

**WATER FOR PEOPLE CANADA  
FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2017**

**WATER FOR PEOPLE CANADA  
INDEX TO FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2017**

---

	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Changes in Fund Balances	3
Statement of Revenues and Expenditures	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 8



2800 14th Avenue, Suite 400  
Markham, ON L3R 0E4  
905-477-6996 Toronto Line: 416-494-4892  
F: 905-477-9381  
applebaum-commisso.com

## INDEPENDENT AUDITOR'S REPORT

To the Members of Water For People Canada

We have audited the accompanying financial statements of Water For People Canada, which comprise the statement of financial position as at September 30, 2017 and the statements of revenues and expenditures, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

### Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Water For People Canada as at September 30, 2017 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.

Markham, Ontario  
January 25, 2018

*Applebaum, Commisso LLP*  
Applebaum, Commisso LLP  
Chartered Professional Accountants  
Licensed Public Accountants

**WATER FOR PEOPLE CANADA  
STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 2017**

	General fund 2017	Restricted fund 2017	2017	2016
<b>ASSETS</b>				
<b>Current</b>				
Cash	\$ 26,042	\$ -	\$ 26,042	\$ 218,181
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Current Assets</b>				
Accounts payable	\$ 7,594	\$ -	\$ 7,594	\$ 178,500
<b>Fund balances</b>	<b>18,448</b>	<b>-</b>	<b>18,448</b>	<b>39,681</b>
<b>Liabilities and Fund Balances</b>	<b>\$ 26,042</b>	<b>\$ -</b>	<b>\$ 26,042</b>	<b>\$ 218,181</b>

ON BEHALF OF THE BOARD

 *Donald Hester* President

**WATER FOR PEOPLE CANADA  
STATEMENT OF CHANGES IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2017**

	General Fund	Restricted Fund	2017	2016
<b>FUND BALANCES - BEGINNING OF YEAR</b>	\$ 39,681	\$ -	\$ 39,681	\$ 58,646
Deficiency of contributions, grants and sponsorships over expenses	212,227	(233,460)	(21,233)	(18,965)
Transfer of internally restricted contributions	(233,460)	233,460	-	-
<b>FUND BALANCES - END OF YEAR</b>	\$ 18,448	\$ -	\$ 18,448	\$ 39,681

**WATER FOR PEOPLE CANADA**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**YEAR ENDED SEPTEMBER 30, 2017**

	General fund 2017	Restricted fund 2017	Total 2017	Total 2016
<b>Contributions, grants and sponsorships</b> <i>(Note 8)</i>	\$ 309,929	\$ 57,000	\$ 366,929	\$ 361,431
<b>EXPENSES</b>				
Developing countries <i>(Note 5)</i>	-	290,460	290,460	288,610
Fundraising	176	-	176	346
Management and general <i>(Note 6)</i>	97,526	-	97,526	91,440
	97,702	290,460	388,162	380,396
<b>EXCESS (DEFICIENCY) OF CONTRIBUTIONS, GRANTS AND SPONSORSHIPS OVER EXPENSES</b>	\$ 212,227	\$ (233,460)	\$ (21,233)	\$ (18,965)

**WATER FOR PEOPLE CANADA  
STATEMENT OF CASH FLOWS  
YEAR ENDED SEPTEMBER 30, 2017**

	2017	2016
<b>OPERATING ACTIVITIES</b>		
Deficiency Of Contributions Over Expenses	\$ (21,233)	\$ (18,965)
Change in non-cash working capital:		
Accounts payable	(170,906)	171,903
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(192,139)</b>	<b>152,938</b>
Cash - beginning of year	218,181	65,243
<b>CASH - END OF YEAR</b>	<b>\$ 26,042</b>	<b>\$ 218,181</b>

**WATER FOR PEOPLE CANADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2017**

---

**1. PURPOSE OF THE COMPANY**

Water For People Canada (the "Company") is a not-for-profit organization incorporated provincially under the Not-for-profit Corporations Act of Ontario. As a registered charity the Company is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Company operates to provide sustainable drinking water to people in third world countries around the world.

**2. BASIS OF PRESENTATION**

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO). Canadian accounting standards for not-for-profit organizations are part of Canadian generally accepted accounting principles.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Revenue and expense recognition**

Revenue and expenses are recognized on the accrual basis with the exception that donations are recognized on a cash basis, or when receivable if the amount can be reasonably estimated and collection reasonably assured. The organization has also chosen the Restricted Fund Method under generally accepted accounting principles for disclosure purposes.

**(b) Fund accounting**

Water For People Canada follows the deferral method of accounting for contributions.

All restricted donations received are allocated and distributed to/from the restricted fund. All other donations are allocated to the general fund.

**(c) Cash and cash equivalents**

Cash includes cash and cash equivalents. Cash equivalents are investments in treasury bills and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

**(d) Foreign currency translation**

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenues and expenses have been translated at the average rates of exchange during the year.

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

*(continues)*



**WATER FOR PEOPLE CANADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2017**

---

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)***

**(e) Measurement uncertainty**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

**(f) Contributed services**

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services, unless noted otherwise, cannot be reasonably determined and are therefore not reflected in these financial statements.

**(g) Capital assets**

The not-for-profit has elected to expense the purchase of all capital asset purchases made. There were no such transactions in the current year.

**(h) Supporting service expenses**

Supporting service expenses are allocated between administration and fundraising. Fundraising expenses are determined to related directly to a specific fundraising endeavour initiated by the charity. All other supporting service expenses incurred by the charity are allocated as administration related expenses.

**4. FINANCIAL INSTRUMENTS**

The not-for-profit's financial instruments consist of cash and accounts payable. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

**WATER FOR PEOPLE CANADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2017**

---

**5. RELATED PARTY TRANSACTIONS**

Water For People - United States

Water for People Canada and Water for People - United States (WFPU) established an Agency agreement in 1996 which defined the original objectives of the not-for-profit as follows: to provide financial and technical assistance that help people in developing countries obtain and sustain safe drinking water and adequate sanitation systems. These objectives are identical to those of WFPU. The Agency Agreement provides for coordination and guidance on projects between the not-for-profit and WFPU.

1 of the 7 members of the not-for-profit's board of directors also serve on the WFPU board.

During the year the resources of the not-for-profit amounting to \$290,460 (2016 - \$288,610) were allocated to WFPU and designated to be held in Trust and used for the purposes designated solely by the not-for-profit. In accordance with the Agency Agreement WFPU headquarters had provided overhead and staff support to the not-for-profit at not charge.

**6. NON-MONETARY DONATIONS**

Office rent totaling \$9,600 was donated to the not-for-profit in the current year.

**7. INTERFUND TRANSFER**

The not-for-profit often transfers funds internally to the restricted fund based on board of director resolutions to internally restrict certain funds for water purification projects throughout Peru.

**8. ECONOMIC DEPENDENCE**

The Company received 50% (2016-54%) of its total donations from one donor during the fiscal year.