RECYCLING COUNCIL OF ALBERTA

Financial Statements

Year Ended March 31, 2026

RECYCLING COUNCIL OF ALBERTA
Index to Financial Statements
Year Ended March 31, 2026

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues and Expenditures	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 9

VKO LLP CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Recycling Council of Alberta

Qualified Opinion

We have audited the financial statements of Recycling Council of Alberta (the "Council"), which comprise the statement of financial position as at March 31, 2026, and the statements of revenues and expenditures, 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 (the "financial statements").

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as at March 31, 2026, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many charitable organizations, the Council derives revenue from donations and fundraising activities, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Council and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

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

Other Matter

The financial statements for the year ended March 31, 2025 are unaudited.

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 Council'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 Council or to cease operations, or has no realistic alternative but to do so.

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

(continues)

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 Council'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 Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council 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.

We 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 we identify during our audit.

VKO LLP

Edmonton , Alberta
August 11, 2026

VKO LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

RECYCLING COUNCIL OF ALBERTA
Statement of Financial Position
March 31, 2026

	2026	2025 *(Unaudited)*
ASSETS		
CURRENT		
Cash	**$ 215,148**	$ 102,096
Term deposits *(Note 2)*	**202,167**	372,374
Accounts receivable *(Note 3)*	**19,202**	17,898
Goods and services tax recoverable *(Note 4)*	**7,975**	14,952
Prepaid expenses	**26,333**	31,476
	470,825	538,796
EQUIPMENT *(Note 5)*	**302**	378
	$ 471,127	$ 539,174
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	**$ 80,484**	$ 36,195
Payroll taxes payable	**9,708**	6,343
Deferred income *(Note 6)*	**54,823**	63,586
	145,015	106,124
NET ASSETS		
Unrestricted	**325,810**	432,672
Invested in equipment	**302**	378
	326,112	433,050
	$ 471,127	$ 539,174

ON BEHALF OF THE BOARD

_____ *Director*

Shawn Samborsky
_____ *Director*

See notes to financial statements

RECYCLING COUNCIL OF ALBERTA
Statement of Revenues and Expenditures
Year Ended March 31, 2026

	2026	2025 *(Unaudited)*
REVENUES		
Sponsorship, donations, and advertising	**$ 364,745**	$ 230,344
Registration fees	**245,273**	308,128
Membership dues	**109,318**	115,022
The Calgary Foundation	**-**	10,000
Federation of Canadian Municipalities	**-**	5,000
	719,336	668,494
EXPENDITURES		
Salaries and wages	**259,671**	216,414
Sub-contracts	**212,526**	182,994
Meals and entertainment	**196,754**	197,078
Rental	**44,706**	38,823
Bookkeeping fees	**37,207**	37,089
Accommodations	**29,076**	25,898
Other conference, event and workshop	**20,170**	31,001
Professional fees	**10,529**	5,439
Advertising and promotion	**8,283**	13,071
Office	**6,979**	4,556
Interest and bank charges	**3,994**	10,392
Travel	**3,938**	6,618
Vehicle	**3,788**	4,068
Insurance	**2,256**	2,186
Amortization	**76**	94
	839,953	775,721
DEFICIENCY OF REVENUES OVER EXPENDITURES FROM OPERATIONS	**(120,617)**	(107,227)
OTHER INCOME		
Interest income	**13,679**	19,685
DEFICIENCY OF REVENUES OVER EXPENDITURES	**$ (106,938)**	$ (87,542)

See notes to financial statements

RECYCLING COUNCIL OF ALBERTA
Statement of Changes in Net Assets
Year Ended March 31, 2026

	Unrestricted	Invested in Equipment	**2026**	2025 *(Unaudited)*
NET ASSETS - BEGINNING OF YEAR	$ 432,672	$ 378	**$ 433,050**	$ 520,592
Excess (deficiency) of revenues over expenditures	(106,862)	(76)	**(106,938)**	(87,542)
NET ASSETS - END OF YEAR	$ 325,810	$ 302	**$ 326,112**	$ 433,050

See notes to financial statements

RECYCLING COUNCIL OF ALBERTA
Statement of Cash Flows
Year Ended March 31, 2026

	2026	2025 *(Unaudited)*
OPERATING ACTIVITIES		
Deficiency of revenues over expenditures	**$ (106,938)**	$ (87,542)
Item not affecting cash:		
Amortization	**76**	94
	(106,862)	(87,448)
Changes in non-cash working capital:		
Accounts receivable	**(1,304)**	1,287
Accounts payable	**44,289**	19,095
Deferred income	**(8,763)**	14,823
Prepaid expenses	**5,143**	(11,305)
Goods and services tax recoverable	**6,977**	(8,768)
Payroll taxes payable	**3,365**	(60)
	49,707	15,072
DECREASE IN CASH FLOW	**(57,155)**	(72,376)
Cash - beginning of year	**474,470**	546,846
CASH - END OF YEAR	**$ 417,315**	$ 474,470
CASH CONSISTS OF:		
Cash	**$ 215,148**	$ 102,096
Term deposits	**202,167**	372,374
	$ 417,315	$ 474,470

See notes to financial statements

PURPOSE OF THE COUNCIL

Recycling Council of Alberta (the "Council") is a not-for-profit organization incorporated provincially under the Societies Act of Alberta. As a registered charity the Council is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

The Council promotes and facilitates waste reduction, recycling and resource conservation in the Province of Alberta. The Council was formed in 1987 and was registered as a charity in 1995.

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Fund accounting

The financial statements have been classified into the following funds:

Unrestricted Fund

The unrestricted fund accounts for the Council's program delivery, support and administrative activities.

Invested in Equipment Fund

The invested in equipment fund reports the assets, liabilities, revenues and expenditures related to the Council's capital assets.

Equipment

Equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life at the following rates and methods:

Computer equipment	55%	declining balance method
Equipment	20%	declining balance method
Website	25%	straight-line method

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

Revenue recognition

Recycling Council of Alberta 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.

Membership dues revenues are recognized on a straight-line basis over the term of the membership.

Registration fees, sponsorships, donations, advertising, and other revenues are recognized in the period they are earned and collections are reasonably assured.

Contributed services

The fair value of contributed or volunteer services cannot be reasonably determined and are therefore not reflected in these financial statements.

(continues)

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

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.

Significant items subject to such estimates and assumptions include the estimated useful lives of equipment, allowance for doubtful accounts, deferred contributions and accrued liabilities.

2. TERM DEPOSITS

	Purchase date	Maturity date	Interest rate %	**2026**	2025
Term deposit	November 3, 2024	November 3, 2025	3.4	**$ -**	$ 213,003
Term deposit	November 4, 2024	November 4, 2025	3.4	**-**	159,371
Term deposit	November 13, 2025	November 13, 2026	2.6	**202,167**	-
				$ 202,167	$ 372,374

3. ACCOUNTS RECEIVABLE

	2026	2025
Trade	**$ 19,202**	$ 12,898
Federation of Canadian Municipalities	**-**	5,000
	19,202	17,898
Allowance for doubtful accounts	**-**	-
	$ 19,202	$ 17,898

4. GOODS AND SERVICES TAX RECOVERABLE

The Council qualifies for purposes of claiming a rebate of a portion of the goods and services tax that is pays on its purchases. The Council has applied for a rebate of goods and services tax paid during the year. The rebate which totals $13,585 (2025 - $14,952) is included in current years operations. The outstanding recoverable rebate is $7,975 (2025 - $14,952).

5. EQUIPMENT

	Cost	Accumulated amortization	**2026 Net book value**	2025 Net book value
Computer equipment	$ 501	$ 501	**$ -**	$ -
Equipment	14,705	14,403	**302**	378
Website	37,200	37,200	**-**	-
	$ 52,406	$ 52,104	**$ 302**	$ 378

6. DEFERRED INCOME

	2026	2025
Membership dues	**$ 47,773**	$ 58,586
Sponsorship, donation, and advertising	**7,050**	5,000
	$ 54,823	$ 63,586

7. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

8. FINANCIAL INSTRUMENTS

The Council 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 Council's risk exposure and concentration as of March 31, 2026.

Credit risk

Credit risk is the risk that a third party to a financial instrument might fail to meet its obligations under the terms of the financial instrument. The Council's financial assets that are exposed to credit risk consist primarily of cash, term deposits and accounts receivable. The Council's cash and term deposits are maintained with a large federally regulated financial institution. The Council, in its normal course of operations, is exposed to credit risk from its customers. The amounts due are from a variety of customers and government agencies. The Council is not subject to significant concentration of credit risk with respect to its customers.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Council is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources and accounts payable.

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. The Council's interest-bearing assets include cash and term deposits.

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