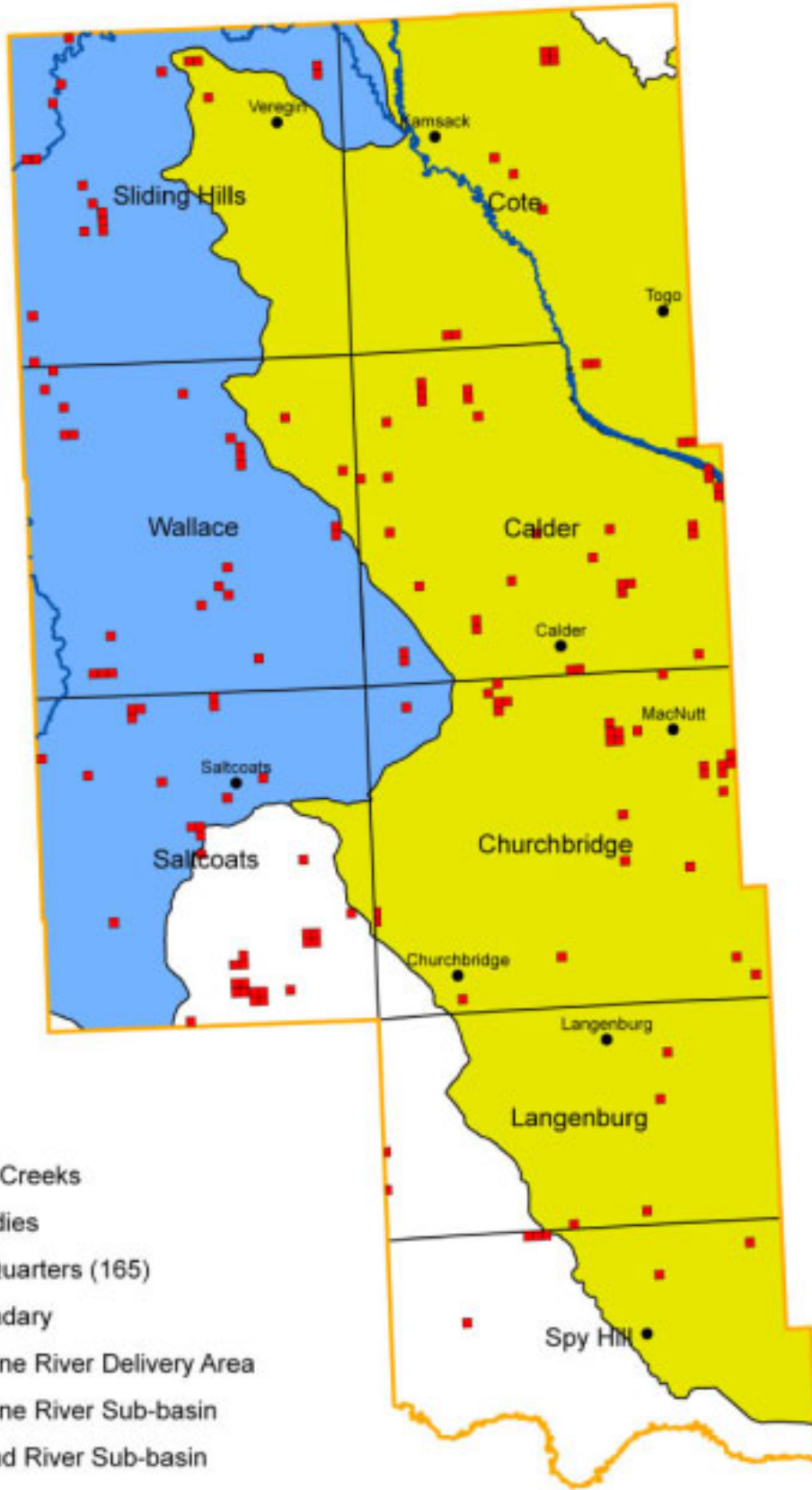
Lower Assiniboine River AEGP

As of year end, we have submitted 141 project applications in the Lower Assiniboine River AEGP area, for an approximate total of \$735,511.25 in projects on 165 quarter sections of land.



Rural Municipality	Project Cost Totals	Project Applications	Quarter Sections
Spy Hill	\$24,829.57	8	6
Langenburg	\$30,524.10	12	6
Churchbridge	\$99,477.73	13	29
Saltcoats	\$133,592.15	22	34
Calder	\$194,512.21	24	33
Wallace	\$124,370.09	39	25
Cote	\$75,698.55	10	13
Sliding Hills	\$52,506.85	13	19
Totals	\$735,511.25	141	165

2010 Lower Assiniboine River Agri-Environmental Group Plan Project Locations



Legend

- Towns
- Rivers & Creeks
- Waterbodies
- Project Quarters (165)
- RM Boundary
- Assiniboine River Delivery Area
- Assiniboine River Sub-basin
- Whitesand River Sub-basin

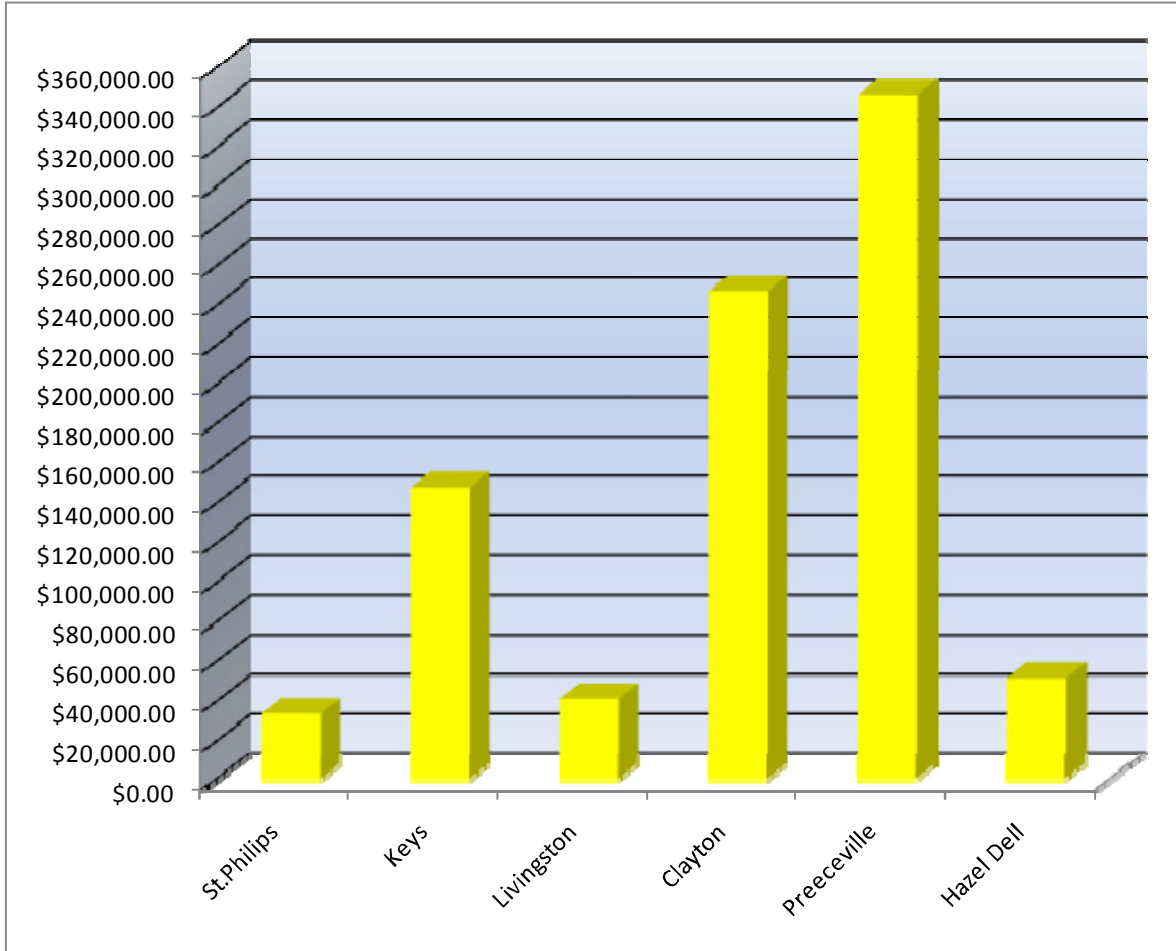
0 10 20 30 40 50 Kilometers

Created By: Jesse Nielsen (AWSA)



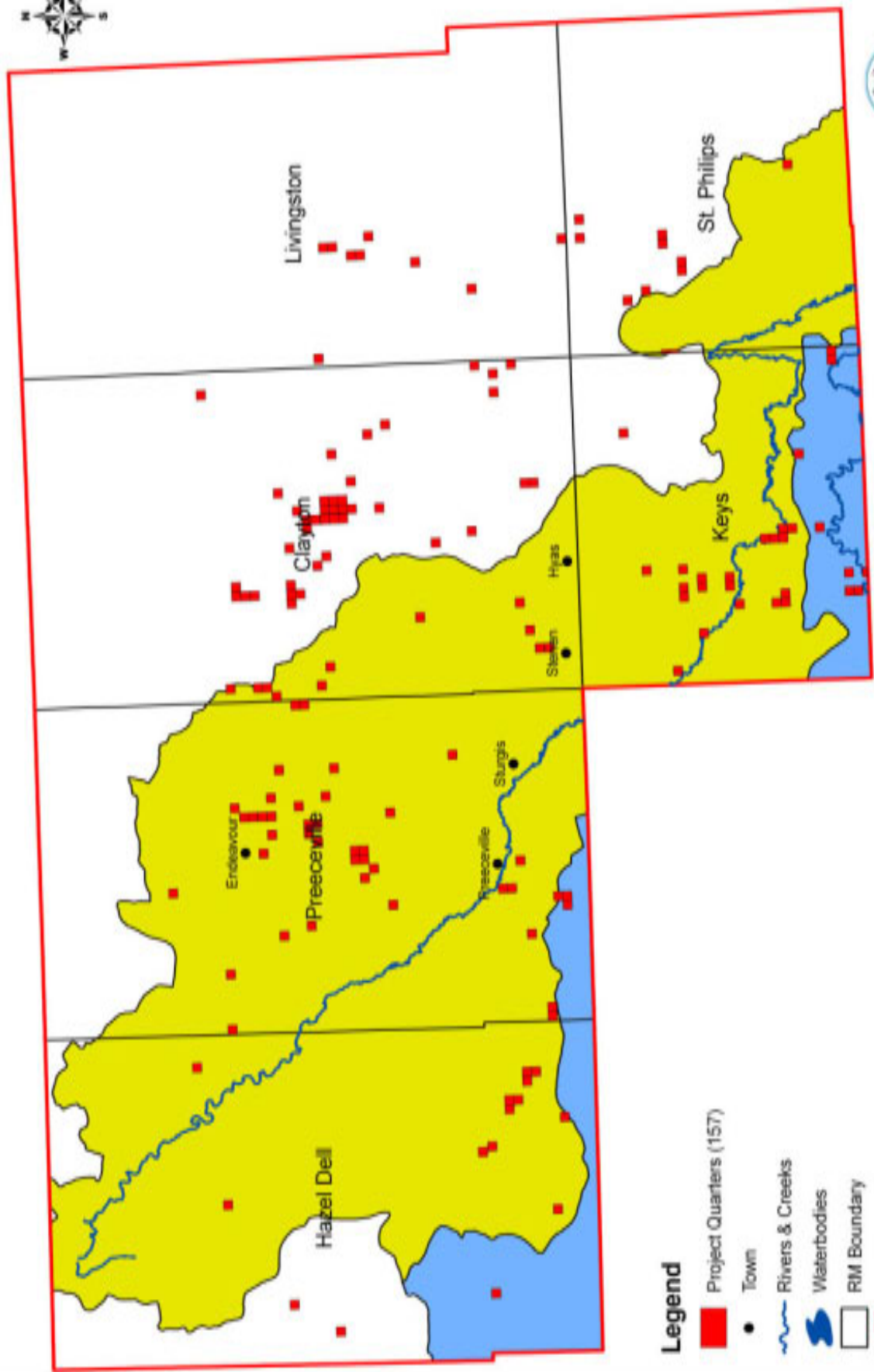
Upper Assiniboine / Swan River AEGP

As of year end, we have submitted 138 project applications in the Upper Assiniboine / Swan River AEGP area, for an approximate total of \$868,348.44 in projects on 157 quarter sections of land.



Rural Municipality	Project Cost Totals	Project Applications	Quarter Sections
St. Philips	\$33,767.76	7	12
Keys	\$147,922.03	17	28
Livingston	\$41,356.93	9	9
Clayton	\$247,127.36	44	51
Preeceville	\$346,528.75	44	42
Hazel Dell	\$51,645.61	17	15
Totals	\$868,348.44	138	157

2010 Upper Assiniboine/Swan River Agri-Environmental Group Plan Project Locations



Legend

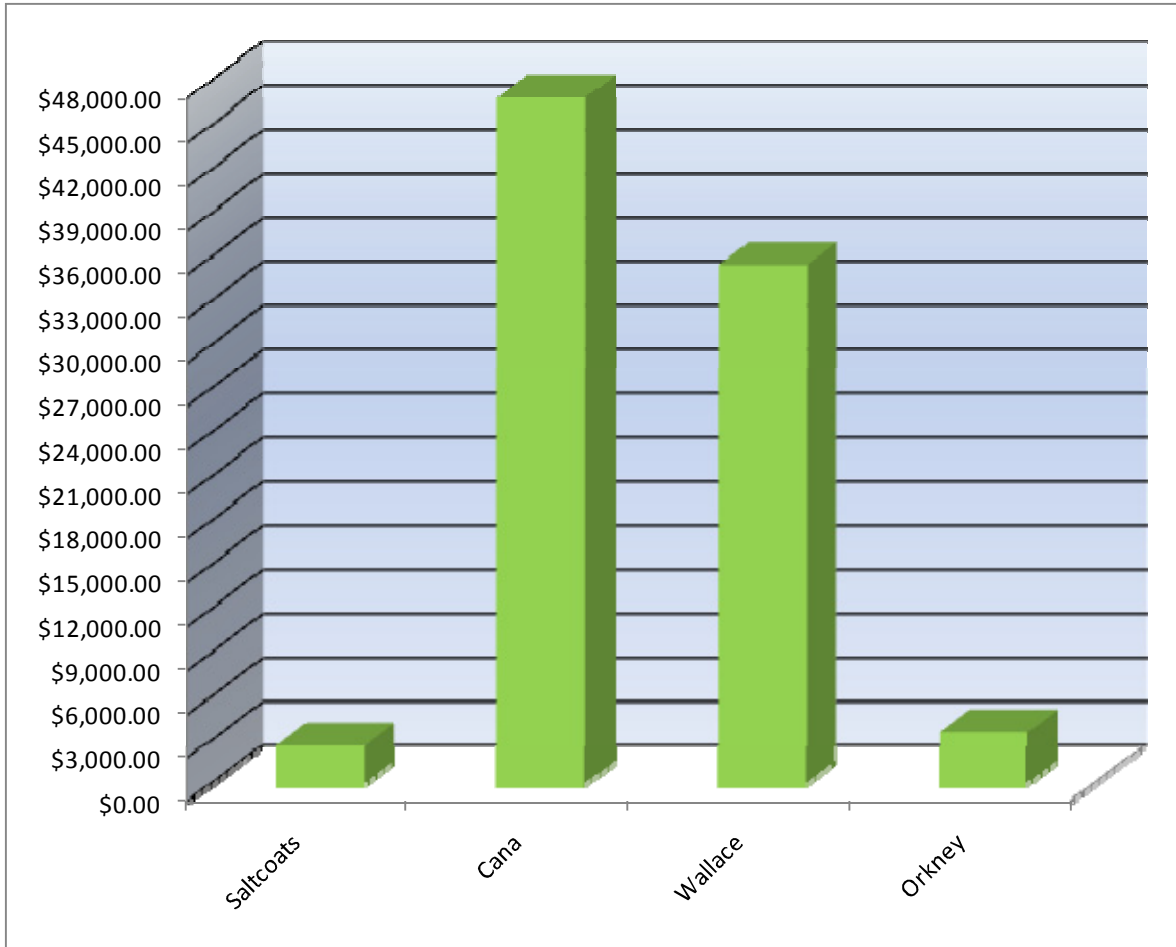
- Project Quarters (157)
- Town
- Rivers & Creeks
- Waterbodies
- RM Boundary
- Upper Assiniboine/Swan River Delivery Area
- Assiniboine River Sub-basin
- Whitesand River Sub-basin



Created By: Jesse Nielsen

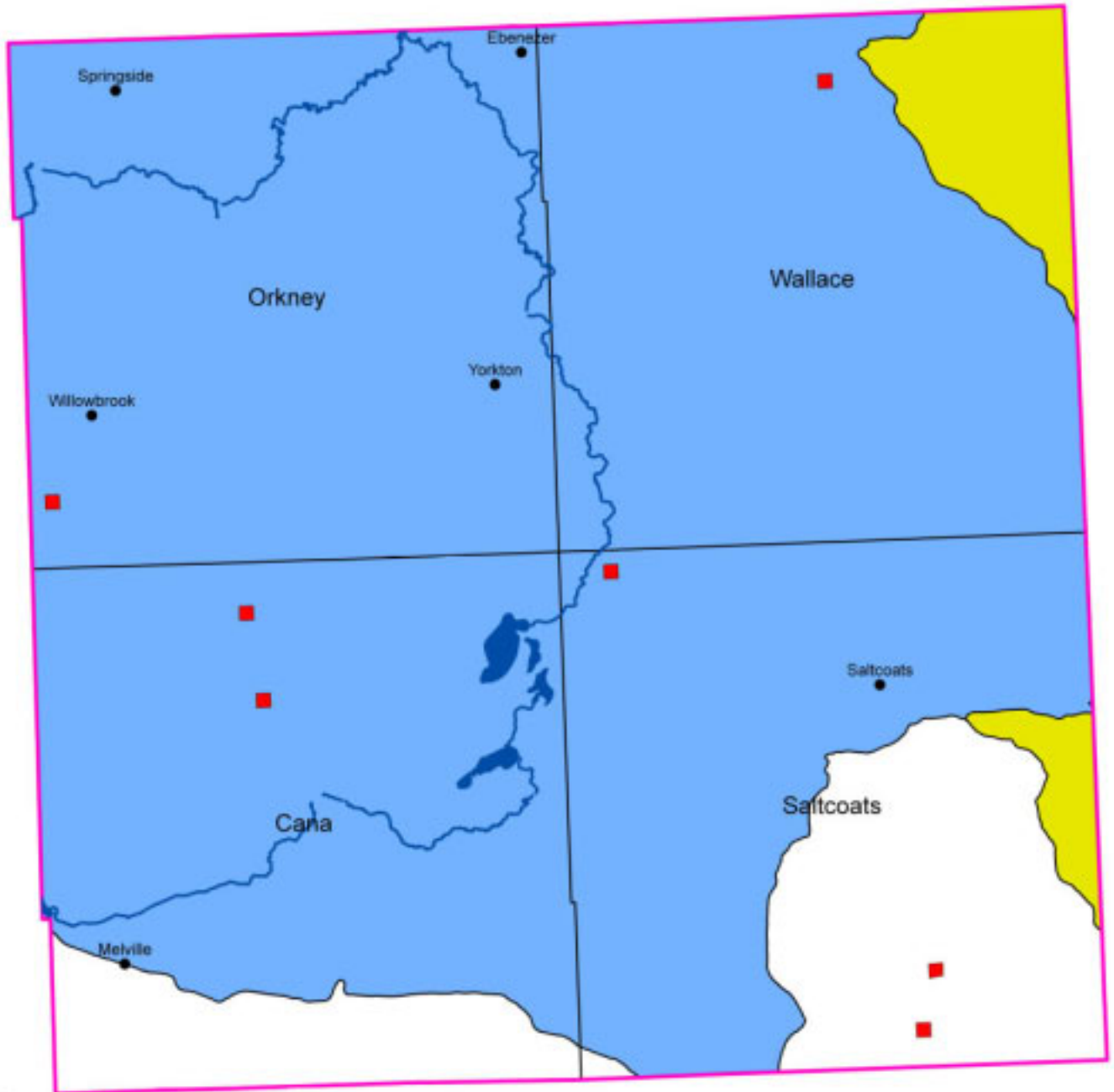
Yorkton Area Aquifers AEGP

As of year end, we have submitted 6 project applications in the Yorkton Area Aquifers AEGP area, for an approximate total of \$88,736.96 in projects on 7 quarter sections of land.



Rural Municipality	Project Cost Totals	Project Applications	Quarter Sections
Saltcoats	\$2,706.96	2	3
Cana	\$46,900.00	2	2
Wallace	\$35,500.00	1	1
Orkney	\$3,630.00	1	1
Totals	\$88,736.96	6	7

2010 Yorkton Area Aquifers Agri-Environmental Group Plan Project Locations



Legend

- Towns
- Rivers & Creeks
- Waterbodies
- Project Quarters (7)
- RM Boundary
- Aquifer Area Delivery Area
- Assiniboine River Sub-basin
- Whitesand River Sub-basin



Created By: Jesse Nielsen (AWSA)



Beneficial Management Practice (BMP) Top-Up Funding Projects

The AWSA once again offered Beneficial Management Practice (BMP) top-up funding as an added incentive for producers to implement any of the following four BMPs:

Run-off Control BMP #401 - 25% to a maximum \$500

Relocation of Livestock Facilities BMP #101 - 25% to a maximum \$5,000

Decommissioning Water Wells #1001 - 25% to a maximum \$500

Protecting Existing Wells BMP #1002 - 25% to a maximum \$500

We topped up 34 projects in total.

Producer Name	BMP	Rural Municipality
Brett Schlamp	Decommission Well	Langenburg 181
David Weiss	Decommission Well	Langenburg 181
Allison Buchberger	Decommission Well	Langenburg 181
Warren Kotzer	Decommission Well	Langenburg 181
Les Price	Decommission Well	Churchbridge 211
Hillstead Farm	Decommission 2 Wells	Churchbridge 211
Darcy Kentel	Decommission 2 Wells	Churchbridge 211
Art Klaus	Decommission 2 Wells	Saltcoats 213
Doug Hines	Decommission Well	Saltcoats 213
Colin Liebrecht	Decommission Well	Saltcoats 213
Dallas Young	Decommission Well	Saltcoats 213
Ron Boychuk	Decommission Well	Calder 241
Brian Campbell	Protect Existing Well	Wallace 243
Grant Gellert	Decommission Well	Wallace 243
Diane Miller	Decommission Well	Orkney 244
Mike Neilson	Decommission Well	Orkney 244
Bernard Trost	Decommission Well	Orkney 244
Darrel Minke	Protect Existing Well	Orkney 244
Dean Dereniwsky	Decommission Well	Sliding Hills 273
John Bodnaryk	Decommission 2 Wells	Sliding Hills 273
Barry Koshman	Protect Existing Well	Insinger 275
Les Danyluik	Protect Existing Well	Insinger 275
Sharon Andres	Decommission 2 Wells	Foam Lake 276
Victor Loeppky	Decommission Well	Foam Lake 276
Steven Hrynkiw	Decommission 2 Wells	Buchanan 304
Ida Johnson	Decommission Well	Clayton 333
Floyd Head	Decommission Well	Preeceville 334
Stuart Ziola	Decommission Well	Sasman 336

Decommissioning Abandoned Wells BMP # 1001

Steven Hrynskiw 2 Wells



Colin Liebrecht Well



Trent Beres Well



Ida Johnson Well



Allison Buchberger Well



2010 Tradeshows, Workshops and Field Tours

1. Attended the Sustainable Water, Sustainable Energy Workshop - Saskatoon, SK - November 4-5
2. Harvest Showdown - Tradeshaw Booth - Yorkton, SK - November 12-14
3. Presented at the Prairie Habitat Joint Venture (PHJV) Wetland Restoration Workshop - Winnipeg, MB - November 24
4. Attended the Institutional Adaptation to Climate Change (IACC) workshop - Regina - November 26
5. Poster Contest, Grade 5&6 - Presentations at 6 schools: Canora, Melville, Yorkton (2), Springside, Kamsack - January / February
6. Attended the Saskatchewan Conservation & Development Association (SCDA) Annual Conference - Saskatoon, SK - February 11
7. Hosted the AWSA 2009 AGM - Yorkton, SK - February 23
8. Co-hosted the 2010 Yorkton Beef & Forage Appreciation Night - Yorkton, SK - February 25
9. SARM Tradeshaw - Joint Booth with all Watersheds - Regina, SK - March 8-10
10. Presented at the Upper Souris Watershed Planning Meeting - Midale, SK - March 16
11. Melville Tradeshaw - Booth - March 26-28
12. Attended the SAW Annual Conference - Swift Current, SK - April 12-13
13. Presented at the Yorkton Shelterbelt Workshop - April 15
14. Presented at the RM of Invermay Ratepayer's Meeting - April 16
15. Attended the Western Beef Development Centre - Summer Field Day - Lanigan, SK - June 22
16. Presented at the East Central Research Farm - Tour - Canora, SK - July 22
17. Attended the Variable Rate Fertilizer Application Tour - Wroxton, SK - August 9
18. Co-hosted a Rangeland/Dugout Health & River Riffle Area Field Tour - Sturgis, SK - August 17
19. Attended the unveiling of the Harris Conservation Project - Ducks Unlimited Canada (DUC) Yorkton, SK - August 21
20. Presented at the Cover Crop Field Day - Bangor, SK - August 24
21. Hosted a Wetland Restoration Tour - DUC Biologists & Media Staff, plus Research Scientists from the University of Guelph - Smith Creek Sub-Watershed - August 30
22. Attended the SWA Planners Tour - Good Spirit Lake - Theodore Dam - September 8
23. Hosted a Wetland Restoration Tour - local SWA & DUC staff, Agriculture Canada (Ontario) and Ontario Soil and Crop Improvement Association (OSCIA) staff - September 22
24. Attended the Saskatchewan Water Management Forum - Regina, SK - October 13
25. Presented at Victoria School, Grade 3 - Kamsack, SK - Yellow Fish Road - October 21
26. Presented at the Lower Qu'Appelle Watershed Planning Meeting - Tantallon, SK - October 21

Beef & Forage Appreciation Night
February 25



Variable Rate Fertilizer Application Tour
August 9



2010 Field Tours

Dugout Health Field Tour - August 17



Assiniboine River Riffle Area Tour - August 17



Cover Crop Field Tour - August 24



Wetland Restoration Tour - August 30



SWA Planners Tour - September 8



SWA Planners Tour - September 8



2010 Poster Contest

The AWSA held a Poster Contest in February 2010. The contest was part of a provincial contest for grade 5 and 6 students. The contest was aimed to educate the youth in our watershed about the concerns around source water protection.

The contest revolved around the theme, **“What My Watershed Means to Me”**. The Assiniboine Watershed Stewardship Association’s 2010 Poster Contest winner was grade 6 Student, Shaelyn Stadynek, of Melville.

Shaelyn’s first place entry in our watershed won her a \$75 Wal-mart gift card, a backpack full of prizes and got her poster published in a book of the top ten entries from participating watersheds across the province. Shaelyn then went on to display her artwork at the 2010 Saskatchewan Association of Watersheds (SAW) conference, where she was the provincial grand prize winner. She received a lap-top computer for her tremendous accomplishment.

The picture below shows Shaelyn posing with her winning poster alongside AWSA coordinator, Jesse Nielsen.



Yellow Fish Road Education & Awareness Project

On Oct 21, 2010 the AWSA travelled to Kamsack's Victoria School to assist the Grade 3 class with their Yellow Fish Road Project.

The "Yellow Fish Road" program was started in 1991 by Trout Unlimited Canada to raise awareness about pollution entering local water bodies through storm drains. In most communities storm drains empty directly into nearby water bodies without being treated.

Bright yellow fish are painted on storm drains and informational hangers are hung on household doors to remind people to be aware of what may be entering their drains.

The students painted over a dozen drains around the school. A total of 45,720 drains have been painted and 177,251 hangers have been hung by the program between 2005 - 2009.



Don Harris Conservation Project

Ducks Unlimited Canada (DUC) officially dedicated the Harris Conservation Project in honour of Don Harris on Saturday, August 21, 2010. This highly productive marshland is located on the edge of Yorkton and is highly accessible to the public. Yorkton's Don Harris has been a tireless volunteer for DUC. Together with the Yorkton DUC volunteer chapter, Don has raised more than \$280,000 for the protection and enhancement of thousands of acres of wetlands and associated waterfowl habitat in Saskatchewan.

This important wetland has many visitors each year and serves as an outdoor classroom for people of all ages. An interpretive trail, boardwalks and observation areas have enhanced its educational value to hundreds of local students each year.

The AWSA provided a canoe, paddles and lifejackets towards this project. We encourage everyone to visit this excellent wetland and to take a relaxing canoe ride through the wetland project.



City of Yorkton - Flood Pictures

The City of Yorkton experienced a greater than a 1 in 100 year flood event on July 1, 2010. On average, the city received between 80 - 100 mm of rain within an approximate eight hour time frame, with some areas of the city receiving up to 150 mm of rain.

It is estimated that the flood caused over 30 million dollars in damage.



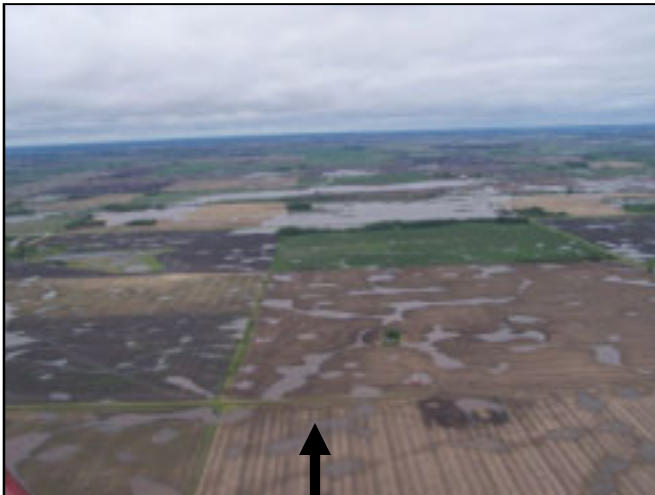
Aerial Photos - Canora Area

The following photos were taken north of Canora, and near Good Spirit Lake on June 9, 2010. These photos serve to illustrate the magnitude of precipitation the Assiniboine River Watershed received in 2010. These photos were provided by Ducks Unlimited Canada.

Pic # 1 - Approximately 8 miles North West of Canora



Pic # 2 - Approximately 5 miles North West of Canora



Pic # 3 - Approximately 2 miles North of Canora

Pic # 4 - Good Spirit Lake in the background



Good Spirit Lake - Flood Pictures

With the excessive moisture this year, Good Spirit Lake experienced major flooding. It was recorded that the flows entering the lake at the inlet were seven times greater than what the outlet control structure is capable of releasing. This caused the lake to rise approximately 4 feet. For more information on the Good Spirit Watershed Association visit: www.goodlakerm.com

The following pictures were taken in June - July 2010.



Watershed Flight Pictures

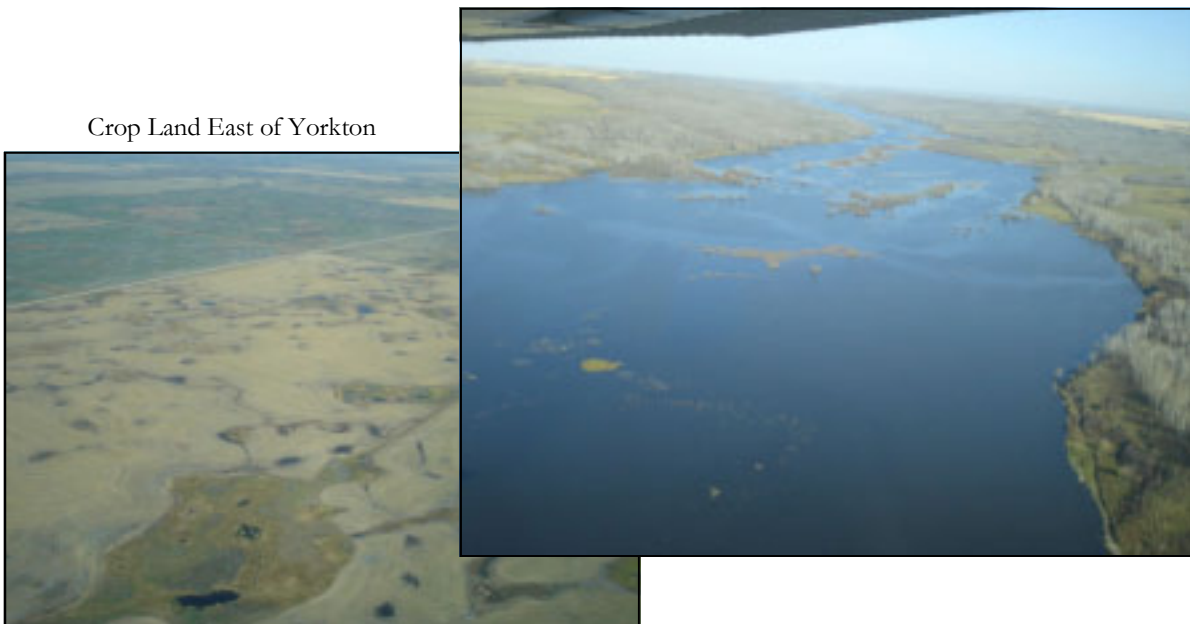
Due to the extreme rain events that occurred this year the AWSA staff took an aerial tour of the Assiniboine River Watershed on October 5, 2010. AWSA Coordinator and pilot, Jesse Nielsen took us on a 3.5 hr flight where we flew the Whitesand River, Fishing Lake and the Headwaters of the Assiniboine River all the way down to the Manitoba border. We then crossed Crescent, Leach, and York Lake on our way back to Yorkton. It was extremely unusual to see such a huge amount of water on the landscape so late in the year.

Assiniboine River



Assiniboine River

Crop Land East of Yorkton



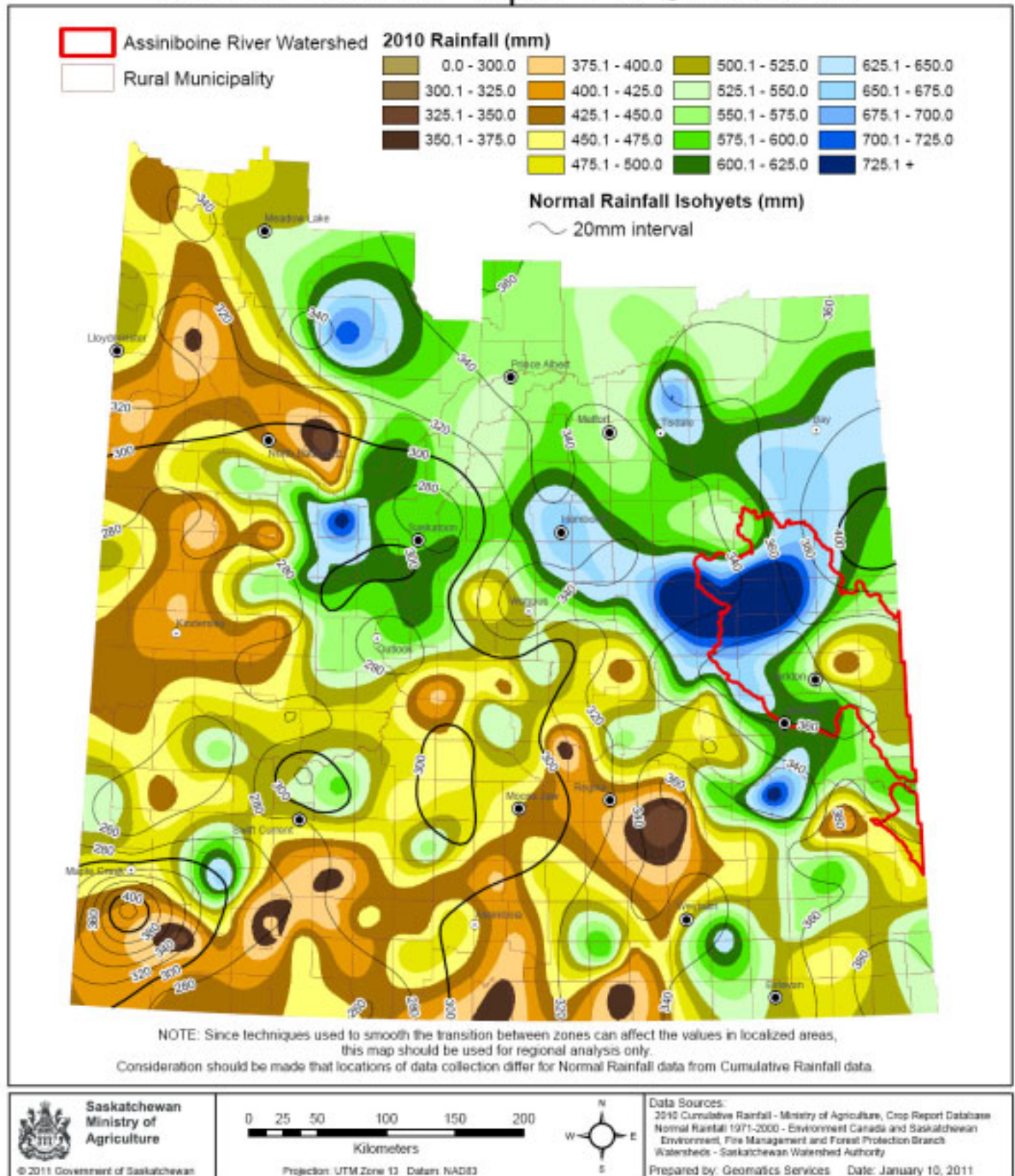
Fishing Lake - Flood Pictures

Devastation hit Fishing Lake in 2007 where almost all lakefront cabins experienced water damage from flooding. With the excessive moisture in 2010, flooding once again struck the lake.

The top four pictures are of the 2010 flood and the bottom two are from the 2007 flood. All pictures were provided by the Saskatchewan Watershed Authority and the Wadena News.



Cumulative Rainfall - April 1 to November 1, 2010 Compared to Normal Rainfall - April 1 to October 31



Acronym List

AAFC – Agriculture and Agri-Food Canada

AEGP – Agri-Environmental Group Plans

AESB – Agri-Environment Services Branch (Formerly PFRA)

AWSA – Assiniboine Watershed Stewardship Association

BMP – Beneficial Management Practice

COY – City of Yorkton

DFO – Department of Fisheries and Oceans

DUC – Ducks Unlimited Canada

FNR – First Nations Reserve

FRWIP – Farm and Ranch Water Infrastructure Program

GIS – Geographic Information System

ILO – Intensive Livestock Operation

IACC – Institutional Adaptation to Climate Change

LIRA – Land and Infrastructure Resiliency Assessment

MOA – Ministry of Agriculture

MOE – Ministry of Environment

OSCIA – Ontario Soil and Crop Improvement Association

PCAB – Provincial Council of Add Boards

PHJV – Prairie Habitat Joint Venture

PFRA – Prairie Farm Rehabilitation Administration

RM – Rural municipality

SARM – Saskatchewan Association of Rural Municipalities

SAW – Saskatchewan Association of Watersheds

SCDA – Saskatchewan Conservation & Development Association

SES – Saskatchewan Environmental Society

SRC – Saskatchewan Research Council

SUMA – Saskatchewan Association of Urban Municipalities

SWA – Saskatchewan Watershed Authority

SWF – Saskatchewan Wildlife Federation

SWPP – Source Water Protection Plan

Aquifer – A permeable body of rock capable of yielding usable quantities of groundwater to wells and springs.

Watershed – An elevated boundary contained by its drainage divide and subject to surface and subsurface drainage under gravity to the ocean and interior lakes.



AUDITORS' REPORT

**To the Board of Directors:
Assiniboine Watershed Stewardship Association Inc.
Yorkton, Saskatchewan**

We have audited the statement of financial position of **Assiniboine Watershed Stewardship Association Inc.** as at **October 31, 2010** and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at October 31, 2010 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Yorkton, Saskatchewan
December 14, 2010

**PARTNERSHIP OF
CHARTERED ACCOUNTANTS**

**Partnership of Chartered Accountants
Understanding your Business**

ASSINIBOINE WATERSHED STEWARDSHIP ASSOCIATION INC.
STATEMENT OF FINANCIAL POSITION
 As at October 31, 2010

ASSETS	2010	2009
CURRENT		
Cash	\$ 93,026	\$ 155,244
Accounts receivable (Note 3)	16,612	11,258
Prepaid expenses	757	1,238
	<hr/>	<hr/>
	110,395	167,740
PROPERTY, PLANT AND EQUIPMENT (Notes 2 and 4)	4,476	5,909
SECURITY DEPOSIT	1,230	1,230
	<hr/>	<hr/>
	\$ 116,101	\$ 174,879
	<hr/>	<hr/>
LIABILITIES		
CURRENT		
Accounts payable (Note 5)	\$ 3,142	\$ 7,344
Deferred revenue (Note 8)	40,406	120,666
	<hr/>	<hr/>
	43,548	128,010
	<hr/>	<hr/>
NET ASSETS		
INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT	4,476	5,909
UNRESTRICTED NET ASSETS	68,077	40,960
	<hr/>	<hr/>
	72,553	46,869
	<hr/>	<hr/>
	\$ 116,101	\$ 174,879
	<hr/>	<hr/>

Approved on Behalf of the Board:



 Director

ASSINIBOINE WATERSHED STEWARDSHIP ASSOCIATION INC.
STATEMENT OF OPERATIONS
For the year ended October 31, 2010

	General and Capital Funds	Project Fund	2010 Total	2009 Total
REVENUE				
Saskatchewan Watershed Authority	\$ 119,674	\$ 46,558	\$ 166,232	\$ 107,863
Environment Canada		116,407	116,407	12,500
Ministry of Agriculture		99,629	99,629	30,158
Membership fees	28,500		28,500	25,250
Project administration	5,161	(5,161)		
Yellowhead REDA				907
Sponsorship income				310
Expense recoveries				255
Ducks Unlimited Canada	260		260	13,332
Interest	237		237	294
	153,832	257,433	411,265	190,869
EXPENSES				
Advertising	2,387	6,560	8,947	13,642
Amortization	1,433		1,433	1,023
Board of Directors	9,534		9,534	6,409
Courses and seminars	575		575	131
Equipment	1,594		1,594	5,984
Insurance	472		472	209
Interest and bank charges	192		192	193
Meals and entertainment	603		603	1,197
Memberships and licenses	3,071		3,071	2,162
Office, printing and postage	8,742	2,886	11,628	3,912
Professional fees	3,913		3,913	4,014
Projects		128,772	128,772	17,894
Rent	3,484	11,276	14,760	7,380
Salaries and benefits	84,802	99,506	184,308	125,479
Telephone	4,419		4,419	4,196
Travel	2,927	8,433	11,360	10,311
	128,148	257,433	385,581	204,136
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FOR THE YEAR	\$ 25,684	\$	\$ 25,684	\$ (13,267)

ASSINIBOINE WATERSHED STEWARDSHIP ASSOCIATION INC.
STATEMENT OF CHANGES IN NET ASSETS
 For the year ended October 31, 2010

	General Fund	Invested in Property, Plant and Equipment	Project Total	2010 Total	2009 Total
NET ASSETS, BEGINNING OF YEAR	\$ 40,960	\$ 5,909	\$	\$ 46,869	\$ 60,136
Excess (Deficiency) of Revenues over Expenses for the Year	27,117	(1,433)		25,684	(13,267)
NET ASSETS, END OF YEAR	\$ 68,077	\$ 4,476	\$	\$ 72,553	\$ 46,869

ASSINIBOINE WATERSHED STEWARDSHIP ASSOCIATION INC.
STATEMENT OF CASH FLOWS
For the year ended October 31, 2010

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficiency) of Revenues over Expenses for the year	\$ 25,684	\$ (13,267)
Adjustments for Amortization	1,433	1,023
Changes in non-cash working capital (Note 6)	(89,335)	90,093
	<u>(62,218)</u>	<u>77,849</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment		(5,815)
Change in other long-term assets		(1,230)
		<u>(7,045)</u>
NET INCREASE (DECREASE) IN CASH	(62,218)	70,804
CASH, BEGINNING OF YEAR	155,244	84,440
CASH, END OF YEAR	\$ 93,026	\$ 155,244

ASSINIBOINE WATERSHED STEWARDSHIP ASSOCIATION INC.
NOTES TO FINANCIAL STATEMENTS
 For the year ended October 31, 2010

1. ENTITY DEFINITION

The Assiniboine Watershed Stewardship Association Inc. (the organization) was incorporated on January 23, 2007 under the Non-Profit Corporations Act. The organization works to protect and enhance source water in the Assiniboine River Watershed as guided by the Assiniboine River Watershed Water Protection Plan and the Yorkton Area Aquifers Source Water Protection Plan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are the responsibility of the organization's management and have been prepared in accordance with Canadian generally accepted accounting principles using the accounting policies summarized below:

Fund accounting

The accounts of the organization are maintained in accordance with the principles of fund accounting. For financial reporting purposes, accounts with similar characteristics have been combined into the following major funds:

(i) General fund

The general fund reflect primary operations of the organization including revenues received for operations and administration.

(ii) Project fund

The project funds accounts for revenue and expenditures related to specific projects undertaken by the organization.

(iii) Capital fund

The capital fund is a restricted fund that reflects the equity of the organization in property, plant and equipment. The capital fund includes revenues designated for the acquisition of property, plant and equipment. Expenses consist primarily of the amortization of property, plant and equipment.

Property, plant and equipment

Property, plant and equipment are recorded at cost.

Amortization on property, plant and equipment is calculated on a straight line basis at the following rates:

Furniture, fixtures and equipment	-	12.5 %
Computer equipment and software	-	25 %

Revenue recognition

The organization follows the deferral method of accounting for contributions, including funding revenues. Contributions restricted for specific purposes are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonable assured.

Deferred revenue

Deferred revenue is the portion of fees received prior to year end which relates to programs and services to be delivered after year end.

ASSINIBOINE WATERSHED STEWARDSHIP ASSOCIATION INC.
NOTES TO FINANCIAL STATEMENTS
 For the year ended October 31, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Allocation of expenses

The organization undertakes a number of projects in any given year which are funded through specific grants and programs. Expenses are allocated to these projects as disclosed on the Statement of Project Fund Operations on the following basis:

- Occupancy costs (rent expenses) are allocated to the extent approved under specific funding agreements;
- General expenses, including meals and travel costs, as well as project specific expenditures, are allocated to the specific projects for which they have been incurred;
- Wages are allocated based on time spent on each project on an hourly wage equivalent. Wages are only allocated to the extent that project revenues have been received to offset the related wages. Any employee time spent on projects for which funding has been exhausted by non-wage related expenses is expensed in the general fund.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Risk management policies and hedging activities

Consistent with other small entities, management's risk management policies are typically performed as a part of the overall management of the entity's operations. Management is aware of risks related to these objectives through direct personal involvement with employees and outside parties. Management's close involvement in operations identifies risks and variations from expectations leading to changes in risk management activities and requirements and actions. Management has not entered into hedging transactions to manage risk. As a part of the overall management of the entity's operations management considers avoidance of undue concentration of risk, and may require collateral to mitigate credit risk.

Capital management

The Assiniboine Watershed Stewardship Association Inc. considers its capital to be the balance maintained in its net assets. The primary objective of the Assiniboine Watershed Stewardship Association Inc. is to invest its capital in a manner that will allow it to continue as a going concern and comply with its stated objectives. Capital is invested under the direction of the Board of Directors of the Assiniboine Watershed Stewardship Association Inc. with the objective of providing a reasonable rate of return, minimizing risk and ensuring adequate liquid investments are on hand for current cash flow requirements. Assiniboine Watershed Stewardship Association Inc. is not subject to any externally imposed requirements of its capital.

ASSINIBOINE WATERSHED STEWARDSHIP ASSOCIATION INC.
NOTES TO FINANCIAL STATEMENTS
 For the year ended October 31, 2010

3. ACCOUNTS RECEIVABLE	2010	2009
Grants receivable	\$ 15,007	\$ 9,946
Other accounts receivable		654
GST receivable	1,605	658
	<u>\$ 16,612</u>	<u>\$ 11,258</u>

4. PROPERTY, PLANT AND EQUIPMENT

	Balance, Beginning of Year	Additions	Disposals	Balance, End of Year
Furniture, fixtures and equipment	\$ 2,657			\$ 2,657
Computer equipment and software	4,405			4,405
	<u>7,062</u>			<u>7,062</u>
Furniture, fixtures and equipment	166	332		498
Computer equipment and software	987	1,101		2,088
	<u>1,153</u>	<u>1,433</u>		<u>2,586</u>
BOOK VALUE	<u>\$ 5,909</u>			<u>\$ 4,476</u>

5. ACCOUNTS PAYABLE

	2010	2009
Accounts payable	\$ 3,142	\$ 4,725
Accrued wages		2,619
	<u>\$ 3,142</u>	<u>\$ 7,344</u>

6. CHANGES IN NON-CASH WORKING CAPITAL

	2010	2009
Change in cash from changes in:		
Accounts receivable	\$ (5,354)	\$ 9,691
Prepaid expenses	481	(918)
Accounts payable	(4,202)	4,506
Deferred revenue	(80,260)	76,814
	<u>\$ (89,335)</u>	<u>\$ 90,093</u>

ASSINIBOINE WATERSHED STEWARDSHIP ASSOCIATION INC.
NOTES TO FINANCIAL STATEMENTS
For the year ended October 31, 2010

7. ECONOMIC DEPENDENCE

Assiniboine Watershed Stewardship Association receives at least 40% of its operating revenue from the Saskatchewan Watershed Authority and is economically dependent on it.

8. DEFERRED REVENUE

Deferred revenue is comprised of the following items:

	2010	2009
General fund		
Saskatchewan Watershed Authority	\$	\$ 36,997
Project fund		
Saskatchewan Watershed Authority projects:		
Beneficial Management Practices	2,697	28,868
Well Decommissioning	947	20,959
Flood Awareness	6,500	
Saskatchewan Ministry of Agriculture projects:		
Agri-Environmental group planning	30,262	33,842
	<u>\$ 40,406</u>	<u>\$ 120,666</u>

9. FINANCIAL INSTRUMENTS

Financial instruments of the organization consist of cash, accounts receivable, and accounts payable. The carrying values of these financial assets and liabilities approximate their fair values due to their short term maturity or capacity for prompt liquidation.

Price risk management

The organization is exposed to currency risk, interest rate risk, and market risk. Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The organization does not currently conduct transactions in or hold any foreign currency. Interest rate risk is the risk that the value of a financial instrument will change due to changes in market interest rates. The organization does not currently have any outstanding loans due or any liabilities bearing interest. Finally, market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuers or factors affecting all instruments traded in the market. The organization is not exposed to market risk because it has no financial instruments directly tied to market rates.

Credit risk management

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The organization is currently not in any position where related parties are involved or any other such instances where they are exposed to credit risk.

ASSINIBOINE WATERSHED STEWARDSHIP ASSOCIATION INC.
NOTES TO FINANCIAL STATEMENTS
For the year ended October 31, 2010

9. FINANCIAL INSTRUMENTS (Continued)

Liquidity risk management

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. At this time, the organization has more than adequate current assets to cover its current liabilities, therefore liquidity risk is minimal.

Cash flow risk

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount. Given the organization's financial instruments are primarily short term in nature, cash flow risk is low.

10. LEASE OBLIGATIONS

The organization leases commercial space at \$1,200 per month. The current lease agreement expires April 30, 2012.

11. COMPARATIVE FIGURES

The comparative figures were audited by another public accounting firm on December 11, 2009.

ASSINIBOINE WATERSHED STEWARDSHIP ASSOCIATION INC.
STATEMENT OF PROJECT FUND OPERATIONS BY PROJECT
For the year ended October 31, 2010

	Beneficial Management Practices Project	Municipal Wells Project	Cupar Creek Project	Eco-action/Stormwater Project	Reverse Auction Project	Agri-Envir. Group Project	Total 2010	Total 2009
REVENUE								
Saskatchewan Watershed Authority	\$ 26,171	\$ 10,762	\$ 9,625	\$ 32,500	\$ 83,907	\$ 46,558	\$ 116,407	\$ 26,900
Environment Canada								12,500
Ducks Unlimited Canada								13,332
Ministry of Agriculture						99,629	99,629	30,158
Yellowhead REDA								907
Sponsorship income								310
	26,171	10,762	9,625	32,500	83,907	99,629	262,594	84,107

EXPENSES								
Advertising				1,887		4,673	6,560	13,397
Office, telephone, printing and postage						2,886	2,886	967
Other project costs		10,762	9,000	18,000	30,000		67,762	11,147
Producer payments	21,010				40,000		61,010	6,747
Professional fees								515
Project administration charge to general fund	5,161						5,161	1,098
Rent					3,200	8,076	11,276	1,794
Salaries and benefits				12,613	8,809	78,084	99,506	42,345
Travel, entertainment and convention			625		1,898	5,910	8,433	6,097
	26,171	10,762	9,625	32,500	83,907	99,629	262,594	84,107

Excess (deficiency) of Revenues over Expenditures \$ \$ \$ \$ \$ \$ \$ \$ \$ \$





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