

Ottawa Riverkeeper Inc.
Financial Statements
For the year ended March 31, 2015

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Independent Auditor's Report

To the members of
Ottawa Riverkeeper Inc.

We have audited the accompanying financial statements of Ottawa Riverkeeper Inc., which comprise the statement of financial position as at March 31, 2015, and the statements of operations, changes in net assets 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 qualified audit opinion.

**Basis for Qualified Opinion**

In common with many not-for-profit organizations, Ottawa Riverkeeper Inc. derives revenue from donations and cash receipts, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to these revenues, excess (deficiency) of revenues over expenses and cash flows from operations for the years ended March 31, 2015 and 2014, current assets as at March 31, 2015 and 2014, and net assets as at April 1, 2014 and 2013 and as at March 31, 2015 and 2014. Our audit opinion on the financial statements for the year ended March 31, 2014 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Ottawa Riverkeeper Inc. as at March 31, 2015, 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
September 14, 2015

Ottawa Riverkeeper Inc.
Statement of Financial Position

March 31	2015	2014
Assets		
Current		
Cash	\$ 53,016	\$ 137,011
Other receivables	10,667	7,779
Prepaid expenses	338	292
	<u>64,021</u>	<u>145,082</u>
Tangible capital assets (Note 2)	<u>32,902</u>	<u>45,437</u>
	<u>\$ 96,923</u>	<u>\$ 190,519</u>
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 7,673	\$ 10,832
Deferred contributions (Note 3)	44,132	15,300
	<u>51,805</u>	<u>26,132</u>
Deferred contributions related to tangible capital assets (Note 4)	<u>18,698</u>	<u>26,232</u>
	<u>70,503</u>	<u>52,364</u>
Contractual obligation (Note 5)		
Net Assets		
Unrestricted	<u>26,420</u>	<u>138,155</u>
	<u>\$ 96,923</u>	<u>\$ 190,519</u>

On behalf of the Board:

_____ Director _____ Director

Ottawa Riverkeeper Inc.
Statement of Changes in Net Assets

<u>For the year ended March 31</u>	<u>2015</u>	<u>2014</u>
Balance, beginning of the year	\$ 138,155	\$ 28,763
Excess (deficiency) of revenues over expenses	<u>(111,735)</u>	<u>109,392</u>
Balance, end of the year	<u>\$ 26,420</u>	<u>\$ 138,155</u>

Ottawa Riverkeeper Inc. Statement of Operations

For the year ended March 31	2015	2014
Revenues		
Grants from foundations	\$ 168,806	\$ 387,107
Riverkeeper gala	127,015	140,400
Corporate donations	63,070	111,239
Individual donations	38,435	30,651
Government grants	37,752	41,463
Events	22,029	13,974
Amortization of deferred contributions related to tangible capital assets (Note 4)	7,534	7,609
Other	3,787	2,551
	<u>468,428</u>	<u>734,994</u>
Expenses		
Amortization of tangible capital assets	13,414	12,575
Bank charges	2,962	2,053
Communications	11,538	19,221
Conference and membership fees	1,713	3,025
Education, outreach and event costs	56,744	63,176
Equipment rental and lab fees	17,732	9,536
Insurance	1,823	1,560
Office	15,223	13,658
Professional fees	16,838	16,772
Rent	20,821	20,821
Salaries and benefits	313,327	256,008
Sub-contracts	102,695	202,588
Travel	5,333	4,609
	<u>580,163</u>	<u>625,602</u>
Excess (deficiency) of revenues over expenses	<u>\$ (111,735)</u>	<u>\$ 109,392</u>

Ottawa Riverkeeper Inc. Statement of Cash Flows

For the year ended March 31	2015	2014
Cash flows from operating activities		
Excess (deficiency) of revenues over expenses	\$ (111,735)	\$ 109,392
Items not affecting cash:		
Amortization of tangible capital assets	13,414	12,575
Amortization of deferred contributions related to tangible capital assets	(7,534)	(7,609)
	(105,855)	114,358
Changes in non-cash working capital:		
Other receivables	(2,888)	129
Prepaid expenses	(46)	4,622
Accounts payable and accrued liabilities	(3,159)	5,904
Deferred contributions	28,832	(35,100)
	(83,116)	89,913
Cash flows from investing activities		
Acquisition of tangible capital assets	(879)	(23,765)
Cash flows from financing activities		
Deferred contributions related to tangible capital assets	-	2,642
Net (decrease) increase in cash	(83,995)	68,790
Cash, beginning of the year	137,011	68,221
Cash, end of the year	\$ 53,016	\$ 137,011

Ottawa Riverkeeper Inc. Notes to Financial Statements

March 31, 2015

1. Accounting Policies

Purpose of Organization

Ottawa Riverkeeper Inc. is a not-for-profit organization incorporated without share capital under the provisions of the Canada Corporations Act and continued under the Canada Not-for-profit Corporations Act on October 24, 2013. The organization's purpose is the protection of the Ottawa River's ecological integrity. The objectives of Ottawa Riverkeeper are to achieve a healthy, ecologically sustainable Ottawa River available for the enjoyment and benefit of its Ontario and Quebec communities; and to work independently as well as cooperatively with individuals, businesses, community groups and all levels of government on both sides of the river to achieve their mission.

Ottawa Riverkeeper Inc. was established to:

- a) Sustain and enhance the ecological health of the Ottawa River; identify breaches of environmental laws and regulations and pursue compliance; identify significant ecological areas in the watershed that require restoration and protection;
- b) Conduct ecological monitoring and research; develop and maintain an expert understanding of the river's ecological values, processes and special features;
- c) Promote public awareness and stewardships; inform the public and key decision makers about issues impacting the ecological health of the river;
- d) Encourage partnerships and coordination; identify and establish partnerships with individuals, communities or organizations working towards a shared vision.

The organization is a registered charity under the Income Tax Act and, as such, is exempt from income taxes, and may issue income tax receipts to donors.

Basis of Accounting

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

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses for the year covered. The main estimate relates to the useful lives of tangible capital assets.

Ottawa Riverkeeper Inc. Notes to Financial Statements

March 31, 2015

1. Accounting Policies (continued)

Revenue Recognition	<p>The organization follows the deferral method of accounting for contributions. Restricted 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.</p> <p>Riverkeeper gala revenues are recognized as revenue when the gala is held.</p> <p>Event revenues are recognized as revenue when the events are held.</p>												
Financial Instruments	<p><u>Initial and subsequent measurement</u></p> <p>The organization initially measures its financial assets and liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost.</p> <p>The financial instruments measured at amortized cost are cash, other receivables and accounts payable and accrued liabilities.</p> <p><u>Impairment</u></p> <p>Financial assets measured at amortized cost are tested for impairment when there are indications of possible impairment.</p> <p><u>Transaction costs</u></p> <p>Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in the statement of operations over the life of the instrument using the straight-line method.</p>												
Tangible Capital Assets	<p>Tangible capital assets are stated at cost less accumulated amortization. Amortization is provided on the basis of their useful lives using the following methods and annual rates:</p> <table><tr><td>Equipment</td><td>30% diminishing balance basis</td></tr><tr><td>Furniture and office equipment</td><td>20% diminishing balance basis</td></tr><tr><td>Computer equipment</td><td>30% diminishing balance basis</td></tr><tr><td>Leasehold improvements</td><td>straight-line basis over lease term</td></tr><tr><td>Boat</td><td>20% diminishing balance basis</td></tr><tr><td>Website</td><td>20% diminishing balance basis</td></tr></table>	Equipment	30% diminishing balance basis	Furniture and office equipment	20% diminishing balance basis	Computer equipment	30% diminishing balance basis	Leasehold improvements	straight-line basis over lease term	Boat	20% diminishing balance basis	Website	20% diminishing balance basis
Equipment	30% diminishing balance basis												
Furniture and office equipment	20% diminishing balance basis												
Computer equipment	30% diminishing balance basis												
Leasehold improvements	straight-line basis over lease term												
Boat	20% diminishing balance basis												
Website	20% diminishing balance basis												
Impairment of Long-Lived Assets	<p>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 expense in the statement of operations.</p>												

Ottawa Riverkeeper Inc. Notes to Financial Statements

March 31, 2015

1. Accounting Policies (continued)

Contributed Services	Volunteers contribute many hours per year to assist the organization in carrying out its service delivery activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.
Deferred Contributions	Contributions relating to tangible capital assets are accounted for as deferred contributions and amortized on the same basis as the related tangible capital assets.

2. Tangible Capital Assets

	2015		2014	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Equipment	\$ 6,124	\$ 3,900	\$ 6,124	\$ 2,947
Furniture and office equipment	1,475	1,090	1,475	994
Computer equipment	29,016	17,606	29,893	14,661
Leasehold improvements	16,047	10,698	16,047	6,419
Boat	12,863	3,602	12,863	1,286
Website	13,103	8,830	13,103	7,761
	<u>\$ 78,628</u>	<u>\$ 45,726</u>	<u>\$ 79,505</u>	<u>\$ 34,068</u>
Net book value		<u>\$ 32,902</u>		<u>\$ 45,437</u>

3. Deferred Contributions

Deferred contributions represents funds received in the current year to cover operating expenses in the subsequent year. The variations in the balance of deferred contributions is as follows:

	2015	2014
Balance, beginning of year	\$ 15,300	\$ 2,600
Less: amounts recognized as revenue in the year	(15,300)	(2,600)
Plus: amounts received for the subsequent year	<u>44,132</u>	<u>15,300</u>
Balance, end of year	<u>\$ 44,132</u>	<u>\$ 15,300</u>

Ottawa Riverkeeper Inc. Notes to Financial Statements

March 31, 2015

4. Deferred Contributions Related to Tangible Capital Assets

Deferred contributions related to tangible capital assets represent contributions received for the purchase of tangible capital assets. The variations in the balance of deferred contributions is as follows:

	2015	2014
Balance, beginning of year	\$ 26,232	\$ 31,199
Plus: amount received during the year	-	2,642
Less: amount amortized to operations	(7,534)	(7,609)
Balance, end of year	<u>\$ 18,698</u>	<u>\$ 26,232</u>

5. Contractual Obligation

The organization leases its premises under a lease expiring in June 2016. Future minimum lease payments total \$28,295 and include the following payments over the next two years:

2016	\$ 22,636
2017	\$ 5,659

6. Financial Instruments

Credit risk

The organization is exposed to credit risk for its other receivables. The majority of the organization's receivables are from foundations or government agencies and the organization works to ensure they meet all eligibility criteria in order to qualify to receive the corresponding funding.

7. Comparative Figures

Certain figures for the previous year have been reclassified to conform to the presentation adopted in the current year.