

Aquaforum

**Financial Statements
December 31, 2017**

Aquaforum

Financial Statements December 31, 2017

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Independent Auditor's Report

To the Board of Directors of
Aquaforum

We have audited the accompanying financial statements of Aquaforum, which comprise the statement of financial position as at December 31, 2017, and the statement of operations and changes in net assets 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 Aquaforum 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.



Other Matter

The financial statements of Aquaforum for the year ended December 31, 2016, were audited by another independent auditor who expressed an unmodified opinion on those statements on July 11, 2017.

*Richter LLP*¹

Montréal, Quebec
May 8, 2018

¹CPA auditor, CA, public accountancy permit No. A110167

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Statement of Financial Position As at December 31, 2017

	2017 \$	2016 \$
Assets		
Current		
Cash	104,909	40,088
Accounts receivable	200,000	-
	304,909	40,088
Liabilities		
Current		
Accounts payable and accrued liabilities	169,556	33,556
Deferred revenue	125,000	-
	294,556	33,556
Net assets		
Unrestricted	10,353	6,532
	304,909	40,088

See accompanying notes

Approved on behalf of the board

_____, Director

_____, Director

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Statement of Operations and Changes in Net Assets For the Year Ended December 31, 2017

	2017	2016
	\$	\$
Revenues		
Donations	1,320,870	492,780
Donations - individuals	2,260	1,475
Government partnership	12,790	240,750
Sponsorship	254,500	158,500
Registration fees	-	18,593
	1,590,420	912,098
Expenses		
Event related expenses	601,531	504,472
Business development and partnership	454,818	117,170
Communication plan	369,555	210,457
Administrative and other expenses	160,695	73,467
	1,586,599	905,566
Excess of revenues over expenses	3,821	6,532
Net assets - beginning of year	6,532	-
Net assets - end of year	10,353	6,532

See accompanying notes and additional information

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Notes to Financial Statements December 31, 2017

1. Nature of Business

The Foundation is incorporated as a not-for-profit organization under the Canada Not-for-profit Corporation Act on December 10, 2015, and is a registered charity under the Income Tax Act.

The purpose of the Foundation is to conserve the Great Lakes and St. Lawrence Basin, and to foster the quality and responsible use of its water.

The Foundation is a not-for-profit organization and a registered charity under the Income Tax Act and is exempt from income taxes.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

The Foundation also applies the Canadian accounting standards for private enterprises to the extent that these standards address topics not addressed in Canadian accounting standards for not-for-profit organizations.

Revenue recognition

The Foundation follows the deferral method of accounting for contributions.

Contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenues from registration fees for summits are recognized when the summit is held, and collection is reasonably assured.

Sponsorship and government partnership are recognized as revenue over the term of the agreement when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Foreign currency translation

Accounts in foreign currency have been translated into Canadian dollars as follows:

Monetary assets and liabilities denominated in foreign currencies are translated at balance sheet date exchange rates. Other assets and liabilities are translated at rates in effect at the date the assets were acquired and liabilities incurred. Revenue and expenses are translated at the rates of exchange in effect at their transaction dates. The resulting gains or losses are recognized in net earnings.

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Notes to Financial Statements December 31, 2017

2. Summary of significant accounting policies (continued)

Financial instruments

The Foundation initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions. The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets are tested for impairment when there are indicators of possible impairment. Any impairment loss is recognized in excess of revenues over expenses. The previously recognized impairment loss may subsequently be reversed to a maximum of the amortized cost that would have been reported at the date of the reversal had the impairment not been recognized previously.

The carrying amount of the financial asset or liability is adjusted by the transaction costs, which are recognized in excess of revenues over expenses using the straight-line method.

3. Related party transactions

During the year, De Gaspé Beaubien Foundation made donations in the amount of \$1,320,870 (2016 - \$492,780) to the Foundation. The donations include the payment of salaries and benefits and other expenses on behalf of the Foundation, totalling \$506,962 and \$258,908 respectively, net of a reimbursement of \$50,000 (2016 - \$142,780).

As at December 31, 2017, a balance of \$35,000 was receivable from the De Gaspé Beaubien Foundation.

The Foundation paid fees to a company controlled by an immediate family member of a director for office space, office administration services, as well as legal, accounting and HR services on a cost-sharing basis. In 2017, these services amounted to \$19,458 (2016 - \$39,754).

These transactions were concluded in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

4. Financial instruments

The Foundation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Foundations risk exposure at the financial position date.

Liquidity risk

Liquidity risk is the risk the Foundation will have difficulty in meeting obligations associated with financial liabilities. Prudent management of liquidity risk implies retaining a sufficient level of liquidities and arranging for appropriate credit facilities. The Foundation believes that its recurring financial resources are adequate to cover all its expenditures.

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Notes to Financial Statements December 31, 2017

4. Financial instruments (continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation is exposed to credit risk with regard to uncertainty as to timing and collectibility of accounts receivable.

5. Comparative figures

Certain reclassifications of 2016 amounts have been made to facilitate comparison with the current year.