PEACE RIVER AREA MONITORING PROGRAM COMMITTEE

Financial Statements

Period Ended March 31, 2017

(Unaudited)

PEACE RIVER AREA MONITORING PROGRAM COMMITTEE

Index to Financial Statements

Period Ended March 31, 2017

(Unaudited)

REVIEW ENGAGEMENT REPORT

To the Members of Peace River Area Monitoring Program Committee

We have reviewed the statement of financial position of Peace River Area Monitoring Program Committee as at March 31, 2017 and the statements of revenues and expenditures, changes in net assets and cash flows for the period 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 Society.

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 14, 2017

RADKE PROFESSIONAL CORPORATION
CHARTERED ACCOUNTANTS

PEACE RIVER AREA MONITORING PROGRAM COMMITTEE

Statement of Revenues and Expenditures

Period Ended March 31, 2017

(Unaudited)

REVENUES	
Service revenue	**$ 363,815**
Grant revenues	**25,000**
	388,815
EXPENSES	
Contractor fees	**178,290**
Management fees	**58,758**
Administration fees	**15,000**
Website	**14,820**
Communications	**11,920**
Travel and meetings	**5,564**
Report production	**4,500**
Promotion	**3,440**
Professional fees	**3,000**
Memberships	**1,205**
Supplies	**900**
Electricity	**697**
Educational materials	**680**
Insurance	**488**
Printing and copying	**402**
Telephone	**318**
Interest and bank charges	**245**
Office supplies	**134**
	300,361
EXCESS OF REVENUES OVER EXPENSES BEFORE OTHER INCOME	**88,454**
OTHER INCOME (EXPENSES)	
Interest income	**8**
EXCESS OF REVENUES OVER EXPENSES	**$ 88,462**

PEACE RIVER AREA MONITORING PROGRAM COMMITTEE

Statement of Changes in Net Assets

Period Ended March 31, 2017

(Unaudited)

		March 31 **2017**
NET ASSETS - BEGINNING OF PERIOD	**$**	**-**
Excess of revenues over expenses		**88,462**
NET ASSETS - END OF PERIOD	**$**	**88,462**

PEACE RIVER AREA MONITORING PROGRAM COMMITTEE

Statement of Financial Position

March 31, 2017

(Unaudited)

ASSETS		
CURRENT		
Cash	**$**	**25,518**
Accounts receivable		**139,844**
Goods and services tax recoverable		**14,751**
	$	**180,113**
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	**$**	**91,651**
NET ASSETS		
General fund		**88,462**
LIABILITIES AND NET ASSETS	**$**	**180,113**

ON BEHALF OF THE BOARD

______________________________ *Director*

______________________________ *Director*

PEACE RIVER AREA MONITORING PROGRAM COMMITTEE

Statement of Cash Flows

Period Ended March 31, 2017

(Unaudited)

OPERATING ACTIVITIES	
Cash receipts from grantors and other	**$ 248,972**
Cash paid to suppliers	**(208,711)**
Interest received	**8**
Goods and services tax	**(14,751)**
INCREASE IN CASH FLOW	**25,518**
Cash - beginning of period	**-**
CASH - END OF PERIOD	**$ 25,518**

1. NATURE OF OPERATIONS

The Peace River Area Monitoring Program Committee is a not-for-profit, multi-stakeholder organization that monitors and provides public information on air quality, as well as develops recommendations regarding air quality management and monitoring. In addition, the Society facilitates dialogue among the community, industry and government for managing air quality within the Peace River area of Alberta.

Provided substantially all of the revenues of the Society are used for the operation of the Society, the Society will be considered a non-profit organization and exempt from tax under the Income Tax Act of Canada. Accordingly, no provision for income taxes has been made in these financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNFPO).

Revenue recognition

Peace River Area Monitoring Program Committee follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Revenue pertaining to performance for transactions involving supply of service are recorded at the time service is provided.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Government grants are recorded when there is a reasonable assurance that the Society had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

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.

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

Environmental expenditures and liabilities

Environmental expenditures are those expenditures specifically incurred to maintain or enhance the quality of the natural and social environment, or to minimize an adverse impact thereon. Environmental expenditures are expensed as part of operating activities, unless they constitute an asset improvement or act to mitigate or prevent possible future contamination, in which case the expenditures are capitalized and amortized to income. Environmental liabilities are accrued where the occurrence of environmental expenditures related to present or past activities of the Society is considered probable and the costs can be reasonably estimated.

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 cost or amortized cost.

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in net income in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability.

The Society assess impairment of all of its financial assets measured at cost or amortized cost when there is an indication of impairment. Any impairment which is not considered temporary is included in current year net earnings..

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.

3. ECONOMIC DEPENDENCE

The Society receives over 90% of it's revenues from a contract with the Province of Alberta. Should the contract be terminated, management is of the opinion that significant changes to operations would be required.

4. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The Society's financial instruments consist of cash, accounts receivables, accounts payable and deferred income. The following analysis provides information about the Society's risk exposure and concentration as of March 31, 2017.

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4. FINANCIAL INSTRUMENTS *(continued)*

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk from service revenues. As a significant amount of service revenues is received from the Provincial government, the Society is of the opinion that there is no significant credit risk.