
GOWARD HOUSE SOCIETY
Financial Statements
Year Ended December 31, 2025

GOWARD HOUSE SOCIETY
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Year Ended December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Goward House Society

Report on the Financial Statements

Qualified Opinion

We have audited the financial statements of Goward House Society (the "Society"), which comprise the statement of financial position as at December 31, 2025, and the statements of revenues and expenditures and 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 Society as at December 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Society derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenditures, and cash flows from operations for the year ended December 31, 2025, current assets and net assets as at December 31, 2025. Our audit opinion on the financial statements for the year ended December 31, 2024 was modified accordingly because of the possible effects of this limitation of scope.

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 Society in accordance with 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 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 ASNPO, 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.

(continues)

Independent Auditor's Report to the Directors of Goward House Society (*continued*)

In preparing the financial statements, management is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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 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 Society'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 Society'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 Society 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.

Independent Auditor's Report to the Directors of Goward House Society (*continued*)

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian Accounting Standards for Not-for-profit Organizations have been applied on a basis consistent with that of the preceding year.

Victoria, British Columbia
May 13, 2026

McLean, Lizotte, Wheadon and Company

MCLEAN, LIZOTTE, WHEADON AND COMPANY
Chartered Professional Accountants

GOWARD HOUSE SOCIETY
Statement of Financial Position
December 31, 2025

| | Operating Fund | Gaming Fund | Project Fund | Total 2025 | Total 2024 |
|---|------------------|---------------|-------------------|-------------------|-------------------|
| ASSETS | | | | | |
| CURRENT | | | | | |
| Cash | \$ 25,707 | \$ 100 | \$ 110,183 | \$ 135,990 | \$ 123,970 |
| Due from government agencies | 416 | - | - | 416 | 574 |
| Prepaid expenses | 2,935 | - | - | 2,935 | 2,765 |
| Investment in marketable security (Note 3) | 2,025 | - | - | 2,025 | 1,544 |
| Due to operating fund from project fund | 9,650 | - | (9,650) | - | - |
| | <u>\$ 40,733</u> | <u>\$ 100</u> | <u>\$ 100,533</u> | <u>\$ 141,366</u> | <u>\$ 128,853</u> |
| LIABILITIES AND NET ASSETS | | | | | |
| CURRENT | | | | | |
| Accounts payable and accrued liabilities | \$ 7,853 | \$ - | \$ - | \$ 7,853 | \$ 8,393 |
| Wages payable | 4,006 | - | - | 4,006 | 7,999 |
| Deferred revenue and contributions (Note 4) | 4,413 | - | 17,030 | 21,443 | 29,048 |
| Premise rental security deposits | 6,050 | - | - | 6,050 | 6,650 |
| | <u>22,322</u> | <u>-</u> | <u>17,030</u> | <u>39,352</u> | <u>52,090</u> |
| NET ASSETS | | | | | |
| Unrestricted funds (Note 2) | 18,411 | - | - | 18,411 | (5,465) |
| Externally restricted funds (Note 2) | - | 100 | - | 100 | 100 |
| Internally restricted funds (Note 2) | - | - | 83,503 | 83,503 | 82,128 |
| | <u>18,411</u> | <u>100</u> | <u>83,503</u> | <u>102,014</u> | <u>76,763</u> |
| | <u>\$ 40,733</u> | <u>\$ 100</u> | <u>\$ 100,533</u> | <u>\$ 141,366</u> | <u>\$ 128,853</u> |

ON BEHALF OF THE BOARD

Mary Collins

Bob Frank

See notes to financial information

GOWARD HOUSE SOCIETY
Statement of Revenues and Expenditures and Changes in Net Assets
Year Ended December 31, 2025

| | Operating Fund | Gaming Fund | Project Fund | Total 2025 | Total 2024 |
|--|------------------|---------------|------------------|-------------------|------------------|
| REVENUES | | | | | |
| District of Saanich - grant | \$ 27,500 | \$ - | \$ - | \$ 27,500 | \$ 30,000 |
| Other grants | 17,403 | 20,000 | - | 37,403 | 35,775 |
| Membership dues | 39,938 | - | - | 39,938 | 33,209 |
| Programs and activity fees | 95,422 | - | - | 95,422 | 88,781 |
| Premise rentals | 66,564 | - | - | 66,564 | 46,111 |
| Donations and fundraising | 5,401 | - | 26,510 | 31,911 | 13,273 |
| Bequest | 9,600 | - | - | 9,600 | - |
| Other income | 886 | - | 21 | 907 | 1,124 |
| | <u>262,714</u> | <u>20,000</u> | <u>26,531</u> | <u>309,245</u> | <u>248,273</u> |
| EXPENDITURES | | | | | |
| Advertising and promotion | 2,344 | - | - | 2,344 | 2,344 |
| Donations | - | - | 2,500 | 2,500 | 2,500 |
| Facility operating costs | 10,257 | - | - | 10,257 | 9,558 |
| Facility repairs, maintenance and improvements | 16,087 | - | 22,577 | 38,664 | 28,700 |
| Insurance | 4,914 | - | - | 4,914 | 4,794 |
| Office supplies and miscellaneous | 15,889 | - | 79 | 15,968 | 15,542 |
| Professional fees | 8,243 | - | - | 8,243 | 8,593 |
| Program and fundraising expenses | 30,201 | 8,461 | - | 38,662 | 40,563 |
| Salaries, wages and costs | 150,903 | 11,539 | - | 162,442 | 154,659 |
| | <u>238,838</u> | <u>20,000</u> | <u>25,156</u> | <u>283,994</u> | <u>267,253</u> |
| NET EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 23,876 | - | 1,375 | 25,251 | (18,980) |
| NET ASSETS - BEGINNING OF YEAR | (5,465) | 100 | 82,128 | 76,763 | 95,743 |
| NET ASSETS - END OF YEAR | <u>\$ 18,411</u> | <u>\$ 100</u> | <u>\$ 83,503</u> | <u>\$ 102,014</u> | <u>\$ 76,763</u> |

See notes to financial information

GOWARD HOUSE SOCIETY
Statement of Cash Flows
Year Ended December 31, 2025

| | 2025 | 2024 |
|---|-------------------|-------------------|
| OPERATING ACTIVITIES | | |
| Excess (deficiency) of revenues over expenditures | \$ 25,251 | \$ (18,980) |
| Item not affecting cash: | | |
| Unrealized losses on marketable securities | (481) | (275) |
| | <u>24,770</u> | <u>(19,255)</u> |
| Changes in non-cash working capital: | | |
| Due (to) from government agencies | 158 | (130) |
| Prepaid expenses | (170) | (149) |
| Accounts payable and accrued liabilities | (540) | 891 |
| Wages payable | (3,993) | 3,824 |
| Premise rental security deposits | (600) | 1,800 |
| Deferred revenue and contributions | (7,605) | 15,147 |
| | <u>(12,750)</u> | <u>21,383</u> |
| INCREASE IN CASH FLOW | 12,020 | 2,128 |
| Cash - beginning of year | <u>123,970</u> | <u>121,842</u> |
| CASH - END OF YEAR | \$ 135,990 | \$ 123,970 |

See notes to financial information

GOWARD HOUSE SOCIETY
Notes to Financial Statements
Year Ended December 31, 2025

1. PURPOSE OF THE SOCIETY

Goward House Society is a not-for-profit organization, governed under the Societies Act of British Columbia, originally incorporated under the BC Society Act in 1988. As a registered charity the Society is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The purpose of Goward House Society is:

- a) In partnership with the Municipality of Saanich, to promote the restoration, upgrading and maintenance of the property known as Goward House Society.
- b) To operate a community activity centre for the use and enjoyment of the citizens of Greater Victoria primarily aged fifty years and older.
- c) To promote and provide educational, recreational, intellectual and cultural activities through the provision of a stimulating program of activities.
- d) To do all things necessary and incidental to the attainment of these objectives.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Fund accounting

The Operating Fund reports the Society's administrative and program delivery activities. The annual restricted contribution from the Corporation of the District of Saanich is reported in the operating fund because this grant is intended to promote and facilitate the Society's day-to-day operations.

The Gaming Fund reports grants received from the Province of British Columbia's Community Gaming Grants Branch, the use of which is restricted to purposes outlined in the application for such funds. These funds are externally restricted.

The Project Fund was originally setup by the Board of Directors for the replacement of the roof at Goward House. The roof was replaced during fiscal 2022 by the District of Saanich at no cost to the Society. This fund is targeted for energy efficiency retrofits and improvements to its premises. In addition, restricted contributions collected through the President's Appeal and unrestricted receipted donations are reported in this fund.

Revenue recognition

Goward House Society 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.

Revenues designated for a specific purpose or project, such as rental deposits and course fees paid in advance, are deferred and recognized in the year in which the related expenditures are incurred. Membership dues are recognized in the fiscal period received. Gifts and donations of other materials and services are recorded only where fair value can be reasonably estimated.

Net investment income that is not externally restricted is recognized in the statement of operations.

GOWARD HOUSE SOCIETY
Notes to Financial Statements
Year Ended December 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash and cash equivalents includes cash on-hand and on deposit that are highly liquid.

Capital assets

The average annual revenues recognized in the statement of operations for the current and preceding period of the Society was less than \$500,000. Since the Society met the criteria for small not-for-profit organizations, it does not record the acquisition of tangible and intangible capital assets, instead, assets such as furniture and equipment are expensed at the date of acquisition.

The Society's capital assets consist mainly of furniture, fixtures and equipment. Expenditures for the purchase of capital items of \$25,547 (2024 = \$4,990) were expensed in the current year.

Contributed services

The Society operates with the assistance of volunteers. The fair value of donated time and services cannot be reasonably determined and are therefore not reflected in these financial statements.

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. INVESTMENT IN MARKETABLE SECURITY

The Society received a donation of 20 Bank of Nova Scotia common shares in 2007, at an adjusted cost base of \$1,028. The shares are reported on the financial statements at fair market value at year end in accordance with reporting requirements for equity instruments that are quoted in an active market.

Goward House Society is in the process of selling these shares with the intention of depositing the amount received into the Goward House endowment fund with the Victoria Foundation. The Victoria Foundation is acting as the Society's broker.

4. DEFERRED REVENUE AND CONTRIBUTIONS

Deferred operating fund revenue consists of rental deposits and course fees paid in advance.

Deferred project fund contributions consist of the President's Appeal unspent externally restricted donations at year end.

GOWARD HOUSE SOCIETY
Notes to Financial Statements
Year Ended December 31, 2025

5. PREMISES AND ECONOMIC DEPENDENCE

The property known as Goward House is owned by the District of Saanich (a Municipality under the Community Charter).

The Society has a facility use agreement with the Municipality of Saanich, which was renewed on July 1, 2022 for five years. Upon expiration of the agreement, the parties may agree to a further renewal for a term to be determined by the parties. Not later than 6 months prior to the expiration of the term, the Society may request in writing to be granted a renewal term of five years.

The agreement allows the Society use of the premises on behalf of the Municipality to operate and manage the premises for the use of the community, primarily seniors.

The Society may rent the premises to any other person(s) or organizations. Rental fees are to be consistent with those charged for similar spaces in other Saanich Community Recreation premises.

It is understood and agreed that the Society shall be an occupier of the premises for the purposes of the Occupiers Liability Act.

The Municipality is responsible for the costs of hydro, gas, water and sewer utility billings for the premises. In addition, a listing of building maintenance items are included in the agreement as the responsibility of the Municipality.

The Society is economically dependent on the continued use of the facility and annual and special grants received from the Municipality. During the fiscal year, the Society received \$20,000 per the contribution agreement with Saanich and an additional "boost" of \$7,500 (2024 = \$10,000).

6. FINANCIAL INSTRUMENTS

Financial instruments are comprised of financial assets, financial liabilities and equity instruments.

The Society's financial instruments consist of cash, securities, accounts payable and accrued liabilities. 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.

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. As at December 31, 2025, it is management's opinion that the Society's financial instruments are not exposed to significant credit, liquidity, market, currency or interest rate risks. There were no changes in risk exposure from the previous period.

7. REPORTING ON REMUNERATION OF DIRECTORS, EMPLOYEES AND CONTRACTORS

For the fiscal year ending December 31, 2025, the Society had no employees or contractors whose salaries or payments were greater than \$75,000.

In accordance with the bylaws of the Society, no remuneration was paid to any Directors during the year.

GOWARD HOUSE SOCIETY
Notes to Financial Statements
Year Ended December 31, 2025

8. VICTORIA FOUNDATION FUND

In fiscal 2023 Goward House Society donated \$7,500 to the Victoria Foundation to establish the Goward House Fund. The Victoria Foundation matched the donation in a matching grant program. For fiscal 2024 and 2025, the Society again qualified for matching grants that allowed the Society to donate \$2,500 each year into the Fund. In addition, an additional \$200 was contributed by a private donor during fiscal 2025.

The Victoria Foundation is bound to hold the funds in trust, in perpetuity. The Society is the beneficiary of the Fund and is entitled to an annual distribution of income from this Fund.

Since the Society only receives income and does not own the accumulated funds it is not shown on these financial statements. At December 31, 2025 the fund balance was \$29,967 (2024 = \$23,576) and the amount available for grant was \$1,007 (2024 = \$903).

The Victoria Foundation pays the interest income earned to the Society on an annual basis, less an administration charge. These monies are recorded in the general fund as there are no restrictions on their use. The amount of revenue received during fiscal 2025 was \$903 (2024 = \$775).

9. AMOUNTS HELD IN TRUST

The amounts held are comprised of monies held in trust for Goward House Choir. In 2018 the Society was asked to manage their monies. A quarterly printout of their account balance is reviewed and approved by the Choir Director and Treasurer. The balance at December 31, 2025 was \$3,480 (2024 = \$3,261).

Amounts held in trust have not been included in the financial statements of the Society as the liability is matched by an equal amount of funds on deposit.