

Ottawa Riverkeeper Inc.
Financial Statements
For the year ended March 31, 2014

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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, 2014, 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, 2014 and 2013, current assets as at March 31, 2014 and 2013, and net assets as at April 1, 2013 and 2012 and as at March 31, 2014 and 2013. Our audit opinion on the financial statements for the year ended March 31, 2013 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, 2014, 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 Accountants, Licensed Public Accountants

Ottawa, Ontario
September 16, 2014

Ottawa Riverkeeper Inc.
Statement of Changes in Net Assets

<u>For the year ended March 31</u>	<u>2014</u>	<u>2013</u>
Balance, beginning of the year	\$ 28,763	\$ 70,167
Excess (deficiency) of revenues over expenses	<u>109,392</u>	<u>(41,404)</u>
Balance, end of the year	\$ 138,155	\$ 28,763

Ottawa Riverkeeper Inc. Statement of Operations

For the year ended March 31	2014	2013
Revenues		
Grants from foundations	\$ 387,107	\$ 101,312
Riverkeeper gala	140,400	-
Corporate donations	111,239	56,849
Government grants	41,463	2,460
Individual donations	30,651	33,210
Events	13,974	10,880
Amortization of deferred contributions related to tangible capital assets (Note 4)	7,609	6,302
Other	2,551	395
	734,994	211,408
Expenses		
Amortization of tangible capital assets	12,575	9,064
Bank charges	2,053	1,275
Communications	19,221	4,086
Conference and membership fees	3,025	1,728
Education, outreach and event costs	63,176	12,468
Equipment rental and lab fees	9,536	56
Insurance	1,560	1,293
Office	13,658	7,783
Professional fees	16,772	32,978
Rent	20,821	20,821
Salaries and benefits	256,008	157,541
Sub-contracts	202,588	-
Travel	4,609	3,719
	625,602	252,812
Excess (deficiency) of revenues over expenses	\$ 109,392	\$ (41,404)

Ottawa Riverkeeper Inc. Statement of Cash Flows

For the year ended March 31	2014	2013
Cash flows from operating activities		
Excess (deficiency) of revenues over expenses	\$ 109,392	\$ (41,404)
Items not affecting cash:		
Amortization of tangible capital assets	12,575	9,064
Amortization of deferred contributions related to tangible capital assets	(7,609)	(6,302)
	114,358	(38,642)
Changes in non-cash working capital:		
Amounts receivable	8,029	(119,746)
Prepaid expenses	4,622	(2,243)
Funding receivable	(55,000)	(25,000)
Accounts payable and accrued liabilities	5,904	1,205
Deferred contributions	12,000	193,305
	89,913	8,879
Cash flows from investing activities		
Acquisition of tangible capital assets	(23,765)	(18,350)
Cash flows from financing activities		
Deferred contributions related to tangible capital assets	2,642	10,604
Net increase in cash	68,790	1,133
Cash, beginning of the year	68,221	67,088
Cash, end of year	\$ 137,011	\$ 68,221

Ottawa Riverkeeper Inc.

Notes to Financial Statements

March 31, 2014

1. Significant Accounting Policies

Purpose of Organization Ottawa Riverkeeper Inc. is a not-for-profit organization incorporated without share capital under the laws of 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, 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 in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. The area including significant estimates is the useful lives of tangible capital assets.

Ottawa Riverkeeper Inc.

Notes to Financial Statements

March 31, 2014

1. Significant 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 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

Measurement

The organization initially measures its financial assets and liabilities at fair value. The organization subsequently measures all its financial assets and liabilities at amortized cost.

The financial instruments measured at amortized cost are cash, amounts receivable, funding receivable and accounts payable and accrued liabilities.

Impairment

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

Transaction costs

Financial instruments that are subsequently measured at amortized cost are adjusted by the transaction costs in the initial measurement of the asset or liability.

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 Tangible Capital 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.

Ottawa Riverkeeper Inc.
Notes to Financial Statements

March 31, 2014

1. Significant Accounting Policies (continued)

Contributed Services Volunteers contribute numerous hours per year to assist the organization in carrying out its service delivery activities. Because of 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. Funding Receivable

	2014	2013
Gaspe Beaubien Foundation	\$ 140,000	\$ -
Ontario Trillium Foundation	50,000	142,900
	190,000	142,900
Less : principal portion receivable within one year	110,000	117,900
	\$ 80,000	\$ 25,000

3. Tangible Capital Assets

	2014		2013	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Equipment	\$ 6,124	\$ 2,947	\$ 4,679	\$ 1,895
Furniture and office equipment	1,475	994	1,475	874
Computer equipment	29,893	14,661	23,822	13,544
Leasehold improvements	16,047	6,419	16,047	2,140
Boat	12,863	1,286	-	-
Website	13,103	7,761	13,103	6,426
	\$ 79,505	\$ 34,068	\$ 59,126	\$ 24,879
Net book value		\$ 45,437		\$ 34,247

Ottawa Riverkeeper Inc.
Notes to Financial Statements

March 31, 2014

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:

	2014	2013
Balance, beginning of year	\$ 168,300	\$ -
Less: amounts recognized as revenue in the year	(168,300)	-
Plus: amounts transferred from long-term deferred contributions	25,000	-
Plus: amounts received for the subsequent year	90,300	168,300
Balance, end of year	\$ 115,300	\$ 168,300

5. Deferred Contributions Related to Tangible Capital Assets

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

	2014	2013
Balance, beginning of year	\$ 31,199	\$ 26,897
Plus: amount received during the year	2,642	10,604
Less: amount amortized to operations	(7,609)	(6,302)
Balance, end of year	\$ 26,232	\$ 31,199

6. Deferred Contributions

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

	2014	2013
Balance, beginning of year	\$ 25,000	\$ -
Less: amounts transferred to short-term deferred contributions	(25,000)	-
Plus: amounts received for subsequent years	90,000	25,000
Balance, end of year	\$ 90,000	\$ 25,000

Ottawa Riverkeeper Inc.
Notes to Financial Statements

March 31, 2014

7. Commitment

The organization has an operating lease for its premises at \$1,886 per month expiring in June 2016.

Future minimum lease payments over the next three years are as follows:

2015	\$	22,636
2016		22,636
2017		5,659
		<hr/>
	\$	50,931
		<hr/>

8. Financial Instruments

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization is exposed to credit risk for its funding receivable. The majority of the organization's receivables are from foundations and the organization works to ensure they meet all eligibility criteria in order to qualify to receive the corresponding funding.

9. Comparative Figures

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