

***PETITCODIAC RIVERKEEPER, INC. /  
SENTINELLES DE LA RIVIÈRE  
PETITCODIAC, INC.***

**ANNUAL FINANCIAL REPORT**

Year ended December 31, 2004

**PETITCODIAC RIVERKEEPER, INC. /  
SENTINELLES DE LA RIVIÈRE PETITCODIAC, INC.**

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**TABLE OF CONTENTS**

Year ended December 31, 2004

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AUDITORS' REPORT	1
FINANCIAL STATEMENTS :	
Revenue and expenditures	2
Changes in fund balances	4
Balance sheet	5
Cash flows	6
Notes to financial statements	7

## AUDITORS' REPORT

To the Directors of  
Petitcodiac Riverkeeper, Inc. / Sentinelles de la rivière Petitcodiac, Inc.

We have audited the balance sheet of PETITCODIAC RIVERKEEPER, INC. / SENTINELLES DE LA RIVIÈRE PETITCODIAC, INC. as at December 31, 2004 and the statements of revenue and expenditures, changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

Some of the organization's donation, membership and auction revenues, by their nature, are not susceptible of complete audit by Canadian generally accepted auditing procedures. Accordingly, our audit of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenues, assets and fund balances.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2004 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Dieppe, New Brunswick  
February 28, 2005

**PETITCODIAC RIVERKEEPER, INC. /  
SENTINELLES DE LA RIVIÈRE PETITCODIAC, INC.**

**REVENUE AND EXPENDITURES**

Year ended December 31,

**2004**

**2003**

	<b>General Fund</b>	<b>Restricted, Special Projects</b>	<b>Capital Asset Fund</b>	<b>Total</b>	<b>Total</b>
<b>REVENUE</b>					
Donation and membership	\$ 15,077	\$ -	\$ -	\$ 15,077	\$ 19,064
Environmental Foundations	48,334	10,000	-	58,334	29,128
Interest revenue	67	-	-	67	29
Government assistance - Federal	3,111	-	-	3,111	22,502
Government assistance - Provincial	-	4,638	-	4,638	30,360
Government assistance - Municipal	5,000	-	-	5,000	7,500
Special events and sales	8,456	16,937	-	25,393	6,684
Local and regional groups	250	-	-	250	3,099
Other revenues	1,484	-	-	1,484	50
	<b>81,779</b>	<b>31,575</b>	<b>-</b>	<b>113,354</b>	<b>118,416</b>

**EXPENDITURES**

Salaries, fringe benefits and contractual	45,328	8,156	-	53,484	84,978
Advertising and promotion	1,390	1,178	-	2,568	97
Auctions	2,552	-	-	2,552	2,621
Education general	6,673	-	-	6,673	1,791
General administration	1,832	52	-	1,884	1,574
Insurance and security	741	-	-	741	722
Interest and bank charges	970	-	-	970	473
Legal defense activities	-	974	-	974	-
Membership development	783	-	-	783	587
Merchandise	1,965	-	-	1,965	352
Accounting	4,058	643	-	4,701	2,791
Public conference	202	-	-	202	100
Rent	5,754	696	-	6,450	6,450
Repairs and maintenance	562	-	-	562	387
Research	236	-	-	236	75
Stationery and office supplies	3,411	30	-	3,441	4,281
Telecommunications	2,990	107	-	3,097	2,795
Travel	1,605	14,807	-	16,412	3,871
Watershed project	150	2,540	-	2,690	15,875
Web site development	257	-	-	257	488
Amortization	-	-	1,476	1,476	1,319
	<b>81,459</b>	<b>29,183</b>	<b>1,476</b>	<b>112,118</b>	<b>131,627</b>

**EXCESS OF REVENUE OVER  
EXPENDITURES (EXPENDITURES**

**OVER REVENUE) \$ 320 \$ 2,392 \$ (1,476) \$ 1,236 \$ (13,211)**



**PETITCODIAC RIVERKEEPER, INC. /  
SENTINELLES DE LA RIVIÈRE PETITCODIAC, INC.**

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**CHANGES IN FUND BALANCES**

Year ended December 31,

**2004**

**2003**

	<b>General Fund</b>	<b>Restricted, Special Projects</b>	<b>Capital Asset Fund</b>	<b>Total</b>	<b>Total</b>
<b>BALANCE, BEGINNING OF YEAR</b>	\$ (8,802)	\$ 3,614	\$ 5,897	\$ 709	\$ 13,920
Excess of revenue over expenditures (expenditures over revenue)	320	2,392	(1,476)	1,236	(13,211)
	(8,482)	6,006	4,421	1,945	709
Interfund transfers	5,022	(6,006)	984	-	-
<b>BALANCE, END OF YEAR</b>	<b>\$ (3,460)</b>	<b>\$ -</b>	<b>\$ 5,405</b>	<b>\$ 1,945</b>	<b>\$ 709</b>

**PETITCODIAC RIVERKEEPER, INC. /  
SENTINELLES DE LA RIVIÈRE PETITCODIAC, INC.**

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**BALANCE SHEET**

December 31,

**2004**

**2003**

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 368	\$ 570
Accounts receivable (note 3)	2,954	20,984
Inventories	1,567	2,982

**CAPITAL ASSETS (note 4)**

<b>4,889</b>	24,536
<b>5,405</b>	5,897

<b>\$ 10,294</b>	<b>\$ 30,433</b>
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**LIABILITIES**

**CURRENT LIABILITIES**

Bank loan (note 5)	\$ 6,000	\$ 8,000
Note payable	-	10,000
Accounts payable (note 6)	2,349	11,724

<b>8,349</b>	29,724
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**FUND BALANCES**

Capital asset fund	5,405	5,897
Restricted, special projects	-	3,614
General fund, unrestricted	(3,460)	(8,802)

<b>1,945</b>	709
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<b>\$ 10,294</b>	<b>\$ 30,433</b>
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ON BEHALF OF THE BOARD

....., Director

....., Director

**PETITCODIAC RIVERKEEPER, INC. /  
SENTINELLES DE LA RIVIÈRE PETITCODIAC, INC.**

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**CASH FLOWS**

Year ended December 31,

**2004**

**2003**

**OPERATING ACTIVITIES**

Excess of revenue over expenditures (expenditures over revenue)

**\$ 1,236 \$ (13,211)**

Items not affecting cash and cash equivalents :

Amortization

**1,476 1,319**

**2,712 (11,892)**

Net change in non-cash working capital items :

Accounts receivable

**18,030 (18,056)**

Inventories

**1,415 435**

Accounts payable

**(9,375) 5,061**

**12,782 (24,452)**

**INVESTING ACTIVITIES**

Acquisition of capital assets

**(984) (3,613)**

**FINANCING ACTIVITIES**

Changes in bank loan

**(2,000) 8,000**

Change in note payable

**(10,000) 10,000**

**(12,000) 18,000**

**CASH DECREASE**

**(202) (10,065)**

**CASH, BEGINNING OF YEAR**

**570 10,635**

**CASH, END OF YEAR**

**\$ 368 \$ 570**

Cash flows related to operating activities include the following elements :

Interest received

**\$ 67 \$ 29**

Interest paid

**\$ 970 \$ 473**

**PETITCODIAC RIVERKEEPER, INC. /  
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**NOTES TO FINANCIAL STATEMENTS**

December 31, 2004

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**1. LEGAL STATUS AND NATURE OF ACTIVITIES**

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The organization, incorporated under the laws of the Province of New Brunswick, is involved in the preservation and restoration of the Petitcodiac River in Moncton, New Brunswick. It is a non profit organization and a registered charity.

**2. SIGNIFICANT ACCOUNTING POLICIES**

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**Accounting method for contributions**

The organization follows the restricted fund method of accounting for contributions. The "Restricted, Special Projects" Fund is used to account for revenues with external restrictions as well as related expenses. General program and administrative expenses are recorded in the General Fund.

**Inventory valuation**

Inventories are valued at lower of cost and net realizable value, the cost being determined using the average cost method.

**Capital assets**

Capital assets are accounted for at cost. Amortization is based on their estimated useful life using the diminishing-balance method at the following rates :

Office furniture	20 %
Computer equipment	30 %

**3. ACCOUNTS RECEIVABLE**

	2004	2003
Trade	\$ 1,977	\$ -
Grants receivable	-	19,500
Sales tax receivable	977	1,484
	<u>\$ 2,954</u>	<u>\$ 20,984</u>

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**PETITCODIAC RIVERKEEPER, INC. /  
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**NOTES TO FINANCIAL STATEMENTS**

December 31, 2004

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4. CAPITAL ASSETS	2004			2003	
	Cost	Accumulated amortization	Net value	Net value	
Office furniture	\$ 5,564	\$ 1,871	\$ 3,693	\$	4,234
Computer equipment	4,636	2,924	1,712		1,663
	<b>\$ 10,200</b>	<b>\$ 4,795</b>	<b>\$ 5,405</b>	<b>\$</b>	<b>5,897</b>

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**5. BANK LOAN**

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The organization has an authorized line of credit of \$10,000, bearing interest at prime rate plus 3% and renewable in April 2005. It is secured by accounts receivable and by inventories.

6. ACCOUNTS PAYABLE	2004		2003	
Suppliers	\$	424	\$	8,094
Withholding taxes and contributions		-		1,705
Accrued expenses		1,925		1,925
	<b>\$</b>	<b>2,349</b>	<b>\$</b>	<b>11,724</b>

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**7. COMPARATIVE FIGURES**

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Certain comparative figures have been reclassified to conform with the presentation used in the current year.