
OCEANA CANADA

FINANCIAL STATEMENTS

DECEMBER 31, 2014

INDEPENDENT AUDITOR'S REPORT

To the Members,
Oceana Canada

We have audited the accompanying financial statements of Oceana Canada which comprise the statement of financial position as at December 31, 2014, and the statements of operations and 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 audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Oceana Canada as at December 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.

Other Matter

No comparative amounts are presented in these financial statements and no audit was performed with respect to the period from March 22, 2013, date of incorporation, to December 31, 2013.

Pennylegion Chung LLP

Chartered Professional Accountants
Licensed Public Accountants

May 21, 2015
Toronto, Ontario

OCEANA CANADA

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

2014

ASSETS

Current assets

Cash

\$ 152,599

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable and accrued liabilities

\$ 2,650

Deferred contributions (note 2)

85,000

87,650

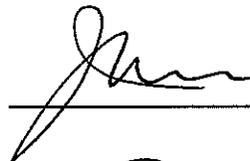
Net assets

Unrestricted

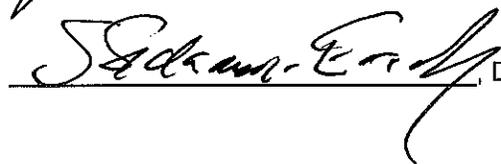
64,949

\$ 152,599

Approved on behalf of the Board:



_____, Director



_____, Director

see accompanying notes

OCEANA CANADA

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2014

2014

REVENUE

In-kind contributions (note 3)	\$ 116,457
Contributions (note 4)	<u>69,000</u>
	<u>185,457</u>

EXPENSES

In-kind services (note 3)	116,457
Professional fees	2,465
Bank charges	<u>1,586</u>
	<u>120,508</u>

EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR 64,949

Net assets, beginning of year nil

NET ASSETS, END OF YEAR \$ 64,949

see accompanying notes

OCEANA CANADA

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

2014

OPERATING ACTIVITIES

Excess of revenue over expenses for the year	\$ 64,949
Net change in working capital items (see below)	<u>87,650</u>
NET CASH INCREASE IN THE YEAR	152,599
Cash, beginning of year	<u>nil</u>
CASH, END OF YEAR	<u>\$ 152,599</u>

Net change in non-cash working capital items:

Increase (decrease) in current liabilities-	
Accounts payable and accrued liabilities	\$ 2,650
Deferred contributions	<u>85,000</u>
	<u>\$ 87,650</u>

see accompanying notes

OCEANA CANADA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2014

Oceana Canada (the organization) was incorporated on March 22, 2013 as a not-for-profit corporation without share capital under the Canada Not-for-profit Corporations Act. The organization commenced operations on January 1, 2014. The organization is a registered charitable organization under the Income Tax Act (Canada) and as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes.

The organization is a national advocacy organization focused solely on ocean conservation. The organization is dedicated to protecting and restoring the world's oceans on a global scale to make oceans more biodiverse and abundant.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant:

Revenue recognition

The principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

- i) The organization follows the deferral method of revenue recognition for contributions. Externally restricted contributions, including grants and donations, related to current expenses are recognized as revenue in the current year. Externally restricted contributions received in the year for expenses to be incurred in the following year are recorded as deferred contributions. Unrestricted contributions, including donations and amounts received from fundraising, are recorded when funds are received.
- ii) Except for in-kind contributions of administrative and accounting services provided by Oceana Inc., donated materials and services which are normally purchased by the organization are not recorded in the accounts. Volunteers contribute their time to assist the organization in delivering its services. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

2. DEFERRED CONTRIBUTIONS

Deferred contributions comprise the following:

	2014
Echo Foundation	\$ 60,000
Schad Foundation	<u>25,000</u>
Deferred contributions, end of year	<u>\$ 85,000</u>

Continuity of deferred contributions for the year is as follows:

Deferred contributions, beginning of year	\$ nil
Add cash received from contributions	154,000
Less contributions recognized as revenue (note 4)	<u>(69,000)</u>
Deferred contributions, end of year	<u>\$ 85,000</u>

OCEANA CANADA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2014

3. NON-MONETARY TRANSACTIONS

Oceana Inc., an independent organization based in the United States, contributes administrative support and accounting services to the organization based on the provisions of a service agreement. Contributed services from Oceana Inc. are recorded as in-kind contributions in the statement of operations and are offset by an equal charge to operations as in-kind services expense. Non-monetary transactions with Oceana Inc. are carried out in the normal course of business and are recorded at Oceana Inc.'s cost of delivering the services, which approximates fair value. As at December 31, 2014, there were no amounts owing to Oceana Inc.

During the year, the following services were contributed by Oceana Inc. to the organization:

	2014
Salaries and benefits	\$ 59,542
Professional fees	30,876
Other	<u>26,039</u>
	<u>\$ 116,457</u>

4. CONTRIBUTIONS

Contributions were received from the following funder in the year:

	2014
Donner Foundation	<u>\$ 69,000</u>

5. FINANCIAL INSTRUMENTS AND RELATED FINANCIAL RISKS

The organization records financial instruments, which include cash and accounts payable and accrued liabilities, initially at fair value. Subsequently, financial instruments are measured net of any provisions for impairment in value.

The organization expects to meet its financial obligations for accounts payable and accrued liabilities through cash flows from operations. It is management's opinion that the organization's financial instruments are not exposed to significant financial risks.