

GREEN CALGARY ASSOCIATION
2025 Financial Statements
Year ended December 31, 2025

Green Calgary Association
2025 Financial Statements
For the year ended December 31, 2025

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Versatile Accounting Professional Corporation

Chartered Professional Accountant

Independent Auditor's Report

To the Members of
Green Calgary Association

Opinion

I have audited the financial statements of Green Calgary Association, which comprise the statement of financial position as at December 31, 2025, and the statements of operations, 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, 2025, 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

Karim Bharwani CPA, CA
Chartered Professional Accountant

Calgary, Alberta

March 31, 2026

**Green Calgary Association
Statement of Financial Position**

December 31	2025	2024
Assets		
Current		
Cash (note 4)	\$ 130,297	\$ 193,189
Accounts receivable	20,841	62,828
Inventory (note 5)	36,895	3,717
GST receivable	-	449
Cash and cash equivalents, externally restricted (note 6)	241,195	119,717
	429,228	379,900
Property and equipment, net of accumulated amortization (note 7)	4,638	8,269
	\$ 433,866	\$ 388,169
Liabilities and fund balances		
Current		
Accounts payable and accrued liabilities	\$ 21,687	\$ 23,991
Deferred contributions (note 10)	175,083	119,717
Deferred capital contribution (note 8)	4,427	7,378
GST payable	1,990	-
Deferred revenue	-	100
Rain Barrel Rebate payable (note 9)	64,062	-
	267,249	151,186
Net assets	166,617	236,983
	\$ 433,866	\$ 388,169

On behalf of the Board

 Member

 Member

The accompanying notes are an integral part of these financial statements

**Green Calgary Association
Statement of Operations**

For the year ended December 31	2025	2024
Revenue		
Amortization of deferred capital contributions	\$ 3,261	\$ 1,836
Casino income (note 10)	26,984	45,309
Donations	51,419	36,262
Donations in kind (note 15)	2,500	-
Fees for services	93,421	113,154
Fundraising	4,069	3,979
Grants (note 10)	253,016	249,299
Interest income	26	40
Product sales	107,015	179,473
Rebate administration (notes 9 and 10)	35,000	-
Sponsorship (note 10)	75,299	52,500
	652,010	681,852
Expenditures		
Advertising and promotion	7,464	16,119
Amortization	3,630	2,667
Casino expenses	280	-
Environmental product	61,942	134,838
General and administrative	88,977	55,097
Human resources	214,007	255,664
Information technology	20,664	20,393
Program expenditure	284,977	171,820
Rent	38,146	43,207
Strategic and fund development	2,289	2,710
	722,376	702,515
Deficiency of revenue over expenditures	\$ (70,366)	\$ (20,663)

The accompanying notes are an integral part of these financial statements

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

For the year ended December 31	2025	2024
Net assets, beginning of year	\$ 236,983	\$ 257,646
Deficiency of revenue over expenditures	(70,366)	(20,663)
Net assets, end of year	\$ 166,617	\$ 236,983

The accompanying notes are an integral part of these financial statements

**Green Calgary Association
Statement of Cash Flows**

For the year ended December 31	2025	2024
Operating activities		
Deficiency of revenue over expenditures Item not involving cash	\$ (70,366)	\$ (20,663)
Amortization	3,630	2,667
	(66,736)	(17,996)
Net change in non-cash working capital items		
Accounts receivable	41,987	(34,289)
Inventory	(33,178)	1,627
GST	2,439	(244)
Cash and cash equivalents, externally restricted	(121,478)	-
Accounts payable and accrued liabilities	(2,303)	4,027
Deferred grants and sponsorship received (note 10)	442,665	-
Deferred contribution utilized (note 10)	(387,299)	-
Deferred capital contribution	(2,951)	7,378
Deferred revenue	(100)	100
Rain barrel rebate received (note 9)	250,000	-
Rain barrel rebate paid and recognized (note 9)	(185,938)	-
	3,844	(21,401)
Cash flows from operating activities	(62,892)	(39,397)
Investing activity		
Purchase of property and equipment and cash flows from investing activity	-	(8,854)
Net change in cash during the year	(62,892)	(48,251)
Cash and cash equivalents, beginning of year	193,189	241,440
Cash and cash equivalents, end of year	\$ 130,297	\$ 193,189
Cash and cash equivalents consist of:		
Cash	\$ 371,492	\$ 247,728
Externally restricted cash	(241,195)	(54,539)
	\$ 130,297	\$ 193,189

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.

As a registered charitable foundation under subsection 149(1) of the Income Tax Act (Canada), the Association is exempt from income taxes and is able to issue donation receipts for income tax purposes.

2. Basis of presentation

These financial statements do not contain certain disclosures required by Canadian accounting standards for not-for-profit organizations ("ASNPO")

3. Summary of significant accounting policies

The Association follows accounting principles generally accepted in Canada in preparing its financial statements. The significant accounting policies used are as follows:

Cash and cash equivalents

Cash and cash equivalents include cash on deposit, outstanding issued cheques, and restricted cash balance. All cash balances are held with a single financial institution.

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.

Sponsorship, fundraising and other revenue are recognized in the year funds are received to support special events as well as the operating activity of the Association.

Fees for services are recognized when the services are performed, collection is probable and persuasive evidence of an arrangement exists.

Where the Association acts as an intermediary and does not control the goods or services before transfer to the customer, revenue is recognized on a net basis, representing the administration fees earned.

3. Summary of significant accounting policies – continued

Revenue recognition – continued

Government assistance

Government and other grants related to property and equipment are accounted for as deferred government assistance and amortized on the same basis as the related property and equipment. Operating grants are accounted for as revenue when earned.

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

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 ASNPO 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.

Specific items subject to estimation include amortization and potential impairment of tangible capital assets, classification of deferred contributions, accrued liabilities and the allocation of operational support costs.

These estimates are subject to measurement uncertainty, and the effect of changes in these estimates in future periods could be significant.

3. Summary of significant accounting policies – continued

Contributed services

Contributions of materials and services are recognized in the financial statements at fair value at the date of contribution, but only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations, and would otherwise have been purchased.

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.

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 & cash equivalents, accounts receivable, and inventory.

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

3. Summary of significant accounting policies – continued

Financial instruments – continued

(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.

4. Cash

	2025	2024
Cash and bank balance	\$ 372,242	\$ 313,055
Less: Outstanding cheques	(750)	(149)
<u>Less: Restricted cash contribution (note 6)</u>	<u>(241,195)</u>	<u>(119,717)</u>
Total	\$ 130,297	\$ 193,189

Green Calgary Association
Notes to Financial Statements
For the year ended December 31, 2025

5. Inventory

	2025	2024
Raw material	\$ 4,739	\$ -
Purchased for sale	5,732	3,717
Finished goods	26,424	-
	\$ 36,895	\$ 3,717

Purchase for sale inventory consists of Ecostore material of rain barrels, their accessories, composters accessories, worm bin rental and other sustainability products materials. Finished goods consist of rain barrels manufactured during the year, and none have been expensed to cost of goods sold.

6. Cash and cash equivalents, externally restricted

	General funds	Casino funds	RBS Rebate	2025
AGLC, Casino account	\$ -	\$ 95,683	\$ -	\$ 95,683
RBS Rebate	-	-	66,112	66,112
Enmax Corporation	65,000	-	-	65,000
TD Friends of the Environment	14,400	-	-	14,400
	\$ 79,400	\$ 95,683	\$ 66,112	\$ 241,195

	General funds	Casino	2024
AGLC, Casino account	\$ -	\$ 26,509	\$ 26,509
Enmax Corporation	65,000	-	65,000
Pepsi Co	10,299	-	10,299
University of Calgary	10,909	-	10,909
ChangeX	7,000	-	7,000
	\$ 93,208	\$ 26,509	\$ 119,717

Green Calgary Association
Notes to Financial Statements
For the year ended December 31, 2025

7. Property and equipment

	2025		2024	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Office equipment	\$ 4,225	\$ 4,014	\$ 4,225	\$ 3,591
Computer equipment	24,544	20,117	24,544	16,909
	28,769	24,131	28,769	20,500
Net book value	\$ 4,638		\$ 8,269	

8. Deferred capital contribution

Computers valued at \$8,854 were purchased using Casino contributions.

	2025	2024
Opening balance	\$ 7,378	\$ 8,854
Amortization of deferred capital	(2,951)	(1,476)
	\$ 4,427	\$ 7,378

9. Rain Barrel Rebate payable

Green Calgary is administering rebates on behalf of the City of Calgary for rain barrels purchased at the original sale price for residential use by Calgarians. The rebate program closes on October 31, 2026 or until program funding runs out, whichever comes first. The Plooto instant account is maintained for fund distribution purposes (Note 6).

	2025	2024
Funding received	\$ 250,000	\$ -
rebate money distributed	(182,938)	-
Administrring revenue	(3,000)	-
Rebate payable	\$ 64,062	\$ -

Green Calgary Association
Notes to Financial Statements
For the year ended December 31, 2025

10. Deferred contributions

	Opening balance 2025	Addition	Utilization	Closing balance 2025
AGLC Casino contributions	\$ 26,509	\$ 96,158	\$ (26,984)	\$ 95,683
ChangeX	7,000	3,000	(10,000)	-
City of Calgary, Climate and Environment	-	87,500	(87,500)	-
City of Calgary, Waste and Recycling	-	20,000	(20,000)	-
City of Calgary, MOA	-	120,000	(120,000)	-
City of Calgary, Rebate administration	-	32,000	(32,000)	-
Enmax Corporation	65,000	65,000	(65,000)	65,000
Pepsico	10,299	-	(10,299)	-
TD Friends of the Environment	-	14,400	-	14,400
University of Calgary	10,909	-	(10,909)	-
Government of Canada	-	4,607	(4,607)	-
	\$ 119,717	\$ 442,665	\$ (387,299)	\$ 175,083

	Opening balance 2024	Addition	Utilization	Closing balance 2024
AGLC Casino contributions	\$ 80,672	\$ -	\$ (54,163)	\$ 26,509
Calgary Foundation	-	8,000	(8,000)	-
ChangeX	-	7,000	-	7,000
City of Calgary, Climate and Environment	37,000	20,000	(57,000)	-
City of Calgary, MOA	-	120,000	(120,000)	-
City of Calgary, Waste and Recycling	-	20,000	(20,000)	-
Ecco Recycling & Energy Corp.	2,500	-	(2,500)	-
Enmax Corporation	50,000	65,000	(50,000)	65,000
Green Communities	3,333	7,500	(10,833)	-
Honda Calgary	-	10,000	(10,000)	-
Land Stewardship Centre of Canada	751	1,249	(2,000)	-
Pepsico	-	10,299	-	10,299
University of Calgary	-	20,000	(9,091)	10,909
Wildlife Habitat Canada	-	3,375	(3,375)	-
	\$ 174,256	\$ 292,423	\$ (346,962)	\$ 119,717

11. Lease commitments

The Association's obligations under the operating lease for the occupied premises, the minimum annual lease payments are as follows:

2026	\$ 18,906
2027	18,906
2028	18,906
2029	15,755
	<hr/>
	\$ 72,473

The annual lease payments exclude maintenance, property taxes, insurance and other operating cost. The lease agreement expires on October 31, 2029, and may be renewed for an additional term subject to mutual agreement between the parties.

12. Economic dependence

The Association receives 60% 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.

13. Fundraising expenses

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

An amount of \$5,226 (2024 - \$2,616) was paid as honoraria to volunteers whose primary responsibilities relate to fundraising activities.

14. 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, accounts receivable and funding from Government, local authorities, corporate and individual donors. 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.

Accounts receivables and grant contributions are from the government and local authorities, who are committed to fund the Association. Therefore, the credit risk is lower from government and local authorities.

15. Contributed goods and services

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

During the year, the Association recognized donation in kind of \$2500 (2024 -nil) in the statement of operations.

Volunteers contribute time each year to assist the Association in carrying out its activities. Due to the difficulty in determining their fair value, contributed volunteer services are not recognized in the financial statements.

16. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.