

RECYCLING COUNCIL OF ALBERTA
Financial Statements
Year Ended March 31, 2015
(Unaudited)

RECYCLING COUNCIL OF ALBERTA

Index to Financial Statements

Year Ended March 31, 2015

(Unaudited)

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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, 2015 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.

Edmonton, Alberta
September 22, 2015

VKO LLP

VKO LLP
CHARTERED ACCOUNTANTS

RECYCLING COUNCIL OF ALBERTA**Statement of Financial Position****March 31, 2015***(Unaudited)*

	<i>March 31</i> 2015	<i>March 31</i> 2014
ASSETS		
CURRENT		
Cash	\$ 168,487	\$ 214,650
Short term investment (Note 5)	26,523	26,183
Accounts receivable	42,626	29,691
Goods and services tax recoverable	4,613	1,749
Prepaid expenses	49,609	19,020
	<u>291,858</u>	291,293
EQUIPMENT (Note 6)	2,965	3,741
LONG TERM INVESTMENTS (Note 7)	126,416	125,289
	<u>\$ 421,239</u>	<u>\$ 420,323</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 27,622	\$ 19,580
Deferred income (Note 8)	66,467	61,656
	<u>94,089</u>	81,236
NET ASSETS		
Invested in equipment	2,965	3,741
Unrestricted	324,185	335,346
	<u>327,150</u>	339,087
	<u>\$ 421,239</u>	<u>\$ 420,323</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, 2015

(Unaudited)

	2015	2014
REVENUE		
Registration	\$ 131,785	\$ 120,783
Sponsorship	124,200	99,535
Project personnel income	83,853	85,480
Project disbursement income	82,526	64,081
Membership dues	66,705	63,965
Services revenue (<i>Schedule 1</i>)	57,848	54,326
Advertising	37,476	37,403
Grants and funding	23,644	23,550
Interest income	2,595	2,942
Donations	2,427	638
	613,059	552,703
EXPENSES		
Subcontracting expenses (<i>Schedule 2</i>)	185,737	164,404
Meals and refreshments	135,867	96,576
Salaries, wages and benefits	122,376	108,886
Office	39,869	37,441
Equipment rentals	34,759	32,350
Travel expenses (<i>Schedule 3</i>)	30,879	30,576
Meeting expenses	19,460	9,438
Advertising	14,917	6,971
Printing and graphic design	13,915	11,910
Display and trade show	10,350	5,324
Interest and bank charges	5,537	4,844
Professional fees	3,900	3,800
Telephone, fax, and internet	3,479	3,725
Insurance	1,888	2,395
Postage	1,030	1,054
Amortization	776	873
Training	157	93
Donations	100	600
	624,996	521,260
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (11,937)	\$ 31,443

See notes to financial statements

RECYCLING COUNCIL OF ALBERTA

Statement of Changes in Net Assets

Year Ended March 31, 2015

(Unaudited)

	Invested In Equipment	Unrestricted	2015 <i>(Unaudited)</i>	2014
NET ASSETS - BEGINNING OF YEAR	\$ 3,741	\$ 335,346	\$ 339,087	\$ 307,643
Deficiency of revenue over expenses	(776)	(11,161)	(11,937)	31,443
NET ASSETS - END OF YEAR	\$ 2,965	\$ 324,185	\$ 327,150	\$ 339,086

RECYCLING COUNCIL OF ALBERTA**Statement of Cash Flows****Year Ended March 31, 2015***(Unaudited)*

	2015	2014
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ (11,937)	\$ 31,443
Item not affecting cash:		
Amortization of equipment	776	873
	<u>(11,161)</u>	<u>32,316</u>
Changes in non-cash working capital:		
Accounts receivable	(12,935)	(12,236)
Accounts payable	8,042	(785)
Deferred income	4,811	29,333
Prepaid expenses	(30,589)	544
Goods and services tax payable (recoverable)	(2,864)	(654)
	<u>(33,535)</u>	<u>16,202</u>
Cash flow from (used by) operating activities	<u>(44,696)</u>	<u>48,518</u>
INVESTING ACTIVITIES		
Purchase of equipment	-	(602)
Purchase of short term investments	(340)	(349)
Purchase of long term investments	(1,127)	(1,486)
Cash flow used by investing activities	<u>(1,467)</u>	<u>(2,437)</u>
INCREASE (DECREASE) IN CASH FLOW	(46,163)	46,081
Cash - beginning of year	<u>214,650</u>	<u>168,569</u>
CASH - END OF YEAR	\$ 168,487	\$ 214,650

See notes to financial statements

RECYCLING COUNCIL OF ALBERTA

Notes to Financial Statements

Year Ended March 31, 2015

(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 (ASNFPPO).

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, 2015

(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, 2015.

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, 2015***(Unaudited)*

5. SHORT TERM INVESTMENT

Short term investment consists of a guaranteed investment certificate bearing interest at 0.85% (2014 - 1.30%) maturing March 22, 2016.

6. EQUIPMENT

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Computer equipment	\$ 501	\$ 466	\$ 35	\$ 78
Office and other equipment	14,185	11,255	2,930	3,663
	<u>\$ 14,686</u>	<u>\$ 11,721</u>	<u>\$ 2,965</u>	<u>\$ 3,741</u>

7. LONG TERM INVESTMENTS

Long term investment consist of a term deposit bearing interest at 0.90% (2014 - 1.20%) maturing April 2016.

8. DEFERRED INCOME

	2015	2014
Membership	\$ 30,810	\$ 31,026
Sponsorship and Advertising	17,444	6,414
Grants	18,213	24,216
	<u>\$ 66,467</u>	<u>\$ 61,656</u>

RECYCLING COUNCIL OF ALBERTA**Schedule of Services Revenue****(Schedule 1)****Year Ended March 31, 2015***(Unaudited)*

	2015	2014
Project Management	\$ 25,018	\$ 23,959
Technical and advisory services	24,625	24,408
Program administration	8,205	5,959
	<u>\$ 57,848</u>	<u>\$ 54,326</u>

Schedule of Subcontracting Expenses**(Schedule 2)****Year Ended March 31, 2015***(Unaudited)*

	2015	2014
Consulting and contractors	\$ 156,237	\$ 141,004
Accounting and bookkeeping	29,500	23,400
	<u>\$ 185,737</u>	<u>\$ 164,404</u>

Schedule of Travel Expenses**(Schedule 3)****Year Ended March 31, 2015***(Unaudited)*

	2015	2014
Mileage	\$ 14,817	\$ 14,231
Accommodation	9,740	10,519
Travel expenses	6,322	5,826
	<u>\$ 30,879</u>	<u>\$ 30,576</u>