

RECYCLING COUNCIL OF ALBERTA

FINANCIAL STATEMENTS

March 31, 2009



RECYCLING COUNCIL OF ALBERTA
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March 31, 2009

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AUDITORS' REPORT

To the Board of Directors of Recycling Council of Alberta:

We have audited the statement of financial position of Recycling Council of Alberta as at March 31, 2009 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's as at March 31, 2009 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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Certified General Accountants

Calgary, Alberta
July 8, 2009

RECYCLING COUNCIL OF ALBERTA
STATEMENT OF OPERATIONS
For the year ended March 31, 2009

	2009	2008
REVENUE		
Project personnel income	\$ 121,711	\$ 129,885
Sponsorship	102,375	124,178
Project disbursement income	97,866	105,787
Registration	91,468	98,817
Services revenue <i>(Schedule 1)</i>	61,239	60,520
Membership dues	44,836	44,644
Advertising	25,317	10,886
Others	9,279	296
Interest income	8,727	7,097
Grants and funding	2,600	58,350
Donations	2,354	-
TOTAL REVENUE	567,772	640,460
EXPENSES		
Subcontracting expenses <i>(Schedule 1)</i>	170,416	207,125
Salaries, wages, and benefits	136,622	100,368
Meals and refreshments	90,929	90,879
Travel <i>(Schedule 1)</i>	42,768	36,910
Office	34,158	56,085
Equipment rental	25,825	35,920
Advertising	22,663	19,012
Meeting expenses	17,242	11,102
Printing and graphic design	11,418	11,321
Professional fees	10,613	7,485
Telephone, fax, and internet	4,698	1,850
Donations	2,850	1,000
Insurance	4,046	4,063
Interest and bank charges	2,262	1,989
Other operating expenses	2,100	-
Postage	1,480	1,388
Marketing	1,104	4,874
Amortization	693	619
Display and trade show	516	1,195
TOTAL EXPENSES	582,403	593,185
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	\$ (14,631)	\$ 47,275



RECYCLING COUNCIL OF ALBERTA
STATEMENT OF FINANCIAL POSITION
As at March 31, 2009

	2009	2008
ASSETS		
CURRENT		
Cash	\$ 177,526	\$ 208,504
Accounts receivable	30,426	63,659
Goods and services taxes receivable	732	5,390
Inventory	2,008	2,143
Prepaid expenses and deposits	6,666	7,887
	<u>217,358</u>	<u>287,583</u>
PROPERTY AND EQUIPMENT (Note 3)	3,765	2,476
INVESTMENT (Note 4)	<u>117,048</u>	<u>112,555</u>
	<u>\$ 338,171</u>	<u>\$ 402,614</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 22,789	\$ 73,969
Source deductions payable	1,419	51
Unearned revenue	<u>20,241</u>	<u>20,241</u>
	<u>44,449</u>	<u>94,261</u>
NET ASSETS		
INVESTED IN PROPERTY AND EQUIPMENT	3,765	2,476
UNRESTRICTED	<u>289,957</u>	<u>305,877</u>
	<u>293,722</u>	<u>308,353</u>
	<u>\$ 338,171</u>	<u>\$ 402,614</u>

Approved on behalf of the Board:

_____, Director

_____, Director



RECYCLING COUNCIL OF ALBERTA
STATEMENT OF CHANGES IN NET ASSETS
For the year ended March 31, 2009

	Invested in Property and Equipment			2009 Total	2008 Total
	Restricted	Unrestricted			
Balance, beginning of the year	\$ 2,476	\$ -	\$ 305,877	\$ 308,353	\$ 261,078
(Deficiency) excess of revenues over expenses	(693)	-	(13,938)	(14,631)	47,275
Acquisition of computer and equipment	1,982	-	(1,982)	-	-
Balance, end of the year	\$ 3,765	\$ -	\$ 289,957	\$ 293,722	\$ 308,353



RECYCLING COUNCIL OF ALBERTA
STATEMENT OF CASH FLOWS
For the year ended March 31, 2009

	2009	2008
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES:		
OPERATING		
Cash received from customers and sponsors	\$ 596,936	\$ 625,055
Cash paid to suppliers	(492,650)	(468,922)
Cash paid to employees	(135,254)	(100,358)
Interest received	8,727	7,097
Interest paid	(2,262)	(1,989)
	<u>(24,503)</u>	<u>60,883</u>
INVESTING ACTIVITY		
Purchase of investment	(4,493)	(3,550)
Purchase of equipment	(1,982)	-
	<u>(6,475)</u>	<u>(3,550)</u>
NET INCREASE IN CASH	(30,978)	57,333
CASH, BEGINNING OF THE YEAR	208,504	151,171
CASH, END OF THE YEAR	\$ 177,526	\$ 208,504



RECYCLING COUNCIL OF ALBERTA
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2009

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. 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
Computer equipment	20%	declining balance method

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, 2009

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. PROPERTY AND EQUIPMENT

	Cost		Accumulated Amortization		Net Book Value	
	2009	2008	2009	2008	2009	2008
Office and other equipment	\$ 7,767	\$ 7,370	\$ 5,429	\$ 4,894	\$ 2,338	\$ 2,476
Computer equipment	1,585	-	158	-	1,427	-
	<u>\$ 9,352</u>	<u>\$ 7,370</u>	<u>\$ 5,587</u>	<u>\$ 4,894</u>	<u>\$ 3,765</u>	<u>\$ 2,476</u>

4. INVESTMENT

	2009	2008
Term deposit bearing interest at 4.00% (2008 - 3.25%) maturing April 2014; fair value \$128,352 (2008: \$112,883)	<u>\$ 117,048</u>	<u>\$ 112,555</u>

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, 2009

	2009	2008
SERVICES REVENUE		
Project management	\$ 37,379	\$ 47,454
Technical and advisory services	21,494	7,686
Program administration	2,366	5,380
	<u>\$ 61,239</u>	<u>\$ 60,520</u>
SUBCONTRACTING EXPENSES		
Consulting and contractors	\$ 147,821	\$ 193,160
Accounting and bookkeeping	22,595	13,965
	<u>\$ 170,416</u>	<u>\$ 207,125</u>
TRAVEL		
Mileage	19,624	13,887
Accommodation	14,481	14,447
Travel expenses	\$ 8,663	\$ 8,576
	<u>\$ 42,768</u>	<u>\$ 36,910</u>

