

**East Wellington Community  
Services Inc.  
Financial Statements  
For the Year Ended March 31, 2025**

**East Wellington Community Services Inc.**  
**Financial Statements**  
**For the Year Ended March 31, 2025**

---

**Contents**

<b>Independent Auditor's Report</b>	1 - 2
<b>Financial Statements</b>	
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Operations	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 11
Schedule of Revenue	12



Tel: (519) 824-5410  
Fax: (519) 824-5497  
Toll-free: (877) 236-4835  
www.bdo.ca

BDO Canada LLP  
245 Hanlon Creek Blvd.  
Suite 301  
Guelph, ON  
N1C 0A1 Canada

---

## Independent Auditor's Report

---

**To the Board of Directors of East Wellington Community Services Inc.**

### **Qualified Opinion**

We have audited the financial statements of East Wellington Community Services Inc. (the Organization), which comprise the balance sheet as at March 31, 2025, 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 paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2025, and its results of 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 Organization derives revenue from donations, memberships and 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 Organization. Therefore, we were unable to determine whether any adjustments might be necessary to revenues, excess of revenue over expenses, and cash flows from operations as at March 31, 2025 and 2024, and net assets as at April 1 and March 31 for both the 2025 and 2024 years.

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.

### **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.



### **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.

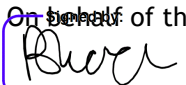
*BDO Canada LLP*

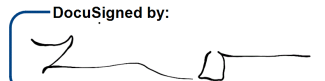
Chartered Professional Accountants, Licensed Public Accountants

Guelph, Ontario  
June 25, 2025

## East Wellington Community Services Inc. Statement of Financial Position

March 31	2025	2024
<b>Assets</b>		
<b>Current</b>		
Cash (Note 2)	\$ 35,802	\$ 126,277
Short-term investments (Note 3)	375,000	426,587
Accounts receivable	54,235	110,274
Prepaid expenses	28,561	35,485
	493,598	698,623
<b>Capital assets (Note 4)</b>	392,527	249,528
<b>Intangible asset (Note 5)</b>	37,123	35,548
	\$ 923,248	\$ 983,699
<b>Liabilities and Net Assets</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 139,236	\$ 177,568
Deferred revenue	29,216	221,969
	168,452	399,537
<b>Deferred contributions related to capital assets</b>	282,318	117,578
	450,770	517,115
<b>Net Assets</b>		
Net assets invested in capital assets	110,209	131,950
Unrestricted net assets	362,269	334,634
	472,478	466,584
	\$ 923,248	\$ 983,699

On behalf of the Board:  
  
 \_\_\_\_\_ Director  
71E03E27135E4F9...

DocuSigned by:  
  
 \_\_\_\_\_ Director  
DA3B71E86BE8446...

**East Wellington Community Services Inc.  
Statement of Changes in Net Assets**

<b>For the year ended March 31</b>	<b>Investment in Capital Assets</b>	<b>Unrestricted</b>	<b>2025</b>	<b>2024</b>
<b>Balance, beginning of the year</b>	<b>\$ 131,950</b>	<b>\$ 334,634</b>	<b>\$ 466,584</b>	<b>\$ 430,839</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>(20,220)</b>	<b>26,114</b>	<b>5,894</b>	<b>35,745</b>
<b>Investment in capital assets</b>	<b>(1,521)</b>	<b>1,521</b>	<b>-</b>	<b>-</b>
<b>Balance, end of the year</b>	<b>\$ 110,209</b>	<b>\$ 362,269</b>	<b>\$ 472,478</b>	<b>\$ 466,584</b>

The accompanying notes are an integral part of these financial statements.

## East Wellington Community Services Inc. Statement of Operations

For the year ended March 31	2025	2024
<b>Revenue (page 12)</b>	<b>\$ 1,374,424</b>	<b>\$ 1,348,807</b>
<b>Expenses</b>		
Advertising	1,095	1,382
Amortization	54,703	35,639
Bank charges	10,071	8,163
Fundraising costs	22,210	20,861
Insurance	25,843	31,483
Memberships	5,872	4,207
Occupancy costs	97,588	86,260
Office supplies, printing and stationery	29,244	20,065
Professional and consulting fees	25,529	22,422
Program supplies and associated costs	81,177	52,649
Property taxes	4,812	4,632
Salaries and employment benefits	952,723	973,534
Staff training and workshops	2,139	1,115
Telephone and communications	15,477	18,418
Transportation	51,169	43,826
	<b>1,379,652</b>	<b>1,324,656</b>
<b>(Deficiency) excess of revenues over expenses from operations</b>	<b>(5,228)</b>	<b>24,151</b>
<b>Other revenue</b>		
Investment income	8,122	11,094
Gain on disposal of capital assets	3,000	500
	<b>11,122</b>	<b>11,594</b>
<b>Excess of revenue over expenses</b>	<b>\$ 5,894</b>	<b>\$ 35,745</b>

The accompanying notes are an integral part of these financial statements.

## East Wellington Community Services Inc. Statement of Cash Flows

For the year ended March 31	2025	2024
<b>Cash flows from operating activities</b>		
Excess of revenue over expenses	\$ 5,894	\$ 35,745
Items not affecting cash:		
Amortization of capital assets	54,703	35,639
Gain on disposal of capital assets	(3,000)	(500)
	<u>57,597</u>	<u>70,884</u>
Changes in non-cash working capital:		
Accounts receivable	56,039	(43,998)
Prepaid expenses	6,924	31,436
Accounts payable and accrued liabilities	(38,332)	21,501
Deferred revenue	(192,753)	26,392
Deferred contributions related to capital assets	164,740	119
	<u>54,215</u>	<u>106,334</u>
<b>Cash flows from investing activities</b>		
Purchase of capital assets	(193,577)	(23,061)
Purchase of intangible asset	(5,700)	(35,548)
Proceeds on disposal of investments	426,587	225,435
Purchase of investments	(375,000)	(125,000)
Proceeds on disposal of capital assets	3,000	500
	<u>(144,690)</u>	<u>42,326</u>
<b>Cash flows from financing activities</b>		
Repayment of Canada Emergency Business Account Loan	-	(26,000)
<b>Net (decrease) increase in cash</b>	<b>(90,475)</b>	<b>122,660</b>
<b>Cash, beginning of the year</b>	<b>126,277</b>	<b>3,617</b>
<b>Cash, end of the year</b>	<b>\$ 35,802</b>	<b>\$ 126,277</b>

The accompanying notes are an integral part of these financial statements.



---

## East Wellington Community Services Inc. Notes to Financial Statements

**March 31, 2025**

---

### 1. Significant Accounting Policies

**Nature of Operations** East Wellington Community Services Inc. (the "Organization") is a registered charity incorporated without share capital under the provisions of the Ontario Business Corporations Act, and accordingly, is not subject to income taxes. Its objective is to provide services to the citizens of the East Wellington area.

**Basis of Accounting** The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

**Capital Assets** Capital assets are recorded at cost. The building purchase was recorded at cost. Initial construction costs were capitalized, less any direct subsidies or grants, as part of the building cost. Furniture and fixtures, computer equipment and vehicles greater than \$1,000 are capitalized. In the year of acquisition, assets (with the exception of vehicles) are amortized at one-half the normal rate. Amortization is provided using the following methods and annual rates:

	Method	Rate
Building	Straight-line	40 years
Computer equipment	Declining balance	30%
Furniture and fixtures	Declining balance	20%
Signs	Declining balance	20%
Vehicles	Straight-line	10 years

**Intangible Asset** Intangible asset consists of website development costs.

The website is initially recorded at cost. The website will have a finite useful life and as such will be amortized on a straight-line basis over 10 years.

The website is tested for impairment when events or circumstances indicate that the carrying amount may not be recoverable. The impairment test entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write down to fair value is required.

**Revenue Recognition** The Organization uses the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Restricted revenues where expenses have not been incurred are recorded as deferred contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount can reasonably be estimated and collection is reasonably assured.

---

## East Wellington Community Services Inc. Notes to Financial Statements

**March 31, 2025**

---

### 1. Significant Accounting Policies (continued)

<b>Grants</b>	The Organization receives grants to assist in providing financial support for eligible programs. These grants are reflected as deferred revenue until the terms of the grant are met. At that time, the grants are recorded as revenue in the statement of operations.
<b>Contributed Services</b>	Volunteers contribute many hours per year to assist the Organization in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.
<b>Contributed Materials</b>	Due to the difficulty in determining the fair value of materials contributed to the Organization they are not recognized in the financial statements.
<b>Use of Estimates</b>	The preparation of financial statements in accordance 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management has estimated accrued liabilities and the useful life of capital assets. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.
<b>Financial Instruments</b>	<p>Financial instruments are recorded at fair value at initial recognition.</p> <p>In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.</p> <p>Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.</p>

---

## East Wellington Community Services Inc. Notes to Financial Statements

**March 31, 2025**

---

### 2. Cash

The Organization's bank accounts are held with one chartered bank.

The Organization has access to a \$75,000 line of credit facility, bearing interest at RBC Prime Rate + 4.43% per annum. As at year-end, the Organization has drawn \$NIL (2024 - \$NIL) on this facility.

---

### 3. Investments

Investments are comprised of various guaranteed investment certificates. The guaranteed investment certificates earn interest at fixed rates from 3.35% to 5.05% (2024 - 2.25% to 3.25%) and have maturity dates of May 2025 to May 2027 (2024 - June 2024 to January 2025).

---

### 4. Capital Assets

	2025		2024	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Building	\$ 256,185	\$ 143,385	\$ 256,185	\$ 136,980
Computer equipment	151,138	131,875	151,138	122,579
Furniture and fixtures	142,862	117,683	137,807	112,652
Signs	25,734	22,308	25,734	21,451
Vehicles	367,167	135,308	259,653	187,327
	<b>943,086</b>	<b>550,559</b>	<b>830,517</b>	<b>580,989</b>
		<b>\$ 392,527</b>		<b>\$ 249,528</b>

---

---

## East Wellington Community Services Inc. Notes to Financial Statements

**March 31, 2025**

---

### 5. Intangible Asset

During the year, the Organization incurred \$5,700 in website development costs.

	2025		2024	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Website	41,248	4,125	35,548	-
	\$ 37,123		\$ 35,548	

---

### 6. Capital Disclosure

The Organization's objective when managing its capital is to safeguard the Organization's ability to continue as a going concern so that it can continue to provide ongoing development and co-ordination of a community social service system.

The Organization manages the capital structure and makes adjustments to it in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Organization may obtain financing or increase or decrease funding to various agencies.

The Organization does not have any externally imposed capital requirements, and has not made any changes with respect to its overall capital management strategy during the year ended March 31, 2025.

---

### 7. The Grove Youth Wellness Hub Site Operator

The Grove Hubs is a project of the Canadian Mental Health Association Waterloo Wellington (CMHAWW). The Organization is a site operator of the hub located in the Main Place Youth Centre. The Organization incurs expenses on behalf of CMHAWW to operate the hub and is then reimbursed by CMHAWW. Reimbursements from CMHAWW during the year for expenditures incurred by the Organization to operate the hub were \$523,963 (2024 - \$404,690). These expenditures are reported on a net basis and as such are not included in the Organization's statement of operations.

---

---

## East Wellington Community Services Inc. Notes to Financial Statements

**March 31, 2025**

---

### **8. 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 Organization is exposed to normal credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations. The Organization's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable. This risk has not changed from the previous year.

#### **Liquidity risk**

Liquidity risk is the risk that the Organization will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and commitments. This risk has not changed from the previous year.

#### **Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate based on changes in market interest rates. The Organization is exposed to interest rate risk in relation to interest expense on its line of credit facility since the credit facility bears interest at a floating interest rate. This risk has not changed from the previous year as the Organization still has not accessed the line of credit facility as at March 31, 2024.

---

---

## East Wellington Community Services Inc. Schedule of Revenue

For the year ended March 31	2025	2024
Canadian Mental Health Association Waterloo Wellington	\$ 160,216	\$ 68,370
Deferred capital asset revenue	30,360	21,380
Fundraising, events and general donations	395,539	423,017
HRSDC - Summer Student Program	13,851	8,035
Main Place Optimist	-	147,871
Memberships	100	100
Ontario Ministry of Health	386,563	370,717
Other grants	108,012	37,914
Rent subsidy program	28,900	16,800
Rental revenue	3,189	4,789
Retail sales	63,832	70,456
Seniors' program income	46,312	46,628
Township of Guelph Eramosa	20,000	17,000
United Way Community Services of Guelph & Wellington	67,500	67,500
Wellington County	50,050	48,230
	\$ 1,374,424	\$ 1,348,807

---