

**WESTEND SENIORS ACTIVITY CENTRE**

**Financial Statements**

**Year Ended December 31, 2024**

*Draft for discussion purposes only*

**WESTEND SENIORS ACTIVITY CENTRE**  
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**Year Ended December 31, 2024**

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*Draft for discussion purposes only*

**INDEPENDENT AUDITOR'S REPORT**

To the Members of  
Westend Seniors Activity Centre

**Qualified Opinion**

We have audited the financial statements of Westend Seniors Activity Centre (the Centre), which comprise the statement of financial position as at December 31, 2024, 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 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 Centre as at December 31, 2024, 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.

**Basis for Qualified Opinion**

In common with many charitable organizations, the Centre derives revenue from various sources such as food and beverage, drop-in fees, fundraising, donations, special events and craft sales, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of revenue from these sources was limited to the amounts recorded in the records of the Centre. Therefore, we were not able to determine whether any adjustments might be necessary to operations, assets or 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 Centre in accordance with the 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit 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 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.

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

Those charged with governance are responsible for overseeing the Centre'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 Centre'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 Centre'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 Centre 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.

Edmonton, Alberta

CHARTERED PROFESSIONAL ACCOUNTANTS

**WESTEND SENIORS ACTIVITY CENTRE**  
**Statement of Financial Position**  
**December 31, 2024**

	2024	2023
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 471,710	\$ 415,592
Restricted cash (Note 3)	10,839	68,926
Short-term investments (Note 8)	878,033	580,429
Accounts receivable	26,646	67,729
Prepaid expenses	17,346	15,587
	<u>1,404,574</u>	<u>1,148,263</u>
LONG-TERM INVESTMENTS (Note 8)	75,411	341,775
PROPERTY (Note 4)	812,668	880,384
	<u>\$ 2,292,653</u>	<u>\$ 2,370,422</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 5)	\$ 160,351	\$ 126,641
Damage deposits and prepaid rent	3,300	4,723
Deferred revenue (Note 6)	148,369	113,551
Deferred contributions (Note 7)	134,968	270,569
Current portion of long-term debt	-	40,000
	<u>446,988</u>	<u>555,484</u>
<b>NET ASSETS</b>		
Invested in property	812,668	880,384
Internally restricted (Note 8)	956,444	886,616
Unrestricted	76,553	47,938
	<u>1,845,665</u>	<u>1,814,938</u>
	<u>\$ 2,292,653</u>	<u>\$ 2,370,422</u>
<b>LEASE COMMITMENTS (Note 9)</b>		

**APPROVED BY THE BOARD**

*D. Walker* Director  
*J. Thurston* Director

**WESTEND SENIORS ACTIVITY CENTRE**  
**Statement of Operations**  
**Year Ended December 31, 2024**

	2024	2023
<b>REVENUE</b>		
Grants (Note 10)	\$ 928,248	\$ 1,035,948
Registration fees	267,706	249,528
Food and frozen meal sales	174,285	155,890
Memberships	81,625	76,290
Hall rental	71,417	56,758
Drop-in fees	69,268	52,753
Donations	63,042	61,342
Casino	64,419	17,331
Interest and other	55,321	48,255
Special events	32,929	21,237
Fundraising	11,711	20,556
	<u>1,819,971</u>	<u>1,795,888</u>
<b>OPERATING EXPENSES</b>		
Personnel	1,054,949 ✓	1,006,723
Instructor fees	161,306	141,667
Repairs and maintenance	89,510	100,979
Meal preparation	73,088 ✓	62,437
Equipment	68,293 ✓	45,078
Amortization	67,716	67,716
Food and beverage costs	60,355	47,422
Utilities	51,572	66,404
Program supplies	39,934	22,744
Office and printing	33,472	31,755
Advertising and promotion	26,219	29,070
Insurance	17,845	14,789
Interest and bank charges	13,770	8,966
Goods and Services Tax	10,798	13,273
Volunteer appreciation	9,617	6,831
Professional fees	5,500	7,184
Fundraising	4,100	2,256
Rental (Note 9)	1,200	1,200
Software development	-	151,100
	<u>1,789,244</u>	<u>1,827,594</u>
<b>REVENUE OVER (UNDER) EXPENSES</b>	<u>\$ 30,727</u>	<u>\$ (31,706)</u>

**WESTEND SENIORS ACTIVITY CENTRE**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2024**

	Invested in Property	Internally Restricted	Unrestricted	2024	2023
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 880,384	\$ 886,616	\$ 47,938	\$ 1,814,938	\$ 1,846,645
Transfer (Note 8)	-	30,000	(30,000)	-	-
Revenue over (under) expenses	(67,716)	39,828	58,615	30,727	(31,706)
<b>NET ASSETS - END OF YEAR</b>	\$ 812,668	\$ 956,444	\$ 76,553	\$ 1,845,665	\$ 1,814,939

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**WESTEND SENIORS ACTIVITY CENTRE****Statement of Cash Flows****Year Ended December 31, 2024**

	2024	2023
<b>OPERATING ACTIVITIES</b>		
Revenue under expenses	\$ 30,727	\$ (31,706)
Item not affecting cash:		
Amortization	67,716	67,716
	<u>98,443</u>	<u>36,010</u>
Changes in non-cash working capital:		
Accounts receivable	41,083	(34,151)
Prepaid expenses	(1,759)	(635)
Accounts payable and accrued liabilities	33,710	(7,429)
Damage deposits and prepaid rent	(1,423)	1,923
Deferred revenue	34,818	17,729
Deferred contributions	(135,601)	54,491
	<u>(29,172)</u>	<u>31,928</u>
	<u>69,271</u>	<u>67,938</u>
<b>INVESTING ACTIVITY</b>		
(Purchase) proceeds from long-term investments	<u>266,364</u>	<u>(47,387)</u>
<b>FINANCING ACTIVITY</b>		
Repayment of long term debt	<u>(40,000)</u>	<u>-</u>
<b>INCREASE IN CASH</b>	<b>295,635</b>	<b>20,551</b>
Cash and short-term investments - beginning of year	<u>1,064,947</u>	<u>1,044,397</u>
<b>CASH AND SHORT-TERM INVESTMENTS - END OF YEAR</b>	<b>\$ 1,360,582</b>	<b>\$ 1,064,948</b>
<b>CASH AND SHORT-TERM INVESTMENTS CONSIST OF</b>		
Cash	\$ 471,710	\$ 415,592
Restricted cash	10,839	68,926
Short-term investments	878,033	580,429
	<u>\$ 1,360,582</u>	<u>\$ 1,064,947</u>



# WESTEND SENIORS ACTIVITY CENTRE

## Notes to Financial Statements

Year Ended December 31, 2024

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### 1. NATURE OF OPERATIONS

The Westend Seniors Activity Centre is a charitable organization incorporated under the Societies Act (Alberta). The Centre provides programs for seniors 55 years and older. The primary objective of the Centre is to contribute to the healthy aging of seniors through the provision of programming, which includes fitness, education, arts, recreation and social activities as well as outreach support for seniors. The Centre is a registered charity under the Income Tax Act and as such, is exempt from income taxes.

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### 2. SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

#### Cash

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting dates.

#### Short-term investments

Short-term investments consist of redeemable term deposits and non-redeemable term deposits with maturity dates within twelve months.

#### Property

Property is recorded at cost. Amortization is provided on a straight line basis over the estimated useful lives of the assets at the following rates:

Leasehold improvements	25 years
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#### Long-term investments

Long-term investments consist of non-redeemable term deposits with maturity dates greater than twelve months.

#### Contributed services

The Centre is largely dependent on donated services of its many volunteers. Due to the difficulty in determining the fair value of these contributed amounts, they have not been recognized in these financial statements.

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## WESTEND SENIORS ACTIVITY CENTRE

### Notes to Financial Statements

Year Ended December 31, 2024

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#### 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

##### Revenue recognition

The Centre follows the deferral method of accounting for contributions. Contributions, including operating grants, are included in revenue in the year they are received or receivable, with the exception that contributions to fund a specific future period's expenses are included in revenue in that later period.

Casino revenue is recognized as the related expenses are incurred.

Revenue from food and beverage and craft sales are recognized at time of sale.

Revenue from registration fees, hall rentals, drop-in fees and special events are recognized as services are performed and collection is reasonably assured.

Membership fees are set annually by the Board and are recognized as revenue during the membership period to which they apply.

##### Allocation of revenue and expenses

The Centre incurs various general administrative and occupancy expenditures that are common to the operations of the Centre and each of its programming activities. Certain of these expenditures have been allocated to programming activities based on percentages of usage. Such allocations are reviewed annually.

##### 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.

##### Use of estimates

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 amounts reported in the financial statements. Significant estimates include useful life of property, accrued liabilities and deferred contributions. By their nature, these estimates are subject to measurement uncertainty and actual results could differ.

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#### 3. RESTRICTED CASH

Restricted cash includes \$10,839 (2023--\$68,926) of casino and raffles funds which can only be used in accordance with the licensing agreement with the Alberta Gaming, Liquor and Cannabis Commission.

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**WESTEND SENIORS ACTIVITY CENTRE**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024**

4. PROPERTY

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Leasehold improvements	\$ 1,900,988	\$ 1,088,320	\$ 812,668	\$ 880,384

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities is the following government remittance:

	2024	2023
Payroll deductions	\$ 15,886	\$ 14,139

6. DEFERRED REVENUE

A portion of receipts received in the year are deferred to be recognized as revenue in future years as the related expenses are incurred. Deferred revenue consists of the following:

	2024	2023
Registration fees	\$ 100,804	\$ 68,336
Memberships	46,915	45,215
OBB event	650	-
	<b>\$ 148,369</b>	<b>\$ 113,551</b>

7. DEFERRED CONTRIBUTIONS

A portion of the receipts received in the year are deferred to be recognized as revenue in future years as the related expenses are incurred. Changes in deferred contributions are as follows:

	Opening	Contributions	Revenue recognized	Closing
Strathcona County	\$ 83,333	\$ 200,000	\$ (200,000)	\$ 83,333
United Way Healthy Aging	13,235	75,000	(58,212)	30,023
Gaming	68,926	6,332	(64,419)	10,839
New Horizons	-	25,000	(14,227)	10,773
Canadian Red Cross	27,076	50,560	(77,636)	-
Edmonton Community Foundation	77,999	-	(77,999)	-
	<b>\$ 270,569</b>	<b>\$ 356,892</b>	<b>\$ (492,493)</b>	<b>\$ 134,968</b>

**WESTEND SENIORS ACTIVITY CENTRE**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024**

**8. INTERNALLY RESTRICTED**

The Board of Directors has set up two internally restricted funds in order to secure the Centre's future financial stability. The purpose of the building fund is to provide for building renovations and improvements and replacement of the building. The purpose of the sustainability fund is to provide a provision to cover the future cost of ongoing expenses in the event of an unanticipated loss of funding, loss of revenue or extraordinary expenditures. The funds are held in short-term and long-term investments and can only be used with Board approval. In the current year, \$17,501 (2023--\$943) was reinvested in the Building fund and \$7,568 (2023--\$0) was reinvested in the sustainability fund. During the year, the Board made a motion to transfer \$30,000 to the sustainability fund.

	Opening balance	Transfers	Interest earned	2024	2023
Building fund	\$ 535,288	\$ -	\$ 32,260	\$ 567,548	\$ 535,288
Sustainability fund	351,328	30,000	7,568	388,896	351,328
	<b>\$ 886,616</b>	<b>\$ 30,000</b>	<b>\$ 39,828</b>	<b>\$ 956,444</b>	<b>\$ 886,616</b>

**9. LEASE COMMITMENTS**

The Centre leases its premises, under an agreement with the Terra Losa Community Association, for \$1,200 per year plus operating costs. The lease commitment expires in 2028 with an option to renew for another 25 years.

**10. GRANTS**

	2024	2023
City of Edmonton - Operating grant	\$ 241,914	\$ 197,775
Strathcona County	200,000	200,000
City of Edmonton - FCSS grant	129,455	139,728
Edmonton Community Foundation	77,999	2,001
Canadian Red Cross	77,636	111,444
United Way Healthy Aging	58,212	57,933
Government of Alberta - Civil Society	43,131	206,870
City of Edmonton - Facility Conservation grant	40,000	40,000
Multicultural Mental Health grant	20,000	-
Norquest	18,750	-
New Horizons	14,227	-
Canada Summer Jobs grant	6,924	-
Alberta Government Fraud Prevention	-	27,984
Canada and Alberta Jobs grant	-	27,549
City of Edmonton - Home Supports	-	24,664
	<b>\$ 928,248</b>	<b>\$ 1,035,948</b>

## WESTEND SENIORS ACTIVITY CENTRE

### Notes to Financial Statements

Year Ended December 31, 2024

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#### 11. ENDOWMENT FUND

The Centre established a permanent endowment fund, which is held and administered by the Edmonton Community Foundation. The Centre is the specified recipient of the income earned on this fund, but has no access to the principal amount of the investment. As a result, the fund is not reported on the annual audited financial statements. The income received in the current year was \$1,304 (2023--\$1,283) and the balance of the fund is \$32,082 (2023--\$32,082).

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#### 12. FINANCIAL INSTRUMENTS

The Centre's financial instruments consist of cash, restricted cash, short-term investments, accounts receivable, long-term investments and accounts payable and accrued liabilities.

The Centre is exposed to the following risks through its financial instruments:

##### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Centre's main credit risk relates to accounts receivable. Accounts receivable are generally amounts due from government agencies. It is management's opinion that there is no significant credit risk as of December 31, 2024.

##### Liquidity risk

Liquidity risk arises from the possibility that the Centre might encounter difficulty in settling its debts or in meeting its obligations related to financial liabilities. It is management's opinion that the risk is reduced due to large cash balance on hand as of December 31, 2024.

##### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Centre is exposed to interest rate risk arising on its interest bearing assets.

The Centre's cash, short-term investments and long-term investments include amounts held by financial institutions that earn interest at market rates. The Centre manages its risk by monitoring interest being earned on excess funds.

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