

WESTEND SENIORS ACTIVITY CENTRE

Financial Statements

Year Ended December 31, 2025

Draft for discussion purposes only

WESTEND SENIORS ACTIVITY CENTRE
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Year Ended December 31, 2025

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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, 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 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, 2025, 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, 2025

	2025	2024
ASSETS		
CURRENT		
Cash	\$ 309,795	\$ 471,710
Restricted cash (Note 3)	78,679	10,839
Short-term investments (Note 8)	320,479	878,033
Accounts receivable	76,001	26,646
Prepaid expenses	15,828	17,346
	<u>800,782</u>	1,404,574
LONG-TERM INVESTMENTS (Note 8)	913,243	75,411
PROPERTY (Note 4)	744,952	812,668
	<u>\$ 2,458,977</u>	<u>\$ 2,292,653</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Note 5)	\$ 182,720	\$ 160,642
Damage deposits and prepaid rent	4,800	2,900
Deferred revenue (Note 6)	175,687	148,369
Deferred contributions (Note 7)	348,314	134,968
	<u>711,521</u>	446,879
NET ASSETS		
Invested in property	744,952	812,668
Internally restricted (Note 8)	938,963	956,444
Unrestricted	63,541	76,662
	<u>1,747,456</u>	1,845,774
	<u>\$ 2,458,977</u>	<u>\$ 2,292,653</u>
LEASE COMMITMENTS (Note 9)		

APPROVED BY THE BOARD

_____ Director

_____ Director

WESTEND SENIORS ACTIVITY CENTRE
Statement of Operations
Year Ended December 31, 2025

	2025	2024
REVENUE		
Grants (Note 10)	\$ 924,380	\$ 928,248
Registration fees	301,028	266,698
Food and frozen meal sales	226,130	174,262
Memberships	90,865	81,625
Drop-in fees	87,472	69,268
Hall rental	59,957	72,278
Interest and other	49,019	55,321
Gaming	42,022	65,178
Special events	34,754	32,929
Fundraising	18,480	11,711
Donations	17,477	62,852
	1,851,584	1,820,370
OPERATING EXPENSES		
Personnel	1,095,740	1,055,166
Instructor fees	172,812	161,381
Pan Canadian Projects (Note 11)	133,222	-
Repairs and maintenance	94,565	89,510
Food and beverage costs	75,180	60,355
Meal preparation	65,475	73,088
Utilities	47,107	51,572
Program supplies	44,938	39,934
Advertising and promotion	32,078	26,219
Office and printing	30,256	33,472
Insurance	19,816	17,845
Interest and bank charges	14,546	13,768
Goods and Services Tax	10,781	10,798
Equipment	9,764	68,293
Volunteer appreciation	6,724	9,617
Professional fees	5,850	5,500
Fundraising	4,651	4,100
Rental (Note 9)	1,200	1,200
	1,864,705	1,721,818
REVENUE (UNDER) OVER OPERATING EXPENSES	(13,121)	98,552
OTHER (EXPENSES)		
Amortization	(67,716)	(67,716)
Equipment and building improvements	(17,481)	-
	(85,197)	(67,716)
REVENUE (UNDER) OVER EXPENSES	\$ (98,318)	\$ 30,836

WESTEND SENIORS ACTIVITY CENTRE
Statement of Changes in Net Assets
Year Ended December 31, 2025

	Invested in Property	Internally Restricted	Unrestricted	2025	2024
NET ASSETS - BEGINNING OF YEAR	\$ 812,668	\$ 956,444	\$ 76,662	\$ 1,845,774	\$ 1,814,938
Revenue over (under) expenses	(67,716)	(17,481)	(13,121)	(98,318)	30,836
NET ASSETS - END OF YEAR	\$ 744,952	\$ 938,963	\$ 63,541	\$ 1,747,456	\$ 1,845,774

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WESTEND SENIORS ACTIVITY CENTRE
Statement of Cash Flows
Year Ended December 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Revenue under expenses	\$ (98,318)	\$ 30,836
Item not affecting cash:		
Amortization	67,716	67,716
	<u>(30,602)</u>	<u>98,552</u>
Changes in non-cash working capital:		
Accounts receivable	(49,355)	41,083
Prepaid expenses	1,518	(1,759)
Accounts payable and accrued liabilities	22,078	34,003
Damage deposits and prepaid rent	1,900	(1,300)
Deferred revenue	27,318	34,295
Deferred contributions	213,346	(135,601)
	<u>216,805</u>	<u>(29,279)</u>
	<u>186,203</u>	<u>69,273</u>
INVESTING ACTIVITY		
Proceeds (purchase) from long-term investments	<u>(837,832)</u>	<u>266,364</u>
FINANCING ACTIVITY		
Repayment of long-term debt	<u>-</u>	<u>(40,000)</u>
(DECREASE) INCREASE IN CASH	(651,629)	295,635
Cash and short-term investments - beginning of year	<u>1,360,582</u>	<u>1,064,947</u>
CASH AND SHORT-TERM INVESTMENTS - END OF YEAR	\$ 708,953	\$ 1,360,582
CASH AND SHORT-TERM INVESTMENTS CONSIST OF		
Cash	\$ 309,795	\$ 471,710
Restricted cash	78,679	10,839
Short-term investments	320,479	878,033
	<u>\$ 708,953</u>	<u>\$ 1,360,582</u>

WESTEND SENIORS ACTIVITY CENTRE

Notes to Financial Statements

Year Ended December 31, 2025

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.

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, 2025

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.

Pan Canadian grant revenue is recognized as agencies submit quarterly expense claims.

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 amounts of these expenditures have been allocated to programming activities based on percentages of usage. Such allocations are reviewed annually.

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WESTEND SENIORS ACTIVITY CENTRE
Notes to Financial Statements
Year Ended December 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Financial instruments

Measurement of financial instruments

The company initially measures its financial assets and liabilities at fair value, other than financial instruments arising from related party transactions, which are measured using the cost method less any reduction for impairment. The company subsequently measures all its financial assets and financial liabilities at amortized cost, except for portfolio equity investments, which are measured at fair value with gains and losses recognized in net income.

Financial assets measured at amortized cost include cash, restricted cash, short-term investments, accounts receivable and long-term investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at amortized cost or using the cost method are tested for impairment when there are indicators of impairment. The amount of the write-down is in net income. The previously recognized impairment loss may be reversed to the extent of any improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income in the period the reversal occurs.

Transaction costs

The carrying amount of a financial asset or liability carried at amortized cost is adjusted by the transaction costs, which are recognized in net income using the straight-line method.

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.

3. RESTRICTED CASH

Restricted cash includes \$78,679 (2024--\$10,839) of casino and raffles funds which can only be used in accordance with the licensing agreement with the Alberta Gaming, Liquor and Cannabis Commission.

WESTEND SENIORS ACTIVITY CENTRE
Notes to Financial Statements
Year Ended December 31, 2025

4. PROPERTY

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Leasehold improvements	\$ 1,900,988	\$ 1,156,036	\$ 744,952	\$ 812,668

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	2025	2024
Payroll deductions	\$ 16,614	\$ 15,886

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:

	2025	2024
Registration fees	\$ 111,027	\$ 100,804
Memberships	61,232	46,915
OBB event	3,000	650
Hall rental	428	-
	\$ 175,687	\$ 148,369

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	30,023	85,000	(103,582)	11,441
Gaming	10,839	109,863	(42,022)	78,680
New Horizons	10,773	-	(10,773)	-
Pan - Canadian	-	405,430	(230,570)	174,860
	\$ 134,968	\$ 800,293	\$ (586,947)	\$ 348,314

WESTEND SENIORS ACTIVITY CENTRE

Notes to Financial Statements

Year Ended December 31, 2025

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, \$0 (2024--\$32,260) was reinvested in the Building fund and \$0 (2024--\$7,568) was reinvested in the sustainability fund. During the year, the Board used the building fund for building improvements and equipment.

	Opening balance	Transfers	2025	2024
Building fund	\$ 567,548	\$ (17,481)	\$ 550,067	\$ 567,548
Sustainability fund	388,896	-	388,896	388,896
	\$ 956,444	\$ (17,481)	\$ 938,963	\$ 956,444

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

	2025	2024
City of Edmonton - Operating grant	\$ 250,000	\$ 241,914
Government of Canada - Pan-Canadian project	230,570	-
Strathcona County	200,000	200,000
City of Edmonton - FCSS grant	129,455	129,455
United Way Healthy Aging	103,582	58,212
New Horizons	10,773	14,227
Multicultural Mental Health grant	-	20,000
Edmonton Community Foundation	-	77,999
Canadian Red Cross	-	77,636
Government of Alberta - Civil Society	-	43,131
City of Edmonton - Facility Conservation grant	-	40,000
Norquest	-	18,750
Canada Summer Jobs grant	-	6,924
	\$ 924,380	\$ 928,248

WESTEND SENIORS ACTIVITY CENTRE

Notes to Financial Statements

Year Ended December 31, 2025

11. PAN CANADIAN PROJECT

The Centre received funds from the Government of Canada to operate the Pan Canadian project which allows the Centre to provide funds to other agencies to increase social inclusion of racialized immigrant and newcomer seniors and seniors living in rurals and remote settings in Alberta. The following agencies received funding through the program.

	2025	2024
	\$ -	\$ -
Seba Beach Seniors Golden Age Club	13,322	-
South Cooking Lake Seniors Association	17,539	-
Drive Happiness Seniors Association	24,249	-
ICAN Seniors Association	25,107	-
Launch 57	53,005	-
	\$ 133,222	\$ -

12. 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 \$1,432 (2024--\$1,304) and the balance of the fund is \$35,811 (2024--\$32,064).

WESTEND SENIORS ACTIVITY CENTRE

Notes to Financial Statements

Year Ended December 31, 2025

13. 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, 2025.

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, 2025.

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.
