TWO WHEEL VIEW - CALGARY LTD.

FINANCIAL STATEMENTS

DECEMBER 31, 2025

TWO WHEEL VIEW - CALGARY LTD.

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MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements and other information contained in this Financial Report as of December 31, 2025 are the responsibility of the management of Two Wheel View - Calgary Ltd., (the Organization).

Management has prepared these financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

The Organization maintains systems of internal accounting and administrative controls that are designed to provide reasonable assurance that the financial information is relevant, reliable, accurate and free from material misstatement, whether due to fraud or error. Management is also responsible for assuring that the Organization's assets are properly accounted for and adequately safeguarded.

The elected Board of the Organization is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Board meets regularly with management to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities. The Board also approves the engagement or re-appointment of the external auditors. The Board reviews the financial reports.

The financial statements have been audited by Scase & Partner Chartered Professional Accountants, the external auditors, in accordance with Canadian generally accepted auditing standards on behalf of the Board of Directors of the Organization and stakeholders.

Scase & Partner Chartered Professional Accountants has full and free access to the Board of Directors.

Director

April 14, 2026
Date

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE BOARD OF DIRECTORS

TWO WHEEL VIEW - CALGARY LTD.

We have audited the financial statements of Two Wheel View - Calgary Ltd., which comprise the statement of financial position for the year ended December 31, 2025 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying statements present fairly, in all material respects the financial position of Two Wheel View - Calgary Ltd. as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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 Two Wheel View - Calgary Ltd. in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate.

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 Canadian accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of the 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibility 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.

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Auditor's responsibility for the Audit of the Financial Statements (Continued)

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 Organization'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 Organization'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 Organization 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Organization to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Organization's audit. We remain solely responsible for our audit opinion.

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.

Scase & Partner

March 31, 2026
Calgary, Alberta

Chartered Professional Accountants

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TWO WHEEL VIEW - CALGARY LTD.

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2025

	2025	2024
ASSETS		
CURRENT		
Cash and cash equivalents (Note 2)	$ 573,999	$ 750,338
Cash - restricted (Note 2)	75,185	26,255
Accounts receivable	224	2,624
Inventory (Note 3)	47,850	37,200
Goods and services tax receivable	7,060	3,920
Prepaid insurance	19,861	19,496
	724,179	839,833
PROPERTY AND EQUIPMENT (Note 4)	27,436	35,925
	$ 751,615	$ 875,758
LIABILITIES		
CURRENT		
Credit card payable	$ 11,466	$ 7,947
Payroll payable	19,280	495
Accounts payable and accrued liabilities	9,503	14,617
Deferred contributions (Note 6)	75,185	26,255
	115,434	49,314
NET ASSETS		
Unrestricted net assets	636,181	826,444
	$ 751,615	$ 875,758

Approved on Behalf of the Board:

__________ Signature / Finance Chair Position.

__________ Signature / VICE CHAIR OF THE BOARD OF DIRECTORS Position.

The notes form an integral part of these financial statements

STATEMENT OF REVENUES AND EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
REVENUE		
Grants and subsidies	$ 533,782	$ 683,199
Fundraising and special events	222,078	17,124
Program fees and other earned revenue	193,132	134,043
Donations	108,873	248,297
In-Kind donations	94,500	94,350
Interest and other income	24,207	15,610
	1,176,572	1,192,623
EXPENDITURE		
Salaries and benefits	742,952	669,833
Other direct costs	294,396	155,536
Rental	122,462	109,471
In-Kind costs	94,500	91,500
Other operating expenses	33,960	32,097
Office expenses	29,545	15,519
Professional fees	27,829	27,895
Travel expenses	11,065	8,864
Amortization of tangible assets	10,126	14,178
	1,366,835	1,124,893
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES FOR THE YEAR	(190,263)	67,730
NET ASSETS UNRESTRICTED, BEGINNING OF YEAR	826,444	758,714
NET ASSETS UNRESTRICTED, END OF YEAR	$ 636,181	$ 826,444

The notes form an integral part of these financial statements

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Restricted Surplus	Unrestricted surplus	2025	2024
BALANCE, beginning of year	$ -	$ 826,444	$ 826,444	$ 758,714
Earned grants/ revenue received	726,915	449,656	1,176,571	1,192,623
Grants recognized / expenses incurred	(726,915)	(639,919)	(1,366,834)	(1,124,893)
Additional grants received during year	75,185	-	75,185	26,255
Grants held as deferred revenue	(75,185)	-	(75,185)	(26,255)
Change in accumulated surplus	-	(190,263)	(190,263)	67,730
BALANCE, end of year	$ -	$ 636,181	$ 636,181	$ 826,444

The notes form an integral part of these financial statements

TWO WHEEL VIEW - CALGARY LTD.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
CASH PROVIDED BY OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditure for the year	$ (190,263)	$ 67,730
Items not requiring an outlay of cash:		
Amortization	10,126	14,178
Accounts receivable	2,400	(2,624)
Inventory	(10,650)	(2,850)
Prepaid expenses	(365)	(2,940)
Accounts payables	13,674	(11,916)
Deferred revenue restricted	48,930	(56,016)
Goods & services tax payable (GST)	(3,140)	(6,900)
Credit card payable	3,518	(677)
CASH PROVIDED BY OPERATING ACTIVITIES	(125,770)	(2,015)
INVESTING ACTIVITIES		
Purchases of property and equipment	(1,639)	(30,827)
DECREASE IN CASH, for the year	(127,409)	(32,842)
CASH AND CASH EQUIVALENTS, beginning of year	776,593	809,435
CASH AND CASH EQUIVALENTS, end of year	$ 649,184	$ 776,593
CASH AND CASH EQUIVALENTS REPRESENTED BY:		
Cash - unrestricted	$ 573,999	$ 750,338
Cash - restricted	75,185	26,255
	$ 649,184	$ 776,593

The notes form an integral part of these financial statements

PURPOSE OF THE ORGANIZATION

Two Wheel View - Calgary Ltd. (the Organization) operates as a not-for-profit organization incorporated under the Alberta Companies Act on August 29, 2005. As a registered charity, the Organization is exempt from income tax under Subsection 149(1) of the Income Tax Act. Its mission is to use bicycles as a means to introduce change into the lives of youth, helping them build confidence, life skills, and employability skills through participation in various programs, including Earn-a-Bike, GAP, local rides, and educational initiatives.

1) SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), which form a subset of Canadian Generally Accepted Accounting Principles (GAAP). These financial statements have, in management's opinion, been properly prepared within the framework of the accounting policies summarized as follows:

(a) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and short-term investments, such as treasury bills, that are highly liquid and have original maturities of twelve months or less from the date of acquisition. These instruments are recorded at cost plus accrued interest, which approximates their fair value.

b) Inventory: In-Kind Donations

The Organization receives In-Kind bicycles through public donations. Both In-Kind donations revenue and In-Kind costs related to these bicycles are shown as a separate line item in the statement of revenues and expenditures. Bicycles that are sold, donated or scrapped are reported as a reduction in inventory and the associated cost is recognized as an In-Kind cost in the statement revenues and expenditures.

c) Property and Equipment

<u>Valuation and amortization</u>

Property and equipment are recorded at cost. Donated property and equipment are recorded at the estimated fair value on the date received. These assets are amortization annually on a declining balance basis over their estimated useful lives as follows:

• Automotive	30%	declining balance
• Bicycles	30%	declining balance
• Old computers	45%	declining balance
• New computers	55%	declining balance
• Leasehold improvements	9%	declining balance
• Tools	20%	declining balance

1) SIGNIFICANT ACCOUNTING POLICIES, continued

Capitalization policy

Expenditures for repairs and maintenance are expensed as incurred. Additions and betterments are capitalized. The cost and related accumulated amortization on property and equipment sold or disposed of are removed from the accounts, with any gain or loss recorded in the statement of revenue and expenditures.

Regular reviews of property and equipment are conducted to identify obsolete items that should be removed from the asset pool.

d) Revenue recognition

The Organization applies the deferral method of accounting for contributions as follows:

- Restricted contributions are recognized as revenue in the year the related expenses are incurred.
- Unrestricted contributions are recognized when received or receivable if the amount can be reasonably measured and collection is assured.
- Program fees are recorded as revenue once the program events are held.
- Fundraising revenues are recognized when proceeds are received, and the fundraising event has been completed.
- Interest and miscellaneous revenues are recognized in the year earned.

e) Allocation of expenses

The Organization records a number of its expenses by function, direct program activity, office, professional fees, occupancy, salary and wages, travel and other program activities costs based on the time spent delivering each program that received restricted funding.

(f) Financial Instruments

Financial instruments are initially recorded at their cost value when acquired or issued. In subsequent periods, financial assets traded in active markets are measured at fair value, with gains and losses recognized in the current period statement of operations. All other financial instruments are reported at amortized cost and are assessed for impairment at each reporting date. Transaction costs related to financial instruments are expensed immediately

(g) Measurement Uncertainty

The preparation of financial statements involves making estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. These estimates are reviewed regularly and updated as needed; however, actual results may differ from these estimates due to unforeseen events.

2) CASH AND CASH EQUIVALENTS

Cash includes cash and cash equivalents. Cash equivalents are investments in guaranteed investment certificates and are valued at cost plus accrued interest. Certain components of the cash are subject to restrictions because they are regulated by an external organization and or donors and will be utilized to pay program and other expenses as they are incurred.

	2025	2024
Cash and cash equivalents		
Cash in bank	$ 649,184	$ 626,593
Guaranteed investment certificates	-	150,000
Total cash and cash equivalents	649,184	776,593
Restricted cash (Note 6)	(75,185)	(26,255)
Unrestricted cash and cash equivalents	$ 573,999	$ 750,338

3) INVENTORY

Inventory consists solely of donated bicycles. Upon receipt of a donated bicycle, it is assigned an In-Kind inventory value of $50 with a corresponding credit recorded to In-Kind donations revenue. At the time of sale, grant as part of an Organization program or scrapping of a bicycle, the inventory is reduced by $50 per bicycle and the associated amount is recorded as In-Kind costs.

At year end, the bicycle inventory is counted and adjusted as necessary to the inventory number on hand times $50 per unit.

	2025	2024
Inventory on hand at year-end	$ 47,850	$ 37,200

4) PROPERTY AND EQUIPMENT

The Organization's property and equipment include the following categories

	Cost	Accumulated Amortization	Net 2025	Net 2024
Automotive	$ 59,791	$ 43,712	$ 16,079	$ 22,709
Bicycles	20,538	20,538	-	793
Computers and equipment	28,738	19,468	9,270	9,815
Leasehold improvements	5,289	3,202	2,087	2,608
Tools	5,374	5,374	-	-
	$ 119,730	$ 92,294	$ 27,436	$ 35,925

5) FAMILY AND COMMUNITY SUPPORT SERVICE (THE CITY OF CALGARY)

The Organization's Grants and subsidies includes the following:

	2025	2024
Total funds received for Earn-A-Bike CAS Program	$ 347,902	$ 271,792
Less - prior year deferred amount realized	-	-
Net funds earned for Earn-A-Bike CAS Program	$ 347,902	$ 271,792

6) DEFERRED CONTRIBUTIONS

Certain funds received during the year remain unspent at year end. These are comprised of the following programs and the funds will be utilized in 2025.

	2025	2024
Government of Alberta CIP Grant	$ -	$ 9,070
Burns Memorial Fund Grant	5,185	5,185
Silver Gummy	30,000	-
Calgary Foundation	15,000	-
Werkland Foundation	25,000	12,000
	$ 75,185	$ 26,255

7) LEASE COMMITMENTS

The Organization has a long term lease with respect to its premises that will expire on May 31, 2027. The lease includes payment for a basic rent and and additional payment for operating costs.

Future minimum lease payments as at year end under the lease:

2026	$ 139,200
2027	$ 58,000

8) FINANCIAL INSTRUMENTS

The financial instruments of the Organization consist of cash, accounts receivable, accounts payable and accrued liabilities and investments. The values approximate their fair value due to their short term nature. The Organization is not exposed to significant credit, liquidity, or market risks as it does not extend credit sales nor hold any debt obligations.

9) RELATED PARTY TRANSACTIONS

Transactions with Management, Directors and Employees

During the year, the Organization purchased products on behalf of management and employees as part of an employee retention program offered to all staff. These purchases were fully reimbursed by the respective employees within the year.