

**Ottawa Riverkeeper Inc.**  
**Financial Statements**  
**March 31, 2012**



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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, 2012, 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 generally accepted accounting principles, 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 organization'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 organization'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 charitable organizations, Ottawa Riverkeeper Inc. derives revenue from the general public in the form of cash contributions, 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 contribution revenues, excess of revenue over expenses and cash flows from operations for the years ended March 31, 2012 and 2011, current assets as at March 31, 2012 and 2011, and net assets as at April 1, 2011 and 2010 and as at March 31, 2012 and 2011. Our audit opinion on the financial statements for the year ended March 31, 2011 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, these financial statements present fairly, in all material respects, the financial position of Ottawa Riverkeeper Inc. as at March 31, 2012 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink that reads "BDO Canada LLP". The signature is written in a cursive, flowing style.

Chartered Accountants, Licensed Public Accountants

Ottawa, Ontario  
June 15, 2012

**Ottawa Riverkeeper Inc.**  
**Financial Statements**  
For the year ended March 31, 2012

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

March 31	2012	2011
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 67,088	\$ 50,161
Funding receivable	-	31,500
HST receivable	6,065	4,476
Prepaid expenses	2,671	1,957
	75,824	88,094
<b>Capital assets (Note 2)</b>	<b>24,963</b>	<b>18,322</b>
	<b>\$ 100,787</b>	<b>\$ 106,416</b>

**Liabilities and Net Assets**

<b>Current</b>		
Accounts payable and accrued liabilities	\$ 3,723	\$ 8,100
Deferred contributions	-	26,500
	3,723	34,600
<b>Deferred contributions related to capital assets (Note 3)</b>	<b>26,897</b>	<b>15,680</b>
	30,620	50,280
<b>Commitments (Note 4)</b>		
<b>Net Assets</b>		
Unrestricted	70,167	56,136
	<b>\$ 100,787</b>	<b>\$ 106,416</b>

Approved by 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>2012</u>	<u>2011</u>
Balance, April 1	\$ 56,136	\$ 44,395
Excess of revenue over expenses	<u>14,031</u>	<u>11,741</u>
<b>Balance, March 31</b>	<b>\$ 70,167</b>	<b>\$ 56,136</b>

## Ottawa Riverkeeper Inc. Statement of Operations

For the year ended March 31	2012	2011
<b>Revenue</b>		
Other funding and donations	\$ 178,572	\$ 198,021
Funding- Trillium Foundation	82,500	49,600
Amortization of deferred contributions related to capital assets	4,936	2,110
Other	1,319	150
	<b>267,327</b>	<b>249,881</b>
<b>Expenses</b>		
Advertising and promotion	10,912	17,861
Amortization	6,787	4,317
Bank charges	988	1,024
Communications	7,462	4,620
Conference and membership fees	1,221	2,562
Equipment rental and lab fees	12,253	252
Insurance	1,258	1,254
Office	9,032	5,519
Professional fees	9,044	2,453
Rent	20,995	21,599
Salaries and benefits	164,308	172,123
Subcontracts	3,833	2,000
Travel	5,203	2,556
	<b>253,296</b>	<b>238,140</b>
<b>Excess of revenue over expenses</b>	<b>\$ 14,031</b>	<b>\$ 11,741</b>

**Ottawa Riverkeeper Inc.  
Statement of Cash Flows**

<b>For the year ended March 31</b>	<b>2012</b>	<b>2011</b>
<b>Cash provided by (used for):</b>		
<b>Operating activities</b>		
Excess of revenue over expenses	\$ 14,031	\$ 11,741
Items not affecting cash:		
Amortization	6,787	4,317
	<u>20,818</u>	<u>16,058</u>
Net change in non-cash working capital balances:		
Decrease in funding receivable	31,500	11,900
Increase in HST receivable	(1,589)	(3,185)
Decrease (increase) in prepaid expenses	(714)	21
Decrease in accounts payable and accrued liabilities	(4,377)	(2,975)
Decrease in deferred contributions	(26,500)	(16,900)
	<u>19,138</u>	<u>4,919</u>
<b>Investing activities</b>		
Acquisition of capital assets	(13,428)	(14,639)
<b>Financing activities</b>		
Decrease in long-term funding receivable	-	30,700
Decrease in long-term deferred contributions	-	(30,700)
Deferred contributions related to capital assets	11,217	11,955
	<u>11,217</u>	<u>11,955</u>
Increase in cash	16,927	2,235
Cash, April 1	<u>50,161</u>	<u>47,926</u>
<b>Cash, March 31</b>	<b>\$ 67,088</b>	<b>\$ 50,161</b>



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## Ottawa Riverkeeper Inc. Summary of Significant Accounting Policies

**March 31, 2012**

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<b>Nature of organization</b>	<p>Ottawa Riverkeeper Inc. is a registered charitable organization incorporated under the laws of Canada and is exempt from income taxes. It is concerned first and foremost with 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 co-operatively with individuals, businesses, community groups and all levels of government on both sides of the river to achieve our mission.</p> <p>Ottawa Riverkeeper Inc. was established to:</p> <ul style="list-style-type: none"><li>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;</li><li>b) Conduct ecological monitoring and research; develop and maintain an expert understanding of the river's ecological values, processes and special features;</li><li>c) Promote public awareness and stewardships; inform the public and key decision makers about issues impacting the ecological health of the river;</li><li>d) Encourage partnerships and coordination; identify and establish partnerships with individuals, communities or organizations working towards a shared vision.</li></ul>						
<b>Capital assets</b>	<p>Capital assets are recorded at cost. Amortization is recorded on the declining balance basis as follows except in the year of acquisition when one-half the rate is used.</p> <table><tr><td>Computer equipment</td><td>30% diminishing balance basis</td></tr><tr><td>Furniture &amp; Other equipment</td><td>20% diminishing balance basis</td></tr><tr><td>Website</td><td>20% diminishing balance basis</td></tr></table>	Computer equipment	30% diminishing balance basis	Furniture & Other equipment	20% diminishing balance basis	Website	20% diminishing balance basis
Computer equipment	30% diminishing balance basis						
Furniture & Other equipment	20% diminishing balance basis						
Website	20% diminishing balance basis						
<b>Contributed services</b>	<p>Because of the difficulty of determining fair value, the statement of income does not include any amounts for services contributed by the members of the Board of Directors, or the volunteers who assist the corporation in carrying out its service delivery activities.</p>						
<b>Revenue recognition</b>	<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 received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.</p>						

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## Ottawa Riverkeeper Inc. Summary of Significant Accounting Policies

March 31, 2012

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**Revenue recognition  
(continued)**

Contributions externally restricted for capital assets are recorded as deferred contributions related to capital assets and are amortized to operations on the same basis as the related asset is depreciated.

**Use of estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

**Financial instruments**

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the organization's designation of such instruments. Settlement date accounting is used.

The organization has classified its financial instruments as follows:

<b>Asset/Liability</b>	<b>Category</b>	<b>Measurement</b>
Cash	Held-for-trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

The carrying amount of these financial assets and financial liabilities approximates their fair values unless otherwise disclosed.

**New accounting  
pronouncements**

In December 2010, the Accounting Standards Board (AcSB) issued new accounting and financial reporting requirements for not-for-profit organizations, which will require non-government (private sector) not-for-profit organizations to adopt either International Financial Reporting Standards or Accounting Standards for Private Enterprises (ASPE) plus the current 4400 Series of Standards related to not-for-profit organizations, for year ends beginning on or after January 1, 2012. Early adoption is allowed. The impact of the transition on the organization's financial statements has yet to be determined.

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## Ottawa Riverkeeper Inc. Notes to Financial Statements

March 31, 2012

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### 1. Financial instruments

Credit risk refers to the risk resulting from the possibility that parties may default on their financial obligations to the organization. Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. It is the opinion of management, given the nature of the organization's financial instruments, that the organization is not exposed to significant credit risk or interest rate risk arising from these financial instruments.

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### 2. Capital assets

	2012		2011	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 21,520	\$ 9,632	\$ 21,802	\$ 5,712
Other equipment	4,679	702	-	-
Furniture	1,475	724	1,175	573
Website	13,103	4,756	5,278	3,648
	<b>\$ 40,777</b>	<b>\$ 15,814</b>	<b>\$ 28,255</b>	<b>\$ 9,933</b>
Net book value		<b>\$ 24,963</b>		<b>\$ 18,322</b>

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### 3. Deferred contributions related to capital assets

Deferred contributions related to capital assets represent the unamortized balance of grants and donations received for the purchase of capital assets. The amortization of deferred contributions related to capital assets is recorded as revenue in the Statement of Operations. The changes for the year are as follows:

	2012	2011
Balance, beginning of year	\$ 15,680	\$ 3,725
Contributions during the year	16,153	14,065
Amortization of revenue during the year	(4,936)	(2,110)
Balance, end of year	<b>\$ 26,897</b>	<b>\$ 15,680</b>

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## Ottawa Riverkeeper Inc. Notes to Financial Statements

March 31, 2012

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#### 4. Commitment

Ottawa Riverkeeper Inc. has entered into a new five year lease that commenced July 1, 2011, requiring annual payments of \$20,032 plus HST.

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#### 5. Capital disclosures

As a not-for-profit entity, the organization's operations are reliant on contributions and revenues generated annually. The organization has accumulated unrestricted net assets over its history. A portion of the accumulated net assets is retained as working capital which may be required from time to time due to the timing of contribution receipts and revenue generation. The remaining surplus is available for the use of the organization at the discretion of the organization's Board of Directors. The organization's net assets are not restricted.