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Financial Statements of

**CANADIAN WATER AND
WASTEWATER ASSOCIATION**

December 31, 2017

Ian W. Hendry, CPA, CA, CFP
Marie Fraser, CPA, CA, CFP
Nancy Nicks, CPA, CA
Jacob Milosek, CPA, CA

MEMBER
INPACT
INTERNATIONAL ALLIANCE OF
PROFESSIONAL ACCOUNTANTS

Daniel B. Warren, CPA, CA, TEP
Blair Duffy, CPA, CA
Todd Hamilton, CPA, CA



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June 4, 2018

INDEPENDENT AUDITORS' REPORT

To the Members of
Canadian Water and Wastewater Association:

We have audited the accompanying financial statements of Canadian Water and Wastewater Association, which comprise the statement of financial position as at December 31, 2017, and the statements of changes in net assets and operations and cash flow for the year then ended, as well as 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.

Auditors' 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 opinion.



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Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of Canadian Water and Wastewater Association as at December 31, 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.

Hendry Warren LLP

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Chartered Accountants
Licensed Public Accountants
Ottawa, Ontario

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CANADIAN WATER AND WASTEWATER ASSOCIATION

Statement of Financial Position

December 31, 2017, with comparative figures for 2016

	2017	2016
Assets		
Current assets		
Cash	\$ 80,428	\$ 126,235
Investments	360,373	252,099
Accounts receivable	37,332	17,432
Prepaid expenses	28,458	16,265
	506,591	412,031
Capital assets (Note 3)	100,474	101,700
	\$ 607,065	\$ 513,731
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued liabilities	\$ 113,978	\$ 150,824
Deferred contributions (Note 4)	36,644	15,620
	150,622	166,444
Commitments (Note 5)		
Net assets		
Unrestricted net assets	310,603	200,221
Internally restricted net assets (Note 6)	45,366	45,366
Invested in capital assets	100,474	101,700
	456,443	347,287
	\$ 607,065	\$ 513,731

Approved on behalf of the Board:

Director

CANADIAN WATER AND WASTEWATER ASSOCIATION

Statement of Changes in Net Assets

Year ended December 31, 2017, with comparative figures for 2016

	2017	2016
Unrestricted net assets		
Balance, beginning of year	\$ 200,221	\$ 88,615
Net revenue for the year	109,156	108,019
Transfer from net assets invested in capital assets	1,226	3,587
Total transfers	1,226	3,587
Balance, end of year	310,603	200,221
Internally restricted net assets		
Balance, beginning and end of year	45,366	45,366
Invested in capital assets		
Balance, beginning of year	101,700	105,287
Amortization	(4,005)	(3,587)
Purchase of capital assets	2,779	-
Total transfers	(1,226)	(3,587)
Balance, end of year	100,474	101,700
	\$ 456,443	\$ 347,287

CANADIAN WATER AND WASTEWATER ASSOCIATION

Statement of Operations

Year ended December 31, 2017, with comparative figures for 2016

	2017	2016
Revenue		
Membership fees	\$ 450,832	\$ 443,555
Conferences	305,425	434,812
Contract project revenue	195,668	53,095
SCC and ISO project grants	38,000	29,179
Other income	32,878	28,709
Corporate sponsorship	18,350	19,500
Interest	5,786	3,617
	1,046,939	1,012,467
Expenses		
Amortization	4,005	3,587
Conferences	190,659	251,053
Contract and professional services	72,318	84,546
Contract project expense	113,637	41,755
Insurance	3,594	3,522
Meetings	11,436	7,526
Memberships	6,118	3,339
Miscellaneous	5,054	7,752
Office occupancy	11,053	11,121
Office	13,996	9,975
Personnel	416,283	407,066
Printing, duplicating and translation	7,762	589
Publicity and promotion	4,069	5,489
SCC and ISO project	38,000	29,179
Supplies	4,914	4,200
Telephone and fax	6,645	7,398
Training	343	4,621
Travel	27,897	21,730
	937,783	904,448
Net revenue	\$ 109,156	\$ 108,019

CANADIAN WATER AND WASTEWATER ASSOCIATION

Cash Flow Statement

Year ended December 31, 2017, with comparative figures for 2016

	2017	2016
Operating activities		
Net revenue	\$ 109,156	\$ 108,019
Non cash item:		
Amortization expense	4,005	3,587
Changes in working capital balances (Note 7)	(47,915)	43,046
Cash provided by operating activities	65,246	154,652
Investing activities		
Acquisition of investments	(108,274)	(58,586)
Acquisition of capital assets	(2,779)	-
Cash used in investing activities	(111,053)	(58,586)
(Decrease) increase in cash	(45,807)	96,066
Cash, beginning of year	126,235	30,169
Cash, end of year	\$ 80,428	\$ 126,235

CANADIAN WATER AND WASTEWATER ASSOCIATION

Notes to the Financial Statements

December 31, 2017, with comparative figures for 2016

1. Statutes of incorporation and nature of activities

Canadian Water and Wastewater Association (the "Association") was incorporated without share capital by letters patent on March 17, 1988 under the Canada Corporations Act and was approved for continuance by letters patent under the Canada Not-for-Profit Corporations Act on September 29, 2014. The Association is a not-for-profit organization and is exempt from income taxes under Section 149(1)(f) of the Income Tax Act.

The mission of the Association is to be the national voice on water and wastewater issues, keep its members informed on national activities and to represent members' interests to the Government of Canada and to interprovincial and international bodies.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting standards for not-for-profit organizations and include the following significant accounting policies:

Joint venture

The Association accounts for its interest in a joint venture using the proportionate consolidation method.

Cash

The Association's policy is to present bank balances net of outstanding items under cash.

Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related restrictions are met.

Revenue from membership fees is recognized proportionately over the membership period.

Revenue from conferences is recognized in the period during which the events are held.

Revenue from contract projects is recognized in the period the work is completed.

SCC and ISO project grants are recognized in the period in which the expenses are incurred.

Revenue from other income is recognized upon delivery of publications to the customer.

Corporate sponsorship and other income is recognized in the period in which it is received.

Investments

Investments in Guaranteed Investment Certificates are measured at cost plus accrued interest, which approximates their fair market value.

CANADIAN WATER AND WASTEWATER ASSOCIATION

Notes to the Financial Statements

December 31, 2017, with comparative figures for 2016

Capital assets

Capital assets are accounted for at cost. Amortization is based on the assets' respective useful lives using the following methods and rate and duration:

Asset	Method	Rate and duration
Building	Straight line	40 years
Office furniture	Declining balance	20%

One-half of the annual amount is claimed in the year of acquisition.

Use of estimates

The preparation of these financial statements in conformity with Canadian generally accepted accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts 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 current period. These estimates are reviewed periodically and adjustments are made to net revenue as appropriate in the year they become known.

Significant management estimates includes the useful lives of capital assets, and the completeness of accounts receivable, and accounts payable and accrued liabilities.

3. Capital assets

			2017	2016
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Building	\$ 143,457	\$ 45,346	\$ 98,111	\$ 101,700
Office furniture	2,780	417	2,363	-
	\$ 146,237	\$ 45,763	\$ 100,474	\$ 101,700

CANADIAN WATER AND WASTEWATER ASSOCIATION

Notes to the Financial Statements

December 31, 2017, with comparative figures for 2016

4. Deferred contributions

Deferred contributions consists of the following:

Deferred Contributions - Project

Projects derived from Committee Research Funds provided by members for use in undertaking specific research projects as agreed to between the member and the Association.

Membership Fees

Membership fees that are paid in advance for a subsequent membership period.

IWSFG Funds Held

Contributions received to fund a standard around flushable products.

Deferred revenue activity for the year consists of the following:

	2017			
	Balance, Beginning of Year	Received During the Year	Recognized as Revenue in the Year	Balance, End of Year
Projects				
Standards Council of Canada				
ISO TC 224	\$ 6,397	\$ -	\$ (1,744)	\$ 4,653
ISO TC 251	1,000	-	-	1,000
ISO TC 275	3,268	-	(2,499)	769
ISO TC 282	4,955	-	(1,833)	3,122
IWSFG Funds held	-	27,100	-	27,100
	\$ 15,620	\$ 27,100	\$ (6,076)	\$ 36,644
2016				
	Balance, Beginning of Year	Received During the Year	Recognized as Revenue in the Year	Balance, End of Year
Projects				
Standards Council of Canada				
ISO TC 224	\$ 7,494	\$ 13,082	\$ (14,179)	\$ 6,397
ISO TC 251	-	6,000	(5,000)	1,000
ISO TC 275	3,268	-	-	3,268
ISO TC 282	4,230	1,972	(1,247)	4,955
Membership fees	538	-	(538)	-
	\$ 15,530	\$ 21,054	\$ (20,964)	\$ 15,620

CANADIAN WATER AND WASTEWATER ASSOCIATION

Notes to the Financial Statements

December 31, 2017, with comparative figures for 2016

5. Commitments

The Association has a commitment relating to expenses for the 2018 Canadian Water and Wastewater Association National Conference. At a minimum, these commitments total \$134,088 for the fiscal year ending December 31, 2018. All amounts include applicable taxes.

Future minimum rental payments required under operating leases for equipment that have initial or remaining lease terms in excess of one year at December 31, 2017 are as follows:

	Equipment
2018	\$ 462
2019	462
2020	462
2021	231
	\$ 1,617

6. Internally restricted net assets

The internally restricted general reserve had been previously set up as a safety reserve for protection against unusual expenses relating to the Association's staffing needs.

7. Changes in working capital balances

Changes in working capital balances have provided (used) cash as follows:

	2017	2016
Accounts receivable	\$ (19,900)	\$ (8,746)
Prepaid expenses	(12,193)	(5,744)
Accounts payable and accrued liabilities	(36,846)	57,446
Deferred contributions	21,024	90
	\$ (47,915)	\$ 43,046

8. Financial instruments

Risk and concentrations

It is management's opinion that the Association is not exposed to significant interest rate, liquidity, market, currency or credit risks arising from its financial instruments. There has been no change to the risk exposure from 2016.

CANADIAN WATER AND WASTEWATER ASSOCIATION

Notes to the Financial Statements

December 31, 2017, with comparative figures for 2016

9. Comparative figures

Certain of the prior year's comparative figures have been reclassified to conform to the current year's financial statement presentation.

These figures were audited and were reported upon by another firm of Chartered Professional Accountants.