

RECYCLING COUNCIL OF ALBERTA

Financial Statements

Year Ended March 31, 2014

(Unaudited)

RECYCLING COUNCIL OF ALBERTA

Index to Financial Statements

Year Ended March 31, 2014

(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 - 8
Schedule of Services Revenue <i>(Schedule 1)</i>	9
Schedule of Subcontracting Expenses <i>(Schedule 2)</i>	9
Schedule of Travel Expenses <i>(Schedule 3)</i>	9

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, 2014 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 accounting standards for not-for-profit organizations.

VKO LLP

Edmonton, Alberta
September 23, 2014

VKO LLP
CHARTERED ACCOUNTANTS

RECYCLING COUNCIL OF ALBERTA**Statement of Financial Position****March 31, 2014***(Unaudited)*

	March 31 2014	March 31 2013
ASSETS		
CURRENT		
Cash	\$ 214,650	\$ 168,569
Short term investment <i>(Note 5)</i>	26,183	25,834
Accounts receivable	29,691	17,455
Goods and services tax recoverable	1,749	1,095
Prepaid expenses	19,020	19,564
	<u>291,293</u>	<u>232,517</u>
EQUIPMENT <i>(Note 6)</i>	3,741	4,013
LONG TERM INVESTMENTS <i>(Note 7)</i>	125,289	123,803
	<u>\$ 420,323</u>	<u>\$ 360,333</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 19,581	\$ 20,367
Deferred income <i>(Note 8)</i>	61,656	32,323
	<u>81,237</u>	<u>52,690</u>
NET ASSETS		
Invested in equipment	3,740	4,013
Unrestricted	335,346	303,630
	<u>339,086</u>	<u>307,643</u>
	<u>\$ 420,323</u>	<u>\$ 360,333</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, 2014

(Unaudited)

	2014	2013
REVENUE		
Registration	\$ 120,783	\$ 128,820
Sponsorship	99,535	117,910
Project personnel income	85,480	87,210
Project disbursement income	64,081	45,295
Membership dues	63,965	58,773
Services revenue (Schedule 1)	54,326	27,455
Advertising	37,403	27,595
Grants and funding	23,550	25,717
Interest income	2,942	2,508
Donations	638	3,181
	<u>552,703</u>	<u>524,464</u>
EXPENSES		
Subcontracting expenses (Schedule 2)	164,404	154,867
Salaries, wages and benefits	108,886	95,644
Meals and refreshments	96,576	105,544
Office	37,441	43,219
Equipment rentals	32,350	27,877
Travel expenses (Schedule 3)	30,576	25,949
Printing and graphic design	11,910	12,122
Meeting expenses	9,438	21,513
Advertising	6,971	8,992
Display and trade show	5,324	3,148
Interest and bank charges	4,844	4,240
Professional fees	3,800	7,475
Telephone, fax, and internet	3,725	4,628
Insurance	2,395	1,895
Postage	1,054	936
Amortization	873	1,150
Donations	600	-
Training	93	180
	<u>521,260</u>	<u>519,379</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 31,443</u>	<u>\$ 5,085</u>

See notes to financial statements

RECYCLING COUNCIL OF ALBERTA**Statement of Changes in Net Assets****Year Ended March 31, 2014***(Unaudited)*

	Invested In Equipment	Unrestricted	2014 <i>(Unaudited)</i>	2013
NET ASSETS - BEGINNING OF YEAR	\$ 4,013	\$ 303,630	\$ 307,643	\$ 302,558
Excess of revenue over expenses	(875)	32,318	31,443	5,085
Transfer	602	(602)	-	-
NET ASSETS - END OF YEAR	\$ 3,740	\$ 335,346	\$ 339,086	\$ 307,643

See notes to financial statements

RECYCLING COUNCIL OF ALBERTA**Statement of Cash Flows****Year Ended March 31, 2014***(Unaudited)*

	2014	2013
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 31,443	\$ 5,085
Item not affecting cash:		
Amortization of equipment	873	1,150
	<u>32,316</u>	<u>6,235</u>
Changes in non-cash working capital:		
Accounts receivable	(12,236)	27,215
Accounts payable	(785)	(1,200)
Deferred income	29,333	4,916
Prepaid expenses	544	(207)
Goods and services tax payable (recoverable)	(654)	(1,095)
	<u>16,202</u>	<u>29,629</u>
Cash flow from operating activities	<u>48,518</u>	<u>35,864</u>
INVESTING ACTIVITIES		
Purchase of equipment	(602)	(540)
Purchase of short term investments	(349)	(294)
Purchase of long term investments	(1,486)	(1,223)
Cash flow used by investing activities	<u>(2,437)</u>	<u>(2,057)</u>
INCREASE IN CASH FLOW	46,081	33,807
Cash - beginning of year	<u>168,569</u>	<u>134,762</u>
CASH - END OF YEAR	\$ 214,650	\$ 168,569

See notes to financial statements

RECYCLING COUNCIL OF ALBERTA

Notes to Financial Statements

Year Ended March 31, 2014

(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. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund accounting

Recycling Council of Alberta follows the deferral method of accounting for contributions.

Revenues and expenses related to program delivery and administrative activities are reported in the Operating Fund.

The Capital Asset Fund reports the assets, liabilities, revenues, and expenses related to Recycling Council of Alberta's capital assets.

Cash and cash equivalents

Cash and cash equivalents is comprised of deposits held at financial institutions less cheques issued and outstanding.

Investments

Short and long term investments consist of guaranteed investment certificates with original maturities at date of purchase beyond three months and are carried at amortized cost.

Equipment

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

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.

(continues)

RECYCLING COUNCIL OF ALBERTA

Notes to Financial Statements

Year Ended March 31, 2014

(Unaudited)

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

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 accounting standards for not-for-profit organizations 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.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

4. FINANCIAL INSTRUMENTS

The council is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the council's risk exposure and concentration as of March 31, 2014.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The council is exposed to credit risk from customers. In order to reduce its credit risk, the council reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The council has a significant number of customers which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The council is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources and accounts payable.

RECYCLING COUNCIL OF ALBERTA**Notes to Financial Statements****Year Ended March 31, 2014***(Unaudited)***5. SHORT TERM INVESTMENT**

Short term investment consists of a guaranteed investment certificate bearing interest at 1.30% (2013 - 1.35%) maturing March 22, 2015.

6. EQUIPMENT

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Computer equipment	\$ 501	\$ 423	\$ 78	\$ 174
Office and other equipment	14,185	10,522	3,663	3,839
	<u>\$ 14,686</u>	<u>\$ 10,945</u>	<u>\$ 3,741</u>	<u>\$ 4,013</u>

7. LONG TERM INVESTMENTS

Long term investment consist of a term deposit bearing interest at 0.90% (2013 - 1.20%) maturing April 2015.

8. DEFERRED INCOME

	2014	2013
Membership	\$ 31,026	\$ 28,486
Sponsorship and Advertising	6,414	1,337
Grants	24,216	2,500
	<u>\$ 61,656</u>	<u>\$ 32,323</u>

RECYCLING COUNCIL OF ALBERTA**Schedule of Services Revenue****(Schedule 1)****Year Ended March 31, 2014***(Unaudited)*

	2014	2013
Project Management	\$ 23,959	\$ 20,592
Technical and advisory services	24,408	-
Program administration	5,959	6,863
	\$ 54,326	\$ 27,455

Schedule of Subcontracting Expenses**(Schedule 2)****Year Ended March 31, 2014***(Unaudited)*

	2014	2013
Consulting and contractors	\$ 141,004	\$ 131,198
Accounting and bookkeeping	23,400	23,669
	\$ 164,404	\$ 154,867

Schedule of Travel Expenses**(Schedule 3)****Year Ended March 31, 2014***(Unaudited)*

	2014	2013
Mileage	\$ 14,231	\$ 16,413
Accommodation	10,519	6,090
Travel expenses	5,826	3,446
	\$ 30,576	\$ 25,949

See notes to financial statements