

**WATERCAN/EAU VIVE CORPORATION**  
(operating as WaterAid Canada)

FINANCIAL STATEMENTS

MARCH 31, 2022

**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, 2022, 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, 2022, 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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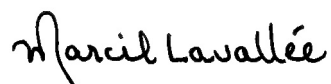
Cabinet indépendant affilié à  
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As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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, 2022

# WATERCAN/EAU VIVE CORPORATION

(operating as WaterAid Canada)

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2022

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	2022	2021
<b>REVENUES</b>		
Grants and contributions		
Global Affairs Canada	\$ 1,872,833	\$ 1,864,728
One Drop Foundation	329,412	81,566
Pathy Family Foundation	215,745	361,985
WaterAid UK	94,734	-
WaterAid America	90,359	42,065
Canada Emergency Wage Subsidy	-	348,010
Amref Health Africa in Canada	-	79,182
	2,603,083	2,777,536
Donations	981,219	1,188,977
Investment income	21,358	8,024
	3,605,660	3,974,537
<b>EXPENSES</b>		
International program (Schedule A)	2,700,891	2,714,057
Fundraising (Schedule B)	523,138	615,291
Public engagement (Schedule C)	204,204	297,549
Canadian administration (Schedule D)	164,441	219,914
	3,592,674	3,846,811
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 12,986</b>	<b>\$ 127,726</b>

**WATERCAN/EAU VIVE CORPORATION**

(operating as WaterAid Canada)

**STATEMENT OF CHANGES IN NET ASSETS****FOR THE YEAR ENDED MARCH 31, 2022**

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	Unrestricted	Reserve Fund	Invested in Capital Assets	2022 Total	2021 Total
<b>BALANCE, BEGINNING OF YEAR</b>	654,413	325,000	3,838	983,251	855,525
Excess of revenues over expenses	16,179	-	(3,193)	12,986	127,726
Invested in capital assets	(789)	-	789	-	-
<b>BALANCE, END OF YEAR</b>	669,803	325,000	1,434	996,237	983,251

# WATERCAN/EAU VIVE CORPORATION

(operating as WaterAid Canada)

## STATEMENT OF FINANCIAL POSITION

MARCH 31, 2022

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	2022	2021
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 1,959,354	\$ 3,362,180
Investments in quoted shares	9,304	99,864
Accounts receivable (Note 3)	84,509	55,385
Advances to projects	12,435	27,593
Grants and contributions receivable	146,924	82,808
Prepaid expenses	-	5,410
	2,212,526	3,633,240
<b>CAPITAL ASSETS (Note 4)</b>	<b>1,434</b>	<b>3,838</b>
	\$ 2,213,960	\$ 3,637,078
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 5)	\$ 126,238	\$ 161,985
Due to projects	585,150	464,004
Deferred grants, contributions, and donations (Note 6)	446,335	2,027,838
	1,157,723	2,653,827
<b>LONG-TERM DEBT (Note 7)</b>	<b>60,000</b>	<b>-</b>
	1,217,723	2,653,827
<b>NET ASSETS</b>		
Unrestricted	669,803	654,413
Internal Restrictions (Note 8)		
Reserve Fund	325,000	325,000
Invested in Capital Assets	1,434	3,838
	996,237	983,251
	\$ 2,213,960	\$ 3,637,078

ON BEHALF OF THE BOARD

Original signed by:

Karin Zabel, Director

Simon Carter, Director

# WATERCAN/EAU VIVE CORPORATION

(operating as WaterAid Canada)

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

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	2022	2021
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 12,986	\$ 127,726
<b>Adjustment for:</b>		
Amortization of capital assets	3,193	5,207
	<b>16,179</b>	<b>132,933</b>
<b>Net change in non-cash items related to operating activities:</b>		
Accounts receivable	(29,124)	(29,528)
Advances to projects	15,158	33,514
Grants and contributions receivable	(64,116)	7,252
Prepaid expenses	5,410	(5,410)
Accounts payable and accrued liabilities	(35,747)	(130,447)
Due to projects	121,146	197,429
Deferred grants, contributions and donations	(1,581,503)	1,456,724
	<b>(1,568,776)</b>	<b>1,529,534</b>
	<b>(1,552,597)</b>	<b>1,662,467</b>
<b>INVESTING ACTIVITIES</b>		
Net change in investments	90,560	(64,161)
Acquisition of capital assets	(789)	-
	<b>89,771</b>	<b>(64,161)</b>
<b>FINANCING ACTIVITY</b>		
Proceeds from long-term debt	60,000	-
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,402,826)</b>	<b>1,598,306</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>3,362,180</b>	<b>1,763,874</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 1,959,354</b>	<b>\$ 3,362,180</b>

Cash and cash equivalents consist of cash.



# **WATERCAN/EAU VIVE CORPORATION**

(operating as WaterAid Canada)

## **NOTES TO THE FINANCIAL STATEMENTS**

**MARCH 31, 2022**

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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.

#### **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

(operating as WaterAid Canada)

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2022

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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

(operating as WaterAid Canada)

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2022

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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 operations.

#### 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.

# WATERCAN/EAU VIVE CORPORATION

(operating as WaterAid Canada)

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2022

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### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### *Transaction costs*

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in operations in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in operations over the life of the instrument using the straight-line method.

### 3. ACCOUNTS RECEIVABLE

	2022		2021	
HST receivable	\$	48,119	\$	28,043
WaterAid America		26,998		26,776
Other		9,392		566
	\$	84,509	\$	55,385

### 4. CAPITAL ASSETS

	2022			2021	
	Cost	Accumulated amortization	Net book value	Net book value	
Furniture and equipment	\$ 21,778	\$ 20,865	\$ 913	\$	2,406
Computer equipment	18,378	17,857	521		1,432
	\$ 40,156	\$ 38,722	\$ 1,434	\$	3,838

The amortization expense on capital assets is \$3,193 (2021: \$5,207).

### 5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022		2021	
Suppliers and accrued liabilities	\$	56,838	\$	77,523
WaterAid UK		69,400		84,462
	\$	126,238	\$	161,985

# WATERCAN/EAU VIVE CORPORATION

(operating as WaterAid Canada)

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2022

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### 6. 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:

	2022	2021
Global Affairs Canada - HerWASH SRHR Project	\$ 410,858	\$ 1,993,723
Amref Health Africa in Canada - Tanzania Project	18,070	18,975
One Drop Foundation - India Project	17,407	15,140
	<b>\$ 446,335</b>	<b>\$ 2,027,838</b>

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

	2022	2021
Balance, beginning of the year	\$ 2,027,838	\$ 571,114
Plus: Amount granted during the year	693,844	4,119,393
Less: Amount recognized as revenue in the year	(2,275,347)	(2,662,669)
Balance, end of year	<b>\$ 446,335</b>	<b>\$ 2,027,838</b>

### 7. LONG-TERM DEBT

	2022	2021
Canada Emergency Business Account, maturing in December 2025, interest-free until December 2023 and bearing interest at 5% thereafter, renewable in December 2023, of which a portion of \$20,000 is convertible into a grant if the loan is fully repaid before that date	\$ 60,000	\$ -

### 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.

# WATERCAN/EAU VIVE CORPORATION

(operating as WaterAid Canada)

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2022

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### 9. ALLOCATED EXPENSES

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

	Salaries and benefits		Administrative expenses	
	2022	2021	2022	2021
International program	\$ 511,566	\$ 450,599	\$ 34,632	\$ 69,133
Fundraising	394,504	386,140	58,378	100,205
Public engagement	140,477	154,603	31,835	73,038
Canadian administration	123,908	136,638	42,872	73,642
	\$ 1,170,455	\$ 1,127,980	\$ 167,717	\$ 316,018

### 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, 2022, assets include cash of \$37,672 (2021: \$19,581) 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.

# WATERCAN/EAU VIVE CORPORATION

(operating as WaterAid Canada)

## ADDITIONAL INFORMATION

FOR THE YEAR ENDED MARCH 31, 2022

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	2022	2021
<b>SCHEDULE A - INTERNATIONAL PROGRAM</b>		
International projects	\$ 2,275,624	\$ 2,334,530
International program operations	425,267	379,527
	\$ 2,700,891	\$ 2,714,057

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## SCHEDULE B - FUNDRAISING

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Fundraising operations	\$ 473,685	\$ 511,114
New donor acquisition	39,319	76,961
Direct mail	10,134	27,216
	\$ 523,138	\$ 615,291

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## SCHEDULE C - PUBLIC ENGAGEMENT

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Public engagement operations	\$ 172,312	\$ 221,495
Website	28,724	9,360
Media and communications	2,196	13,540
Annual report and newsletter	832	3,047
Special events/other	140	50,107
	\$ 204,204	\$ 297,549

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## SCHEDULE D - CANADIAN ADMINISTRATION

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Salaries and benefits	\$ 123,908	\$ 136,638
Professional fees	20,845	24,762
Office	18,494	48,665
Rent	1,194	9,849
	\$ 164,441	\$ 219,914

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