

CRANE MOUNTAIN ENHANCEMENT INC.

Financial Statements

Year Ended October 31, 2018

CRANE MOUNTAIN ENHANCEMENT INC.

Index to Financial Statements

Year Ended October 31, 2018

	Page
INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Operations	3
Statement of Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 7

INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

To the Directors of Crane Mountain Enhancement Inc.

We have reviewed the accompanying financial statements of Crane Mountain Enhancement Inc. which comprise the statement of financial position as at October 31, 2018 and the statements of operations, 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.

Practitioners' Responsibility for the Financial Statements

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Crane Mountain Enhancement Inc. as at October 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.

Teed Saunders Doyle

Saint John, New Brunswick
March 6, 2019

CHARTERED PROFESSIONAL ACCOUNTANTS

CRANE MOUNTAIN ENHANCEMENT INC.

Statement of Financial Position

October 31, 2018

(Unaudited)

	2018	2017
ASSETS		
CURRENT		
Cash	\$ 70,320	\$ 53,565
Prepaid expenses	1,790	1,791
	<u>\$ 72,110</u>	<u>\$ 55,356</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 2,316	\$ 2,316
Deferred income	4,065	3,965
	6,381	6,281
NET ASSETS		
Unrestricted	<u>65,729</u>	<u>49,075</u>
	<u>\$ 72,110</u>	<u>\$ 55,356</u>

CRANE MOUNTAIN ENHANCEMENT INC.

Statement of Operations
Year Ended October 31, 2018
(Unaudited)

	2018	2017
REVENUE	\$ 24,109	\$ 23,969
EXPENDITURES		
Salaries and wages	1,800	1,800
Insurance	1,450	1,450
Professional fees	1,358	1,358
Meetings	1,266	2,463
Office	905	1,007
Advertising and promotion	629	529
Interest and bank charges	47	48
	7,455	8,655
EXCESS OF REVENUE OVER EXPENDITURES	\$ 16,654	\$ 15,314

CRANE MOUNTAIN ENHANCEMENT INC.

Statement of Changes in Net Assets

Year Ended October 31, 2018

(Unaudited)

	2018	2017
NET ASSETS - BEGINNING OF YEAR	\$ 49,075	\$ 33,761
Excess of revenue over expenditures	<u>16,654</u>	<u>15,314</u>
NET ASSETS - END OF YEAR	<u>\$ 65,729</u>	<u>\$ 49,075</u>

CRANE MOUNTAIN ENHANCEMENT INC.

Statement of Cash Flows

Year Ended October 31, 2018

(Unaudited)

	2018	2017
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 16,654	\$ 15,314
Changes in non-cash working capital:		
Prepaid expenses	1	-
Deferred income	100	-
	<u>101</u>	<u>-</u>
INCREASE IN CASH FLOW	16,755	15,314
CASH - BEGINNING OF YEAR	<u>53,565</u>	<u>38,251</u>
CASH - END OF YEAR	<u>\$ 70,320</u>	<u>\$ 53,565</u>

CRANE MOUNTAIN ENHANCEMENT INC.

Notes to Financial Statements

Year Ended October 31, 2018

(Unaudited)

1. PURPOSE OF THE ORGANIZATION

Crane Mountain Enhancement Inc. (the "organization") was incorporated by Letters Patent under the New Brunswick Companies Act on October 2, 2000. The organization is a non-profit organization established to monitor the Crane Mountain Sanitary landfill in accordance with the Regional Services Act, the thirteen conditions of the EIA approval, its Letters Patent and the agreement with Fundy Regional Service Commission. (the "organization") was incorporated by Letter Patent under New Brunswick Companies Act on October 2, 2000. The organization is a non-profit organization established to monitor the Crane Mountain Sanitary landfill in accordance with the Regional Services Act, the thirteen conditions of the EIA approval, its Letters Patent and the agreement with Fundy Regional Service Commission.

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).

Cash and Cash Equivalents

The organization considers cash on hand, short-term deposits and balances with banks, net of overdrafts as cash or cash equivalents.

Capital Assets

Capital assets purchased during the year are recorded as an operating expense on the statement of operations and changes in net assets. No provision for amortization is provided for on capital assets. During the year, the organization did not expense any capital assets (2017 - nil). Crane Mountain Enhancement Inc does not currently hold any capital assets.

Revenue Recognition

The operating grant, provided by Fundy Regional Service Commission, is recognized as revenue on an accrual basis over the term of the grant.

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.

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 amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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.

CRANE MOUNTAIN ENHANCEMENT INC.

Notes to Financial Statements

Year Ended October 31, 2018

(Unaudited)

3. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of October 31, 2018.

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is not exposed to credit risk as it does not have customers. The organization's mandate is to monitor the Crane Mountain Sanitary landfill in accordance with the Regional Services Act, the thirteen conditions of the EIA approval, its letters patent and the agreement with the Fundy Regional Service Commission. Based on this mandate, the organization's sole source of income is an operating grant, provided by the Fundy Regional Service Commission.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from from Fundy Regional Service Commission, accounts payable and other obligations.

Currency Risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The organization is not exposed to foreign currency exchange risk on cash and accounts payable as it does not hold any foreign currency.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is not exposed to interest rate risk as it does not hold any floating interest rate debt or investments.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

4. ECONOMIC DEPENDENCE

The organization receives an operating grant of \$24,209 (2017 - \$23,969) from Fundy Regional Service Commission, representing 100% (2017 - 100%) of revenue.