

**LETHBRIDGE SENIOR CITIZENS ORGANIZATION**

**FINANCIAL STATEMENTS**

**For the year ended December 31, 2025**

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**LETHBRIDGE SENIOR CITIZENS ORGANIZATION**  
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**December 31, 2025**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Lethbridge Senior Citizens Organization

### *Opinion*

We have audited the financial statements of Lethbridge Senior Citizens Organization, which comprise the statement of financial position as at December 31, 2025, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

*In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization 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 the organization 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Emphasis of Matter*

We draw attention to note 3 to the financial statements which describes the uncertain nature of the going concern assumption. Our audit opinion is not qualified in respect of this matter.

We draw attention to note 17 to the financial statements which describes amendments made to the prior year's figures. Our audit opinion is not qualified in respect of this matter.

### *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 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.

**INDEPENDENT AUDITOR'S REPORT, continued**

*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 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.

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.

Lethbridge, Alberta  
March 19, 2026



Chartered Professional Accountants

**LETHBRIDGE SENIOR CITIZENS ORGANIZATION**  
**STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2025**

	2025	2024 (restated)
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 297,839	\$ 273,016
Marketable securities (note 4)	119,890	115,390
Accounts receivable (note 5)	139,938	179,130
Prepaid expenses	17,229	25,262
Inventory	23,994	23,021
	598,890	615,819
<b>Capital assets (note 6)</b>	126,581	139,727
	\$ 725,471	\$ 755,546

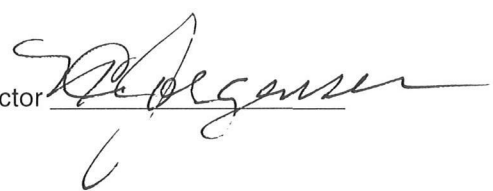
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (note 7)	\$ 121,005	\$ 103,332
Deferred revenue (note 8)	413,083	349,210
	534,088	452,542
<b>Fund balances</b>		
Internally restricted fund	64,802	163,277
Capital asset fund	126,581	139,727
	191,383	303,004
	\$ 725,471	\$ 755,546

Approved on behalf of the board

Director \_\_\_\_\_



Director \_\_\_\_\_



**LETHBRIDGE SENIOR CITIZENS ORGANIZATION**  
**STATEMENT OF OPERATIONS**  
For the year ended December 31, 2025

	Operating fund	Consolidated gaming fund	Capital asset fund	2025	2024
<b>Revenue</b>					
Food services (schedule 1)	537,931	-	-	537,931	478,529
Special activities (schedule 2)	88,229	-	-	88,229	77,094
Meals on Wheels (schedule 3)	287,334	-	-	287,334	377,220
Grants - other	548,749	-	-	548,749	377,758
Provincial and municipal grants	420,721	-	-	420,721	485,134
Programs	337,670	-	-	337,670	310,730
Donations	107,278	-	-	107,278	29,038
Bingo - external	-	79,028	-	79,028	73,514
Memberships	64,230	-	-	64,230	64,152
Newspaper advertising	34,434	-	-	34,434	43,817
Senior support	19,927	-	-	19,927	72,974
Rental	12,858	-	-	12,858	8,870
Casino	-	-	-	-	33,813
	<u>2,459,361</u>	<u>79,028</u>	<u>-</u>	<u>2,538,389</u>	<u>2,432,643</u>
<b>Expenses</b>					
Food services (schedule 1)	536,435	-	-	536,435	476,271
Special activities (schedule 2)	42,220	-	-	42,220	16,522
Meals on Wheels (schedule 3)	307,549	-	-	307,549	351,841
Wages and benefits	1,194,607	-	-	1,194,607	1,098,812
Programs	105,743	-	-	105,743	96,322
Rent	76,197	79,028	-	155,225	160,245
Office supplies	42,956	-	-	42,956	57,247
Travel and staff development	40,075	-	-	40,075	21,671
Senior support	29,978	-	-	29,978	73,031
Insurance	29,366	-	-	29,366	23,988
Repairs and maintenance	25,586	-	-	25,586	15,788
Advertising	24,259	-	-	24,259	15,915
Professional fees	21,466	-	-	21,466	16,235
Newspaper	20,103	-	-	20,103	15,317
Interest and bank charges	19,862	-	-	19,862	17,525
Telephone	10,496	-	-	10,496	13,614
Volunteer	10,000	-	-	10,000	3,489
	<u>2,536,898</u>	<u>79,028</u>	<u>-</u>	<u>2,615,926</u>	<u>2,473,833</u>
<b>Deficiency of revenue over expenses from operations</b>	<b>(77,537)</b>	<b>-</b>	<b>-</b>	<b>(77,537)</b>	<b>(41,190)</b>
<b>Other income (expense)</b>					
Interest income	4,935	-	-	4,935	5,753
Amortization	-	-	(39,020)	(39,020)	(37,581)
	<u>4,935</u>	<u>-</u>	<u>(39,020)</u>	<u>(34,085)</u>	<u>(31,828)</u>
<b>Deficiency of revenue over expenses</b>	<b>(72,602)</b>	<b>-</b>	<b>(39,020)</b>	<b>(111,622)</b>	<b>(73,018)</b>

**LETHBRIDGE SENIOR CITIZENS ORGANIZATION**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
**For the year ended December 31, 2025**

	Operating fund	Internally restricted fund	Capital asset fund	2025	2024 (restated)
<b>Balance, beginning of year</b>					
- as previously stated	\$ -	\$ 129,636	\$ 139,727	\$ 269,363	\$ 342,381
- prior period adjustment (note 17)	-	33,642	-	33,642	33,642
<b>- as restated</b>	-	163,278	139,727	303,005	376,023
<b>Deficiency of revenue over expenses</b>	(72,602)	-	(39,020)	(111,622)	(73,019)
<b>Purchase of capital assets</b>	-	(25,874)	25,874	-	-
<b>Transfer from internally restricted fund</b>	72,602	(72,602)	-	-	-
<b>Balance, end of year</b>	\$ -	\$ 64,802	\$ 126,581	\$ 191,383	\$ 303,004

**LETHBRIDGE SENIOR CITIZENS ORGANIZATION**  
**STATEMENT OF CASH FLOWS**  
For the year ended December 31, 2025

	2025	2024 (restated)
<b>Cash flows from operating activities</b>		
Deficiency of revenue over expenses	\$ (111,622)	\$ (73,019)
Change in non-cash working capital items		
Amortization	39,020	37,581
	(72,602)	(35,438)
Change in non-cash working capital items		
Accounts receivable	39,192	179,441
Marketable securities	(4,500)	(5,285)
Prepaid expenses	8,033	(12,634)
Inventory	(973)	3,497
Accounts payable and accrued liabilities	17,674	10,141
Deferred revenue	63,873	44,281
	50,697	184,003
<b>Cash flows from investing activity</b>		
Purchase of capital assets	(25,874)	(31,566)
<b>Net decrease in cash</b>	24,823	152,437
<b>Cash, beginning of year</b>	273,016	86,937
<b>Cash, end of year</b>	\$ 297,839	\$ 273,016

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**LETHBRIDGE SENIOR CITIZENS ORGANIZATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2025**

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**1. Nature of operations**

Lethbridge Senior Citizens Organization is incorporated under the Societies Act of Alberta and provides social, recreational and education programs to the senior citizens of Lethbridge. Support services are also provided to assist the frail elderly maintaining independence in their own homes and those with special needs.

**2. Significant accounting policies**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

(a) Fund accounting

The organization follows the restricted fund method of accounting for contributions.

The unrestricted fund accounts for the organization's program delivery, food services, fundraising activities, special activities and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The internally restricted fund reports funds received that the board has designated for specific purposes. These funds require the board's approval for use.

The capital asset fund reports the assets, liabilities, revenues and expenses related to the organization's capital assets.

The consolidated gaming fund reports the activities from gaming (bingo's and casinos) and interest earned on bingo and casino funds. It reports the expenses that these funds incur as these funds have external restriction on their use.

(b) Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the unrestricted fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the unrestricted fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income earned on specific funds is reported in the applicable fund.

Memberships, newspaper, programs, rent and senior support fees are recognized as revenue of the unrestricted fund in the period that the service or good is provided.

Food services revenue is recognized at point of sale for the cafeteria, and when the service is provided for catering services and equipment rent. Meals on Wheels revenue is recognized when the meals are provided.

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**LETHBRIDGE SENIOR CITIZENS ORGANIZATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2025**

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**2. Significant accounting policies, continued**

Laminating, photocopying and daily draw are recognized as revenue of special activities at point of sale in the unrestricted fund. Internally organized tours and other special event revenue is recognized as revenue of the special activities in the unrestricted fund when the tour or event occurs. Externally organized tour revenue is recognized net of related expenses when the tour occurs.

Boutique consignment revenue is recognized net of related expenses at point of sale in the unrestricted fund.

Bingo and casino revenues are recognized as revenue in the consolidated gaming fund when spent on eligible expenditures.

(c) Cash and cash equivalents

The organization includes cash on hand and cash held by financial institutions in operating accounts in the determination of cash and cash equivalents.

(d) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method.

(e) Capital assets

Capital assets are recorded at cost. The organization provides for amortization using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Automotive	10 years
Furniture and fixtures	5 to 10 years
Leasehold improvements	6 years
Computer equipment	3 years

One-half the normal rate of amortization is recorded in the year of acquisition. No amortization is taken in the year of disposal.

(f) Income taxes

The organization is a registered charity and is exempt from income taxes under Section 149(1)(f) of the Income Tax Act.

(g) Financial instruments

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The organization subsequently measures its financial assets and financial liabilities and amortized cost, except for securities quoted in an active market, which are subsequently measured at their fair value.

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**LETHBRIDGE SENIOR CITIZENS ORGANIZATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2025**

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**2. Significant accounting policies, continued**

(h) Contributed services

Volunteers contributed time to assist the organization in carrying out its various programs. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(i) Measurement uncertainty

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 reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Specific areas subject to measurement uncertainty include allowance for doubtful receivables and amortization of capital assets. Actual results could differ from those estimates.

(j) Allocated expenses

The organization incurs expenses that can be directly identified with program activities and therefore can be charged to the appropriate function. However, there are certain support services that relate to more than one program activity and must be allocated out based on management's best determination of where the expenses were incurred. These expenses include administration wages and benefits, facility rent, equipment repairs and maintenance, advertising, facility repairs and maintenance, office supplies and postage, telephone, professional fees and insurance. These expenses are allocated based on the space used by the program, time spent on the program or by dollar value of the program.

**3. Going concern**

The organization has reported a deficiency of revenue over expenses in recent years, in part due to funding cuts and rise of costs due to inflation. The organization's ability to continue as a going concern is dependent on profitable future operations as well as maintaining current levels of funding from the City and Province.

Management is actively pursuing strategies to mitigate these risks and improve the organization's financial position, including seeking alternative funding sources and grant opportunities, increasing fundraising efforts, and implementing cost-reduction measures without impacting service levels.

The financial statements have been prepared on a going concern basis, which contemplates the payment of liabilities in the ordinary course of business. Should the organization be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

**LETHBRIDGE SENIOR CITIZENS ORGANIZATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended December 31, 2025

**4. Marketable securities**

Marketable securities consist of a guaranteed investment certificate with a rate of 2.75% and a maturity date of October 8, 2026. The guaranteed investment certificate is fully redeemable on the anniversary date.

**5. Accounts receivable**

	2025	2024
City of Lethbridge - grant funding	\$ 108,343	\$ 129,856
Trade receivables	21,067	42,289
Grant receivable - Alberta Elder Abuse Awareness Council	5,564	-
Bingo	3,977	5,132
GST	987	1,853
	<b>\$ 139,938</b>	<b>\$ 179,130</b>

**6. Capital assets**

	Cost	Accumulated amortization	2025 Net	2024 Net
Furniture and fixtures	\$ 379,448	\$ 266,140	\$ 113,308	\$ 112,175
Computer equipment	89,529	80,100	9,429	21,051
Automotive	75,810	75,810	-	-
Leasehold improvements	58,608	54,764	3,844	6,501
	<b>\$ 603,395</b>	<b>\$ 476,814</b>	<b>\$ 126,581</b>	<b>\$ 139,727</b>

**7. Accounts payable and accrued liabilities**

	2025	2024
Accrued vacation pay	\$ 70,076	\$ 50,967
Trade payables	50,929	52,365
	<b>\$ 121,005</b>	<b>\$ 103,332</b>

**LETHBRIDGE SENIOR CITIZENS ORGANIZATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended December 31, 2025

**8. Deferred revenue**

Deferred revenue represents unspent resources received in the current period that are related to the subsequent period. Changes in the deferred revenue balance are as follows:

	Balance, beginning of year (restated)	Received	Recognized	Repayment	Balance, end of year
Victims of					
Crime	\$ 124,424	\$ 195,955	\$ 192,733	-	\$ 127,646
GoA Rural	-	250,000	137,755	-	112,245
Programs	80,854	77,076	80,854	-	77,076
United Way	99,553	163,813	204,036	4,500	54,830
Memberships	32,408	12,587	8,882	-	36,114
Other	7,930	1,309	7,574	-	1,635
Rent	820	1,511	820	-	1,511
Newspaper	1,966	1,184	1,966	-	1,184
Meals on					
Wheels	744	569	746	-	567
Senior services	511	2,503	2,739	-	275
FCSS	-	466,741	466,741	-	-
	<b>\$ 349,210</b>	<b>\$ 1,173,248</b>	<b>\$ 1,104,846</b>	<b>\$ 4,500</b>	<b>\$ 413,083</b>

**9. Interfund transfers**

It is the board's policy to treat all donations received as part of general revenues and not as restricted funds, except for donations received for specified purposes not related to the daily operations of the organization. During the year, \$25,874 of internally restricted funds were transferred to the capital asset fund for the purchase of capital assets. In addition, \$72,602 of internally restricted funds were transferred to the operating fund to fund the deficiency in the operating fund.

**10. Commitment**

The organization has a property lease under a 25 year contract which expires in 2028. The lease rates are amended on an annual basis. The annual payment for 2025 is \$200,300 plus GST.

**11. Economic dependence**

The organization receives significant funding from Family and Community Support Services through the City of Lethbridge and the Minister of Public Security through the Province of Alberta. If either the Province or City decreases its funding, the organization may be unable to continue the programs funded by those grants.

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**LETHBRIDGE SENIOR CITIZENS ORGANIZATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2025**

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**12. Sick time**

Under the employee contracts, employees are allowed to carry forward sick time on a cumulative basis. However, sick time is not paid out when an employee leaves the organization and therefore an accrual has not been recorded in the financial statements. The amount of accumulated sick time at December 31, 2025 was \$123,758 (2024 - \$143,680).

**13. Internal allocations**

During the year, the organization allocated \$237,679 (2024 - \$233,687) between the Meals on Wheels and Food Services departments representing cafeteria sales and food purchases for the meals on wheels service.

**14. City of Lethbridge ("FCSS" funding)**

We conducted our audit in accordance with Canadian generally accepted auditing standards. We have reviewed the City of Lethbridge funding agreement for eligible expenditure criteria and tested expenditure transactions to ensure that expenditures align with the contract requirements per schedule "E" of the funding agreement. We believe that the audit evidence we have obtained is sufficient and appropriate.

**15. Financial instruments**

**Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from users. However, the organization has a significant number of users which minimizes concentration of credit risk.

**16. Funds held by others**

The Lethbridge Community Foundation hold funds on behalf of Lethbridge Senior Citizens Organization. The Organization will receive investment income earned on the contributions. As at December 31, 2025, the fund balance was \$24,920.

**17. Prior period adjustment**

The prior year figures have been adjusted to recognize revenue from deferred revenue. The effect of this adjustment is as follows:

- a decrease in deferred revenue of \$33,642 as of December 31, 2023 and December 31, 2024.
- an increase in the internally restricted fund balances of \$33,642 as of December 31, 2023 and December 31, 2024.

**LETHBRIDGE SENIOR CITIZENS ORGANIZATION**  
**SCHEDULES TO THE FINANCIAL STATEMENTS**  
For the year ended December 31, 2025

**Schedule of food services**

**Schedule 1**

	2025	2024
<b>Revenue</b>		
Cafeteria sales	\$ 491,851	\$ 435,830
Catering	17,644	10,812
Donations	16,264	27,815
Other grants	9,250	-
Dish rental	2,922	4,072
	537,931	478,529
<b>Expenses</b>		
Food purchases	266,029	223,164
Salaries and wages	185,263	155,064
Rent	44,568	45,434
Kitchen supplies	33,721	48,621
Maintenance	6,854	3,989
	536,435	476,272
<b>Excess of revenues over expenses</b>	\$ 1,496	\$ 2,257

**Schedule of special activities**

**Schedule 2**

	2025	2024
<b>Revenue</b>		
Fundraising	\$ 81,304	\$ 68,796
Boutique	3,629	3,756
Other	2,693	4,016
Transit passes	603	526
	88,229	77,094
<b>Expenses</b>		
Fundraising	42,220	16,522
<b>Excess of revenues over expenses</b>	\$ 46,009	\$ 60,572

**LETHBRIDGE SENIOR CITIZENS ORGANIZATION**  
**SCHEDULES TO THE FINANCIAL STATEMENTS**  
For the year ended December 31, 2025

**Schedule of Meals on Wheels**

**Schedule 3**

	2025	2024
<b>Revenue</b>		
Meal sales	\$ 188,949	\$ 194,223
Service payment - City of Lethbridge	46,020	95,990
Fundraising	27,000	29,000
Donations	18,365	38,007
Other grants	7,000	20,000
	287,334	377,220
<b>Expenses</b>		
Food purchases	237,911	233,687
Wages and benefits	57,584	100,531
Rent	7,037	5,482
Supplies	2,520	9,654
Advertising	2,497	2,487
	307,549	351,841
<b>Deficiency (excess) of revenues over expenses</b>	\$ (20,215)	\$ 25,379