

THE MANITOBA OZONE PROTECTION INDUSTRY ASSOCIATION INC.

Financial Statements
October 31, 2011



RYAN J. MARSHALL, CHARTERED ACCOUNTANT INC.
61 GLEN AVENUE ♦ WINNIPEG, MANITOBA ♦ R2M 1V4 ♦ (204) 291-2306

THE MANITOBA OZONE PROTECTION INDUSTRY ASSOCIATION INC.**INDEX**

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AUDITORS' REPORT

To the Board of Directors of
The Manitoba Ozone Protection Industry Association Inc.

I have audited the Statement of Financial Position of **THE MANITOBA OZONE PROTECTION INDUSTRY ASSOCIATION INC.** as at October 31, 2011 and the Statements of Operations & Net Assets and Cash Flows for the year then ended. These financial statements are the responsibility of the association's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 my opinion, these financial statements present fairly, in all material respects, the financial position of the company as at October 31, 2011 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

R Marshall CA INC.

February 16, 2012
Winnipeg, Manitoba

THE MANITOBA OZONE PROTECTION INDUSTRY ASSOCIATION INC.

STATEMENT OF FINANCIAL POSITION

October 31, 2011

	<u>2011</u>	<u>2010</u>
A S S E T S		
CURRENT:		
Cash	\$ 223,744	\$ 202,844
Accounts receivable, <i>net of allowance</i>	4,300	2,510
Prepaid expenses	<u>5,414</u>	<u>8,605</u>
	<u>\$ 233,458</u>	<u>\$ 213,959</u>
CAPITAL ASSETS (note 3)	\$ 12,051	\$ 7,348
ORGANIZATIONAL COSTS	<u>268</u>	<u>287</u>
	<u>\$ 245,777</u>	<u>\$ 221,594</u>



LIABILITIES

CURRENT:		
Accounts payable and accrued liabilities	\$ 5,367	\$ 3,082
Unearned revenue (note 4)	<u>88,681</u>	<u>81,321</u>
	<u>\$ 94,048</u>	<u>\$ 84,403</u>

NET ASSETS

UNRESTRICTED NET ASSETS (page 4)	<u>\$ 151,729</u>	<u>\$ 137,191</u>
	<u>\$ 245,777</u>	<u>\$ 221,594</u>

APPROVED ON BEHALF OF THE BOARD:

 Director
 Director

The accompanying notes are an integral part of this Statement.

Ryan J. Marshall, Chartered Accountant Inc.

THE MANITOBA OZONE PROTECTION INDUSTRY ASSOCIATION INC.

STATEMENT OF OPERATIONS & NET ASSETS

Year Ended October 31, 2011

	<u>2011</u>	<u>2010</u>
REVENUE:		
Industry Certification (<i>note 4</i>)	\$ 134,426	\$ 134,720
Distributors (<i>note 4</i>)	21,035	20,993
Training	15,922	8,634
Rent	3,800	6,000
Memberships (<i>note 4</i>)	5,633	5,670
Grants and contributions	1,700	2,619
Manuals	7,421	8,617
Interest	1,908	1,716
Merchandise	495	727
Permits	100	1,300
	<u>\$ 192,440</u>	<u>\$ 190,996</u>
EXPENSES:		
Accounting and legal	\$ 3,105	\$ 3,355
Advertising and promotion	3,117	520
Amortization	2,006	1,438
Bad debts	105	725
Bank charges	1,643	839
Insurance	2,164	2,563
Memberships and subscriptions	199	179
Office	3,065	2,497
Postage and printing	26,808	18,765
Rent	23,310	22,903
Salaries and benefits	85,254	85,803
Stakeholder Meetings	7,097	5,101
Telephone	3,454	3,405
Training	10,710	8,896
Travel	5,865	9,718
	<u>\$ 177,902</u>	<u>\$ 166,707</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 14,538	\$ 24,289
UNRESTRICTED NET ASSETS, beginning of year	<u>137,191</u>	<u>112,902</u>
UNRESTRICTED NET ASSETS, end of year	<u>\$ 151,729</u>	<u>\$ 137,191</u>

The accompanying notes are an integral part of this Statement.

Ryan J. Marshall, Chartered Accountant Inc.

THE MANITOBA OZONE PROTECTION INDUSTRY ASSOCIATION INC.**STATEMENT OF CASH FLOWS****Year Ended October 31, 2011**

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenses for the year (page 3)	\$ 14,538	\$ 24,289
Adjustments for non-cash items:		
- amortization	<u>2,006</u>	<u>1,438</u>
	\$ 16,544	\$ 25,727
Net changes in working capital balances		
Accounts receivable	(1,790)	(2,210)
Prepaid expenses	3,191	(45)
Accounts payable and accrued liabilities	2,285	(402)
Unearned revenue	<u>7,360</u>	<u>(1,600)</u>
	<u>\$ 27,590</u>	<u>\$ 21,470</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	<u>\$ (6,690)</u>	<u>\$ (2,382)</u>
INCREASE IN CASH , during the year	\$ 20,900	\$ 19,088
CASH , beginning of year	<u>202,844</u>	<u>183,756</u>
CASH , end of year	<u>\$ 223,744</u>	<u>\$ 202,844</u>

The accompanying notes are an integral part of this Statement.

Ryan J. Marshall, Chartered Accountant Inc.

THE MANITOBA OZONE PROTECTION INDUSTRY ASSOCIATION INC.

NOTES TO FINANCIAL STATEMENTS

October 31, 2011

1. PURPOSE OF ORGANIZATION

The Manitoba Ozone Protection Industry Association Inc. operates as a not-for-profit organization and accordingly, is exempt from paying income tax under Section 149(1)(l) of the Income Tax Act.

Originally organized as a group independent from Government, the purpose of the association is to propose, evaluate and review regulation in regard to ozone depleting substances.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by management in accordance with Canadian accounting standards and include the following significant accounting policies.

Revenue Recognition:

All revenue is initially recognized in the year it is received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Industry certification, Memberships and Distributors revenue are earned through the passage of time and require periodic adjustment, see note 4.

Amortization:

Amortization of capital assets is provided on an annual basis at the following rates:

Computer Equipment	- 30% declining balance
Leasehold Improvements	- 5 years straight line
Office Equipment	- 20% declining balance
Organizational Costs	- 7% declining balance

Contributed Services:

Volunteers contribute time to assist the association in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

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2. SIGNIFICANT ACCOUNTING POLICIES, continued

Capital Disclosures:

In managing capital, the association focuses on liquid resources available to fund ongoing operations. The association's objective is to have sufficient liquid resources available to fund current operations as well as future operations. The need for liquid resources is considered in the preparation of an annual budget and in the monitoring of cash flows and actual operating results compared to budget. As at October 31, 2011, the association has met its objective of having sufficient liquid resources to meet its current obligations.

Financial Instruments:

The association's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the association is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

Foreign Currency Translation:

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at rates of exchange in effect at the balance sheet date. Gains or losses are included in income for the year then ended. Non-monetary assets, liabilities and other items recorded in income arising from transactions denominated in foreign currencies are translated at rates of exchange in effect at the date of the transaction.

Use of Estimates in the Preparation of Financial Statements:

Preparation of financial statements in conformity with Canadian accepted accounting principles require management to make estimates and assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ significantly from those estimates.

Accounts Receivable:

Accounts receivable are net of allowance for doubtful accounts.

3. CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Carrying Amount 2011</u>	<u>Net Carrying Amount 2010</u>
Computer Equipment	\$ 41,564	\$ 37,189	\$ 4,375	\$ 5,100
Leasehold Improvements	\$ 3,934	\$ -	\$ 3,934	\$ -
Office Equipment	<u>18,834</u>	<u>15,092</u>	<u>3,742</u>	<u>2,248</u>
	<u>\$ 64,332</u>	<u>\$ 52,281</u>	<u>\$ 12,051</u>	<u>\$ 7,348</u>

Leasehold improvements remain unamortized at year end as a result of the related lease inception date of November 1, 2011.

4. UNEARNED REVENUE

Unearned revenue is calculated as the amount of revenue not earned at year end. Certain revenue is earned through the passage of time and these items contain expiry dates that are not coterminous with year end and consist of the following:

	<u>2011</u>	<u>2010</u>
Industry certification	\$ 81,707	\$ 74,839
Memberships	3,444	3,038
Distributors	<u>3,530</u>	<u>3,444</u>
	<u>\$ 88,681</u>	<u>\$ 81,321</u>

5. COMMITMENTS

The Manitoba Ozone Protection Industry Association Inc. is committed under a lease for operating space which extends into the 2016 fiscal year end. The estimated lease payments in each of the next two years are as follows:

2012	\$ 14,287
2013	\$ 12,345
2014	\$ 12,345
2015	\$ 12,345
2016	\$ 12,345