

WATERCAN / EAU VIVE CORPORATION
(operating as WaterAid Canada)

FINANCIAL STATEMENTS

MARCH 31, 2024

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 (operating as WaterAid Canada) (the Corporation), which comprise the statement of financial position as at March 31, 2024, 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, 2024, 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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MOORE
Un membre indépendant de
Moore North America, Inc.
An independent member
of Moore North America, Inc.

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 20, 2024

WATERCAN / EAU VIVE CORPORATION

(operating as WaterAid Canada)

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2024

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	2024	2023
REVENUES		
Grants and contributions (Schedule A)	\$ 2,915,770	\$ 2,613,483
Donations and bequests	1,166,464	1,067,263
Indirect cost recovery from funding agencies	297,260	427,046
Other income	28,451	81,132
	4,407,945	4,188,924
EXPENSES		
Programming		
Funded by grants and contributions	2,915,770	2,613,483
Funded by unrestricted donations	147,465	135,736
Program support	435,424	456,147
Public engagement	337,706	213,396
Fundraising	375,258	502,331
Administration	124,605	242,889
	4,336,228	4,163,982
EXCESS OF REVENUES OVER EXPENSES	\$ 71,717	\$ 24,942

WATERCAN / EAU VIVE CORPORATION

(operating as WaterAid Canada)

STATEMENT OF CHANGES IN NET ASSETS**FOR THE YEAR ENDED MARCH 31, 2024**

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	Unrestricted	Special Initiatives Fund	Reserve Fund	2024 Total	2023 Total
BALANCE, BEGINNING OF YEAR	\$ 696,179	\$ -	\$ 325,000	\$ 1,021,179	\$ 996,237
Excess of revenues over expenses	71,717	-	-	71,717	24,942
Internal restrictions (Note 8)	(634,346)	609,346	25,000	-	-
BALANCE, END OF YEAR	\$ 133,550	\$ 609,346	\$ 350,000	\$ 1,092,896	\$ 1,021,179

WATERCAN / EAU VIVE CORPORATION

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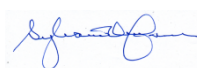
STATEMENT OF FINANCIAL POSITION

MARCH 31, 2024

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	2024	2023
ASSETS		
CURRENT ASSETS		
Cash	\$ 1,851,482	\$ 2,526,662
Accounts receivable (Note 3)	38,830	86,429
Advances to projects	151,602	-
Grants and contributions receivable	1,080,013	-
	3,121,927	2,613,091
INVESTMENTS IN QUOTED SHARES	28,137	9,035
CAPITAL ASSETS (Note 5)	-	579
	28,137	9,614
	\$ 3,150,064	\$ 2,622,705
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	\$ 60,441	\$ 60,000
Due to projects	638,253	494,222
Deferred grants, contributions and donations (Note 7)	1,358,474	1,047,304
	2,057,168	1,601,526
NET ASSETS		
Unrestricted	133,550	696,179
Internal Restrictions (Note 8)		
Special Initiatives Fund	609,346	-
Reserve Fund	350,000	325,000
	1,092,896	1,021,179
	\$ 3,150,064	\$ 2,622,705

ON BEHALF OF THE BOARD



_____, Director

Martin Munro

_____, Director

WATERCAN / EAU VIVE CORPORATION

(operating as WaterAid Canada)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

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	2024	2023
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 71,717	\$ 24,942
Adjustments for:		
Amortization of capital assets	579	855
Grant - Canada Emergency Business Account	-	(20,000)
	72,296	5,797
Net change in non-cash items related to operating activities:		
Accounts receivable	47,599	(1,920)
Advances to projects	(151,602)	12,435
Grants and contributions receivable	(1,080,013)	146,924
Accounts payable and accrued liabilities	442	(66,238)
Due to projects	144,031	(90,928)
Deferred grants, contributions and donations	311,169	600,969
	(728,374)	601,242
	(656,078)	607,039
INVESTING ACTIVITY		
Net change in investments	(19,102)	269
FINANCING ACTIVITY		
Repayment of long-term debt	-	(40,000)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(675,180)	567,308
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,526,662	1,959,354
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,851,482	\$ 2,526,662

Cash and cash equivalents consist of cash.

WATERCAN / EAU VIVE CORPORATION

(operating as WaterAid Canada)

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2024

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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, as a registered charity, is exempt from income taxes under the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The Corporation applies the Canadian accounting standards for not-for-profit organizations.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the amounts recognized as revenues and expenses for the periods covered. Actual results may differ from these estimates. 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. In addition, estimates are also used by management to allocate administration expenses and salaries and benefits to programming and fundraising expenses.

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.

WATERCAN / EAU VIVE CORPORATION

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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2024

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Allocated expenses

The Corporation allocates a portion 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 can fluctuate 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.

WATERCAN / EAU VIVE CORPORATION

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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2024

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 are translated at the average exchange rate of the year. Exchange gains and losses are included in the statement of earnings.

Financial instruments

Initial measurement

The Corporation initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Corporation is in the capacity of management, are initially measured at cost.

Subsequent measurement

The Corporation subsequently measures all its financial assets and liabilities at 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.

Impairment

For financial assets measured at amortized cost, the Corporation determines whether there are indications of possible impairment. When there are, 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. If the indicators of impairment have decreased or no longer exist, the 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.

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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2024

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3. ACCOUNTS RECEIVABLE

	2024		2023	
WaterAid America	\$	20,358	\$	59,270
HST receivable		12,598		21,016
WaterAid UK		3,550		-
Other		2,324		6,143
	\$	38,830	\$	86,429

4. GRANTS AND CONTRIBUTIONS RECEIVABLE

	2024		2023	
Global Affairs Canada	\$	829,296	\$	-
One Drop Foundation		250,717		-
	\$	1,080,013	\$	-

5. CAPITAL ASSETS

	2024			2023	
	Cost	Accumulated amortization	Net book value	Net book value	
Furniture and equipment	\$ 21,778	\$ 21,778	\$ -	\$ 184	
Computer equipment	18,378	18,378	-	395	
	\$ 40,156	\$ 40,156	\$ -	\$ 579	

The amortization expense on capital assets is \$579 (2023: \$855).

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024		2023	
Suppliers and accrued liabilities	\$	54,920	\$	60,000
WaterAid UK		5,521		-
	\$	60,441	\$	60,000

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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2024

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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:

	2024	2023
Global Affairs Canada	\$ 530,239	\$ 798,744
Saputo Foundation	500,000	-
International Development Research Centre	317,226	-
Other	11,009	6,150
One Drop Foundation	-	226,926
Amref Health Africa in Canada	-	15,484
	\$ 1,358,474	\$ 1,047,304

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

	2024	2023
Balance, beginning of the year	\$ 1,407,304	\$ 446,335
Plus: Amount granted during the year	2,866,939	3,234,452
Less: Amount recognized as revenue in the year	(2,915,770)	(2,633,483)
Balance, end of year	\$ 1,358,473	\$ 1,047,304

8. INTERNAL RESTRICTIONS

Reserve Fund

The Reserve Fund is intended to set aside funds to cover severance and other legal obligations in the event the Corporation ceases operations.

During the year, the Board of Directors approved a transfer of \$25,000 from the Unrestricted Fund to the Reserve Fund.

Special Initiatives Fund

The Special Initiatives Fund is intended to fund special initiatives approved by the Board of Directors in order to further the Corporation's mission and strategic objectives.

During the year, the Board of Directors also approved a transfer of \$625,000 from the Unrestricted Fund to the Special Initiatives Fund. Expenses totaling \$15,654 were covered by the Special Initiatives Fund.

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NOTES TO THE FINANCIAL STATEMENTS

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9. ALLOCATED EXPENSES

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

	Salaries and benefits		Administrative expenses	
	2024	2023	2024	2023
Programming	\$ 793,454	\$ 683,158	\$ 167,461	\$ 126,868
Fundraising	271,807	377,935	103,410	66,825
Administration	83,736	131,194	31,244	93,047
	\$ 1,148,997	\$ 1,192,287	\$ 302,115	\$ 286,740

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, 2024, assets include cash of \$72,404 (2023: \$287,801) in US dollars, which have been converted into Canadian dollars.

11. CONTRACTUAL OBLIGATIONS

Under the terms of the contribution agreements signed with funders, the Corporation is committed to finance a specific percentage of the projects' total eligible direct costs varying from 5% to 9%. The Corporation's commitment for the following year has been estimated by management using the projects' budgets at \$235,000. The actual expenses will differ from this estimate. The Corporation will fund these expenses using its self-generated revenue or using the unrestricted net assets.

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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2024

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12. CONTINGENCIES

Other indemnification agreements

In the normal course of operations, the Corporation signs agreements whereby it receives funds for the execution of projects. The sponsors of these projects can execute an audit of the financial records of the Corporation to ensure compliance with the conditions governing the award and availability of project funds. 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.

As at the date of the financial statements, the initial results of one project's audit recommends a total of \$253,938 of expenses disallowed by the funder. As per management, the expenses being questioned were legitimate per the contribution agreement signed with the funder. As at the date of the financial statements, discussions are still taking place between management and the funder. In the event the funder maintains its auditor's findings, management believes that the Corporation can be indemnified by another funder. Therefore, management estimates the probability of loss for the Corporation to be low and therefore, no liability has been recorded in the financial statements.

13. COMPARATIVE FIGURES

Certain figures for 2023 have been reclassified to conform to the presentation adopted in 2024.

WATERCAN / EAU VIVE CORPORATION

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ADDITIONAL INFORMATION

FOR THE YEAR ENDED MARCH 31, 2024

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	2024	2023
SCHEDULE A - GRANTS AND CONTRIBUTIONS		
Global Affairs Canada	\$ 1,650,668	\$ 2,193,978
One Drop Foundation	777,769	302,048
International Development Research Centre	374,280	-
Other restricted contributions	113,053	117,457
	\$ 2,915,770	\$ 2,613,483