

**GREEN CALGARY ASSOCIATION**  
**2023 Financial Statements**  
Year ended December 31, 2023

**Green Calgary Association**  
**2023 Financial Statements**  
For the year ended December 31, 2023

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# Versatile Accounting Professional Corporation Chartered Professional Accountant

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## Independent Auditor's Report

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To the Members of  
Green Calgary Association

### *Opinion*

I have audited the financial statements of Green Calgary Association ("Association"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

### *Basis for Opinion*

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Association in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Versatile Accounting Professional Corporation  
Chartered Professional Accountant  
Calgary, Alberta

March 22, 2024

**Green Calgary Association  
Statement of Financial Position**

<b>December 31</b>	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
<b>Current</b>		
Cash (note 3)	\$ 415,695	\$ 377,990
Accounts receivable	28,539	35,156
Inventory (note 4)	5,344	2,199
Government remittances receivable	205	1,539
	<b>449,783</b>	<b>416,884</b>
Property and equipment, net of accumulated amortization (note 5)	2,080	4,131
	<b>\$ 451,863</b>	<b>\$ 421,015</b>
<b>Liabilities and fund balances</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 19,961	\$ 25,082
Deferred contributions (note 6)	174,256	136,238
Deferred revenue	-	400
	<b>194,217</b>	<b>161,720</b>
<b>Net assets</b>	<b>257,646</b>	<b>259,295</b>
	<b>\$ 451,863</b>	<b>\$ 421,015</b>

On behalf of the Board

  
 \_\_\_\_\_ Member

  
 \_\_\_\_\_ Member

The accompanying notes are an integral part of these financial statements

**Green Calgary Association**  
**Statement of Operations and Changes in Net Assets**

<b>For the year ended December 31</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>		
Grants	\$ 219,720	\$ 284,630
Product sales	145,416	139,722
Fees for services	106,781	51,956
Sponsorship	57,833	51,667
Government assistance programs (note 10)	-	30,000
Casino income	43,412	24,801
Donations	20,084	19,847
Fundraising	3,957	816
Memberships	320	300
Interest income	37	248
	<b>597,560</b>	<b>603,987</b>
<b>Expenditures</b>		
Human resources	202,816	227,082
Program expenditure	173,349	175,884
Environmental product	98,872	98,602
General and administrative	45,110	39,498
Rent	40,126	38,394
Advertising and promotion	13,214	21,074
Information technology	18,824	14,728
Amortization	2,050	3,421
Casino expenses	2,351	2,351
Strategic and fund development	2,497	753
	<b>599,209</b>	<b>621,787</b>
<b>Deficiency of revenue over expenditures</b>	<b>(1,649)</b>	<b>(17,800)</b>
<b>Net assets, beginning of year</b>	<b>259,295</b>	<b>277,095</b>
<b>Net assets, end of year</b>	<b>\$ 257,646</b>	<b>\$ 259,295</b>

The accompanying notes are an integral part of these financial statements

**Green Calgary Association  
Statement of Cash Flows**

<b>For the year ended December 31</b>	<b>2023</b>	<b>2022</b>
Operating activities		
Deficiency of revenue over expenditures Item not involving cash	\$ (1,649)	\$ (17,800)
Amortization	2,050	3,421
	<b>401</b>	<b>(14,379)</b>
Net change in non-cash working capital items		
Accounts receivable	6,617	1,978
Inventory	(3,145)	3,094
Government remittances	1,334	(351)
Accounts payable and accrued liabilities	(5,120)	15,050
Deferred contribution	38,018	37,998
Deferred revenue	(400)	400
	<b>37,304</b>	<b>58,169</b>
Cash flows from operating activities	<b>37,705</b>	<b>43,790</b>
Financing activities		
Government assistance, proceeds of CEBA loan	-	60,000
Government assistance, repayment of CEBA loan	-	(40,000)
Government assistance, forgiveness of CEBA loan	-	(20,000)
Cash flows from financing activities	-	-
Investing activity		
Purchase of property and equipment and cash flows from investing activity	-	(1,538)
Net change in cash during the year	<b>37,705</b>	<b>42,252</b>
Cash and cash equivalents, beginning of year	<b>377,990</b>	<b>335,738</b>
Cash and cash equivalents, end of year	<b>\$ 415,695</b>	<b>\$ 377,990</b>
Cash and cash equivalents consist of:		
Cash	<b>\$ 415,695</b>	<b>\$ 377,990</b>

The accompanying notes are an integral part of these financial statements



**1. Nature of operations**

Green Calgary Association (the "Association") is a not-for-profit organization incorporated under the Societies Act of Alberta.

The Association is committed to empowering Calgarians to create healthy homes and communities through environmental education, products and services.

**2. Basis of accounting and summary of significant accounting policies**

The financial statements of the Association have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). The financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality and within the framework of the significant accounting policies.

Cash and cash equivalents

Cash and cash equivalents are defined as cash and highly liquid investments, consisting primarily of term deposits, with terms to maturity of one year from the date of purchase.

Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Sales are recorded as delivered, which include rain barrel sales and environmental products.

Fundraising and fee for service revenues are recorded as received. Membership fees and sponsorships are recorded as earned.

Government assistance

Government assistance received or receivable as a result of the Government of Canada COVID-19 response programs are accounted for as operating grants and are recognized as revenue in the period in which they are earned when there is reasonable assurance that the company has complied and will continue to comply with the conditions associated with the assistance. The amount of government assistance is recorded as a direct increase in revenues.

Property and equipment

Property and equipment are recorded at cost. Amortization of property and equipment are based on their useful lives using the straight-line method and following durations:

Office equipment	10 years
Computer equipment	3 years

**2. Basis of accounting and summary of significant accounting policies – continued**

Impairment of long-lived assets

The Association tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method.

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.

Contributed services

Volunteers incur their time to assist in the Association's activities. While these services benefit the Association considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

Deferred contributions

The deferred contributions represent the unspent portion of externally restricted contributions. These amounts are recorded as liabilities as they are not recognized as revenue until the related expenses have occurred.

Leases

Leases are classified as either capital or operating leases. Leases that transfer substantially all of the benefits and inherent risks of ownership of property to the Association are accounted for as capital leases. At the time a capital lease is entered into, an asset is recorded together with its related long-term obligation to reflect the acquisition and financing. Equipment recorded under capital leases is amortized on the same basis as described above. Payments under operating leases are expensed as incurred.

**2. Basis of accounting and summary of significant accounting policies – continued**

Financial instruments

(i) Measurement of financial instruments

The Association initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

The Association subsequently measures its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable, inventory and GST receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and deferred contributions.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income. The write down reflects the difference between the carrying amount and the higher of:

- ♦ the present value of the cash flows expected to be generated by the asset or group of assets;
- ♦ the amount that could be realized by selling the assets or group of assets;
- ♦ the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.

**3. Cash**

	2023	2022
Cash and bank balance	\$ 415,695	\$ 377,990

**Green Calgary Association**  
**Notes to Financial Statements**  
For the year ended December 31, 2023

4. Inventory

	2023	2022
Ecostore	\$ 5,344	\$ 2,199

Inventory consists of Ecostore material of rain barrels, their accessories, composters accessories, worm bin rental and other sustainability products materials.

5. Property and equipment

	2023		2022	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Office equipment	\$ 4,225	\$ 3,169	\$ 4,225	\$ 2,746
Computer equipment	15,690	14,666	15,690	13,038
	19,915	17,835	19,915	15,784
Net book value	\$ 2,080		\$ 4,131	

**Green Calgary Association**  
**Notes to Financial Statements**  
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**6. Deferred contributions**

	<b>2023 Deferred contributions</b>			
	<b>Opening balance 2022</b>	<b>Addition</b>	<b>Utilization</b>	<b>Closing balance 2023</b>
AGLC Casino contributions	\$ 39,726	\$ 86,048	\$ (45,102)	\$ 80,672
Alberta Eco Trust	-	9,000	(9,000)	-
Green Communities	-	5,000	(1,667)	3,333
Calgary Foundation	4,167	-	(4,167)	-
City, Water Resource	31,000	37,000	(31,000)	37,000
ECCO Recycling & Energy Corp.	3,333	5,000	(5,833)	2,500
Enmax Corporation	50,000	50,000	(50,000)	50,000
TD Friends of the Environment	-	10,000	(10,000)	-
The Chawkers of 32	7,636	-	(7,636)	-
City of Calgary	-	145,000	(145,000)	-
Land Stewardship Centre of Canada	376	5,625	(5,250)	751
<b>TOTAL</b>	<b>\$ 136,238</b>	<b>\$ 352,673</b>	<b>\$ (314,655)</b>	<b>\$ 174,256</b>

	<b>2022 Deferred contributions</b>			
	<b>Opening balance 2021</b>	<b>Addition</b>	<b>Utilization</b>	<b>Closing balance 2022</b>
AGLC Casino contributions	\$ -	\$ 64,528	\$ (24,802)	\$ 39,726
Alberta Eco Trust	7,090	41,210	(48,300)	-
Calgary Foundation	-	17,298	(13,131)	4,167
City, Waste and Recycling	-	160,850	(160,850)	-
City, Water Resource	32,000	37,000	(38,000)	31,000
ECCO Recycling & Energy Corp.	-	5,000	(1,667)	3,333
Enmax Corporation	50,000	50,000	(50,000)	50,000
RBC Foundation	4,167	-	(4,167)	-
TD Friends of the Environment	4,983	-	(4,983)	-
The Chawkers of 32	-	15,000	(7,364)	7,636
City of Calgary	-	30,000	(30,000)	-
The CST Foundation	-	2,585	(2,585)	-
Land Stewardship Centre of Canada	-	5,625	(5,249)	376
	<b>\$ 98,240</b>	<b>\$ 429,096</b>	<b>\$ (391,098)</b>	<b>\$ 136,238</b>

**7. Lease commitments**

The Association has a long term lease with respect to its premises that expires on November 30, 2024. The lease requires minimum monthly lease payments as well as a share of monthly operating costs. The management in the process of negotiate the new lease term.

Future minimum lease payments are as follows:

<u>2024</u>	<u>\$ 15,532</u>
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**8. Economic dependence**

The Association receives the material amount through a funding agreement from the City of Calgary in form of various grants. The Association's continued operations are dependent on this funding agreement and on satisfying the terms of the agreement.

**9. Fundraising expenses**

As required under section 7(2) of the Charitable Fundraising Regulation of Alberta, the following amounts are disclosed:

During the year, no direct costs incurred for the purpose of soliciting contributions. No amounts paid as remuneration to employees whose principal duties involve fundraising.

**10. Government assistance program**

	<u>2023</u>	<u>2022</u>
City of Calgary emergency resiliency fund grant	\$ -	\$ 30,000

**11. Financial instruments**

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

The Association is exposed to the following risks in respect of certain of the financial instruments held:

**Credit risk**

Credit risk is the risk that the Association will incur a financial loss because a contributor or counterparty fails to discharge an obligation. The Association is exposed to credit risk through its cash and its accounts receivable from customers. The Association has a number of different clients to purchase the products and provide services for fees, which reduces the concentration of credit risk from customers.

The Association has a concentration of credit risk with respect to cash as all of the cash and term deposit are held at one financial institution, and as such, the Association is exposed to the risks of the institution. The financial institution has deposit insurance through the Canada Deposit Insurance Corporation to minimize any potential loss to the Association.

It is management's opinion that the Association exposure to the above financial instrument risk is low and not material.

**12. Contributed goods and services**

Contributed services and donated goods are recognized in the financial statements when their fair value can be reasonably determined, when the goods are used in the normal course of the Association's operations and when they would otherwise have been purchased.

A substantial number of volunteers have made significant contributions of their time to develop the Association's programs. The value of this contributed time is not reflected in these financial statements.