

SOUTH EAST EDMONTON SENIORS ASSOCIATION
Financial Statements
Year Ended December 31, 2025

SOUTH EAST EDMONTON SENIORS ASSOCIATION
Index to Financial Statements
Year Ended December 31, 2025

	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 - 15

INDEPENDENT AUDITOR'S REPORT

To the Members of
South East Edmonton Seniors Association

Qualified Opinion

We have audited the financial statements of South East Edmonton Seniors Association (the Association), 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 Association 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 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, 2024 were audited by another auditor who expressed a qualified opinion with respect to the completeness of revenue associated with fundraising and donations. The financial statements were issued on March 19, 2025.

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 25, 2026




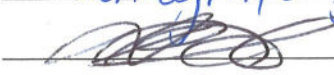
CHARTERED PROFESSIONAL ACCOUNTANTS

SOUTH EAST EDMONTON SENIORS ASSOCIATION
Statement of Financial Position
December 31, 2025

	2025	2024
ASSETS		
CURRENT		
Cash (Note 3)	\$ 124,760	\$ 185,737
Term deposits (Note 4)	447,640	330,182
Accounts receivable	14,064	3,203
Goods and Services Tax receivable	2,307	3,990
Prepaid expenses	8,759	10,163
	<u>597,530</u>	<u>533,275</u>
PROPERTY AND EQUIPMENT (Note 5)	<u>37,394</u>	<u>39,743</u>
	<u>\$ 634,924</u>	<u>\$ 573,018</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Notes 6, 7)	\$ 32,258	\$ 21,669
Deferred contributions (Note 8)	72,017	63,388
Deferred revenue (Note 9)	84,688	74,377
	<u>188,963</u>	<u>159,434</u>
DEFERRED CONTRIBUTIONS RELATED TO EQUIPMENT (Note 10)	<u>4,770</u>	<u>-</u>
	<u>193,733</u>	<u>159,434</u>
NET ASSETS		
Unrestricted	408,567	373,841
Invested in property and equipment	32,624	39,743
	<u>441,191</u>	<u>413,584</u>
	<u>\$ 634,924</u>	<u>\$ 573,018</u>

LEASE COMMITMENTS (Note 11)

APPROVED BY THE BOARD

 Director
 Director

See notes to the financial statements

SOUTH EAST EDMONTON SENIORS ASSOCIATION
Statement of Operations
Year Ended December 31, 2025

	2025	2024
REVENUE		
Programs	\$ 255,887	\$ 222,799
Grants (Note 12)	242,424	207,684
Food and beverage	139,470	136,133
Fundraising (Note 14)	114,502	96,992
Gaming (Note 14)	51,730	63,050
Membership fees	41,329	39,405
Rental	30,804	18,400
Donations (Note 14)	24,726	27,451
Interest	14,681	14,719
	<u>915,553</u>	<u>826,633</u>
EXPENSES		
Wages and benefits (Note 14)	482,058	488,299
Membership services	115,518	105,266
Kitchen purchases and supplies	87,645	75,479
Utilities and telephone	49,499	42,368
Repairs and maintenance	39,845	23,714
Office	35,482	34,099
Fundraising (Note 14)	18,820	5,114
Insurance	11,708	10,919
Interest and bank charges	10,752	9,140
Professional fees	7,800	20,863
Non-recoverable Goods and Services Tax	5,160	4,234
Sub-contracts	5,109	34,090
Consulting fees	2,400	-
Business licenses and memberships	1,288	525
Advertising and promotion	410	865
	<u>873,494</u>	<u>854,975</u>
REVENUE OVER (UNDER) OPERATING EXPENSES	<u>42,059</u>	<u>(28,342)</u>
OTHER INCOME (EXPENSES)		
Amortization of deferred contributions related to equipment	530	-
Amortization	(14,982)	(16,573)
	<u>(14,452)</u>	<u>(16,573)</u>
REVENUE OVER (UNDER) EXPENSES	<u>\$ 27,607</u>	<u>\$ (44,915)</u>

See notes to the financial statements

SOUTH EAST EDMONTON SENIORS ASSOCIATION
Statement of Changes in Net Assets
Year Ended December 31, 2025

	Unrestricted	Invested in Property and Equipment	2025	2024
NET ASSETS - BEGINNING OF YEAR	\$ 373,841	\$ 39,743	\$ 413,584	\$ 458,499
Purchase of equipment	(7,333)	7,333	-	-
Revenue over (under) expenses	42,059	(14,452)	27,607	(44,915)
NET ASSETS - END OF YEAR	\$ 408,567	\$ 32,624	\$ 441,191	\$ 413,584

See notes to the financial statements

SOUTH EAST EDMONTON SENIORS ASSOCIATION
Statement of Cash Flows
Year Ended December 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Revenue over (under) expenses	\$ 27,607	\$ (44,915)
Items not affecting cash:		
Amortization of deferred contributions related to equipment	(530)	-
Amortization	14,982	16,573
	<u>42,059</u>	<u>(28,342)</u>
Changes in non-cash working capital:		
Accounts receivable	(10,861)	(2,842)
Goods and Services Tax receivable	1,683	1,140
Prepaid expenses	1,404	(2,775)
Accounts payable and accrued liabilities	10,589	(18,168)
Deferred revenue	10,311	(67,841)
Deferred contributions	8,629	-
	<u>21,755</u>	<u>(90,486)</u>
	<u>63,814</u>	<u>(118,828)</u>
INVESTING ACTIVITIES		
Purchase of equipment	(12,633)	(3,079)
Purchase of term deposits	(117,458)	(8,561)
	<u>(130,091)</u>	<u>(11,640)</u>
FINANCING ACTIVITY		
Deferred contributions received related to equipment	5,300	-
DECREASE IN CASH	(60,977)	(130,468)
CASH - BEGINNING OF YEAR	185,737	316,205
CASH - END OF YEAR	\$ 124,760	\$ 185,737

See notes to the financial statements

SOUTH EAST EDMONTON SENIORS ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2025

1. NATURE OF OPERATIONS

The South East Edmonton Seniors Association (the "Association") was incorporated in June 1980 as a not-for-profit under the Societies Act (Alberta). The Association provides programs and services 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 Association 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.

Term deposits

Term deposits consist of guaranteed investment certificates recorded at cost plus accrued interest with maturity dates within twelve months.

Goods and Services Tax

Goods and Services Tax is recoverable at a 50% rebate. The non-recoverable portion is recorded as an expense.

Property and equipment

Property and equipment are recorded at cost. Amortization is provided on the following rates and methods over the estimated useful lives of the assets.

Equipment	20%	declining balance method
Website	30%	declining balance method
Computer equipment	55%	declining balance method
Leasehold improvements	5 years	straight-line method

Contributed services

The Association is largely dependent on donated services and goods from 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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SOUTH EAST EDMONTON SENIORS ASSOCIATION
Notes to Financial Statements
Year Ended December 31, 2025

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, rental, and food and beverage 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

Measurement of financial instruments

The Association 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 Association subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, term deposits, accounts receivable, and Goods and Services Tax receivable.

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.

(continues)

SOUTH EAST EDMONTON SENIORS ASSOCIATION
Notes to Financial Statements
Year Ended December 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 deferred contributions and deferred contributions related to equipment. By their nature, these estimates are subject to measurement uncertainty and actual results could differ.

3. RESTRICTED CASH

Restricted cash includes \$49,020 (2024--\$3,119) of casino and raffles funds which can only be used in accordance with the licensing agreement with the Alberta Gaming, Liquor and Cannabis Commission.

4. TERM DEPOSITS

The Association holds term deposits with the following interest rates and maturity dates:

	<u>2025</u>	<u>2024</u>
Term deposit, interest rate 2.85%, maturing November 2026	\$ 127,313	\$ -
Term deposit, interest rate 3.05%, maturing June 2026	106,834	-
Term deposit, interest rate 3.05%, maturing June 2026	101,655	-
Term deposit, interest rate 3.05%, maturing June 2026	55,919	-
Term deposit, interest rate 3.05%, maturing June 2026	55,919	-
Term deposit, interest rate 4.6%, maturing June 2025	-	111,909
Term deposit, interest rate 4.8%, maturing June 2025	-	103,984
Term deposit, interest rate 4.5%, maturing June 2025	-	57,314
Term deposit, interest rate 4.5%, maturing June 2025	-	56,975
	<u>\$ 447,640</u>	<u>\$ 330,182</u>

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Equipment	\$ 52,857	\$ 25,071	\$ 27,786	\$ 26,189
Website	7,853	6,250	1,603	2,290
Computer equipment	38,769	32,469	6,300	6,149
Leasehold improvements	17,050	15,345	1,705	5,115
	<u>\$ 116,529</u>	<u>\$ 79,135</u>	<u>\$ 37,394</u>	<u>\$ 39,743</u>

SOUTH EAST EDMONTON SENIORS ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2025

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	<u>2025</u>	<u>2024</u>
Payroll deductions	<u>\$ 9,156</u>	<u>\$ -</u>

7. CREDIT FACILITY

The Association has a Servus Credit Union corporate credit card with a maximum limit of \$10,000 (2024--\$10,000) of which \$1,367 (2024--\$71) was payable at year end and included with accounts payable and accrued liabilities. The credit card is secured by all present and after acquired property of the Association.

8. DEFERRED CONTRIBUTIONS

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 are as follows:

	Balance at beginning of year	Contributions	Revenue recognized	Balance at end of year
Gaming	\$ 3,119	\$ 97,631	\$ (51,730)	\$ 49,020
Help Age Canada	-	20,000	(215)	19,785
Other donations	-	3,212	-	3,212
City of Edmonton Operating grant	-	165,540	(165,540)	-
Edmonton Community Foundation	50,000	-	(50,000)	-
Community Investment grant	10,269	-	(10,269)	-
New Horizon grant	-	16,400	(16,400)	-
	<u>\$ 63,388</u>	<u>\$ 302,783</u>	<u>\$ (294,154)</u>	<u>\$ 72,017</u>

9. DEFERRED REVENUE

Deferred revenue consists of program and membership fees paid for the upcoming year. 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 are as follows:

	Balance at beginning of year	Received	Revenue recognized	Balance at end of year
Programs	\$ 49,708	\$ 258,786	\$ (255,887)	\$ 52,607
Memberships	24,669	48,741	(41,329)	32,081
	<u>\$ 74,377</u>	<u>\$ 307,527</u>	<u>\$ (297,216)</u>	<u>\$ 84,688</u>

SOUTH EAST EDMONTON SENIORS ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2025

10. DEFERRED CONTRIBUTIONS RELATED TO EQUIPMENT

Deferred contributions related to equipment represent contributions received to fund the cost of equipment additions. The changes in the deferred contributions balance for the year are as follows:

	<u>2025</u>	<u>2024</u>
Restricted donations received	\$ 5,300	\$ -
Less amounts amortized	(530)	-
Balance at end of year	<u>\$ 4,770</u>	<u>\$ -</u>

11. LEASE COMMITMENTS

The Association leases its premises, under an agreement with the City of Edmonton, that expires December 31, 2026. The Association has a minimum lease requirement of \$1 per year plus insurance premiums on the premises and they are responsible for the utilities.

The Association signed a lease agreement with respect to printer and copier equipment. Annual lease payments are as follows:

2026	\$ 1,860
2027	1,860
2028	1,860
2029	465
	<u>\$ 6,045</u>

12. GRANTS

	<u>2025</u>	<u>2024</u>
City of Edmonton - Operating grant	\$ 165,540	\$ 140,481
Edmonton Community Foundation	50,000	-
Government of Canada - New Horizons	16,400	-
Community Investment grant	10,269	25,144
Help Age Canada	215	-
Recovery grant	-	42,059
	<u>\$ 242,424</u>	<u>\$ 207,684</u>

13. ECONOMIC DEPENDENCE

The Association receives an annual grant from the City of Edmonton and several project grants from the provincial and federal government. These grants represent a significant portion of the Association's revenue. The ability of the Association to continue operations in the future is dependent upon the receipt of these grants.

SOUTH EAST EDMONTON SENIORS ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2025

14. CHARITABLE FUNDRAISING ACT (ALBERTA)

The following supplementary information is disclosed in compliance with the Charitable Fundraising Act (Alberta).

	<u>2025</u>	<u>2024</u>
<u>Revenue</u>		
Fundraising	\$ 114,502	\$ 96,992
Gaming	51,730	63,050
Donations	24,726	27,451
	<u>190,958</u>	<u>187,493</u>
<u>Expenses</u>		
Wages and benefits directly related to fundraising	(19,000)	(16,500)
Direct fundraising costs	(18,820)	(5,114)
	<u>(37,820)</u>	<u>(21,614)</u>
	<u>\$ 153,138</u>	<u>\$ 165,879</u>

Direct fundraising costs includes the cost of organizing events and any related expenditures for any fundraising event held.

SOUTH EAST EDMONTON SENIORS ASSOCIATION
Notes to Financial Statements
Year Ended December 31, 2025

15. FINANCIAL INSTRUMENTS

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, 2025.

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, 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 Association is exposed to interest rate risk arising on its interest bearing assets.

The Association's cash and term deposits 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.
