

# AUDITED FINANCIAL STATEMENTS

## Year Ended August 31, 2025

On behalf of the team at Water First Education & Training Inc., I am pleased to share the audited financial statements for the year ended August 31, 2025.

With a focus this year on supporting program success in new communities and engaging long-lasting collaborative relationships, Water First continued to remain in a strong financial position while delivering on our core mandates and planning for future growth.

We are proud of our achievements this year as we continued to work with Indigenous communities in strengthening capacity for sustainable access to safe, clean water across the country:

### Water First's 2025 Year in Numbers

**93** Participants in the **Environmental Water and Drinking Water** programs.

**41,241** Hours of training through the **Environmental Water and Drinking Water** programs.

**21** High school credits earned through the **Summer Credit Program**.

**2,691** Students participated in **school programming**.

Staffing has continued to grow in response to the increased interest in our programs from potential partner communities from across the country. And to accommodate our ability to meaningfully scale up operations, we recently broke ground on a new Operations Hub that once complete, will increase the capacity, efficiency, and effectiveness of our expert team.

The success of fundraising efforts ended the fiscal year with a positive reserve to support programming in the next year. Thanks to the dedication of donors and supporters, Water First's initiatives can reach as many communities as possible, contributing to positive change and sustainability in Indigenous water stewardship.

For the fourth year in a row, Water First has been [rated 5 Stars by Charity Intelligence](#), an organization that assesses a charity's transparency and accountability. We are proud to be an organization that donors know they can trust.

You can read about these accomplishments and more in the Water First 2024/2025 [Annual Report, Safe Water Needs Skilled People](#). Thank you for your trust, time, and encouragement. It's been another busy year for the Water First team.

Sincerely,



John D. Millar  
Executive Director and Founder, Water First

**STRONG COMMUNITIES. SAFE, CLEAN WATER**

1-800-970-8467 10 Francis St. E., Creemore, ON L0M 1G0  
www.waterfirst.ngo Charitable Registration No: 83852 5269 RR0001

*Water First Education and Training Inc.  
/L'Eau d'Abord Education et Formation Inc.*

Financial Statements  
Year Ended August 31, 2025

- audited -

*Water First Education and Training Inc.*  
*/L'Eau d'Abord Education et Formation Inc.*

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Water First Education and Training Inc./L'Eau d'Abord Education et Formation Inc.:

### Opinion

We have audited the financial statements of Water First Education and Training Inc./L'Eau d'Abord Education et Formation Inc., which comprise the statement of financial position as at August 31, 2025 and the statement of operations, changes in net assets, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Water First Education and Training Inc./L'Eau d'Abord Education et Formation Inc. as at August 31, 2025, and its 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 Organization 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.

### Emphasis of Matter

We draw attention to Note 3 of the financial statements, which describes the effects of a prior period adjustment. Our opinion is not modified in respect of this matter.

### Other Information

Management is responsible for the other information. The other information comprises the *2025 Annual Report - Safe Water Needs Skill People*, which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

*Independent Auditor's Report continued on next page...*

*Independent Auditor's Report continued...*

Those charged with governance are responsible for overseeing the Organization'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.

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 Organization'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 Organization'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 Organization 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.

*Ward & Uptigrove*

**Listowel, Ontario**

**February 10, 2026**

**Ward & Uptigrove  
Chartered Professional Accountants  
Licensed Public Accountants**



**Water First Education and Training Inc.**  
**/L'Eau d'Abord Education et Formation Inc.**

Statement of Financial Position  
as at August 31, 2025

*in dollars*

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<i>The Accompanying Notes are an Integral Part of the Financial Statements</i>	2025	2024
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	2,834,232	2,058,992
Accounts receivable - Note 6	301,192	296,568
Public Service Bodies' rebate receivable	65,501	51,120
	<b>3,200,925</b>	<b>2,406,680</b>
<b>Other Assets</b>		
Internally restricted cash	4,611,403	3,664,629
<b>Tangible Capital Assets - Note 7</b>		
Cost	1,868,479	1,617,447
Less accumulated amortization	340,264	318,201
	<b>1,528,215</b>	<b>1,299,246</b>
<b>TOTAL ASSETS</b>	<b>9,340,543</b>	<b>7,370,555</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accruals	611,966	547,659
Government remittances payable	48,181	35,404
Deferred revenue - Note 8	1,648,477	1,653,307
	<b>2,308,624</b>	<b>2,236,370</b>
<b>Long Term Liabilities</b>		
Deferred capital contributions - Note 9	754,980	261,210
<b>TOTAL LIABILITIES</b>	<b>3,063,604</b>	<b>2,497,580</b>
<b>NET ASSETS</b>	<b>6,276,939</b>	<b>4,872,975</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>9,340,543</b>	<b>7,370,555</b>

**Water First Education and Training Inc.**  
**/L'Eau d'Abord Education et Formation Inc.**

Statement of Operations  
year ended August 31, 2025

*in dollars*

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<i>The Accompanying Notes are an Integral Part of the Financial Statements</i>	2025	2024
<b>REVENUE</b>		
Individual donors	1,444,621	1,431,987
Fee for service	435,737	295,092
Foundations	1,825,488	1,451,653
Federal government grants	1,871,050	728,851
Corporate donors	1,631,821	1,489,174
Community groups	208,170	394,943
<b>TOTAL REVENUE</b>	<b>7,416,887</b>	<b>5,791,700</b>
<b>EXPENDITURES</b>		
Drinking Water Program - <i>Note 11</i>	2,625,209	1,991,161
Environmental Water Program - <i>Note 11</i>	1,487,787	1,295,765
School Water Program - <i>Note 11</i>	1,040,624	811,233
Fundraising - <i>Note 11</i>	614,828	570,648
Administration and communications - <i>Note 11</i>	432,951	438,302
<b>TOTAL EXPENDITURES</b>	<b>6,201,399</b>	<b>5,107,109</b>
<b>OTHER REVENUE</b>		
Interest earned	188,475	142,708
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>1,403,963</b>	<b>827,299</b>

**Water First Education and Training Inc.**  
**/L'Eau d'Abord Education et Formation Inc.**

Statement of Changes in Net Assets  
year ended August 31, 2025

*in dollars Page 5*

*The Accompanying Notes are an Integral Part of the Financial Statements*

	2024 Balance, as previously reported	Accounting change <i>(Restated - Note 3)</i>	Change to interfund transfers <i>(Restated - Note 3)</i>	2024 Balance, as restated	Allocation of revenues and expenditures	Interfund transfers <i>(Note 12)</i>	2025 Balance
Unrestricted fund	217,283	(100,000)	100,000	217,283	2,137,288	(1,462,271)	892,301
Tangible Capital Assets fund	1,138,036	-	(100,000)	1,038,036	23,731	(288,532)	773,235
Drinking Water Program fund	1,488,279	(5,000)	-	1,483,279	(869,472)	886,193	1,500,000
Environmental Water Program fund	600,000	(41,973)	-	558,027	490,476	-	1,048,503
School Water Program fund	300,000	-	-	300,000	(378,060)	578,060	500,000
Contingency fund	1,276,350	-	-	1,276,350	-	286,550	1,562,900
<b>NET ASSETS</b>	<b>5,019,948</b>	<b>(146,973)</b>	<b>-</b>	<b>4,872,975</b>	<b>1,403,963</b>	<b>-</b>	<b>6,276,939</b>

**Water First Education and Training Inc.**  
**/L'Eau d'Abord Education et Formation Inc.**

Statement of Cash Flows  
year ended August 31, 2025

*in dollars*

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<i>The Accompanying Notes are an Integral Part of the Financial Statements</i>	2025	2024
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures for the year	1,403,963	827,299
Items not affecting cash		
Amortization of tangible capital assets - Note 7	108,062	70,648
Amortization of deferred capital contributions - Note 9	(23,730)	(26,941)
	1,488,295	871,006
Changes in non-cash working capital related to operations - Note 14	53,249	1,416,942
	<b>1,541,544</b>	<b>2,287,948</b>
<b>FINANCING ACTIVITIES</b>		
Deferred capital contributions received (net) - Note 9	517,500	125,608
Repayment of long term debt	-	(354,361)
	<b>517,500</b>	<b>(228,753)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	(337,030)	(36,642)
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>1,722,014</b>	<b>2,022,553</b>
Cash and cash equivalents, beginning of year	5,723,621	3,701,068
<b>Cash and cash equivalents, end of year</b>	<b>7,445,635</b>	<b>5,723,621</b>
<b>Represented by:</b>		
Cash	2,834,232	2,058,992
Internally restricted cash	4,611,403	3,664,629
	<b>7,445,635</b>	<b>5,723,621</b>

# *Water First Education and Training Inc.* */L'Eau d'Abord Education et Formation Inc.*

Notes to the Financial Statements  
year ended August 31, 2025

*in dollars*

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*The Accompanying Notes are an Integral Part of the Financial Statements*

## **1 PURPOSE OF ORGANIZATION**

Water First Education and Training Inc./L'Eau d'Abord Education et Formation Inc. (the "Organization") is a registered Charity and is exempt from the payment of income tax under Section 149(1) of the Income Tax Act. The Organization delivers water focused education and training programs in partnership with Indigenous communities in Canada.

## **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

### **2.1 Internally restricted funds**

The Organization has set up the following internally restricted funds to be used for the following:

#### **Tangible Capital Assets Fund**

The Tangible Capital Assets Fund represents the total equity required to fund the capital assets of the Organization. The balance changes annually by the amount of tangible capital asset additions and disposals, amortization of tangible capital assets, and loss on disposal of tangible capital assets; which is funded by transfers from the unrestricted fund.

#### **Drinking Water Program Fund**

The Drinking Water Program addresses the need for locally based technical skills training in the water sciences and supports participants to become certified water treatment plant operators, ensuring sustainable access to safe drinking water in Indigenous communities, now and for the long term. The Organization has seen significant demand from Indigenous communities and collaborations are multi-year, spanning over two or more fiscal years. The Drinking Water Program Fund represents funds to support the costs relating to the Drinking Water Program's expansion, adaptations for different provinces, program implementation and improvement, including identifying and onboarding future community partners and trainees.

#### **Environmental Water Program Fund**

The Environmental Water Program supports Indigenous communities seeking local technical skills training and education to build capacity to manage water and fish resources, independently and for the long-term. Training projects include water quality analysis, contaminant studies, and fish habitat restoration, among other topics. The Organization also offers a 15-month environmental water internship program, where participants gain hands-on experience and achieve multiple environmental certifications. Collaborations with Indigenous communities are multi-year and in some cases span over two or more fiscal years. The Environmental Water Program Fund represents funds to support costs relating to the environmental water program's implementation, improvement and expansion, including identifying and onboarding future community partners and trainees.

**Water First Education and Training Inc.**  
**/L'Eau d'Abord Education et Formation Inc.**

Notes to the Financial Statements  
year ended August 31, 2025

*in dollars*

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*The Accompanying Notes are an Integral Part of the Financial Statements*

**2.1 Internally restricted funds (continued)**

School Water Program Fund

The School Water Program delivers engaging, hands-on water science education programs to school-aged students in Indigenous communities. These programs prepare and motivate students to consider careers in the local water field and provide unique learning experiences that strengthen connections to the land and water. The School Water Program Fund represents funds to support the costs relating to the program's implementation, improvement and expansion, including further integration with the drinking water and environmental water programs and continued outreach with community partners, schools and students.

Contingency Fund

The Contingency Fund represents internally restricted funds for the purpose of fulfilling the Organization's financial obligations, including employment related and commitments, and to help fund any significant unforeseen event in the future.

**2.2 Tangible capital assets**

Tangible capital assets are stated at cost and are amortized on a diminishing-balance basis utilizing annual rates, as indicated below, which will fully amortize the assets over their estimated useful lives.

Building	40 years
Computer	3 years
Equipment	5 years
Office equipment	20%
Scientific equipment	3 years
Vehicles	7 years

In the year of acquisition, only one half of the above rates are applied.

When a tangible capital asset no longer has any long-term service potential to the Organization, the excess of its net carrying amount over any residual value is recognized as an expenditure in the statement of operations.

**Water First Education and Training Inc.**  
**/L'Eau d'Abord Education et Formation Inc.**

Notes to the Financial Statements  
year ended August 31, 2025

*in dollars*

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*The Accompanying Notes are an Integral Part of the Financial Statements*

**2.3 Revenue recognition**

The Organization follows the deferral method of accounting for contributions. Restricted contributions collected in advance for projects where expenditures have not been fully incurred are recorded as deferred revenue.

Unrestricted contributions from individual donors, foundations, federal government grants, corporate donors and community groups are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from fee for service contracts is recognized as revenue when the service is performed, the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from long-term fee for service contracts is recognized using the percentage of completion method. The amount of work completed is determined by the amount of costs incurred to date versus estimated total costs. The revenue is recognized when persuasive evidence of an arrangement exists, amounts are determinable, and collection is reasonably assured. The effects of the changes to estimates for each contract are accounted for prospectively and included in the determination of the revenue and expenditures for the period of the change and the subsequent periods impacted. The entire expected loss is recognized in the statement of operations when it is probable that total contract costs will exceed total contract revenue. Contracts receivable represents revenue that has been recognized but not yet billed to customers. Deferred revenue represents the excess of amounts received over revenue recognized.

Contributions restricted for the purchase of tangible capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related tangible capital assets.

**2.4 Use of estimates**

The preparation of these 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

**2.5 Financial instruments**

The Organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for any investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations. Financial assets measured at amortized cost include cash and accounts receivable.

**Water First Education and Training Inc.**  
**/L'Eau d'Abord Education et Formation Inc.**

Notes to the Financial Statements

year ended August 31, 2025

*in dollars*

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*The Accompanying Notes are an Integral Part of the Financial Statements*

**2.6 Contributed services**

A number of volunteers contribute time to the organization, however given the difficulty of determining the fair market value, contributed services are not recognized in the financial statements.

**2.7 Allocation of expenditures**

The Organization presents expenditures by function: Drinking Water Program, Environmental Water Program, School Water Program, Fundraising, and Administration and communications. Expenditures that are common to all programs are incurred and allocated as follows:

Amortization and gains/losses on disposal of tangible capital assets are prorated to each function in the statement of operations based on total expenditures.

Personnel and administrative costs are allocated monthly based on the percentage of time spent by staff per function.

Occupancy costs, vehicle costs, and bank service charges are allocated based upon percentages determined by each function's use for the year as follows:

Expenditures	Occupancy costs	Vehicle costs	Bank service charges
Drinking Water Program	50%	45%	-
Environmental Water Program	35%	30%	-
School Water Program	10%	20%	-
Fundraising	-	-	95%
Administration and communications	5%	5%	5%

**Water First Education and Training Inc.**  
**/L'Eau d'Abord Education et Formation Inc.**

Notes to the Financial Statements

year ended August 31, 2025 in dollars

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*The Accompanying Notes are an Integral Part of the Financial Statements*

**3 ADJUSTMENT OF DEFERRED REVENUE AND DEFERRED CAPITAL CONTRIBUTIONS**

During the year, the Organization determined that certain restricted contributions at August 31, 2024 had been recognized as revenue which should have been deferred to future periods. In accordance with Section 1506 of the CPA Canada Handbook – Accounting, the comparative figures for the year ended August 31, 2024 have been restated to correct this. The impact of the restatement on the previously reported August 31, 2024 financial statements is summarized as follows:

	2024 Previously reported	2024 Restated	Change
<b>Effect on statement of financial position items</b>			
Liabilities			
Deferred revenue	1,606,334	1,653,307	46,973
Deferred capital contributions	161,210	261,210	100,000
<b>Effect on statement of operations items</b>			
Revenue			
Foundations	1,598,626	1,451,653	(146,973)
Excess of revenue over expenditures	974,272	827,299	(146,973)
<b>Effect on statement of changes in net assets items</b>			
Allocation of revenue and expenditures			
Unrestricted fund	1,143,185	1,043,185	(100,000)
Drinking Water Program fund	329,993	324,993	(5,000)
Environmental Water Program fund	(165,132)	(207,105)	(41,973)
Interfund transfers - 2024			
Unrestricted fund	(1,424,291)	(1,524,291)	100,000
Tangible Capital Assets fund	294,747	194,747	(100,000)
Net Assets - 2024 balance			
Tangible Capital Assets fund	1,138,036	1,038,036	(100,000)
Drinking Water Program fund	1,488,279	1,483,279	(5,000)
Environmental Water Program fund	600,000	558,027	(41,973)
<b>Effect on statement of cash flows items</b>			
Operating activities			
Excess of revenue over expenditures for the year	974,272	827,299	(146,973)
Change in non-cash working capital related to operations	1,369,969	1,416,942	46,973
Deferred capital contributions received	25,608	125,608	100,000

**Water First Education and Training Inc.**  
**/L'Eau d'Abord Education et Formation Inc.**

Notes to the Financial Statements  
year ended August 31, 2025

*in dollars*

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*The Accompanying Notes are an Integral Part of the Financial Statements*

#### **4 FINANCIAL INSTRUMENTS**

The significant risks arising from financial instruments to which the company is exposed as at year end are detailed below.

- a) Credit risk**  
The Organization's credit risk is mainly related to accounts receivable. The Organization provides credit to its clients in the normal course of operations. At year-end, one account accounted for 99% (2024 - 91%) of accounts receivable.
- b) 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. The Organization is not exposed to any significant currency risk.
- c) Interest rate risk**  
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is not exposed to any significant interest rate risk.
- d) Liquidity risk**  
Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is not exposed to any significant liquidity risk.
- e) Other price risk**  
Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Organization is not exposed to any significant other price risk.

#### **5 CREDIT FACILITIES**

The Organization has approved ancillary facilities in the form of a credit card for an aggregate amount up to \$100,000. At the year-end date \$29,709 (2024 - \$39,747) had been utilized. The credit facilities are secured by:

- General Security Agreement representing first charge on all its present and after acquired personal property.
- SBB Security Agreement
- Continuing Collateral Mortgage in the amount of \$575,000 on the real property located at 8 & 10 Francis Street East, Creemore, Ontario.
- Assignment of Fire Insurance showing TD as loss payee

**Water First Education and Training Inc.**  
**/L'Eau d'Abord Education et Formation Inc.**

Notes to the Financial Statements

year ended August 31, 2025

*in dollars*

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*The Accompanying Notes are an Integral Part of the Financial Statements*

**6 ACCOUNTS RECEIVABLE**

	2025	2024
Fee for service receivable	270,085	276,626
Other receivable	31,107	19,942
	301,192	296,568

**7 TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated Amortization	2025 Net book value	2024 Net book value
Land	380,000	-	380,000	380,000
Building	1,054,563	65,835	988,728	784,347
Computer	-	-	-	23,862
Equipment	190,335	168,771	21,564	45,012
Office equipment	-	-	-	6,837
Scientific equipment	111,914	18,652	93,262	-
Vehicles	131,667	87,006	44,661	59,188
	1,868,479	340,264	1,528,215	1,299,246

Total amortization for the year amounts to \$108,062 (2024 - \$70,648), of which \$44,094 (2024 - \$27,544) has been included in Drinking Water Program expenditure, \$31,506 (2024 - \$17,925) included in Environmental Water Program expenditure, \$16,968 (2024 - \$11,222) included in School Water Program expenditure, \$6,563 (2024 - \$6,063) included in administration and communications expenditure and \$8,931 (2024 - \$7,894) included in fundraising expenditure. Building includes \$229,774 (2024 - \$4,657) towards the construction of a new building which was not available for use at year-end; therefore no amortization has been recorded.

**Water First Education and Training Inc.**  
**/L'Eau d'Abord Education et Formation Inc.**

Notes to the Financial Statements

year ended August 31, 2025

*in dollars*

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*The Accompanying Notes are an Integral Part of the Financial Statements*

**8 DEFERRED REVENUE**

	2025	2024
Balance, beginning of year	1,653,307	340,216
Add: Contributions received during the year	3,000,174	3,378,580
Less: Amount recognized as revenue in the year	(3,005,004)	(2,065,489)
	1,648,477	1,653,307

Deferred revenue at the end of the year represents restricted contributions to be used \$290,800 for Drinking Water Program, \$379,095 for Environmental Water Program, \$305,769 for School Water Program, and \$672,813 for all three programs in future periods. Contributions are restricted to be used in accordance with agreements over the term specified; after which the contributions may be repayable or agreements be amended to use contributions in subsequent periods.

**9 DEFERRED CAPITAL CONTRIBUTIONS**

	2025	2024
Balance, beginning of year	261,210	162,543
Add: Contributions received during the year	517,500	125,608
Less: Amortization of deferred capital contributions	(23,730)	(26,941)
Balance, end of the year	754,980	261,210

Deferred capital contributions represent the unamortized amount of funding and donations received for the purchase of tangible capital assets. Total amortization of deferred capital contributions for the year amounts to \$23,730 (2024 - \$26,941), of which \$173 (2024 - \$1,360) has been included in federal government grants, \$11,817 (2024 - \$12,753) included in corporate donors revenue, \$10,555 (2024 - \$10,660) included in foundations revenue, and \$1,185 (2024 - \$2,168) included community groups revenue. In addition, of the \$517,500 of contributions received, \$292,383 remains unspent (2024 - \$0). The unspent funds are held for use in the construction of the new Operations Hub Project described in Note 16.

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**10 COMMITMENTS**

The Organization has entered into agreements to receive \$1,806,931 in contributions over the next two years to be used for Drinking Water, Environmental Water, School Water programs and the construction of the new building at the Operations Hub location.

Contributions to be received over the next 2 years are as follows:

2026	1,519,631
2027	287,300
	1,806,931

**11 ALLOCATION OF COMMON EXPENDITURES**

Communications & administrative personnel and expenditures common to the Organization's program activities were allocated in accordance with policy note 2.7 to the Drinking Water Program, Environmental Water Program, School Water Program and Fundraising on the statement of operations as follows:

	2025	2024
<b>Administration and communications personnel costs (including related staff activities such as program management, program evaluation, program graphic design and program community outreach/onboarding cost):</b>		
Drinking Water Program	473,685	283,089
Environmental Water Program	310,320	200,649
School Water Program	217,424	131,452
<b>General administration and communications costs (including related program expenditures such as program vehicles, program occupancy, program IT, and program related printing costs):</b>		
Drinking Water Program	258,732	186,109
Environmental Water Program	123,558	120,175
School Water Program	99,496	79,559
Fundraising	88,733	77,280

**12 INTERFUND TRANSFERS**

The board of directors approved \$1,462,271 (2024 - \$1,424,291) to be transferred from unrestricted net assets to internally restricted funds.

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**13 ONTARIO PUBLIC SERVICE EMPLOYEES UNION PENSION PLAN ("OPSEU")**

The Organization participates in the OPSEU Pension Plan, a multi-employer defined benefit pension plan, managed by OPTrust, for organizations within the public and nonprofit sectors. The most recent actuarial report completed in 2025, indicated that, on a going concern basis, as of December 31, 2024, the plan had assets with an actuarial value of \$26,865 million (December 31, 2023 - \$25,530 million) and pension obligations of \$26,675 million (December 31, 2023 - \$25,348 million), resulting in a funding surplus of \$190 million (December 31, 2023 – \$182 million).

Since the OPSEU Pension Plan is a multi-employer benefit pension plan, it is not known what portion of the excess relates to the Organization.

The actuarial report indicated that the plan had 53,930 active members (December 31, 2023 – 53,426), 16,437 former members with entitlements to the plan (December 31, 2023 – 14,514) and 43,849 pensioners (December 31, 2023 – 43,192) as at December 31, 2024.

Under the terms of the plan, eligible employees contribute 3% of pensionable earnings to the plan, employers are required to contribute 3.2% of pensionable earnings for the first two years of participation in the plan and 3% thereafter. The Organization contributes 3% of pensionable employee earnings as at August 31, 2025.

**14 STATEMENT OF CASH FLOWS**

The net change in non-cash working capital consists of:

	2025	2024
Accounts receivable	(4,625)	(32,070)
Public Service Bodies' rebate receivable	(14,379)	18,934
Drinking Water Program contracts receivable	-	111,026
Accounts payable and accruals	64,307	42,747
Government remittances payable	12,777	(36,786)
Deferred revenue	(4,831)	1,313,091
	53,249	1,416,942

**15 SUBSEQUENT EVENTS**

The Organization has committed to the construction of a new building at its Operations Hub location in Creemore, Ontario starting in the spring of 2026. The estimated cost of this Operations Hub is \$1,250,000. The Organization has \$292,383 of unspent deferred capital contributions restricted to this project and has spent \$304,431 towards the project as at August 31, 2025, which included prepayments of \$100,000 for the future construction costs related to this building.