

CRANE MOUNTAIN ENHANCEMENT INC.

Financial Statements

Year Ended October 31, 2021

CRANE MOUNTAIN ENHANCEMENT INC.

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Year Ended October 31, 2021

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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. (the Organization) that comprise the statement of financial position as at October 31, 2021, 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 (ASNPO), 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

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 the financial statements do not present fairly, in all material respects, the financial position of Crane Mountain Enhancement Inc. as at October 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Teed Saunders Doyle

Saint John, New Brunswick
February 28, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS

CRANE MOUNTAIN ENHANCEMENT INC.

Statement of Financial Position

October 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 70,525	\$ 88,763
Prepaid expenses	2,109	1,819
	<u>72,634</u>	<u>90,582</u>
CAPITAL ASSETS (Note 5)	<u>29,471</u>	<u>-</u>
	<u>\$ 102,105</u>	<u>\$ 90,582</u>
LIABILITIES		
CURRENT		
Accounts payable	\$ 2,416	\$ 6,299
Deferred income	4,155	4,124
	<u>6,571</u>	<u>10,423</u>
NET ASSETS	<u>95,534</u>	<u>80,159</u>
	<u>\$ 102,105</u>	<u>\$ 90,582</u>

ON BEHALF OF THE BOARD

Director

Director

CRANE MOUNTAIN ENHANCEMENT INC.

**Statement of Operations
Year Ended October 31, 2021**

	2021	2020
REVENUE	\$ 24,900	\$ 24,700
EXPENDITURES		
Monitoring and consulting fees	-	6,218
Salaries and wages	1,800	1,800
Insurance	1,450	1,450
Professional fees	1,415	1,455
Office	772	619
Meetings	615	1,079
Advertising and promotion	138	-
Interest and bank charges	61	58
Amortization	3,274	-
	<u>9,525</u>	<u>12,679</u>
EXCESS OF REVENUE OVER EXPENDITURES	\$ 15,375	\$ 12,021

CRANE MOUNTAIN ENHANCEMENT INC.

Statement of Changes in Net Assets

Year Ended October 31, 2021

	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$ 80,159	\$ 68,138
EXCESS OF REVENUE OVER EXPENDITURES	15,375	12,021
NET ASSETS - END OF YEAR	\$ 95,534	\$ 80,159

CRANE MOUNTAIN ENHANCEMENT INC.

Statement of Cash Flows
Year Ended October 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 15,375	\$ 12,021
Item not affecting cash:		
Amortization of capital assets	3,274	-
	<u>18,649</u>	<u>12,021</u>
Changes in non-cash working capital:		
Accounts payable	(3,883)	1,219
Deferred income	31	45
Prepaid expenses	(290)	(29)
	<u>(4,142)</u>	<u>1,235</u>
Cash flow from operating activities	<u>14,507</u>	<u>13,256</u>
INVESTING ACTIVITY		
Purchase of capital assets	<u>(32,745)</u>	-
INCREASE (DECREASE) IN CASH FLOW	(18,238)	13,256
CASH - BEGINNING OF YEAR	<u>88,763</u>	<u>75,507</u>
CASH - END OF YEAR	<u>\$ 70,525</u>	<u>\$ 88,763</u>

CRANE MOUNTAIN ENHANCEMENT INC.

Notes to Financial Statements

Year Ended October 31, 2021

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.

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 are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a straightline basis at the following rate:

Equipment	5 years
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The company regularly reviews its capital assets to eliminate obsolete items.

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

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 expenditures 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, 2021

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, 2021.

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 \$24,931 (2020 - \$24,745) from Fundy Regional Service Commission, representing 100% (2020 - 100%) of revenue.

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Equipment	\$ 32,745	\$ 3,274	\$ 29,471	\$ -