

**Ottawa Riverkeeper Inc.**  
**Financial Statements**  
For the year ended March 31, 2020

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## Independent Auditor's Report

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To the members of  
Ottawa Riverkeeper Inc.

### Qualified Opinion

We have audited the financial statements of Ottawa Riverkeeper Inc. (the Organization), which comprise the statements of financial position as at March 31, 2020, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, 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 fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2020 and 2019, current assets as at March 31, 2020 and 2019, and net assets as at March 31 for both the 2020 and 2019 years. Our audit opinion on the financial statements for the year ended March 31, 2019 was modified accordingly because of the possible effects of this limitation in scope.

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.



### **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.

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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario  
September 22, 2020

# Ottawa Riverkeeper Inc. Statement of Financial Position

March 31	2020	2019
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 537,360	\$ 296,590
Amounts receivable	119,165	39,444
Prepaid expenses	16,258	11,092
	<u>672,783</u>	<u>347,126</u>
<b>Tangible capital assets (Note 2)</b>	<u>43,361</u>	<u>37,873</u>
	<u>\$ 716,144</u>	<u>\$ 384,999</u>
<b>Liabilities and Net Assets</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 3)	\$ 129,222	\$ 121,089
Deferred contributions	293,050	111,462
	<u>422,272</u>	<u>232,551</u>
<b>Deferred contributions related to tangible capital assets (Note 5)</b>	<u>22,151</u>	<u>11,015</u>
	444,423	243,566
<b>Contractual obligation (Note 6)</b>		
<b>Subsequent event (Note 7)</b>		
<b>Net Assets</b>		
Invested in tangible capital assets	21,210	26,858
Unrestricted	250,511	114,575
	<u>271,721</u>	<u>141,433</u>
	<u>\$ 716,144</u>	<u>\$ 384,999</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>2020</u>	<u>2019</u>
Balance, beginning of the year	\$ 141,433	\$ 71,602
Excess of revenues over expenses	<u>130,288</u>	<u>69,831</u>
Balance, end of the year	<u>\$ 271,721</u>	<u>\$ 141,433</u>

## Ottawa Riverkeeper Inc. Statement of Operations

For the year ended March 31	2020	2019
<b>Revenues</b>		
Grants from foundations	\$ 234,736	\$ 348,084
Riverkeeper gala	271,396	254,968
Corporate donations	157,904	68,957
Individual donations	163,910	143,782
Government grants	548,224	264,407
Events	55,998	50,543
Amortization of deferred contributions related to tangible capital assets (Note 5)	5,406	2,602
Other	18,874	20,400
	<u>1,456,448</u>	<u>1,153,743</u>
<b>Expenses</b>		
Amortization of tangible capital assets	14,429	11,627
Audit	4,930	4,592
Bank charges	4,893	6,839
Communications	3,105	4,342
Conference and membership fees	2,335	3,301
Equipment rental and lab fees	31,931	9,937
Insurance	4,173	4,134
Office and general	32,207	25,062
Outreach and event costs	116,028	108,620
Rent	52,937	52,196
Salaries and benefits	777,508	654,800
Sub-contracts and other professionals	264,855	187,382
Travel	16,829	11,080
	<u>1,326,160</u>	<u>1,083,912</u>
<b>Excess of revenues over expenses</b>	<u>\$ 130,288</u>	<u>\$ 69,831</u>

## Ottawa Riverkeeper Inc. Statement of Cash Flows

For the year ended March 31	2020	2019
<b>Cash flows from operating activities</b>		
Excess of revenues over expenses	\$ 130,288	\$ 69,831
Items not affecting cash:		
Amortization of tangible capital assets	14,429	11,627
Amortization of deferred contributions related to tangible capital assets	(5,406)	(2,602)
	139,311	78,856
Changes in non-cash working capital:		
Amounts receivable	(79,721)	(31,398)
Prepaid expenses	(5,166)	(2,149)
Accounts payable and accrued liabilities	8,133	83,588
Deferred contributions	198,130	(56,582)
	260,687	72,315
<b>Cash flows from investing activities</b>		
Acquisition of tangible capital assets	(19,917)	(11,974)
<b>Net increase in cash</b>	240,770	60,341
<b>Cash, beginning of the year</b>	296,590	236,249
<b>Cash, end of the year</b>	\$ 537,360	\$ 296,590



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## Ottawa Riverkeeper Inc. Notes to Financial Statements

March 31, 2020

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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 Not-for-profit Corporations Act.

The objectives of the Organization are:

1) to achieve a healthy, ecologically sustainable Ottawa River available for the enjoyment and benefits of its Ontario, Quebec and First Nations communities;

2) to employ a professional Riverkeeper to facilitate the maintenance and enhancement of Ottawa River ecological integrity through monitoring, original research, public and agency communications and support for enforcement;

3) to work independently as well as co-operatively with individuals, businesses, community groups and all levels of government on both sides of the river;

4) to develop and maintain an expert understanding of:  
a) the river's ecological values, processes and special features, and  
b) the protective framework offered by various federal, provincial and municipal jurisdictions and rights of First Nations;

5) to facilitate the enforcement of existing ecological protection regulations;

6) to encourage, where appropriate, the creation of additional measures to sustain and enhance the ecological health of the river; and

7) to encourage and develop programs and projects that increase community awareness, stewardship and habitat restoration along the Ottawa River.

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 organizations.

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## Ottawa Riverkeeper Inc. Notes to Financial Statements

March 31, 2020

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### 1. Accounting Policies (continued)

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.
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>

# Ottawa Riverkeeper Inc. Notes to Financial Statements

March 31, 2020

## 1. Accounting Policies (continued)

<b>Tangible Capital Assets</b>	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:												
	<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												
<b>Impairment of Long-Lived Assets</b>	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.												
<b>Contributed Services</b>	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.												
<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.												

## 2. Tangible Capital Assets

	2020		2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Equipment	\$ 28,544	\$ 10,828	\$ 12,848	\$ 6,599
Furniture and office equipment	4,680	2,204	4,029	1,666
Computer equipment	33,785	23,919	30,215	20,456
Leasehold improvements	19,018	11,491	19,018	6,736
Boat	15,773	11,397	15,773	10,303
Website	13,103	11,703	13,103	11,353
	<u>\$ 114,903</u>	<u>\$ 71,542</u>	<u>\$ 94,986</u>	<u>\$ 57,113</u>
Net carrying amount		<u>\$ 43,361</u>		<u>\$ 37,873</u>



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**Ottawa Riverkeeper Inc.**  
**Notes to Financial Statements**

**March 31, 2020**

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**3. Accounts Payable and Accrued Liabilities**

Included in accounts payable and accrued liabilities are government remittances payable of \$13,478 (2019 - \$28).

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**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:

	2020	2019
Balance, beginning of year	\$ 111,462	\$ 174,768
Less: amounts recognized as revenue in the year	(111,462)	(174,768)
Plus: amounts received for the subsequent year	293,050	111,462
Balance, end of year	<u>\$ 293,050</u>	<u>\$ 111,462</u>

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**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:

	2020	2019
Balance, beginning of year	\$ 11,015	\$ 6,893
Plus: amount received during the year	16,542	6,724
Less: amount amortized to operations	(5,406)	(2,602)
Balance, end of year	<u>\$ 22,151</u>	<u>\$ 11,015</u>

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**6. Contractual Obligation**

The Organization leases its premises under a lease expiring in October 2021. Future minimum lease payments (including HST) total \$88,927 and include the following payments over the next two years:

2021	\$ 56,164
2022	\$ 32,763

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## Ottawa Riverkeeper Inc. Notes to Financial Statements

March 31, 2020

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### 7. Subsequent Event

Subsequent to year end, the impact of COVID-19 in Canada and on the global economy increased significantly. As the impacts of COVID-19 continue, there could be further impact on the Organization, its founders and donors. Management is actively monitoring the affect on its financial condition, liquidity, operations, suppliers, industry, and workforce. As a result, management anticipates a temporary decline in revenue and has modified a number of its essential Fundraisers. Given the daily evolution of the COVID-19 out break and the global responses to curb its spread, the Organization is not able to fully estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity at this time.

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### 8. External Endowment Fund

The organization established an endowment fund with the Community Foundation of Ottawa (the Foundation), known as the Ottawa Riverkeeper Fund/Fonds Garde-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:

	2020	2019
Balance, beginning of the year	\$ 18,004	\$ 17,642
Contributions in the year	3,500	-
Investment income - net of expenses	(553)	362
Balance, end of the year	<u>\$ 20,951</u>	<u>\$ 18,004</u>