

RECYCLING COUNCIL OF ALBERTA
FINANCIAL STATEMENTS
March 31, 2008



RECYCLING COUNCIL OF ALBERTA
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March 31, 2008

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AUDITOR'S REPORT

To the Board of Directors
Recycling Council of Alberta

We have audited the statement of financial position of the Recycling Council of Alberta as at March 31, 2008 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many not-for-profit organizations, the Recycling Council of Alberta derives revenue from various miscellaneous income and fundraising activities, the completeness of which are not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Council and we were not able to determine whether any adjustments might be necessary to certain revenues, expenses, assets and liabilities.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Council as at March 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Partners

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Calgary, Alberta
September 5, 2008

Certified General Accountants

RECYCLING COUNCIL OF ALBERTA
STATEMENT OF OPERATIONS
For the year ended March 31, 2008

	2008	2007
REVENUE		
Project personnel income	\$ 129,885	\$ 89,904
Sponsorship	124,178	125,650
Project disbursement income	105,787	88,800
Registration	98,816	98,742
Services revenue (<i>Schedule 1</i>)	60,520	78,430
Grants and funding	58,350	42,994
Membership dues	44,644	37,318
Advertising	10,886	9,333
Interest income	7,097	4,302
Product sales	296	-
TOTAL REVENUE	640,459	575,473
EXPENSES		
Subcontracting expenses (<i>Schedule 1</i>)	207,125	176,414
Salaries, wages and benefits	100,368	109,101
Meals and refreshments	90,879	67,747
Office	56,084	42,099
Travel (<i>Schedule 1</i>)	36,910	45,011
Equipment rental	35,920	16,482
Advertising	19,012	13,012
Printing and graphic design	11,321	15,575
Meeting expenses	11,102	24,146
Professional fees	7,485	6,825
Marketing	4,874	3,348
Insurance	4,063	4,235
Interest and bank charges	1,989	2,081
Telephone, fax and internet	1,850	2,287
Postage	1,388	833
Display and trade show	1,195	1,291
Donations	1,000	1,000
Amortization	619	773
TOTAL EXPENSES	593,184	532,260
EXCESS OF REVENUE OVER EXPENSES	\$ 47,275	\$ 43,213



RECYCLING COUNCIL OF ALBERTA
STATEMENT OF FINANCIAL POSITION
As at March 31, 2008

	2008	2007
ASSETS		
CURRENT		
Cash	\$ 208,494	\$ 151,171
Accounts receivable	69,059	60,752
Inventory	2,143	2,187
Prepaid expenses and deposits	7,887	8,787
	287,583	222,897
PROPERTY AND EQUIPMENT <i>(Note 3)</i>	2,476	3,095
INVESTMENT <i>(Note 4)</i>	112,555	109,005
	\$ 402,614	\$ 334,997
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 74,019	\$ 53,677
Unearned revenue	20,241	20,241
	94,260	73,918
NET ASSETS		
Invested in property and equipment	2,476	3,095
Unrestricted	305,878	257,984
	308,354	261,079
	\$ 402,614	\$ 334,997

Approved on behalf of the Board,

_____, Director

_____, Director



RECYCLING COUNCIL OF ALBERTA
STATEMENT OF CHANGES IN NET ASSETS
For the year ended March 31, 2008

	Invested in Property and Equipment	Unrestricted	Total 2008	Total 2007
Balance, beginning of the year	\$ 3,095	\$ 257,984	\$ 261,079	\$ 217,865
Excess (deficiency) of revenues over expenses	<u>(619)</u>	<u>47,894</u>	<u>47,275</u>	43,214
Balance, end of the year	<u>\$ 2,476</u>	<u>\$ 305,878</u>	<u>\$ 308,354</u>	\$ 261,079



RECYCLING COUNCIL OF ALBERTA
STATEMENT OF CASH FLOWS
For the year ended March 31, 2008

	2008	2007
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES:		
OPERATING		
Cash received from customers and sponsors	\$ 625,055	\$ 591,914
Cash paid to suppliers	(468,922)	(432,048)
Cash paid to employees	(100,368)	(109,101)
Interest received	7,097	4,302
Interest paid	(1,989)	(2,081)
	<u>60,873</u>	<u>52,986</u>
INVESTING ACTIVITY		
Purchase of investment	(3,550)	(4,999)
	<u>(3,550)</u>	<u>(4,999)</u>
NET INCREASE IN CASH	57,323	47,987
CASH, BEGINNING OF THE YEAR	<u>151,171</u>	<u>103,184</u>
CASH, END OF THE YEAR	<u>\$ 208,494</u>	<u>\$ 151,171</u>



RECYCLING COUNCIL OF ALBERTA
NOTES TO THE AUDITED FINANCIAL STATEMENTS
For the year ended March 31, 2008

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.

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 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.

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.

Property and equipment

Property and equipment are stated at cost less accumulated amortization. Contributed property and equipment are recorded at fair value at the date of contribution. Property and equipment and any related contributions received 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 method
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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.

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.

Note 2 continues...



RECYCLING COUNCIL OF ALBERTA
NOTES TO THE AUDITED FINANCIAL STATEMENTS
For the year ended March 31, 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (continued)

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.

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. PROPERTY AND EQUIPMENT

	Cost		Accumulated Amortization		Net Book Value	
	2008	2007	2008	2007	2008	2007
Office and other equipment	\$ 7,370	\$ 7,370	\$ 4,894	\$ 4,275	\$ 2,476	\$ 3,095

4. INVESTMENT

	2008	2007
Term deposit bearing interest at 3.25% (2007 - 2.5%) maturing April 2014; fair value \$112,883 (2007: \$100,470)	\$ 112,555	\$ 109,005

5. 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.

6. 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, 2008

	2008	2007
SERVICES REVENUE		
Project management	\$ 47,454	\$ 41,958
Technical and advisory services	7,686	24,009
Program administration	5,380	12,463
	<u>\$ 60,520</u>	<u>\$ 78,430</u>
SUBCONTRACTING EXPENSES		
Consulting and contractors	\$ 193,160	\$ 164,272
Accounting and bookkeeping	13,965	12,142
	<u>\$ 207,125</u>	<u>\$ 176,414</u>
TRAVEL		
Travel expenses	\$ 8,576	\$ 17,091
Accommodation	14,447	13,737
Mileage	13,887	14,183
	<u>\$ 36,910</u>	<u>\$ 45,011</u>

