PEACE RIVER AREA MONITORING PROGRAM COMMITTEE

Financial Statements

Year Ended March 31, 2018

PEACE RIVER AREA MONITORING PROGRAM COMMITTEE
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Year Ended March 31, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Peace River Area Monitoring Program Committee

We have audited the accompanying financial statements of Peace River Area Monitoring Program Committee, which comprise the statement of financial position as at March 31, 2018 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

Prior period amounts were reviewed and not audited. As such, we are unable to satisfy ourselves as to the opening balances on the statement of financial position at April 1, 2017 as well as any effect on current period statement of revenues and expenditures.

Qualified Opinion

In our opinion, except for the effects of adjustments, if any, from the prior period as described in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of Peace River Area Monitoring Program Committee as at March 31, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Edwin Radke

Edmonton, Alberta
August 23, 2018

RADKE PROFESSIONAL CORPORATION
CHARTERED ACCOUNTANTS

1608 Oxford Tower, 10025 102A Avenue Edmonton, AB T5J 2Z2
Phone: 780.424.2844 Fax 780.428.7533 eradke@radkeca.com

PEACE RIVER AREA MONITORING PROGRAM COMMITTEE
Statement of Revenues and Expenditures
Year Ended March 31, 2018

	2018	2017 *(Unaudited)*
REVENUES		
Service revenue	**$ 776,373**	$ 363,815
Grant revenues	**44,000**	25,000
	820,373	388,815
GRANT EXPENSES		
Outreach materials	**10,495**	-
Communications planning	**8,715**	-
Travel	**5,790**	-
Promotion	**5,341**	-
Management fees	**5,000**	-
Printing	**2,718**	-
Meetings	**2,372**	-
Advertising	**2,350**	-
Website	**1,675**	-
	44,456	-
EXPENSES		
Contractor fees	**315,180**	178,290
Management fees	**166,600**	58,758
Report production	**52,320**	4,500
Administration fees	**30,000**	15,000
Travel and meetings	**16,626**	5,564
Amortization	**12,118**	-
Professional fees	**10,866**	3,000
Supplies	**7,200**	900
Memberships	**4,462**	1,205
Electricity	**3,255**	697
Telephone	**835**	318
Office supplies	**706**	134
Insurance	**506**	488
Interest and bank charges	**7**	245
Promotion	**-**	3,440
Printing and copying	**-**	402
Website	**-**	14,820
Communications	**-**	11,920
Educational materials	**-**	680
	620,681	300,361

PEACE RIVER AREA MONITORING PROGRAM COMMITTEE

EXCESS OF REVENUES OVER EXPENSES BEFORE OTHER INCOME	**155,236**	88,454
OTHER INCOME (EXPENSES)		
Interest income	**35**	8
Goods and Service Tax	**(4,295)**	-
	(4,260)	8
EXCESS OF REVENUES OVER EXPENSES	**$ 150,976**	$ 88,462

PEACE RIVER AREA MONITORING PROGRAM COMMITTEE

Statement of Changes in Net Assets

Year Ended March 31, 2018

		2018		2017 *(Unaudited)*
NET ASSETS - BEGINNING OF YEAR	**$**	**88,462**	$	-
Excess of revenues over expenses		**150,976**		88,462
NET ASSETS - END OF YEAR	**$**	**239,438**	$	88,462

PEACE RIVER AREA MONITORING PROGRAM COMMITTEE
Statement of Financial Position
March 31, 2018

		2018		2017 *(Unaudited)*
ASSETS				
CURRENT				
Cash	**$**	**7,931**	$	25,518
Accounts receivable		**253,730**		139,844
Goods and services tax recoverable		**38,653**		14,751
Deposits		**38,356**		-
		338,670		180,113
EQUIPMENT *(Note 4)*		**81,629**		-
	$	**420,299**	$	180,113
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable	**$**	**180,861**	$	91,651
NET ASSETS				
General fund		**239,438**		88,462
LIABILITIES AND NET ASSETS	**$**	**420,299**	$	180,113

ON BEHALF OF THE BOARD

_________________________ *Director*

_________________________ *Director*

PEACE RIVER AREA MONITORING PROGRAM COMMITTEE

Statement of Cash Flows

Year Ended March 31, 2018

	2018	2017 *(Unaudited)*
OPERATING ACTIVITIES		
Cash receipts from grantors and other	**$ 706,488**	$ 248,972
Cash paid to suppliers	**(602,166)**	(208,711)
Interest received	**35**	8
Goods and services tax	**(28,197)**	(14,751)
Cash flow from operating activities	**76,160**	25,518
INVESTING ACTIVITY		
Purchase of equipment	**(93,747)**	-
INCREASE (DECREASE) IN CASH FLOW	**(17,587)**	25,518
Cash - beginning of year	**25,518**	-
CASH - END OF YEAR	**$ 7,931**	$ 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.

(continues)

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

Equipment

Equipment is stated at cost less accumulated amortization. Equipment is amortized over their estimated useful lives at the following rates and methods:

Equipment	20%	declining balance method
Computer equipment	55%	declining balance method
Computer software	100%	declining balance method

The Society regularly reviews its equipment to eliminate obsolete items. Government grants are treated as a reduction of equipment cost.

Equipment acquired during the year but not placed into use are not amortized until they are placed into use.

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 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. EQUIPMENT

	Cost	Accumulated amortization	**2018 Net book value**	2017 Net book value
Equipment	$ 85,412	$ 8,541	**$ 76,871**	$ -
Computer software	5,709	2,855	**2,854**	-
Computer equipment	2,626	722	**1,904**	-
	$ 93,747	$ 12,118	**$ 81,629**	$ -

5. 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 and accounts payable. The following analysis provides information about the Society's risk exposure and concentration as of March 31, 2018.

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.