

**RECYCLING COUNCIL OF ALBERTA**

**Financial Statements**

**Year Ended March 31, 2010**

*(Unaudited)*



**RECYCLING COUNCIL OF ALBERTA**  
**INDEX TO THE FINANCIAL STATEMENTS**  
**March 31, 2010**  
*(Unaudited)*

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	Page
REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
Statement of Operations	2
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Cash Flows	5
Notes to the Audited Financial Statements	6 - 7
Schedule 1 - Schedule to Statement of Operations	8





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## REVIEW ENGAGEMENT REPORT

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We have reviewed the statement of financial position of Recycling Council of Alberta as at March 31, 2010 and the statements of operations, changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the organization.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

Certified General Accountants

Calgary, Alberta  
July 20, 2010

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**Partners**

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# RECYCLING COUNCIL OF ALBERTA

## STATEMENT OF OPERATIONS

For the year ended March 31, 2010

(Unaudited)

	2010	2009
<b>REVENUE</b>		
Sponsorship	\$ 124,575	\$ 102,375
Project personnel income	102,500	121,711
Project disbursement income	87,067	97,866
Registration	79,941	91,468
Services revenue (Schedule 1)	67,216	61,239
Membership dues	46,970	44,836
Advertising	26,402	25,317
Grants and funding	15,761	2,600
Interest income	2,831	8,727
Others	2,488	9,279
Donations	132	2,354
	<u>555,883</u>	<u>567,772</u>
<b>EXPENSES</b>		
Subcontracting expenses (Schedule 1)	157,505	170,416
Salaries, wages, and benefits	139,965	136,622
Meals and refreshments	82,082	90,929
Office	32,939	34,158
Equipment rental	31,815	25,825
Travel (Schedule 1)	29,573	42,768
Printing and graphic design	14,919	11,418
Meeting expenses	8,711	17,242
Advertising	8,500	22,663
Professional fees	7,000	10,613
Telephone, fax, and internet	6,931	4,698
Insurance	4,114	4,046
Interest and bank charges	2,262	2,262
Amortization	1,312	693
Marketing	1,302	1,104
Postage	788	1,480
Donations	-	2,850
Other operating expenses	-	2,100.00
Display and trade show	-	517
	<u>529,718</u>	<u>582,404</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>\$ 26,165</u>	<u>\$ (14,632)</u>



**RECYCLING COUNCIL OF ALBERTA**  
**STATEMENT OF FINANCIAL POSITION**  
**As at March 31, 2010**  
*(Unaudited)*

	2010	2009
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 176,148	\$ 177,526
Short term investment (Note 3)	25,000	-
Accounts receivable	22,259	30,426
Goods and services taxes receivable	-	732
Inventory	-	2,008
Prepaid expenses and deposits	17,328	6,666
	<u>240,735</u>	<u>217,358</u>
PROPERTY AND EQUIPMENT (Note 4)	7,728	3,764
LONG TERM INVESTMENT (Note 5)	118,687	117,048
	<u>\$ 367,150</u>	<u>\$ 338,170</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 25,638	\$ 22,788
Source deductions payable	1,384	1,419
Unearned revenue	20,241	20,241
	<u>47,263</u>	<u>44,448</u>
<b>NET ASSETS</b>		
INVESTED IN PROPERTY AND EQUIPMENT	7,728	3,764
UNRESTRICTED	<u>312,159</u>	<u>289,958</u>
	<u>319,887</u>	<u>293,722</u>
	<u>\$ 367,150</u>	<u>\$ 338,170</u>



**RECYCLING COUNCIL OF ALBERTA**  
**STATEMENT OF CHANGES IN NET ASSETS**  
For the year ended March 31, 2010  
*(Unaudited)*

	Invested in Property and Equipment	Unrestricted	2010	Total	2009	Total
<b>Balance, beginning of the year</b>	\$ 3,764	\$ 289,958	\$ 293,722	\$ 308,354		
Excess (Deficiency) of revenue over expenses	(1,312)	27,477	26,165	(14,632)		
Purchase of equipment	5,276	(5,276)	-	-		
<b>Balance, end of the year</b>	<b>\$ 7,728</b>	<b>\$ 312,159</b>	<b>\$ 319,887</b>	<b>\$ 293,722</b>		



**RECYCLING COUNCIL OF ALBERTA**  
**STATEMENT OF CASH FLOWS**  
**For the year ended March 31, 2010**  
*(Unaudited)*

	2010	2009
<b>CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Cash received from customers and sponsors	\$ 561,951	\$ 596,937
Cash paid to suppliers	(392,054)	(492,650)
Cash paid to employees	(139,930)	(135,254)
Interest received	2,831	8,727
Interest paid	(2,262)	(2,262)
	<u>30,536</u>	<u>(24,502)</u>
<b>INVESTING</b>		
Purchase of investment, net of proceeds	(26,639)	(4,493)
Purchase of equipment	(5,276)	(1,982)
	<u>(31,915)</u>	<u>(6,475)</u>
<b>NET DECREASE IN CASH</b>	<b>(1,379)</b>	<b>(30,977)</b>
<b>CASH, BEGINNING OF THE YEAR</b>	<u>177,527</u>	<u>208,504</u>
<b>CASH, END OF THE YEAR</b>	<u>\$ 176,148</u>	<u>\$ 177,527</u>



**RECYCLING COUNCIL OF ALBERTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended March 31, 2010**  
*(Unaudited)*

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**1. PURPOSE OF ORGANIZATION**

The Recycling Council of Alberta (the "Council") is an organization that promotes and facilitates waste reduction, recycling, and resource conservation in the Province of Alberta. The Council was formed in 1987 and was registered as a charity in 1995.

The Council is incorporated under the Societies Act of Alberta and is a registered charity under the Income Tax Act and therefore is not subject to income tax.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and, in management's opinion, have been properly prepared with reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

**a) Revenue recognition**

Revenue from conference fees is recognized in the year the conference is held. Revenue from membership and other fees is recognized in the year to which the fees apply if the amounts have been received or collection is reasonably assured. All other revenue, including interest income, is recognized on an accrual basis in the year earned.

**b) Contributed services**

Volunteers contributed many hours during the year to assist the Council in carrying out its services. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

**c) Inventory**

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

**d) Property and equipment**

Property and equipment are stated at cost less accumulated amortization. Property and equipment are deferred and amortized over the useful lives of the property and equipment at the following rates and methods:

Office and other equipment	20%	declining balance
Computer equipment	20%	declining balance

**e) Impairment of long-lived assets**

Long-lived assets held for use are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. When the carrying value is not recoverable from future cash flows on an undiscounted basis and the carrying value exceeds the assets' fair value, an impairment loss is recorded for the excess of the carrying value over the fair value.

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**RECYCLING COUNCIL OF ALBERTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended March 31, 2010**  
*(Unaudited)*

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**f) Financial instruments**

Financial instruments with determinable maturity dates and bearing determinable rates of income are classified as "held to maturity" and carried at cost when the Council has the intention and the ability to hold such investments until maturity. If the value of instruments classified as "held to maturity" were to be impaired, or if the Council's intention with respect to holding them to maturity were to change, they would be reclassified as "trading securities" and unrealized losses would be reported at the date of reclassification.

All other financial instruments which do not meet the Council's policy for classification as "held to maturity" are classified as "trading" and carried at market value, with any unrealized gains or losses reported as part of investment income.

**g) Measurement uncertainty**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates include providing for amortization of the property and equipment. Actual results could differ from these estimates.

**3. SHORT TERM INVESTMENT**

Short term investment consists of a Guaranteed Investment Certificate investment bearing interest at 0.75% maturing March 22, 2011, fair value \$25,000.

**4. PROPERTY AND EQUIPMENT**

	Cost		Accumulated Amortization		Net Book Value	
	2010	2009	2010	2009	2010	2009
Office and other equipment	\$ 13,043	\$ 7,767	\$ 6,424	\$ 5,429	\$ 6,619	\$ 2,338
Computer equipment	1,585	1,585	475	158	1,109	1,427
	<u>\$ 14,628</u>	<u>\$ 9,352</u>	<u>\$ 6,899</u>	<u>\$ 5,587</u>	<u>\$ 7,728</u>	<u>\$ 3,765</u>

**5. LONG TERM INVESTMENT**

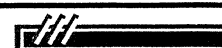
Long term investment is a term deposit bearing interest at 1.55% (2009 - 4%) maturing April 2014; fair value \$118,687 (2009: \$117,048)

**6. FINANCIAL INSTRUMENTS**

The Council's financial instruments consist of cash, accounts receivable, investment, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Council is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

**7. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation.



**RECYCLING COUNCIL OF ALBERTA**  
**SCHEDULE 1 - SCHEDULE TO STATEMENT OF OPERATIONS**  
**For the year ended March 31, 2010**  
*(Unaudited)*

	2010	2009
<b>SERVICES REVENUE</b>		
Project management	\$ 39,625	\$ 37,379
Technical and advisory services	25,186	21,494
Program administration	2,405	2,366
	<u>\$ 67,216</u>	<u>\$ 61,239</u>
<b>SUBCONTRACTING EXPENSES</b>		
Consulting and contractors	\$ 131,730	\$ 147,821
Accounting and bookkeeping	25,775	22,595
	<u>\$ 157,505</u>	<u>\$ 170,416</u>
<b>TRAVEL</b>		
Mileage	16,155	19,624
Accommodation	8,554	14,481
Travel expenses	\$ 4,864	\$ 8,663
	<u>\$ 29,573</u>	<u>\$ 42,768</u>

