

Ottawa Riverkeeper Inc.
Financial Statements
For the year ended March 31, 2017

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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, 2017, 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, (deficiency) excess of revenues over expenses and cash flows from operations for the years ended March 31, 2017 and 2016, current assets as at March 31, 2017 and 2016, and net assets as at April 1, 2016 and 2015 and as at March 31, 2017 and 2016. Our audit opinion on the financial statements for the year ended March 31, 2016 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, 2017, and the results of its operations and its cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
September 12, 2017

Ottawa Riverkeeper Inc.
Statement of Financial Position

March 31	2017	2016
Assets		
Current		
Cash	\$ 132,318	\$ 35,188
Trade and other receivables	5,437	6,808
Prepaid expenses	8,818	313
	<u>146,573</u>	<u>42,309</u>
Tangible capital assets (Note 2)	<u>20,432</u>	<u>24,927</u>
	<u>\$ 167,005</u>	<u>\$ 67,236</u>
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (Note 3)	\$ 39,564	\$ 19,829
Deferred contributions	110,110	8,000
	<u>149,674</u>	<u>27,829</u>
Deferred contributions related to tangible capital assets (Note 5)	<u>9,000</u>	<u>12,432</u>
	<u>158,674</u>	<u>40,261</u>
Net Assets		
Invested in tangible capital assets	11,432	12,495
Unrestricted	(3,101)	14,480
	<u>8,331</u>	<u>26,975</u>
	<u>\$ 167,005</u>	<u>\$ 67,236</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>2017</u>	<u>2016</u>
Balance, beginning of the year	\$ 26,975	\$ 26,420
(Deficiency) excess of revenues over expenses	<u>(18,644)</u>	<u>555</u>
Balance, end of the year	<u>\$ 8,331</u>	<u>\$ 26,975</u>

Ottawa Riverkeeper Inc. Statement of Operations

For the year ended March 31	2017	2016
Revenues		
Grants from foundations	\$ 306,400	\$ 225,076
Riverkeeper gala	215,211	167,665
Corporate donations	84,287	115,710
Individual donations	52,272	66,435
Government grants	48,532	57,271
Events	50,053	16,108
Amortization of deferred contributions related to tangible capital assets (Note 5)	3,432	6,266
Other	12,004	4,155
	<u>772,191</u>	<u>658,686</u>
Expenses		
Amortization of tangible capital assets	7,405	11,714
Bank charges	5,520	2,797
Communications	5,617	7,139
Conference and membership fees	1,042	6,268
Education, outreach, gala and event costs	155,466	93,563
Equipment rental and lab fees	7,468	8,268
Insurance	2,357	2,348
Office	19,894	18,947
Professional fees	77,767	45,613
Rent	26,080	23,454
Salaries and benefits	473,817	417,668
Sub-contracts	-	16,569
Travel	8,402	3,783
	<u>790,835</u>	<u>658,131</u>
(Deficiency) excess of revenues over expenses	\$ (18,644)	\$ 555

Ottawa Riverkeeper Inc. Statement of Cash Flows

For the year ended March 31	2017	2016
Cash flows from operating activities		
(Deficiency) excess of revenues over expenses	\$ (18,644)	\$ 555
Items not affecting cash:		
Amortization of tangible capital assets	7,405	11,714
Amortization of deferred contributions related to tangible capital assets	(3,432)	(6,266)
	(14,671)	6,003
Changes in non-cash working capital:		
Trade and other receivables	1,371	3,859
Prepaid expenses	(8,505)	25
Accounts payable and accrued liabilities	19,735	12,156
Deferred contributions	102,110	(36,132)
	100,040	(14,089)
Cash flows from investing activities		
Acquisition of tangible capital assets	(2,910)	(3,739)
Net increase (decrease) in cash	97,130	(17,828)
Cash, beginning of the year	35,188	53,016
Cash, end of the year	\$ 132,318	\$ 35,188

Ottawa Riverkeeper Inc. Notes to Financial Statements

March 31, 2017

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 Not-for-profit Corporations Act. 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 and 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.

Ottawa Riverkeeper Inc. Notes to Financial Statements

March 31, 2017

1. Accounting Policies (continued)

Fund Accounting	<p>The general fund accounts for current operations and programs as well as the organization's general operations. Unrestricted contributions (donations and grants) and restricted contributions to be used for operations are reported in this fund.</p> <p>The tangible capital assets fund reports the assets, liabilities, revenues and expenses related to tangible capital assets.</p>												
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 they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.</p> <p>Riverkeeper gala and events revenues are recognized as revenue when the gala and 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><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 accounted for at cost and amortized on the basis of their useful life using the following methods and rates or duration:</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, 2017

1. Accounting Policies (continued)

Contributed Services	Volunteers contribute many hours per year to assist the organization in carrying out its 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

	2017		2016	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Equipment	\$ 6,124	\$ 5,034	\$ 6,124	\$ 4,567
Furniture and office equipment	1,475	1,229	1,475	1,167
Computer equipment	31,064	23,249	31,064	19,900
Leasehold improvements	16,047	16,047	16,047	14,977
Boat	15,773	7,227	12,863	5,454
Website	13,103	10,368	13,103	9,684
	<u>\$ 83,586</u>	<u>\$ 63,154</u>	<u>\$ 80,676</u>	<u>\$ 55,749</u>
Net carrying amount		<u>\$ 20,432</u>		<u>\$ 24,927</u>

3. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$12,866 (2016 - \$9,031).

Ottawa Riverkeeper Inc. Notes to Financial Statements

March 31, 2017

4. 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:

	2017	2016
Balance, beginning of year	\$ 8,000	\$ 44,132
Less: amounts recognized as revenue in the year	(8,000)	(44,132)
Plus: amounts received for the subsequent year	110,110	8,000
Balance, end of year	<u>\$ 110,110</u>	<u>\$ 8,000</u>

5. Deferred Contributions Related to Tangible Capital Assets

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

	2017	2016
Balance, beginning of year	\$ 12,432	\$ 18,698
Less: amount amortized to operations	(3,432)	(6,266)
Balance, end of year	<u>\$ 9,000</u>	<u>\$ 12,432</u>

6. External Endowment Fund

The organization established an endowment fund with the Community Foundation of Ottawa (the Foundation), 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 Foundation determine that the income is insufficient.

Activity in the year is as follows:

	2017	2016
Balance, beginning of the year	\$ 10,129	\$ -
Contributions in the year	5,000	10,000
Investment income - net of expenses	1,089	129
Balance, end of the year	<u>\$ 16,218</u>	<u>\$ 10,129</u>

Ottawa Riverkeeper Inc.
Notes to Financial Statements

March 31, 2017

7. Comparative Figures

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