

**Canadian Association for Environmental  
Analytical Laboratories (Inc.)**

**Financial Statements  
March 31, 2002**

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## Auditors' Report

To the Members of the  
Canadian Association for Environmental Analytical Laboratories (Inc.)

We have audited the statement of financial position of the Canadian Association for Environmental Analytical Laboratories (Inc.) as at March 31, 2002 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 Association's management. 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 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 our opinion, these financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Canada Corporations Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

*Raymond Chabot Grant Thornton*

Chartered Accountants

Ottawa, Canada  
May 15, 2002

# Canadian Association for Environmental Analytical Laboratories (Inc.) Operations

Year ended March 31, 2002

	<u>2002</u>	<u>2001</u>
	\$	\$
Revenue		
Evaluations	1,644,531	1,476,580
Memberships	108,221	97,996
Projects	66,285	2,664
Training	108,946	-
Interest income	6,126	11,979
	<u>1,934,109</u>	<u>1,589,219</u>
Expenses		
Evaluations	950,370	767,182
Salaries and benefits	567,406	467,683
Consulting fees	5,309	850
Office and telephone	49,635	50,835
Travel and meetings	60,726	53,154
Rent	54,092	38,817
Projects	6,202	17,136
Training	64,305	-
Postage and shipping	21,321	15,954
Copying and printing	19,778	20,699
Insurance	14,896	12,348
Professional fees	15,650	5,517
Advertising	15,018	15,461
Awards	506	1,378
Bad debt expense	1,608	1,612
Amortization of capital assets	13,072	12,351
	<u>1,859,894</u>	<u>1,480,977</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u><u>74,215</u></u>	<u><u>108,242</u></u>

The accompanying notes are an integral part of the financial statements.

**Canadian Association for Environmental  
Analytical Laboratories (Inc.)  
Changes in Net Assets**

Year ended March 31, 2002

	Invested in capital assets	Unrestricted	Total	
			2002	2001
	\$	\$	\$	\$
Balance, beginning of year	40,814	458,325	<b>499,139</b>	390,897
Excess of revenue over expenses (expenses over revenue)	(13,072)	87,287	<b>74,215</b>	108,242
Investment in capital assets	11,882	(11,882)	-	-
Balance, end of year	<u>39,624</u>	<u>533,730</u>	<u><b>573,354</b></u>	<u>499,139</u>

The accompanying notes are an integral part of the financial statements.

# Canadian Association for Environmental Analytical Laboratories (Inc.)

## Cash Flows

Year ended March 31, 2002

	<u>2002</u>	<u>2001</u>
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	74,215	108,242
Non-cash items		
Amortization of capital assets	13,072	12,351
Changes in working capital items (Note 3)	<u>33,113</u>	<u>(93,065)</u>
Cash flows from operating activities	<u>120,400</u>	<u>27,528</u>
<b>INVESTING ACTIVITIES</b>		
Capital assets	(11,882)	(25,230)
Investments	<u>(56,082)</u>	<u>(11,170)</u>
Cash flows from investing activities	<u>(67,964)</u>	<u>(36,400)</u>
<b>Increase (decrease) in cash</b>	<b>52,436</b>	<b>(8,872)</b>
Cash, beginning of year	<u>59,094</u>	<u>67,966</u>
Cash, end of year	<u><u>111,530</u></u>	<u><u>59,094</u></u>

The accompanying notes are an integral part of the financial statements.

# Canadian Association for Environmental Analytical Laboratories (Inc.) Financial Position

March 31, 2002

	<u>2002</u>	<u>2001</u>
	\$	\$
<b>ASSETS</b>		
Current assets		
Cash	111,530	59,094
Investments (Note 4)	242,656	186,574
Accounts receivable	753,407	606,193
Prepaid expenses	19,236	51,350
	<u>1,126,829</u>	<u>903,211</u>
Capital assets (Note 5)	39,624	40,814
	<u>1,166,453</u>	<u>944,025</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities	367,640	276,451
Deferred revenue	225,459	168,435
	<u>593,099</u>	<u>444,886</u>
<b>NET ASSETS</b>		
Invested in capital assets	39,624	40,814
Unrestricted	533,730	458,325
	<u>573,354</u>	<u>499,139</u>
	<u>1,166,453</u>	<u>944,025</u>

The accompanying notes are an integral part of the financial statements.

Approved by the Board,

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Director

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Director

# Canadian Association for Environmental Analytical Laboratories (Inc.)

## Notes to Financial Statements

March 31, 2002

### 1 - GOVERNING STATUTES AND NATURE OF OPERATIONS

The Canadian Association for Environmental Analytical Laboratories (Inc.) is a non-profit organization, incorporated without share capital under the Canada Corporations Act, to raise the level of competency, consistency, capability and communication within environmental testing laboratories in Canada. Within the provisions of the Income Tax Act, it is exempt from income tax.

### 2 - ACCOUNTING POLICIES

#### Accounting estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's best knowledge of current events and actions that the Association may undertake in the future. Actual results may differ from those estimates.

#### Revenue recognition

The Association follows the deferred method of accounting for contributions. Under this method, contributions restricted for future periods are deferred and are reported as revenue in the year in which the related expenses are incurred. Unrestricted contributions are reported as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### Capital assets

Capital assets are recorded at cost and amortized over their estimated useful lives according to the following methods and annual rates:

	<u>Methods</u>	<u>Rates</u>
Office equipment	Declining balance	20%
Computer equipment	Straight-line	4 years

### 3 - INFORMATION INCLUDED IN THE STATEMENT OF CASH FLOWS

The changes in working capital items are detailed as follows:

	<u>2002</u>	<u>2001</u>
	\$	\$
Accounts receivable	(147,214)	(214,438)
Prepaid expenses	32,114	(31,153)
Accounts payable and accrued liabilities	91,189	96,091
Deferred revenue	57,024	56,435
	<u>33,113</u>	<u>(93,065)</u>

Interest received during the year was \$6,126 (\$11,979 in 2001).

# Canadian Association for Environmental Analytical Laboratories (Inc.) Notes to Financial Statements

March 31, 2002

## 4 - INVESTMENTS

Mutual fund investments are recorded at cost plus reinvested revenue and are comprised of the following:

	<b>2002</b>		
	<u>Units</u>	<u>Cost</u>	<u>Market</u>
		\$	\$
Talvest Money Fund	<b>24,266</b>	<b>242,656</b>	<b>242,656</b>
			2001
	<u>Units</u>	<u>Cost</u>	<u>Market</u>
		\$	\$
Talvest Money Fund	18,657	186,574	186,574

## 5 - CAPITAL ASSETS

	<b>2002</b>		
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>
	\$	\$	\$
Office equipment	28,359	10,593	17,766
Computer equipment	89,190	67,332	21,858
	<b>117,549</b>	<b>77,925</b>	<b>39,624</b>
			2001
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>
	\$	\$	\$
Office equipment	22,189	7,121	15,068
Computer equipment	83,478	57,732	25,746
	105,667	64,853	40,814

## 6 - COMMITMENT

The Association has entered into long-term lease agreements expiring on October 31, 2004 which call for lease payments of \$49,410 for the rental of premises. Minimum lease payments for the next three years are \$19,764 in 2003 and 2004 and \$9,882 in 2005.

## 7 - COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.