

**Glen Cairn Community Resource Centre**

Financial Statements

Year ended March 31, 2025



## Independent Auditor's Report

To the Board of Directors of Glen Cairn Community Resource Centre

### Qualified Opinion

We have audited the financial statements of Glen Cairn Community Resource Centre ("the Centre"), which comprise the Statement of Financial Position as at March 31, 2025, and the Statements of Operations 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 Centre as at March 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 Centre derives revenue from donations 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 Centre. Therefore, we were not able to determine whether any adjustments might be necessary to fund development revenue, net revenue, and cash flows from operations for the years ended March 31, 2025, and 2024, current assets and net assets for the years then ended. Our audit opinion on the financial statements was modified accordingly because of the possible effects of this limitation in 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 Centre 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 qualified 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 Centre'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 Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre'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 Centre's preparation and fair presentation of the financial statements 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 Centre'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 Centre'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 Centre 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 achieve 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.



London, Ontario  
August 5, 2025

**Chartered Professional Accountants**  
**Licensed Public Accountants**

# Glen Cairn Community Resource Centre

Statement of Financial Position as at March 31, 2025

	2025	2024
<b>Assets</b>		
Current		
Cash and cash equivalents	\$ 241,694	\$ 255,669
Government remittances receivable - HST	26,985	12,165
Accounts receivable	48,893	34,573
Prepaid expenses	2,054	3,352
	<u>319,626</u>	<u>305,759</u>
Capital assets (Note 2)	1,422,037	1,473,488
	<u>\$ 1,741,663</u>	<u>\$ 1,779,247</u>
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	\$ 49,509	\$ 45,434
Government remittances payable	8,823	7,793
Deferred contributions (Note 3)	106,477	99,605
Repayable to MCCSS	17,630	17,630
Long-term debt due within one year (Note 6)	22,457	20,702
	<u>204,896</u>	<u>191,164</u>
Deferred contributions related to capital assets (Note 4)	677,877	709,877
Long-term debt (Note 6)	146,674	169,523
	<u>1,029,447</u>	<u>1,070,564</u>
<b>Net Assets</b>		
Unrestricted	<u>712,216</u>	<u>708,683</u>
	<u>\$ 1,741,663</u>	<u>\$ 1,779,247</u>

Approved by the Directors:

  
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Director

  
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Director

## Glen Cairn Community Resource Centre

### Statement of Operations and Changes in Net Assets

Year ended March 31, 2025

	2025	2024
Revenue		
Fund development	\$ 302,669	\$ 182,466
Collaborative projects	122,086	104,403
MCCSS/MCYS	120,308	117,758
City of London	119,628	77,332
Canada Summer Jobs	72,210	76,468
United Way	60,000	85,004
Rental	45,466	34,851
Contributions related to capital assets (Note 4)	32,000	34,273
OESP, admin and other	20,421	13,121
Interest	6,100	6,933
	<u>900,888</u>	<u>732,609</u>
Expenses		
Salaries and benefits	567,824	479,489
Program	149,788	98,908
Building occupancy	68,652	54,942
Amortization	51,451	53,832
Administrative costs	33,614	34,929
Interest on long-term debt	14,423	17,793
Information technology	11,603	7,879
Bad debts	-	1,081
	<u>897,355</u>	<u>748,853</u>
Net revenue (expense)	3,533	(16,244)
Net assets, beginning of year	<u>708,683</u>	<u>724,927</u>
Net assets, end of year	\$ 712,216	\$ 708,683

## Glen Cairn Community Resource Centre

Statement of Cash Flows  
Year ended March 31, 2025

	2025	2024
<b>Cash provided by (used in):</b>		
<b>Operating Activities</b>		
Net revenue (expense)	\$ 3,533	\$ (16,244)
Add (deduct) non-cash items:		
Amortization	51,451	53,832
Contributions related to capital assets	(32,000)	(34,273)
Change in non-cash working capital items related to operations (Note 8)	(15,865)	(13,979)
	7,119	(10,664)
<b>Financing Activities</b>		
Payments on long-term debt	(21,094)	(18,351)
Decrease in cash and cash equivalents	(13,975)	(29,015)
Cash and cash equivalents, beginning of year	255,669	284,684
Cash and cash equivalents, end of year	\$ 241,694	\$ 255,669

# Glen Cairn Community Resource Centre

Notes to Financial Statements

March 31, 2025

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## Purpose of the Organization

Glen Cairn Community Resource Centre ("the Centre") is dedicated to encouraging individuals, families and neighbourhoods to gather, grow and build a strong sense of community life. The Centre delivers responsive and innovative services to build a safe, healthy and vibrant community. The Centre cultivates the participation and leadership of all members of the community through partnerships and collaborations for the purpose of enhancing the quality of community life.

The Centre was incorporated by Letters Patent on September 16, 1987 pursuant to the laws of Ontario. The Centre is also registered charity under the Income Tax Act (Canada) as such is exempt from income taxes.

## 1. Accounting Policies

The accompanying financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are summarized below.

### Revenue Recognition

The Centre follows the deferral method of accounting for contributions. Restricted revenues that relate to expenses planned for a future period are deferred to that future period. Unrestricted contributions and fundraising revenue are recognized as received. Gifts in kind are recorded at their estimated value at the time of the gift. Rental revenue is recognized on a monthly basis, as earned. Interest earned on investments is recognized over the terms of the respective investments using the effective interest rate. All other revenue is recognized as received.

### Capital Assets

Capital assets are recorded at acquisition cost. Amortization is provided on the declining balance method over the estimated useful lives of the assets at the following annual rates:

Building	4 %
Equipment	20 %
Dental clinic	4 %
Kitchen	4 %

### Cash and Cash Equivalents

Cash as disclosed on the Statement of Financial Position consists of cash on hand, gift cards on hand, one guaranteed investment certificate (GIC) bearing interest at a rate of 4.90% (2024 - 5.05%) with a maturity date of May 24, 2025, and balances with banks.

### Financial Instruments

Measurement of financial instruments:

The Centre initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The Centre subsequently measures all its financial assets and financial liabilities at amortized cost, except the investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net revenue (expense).

# Glen Cairn Community Resource Centre

Notes to Financial Statements

March 31, 2025

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## 1. Accounting Policies (continued)

### Financial Instruments (continued)

Impairment:

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down and any subsequent reversal are recognized in net revenue (expense).

Transaction costs:

The Centre recognizes its transactions costs in net revenue (expense) in the period incurred.

### Contributed Services

Contributed services by volunteers are not recognized in these financial statements due to the difficulty in determining their fair market value.

### Impairment of Long-Lived Assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

### Use of Estimates

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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. Specific estimates include the allowance for doubtful accounts, repayable to the Ministry of Children, Community and Social Services, deferred contributions, useful lives of capital assets and amortization rates and methods. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in operations in the period in which they become known.

## 2. Capital Assets

	Cost	Accumulated Amortization	Net	
			2025	2024
Land	\$ 210,000	\$ -	\$ 210,000	\$ 210,000
Building	814,614	325,676	488,938	509,310
Equipment	30,437	25,880	4,557	5,696
Dental clinic	331,601	54,257	277,344	288,900
Kitchen	488,501	47,303	441,198	459,582
	<u>\$ 1,875,153</u>	<u>\$ 453,116</u>	<u>\$ 1,422,037</u>	<u>\$ 1,473,488</u>

# Glen Cairn Community Resource Centre

Notes to Financial Statements  
March 31, 2025

### 3. Deferred Contributions

Deferred contributions represent unspent resources for specific programs as follows:

	2025	2024
Forever Legacy	\$ 25,911	\$ 32,260
Zerin Development Corporation	19,841	1,770
Ontario Trillium Foundation	12,951	31,200
CIBC Miracle Day	10,000	-
Sifton Family Foundation Study Buddies	8,202	16,949
London Community Foundation Food for All	6,694	5,978
Child & Youth Network - Basic Needs	5,275	5,275
City of London Innovation	5,196	-
City of London Community, Programs, & Events	5,000	-
City of London Child & Youth Network	5,000	-
Canadian Tire Jumpstart	1,659	1,659
Seniors Program Funds	748	2,067
ATN	-	2,447
	<u>\$ 106,477</u>	<u>\$ 99,605</u>

### 4. Deferred Contributions Related to Capital Assets

The deferred contributions related to capital assets consists of unspent restricted contributions received that have been externally designated by the donors for a capital renovation. Once the renovation is complete, these contributions will be recognized into revenue over the same time period as the related capital asset is amortized. These funds have been internally segregated from general operating funds as restricted cash related to the ongoing construction projects. At year-end, both the dental clinic and kitchen renovations were complete. Deferred contributions can be broken down as follows:

	2025			2024
	Kitchen	Dental Clinic	Total	Total
Deferred contributions				
(2024 Kitchen - \$425,024, 2024 Dental Clinic - \$319,126)	\$ 403,516	\$ 306,361	\$ 709,877	\$ 744,150
Less: amounts amortized to revenue (2024 Kitchen - \$21,507, 2024 Dental Clinic - \$12,766)	(19,746)	(12,254)	(32,000)	(34,273)
	<u>\$ 383,770</u>	<u>\$ 294,107</u>	<u>\$ 677,877</u>	<u>\$ 709,877</u>

### 5. Bank Indebtedness

The Centre has a commercial operating line of credit authorized with Libro Credit Union to a maximum of \$25,000. It is a revolving demand facility at the interest rate of prime plus 1.0% 5.95% (2024 - 7.7%), secured by the building located at 244 Adelaide Street South, London. The balance outstanding at year-end was \$NIL (2024 - \$NIL).

# Glen Cairn Community Resource Centre

Notes to Financial Statements

March 31, 2025

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## 6. Long-term Debt

	2025	2024
Libro Credit Union mortgage, 8.15%, due January 31, 2027, repayable in blended semi-monthly payments of \$1,476	\$ 169,131	\$ 190,225
Less amounts due within one year included in current liabilities	22,457	20,702
	<u>\$ 146,674</u>	<u>\$ 169,523</u>

The mortgage is secured by land and building with a carrying value of \$698,938 (2024 - \$719,310). The aggregate amount of principal payments estimated to be required until maturity date are as follows:

2026	\$ 22,457
2027	146,674

## 7. Financial Instruments Risk Management

The Centre is exposed to various risks through its financial instruments. The following provides information about the Centre's risk exposure and concentration.

### Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the Centre by failing to discharge its obligation. The Centre is exposed to credit risk relating to its accounts receivables. An allowance for doubtful accounts, if required, is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Centre does not have any significant concentration of credit risk.

### 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 long-term debt and guaranteed investment certificate bear fixed interest rates. The Centre expects to renew its long-term debt and guaranteed investment certificate at market rates as they mature. Accordingly, the Centre's exposure to interest rate risk is dependent upon future market rates compared to rates currently contracted.

# Glen Cairn Community Resource Centre

Notes to Financial Statements

March 31, 2025

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## 7. Financial Instruments Risk Management (continued)

### Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Due to the Centre's increased cash position, their liquidity risk has been reduced in recent years. The Centre manages its liquidity risk by forecasting its cash needs on a regular basis and seeking additional information based on those forecasts.

### Other Risks

It is management's belief that the Centre is not exposed to significant currency or market risk.

There have been no significant changes in the nature, extent or concentration of the risk exposures from the prior year.

## 8. Statement of Cash Flows

The change in non-cash working capital balances related to operations referred to in the statement is determined as follows:

	2025	2024
(Increase) decrease in current assets:		
Accounts receivable	\$ (14,320)	\$ 3,848
Government remittances receivable - HST	(14,820)	17,216
Prepaid expenses	1,298	(2,082)
Increase (decrease) in current liabilities:		
Accounts payable and accrued liabilities	4,075	(16,291)
Repayable to Ministry of Children, Community		
Government remittances payable	1,030	(3,079)
Deferred contributions	6,872	(13,591)
Net change	<u>\$ (15,865)</u>	<u>\$ (13,979)</u>