

RECYCLING COUNCIL OF ALBERTA

Financial Statements

Year Ended March 31, 2012

(Unaudited)

RECYCLING COUNCIL OF ALBERTA
Index to Financial Statements
Year Ended March 31, 2012
(Unaudited)

	Page
REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Revenues and Expenditures	3
Statement of Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 7
Schedule of Services Revenue (<i>Schedule 1</i>)	8
Schedule of Subcontracting Expenses (<i>Schedule 2</i>)	8
Schedule of Travel Expenses (<i>Schedule 3</i>)	8

REVIEW ENGAGEMENT REPORT

To the Members of Recycling Council of Alberta

We have reviewed the statement of financial position of Recycling Council of Alberta as at March 31, 2012 and the statements of revenues and expenditures, 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 inquiry, analytical procedures and discussion related to information supplied to us by the council.

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.

Edmonton, Alberta
July 5, 2012

VKO LLP
VKO LLP
CHARTERED ACCOUNTANTS

RECYCLING COUNCIL OF ALBERTA**Statement of Financial Position****March 31, 2012***(Unaudited)*

	2012	2011
ASSETS		
CURRENT		
Cash	\$ 134,762	\$ 168,092
Short term investment (Note 3)	25,540	25,188
Accounts receivable	44,670	25,891
Goods and services tax recoverable	-	36
Prepaid expenses	19,357	21,747
	<u>224,329</u>	<u>240,954</u>
EQUIPMENT (Note 4)	4,622	6,183
LONG TERM INVESTMENTS (Note 5)	122,580	120,527
	<u>\$ 351,531</u>	<u>\$ 367,664</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 21,566	\$ 33,696
Source deductions payable	-	2,159
Deferred income	27,407	24,755
	<u>48,973</u>	<u>60,610</u>
NET ASSETS		
Invested in equipment	4,622	6,183
Unrestricted	297,936	300,871
	<u>302,558</u>	<u>307,054</u>
	<u>\$ 351,531</u>	<u>\$ 367,664</u>

ON BEHALF OF THE BOARD_____
*Director*_____
Director

See notes to financial statements

RECYCLING COUNCIL OF ALBERTA
Statement of Revenues and Expenditures
Year Ended March 31, 2012
(Unaudited)

	2012	2011
REVENUE		
Sponsorship	\$ 134,772	\$ 144,146
Registration	106,695	79,650
Project personnel income	94,948	101,938
Project disbursement income	80,584	83,066
Services revenue (<i>Schedule 1</i>)	70,164	51,575
Membership dues	55,205	50,194
Advertising	26,802	22,486
Grants and funding	22,436	46,266
Others	4,133	5,847
Interest income	3,774	3,394
Donations	365	2,674
	<u>599,878</u>	<u>591,236</u>
EXPENSES		
Subcontracting expenses (<i>Schedule 2</i>)	183,375	170,699
Salaries, wages and benefits	143,626	168,720
Meals and refreshments	98,937	91,558
Office	46,565	39,782
Equipment rentals	40,201	39,420
Travel (<i>Schedule 3</i>)	35,195	39,601
Printing and graphic design	12,936	11,600
Meeting expenses	10,580	9,603
Advertising	8,569	12,548
Telephone, fax, and internet	6,274	6,086
Display and trade show	4,078	2,353
Insurance	3,759	4,808
Interest and bank charges	3,594	2,973
Professional fees	3,500	1,950
Amortization	1,174	1,546
Postage	673	736
Training	450	-
Other operating expenses	-	86
	<u>603,486</u>	<u>604,069</u>
DEFICIENCY OF REVENUE OVER EXPENSES FROM OPERATIONS	(3,608)	(12,833)
OTHER ITEM		
Loss on disposal of equipment	<u>(888)</u>	-
DEFICIENCY OF REVENUE OVER EXPENSES	\$ (4,496)	\$ (12,833)

See notes to financial statements

RECYCLING COUNCIL OF ALBERTA
Statement of Changes in Net Assets
Year Ended March 31, 2012
(Unaudited)

	Invested in Equipment	Unrestricted	2012	2011
NET ASSETS - BEGINNING OF YEAR	\$ 6,183	\$ 300,871	\$ 307,054	\$ 319,886
Deficiency of revenue over expenses	(1,561)	(2,935)	(4,496)	(12,833)
NET ASSETS - END OF YEAR	\$ 4,622	\$ 297,936	\$ 302,558	\$ 307,053

See notes to financial statements

RECYCLING COUNCIL OF ALBERTA**Statement of Cash Flows****Year Ended March 31, 2012***(Unaudited)*

	2012	2011
OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (4,496)	\$ (12,833)
Items not affecting cash:		
Amortization of equipment	1,174	1,546
Loss on disposal of assets	888	-
	<u>(2,434)</u>	<u>(11,287)</u>
Changes in non-cash working capital:		
Accounts receivable	(18,779)	(3,632)
Accounts payable	(12,130)	8,057
Deferred income	2,652	4,514
Prepaid expenses	2,390	(4,419)
Goods and services tax payable (recoverable)	36	(36)
Source deductions payable	(2,159)	775
	<u>(27,990)</u>	<u>5,259</u>
Cash flow used by operating activities	<u>(30,424)</u>	<u>(6,028)</u>
INVESTING ACTIVITIES		
Purchase of equipment	(501)	-
Purchase of short term investments	(352)	(188)
Purchase of long term investments	(2,053)	(1,840)
	<u>(2,906)</u>	<u>(2,028)</u>
Cash flow used by investing activities	<u>(2,906)</u>	<u>(2,028)</u>
DECREASE IN CASH FLOW	(33,330)	(8,056)
Cash - beginning of year	<u>168,092</u>	<u>176,148</u>
CASH - END OF YEAR	\$ 134,762	\$ 168,092

See notes to financial statements

RECYCLING COUNCIL OF ALBERTA

Notes to Financial Statements

Year Ended March 31, 2012

(Unaudited)

1. DESCRIPTION OF BUSINESS

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 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

Cash and cash equivalents

Cash includes cash and cash equivalents.

Equipment

Equipment is stated at cost or deemed cost less accumulated amortization. Equipment is amortized over their estimated useful lives on a declining balance basis at the following rates:

Computer equipment	55%
Office and other equipment	20%

Equipment acquired during the year but not placed into use are not amortized until they are placed into use. Amortization is prorated for the number of months in use in the year of acquisition.

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.

Contributed services

Volunteers contribute a significant amount of their time each year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

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 are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(continues)

RECYCLING COUNCIL OF ALBERTA

Notes to Financial Statements

Year Ended March 31, 2012

(Unaudited)

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

Financial instruments

Financial instruments of the council consist mainly of cash and term deposits, accounts receivable and 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.

Term deposits are classified as held for trading financial assets and are recorded at market value. The carrying value of all other financial assets and liabilities approximate their fair values unless otherwise disclosed.

3. SHORT TERM INVESTMENT

Short term investment consists of a Guaranteed Investment Certificate bearing interest at 1.15% (2011 - 1.4%) maturing March 22, 2013.

4. EQUIPMENT

	Cost	Accumulated amortization	2012 Net book value	2011 Net book value
Computer equipment	\$ 501	\$ 115	\$ 386	\$ 888
Office and other equipment	13,043	8,807	4,236	5,295
	<u>\$ 13,544</u>	<u>\$ 8,922</u>	<u>\$ 4,622</u>	<u>\$ 6,183</u>

5. LONG TERM INVESTMENTS

Long term investment consist of a term deposit bearing interest at 1.70% (2011 - 1.55%) maturing April 2014.

6. COMPARATIVE FIGURES

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

RECYCLING COUNCIL OF ALBERTA**Schedule of Services Revenue****(Schedule 1)****Year Ended March 31, 2012***(Unaudited)*

	2012	2011
Project Management	\$ 33,682	\$ 23,883
Technical and advisory services	27,334	19,134
Program administration	9,148	8,558
	<u>\$ 70,164</u>	<u>\$ 51,575</u>

Schedule of Subcontracting Expenses**(Schedule 2)****Year Ended March 31, 2012***(Unaudited)*

	2012	2011
Consulting and contractors	\$ 156,112	\$ 138,674
Accounting and bookkeeping	27,263	32,025
	<u>\$ 183,375</u>	<u>\$ 170,699</u>

Schedule of Travel Expenses**(Schedule 3)****Year Ended March 31, 2012***(Unaudited)*

	2012	2011
Mileage	\$ 21,996	\$ 18,898
Accommodation	7,244	12,880
Travel expenses	5,955	7,823
	<u>\$ 35,195</u>	<u>\$ 39,601</u>