

RECYCLING COUNCIL OF ALBERTA

Financial Statements

Year Ended March 31, 2011

(Unaudited)

Recycling Council of Alberta
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Year Ended March 31, 2011
(Unaudited)

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REVIEW ENGAGEMENT REPORT

We have reviewed the statement of financial position of Recycling Council of Alberta as at March 31, 2011 and the statements

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.

Thompson Penner & Lo LLP
Certified General Accountants

July 12, 2011
Calgary, Alberta, Canada

Recycling Council of Alberta
Statement of Operations
For the Year Ended March 31, 2011
(Unaudited)

	2011	2010
Revenue		
Sponsorship	\$ 144,146	\$ 124,575
Project personnel income	101,938	102,500
Project disbursement income	83,066	87,067
Registration	79,650	79,941
Services revenue <i>(Schedule 1)</i>	51,576	67,216
Membership dues	50,194	46,970
Grants and funding	46,266	15,761
Advertising	22,486	26,402
Others	5,847	2,488
Interest income	3,394	2,831
Donations	2,674	132
	591,237	555,883
Expenses		
Subcontracting expenses <i>(Schedule 1)</i>	170,699	157,505
Salaries, wages , and benefits	168,720	139,965
Meals and refreshments	91,558	82,082
Office	39,784	32,939
Travel <i>(Schedule 1)</i>	39,601	29,573
Equipment rental	39,420	31,815
Printing and graphic design	11,600	14,919
Advertising	10,416	8,500
Meeting expenses	9,603	8,711
Telephone, fax, and internet	6,086	6,931
Insurance	4,808	4,114
Interest and bank charges	2,971	2,262
Display and trade show	2,353	-
Marketing	2,132	1,302
Professional fees	1,950	7,000
Amortization	1,547	1,312
Postage	736	788
Other operating expenses	86	-
	604,070	529,718
(Deficiency) excess of revenue over expenses	\$ (12,833)	\$ 26,165

Recycling Council of Alberta
Statement of Financial Position
As at March 31, 2011
(Unaudited)

	2011	2010
ASSETS		
Current		
Cash	\$ 168,092	\$ 176,148
Short term investment (Note 3)	25,188	25,000
Accounts receivable	25,891	22,259
Goods and services taxes receivable	36	-
Prepaid expenses and deposits	21,747	17,328
	<u>240,954</u>	<u>240,735</u>
Property and equipment (Note 4)	6,183	7,728
Long term investment (Note 5)	120,527	118,687
	<u>\$ 367,664</u>	<u>\$ 367,150</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 33,693	\$ 25,638
Source deductions payable	2,159	1,384
Unearned revenue	24,756	20,241
	<u>60,608</u>	<u>47,263</u>
Net Assets		
Invested in property and equipment	6,181	7,728
Unrestricted	300,873	312,159
	<u>307,054</u>	<u>319,887</u>
	<u>\$ 367,664</u>	<u>\$ 367,150</u>

Recycling Council of Alberta
Statement of Changes of Net Assets
For the year ended March 31, 2011
(Unaudited)

	Invested in Property and Equipment	Unrestricted	2011	2010
Net assets, beginning of the year	\$ 7,728	\$ 312,159	\$ 319,887	\$ 293,722
Excess (deficiency) of revenue over expenses	<u>(1,547)</u>	<u>(11,286)</u>	<u>(12,833)</u>	26,165
Net assets, end of the year	<u>\$ 6,181</u>	<u>\$ 300,873</u>	<u>\$ 307,054</u>	<u>\$ 319,887</u>

Recycling Council of Alberta
Statement of Cash Flows
For the Year Ended March 31, 2011
(Unaudited)

	2011	2010
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES:		
OPERATING		
Cash received from customers and sponsors	\$ 588,726	\$ 561,951
Cash paid to suppliers	(426,457)	(392,054)
Cash paid to employees	(168,720)	(139,930)
Interest received	1,366	2,831
Interest paid	(2,971)	(2,262)
	<u>(8,056)</u>	<u>30,536</u>
INVESTING		
Purchase of investment, net of proceeds	-	(26,639)
Purchase of equipment	-	(5,276)
	<u>-</u>	<u>(31,915)</u>
Net decrease in cash	(8,056)	(1,379)
Cash, beginning of the year	<u>176,148</u>	<u>177,527</u>
Cash, end of the year	\$ 168,092	\$ 176,148

Recycling Council of Alberta
Notes to the Financial Statements
For the year ended March 31, 2011
(Unaudited)

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.

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, 2011
(Unaudited)

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 1.4% (2010- 0.75%) maturing March 22, 2012, fair value \$25,188 (2010-25,000).

4. PROPERTY AND EQUIPMENT

	Cost		Accumulated Amortization		Net Book Value	
	2011	2010	2011	2010	2011	2010
Office and other equipment	\$ 13,043	\$ 13,043	\$ 7,748	\$ 6,424	\$ 5,295	\$ 6,619
Computer equipment	1,585	1,585	697	475	889	1,110
	\$ 14,628	\$ 14,628	\$ 8,445	\$ 6,899	\$ 6,183	\$ 7,728

5. LONG TERM INVESTMENT

Long term investment is a term deposit bearing interest at 1.55% (2010 -1.55%) maturing April 2014; fair value \$120,527 (2010: \$118,687)

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.

Recycling Council of Alberta
Notes to the Financial Statements
For the year ended March 31, 2011
(Unaudited)

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, 2011
(Unaudited)

	2011	2010
Services Revenue		
Project management	\$ 23,884	\$ 39,625
Technical and advisory services	19,134	25,186
Program administration	8,558	2,405
	<u>\$ 51,576</u>	<u>\$ 67,216</u>
Subcontracting Expenses		
Consulting and contractors	\$ 138,674	\$ 131,730
Accounting and bookkeeping	32,025	25,775
	<u>\$ 170,699</u>	<u>\$ 157,505</u>
Travel		
Mileage	\$ 18,898	16,155
Accommodation	12,880	8,554
Travel expenses	7,823	4,864
	<u>\$ 39,601</u>	<u>\$ 29,573</u>