

Ottawa Riverkeeper Inc.
Financial Statements
For the year ended March 31, 2022

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Independent Auditor's Report

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, 2022, 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, 2022, 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, 2022 and 2021, current assets as at March 31, 2022 and 2021, and net assets as at March 31 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ended March 31, 2021 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 s.r.l./LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
September 20, 2022

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

March 31	2022	2021
Assets		
Current		
Cash	\$ 603,732	\$ 655,347
Amounts receivable	48,390	88,095
Prepaid expenses	47,756	5,384
	<u>699,878</u>	<u>748,826</u>
Tangible capital assets (Note 2)	<u>51,480</u>	<u>45,729</u>
	<u>\$ 751,358</u>	<u>\$ 794,555</u>
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (Note 3)	\$ 70,340	\$ 122,677
Deferred contributions (Note 4)	253,686	268,079
	<u>324,026</u>	<u>390,756</u>
Deferred contributions related to tangible capital assets (Note 5)	<u>41,879</u>	<u>26,087</u>
	<u>365,905</u>	<u>416,843</u>
Contractual obligation (Note 7)		
Net Assets		
Invested in tangible capital assets	9,601	19,642
Unrestricted	375,852	358,070
	<u>385,453</u>	<u>377,712</u>
	<u>\$ 751,358</u>	<u>\$ 794,555</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>2022</u>	<u>2021</u>
Balance, beginning of the year	\$ 377,712	\$ 271,721
Excess of revenues over expenses	<u>7,741</u>	<u>105,991</u>
Balance, end of the year	<u>\$ 385,453</u>	<u>\$ 377,712</u>

Ottawa Riverkeeper Inc. Statement of Operations

For the year ended March 31	2022	2021
Revenues		
Grants from foundations	\$ 355,698	\$ 346,828
Riverkeeper gala (Note 6)	102,500	196,380
Corporate donations	178,913	173,287
Individual donations	312,322	211,790
Government grants	261,719	323,478
Events	23,313	32,001
Amortization of deferred contributions related to tangible capital assets (Note 5)	8,901	9,889
Canada Emergency Rent Subsidy	11,131	11,481
Canada Emergency Wage Subsidy	162,174	161,073
Other	10,758	15,489
	<u>1,427,429</u>	<u>1,481,696</u>
Expenses		
Amortization of tangible capital assets	18,944	19,820
Audit	6,562	5,558
Bank charges	6,893	5,547
Communications	2,922	4,488
Conference and membership fees	1,858	2,270
Equipment rental and lab fees	19,896	13,310
Insurance	3,406	3,941
Office and general	22,415	36,385
Outreach and event costs	38,875	96,328
Rent	49,612	53,882
Sub-contracts and other professionals	315,310	334,919
Salaries and benefits	924,420	793,314
Travel	8,575	5,943
	<u>1,419,688</u>	<u>1,375,705</u>
Excess of revenues over expenses	<u>\$ 7,741</u>	<u>\$ 105,991</u>

Ottawa Riverkeeper Inc. Statement of Cash Flows

For the year ended March 31	2022	2021
Cash flows from operating activities		
Excess of revenues over expenses	\$ 7,741	\$ 105,991
Items not affecting cash:		
Amortization of tangible capital assets	18,944	19,820
Amortization of deferred contributions related to tangible capital assets	(8,901)	(9,889)
	17,784	115,922
Changes in non-cash working capital:		
Amounts receivable	39,705	31,070
Prepaid expenses	(42,372)	10,874
Accounts payable and accrued liabilities	(52,337)	(6,545)
Deferred contributions	10,300	(11,146)
	(26,920)	140,175
Cash flows from investing activities		
Acquisition of tangible capital assets	(24,695)	(22,188)
Net (decrease) increase in cash	(51,615)	117,987
Cash, beginning of the year	655,347	537,360
Cash, end of the year	\$ 603,732	\$ 655,347

Ottawa Riverkeeper Inc. Notes to Financial Statements

March 31, 2022

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.

Ottawa Riverkeeper Inc.
Notes to Financial Statements

March 31, 2022

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><i>Initial and subsequent measurement</i></u> 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><i>Impairment</i></u> Financial assets measured at amortized cost are tested for impairment when there are indications of possible impairment.</p> <p><u><i>Transaction costs</i></u> 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, 2022

1. Accounting Policies (continued)

Tangible Capital Assets 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:

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.

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

	2022		2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Equipment	\$ 28,544	\$ 19,863	\$ 28,544	\$ 16,143
Furniture and office equipment	4,680	3,095	4,680	2,699
Computer equipment	42,149	32,338	42,149	28,134
Leasehold improvements	19,018	19,018	19,018	16,246
Boat	15,773	12,973	15,773	12,272
Website	38,518	9,915	26,927	15,868
	<u>\$ 148,682</u>	<u>\$ 97,202</u>	<u>\$ 137,091</u>	<u>\$ 91,362</u>
Net carrying amount		<u>\$ 51,480</u>		<u>\$ 45,729</u>

Ottawa Riverkeeper Inc.
Notes to Financial Statements

March 31, 2022

3. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$20,911 (2021 - \$15,848).

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:

	2022	2021
Balance, beginning of year	\$ 268,079	\$ 293,050
Less: amounts recognized as revenue in the year	(268,079)	(293,050)
Plus: amounts received for the subsequent year	253,686	268,079
Balance, end of year	<u>\$ 253,686</u>	<u>\$ 268,079</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:

	2022	2021
Balance, beginning of year	\$ 26,087	\$ 22,151
Plus: amount received during the year	24,693	13,825
Less: amount amortized to operations	(8,901)	(9,889)
Balance, end of year	<u>\$ 41,879</u>	<u>\$ 26,087</u>

6. Riverkeeper Gala

The global pandemic of Covid-19 continues to disrupt economic activities by impacting the organization's ability to host the Riverkeeper gala. During the year, the sponsorships received for the Riverkeeper gala were converted to general sponsorships.

Ottawa Riverkeeper Inc.
Notes to Financial Statements

March 31, 2022

7. Contractual Obligation

The Organization leases its premises under a lease expiring in October 2022. The Organization has entered in a lease agreement expiring in October 2027. Future minimum lease payments over the next five years are as follows:

2023	\$	26,674
2024	\$	81,583
2025	\$	89,000
2026	\$	104,000
2027	\$	125,000
		<u> </u>
	\$	<u>426,257</u>

8. External Endowment Fund

The organization established an endowment fund with the Ottawa Community Foundation (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:

	<u>2022</u>	<u>2021</u>
Balance, beginning of the year	\$ 29,360	\$ 20,951
Contributions in the year	1,000	2,000
Investment income - net of expenses	476	6,409
	<u> </u>	<u> </u>
Balance, end of the year	<u>\$ 30,836</u>	<u>\$ 29,360</u>