

**Canadian Association for Environmental  
Analytical Laboratories (Inc.)  
Financial Statements  
March 31, 2003**

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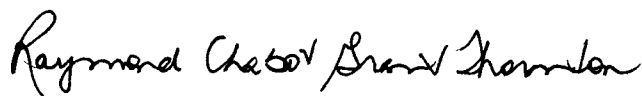
## Auditors' Report

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, 2003 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, 2003 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.



Chartered Accountants

Ottawa, Canada  
May 13, 2003

# Canadian Association for Environmental Analytical Laboratories (Inc.)

## Operations

Year ended March 31, 2003

	2003	2002
	\$	\$
<b>Revenue</b>		
Evaluations	2,157,632	1,644,531
Interest income	4,274	6,126
Memberships	118,222	108,221
Projects	120,890	66,285
Training	160,458	108,946
	<u>2,561,476</u>	<u>1,934,109</u>
<b>Expenses</b>		
Advertising	32,051	15,018
Amortization of capital assets	16,299	13,072
Awards	2,461	506
Bad debts	14,148	1,608
Copying and printing	26,592	19,778
Evaluations	1,400,346	950,370
Insurance	17,031	14,896
Office and telecommunications	67,579	50,162
Postage and shipping	16,064	21,321
Projects	64,966	6,202
Professional fees	11,603	15,650
Rent and rentals	57,786	54,092
Salaries, benefits and consulting fees	663,783	572,715
Training	58,301	64,305
Travel and meetings	72,436	60,199
	<u>2,521,446</u>	<u>1,859,894</u>
<b>Excess of revenue over expenses</b>	<u>40,030</u>	<u>74,215</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, 2003

	<u>2003</u>		<u>2002</u>
	<u>Invested in capital assets</u> \$	<u>Unrestricted</u> \$	<u>Total</u> \$
Balance, beginning of year	39,624	533,730	499,139
Excess (deficiency) of revenue over expenses	(16,299)	56,329	74,215
Investment in capital assets	<u>30,745</u>	<u>(30,745)</u>	
Balance, end of year	<u>54,070</u>	<u>559,314</u>	<u>573,354</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, 2003

	<u>2003</u>	<u>2002</u>
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	40,030	74,215
Non-cash items		
Amortization of capital assets	16,299	13,072
Changes in working capital items (Note 3)	<u>20,735</u>	<u>33,113</u>
Cash flows from operating activities	<u>77,064</u>	<u>120,400</u>
<b>INVESTING ACTIVITIES</b>		
Acquisition of investments	(4,249)	(56,082)
Acquisition of capital assets	<u>(30,745)</u>	<u>(11,882)</u>
Cash flows from investing activities	<u>(34,994)</u>	<u>(67,964)</u>
<b>Net increase in cash</b>	<b>42,070</b>	<b>52,436</b>
Cash, beginning of year	<u>111,530</u>	<u>59,094</u>
Cash, end of year	<u><u>153,600</u></u>	<u><u>111,530</u></u>

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

# Canadian Association for Environmental Analytical Laboratories (Inc.)

## Financial Position

March 31, 2003

	<u>2003</u>	<u>2002</u>
	\$	\$
<b>ASSETS</b>		
Current assets		
Cash	153,600	111,530
Investments (Note 4)	246,905	242,656
Accounts receivable	692,970	753,407
Prepaid expenses	<u>28,774</u>	<u>19,236</u>
	1,122,249	1,126,829
Capital assets (Note 5)	<u>54,070</u>	<u>39,624</u>
	<u><u>1,176,319</u></u>	<u><u>1,166,453</u></u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities	366,635	367,640
Deferred revenue	<u>196,300</u>	<u>225,459</u>
	<u>562,935</u>	<u>593,099</u>
<b>NET ASSETS</b>		
Invested in capital assets	54,070	39,624
Unrestricted	<u>559,314</u>	<u>533,730</u>
	<u>613,384</u>	<u>573,354</u>
	<u><u>1,176,319</u></u>	<u><u>1,166,453</u></u>

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

On behalf of the Board

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# Canadian Association for Environmental Analytical Laboratories (Inc.)

## Notes to Financial Statements

March 31, 2003

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### 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. Under 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 these estimates.

#### Amortization

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

	<u>Methods</u>	<u>Rate and period</u>
Office equipment and furniture	Diminishing balance	20%
Computer equipment	Straight-line	4 years

#### Short-term financial instruments

Given that they will mature shortly, the fair value of the short-term financial instruments is equivalent to their carrying amounts.

#### Revenue recognition

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

# Canadian Association for Environmental Analytical Laboratories (Inc.)

## Notes to Financial Statements

March 31, 2003

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

The changes in working capital items are detailed as follows:

	<u>2003</u>	<u>2002</u>
	\$	\$
Accounts receivable	60,437	(147,214)
Prepaid expenses	(9,539)	32,114
Accounts payable and accrued liabilities	(1,004)	91,189
Deferred revenue	(29,159)	57,024
	<u>20,735</u>	<u>33,113</u>

### 4 - INVESTMENTS

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

	<u>Units</u>	<u>Cost</u>	<u>2003</u>
		\$	Market
			\$
Talvest Money Fund	<u>24,690</u>	<u>246,905</u>	<u>246,905</u>

	<u>Units</u>	<u>Cost</u>	<u>2002</u>
		\$	Market
			\$
Talvest Money Fund	<u>24,266</u>	<u>242,656</u>	<u>242,656</u>

### 5 - CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated</u>	<u>2003</u>
	\$	amortization	Net
		\$	\$
Office equipment and furniture	33,388	14,296	19,092
Computer equipment	114,905	79,927	34,978
	<u>148,293</u>	<u>94,223</u>	<u>54,070</u>

	<u>Cost</u>	<u>Accumulated</u>	<u>2002</u>
	\$	amortization	Net
		\$	\$
Office equipment and furniture	28,359	10,593	17,766
Computer equipment	89,190	67,332	21,858
	<u>117,549</u>	<u>77,925</u>	<u>39,624</u>



# Canadian Association for Environmental Analytical Laboratories (Inc.)

## Notes to Financial Statements

March 31, 2003

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### **6 - COMMITMENT**

The Association has entered into long-term lease agreements expiring on October 31, 2004 which require lease payments of \$31,293 for the rental of premises. Minimum lease payments for the next two years are \$19,764 in 2004 and \$11,529 in 2005.

### **7 - COMPARATIVE FIGURES**

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