

**Ottawa Riverkeeper Inc.**  
**Financial Statements**  
For the year ended March 31, 2016

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## Independent Auditor's Report

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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, 2016, 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, 2016 and 2015, current assets as at March 31, 2016 and 2015, and net assets as at April 1, 2015 and 2014 and as at March 31, 2016 and 2015. Our audit opinion on the financial statements for the year ended March 31, 2015 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, 2016, 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 8, 2016

**Ottawa Riverkeeper Inc.**  
**Statement of Financial Position**

| March 31  | 2016             | 2015             |
|---|------------------|------------------|
| <b>Assets</b>   |                  |                  |
| Current   |                  |                  |
| Cash  | \$ 35,188        | \$ 53,016        |
| Accounts receivable   | 6,808            | 10,667           |
| Prepaid expenses  | 313              | 338              |
|   | <u>42,309</u>    | <u>64,021</u>    |
| Tangible capital assets (Note 2)                                      | <u>24,927</u>    | <u>32,902</u>    |
|   | <u>\$ 67,236</u> | <u>\$ 96,923</u> |
| <b>Liabilities and Net Assets</b>                                     |                  |                  |
| Current   |                  |                  |
| Accounts payable and accrued liabilities (Note 3)                     | \$ 19,829        | \$ 7,673         |
| Deferred contributions (Note 4)                                       | 8,000            | 44,132           |
|   | <u>27,829</u>    | <u>51,805</u>    |
| Deferred contributions related to<br>tangible capital assets (Note 5) | <u>12,432</u>    | <u>18,698</u>    |
|   | <u>40,261</u>    | <u>70,503</u>    |
| Net Assets  |                  |                  |
| Unrestricted  | <u>26,975</u>    | <u>26,420</u>    |
|   | <u>\$ 67,236</u> | <u>\$ 96,923</u> |

On behalf of the Board:

 Director

 Director

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**Ottawa Riverkeeper Inc.**  
**Statement of Changes in Net Assets**

| <u>For the year ended March 31</u>            | <u>2016</u>      | <u>2015</u>      |
|---|------------------|------------------|
| Balance, beginning of the year                | \$ 26,420        | \$ 138,155       |
| Excess (deficiency) of revenues over expenses | <u>555</u>       | <u>(111,735)</u> |
| Balance, end of the year                      | <u>\$ 26,975</u> | <u>\$ 26,420</u> |

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## Ottawa Riverkeeper Inc. Statement of Operations

For the year ended March 31

2016

2015

### Revenues

|  |                |                |
|--|----------------|----------------|
| Grants from foundations  | \$ 225,076     | \$ 168,806     |
| Riverkeeper gala   | 167,665        | 127,015        |
| Corporate donations  | 115,710        | 63,070         |
| Individual donations   | 66,435         | 38,435         |
| Government grants  | 57,271         | 37,752         |
| Events   | 16,108         | 22,029         |
| Amortization of deferred contributions related to tangible capital assets (Note 5) | 6,266          | 7,534          |
| Other  | 4,155          | 3,787          |
|  | <u>658,686</u> | <u>468,428</u> |

### Expenses

|   |                |                |
|---|----------------|----------------|
| Amortization of tangible capital assets | 11,714         | 13,414         |
| Bank charges                            | 2,797          | 2,962          |
| Communications                          | 7,139          | 11,538         |
| Conference and membership fees          | 6,268          | 1,713          |
| Education, outreach and event costs     | 93,563         | 56,744         |
| Equipment rental and lab fees           | 8,268          | 17,732         |
| Insurance                               | 2,348          | 1,823          |
| Office                                  | 18,947         | 15,223         |
| Professional fees                       | 45,613         | 16,838         |
| Rent                                    | 23,454         | 20,821         |
| Salaries and benefits                   | 417,668        | 313,327        |
| Sub-contracts                           | 16,569         | 102,695        |
| Travel                                  | 3,783          | 5,333          |
|   | <u>658,131</u> | <u>580,163</u> |

|   |        |              |
|---|--------|--------------|
| Excess (deficiency) of revenues over expenses | \$ 555 | \$ (111,735) |
|---|--------|--------------|

## Ottawa Riverkeeper Inc. Statement of Cash Flows

| For the year ended March 31   | 2016             | 2015             |
|---|------------------|------------------|
| <b>Cash flows from operating activities</b>                               |                  |                  |
| Excess (deficiency) of revenues over expenses                             | \$ 555           | \$ (111,735)     |
| Items not affecting cash:   |                  |                  |
| Amortization of tangible capital assets                                   | 11,714           | 13,414           |
| Amortization of deferred contributions related to tangible capital assets | <u>(6,266)</u>   | <u>(7,534)</u>   |
|   | 6,003            | (105,855)        |
| Changes in non-cash working capital:                                      |                  |                  |
| Other receivables   | 3,859            | (2,888)          |
| Prepaid expenses  | 25               | (46)             |
| Accounts payable and accrued liabilities                                  | 12,156           | (3,159)          |
| Deferred contributions  | <u>(36,132)</u>  | <u>28,832</u>    |
|   | (14,089)         | (83,116)         |
| <b>Cash flows from investing activities</b>                               |                  |                  |
| Acquisition of tangible capital assets                                    | <u>(3,739)</u>   | <u>(879)</u>     |
| <b>Net decrease in cash</b>   | (17,828)         | (83,995)         |
| <b>Cash, beginning of the year</b>  | <u>53,016</u>    | <u>137,011</u>   |
| <b>Cash, end of the year</b>  | <u>\$ 35,188</u> | <u>\$ 53,016</u> |

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## Ottawa Riverkeeper Inc. Notes to Financial Statements

March 31, 2016

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### 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; and
- 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 organization applies the Canadian accounting standards for not-for-profit organization.

#### 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.

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## Ottawa Riverkeeper Inc. Notes to Financial Statements

March 31, 2016

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### 1. Accounting Policies (continued)

#### Revenue Recognition

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 they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Riverkeeper gala revenues are recognized as revenue when the gala is held.

Event revenues are recognized as revenue when the events are held.

#### Financial Instruments

##### Initial and subsequent measurement

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.

The financial instruments measured at amortized cost are cash, other receivables and accounts payable and accrued liabilities.

##### Impairment

Financial assets measured at amortized cost are tested for impairment when there are indications of possible impairment.

##### Transaction costs

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.

#### Tangible Capital Assets

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:

|                                |                                     |
|--------------------------------|-------------------------------------|
| 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

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.

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## Ottawa Riverkeeper Inc. Notes to Financial Statements

March 31, 2016

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### 1. Accounting Policies (continued)

|                               |   |
|-------------------------------|---|
| <b>Contributed Services</b>   | 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. |
| <b>Deferred Contributions</b> | Contributions relating to tangible capital assets are accounted for as deferred contributions and amortized on the same basis as the related tangible capital assets.   |

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### 2. Tangible Capital Assets

|                                   | 2016             |                             | 2015             |                             |
|-----------------------------------|------------------|-----------------------------|------------------|-----------------------------|
|                                   | Cost             | Accumulated<br>Amortization | Cost             | Accumulated<br>Amortization |
| Equipment                         | \$ 6,124         | \$ 4,567                    | \$ 6,124         | \$ 3,900                    |
| Furniture and office<br>equipment | 1,475            | 1,167                       | 1,475            | 1,090                       |
| Computer equipment                | 31,064           | 19,900                      | 29,016           | 17,606                      |
| Leasehold improvements            | 16,047           | 14,977                      | 16,047           | 10,698                      |
| Boat                              | 12,863           | 5,454                       | 12,863           | 3,602                       |
| Website                           | 13,103           | 9,684                       | 13,103           | 8,830                       |
|                                   | <u>\$ 80,676</u> | <u>\$ 55,749</u>            | <u>\$ 78,628</u> | <u>\$ 45,726</u>            |
| Net carrying amount               |                  | <u>\$ 24,927</u>            |                  | <u>\$ 32,902</u>            |

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### 3. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$9,031 (2015 - \$-).

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## Ottawa Riverkeeper Inc. Notes to Financial Statements

March 31, 2016

### 4. Deferred Contributions

Deferred contributions represent 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:

|   | 2016            | 2015             |
|---|-----------------|------------------|
| Balance, beginning of year                      | \$ 44,132       | \$ 15,300        |
| Less: amounts recognized as revenue in the year | (44,132)        | (15,300)         |
| Plus: amounts received for the subsequent year  | 8,000           | 44,132           |
| Balance, end of year                            | <u>\$ 8,000</u> | <u>\$ 44,132</u> |

### 5. 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:

|                                      | 2016             | 2015             |
|--------------------------------------|------------------|------------------|
| Balance, beginning of year           | \$ 18,698        | \$ 26,232        |
| Less: amount amortized to operations | (6,266)          | (7,534)          |
| Balance, end of year                 | <u>\$ 12,432</u> | <u>\$ 18,698</u> |

### 6. External Endowment Fund

During the year, the organization established an endowment fund with the Community Foundation of Ottawa (CFO), known as the Ottawa Riverkeeper Fund/Fonds Sentinelle de la Rivière des Outaouais. The agreement requires that the capital of the Fund and any additions to the fund shall be held permanently by the Foundation and managed in accordance with the Financial management policies of the Foundation. The distributable amount will normally consist of the fund's income, but encroachment on capital is permitted should the CFO determine that the income is insufficient.

Activity in the year is as follows:

|                                     | 2016             | 2015        |
|-------------------------------------|------------------|-------------|
| Balance, beginning of the year      | \$ -             | \$ -        |
| Contributions in the year           | 10,000           | -           |
| Investment income - net of expenses | 129              | -           |
| Balance, end of the year            | <u>\$ 10,129</u> | <u>\$ -</u> |