



ONE DROP

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021

ONE DROP

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Independent Auditor's Report

To the members of
ONE DROP

Opinion

We have audited the consolidated financial statements of ONE DROP, which comprise the consolidated balance sheet as at December 31, 2021, and the consolidated statements of loss, changes in net assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of ONE DROP as at December 31, 2021, 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 (ASNPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of ONE DROP in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 audit opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing ONE DROP financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS 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 consolidated financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 ONE DROP'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 ONE DROP'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 consolidated 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 ONE DROP to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within ONE DROP to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our qualified audit opinion.

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.

Deloitte LLP

July 11, 2022

¹ CPA auditor, public accountancy permit No. A120628

ONE DROP

Consolidated Balance Sheet

December 31, 2021

(in US dollars)

	2021	2020
Assets		
Current		
Cash, interest bearing	\$ 4 769 312	\$ 4 902 583
Investments (Note 3)	-	2 500 081
Receivables	35 117	3 168 625
Prepaid expenses	20 429	13 343
	4 824 858	10 584 632
Investments (Note 3)	11 875 395	10 731 438
Capital assets (Note 4)	-	34 142
	\$ 16 700 253	\$ 21 350 212
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 701 524	\$ 753 802
Unearned revenue	96 988	272 542
Deferred contributions (Note 5)	4 240 172	5 696 507
	5 038 684	6 722 851
Deferred lease inducements (Note 6)	-	26 521
	5 038 684	6 749 372
Net Assets		
Invested in capital assets	-	14 503
Endowments	6 964 025	6 744 976
Restricted by management (Note 7)	-	5 017 281
Available	4 697 544	2 824 080
	11 661 569	14 600 840
	\$ 16 700 253	\$ 21 350 212

Commitments (Note 14)

See accompanying notes to the consolidated financial statements.

On behalf of the Board of One Drop Canada:

Signed by Guy Laliberté

Guy Laliberté
Director

Signed by Robert Blain

Robert Blain
Director

ONE DROP

Consolidated Statement of Loss

Year ended December 31, 2021
(in US dollars)

	2021	2020
Revenue		
Donations	\$ 332 187	\$ 118 408
Benefit events - Founder (Note 8)	442 475	1 319 795
Benefit events - Others (Note 8)	1 298 254	876 987
Contributions (Note 9)	4 281 806	4 432 174
Investments (Note 10)	1 029 429	1 591 737
Government grants due to the pandemic	575 695	824 770
	7 959 846	9 163 871
Direct costs related to donations	109 316	2 141
Direct costs related to benefit events	776 338	781 217
	7 074 192	8 380 513
Expenditures		
Programs (Notes 11 and 12)	7 992 252	7 197 559
Revenue generation and advancement (Note 12)	1 118 372	1 534 235
Administration (Note 12)	897 219	787 068
	10 007 843	9 518 862
Deficiency of revenue over expenditures	\$ (2 933 651)	\$ (1 138 349)

See accompanying notes to the consolidated financial statements.

ONE DROP

Consolidated Statement of Changes in Net Assets

Year ended December 31, 2021
(in US dollars)

	Invested in capital assets	Endowments	Restricted by management	Available	Total
Net assets, as at December 31, 2019	\$ 34 682	\$ 6 662 021	\$ 5 490 448	\$ 3 508 450	\$ 15 695 601
Deficiency of revenue over expenditures	(20 179) *	-	-	(1 118 170)	(1 138 349)
Net use for programs	-	-	(473 167)	473 167	-
Endowments received	-	38 604	-	-	38 604
Transfer for the adjustment corresponding to the year's inflation rate on endowments	-	39 367	-	(39 367)	-
Change in the cumulative foreign exchange adjustment related to net assets	-	4 984	-	-	4 984
Net assets, as at December 31, 2020	14 503	6 744 976	5 017 281	2 824 080	14 600 840
Deficiency of revenue over expenditures	(7 621) *	-	-	(2 926 030)	(2 933 651)
Net use for programs	-	-	(5 017 281)	5 017 281	-
Transfer for the adjustment corresponding to the year's inflation rate on endowments	-	224 669	-	(224 669)	-
Change in the cumulative foreign exchange adjustment related to net assets	(6 882)	(5 620)	-	6 882	(5 620)
Net assets, as at December 31, 2021	\$ -	\$ 6 964 025	\$ -	\$ 4 697 544	\$ 11 661 569

* Comprised of the amortization of capital assets of \$ 34,142 (\$50,941 in 2020) and the amortization of deferred lease inducements related to leasehold improvements of \$26,521 (\$30,762 in 2020).

See accompanying notes to the consolidated financial statements.

ONE DROP

Consolidated Statement of Cash Flows

Year ended December 31, 2021
(in US dollars)

	2021	2020
Operating activities		
Deficiency of revenue over expenditures	\$ (2 933 651)	\$ (1 138 349)
Adjustments for:		
Amortization of capital assets	34 142	50 941
Change in fair value of investments	(1 143 957)	(1 469 627)
Amortization of lease inducements	(26 521)	(44 046)
Change in the cumulative foreign exchange adjustment related to net assets	(5 620)	4 984
	(4 075 607)	(2 596 097)
Changes in non-cash operating working capital items		
Decrease (increase) in receivables	3 133 508	(3 124 633)
(Increase) decrease in prepaid expenses	(7 086)	15 630
(Decrease) increase in accounts payable and accrued liabilities	(52 278)	211 738
(Decrease) increase in unearned revenue	(175 554)	210 042
(Decrease) increase in deferred contributions	(1 456 335)	345 017
	1 442 255	(2 342 206)
	(2 633 352)	(4 938 303)
Investing activities		
Acquisition of investments	-	(2 585 331)
Proceeds from sale of investments	2 500 081	3 575 250
	2 500 081	989 919
Financing activities		
Endowments received	-	38 604
	-	38 604
Net decrease in cash	(133 271)	(3 909 780)
Cash, beginning of the year	4 902 583	8 812 363
Cash, end of the year	\$ 4 769 312	\$ 4 902 583

See accompanying notes to the consolidated financial statements.

ONE DROP

Notes to the Consolidated Financial Statements

December 31, 2021

(in US dollars)

1. Governing statutes and nature of operations

The international network of One Drop entities ("One Drop") is comprised of not-for-profit organizations that pursue the same mission. This mission is to provide access to water and to raise individual and community awareness of the need to mobilize so that safe water is accessible to all, in sufficient quantity, today and tomorrow.

Fondation One Drop ("One Drop Canada") was incorporated on July 3, 2007 under Part II of The Canada Corporations Act and was continued under section 211 of the *Canada Not-for-profit Corporations Act* on September 2, 2014. One Drop Foundation Inc. ("One Drop USA") was incorporated on July 31, 2008 under the *General Corporation Law of Delaware*. One Drop Foundation ("One Drop UK") was incorporated on October 7, 2008 under the *Great Britain Companies Acts* of 1985 and 2006. Fondation One Drop Suisse ("One Drop Switzerland") was created on March 21, 2012 and registered on March 28, 2012 with the *Trade Register Office of Geneva*. Fundación One Drop ("One Drop Spain") was created on October 8, 2012 and registered on December 30, 2013 with the *Protectorate and Register of Foundations of the Ministry of Agriculture, Food and Environment* in Spain. All of these entities are recognized as charities with the tax authorities of their respective countries.

One Drop is sponsored by its founder, Guy Laliberté, as well as Cirque du Soleil and its affiliates ("Cirque du Soleil"). This sponsorship comes in the forms of financial contributions, services offered and business opportunities. The devoted founder provides regular funding and business opportunities to One Drop. Cirque du Soleil offers business opportunities to promote public involvement and provides generous support in the organization of benefit events. In addition, One Drop obtains great support from MGM in the organization of benefit events.

2. Accounting policies

These consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are:

On January 1, 2021, One Drop adopted amendments to Chapter 3856, "Financial Instruments," of the *CPA Canada Handbook* (the "chapter 3856") in respect of financial instruments created or exchanged in a related party transaction.

These amendments to Chapter 3856 provide guidance on the evaluation of a financial instrument resulting from a related party transaction. These amendments require that such a financial instrument be initially valued at cost. This cost depends on whether or not the instrument has repayment terms. Where the financial instrument is accompanied by repayment terms, the cost is determined by means of its undiscounted cash flows, excluding interest and dividend payments, net of impairment losses. Otherwise, the cost is determined based on the consideration transferred or received by One Drop. The subsequent assessment depends on the method used initially and will generally be the cost, decreased to take into account the Depreciation, or fair value.

The adoption of these amendments had no significant impact on the disclosures or on the amounts recorded in the financial statements of One Drop during the considered period.

a) Consolidated financial statements

These consolidated financial statements include the accounts for One Drop Canada, One Drop USA, One Drop UK, One Drop Switzerland and One Drop Spain.

b) Revenue recognition

The deferral method is used to recognize contributions. Restricted contributions, which are contributions that must be used for a specified purpose, are recognized as revenue in the year during which the related expenses are incurred. Unrestricted contributions are recognized as revenue in the year they are received. Contributions pledged are recognized when cash is received. Endowments are contributions that must be held for perpetuity and are recognized as direct increases in net assets. Donations and pledges are recognized when received.

Revenue from benefit events is recognized on completion of the event.

Revenue from auction is recognized on completion of the event, the measurement of the amount receivable is reasonably estimated and collection of the amount is reasonably assured.

Investment income is recognized as revenue when earned.

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Notes to the Consolidated Financial Statements

December 31, 2021

(in US dollars)

2. Accounting policies (continued)

c) Contributed goods and services

Contributed goods and services, including that of volunteers, are not recognized in the consolidated financial statements because of

d) Financial instruments

Initial valuation

Financial assets and financial liabilities created or exchanged in transactions concluded under conditions of full competition are recognized initially at fair value at the time One Drop becomes a party to the contractual provisions of the financial instrument. Financial instruments created or exchanged in related party transactions are initially valued at cost.

The cost of a financial instrument resulting from a related party transaction depends on whether or not the instrument has repayment terms. Where it is, the cost is determined by means of its undiscounted cash flows, excluding interest and dividend payments, and net of impairment losses already recognized by the transferor. Otherwise, the cost is determined on the basis of the consideration transferred or received by One Drop in connection with the transaction.

Future valuation

All financial instruments are subsequently measured at amortized cost, except for investments that are recognized at fair value at the date of the financial statements. Fair value fluctuations, which include interest earned, accrued interests, realized gain and loss and unrealized gain and loss, are included in the investment revenue.

Transactions cost

Transaction costs related to financial instruments measured at fair value are expensed as incurred. Transaction costs related to other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the statement of operations as interest revenue or expense.

Depreciation

With respect to financial assets measured at cost or amortized cost, One Drop recognizes in the statement of operations an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed in the statement of operations in the period the reversal occurs.

e) Capital assets

Capital assets are recorded at cost. Amortization is calculated on a straight-line basis over the estimated useful life at the following

	Rate
Furniture and office equipment	20%
Computer equipment and software	33 1/3%
Leasehold improvements	Term of lease

f) Deferred lease inducements

Deferred lease inducements are amortized over the term of the lease and the amortization is applied against the rent expenditure.

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Notes to the Consolidated Financial Statements

December 31, 2021

(in US dollars)

2. Accounting policies (continued)

g) Net assets

Invested in capital assets

Net assets invested in capital assets are established using the net value of the capital assets, net of deferred lease inducements for leasehold improvements.

Endowments

Net endowment assets are composed of endowments, increased by the adjustment corresponding to the inflation rate for the year in order to preserve the value of the endowments. Endowments are contributions from donors requesting that their capital be maintained in accordance with their instructions.

Restricted by management

Net assets restricted by management include net assets restricted by management for programs.

Available

Available net assets are used to fund working capital and program commitments.

h) Presentation of expenditures

Expenditures are presented by function. The Programs function consists of expenditures incurred to directly carry out the mission to provide access to water in developing countries, as well as expenditures related to awareness and mobilization. The Revenue generation and advancement function consists of fundraising expenses. The Administration function consists of general operating expenses.

Administration expenditures, including those related to compensation, communication, management of human resources, premises and information technology, have been divided between the three functions as follows:

- compensation, communication, human resources management, premises and information technology on the basis of the number of people employed within each function.

i) Recognition of program expenditures

Program expenditures are recognized when funds are transferred to the partners in charge of carrying out the programs. A transfer of funds follows a commitment approved by the board of directors and an agreement with the partner responsible for the execution of the program.

j) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated using rates in effect at year-end, while non-monetary items are translated at historical rates. Revenue and expenditure are translated using rates in effect during the year. Foreign currency translation gains and losses are mainly generated from the translation of cash and investments and are presented with investment income.

The consolidated financial statements are presented in US dollars. For the purposes of consolidation, the balance sheet of each entity has been translated using rates in effect at year-end, while the statement of loss of each entity has been translated using average rates in effect during the year. Foreign currency gains and losses resulting from this translation are recorded in the consolidated statement of changes in net assets.

k) Use of estimates

Preparing consolidated financial statements requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and the notes to the consolidated financial statements. These estimates and assumptions are based on management's knowledge of ongoing activities. Actual results could differ from these estimates.

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Notes to the Consolidated Financial Statements

December 31, 2021

(in US dollars)

3. Investments

	2021		2020	
By type of security:				
Cash	\$	3 549	\$	7 211
Deposit bearing interest at 0,13%, matured in 2021		-		2 500 081
Investment of One Drop USA		-		168 567
Green bonds investment fund		2 936 540		2 948 489
Bank loan investment fund		2 625 014		2 137 389
Low volatility equity fund		2 354 623		2 061 741
Global equity fund		3 955 669		3 408 041
		11 875 395		13 231 519
Current portion		-		2 500 081
	\$	11 875 395	\$	10 731 438
By currency:				
Canadian dollars	\$	2 940 089	\$	2 955 700
United States dollars		6 580 683		8 214 078
Other currencies		2 354 623		2 061 741
	\$	11 875 395	\$	13 231 519

4. Capital assets

	2021		2020	
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and office equipment	\$ 109 479	\$ 109 479	\$ -	\$ 5 641
Computer equipment and software	146 730	146 730	-	-
Leasehold improvements	498 487	498 487	-	28 501
	\$ 754 696	\$ 754 696	\$ -	\$ 34 142

5. Deferred contributions

	2021		2020	
Balance at beginning of the year	\$	5 696 507	\$	5 351 490
Restricted contributions received during the year for projects		2 825 471		3 334 476
Deferred revenues from Time counts auction designated to Madagascar Project and other projects		-		1 441 941
Restricted contributions recognized as revenue during the year		(4 281 806)		(4 432 174)
Foreign exchange adjustment		-		774
Balance at end of the year	\$	4 240 172	\$	5 696 507
Comprised of:				
Latin America and Caribbean	\$	1 743 865	\$	3 222 421
Madagascar		1 113 650		1 300 000
India		484 923		112 349
Microfinance		435 793		435 719
Mali		265 000		350 000
Burkina Faso		141 941		-
Nunavik		55 000		-
Other projects		-		276 018
	\$	4 240 172	\$	5 696 507

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Notes to the Consolidated Financial Statements

December 31, 2021

(in US dollars)

6. Deferred lease inducements

	2021	2020
Balance at beginning of the year	\$ 26 521	\$ 70 567
Lease inducements amortized during the year	(26 521)	(43 151)
Foreign exchange adjustment	-	(895)
Balance at end of the year	\$ -	\$ 26 521
Comprised of:		
Leasehold improvements reimbursed	\$ -	\$ 18 942
Other inducements	-	7 579
	\$ -	\$ 26 521

7. Net assets restricted by management

	2021	2020
Restricted for programs:		
Latin America and Caribbean	\$ -	\$ 957 888
Mali	-	925 968
India	-	1 291 076
Burkina Faso	-	500 500
Nunavik	-	556 679
Malawi	-	523 891
Others projects	-	261 279
	\$ -	\$ 5 017 281

8. Benefit events

	2021	2020
Wine Auction & gala	\$ 604 283	317 815
Watches Auctions	400 000	\$ 2 969 873
Poker	393 019	-
Winter One Drop Land (in 2020, One night for One Drop)	175 043	166 448
Other events	168 384	184 587
	1 740 729	3 638 723
Deferred revenues from Time counts auction designated to Madagascar Project and other projects	-	(1 441 941)
	\$ 1 740 729	\$ 2 196 782
Distribution:		
Founder	442 475	1 319 795
Others	1 298 254	876 987
	\$ 1 740 729	\$ 2 196 782

As of December 31, 2021, there was no amount receivables (\$2,689,682 as of december 31, 2020) from watch auctions.

9. Contributions

	2021	2020
Restricted contributions deferred from the previous year	\$ 5 696 507	\$ 5 351 490
Contributions received during the year:		
Businesses and corporate foundations	2 650 356	2 931 930
Governmental and multilateral organizations	175 115	402 546
Deferred revenues from Time counts auction designated to Madagascar Project and other projects	-	1 441 941
Foreign exchange adjustment	-	774
Restricted contributions deferred to the following year	(4 240 172)	(5 696 507)
Contributions recorded as revenue for the year	\$ 4 281 806	\$ 4 432 174

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Notes to the Consolidated Financial Statements

December 31, 2021

(in US dollars)

10. Investments Revenue

	2021	2020
Interest	\$ 14 909	\$ 209 899
Change in fair value of investments	1 143 957	1 469 627
Currency translation loss	(57 630)	(29 362)
Management and custody fees	(71 807)	(58 427)
	\$ 1 029 429	\$ 1 591 737

11. Programs

	2021	2020
Latin America and Caribbean	\$ 4 049 700	\$ 3 271 279
India	1 115 116	789 167
Mali	887 094	142 667
Burkina Faso 3	428 994	1 246 335
Nunavik	389 604	702 795
Malawi	85 440	376 062
Others	340 841	189 947
Programs management	695 463	479 307
	\$ 7 992 252	\$ 7 197 559

12. Allocation of expenses

Administration expenditures, including those related to compensation, management of human resources, premises and information technology, have been divided between the three functions as follows:

	2021	2020
Programs	\$ 585 000	\$ 400 000
Revenue generation and advancement	585 000	400 000
Administration	897 219	787 068
	\$ 2 067 219	\$ 1 587 068

13. Pension plan

One Drop has a defined contribution plan providing pension benefits to its employees. The financial obligations towards the plan are discharged regularly and all obligations have been recorded in the accounts as at December 31, 2021. The expenditure and the amount paid for the year amount to \$67,682 (\$77,718 in 2020).

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Notes to the Consolidated Financial Statements

December 31, 2021

(in US dollars)

14. Commitments

Programs

The international development projects span over several years. Commitments by One Drop for these projects are as follows:

2022	\$	6 843 153
2023		5 019 182
2024		998 760
2025		142 096
	\$	13 003 191
Comprised of:		
Latin America and Caribbean	\$	5 933 935
Mali		2 894 880
India		1 649 084
Madagascar		1 613 650
Burkina Faso		167 680
Nunavik		167 075
Others projects		576 887
	\$	13 003 191

Administrative office

One Drop signed a contract for the rental of administrative offices expiring July 31, 2026. Minimum commitments for the upcoming years are as follows:

2022	\$	110 462
2023		110 462
2024		110 462
2025		110 462
2026		55 231
	\$	497 079

15. Contributions pledged

Contributions pledged, including those from the Founder and conditional pledges, are as follows:

2022	\$	1 296 742
2023		3 086 560
2024		3 165 250
2025		3 165 250
2026 and thereafter		23 984 743
	\$	34 698 545

A significant portion of contributions pledged is denominated in Canadian dollars and converted at the closing rate.

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Notes to the Consolidated Financial Statements

December 31, 2021

(in US dollars)

16. Financial instruments and risk management

Market risk

Market risk is the risk arising from the volatility of the prices of securities, rates of interest and exchange rates. One Drop is exposed to market risk because of its investment activities. This risk is handled through the investment policy.

Foreign exchange risk

Foreign exchange risk is a risk resulting from fluctuations in foreign currency.

Cash and investments in various currencies present a foreign exchange risk. Certain investments are made in foreign currency to minimize the risks linked to a concentration of investments. This risk is handled by the treasury management policy and the investment policy.

As at December 31, 2021, the consolidated balance sheet includes the following amounts denominated in US currency of the financial assets and liabilities for which the cash flows are in Canadian dollars. The amount of cash, accounts receivable and accounts payable and accrued liabilities in Canadian funds are as follows:

	2021	2020
Cash	\$ 920 261	\$ 109 650
Receivables	35 607	318 588
Accounts payable and accrued liabilities	484 630	387 701
	\$ 1 440 498	\$ 815 939

Currency risk is also present in revenue and expenditures. One Drop carries out transactions in foreign currencies and is therefore exposed to foreign exchange fluctuations. This risk is managed during the budgeting and monitoring of operations, including each project.

Interest rate risk

The interest rate risk is a loss risk resulting from an interest rate fluctuation.

Fixed-yield investments present a risk of interest rate fluctuation since interest rate changes on the market will produce an impact on their fair value. This risk is handled by the treasury management and the investment policy.

Credit risk

One Drop's exposure to credit risk in respect of its assets is not significant.

One Drop's main financial assets include cash and accounts receivable, which are subject to credit risk. The net value of financial assets on the balance sheet represents the maximum credit risk at the balance sheet date. One Drop's credit risk is mainly due to its debtors.

The amounts are presented in the balance sheet, net of the allowance for doubtful accounts, which has been estimated by management based on past experience and its assessment of economic conditions. It continuously performs credit evaluations with respect to its customers and maintains provisions for potential credit losses.

The investments are made up of a green bond fund and a bank loan fund and are high quality instruments with a minimum credit rating of BB as at December 31, 2021 (BB as at December 31, 2020). The investments are also made up of two high-quality equity funds managed by quality managers under the supervision of the investment committee, which evaluates their performance regularly.

Liquidity risk

One Drop's objective is to have sufficient liquidity to meet its liabilities when due. One Drop monitors its cash balances and cash flows generated from operations to meet its requirements. As at December 31, 2021, the most significant financial liabilities are accounts payable and accrued liabilities.

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Notes to the Consolidated Financial Statements

December 31, 2021
(in US dollars)

17. Artworks

In 2018, One Drop USA received artworks donated by the artists. Considering the difficulty of establishing the fair market value of the artworks, they were not presented in the assets in the balance sheet. The proceeds from their sale will be recognized as a revenue upon reception.

18. Comparative figures

Certain prior year amounts have been reclassified to conform to the current year presentation.