

VOLUNTEER LETHBRIDGE ASSOCIATION

FINANCIAL STATEMENTS

For the year ended December 31, 2025

VOLUNTEER LETHBRIDGE ASSOCIATION

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December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To: The Board of Directors of
Volunteer Lethbridge Association

Opinion

We have audited the financial statements of Volunteer Lethbridge 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, 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 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 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 related 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.

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 will also:

INDEPENDENT AUDITOR'S REPORT, continued

Auditor's Responsibilities for the Audit of the Financial Statements, continued

- ◆ 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.



Lethbridge, Alberta

March 4, 2026

Chartered Professional Accountants

VOLUNTEER LETHBRIDGE ASSOCIATION**STATEMENT OF OPERATIONS**

For the year ended December 31, 2025

	2025	2024
Revenue		
Government of Alberta - Enhanced Capacity Advancement Program	\$ 159,239	\$ 115,598
City of Lethbridge - FCSS (schedule 1)	138,934	208,934
Other grants (note 9)	51,713	119,634
Service fees	34,329	33,950
Fundraising	28,712	26,560
Memberships	16,925	20,038
Donations	11,334	12,357
Interest	3,649	5,442
Amortization of capital contributions	1,000	1,000
	<hr/> 445,835	<hr/> 543,513
Expenses		
Salaries and benefits	291,374	390,922
Rental	39,789	37,666
Administration	25,700	30,168
Computer and data processing	24,383	13,317
Professional fees	12,786	5,300
Fundraising	9,233	37,951
Insurance	8,400	8,102
Contract services	7,486	39,982
Telephone	7,356	7,518
Non-refundable GST	2,120	3,253
Memberships	995	495
Interest and bank charges	849	630
Amortization	6,599	6,599
	<hr/> 437,070	<hr/> 581,903
Excess (deficiency) of revenue over expenses	<hr/> \$ 8,765	<hr/> \$ (38,390)

VOLUNTEER LETHBRIDGE ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
For the year ended December 31, 2025

	Unrestricted	Contingent fund reserve	Special projects fund reserve	Capital fund reserve	Invested in capital assets	Total 2025	Total 2024
Balance, beginning of year	\$ 10,335	\$ 152,418	\$ 21,878	\$ 2,930	\$ 18,495	\$ 206,056	\$ 244,446
Excess (deficiency) of revenue over expenses	8,765	-	-	-	-	8,765	(38,390)
Transfer to internally restricted reserve	(8,215)	8,215	-	-	-	-	-
Amortization of capital assets	6,599	-	-	-	(6,599)	-	-
Amortization of capital contributions	(1,000)	-	-	-	1,000	-	-
Balance, end of year	\$ 16,484	\$ 160,633	\$ 21,878	\$ 2,930	\$ 12,896	\$ 214,821	\$ 206,056

VOLUNTEER LETHBRIDGE ASSOCIATION**STATEMENT OF CASH FLOWS**

For the year ended December 31, 2025

	2025	2024
Cash flows from operating activities		
Excess (deficiency) of revenue over expenses	\$ 8,765	\$ (38,390)
Adjustments for items which do not affect cash		
Amortization	6,599	6,599
Amortization of capital contributions	(1,000)	(1,000)
	14,364	(32,791)
Change in non-cash working capital items		
Accounts receivable	43,766	(22,002)
Prepaid expenses	497	717
Accounts payable and accrued liabilities	(10,356)	(14,167)
Deferred contributions	(34,802)	3,184
	13,469	(65,059)
Cash flows from investing activities		
Purchase of short term investments	(95,734)	(91,131)
Proceeds on sale of short term investments	91,131	107,450
Purchase of capital assets	-	(8,496)
	(4,603)	7,823
Net increase (decrease) in cash	8,866	(57,236)
Cash, beginning of year	119,849	177,085
Cash, end of year	\$ 128,715	\$ 119,849

VOLUNTEER LETHBRIDGE ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2025

1. **Nature of operations**

Volunteer Lethbridge Association facilitates individuals and organizations in the support of volunteerism.

2. **Significant accounting policies**

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

(a) Revenue recognition

The Association follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership fees are recognized in the period in which the membership relates to.

Interest, fundraising and other income is recognized in the period it is earned.

(b) Cash

Cash consists of balances with financial institutions.

(c) Short-term investments

Short-term investments are recorded at cost.

(d) Capital assets

Capital assets are recorded at cost. The Association provides for amortization using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives. A full year's amortization is recorded in the year of acquisition. No amortization is recorded in the year of disposal. The annual amortization rate is as follows:

Website	5 years
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(e) Income taxes

The Association qualifies as a non-profit organization for income tax purposes and is exempt from income tax under section 149(1)(I) of the Income Tax Act.

(f) Net assets

Unrestricted net assets comprise the excess of receipts over disbursements accumulated by the Association each year and are available for general purpose. Effective December 31, 2018, the Association's policy is to allocate any annual surplus at 100% to contingent fund reserve.

The contingent fund, special projects fund, and capital fund reserves have been designated for specific purposes by the Association's Board of Directors.

(g) Net assets invest in capital assets

The Association has chosen to treat net assets invested in capital assets as a separate component of net assets.

VOLUNTEER LETHBRIDGE ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2025

2. Significant accounting policies, continued

- (h) Donated goods and services
Donated goods and services are recorded at their fair market value at the time of the donation. The fair value of donated goods and services cannot be reasonably determined and are therefore not reflected in these financial statements.
- (i) Contributed services
Volunteers contributed time to assist the Association in carrying out its programs. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.
- (j) Financial instruments
The Association initially measures its financial assets and liabilities at fair value. The Association subsequently measures its financial assets and financial liabilities at amortized cost.
- (k) 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. Actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the rates for amortization and deferred revenue.

3. Short term investments

Short term investments include guaranteed investment certificates with an interest rate of 3.50% (2024 - 5.05%) and matures in January 2026.

4. Accounts receivable

	2025	2024
City of Lethbridge	\$ 34,734	\$ 64,577
Accrued interest	3,268	4,489
GST	861	1,544
Other grants	-	7,240
Fundraising	-	4,779
	\$ 38,863	\$ 82,629

VOLUNTEER LETHBRIDGE ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2025

5. **Capital assets**

			2025			2024
	Cost	Accumulated amortization	Net			Net
Website	\$ 32,993	\$ 18,097	\$ 14,896	\$		21,495

6. **Bank indebtedness**

A demand operating loan has been authorized by the Servus Credit Union to a maximum of \$40,000. It bears interest at bank's prime lending rate plus 0.50% per annum and is secured by a general security agreement. As of December 31, 2025, the Association has not drawn on this facility.

7. **Deferred contributions**

Deferred contributions represent resources received in the current period that are related to a subsequent period. Changes in the deferred revenue balances are as follows:

	Balance, beginning of year	Received	Recognized			Balance, end of year
Government of Alberta - Enhanced Capacity Advancement Program	\$ 59,941	\$ 131,037	\$ (159,239)	\$		31,739
Casino	26,096	-	(6,660)	\$		19,436
Non-Profit Sector Fund Development Support	1,142	-	-	\$		1,142
2026 Paid Organizational Membership	75	135	(75)	\$		135
	\$ 87,254	\$ 131,172	\$ (165,974)	\$		52,452

VOLUNTEER LETHBRIDGE ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2025

8. Unamortized capital contributions

Unamortized capital contributions represent restricted contributions for the purchase of capital assets. The changes in unamortized capital contributions balance for the year are as follows:

	2025	2024
Balance, beginning of year	\$ 3,000	\$ 4,000
Amortization of capital contributions	(1,000)	(1,000)
	<u>\$ 2,000</u>	<u>\$ 3,000</u>

9. Other grants

	2025	2024
Canada Summer Jobs Grant	\$ 18,992	\$ 19,114
University of Lethbridge Volunteer Grant - Crooks Work Integrated Learning Program	12,000	-
Community Foundation of Lethbridge and Southwestern Alberta	10,000	-
Fanshawe's Corporate Training Solutions Tech-Know Grant	4,000	3,500
Venture for Canada Internship Program	3,500	-
City of Lethbridge - Community Event Support Grants	2,221	600
Aqueduct Foundation Charitable Grant	1,000	-
United Way - Community Services Recovery Grant	-	36,750
Anonymous Grant	-	27,000
University of Lethbridge Program Coordinator Grant	-	12,750
University of Lethbridge School of Liberal Education Grant	-	10,000
The Information and Communications Technology Council Grant	-	7,000
Volunteer Canada - Empathy Engaged Grant	-	2,500
Wage Subsidy	-	420
	<u>\$ 51,713</u>	<u>\$ 119,634</u>

10. Lease commitments

The Association has an operating lease with respect to its office premises. Subsequent to year end, the lease payment is \$31,763 and the lease expires November 2026.

VOLUNTEER LETHBRIDGE ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2025

11. Financial instruments

The Association as part of its operations carries a number of financial instruments. It is management's opinion that the Association is not exposed to significant interest, currency, or market risks arising from the financial instruments except as otherwise disclosed.

- (a) Credit risk
Credit risk arises from the potential that a counter party will fail to perform its obligations. the Association is exposed to credit risk from customer. The Association has a significant number of customers which minimizes concentration of credit risk.

VOLUNTEER LETHBRIDGE ASSOCIATION
SCHEDULE TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2025

Schedule of City of Lethbridge - FCSS	Schedule 1	
	2025	2024
Revenue		
Funding	\$ 138,934	\$ 208,934
Expenses		
Salaries and benefits	136,563	160,811
Administration (marketing and project delivery)	1,186	15,632
Computer and data processing	1,185	5,717
Contract services	-	21,442
Telephone	-	4,007
Insurance	-	1,325
	138,934	208,934
Excess of revenue over expenses	\$ -	\$ -

All expenditures qualified as eligible expenses as per schedule "E" of the agreement.