

CHALMERS COMMUNITY SERVICES CENTRE

Financial Statements

Year Ended December 31, 2025

CHALMERS COMMUNITY SERVICES CENTRE

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Year Ended December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Members of Chalmers Community Services Centre

Qualified Opinion

We have audited the financial statements of Chalmers Community Services Centre (the Organization), which comprise the statement of financial position as at December 31, 2025, and the statements of changes in net assets, operations 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 Organization 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 Organization derives revenue from donation 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 not able to determine whether any adjustments might be necessary to donation revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2025, current assets and net assets as at December 31, 2025.

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 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.

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.

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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 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.

Guelph, Ontario
April 28, 2026



Omni LLP
Chartered Professional Accountants
Licensed Public Accountants

CHALMERS COMMUNITY SERVICES CENTRE

Statement of Financial Position

December 31, 2025

	General Fund	Restricted Fund	Contingency Fund	2025 Total	2024 Total
ASSETS					
CURRENT					
Cash	\$ 297,123	\$ -	\$ -	\$ 297,123	\$ 198,302
Restricted cash (Note 3)	-	-	-	-	10,488
Short term investments (Note 4)	64,590	79,017	-	143,607	92,858
Government remittances receivable	5,417	-	-	5,417	3,930
Interfund loan (Note 5)	-	7,611	75,000	82,611	75,000
Current portion of note receivable (Note 6)	-	20,000	-	20,000	50,200
Interest on note receivable (Note 6)	-	5,864	-	5,864	6,536
	<u>367,130</u>	<u>112,492</u>	<u>75,000</u>	<u>554,622</u>	<u>437,314</u>
NOTE RECEIVABLE (Note 6)	-	419,800	-	419,800	440,000
CAPITAL ASSETS (Note 7)	-	28,447	-	28,447	16,421
	<u>\$ 367,130</u>	<u>\$ 560,739</u>	<u>\$ 75,000</u>	<u>\$ 1,002,869</u>	<u>\$ 893,735</u>
LIABILITIES AND NET ASSETS					
CURRENT					
Accounts payable and accrued liabilities	\$ 15,643	\$ -	\$ -	\$ 15,643	\$ 15,131
Deferred revenue (Note 8)	12,845	5,772	-	18,617	14,129
Interfund loan (Note 5)	82,611	-	-	82,611	75,000
	<u>111,099</u>	<u>5,772</u>	<u>-</u>	<u>116,871</u>	<u>104,260</u>
NET ASSETS	<u>256,031</u>	<u>554,967</u>	<u>75,000</u>	<u>885,998</u>	<u>789,475</u>
	<u>\$ 367,130</u>	<u>\$ 560,739</u>	<u>\$ 75,000</u>	<u>\$ 1,002,869</u>	<u>\$ 893,735</u>

CHALMERS COMMUNITY SERVICES CENTRE

Statement of Changes in Net Assets

Year Ended December 31, 2025

	General Fund	Restricted Fund	Contingency Fund	2025 Total	2024 Total
NET ASSETS - BEGINNING OF YEAR	\$ 177,852	\$ 536,623	\$ 75,000	\$ 789,475	\$ 780,252
Excess of revenues over expenditures	90,328	6,195	-	96,523	9,223
Transfer (from) to fund <i>(Note 9)</i>	(12,149)	12,149	-	-	-
NET ASSETS - END OF YEAR	\$ 256,031	\$ 554,967	\$ 75,000	\$ 885,998	\$ 789,475

CHALMERS COMMUNITY SERVICES CENTRE

Statement of Operations

Year Ended December 31, 2025

	General Fund	Restricted Fund	Contingency Fund	2025 Total	2024 Total
REVENUES					
Donations <i>(Note 10) (Schedule 1)</i>	\$ 807,751	\$ 454	\$ -	\$ 808,205	\$ 529,529
Fundraising and sponsorships	110,928	-	-	110,928	116,459
Government grants <i>(Schedule 1)</i>	18,954	307	-	19,261	14,720
Interest income	4,769	10,557	-	15,326	14,668
	<hr/> 942,402	<hr/> 11,318	<hr/> -	<hr/> 953,720	<hr/> 675,376
EXPENDITURES					
Direct Program Costs <i>(Schedule 2)</i>	599,539	-	-	599,539	402,668
Wages and benefits	136,429	-	-	136,429	146,299
Occupancy costs	52,434	-	-	52,434	51,510
Professional fees	29,067	-	-	29,067	26,917
Office and administration	16,522	-	-	16,522	11,231
Fundraising expenses	9,399	-	-	9,399	15,180
Depreciation	-	5,123	-	5,123	3,182
Telephone	4,600	-	-	4,600	5,462
Insurance	4,084	-	-	4,084	3,704
	<hr/> 852,074	<hr/> 5,123	<hr/> -	<hr/> 857,197	<hr/> 666,153
EXCESS OF REVENUES OVER EXPENDITURES	<hr/> \$ 90,328	<hr/> \$ 6,195	<hr/> \$ -	<hr/> \$ 96,523	<hr/> \$ 9,223

CHALMERS COMMUNITY SERVICES CENTRE**Statement of Cash Flows
Year Ended December 31, 2025**

	2025	2024
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 96,523	\$ 9,223
Item not affecting cash:		
Depreciation of capital assets	5,123	3,182
	<u>101,646</u>	<u>12,405</u>
Changes in non-cash working capital:		
Government remittances receivable	(1,487)	5,742
Accounts payable and accrued liabilities	514	5,729
Deferred revenue	4,490	(16,106)
	<u>3,517</u>	<u>(4,635)</u>
Cash flow from operating activities	<u>105,163</u>	<u>7,770</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(17,149)	(7,389)
Net proceeds from notes receivable	51,072	20,064
Purchase of guaranteed investments certificates	(50,752)	(32,858)
Cash flow used by investing activities	<u>(16,829)</u>	<u>(20,183)</u>
INCREASE (DECREASE) IN CASH FLOW	88,334	(12,413)
Cash - beginning of year	<u>208,790</u>	<u>221,203</u>
CASH - END OF YEAR	\$ 297,124	\$ 208,790

CHALMERS COMMUNITY SERVICES CENTRE

Notes to Financial Statements

Year Ended December 31, 2025

1. PURPOSE OF THE ORGANIZATION

The Organization was incorporated on March 31, 2006 without share capital under the provisions of the Ontario Business Corporations Act. It is a registered charity and is exempt from income tax. Its primary activity is providing food, clothing, and other support services to vulnerable members of the Guelph Community.

2. SUMMARY OF ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) and are in accordance with Canadian generally accepted accounting principles.

Fund accounting

The Organization follows the restricted fund method of accounting for contributions.

The General Fund reflects the transactions associated with the operating and fundraising activities related to the Organization.

The Restricted Fund reflects the transactions associated with acquisitions and improvements of equipment and real property, net of amortization, and other specific projects.

The Contingency Fund is an internally restricted fund which reports funds held in reserve to address unforeseen financial circumstances.

Revenue recognition

Revenue, other than grants, is recorded when the use of cash or other assets is available to the organization.

The Organization defers the recognition of revenues from grants received until the related expenditures have been incurred unless a specific restricted fund exists for the funding. Grants received for capital purchases are deferred and recognized as revenue as the corresponding asset is depreciated.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and highly liquid short-term deposits with an original maturity date from date of purchase of less than three months.

Capital assets

Capital assets are recorded at cost. Depreciation is calculated using the diminishing balance method at the following annual rates, except in the year of acquisition and disposal, when one-half of the annual rate is used:

Equipment	20% declining balance method
Leasehold improvements	5 years straight-line method

Investments

Investments are valued at fair value.

Leases

Leases are classified as either capital or operating leases. Leases that transfer substantially all of the benefits and inherent risks of ownership of property to the entity are accounted for as capital leases. At the time the Organization enters into a capital lease, an asset is recorded with its related long-term obligation to reflect the acquisition and financing. Equipment recorded under capital leases is depreciated on the same basis as described above. Rental payments under operating leases are expensed as incurred.

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CHALMERS COMMUNITY SERVICES CENTRE

Notes to Financial Statements

Year Ended December 31, 2025

2. SUMMARY OF 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 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. The assets and liabilities which require management to make significant estimates and assumptions in determining carrying values include capital assets, and accounts payable and accrued liabilities.

Contributed material and services

Volunteers contribute a significant amount of time per year to assist the Organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements. The Organization receives donations of goods from the community. These are recognized in the financial statements to the extent that fair value is determinable.

Financial instruments

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. Changes in fair value are recognized in net income. All other financial instruments are reported at amortized cost. Financial liabilities measured at amortized cost include the accounts payable and accrued liabilities. Financial assets measured at amortized cost include cash and accounts receivable, note receivable and long-term investments which are not quoted in an active market.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the 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.

For financial instruments subsequently measured at fair value, the Organization recognizes transaction costs directly attributable to their origination, issuance, or assumption in net income in the period incurred. When a financial instrument is measured at amortized cost, transaction costs are included in the initial measurement of the instrument.

3. RESTRICTED CASH

Restricted cash balance in prior year represents amounts held as security for the microfinancing program. During the year, the Board of the Organization decided to put microfinancing program on hold and close the the designated saving bank account, with Alterna Savings.

CHALMERS COMMUNITY SERVICES CENTRE

Notes to Financial Statements

Year Ended December 31, 2025

4. SHORT TERM INVESTMENTS

Short term investments includes Guaranteed Investments Certificates (GICs) as follows::

	<u>2025</u>	<u>2024</u>
General Fund - GICs, having interest rate of 2.75% per annum, maturing on December 14, 2025	\$ -	\$ 62,858
General Fund - GICs, having interest rate of 3.00% per annum, maturing on June 15, 2027	64,590	-
Restricted Fund - GICs, having interest rate of 3.35% per annum, maturing on May 16, 2026	31,425	30,000
General Fund - GICs, having interest rate of 3.00% per annum, maturing on December 02, 2028	47,592	-
	<u>\$ 143,607</u>	<u>\$ 92,858</u>

5. INTERFUND LOAN

The interfund loan is bears no interest and has no specific terms of repayment.

6. NOTE RECEIVABLE

The note is receivable from 42C Shared Space. At the year ended December 31 2025.

	<u>2025</u>	<u>2024</u>
42C Shared Space note receivable, bearing interest at fixed rate of 2% compounded annually starting April 1, 2022 until April 1, 2026 and 5% after, with annual minimum payments of lesser of \$100,000 and the amount permitted to be paid by 42C Shared Space by its first mortgage from time to time and no less than \$20,000.	\$ 439,800	\$ 490,200
Less: current portion	<u>(20,000)</u>	<u>(50,200)</u>
	<u>\$ 419,800</u>	<u>\$ 440,000</u>

Interest on note receivable consists of interest accrued during the year amounting to \$5,864 (2024 - \$6,536)

7. CAPITAL ASSETS

Capital assets consist of the following:

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Equipment	\$ 56,583	\$ 32,455	\$ 24,128	\$ 10,867
Leasehold improvements	6,171	1,851	4,319	5,554
	<u>\$ 62,754</u>	<u>\$ 34,306</u>	<u>\$ 28,447</u>	<u>\$ 16,421</u>

CHALMERS COMMUNITY SERVICES CENTRE

Notes to Financial Statements

Year Ended December 31, 2025

8. DEFERRED REVENUE

Deferred revenue of the General Fund consists of the following:

	<u>2025</u>	<u>2024</u>
Child vision program	\$ 3,044	\$ 3,539
Accounting software conversion	738	1,300
Deferred Grant Income-Xmas Bags	312	1,306
Designated donation for purchase of cheese	4,501	-
Microfinance	-	1,450
Deferred grant income	4,250	-
	<u>12,845</u>	<u>7,595</u>
Deferred Grant Income-LFIF	1,227	1,533
Deferred Grant Income-Dishwasher	4,545	5,001
	<u>5,772</u>	<u>6,534</u>
	<u>\$ 18,617</u>	<u>\$ 14,129</u>

Deferred revenue in the Restricted Fund consists of a grant for purchase of dishwasher and grant received from the Local Food Infrastructure Fund (LFIF) for the purchase of new equipment. Grant for depreciable capital assets purchased are being recognized as revenue on the same basis as depreciation. Other restricted contributions are recognized as revenue in the period in which the related expenses are incurred.

9. INTERFUND TRANSFERS

During the year, the General Fund transferred \$12,149, to the Restricted Fund to fund capital asset purchases, net of grants received for those assets.

10. IN-KIND DONATIONS

The Organization recognizes in-kind donations to the extent that fair value is determinable. The following contributed goods have been included in the determination of donation revenue:

	<u>2025</u>	<u>2024</u>
Food and grocery store gift cards	\$ 465,570	\$ 222,818
Other	6,588	1,483
Diapers	67	-
Christmas gift bag items	-	333
	<u>\$ 472,225</u>	<u>\$ 224,634</u>

CHALMERS COMMUNITY SERVICES CENTRE

Notes to Financial Statements

Year Ended December 31, 2025

11. COMMITMENTS

Lease for premises

The Organization is committed to a long-term lease for premises which expires on December 31, 2028. Minimum annual rentals (inclusive of the requirement to pay taxes, insurance, and maintenance costs) for the next three years are approximately as follows:

2026	\$	54,401
2027		54,872
2028		55,350
		<hr/>
	\$	<u>164,623</u>

Credit Card

A corporate credit card with a limit of \$15,000 is secured by assets in the amount of \$18,000. The security is held by Meridian Credit Union.

12. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

13. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of December 31, 2025. It is management's opinion that there has not been a significant change in risk exposures from the prior year.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk mainly in respect of its notes receivable.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Organization is not exposed to any of the market risks.

CHALMERS COMMUNITY SERVICES CENTRE

Donations and Grants

(Schedule 1)

Year Ended December 31, 2025

	General Fund	Restricted Fund	2025 Total	2024 Total
DONATIONS				
Donations by individuals	\$ 750,525	\$ -	\$ 750,525	\$ 470,978
United Way of Guelph	28,067	-	28,067	28,067
Cheese Campaign	9,118	-	9,118	-
Other foundations	10,020	-	10,020	9,433
Hope House - Community Services Recovery Fund	-	-	-	21,051
	<u>797,730</u>	<u>-</u>	<u>797,730</u>	<u>529,529</u>
GOVERNMENT GRANTS				
City of Guelph	18,954	-	18,954	14,339
Local Food Infrastructure Fund	-	307	307	381
	<u>18,954</u>	<u>307</u>	<u>19,261</u>	<u>14,720</u>
	<u>\$ 816,684</u>	<u>\$ 307</u>	<u>\$ 816,991</u>	<u>\$ 544,249</u>

CHALMERS COMMUNITY SERVICES CENTRE

Direct Program Costs

(Schedule 2)

Year Ended December 31, 2025

	2025	2024
DIRECT PROGRAM COSTS		
Food	\$ 589,123	\$ 385,943
Christmas gift bag items	4,673	3,781
Diaper program	4,202	5,124
Publicity	804	2,305
Child vision program	495	370
Supplies for food pantry	242	2,195
Other	-	2,654
Supplies for hospitality	-	296
	<u>\$ 599,539</u>	<u>\$ 402,668</u>