

CENTRAL LIONS SENIORS ASSOCIATION
Financial Statements
Year Ended December 31, 2024

CENTRAL LIONS SENIORS ASSOCIATION
Index to Financial Statements
Year Ended December 31, 2024

	Page
INDEPENDENT AUDITOR'S REPORT	3 - 4
FINANCIAL STATEMENTS	
Statement of Financial Position	5
Statement of Operations	6
Statement of Changes in Net Assets	7
Statement of Cash Flows	8
Notes to Financial Statements	9 - 13

INDEPENDENT AUDITOR'S REPORT

To the Members of
Central Lions Seniors Association

Qualified Opinion

We have audited the financial statements of Central Lions Seniors Association (the Association), 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 Association 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 Association derives revenue from various sources such as fundraising and donations, 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 Association. 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 Association 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 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 Association'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 Association'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 Association 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
March 14, 2025



CHARTERED PROFESSIONAL ACCOUNTANTS

CENTRAL LIONS SENIORS ASSOCIATION
Statement of Financial Position
December 31, 2024

	2024	2023
ASSETS		
CURRENT		
Cash (Note 5)	\$ 183,373	\$ 122,013
Short-term investments (Notes 3, 5, 7)	161,925	135,000
Accounts receivable	20,472	4,110
Accrued interest receivable	6,660	4,608
	<u>372,430</u>	265,731
LONG-TERM INVESTMENTS (Notes 3, 7)	<u>50,000</u>	100,000
	<u>\$ 422,430</u>	<u>\$ 365,731</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Note 4)	\$ 26,951	\$ 24,961
Deferred contributions (Note 5)	74,899	58,665
Deferred revenue (Note 6)	168,151	137,041
	<u>270,001</u>	220,667
NET ASSETS		
Internally restricted (Note 7)	175,000	185,000
Unrestricted	(22,571)	(39,936)
	<u>152,429</u>	145,064
	<u>\$ 422,430</u>	<u>\$ 365,731</u>
LEASE COMMITMENT (Note 8)		

APPROVED BY THE BOARD

_____ Director

_____ Director

See notes to the financial statements

CENTRAL LIONS SENIORS ASSOCIATION
Statement of Operations
Year Ended December 31, 2024

	2024	2023
REVENUE		
Programs	\$ 355,602	\$ 321,174
Grants (Note 9)	106,012	119,369
Gaming	74,131	27,738
Membership fees	58,984	34,700
Fundraising	53,663	60,354
Donations	34,239	54,982
Fitness center	21,115	21,851
Rentals	19,377	9,538
Interest	18,556	6,210
	<u>741,679</u>	<u>655,916</u>
EXPENSES		
Salaries and benefits	426,474	353,150
Program instructors and supplies	155,134	126,604
Professional fees	44,068	31,521
Facility costs	40,038	21,643
Software	16,429	16,474
Fundraising	12,142	18,905
Socials	11,440	5,639
Bank and credit card charges	10,730	9,523
Program guide	4,970	3,250
Advertising and promotion	4,025	458
Volunteer recognition	2,609	1,093
Goods and Services Tax	2,234	3,591
Office	1,854	6,523
Board expenses and initiatives	1,754	5,848
Fitness centre	413	3,311
	<u>734,314</u>	<u>607,533</u>
REVENUE OVER EXPENSES	<u>\$ 7,365</u>	<u>\$ 48,383</u>

See notes to the financial statements

CENTRAL LIONS SENIORS ASSOCIATION
Statement of Changes in Net Assets
Year Ended December 31, 2024

	Unrestricted	Internally Restricted	2024	2023
NET ASSETS - BEGINNING OF YEAR	\$ (39,936)	\$ 185,000	\$ 145,064	\$ 96,681
Transfer <i>(Note 7)</i>	10,000	(10,000)	-	-
Revenue over expenses	7,365	-	7,365	48,383
NET ASSETS - END OF YEAR	\$ (22,571)	\$ 175,000	\$ 152,429	\$ 145,064

See notes to the financial statements

CENTRAL LIONS SENIORS ASSOCIATION
Statement of Cash Flows
Year Ended December 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Revenue over expenses	\$ 7,365	\$ 48,383
Changes in non-cash working capital:		
Accounts receivable	(16,362)	1,281
Accrued interest receivable	(2,052)	(4,359)
Accounts payable and accrued liabilities	1,990	(1,463)
Deferred contributions	16,234	(17,624)
Deferred revenue	31,110	32,830
	<u>30,920</u>	<u>10,665</u>
	<u>38,285</u>	<u>59,048</u>
INVESTING ACTIVITY		
Redemption (purchase) of long-term investments	<u>50,000</u>	(100,000)
INCREASE (DECREASE) IN CASH	88,285	(40,952)
Cash and short-term investments - beginning of year	<u>257,013</u>	<u>297,965</u>
CASH AND SHORT-TERM INVESTMENTS - END OF YEAR	\$ 345,298	\$ 257,013
CASH AND SHORT-TERM INVESTMENTS CONSIST OF		
Cash	\$ 183,373	\$ 122,013
Short-term investments	<u>161,925</u>	<u>135,000</u>
	<u>\$ 345,298</u>	<u>\$ 257,013</u>

See notes to the financial statements

CENTRAL LIONS SENIORS ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2024

1. NATURE OF OPERATIONS

The Central Lions Seniors Association was incorporated as a not-for-profit under the Societies Act (Alberta). The Association provides programs for seniors 55 years and older. The primary objective of the Association is to contribute to the healthy aging of seniors through the provision of programming, which includes fitness, education, arts, recreation and social activities. 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 term deposits with maturity dates within twelve months.

Long-term investments

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

Equipment

Equipment is recorded at cost. Amortization is provided on a straight line basis over the estimated useful lives of the assets.

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.

(continues)

CENTRAL LIONS SENIORS ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

The Association follows the deferral method of accounting for contributions, which include government grants, gaming funds and donations. 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.

Revenue from programs, rentals and fitness centre are recognized as services are performed and collection is reasonably assured. Any program registrations paid in advance are recorded as deferred revenue until services are performed.

Membership fees are set annually by the Board and are recognized as revenue during the membership period to which they apply. Any membership fees paid in advance are recorded as deferred revenue and recognized in the membership period to which they apply.

Interest is recognized as revenue when earned.

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 accrued liabilities, deferred revenue and deferred contributions. By their nature, these estimates are subject to measurement uncertainty and actual results could differ.

CENTRAL LIONS SENIORS ASSOCIATION
Notes to Financial Statements
Year Ended December 31, 2024

3. INVESTMENTS

Short-term and long-term investments consist of term deposits with the following interest rates and maturity dates:

	<u>2024</u>	<u>2023</u>
Term deposit, interest rate 3.5%, maturing December 2025	\$ 40,000	\$ -
Term deposit, interest rate 3.5%, maturing December 2025	36,925	-
Term deposit, interest rate 3.25%, maturing April 2027	25,000	25,000
Term deposit, interest rate 3.25%, maturing April 2027	25,000	25,000
Term deposit, interest rate 4.0%, maturing April 2025	25,000	-
Term deposit, interest rate 4.0%, maturing April 2025	25,000	-
Term deposit, interest rate 4.15%, maturing September 2025	25,000	-
Term deposit, interest rate 3.5%, maturing December 2025	10,000	-
Term deposit, interest rate 5.5%, maturing November 2024	-	35,000
Term deposit, interest rate 4%, maturing April 2025	-	25,000
Term deposit, interest rate 5.6%, maturing September 2024	-	50,000
Term deposit, interest rate 4.3%, maturing May 2024	-	50,000
Term deposit, interest rate 4%, maturing April 2025	-	25,000
	<u>211,925</u>	<u>235,000</u>
Classified as long-term investments	<u>(50,000)</u>	<u>(100,000)</u>
	<u>\$ 161,925</u>	<u>\$ 135,000</u>

Investments of \$171,925 are internally restricted as described in note 7.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	<u>2024</u>	<u>2023</u>
Payroll deductions	\$ 8,465	\$ 6,091

CENTRAL LIONS SENIORS ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2024

5. DEFERRED CONTRIBUTIONS

Deferred contributions consists of casino and raffle funds. A portion of 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 is as follows:

	Balance at beginning of year	Contributions	Revenue recognized	Balance at end of year
Gaming	\$ 58,665	\$ 90,365	\$ (74,131)	\$ 74,899

Deferred gaming funds are held in cash \$34,899 (2023--\$8,665) and short-term investments of \$40,000 (2023--\$50,000) for a total of \$74,899 (2023--\$58,665) and can only be used in accordance with the licensing agreement with the Alberta Gaming, Liquor and Cannabis Commission.

6. DEFERRED REVENUE

Deferred revenue consists of program and membership fees paid for upcoming year and members deposits held. Receipts received in the year are deferred to be recognized as revenue in the upcoming year as the revenue is earned. Changes in deferred revenue is as follows:

	Balance at beginning of year	Received	Revenue recognized	Balance at end of year
Deferred revenue	\$ 137,041	\$ 445,696	\$ (414,586)	\$ 168,151

7. INTERNALLY RESTRICTED

The Board of Directors has set up an internally restricted fund in order to secure the Association's future financial stability. 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 investments and a high interest savings account and can only be used with Board approval.

During the prior year, the Board made a motion to set up an insurance contingency fund and transferred \$25,000 to the fund from unrestricted net assets. During the year, \$10,000 was transferred to unrestricted for legal consultation fees. The funds are held in investments and can only be used with Board approval.

	Balance at beginning of year	Transfers	Expenditures	Balance at end of year
Sustainability fund	\$ 160,000	\$ -	\$ -	\$ 160,000
Insurance contingency fund	25,000	(10,000)	-	15,000
	\$ 185,000	\$ (10,000)	\$ -	\$ 175,000

8. LEASE COMMITMENT

The Association leases its premises, under an agreement with the City of Edmonton, for \$18,530 per year including operating costs. The lease commitment expires in December 2025.

CENTRAL LIONS SENIORS ASSOCIATION
Notes to Financial Statements
Year Ended December 31, 2024

9. GRANTS

	<u>2024</u>	<u>2023</u>
City of Edmonton - Operating grant	\$ 106,012	\$ 94,369
Government of Canada - New Horizons	-	25,000
	<u>\$ 106,012</u>	<u>\$ 119,369</u>

10. FINANCIAL INSTRUMENTS

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

The Association 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 Association'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 Association might encounter difficulty in settling its debts or in meeting its obligations related to financial liabilities. It is management's opinion that there is no significant liquidity risk 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 Association is exposed to interest rate risk arising on its interest bearing assets.

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