

GREEN CALGARY ASSOCIATION
Financial Statements
Year Ended December 31, 2015

GREEN CALGARY ASSOCIATION
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Year Ended December 31, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Members of Green Calgary Association

We have audited the accompanying financial statements of Green Calgary Association, which comprise the statement of financial position as at December 31, 2015 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

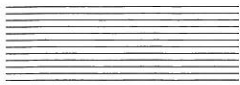
In common with many not-for-profit organizations, Green Calgary Association derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Green Calgary Association. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2015, and current assets and net assets as at December 31, 2015.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Green Calgary Association as at December 31, 2015 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.

Chartered Accountants

April 11, 2016



GREEN CALGARY ASSOCIATION
Statement of Financial Position
December 31, 2015

| | 2015 | 2014 |
|------------------------------------------|--------------------------|--------------------------|
| ASSETS | | |
| CURRENT | | |
| Cash and cash equivalents | \$ 352,709 | \$ 350,211 |
| Accounts receivable | 46,923 | 30,446 |
| Inventory | 6,197 | 8,410 |
| Prepaid expenses | 15,971 | 10,518 |
| | <u>421,800</u> | 399,585 |
| PROPERTY AND EQUIPMENT (Note 4) | <u>9,980</u> | 19,961 |
| | <u>\$ 431,780</u> | <u>\$ 419,546</u> |
| LIABILITIES AND NET ASSETS | | |
| CURRENT | | |
| Accounts payable and accrued liabilities | \$ 38,188 | \$ 26,393 |
| Goods and services tax payable | 1,450 | 2,049 |
| | <u>39,638</u> | 28,442 |
| DEFERRED REVENUE (Note 5) | <u>17,800</u> | - |
| DEFERRED CONTRIBUTIONS (Note 6) | <u>153,030</u> | 171,562 |
| | <u>210,468</u> | 200,004 |
| NET ASSETS | | |
| Unrestricted | <u>221,312</u> | 219,542 |
| | <u>\$ 431,780</u> | <u>\$ 419,546</u> |

ON BEHALF OF THE BOARD

_____ Director

_____ Director

GREEN CALGARY ASSOCIATION
Statement of Operations
Year Ended December 31, 2015

| | 2015 | 2014 |
|------------------------------------------------------|-----------------|-------------------|
| REVENUES | | |
| Grants | \$ 370,840 | \$ 417,261 |
| Fee-for-Service | 174,730 | 98,835 |
| Fundraising Events | 129,011 | 170,585 |
| Product Sales | 93,245 | 98,316 |
| Casino Income | 69,138 | 39,478 |
| Sponsorships | 50,668 | 22,950 |
| Donations | 25,940 | 28,060 |
| Memberships | 13,523 | 11,793 |
| Bank Interest | 1,863 | 1,262 |
| | <u>928,958</u> | <u>888,540</u> |
| EXPENSES | | |
| Program Expenses | 298,843 | 294,940 |
| Human Resources | 243,838 | 226,209 |
| Rain Barrel Sale Expenses | 119,693 | 106,011 |
| General & Administrative | 72,928 | 70,103 |
| Rent & Utilities | 67,594 | 66,774 |
| Environmental Products | 61,534 | 65,173 |
| Marketing | 37,814 | 46,235 |
| Strategic & Fund Development | 14,963 | 9,225 |
| Amortization | 9,981 | 9,982 |
| | <u>927,188</u> | <u>894,652</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES | <u>\$ 1,770</u> | <u>\$ (6,112)</u> |

GREEN CALGARY ASSOCIATION
Statement of Changes in Net Assets
Year Ended December 31, 2015

| | Unrestricted | Invested in Property and Equipment | 2015 | 2014 |
|---------------------------------------|-------------------|------------------------------------------|-------------------|------------|
| NET ASSETS - BEGINNING OF YEAR | \$ 219,542 | \$ - | \$ 219,542 | \$ 225,654 |
| Excess of revenues over expenses | 1,770 | - | 1,770 | (6,112) |
| NET ASSETS - END OF YEAR | \$ 221,312 | \$ - | \$ 221,312 | \$ 219,542 |

Net assets invested in Property and Equipment consists of Property & equipment for \$9,980 less deferred contributions from the Government Alberta of \$9,980.

GREEN CALGARY ASSOCIATION
Statement of Cash Flows
Year Ended December 31, 2015

| | 2015 | 2014 |
|-----------------------------------------------|-------------------|-------------------|
| OPERATING ACTIVITIES | | |
| Excess (deficiency) of revenues over expenses | \$ 1,770 | \$ (6,112) |
| Item not affecting cash: | | |
| Amortization | 9,981 | 9,982 |
| | <u>11,751</u> | <u>3,870</u> |
| Changes in non-cash working capital: | | |
| Accounts receivable | (16,477) | 2,437 |
| Inventory | 2,213 | (209) |
| Accounts payable and accrued liabilities | 11,795 | 9,639 |
| Prepaid expenses | (5,453) | (3,325) |
| GST payable (receivable) | (599) | 7,480 |
| Deferred revenue | 17,800 | (4,800) |
| | <u>9,279</u> | <u>11,222</u> |
| Cash flow from operating activities | <u>21,030</u> | <u>15,092</u> |
| FINANCING ACTIVITY | | |
| Deferred contributions | (18,532) | 78,751 |
| INCREASE IN CASH FLOW | <u>2,498</u> | <u>93,843</u> |
| Cash - beginning of year | <u>350,211</u> | <u>256,368</u> |
| CASH - END OF YEAR | <u>\$ 352,709</u> | <u>\$ 350,211</u> |

GREEN CALGARY ASSOCIATION
Notes to Financial Statements
Year Ended December 31, 2015

1. PURPOSE OF ORGANIZATION

Green Calgary Association ("Association") is 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. The Association is a registered charity and is therefore exempt from the payment of income tax under the Income Tax Act.

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 and, in management's opinion, have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

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.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments with maturities less than 90 days and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Property and equipment

Property and equipment are stated at cost less accumulated amortization. Property and equipment are amortized over their estimated useful lives at the following rates and methods:

| | | |
|------------------------|----------|------------------------------------------------------|
| Office equipment | 10 years | straight-line method |
| Motor vehicles | 5 years | straight-line method |
| Computer equipment | 3 years | straight-line method |
| Leasehold improvements | | straight-line method over the remainder of the lease |

(continues)

GREEN CALGARY ASSOCIATION
Notes to Financial Statements
Year Ended December 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Goods and Services Tax (GST)

GST is collected on sales of taxable supplies and 60% is remitted to CRA (Simplified method). GST paid is recoverable at 50% as a rebate. The unrecoverable portion is recorded as an expense, and the rebate is treated as a receivable.

Revenue recognition

Green Calgary Association follows the deferral method of accounting for contributions which include core funding, grants, casino funding and donations.

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.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

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

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

Contributed services

Volunteers contribute a significant amount of their time each year to assist the Association in carrying out its services and programs. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

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.

Allocation of Fundraising and General Support Expenses

Costs for fundraising during the year were \$10,968 (2014: \$9,225) and are included in general fund operating and management expenses. All general expenses are included in administrative and office expenses.

Comparative figures

Certain comparative amounts have been reclassified to conform to the current year's presentation.

GREEN CALGARY ASSOCIATION
Notes to Financial Statements
Year Ended December 31, 2015

3. FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash and cash equivalents, accounts receivable, 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 approximates their carrying value, unless otherwise noted.

4. PROPERTY AND EQUIPMENT

| | Cost | Accumulated amortization | 2015 Net book value | 2014 Net book value |
|------------------------|------------------|-----------------------------|---------------------------|---------------------------|
| Motor vehicles | \$ 25,622 | \$ 25,622 | \$ - | \$ - |
| Leasehold improvements | 39,925 | 29,945 | 9,980 | 19,961 |
| | <u>\$ 65,547</u> | <u>\$ 55,567</u> | <u>\$ 9,980</u> | <u>\$ 19,961</u> |

5. DEFERRED REVENUE

The deferred revenues relate to funds received in the current and previous periods for services that are to be provided in subsequent periods.

| | Opening | Additions | Revenue Earned | 2015 |
|------------------------|-------------|------------------|-------------------|------------------|
| Brookfield Residential | \$ - | \$ 2,500 | \$ - | \$ 2,500 |
| ATB Financial | - | 1,500 | - | 1,500 |
| Morguard Investments | - | 6,300 | - | 6,300 |
| Stantec | - | 7,500 | - | 7,500 |
| | <u>\$ -</u> | <u>\$ 17,800</u> | <u>\$ -</u> | <u>\$ 17,800</u> |

GREEN CALGARY ASSOCIATION
Notes to Financial Statements
Year Ended December 31, 2015

6. DEFERRED CONTRIBUTIONS

The deferred contributions relate to funds received in the current and previous periods to be matched with expenses of subsequent periods. Contributions received for property and equipment are deferred and amortized over the useful life of the property.

| | Opening | Addition | Utilization | 2015 |
|-----------------------------------------------------------------|------------|------------|-------------|------------|
| <u>Deferred contributions related to operations</u> | | | | |
| Calgary Co-Op | \$ - | \$ 2,500 | \$ 1,000 | \$ 1,500 |
| Calgary Foundation | 40,000 | 60,000 | 61,000 | 39,000 |
| Casino | 69,133 | 88 | 69,221 | - |
| Cenovus Energy Inc. | 12,500 | - | 12,500 | - |
| City of Calgary | - | 219,000 | 191,000 | 28,000 |
| City of Calgary - Water Resources | - | 45,000 | 35,000 | 10,000 |
| EcoAction | - | 10,127 | 5,327 | 4,800 |
| Green Communities Canada | 4,600 | - | 4,600 | - |
| Nickle Family Foundation | - | 8,000 | - | 8,000 |
| RBC Foundation | - | 48,500 | 8,500 | 40,000 |
| TD Friends of the Environment | 25,368 | 18,600 | 32,218 | 11,750 |
| | 151,601 | 411,815 | 420,366 | 143,050 |
| <u>Deferred contributions related to property and equipment</u> | | | | |
| Government of Alberta Grant spent on property and Equipment | 19,961 | - | 9,981 | 9,980 |
| | \$ 171,562 | \$ 411,815 | \$ 430,347 | \$ 153,030 |

7. LEASE COMMITMENTS

The Association has entered into an operating lease for office premises subject to monthly rent approximated at \$5,675 until June 2016. The estimated annual payments for the lease are as follows:

| | |
|------|-----------|
| 2016 | \$ 34,050 |
|------|-----------|

8. ECONOMIC RELIANCE

The Association obtains approximately 28% of its revenue from the City of Calgary grants. Without this support the operations of the organization may need to change significantly.