

WATERCAN/EAU VIVE CORPORATION
(operating as WaterAid Canada)

FINANCIAL STATEMENTS

MARCH 31, 2021

WATERCAN/EAU VIVE CORPORATION
(operating as WaterAid Canada)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
WaterCan/Eau vive Corporation

Opinion

We have audited the financial statements of WaterCan/Eau vive Corporation (the Corporation), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in 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 Corporation as at March 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing 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 Corporation 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.

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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

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

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.

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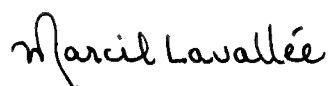
Cabinet indépendant affilié à
Independent firm affiliated to



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 Corporation'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 Corporation'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 Corporation 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.



Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
June 21, 2021

WATERCAN/EAU VIVE CORPORATION

(operating as WaterAid Canada)

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2021

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	2021	2020
REVENUES		
Grants and contributions		
Global Affairs Canada	\$ 1,864,728	\$ 1,578,297
Pathy Family Foundation	361,985	165,015
Canada Emergency Wage Subsidy	348,010	-
One Drop Foundation	81,566	362,676
Amref Health Africa in Canada	79,182	933,646
WaterAid America/Gates Foundation	42,065	38,704
WaterAid UK	-	791,931
Donations (Note 3)	1,188,977	1,696,812
Investment income	8,024	-
	3,974,537	5,567,081
EXPENSES		
International program (Schedule A)	2,714,057	3,609,541
Fundraising (Schedule B)	615,291	1,135,628
Public engagement (Schedule C)	297,549	381,779
Canadian administration (Schedule D)	219,914	180,827
	3,846,811	5,307,775
EXCESS OF REVENUES OVER EXPENSES	\$ 127,726	\$ 259,306

WATERCAN/EAU VIVE CORPORATION

(operating as WaterAid Canada)

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2021

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	Unrestricted	Reserve Fund	Invested in Capital Assets	2021 Total	2020 Total
BALANCE, BEGINNING OF YEAR	\$ 596,480	\$ 250,000	\$ 9,045	\$ 855,525	\$ 596,219
Excess of revenues over expenses	132,933	-	(5,207)	127,726	259,306
Internal restrictions (Note 8)	(75,000)	75,000	-	-	-
BALANCE, END OF YEAR	\$ 654,413	\$ 325,000	\$ 3,838	\$ 983,251	\$ 855,525

WATERCAN/EAU VIVE CORPORATION

(operating as WaterAid Canada)

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2021

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	2021	2020
ASSETS		
CURRENT ASSETS		
Cash	\$ 3,362,180	\$ 1,763,874
Investments in quoted shares	99,864	35,703
Accounts receivable (Note 4)	55,385	25,857
Advances to projects	27,593	61,107
Grants and contributions receivable	82,808	90,060
Prepaid expenses	5,410	-
	3,633,240	1,976,601
CAPITAL ASSETS (Note 5)	3,838	9,045
	\$ 3,637,078	\$ 1,985,646
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	\$ 161,985	\$ 292,432
Due to projects	464,004	266,575
Deferred grants, contributions and donations (Note 7)	2,027,838	571,114
	2,653,827	1,130,121
NET ASSETS		
Unrestricted	654,413	596,480
Internal restrictions (Note 8)		
Reserve Fund	325,000	250,000
Invested in Capital Assets	3,838	9,045
	983,251	855,525
	\$ 3,637,078	\$ 1,985,646

ON BEHALF OF THE BOARD

 , Director

 , Director

WATERCAN/EAU VIVE CORPORATION

(operating as WaterAid Canada)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

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	2021	2020
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 127,726	\$ 259,306
Adjustment for:		
Amortization of capital assets	5,207	5,207
	132,933	264,513
Net change in non-cash items related to operating activities:		
Accounts receivable	(29,528)	97,934
Advances to projects	33,514	161,930
Grants and contributions receivable	7,252	(90,060)
Prepaid expenses	(5,410)	-
Accounts payable and accrued liabilities	(130,447)	12,901
Due to projects	197,429	(999,518)
Deferred grants, contributions and donations	1,456,724	(1,074,880)
	1,529,534	(1,891,693)
	1,662,467	(1,627,180)
INVESTING ACTIVITIES		
Net change in investments	(64,161)	(25,658)
Acquisition of capital assets	-	(5,320)
	(64,161)	(30,978)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,598,306	(1,658,158)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,763,874	3,422,032
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 3,362,180	\$ 1,763,874

Cash and cash equivalents consist of cash.

WATERCAN/EAU VIVE CORPORATION

(operating as WaterAid Canada)

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

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1. STATUTE AND NATURE OF OPERATIONS

The mission of WaterCan/Eau vive Corporation, operating as WaterAid Canada (the Corporation), is to help citizens of developing countries build sustainable water supply and sanitation services, and to encourage Canadians to lend support. The Corporation is incorporated as a not-for-profit organization under the Canada Not-for-Profit Corporations Act, and is exempt from income taxes as a registered charity under the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The Corporation applies the Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook – Accounting.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the reported amounts of revenues and expenses for the periods covered. In preparing the financial statements, the amount of expenses relating to International projects is recorded based on reports submitted by the country programs. Since these expenses are subject to audit by the funder or sponsor and that these audits can be carried out during the course of the project, the amount of expenses claimed is assumed to be admissible under these agreements and the final actual amount may differ from the amount initially recorded.

Revenue recognition

The Corporation follows the deferral method of accounting for grants, contributions and restricted donations. Under this method, grants, contributions and restricted donations for future period expenses are deferred and are recognized as revenue in the year in which the related expenses are incurred. These revenues may be repayable if not utilized within their respective programs.

Unrestricted donations are recognized as revenue when received or receivable, provided that the amount to be received can be reasonably estimated and collection reasonably assured.

Investment revenues are recognized when earned.

Contribution receivable

A contribution receivable is recognized as an asset when the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

Contributed services

The Corporation would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Because of the inherent difficulty in compiling these hours, contributed services are not recognized in the financial statements.

WATERCAN/EAU VIVE CORPORATION

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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Allocated expenses

The Corporation allocates certain of its salaries and benefits as well as its administration expenses to the international, the public engagement and the fundraising programs by identifying the appropriate basis of allocating each component and applies that basis consistently each year.

Salaries and benefits are allocated to each program based on estimated time spent on each program or based on actual time worked on projects and programs. Administration expenses are allocated on the basis of the approved budget which are based on the actual needs of the Corporation.

Cash and cash equivalents

The Corporation's policy is to present bank balances, including bank indebtedness with balances that fluctuate frequently from being positive to overdrawn, under cash and cash equivalents.

Capital assets

Capital assets are accounted for at cost. Amortization is calculated on their respective estimated useful life using the straight-line method over the following periods:

Furniture and equipment	5 years
Computer equipment	3 years

Write-down of capital assets

When a capital asset no longer contributes to the Corporation's ability to provide services, its carrying amount is written down to residual value, if any. The excess of its net carrying amount over any residual value is recognized as an expense in the Statement of Operations.

Translation of foreign currency transactions and items

The Corporation uses the temporal method to translate its foreign currency transactions.

Monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date. Other assets and liabilities are translated at the exchange rate in effect at the transaction date. Revenues and expenses, translated at the historical rate, are translated at the average rate for the year. Exchange gains and losses are included in the Statement of Operations.

WATERCAN/EAU VIVE CORPORATION

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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Initial and subsequent measurement

The Corporation initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Corporation subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value of these financial instruments are recognized in operations in the period incurred.

Financial assets measured at amortized cost include cash, accounts receivable, advances to projects and grants and contributions receivable.

Financial assets measured at fair value include investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and due to projects.

Impairment

For financial assets measured at cost or amortized cost, the Corporation determines whether there are indications of possible impairment. When there is an indication of impairment, and the Corporation determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in operations. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in operations.

Transaction costs

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in operations in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in operations over the life of the instrument using the straight-line method.

WATERCAN/EAU VIVE CORPORATION

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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

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3. DONATIONS

	2021		2020	
General donations	\$	1,188,977	\$	1,280,576
Walk for Water		-		274,284
Focused Country Programs		-		141,952
	\$	1,188,977	\$	1,696,812

4. ACCOUNTS RECEIVABLE

	2021		2020	
HST receivable	\$	28,043	\$	8,045
WaterAid America		26,776		7,891
Other		566		9,921
	\$	55,385	\$	25,857

5. CAPITAL ASSETS

	2021			2020				
	Cost	Accumulated amortization	Net book value	Net book value				
Furniture and equipment	\$	21,778	\$	19,372	\$	2,406	\$	4,940
Computer equipment		17,589		16,157		1,432		4,105
	\$	39,367	\$	35,529	\$	3,838	\$	9,045

The amortization expense on capital assets is \$5,207 (2020: \$5,207).

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021		2020	
Suppliers and accrued liabilities	\$	77,523	\$	69,457
WaterAid UK		84,462		181,791
Global Affairs Canada		-		41,184
	\$	161,985	\$	292,432

WATERCAN/EAU VIVE CORPORATION

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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

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7. DEFERRED GRANTS, CONTRIBUTIONS AND DONATIONS

The deferred grants, contributions and donations represent restricted funding that is related to the subsequent year and are detailed as follows:

	2021	2020
Global Affairs Canada - HerWASH SRHR Project	\$ 1,993,723	\$ 330,314
Amref Health Africa in Canada - Tanzania Project	18,975	-
One Drop Foundation - India Project	15,140	30,750
Donations - Tanzania Project	-	105,571
WaterAid America / Gates Foundation	-	26,749
Pathy Family Foundation - Malawi Project	-	77,730
	\$ 2,027,838	\$ 571,114

The change in deferred grants, contributions and donations during the year is as follows:

	2021	2020
Balance, beginning of the year	\$ 571,114	\$ 1,645,994
Plus: Amount granted during the year	4,119,393	2,055,138
Less: Amount recognized as revenue in the year	(2,662,669)	(3,130,018)
Balance, end of year	\$ 2,027,838	\$ 571,114

8. INTERNAL RESTRICTIONS

The Reserve Fund is intended to set aside funds to cover the costs associated with the winding down of WaterAid Canada in the event it ceases operations.

During the year, the Board of Directors has approved a transfer of \$75,000 from the Unrestricted Fund to the Reserve Fund.

9. ALLOCATED EXPENSES

Salaries and benefits and administration expenses have been allocated as follows:

	Salaries and benefits		Administrative expenses	
	2021	2020	2021	2020
International program	\$ 450,599	\$ 526,015	\$ 69,133	\$ 63,124
Fundraising	386,140	386,709	100,205	119,695
Public engagement	154,603	131,218	73,038	89,020
Canadian administration	136,638	120,564	73,642	54,447
	\$ 1,127,980	\$ 1,164,506	\$ 316,018	\$ 326,286

WATERCAN/EAU VIVE CORPORATION

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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

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10. FINANCIAL INSTRUMENTS

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

As of March 31, 2021, assets include cash of \$19,581 (2020: \$17,791) in US dollars, which have been converted into Canadian dollars.

11. CONTINGENCIES

Other indemnification agreements

In the normal course of operations, the Corporation signs agreements whereby funds are provided for the execution of projects which are subject to restrictions as to the use of the funds. The sponsors of these projects can execute an audit of the financial records of the Corporation to ensure compliance with the project requirements. In the event that amounts to be reimbursed to the sponsor of a project are identified, the necessary adjustments will be recognized in the year they are identified.

12. CORONAVIRUS PANDEMIC

The coronavirus pandemic (COVID-19) has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The financial impact on the Corporation is dependent on the future course of events, including the duration of interruptions and trade restrictions imposed by the government, the rollout of the vaccination program among the general public and the effectiveness of measures taken in Canada and other countries to combat the virus. These events are highly uncertain and, as such, the Corporation cannot determine the ultimate financial impacts at this time.

13. COMPARATIVE FIGURES

Certain figures for 2020 have been reclassified to conform to the presentation adopted in 2021.

WATERCAN/EAU VIVE CORPORATION

(operating as WaterAid Canada)

ADDITIONAL INFORMATION

FOR THE YEAR ENDED MARCH 31, 2021

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	2021	2020
SCHEDULE A - INTERNATIONAL PROGRAM		
International projects	\$ 2,334,530	\$ 3,286,669
International program operations	379,527	322,872
	\$ 2,714,057	\$ 3,609,541

SCHEDULE B - FUNDRAISING

Fundraising operations	\$ 511,114	\$ 563,935
New donor acquisition	76,961	514,590
Direct mail	27,216	50,895
Walk for Water	-	6,208
	\$ 615,291	\$ 1,135,628

SCHEDULE C - PUBLIC ENGAGEMENT

Public engagement operations	\$ 221,495	\$ 215,648
Special events/other	50,107	104,681
Media and communications	13,540	42,264
Website	9,360	14,989
Annual report and newsletter	3,047	4,197
	\$ 297,549	\$ 381,779

SCHEDULE D - CANADIAN ADMINISTRATION

Salaries and benefits	\$ 136,638	\$ 120,564
Office	48,665	30,952
Professional fees	24,762	14,855
Rent	9,849	14,456
	\$ 219,914	\$ 180,827
