

**CENTRAL LIONS SENIORS ASSOCIATION**  
**Financial Statements**  
**Year Ended December 31, 2023**

**CENTRAL LIONS SENIORS ASSOCIATION**  
**Index to Financial Statements**  
**Year Ended December 31, 2023**

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## 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, 2023, 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, 2023, 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.

### **Other Matter**

The financial statements for the year ended December 31, 2022 were audited by another auditor who expressed a qualified opinion with respect to the completeness of revenue associated with donations and fundraising. The financial statements were issued on February 21, 2023.

### **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.

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**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.

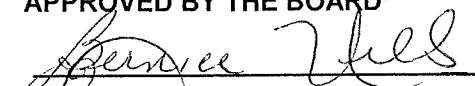
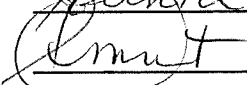
Edmonton, Alberta  
March 21, 2024

  
CHARTERED PROFESSIONAL ACCOUNTANTS

**CENTRAL LIONS SENIORS ASSOCIATION**  
**Statement of Financial Position**  
**December 31, 2023**

	2023	2022
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash (Note 5)	\$ 122,013	\$ 137,965
Short-term investments (Notes 3, 5, 7)	135,000	160,000
Accounts receivable	4,110	5,391
Accrued interest receivable	4,608	249
	<u>265,731</u>	<u>303,605</u>
LONG-TERM INVESTMENTS (Notes 3, 7)	<u>100,000</u>	-
	<u>\$ 365,731</u>	<u>\$ 303,605</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 4)	\$ 24,961	\$ 26,424
Deferred contributions (Note 5)	58,665	76,289
Deferred revenue (Note 6)	137,041	104,211
	<u>220,667</u>	<u>206,924</u>
<b>NET ASSETS</b>		
Internally restricted (Note 7)	185,000	160,000
Unrestricted	<u>(39,936)</u>	<u>(63,319)</u>
	<u>145,064</u>	<u>96,681</u>
	<u>\$ 365,731</u>	<u>\$ 303,605</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, 2023**

	2023	2022
<b>REVENUE</b>		
Programs	\$ 321,174	\$ 215,287
Grants (Note 9)	119,369	-
Fundraising	60,354	32,497
Donations	54,982	29,126
Membership fees	34,700	18,805
Gaming	27,738	36,744
Fitness center	21,851	11,197
Rentals	9,538	-
Interest	6,210	647
Canada emergency wage subsidy	-	12,332
	<u>655,916</u>	<u>356,635</u>
<b>EXPENSES</b>		
Salaries and benefits	353,150	361,650
Program instructors and supplies	126,604	98,560
Professional fees	31,521	7,500
Facility costs	21,643	11,675
Fundraising	18,905	11,045
Software	16,474	11,585
Bank and credit card charges	9,523	8,060
Office	6,523	2,535
Board expenses and initiatives	5,848	605
Socials	5,639	-
Goods and Services Tax	3,591	2,275
Fitness centre	3,311	3,908
Program guide	3,250	3,140
Volunteer recognition	1,093	2,727
Advertising and promotion	458	14,934
	<u>607,533</u>	<u>540,199</u>
<b>REVENUE OVER (UNDER) EXPENSES</b>	<u>\$ 48,383</u>	<u>\$ (183,564)</u>

See notes to the financial statements

**CENTRAL LIONS SENIORS ASSOCIATION**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2023**

	Unrestricted	Internally Restricted	2023	2022
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ (63,319)	\$ 160,000	\$ 96,681	\$ 280,245
Transfer (Note 7)	(25,000)	25,000	-	-
Revenue over (under) expenses	48,383	-	48,383	(183,564)
<b>NET ASSETS - END OF YEAR</b>	<b>\$ (39,936)</b>	<b>\$ 185,000</b>	<b>\$ 145,064</b>	<b>\$ 96,681</b>

See notes to the financial statements

**CENTRAL LIONS SENIORS ASSOCIATION**  
**Statement of Cash Flows**  
**Year Ended December 31, 2023**

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Revenue over (under) expenses	\$ 48,383	\$ (183,564)
Changes in non-cash working capital:		
Accounts receivable	1,281	403
Accrued interest receivable	(4,359)	568
Prepaid expenses	-	2,372
Accounts payable and accrued liabilities	(1,463)	2,515
Deferred contributions	(17,624)	76,289
Deferred revenue	32,830	2,948
	<u>10,665</u>	<u>85,095</u>
	<u>59,048</u>	<u>(98,469)</u>
<b>INVESTING ACTIVITY</b>		
Purchase of long-term investments	<u>(100,000)</u>	-
<b>DECREASE IN CASH</b>	<b>(40,952)</b>	<b>(98,469)</b>
Cash and short-term investments - beginning of year	<u>297,965</u>	<u>396,434</u>
<b>CASH AND SHORT-TERM INVESTMENTS - END OF YEAR</b>	<b>\$ 257,013</b>	<b>\$ 297,965</b>
<b>CASH AND SHORT-TERM INVESTMENTS CONSIST OF</b>		
Cash	\$ 122,013	\$ 137,965
Short-term investments	<u>135,000</u>	<u>160,000</u>
	<b>\$ 257,013</b>	<b>\$ 297,965</b>

See notes to the financial statements



## CENTRAL LIONS SENIORS ASSOCIATION

### Notes to Financial Statements

Year Ended December 31, 2023

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#### 1. NATURE OF OPERATIONS

The Central Lions Seniors Association is a charitable organization incorporated 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.

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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 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.

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## CENTRAL LIONS SENIORS ASSOCIATION

### Notes to Financial Statements

Year Ended December 31, 2023

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#### 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.

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**CENTRAL LIONS SENIORS ASSOCIATION**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

**3. INVESTMENTS**

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

	<u>2023</u>	<u>2022</u>
Term deposit, interest rate 4.3%, maturing May 2024	\$ 50,000	\$ -
Term deposit, interest rate 5.6%, maturing September 2024	50,000	-
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 4%, maturing April 2025	25,000	-
Term deposit, interest rate 4%, maturing April 2027	25,000	-
Term deposit, interest rate 4%, maturing April 2027	25,000	-
Term deposit, interest rate 0.5%, maturing April 2023	-	100,000
Term deposit, interest rate 0.5%, maturing May 2023	-	60,000
	<u>235,000</u>	<u>160,000</u>
Classified as long-term investments	<u>(100,000)</u>	<u>-</u>
	<u>\$ 135,000</u>	<u>\$ 160,000</u>

Investments of \$185,000 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>2023</u>	<u>2022</u>
Payroll deductions	\$ 6,091	\$ 6,044

**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:

	Opening	Contributions	Revenue recognized	Closing
Gaming	\$ 76,289	\$ 10,114	\$ (27,738)	\$ 58,665

Deferred gaming funds are held in cash \$8,665 (2022--\$76,289) and short-term investments of \$50,000 for a total of \$58,665 and can only be used in accordance with the licensing agreement with the Alberta Gaming, Liquor and Cannabis Commission.

## CENTRAL LIONS SENIORS ASSOCIATION

### Notes to Financial Statements

Year Ended December 31, 2023

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#### 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:

	Opening	Received	Revenue recognized	Closing
Deferred revenue	\$ 104,211	\$ 388,704	\$ (355,874)	\$ 137,041

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#### 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 can only be used with Board approval.

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

	Opening balance	Transfers	Expenditures	Closing balance
Sustainability fund	\$ 160,000	\$ -	\$ -	\$ 160,000
Insurance contingency fund	-	25,000	-	25,000
	\$ 160,000	\$ 25,000	\$ -	\$ 185,000

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#### 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 2024 with an option to renew for another year.

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#### 9. GRANTS

	2023	2022
City of Edmonton - Operating grant	\$ 94,369	\$ -
Government of Canada - New Horizons	25,000	-
	\$ 119,369	\$ -

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#### 10. COMPARATIVE FIGURES

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

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**CENTRAL LIONS SENIORS ASSOCIATION**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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11. 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, 2023.

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, 2023.

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.

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