

SHELLDALE FAMILY GATEWAY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

SHELLDALE FAMILY GATEWAY
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YEAR ENDED MARCH 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of: Shelldale Family Gateway

Qualified Opinion

We have audited the accompanying financial statements of Shelldale Family Gateway, which comprise the statement of financial position as at March 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 paragraph, these financial statements present fairly, in all material respects, the financial position of Shelldale Family Gateway as at March 31, 2025 and the results of its operations and its cash flows for the then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives some of its revenues from cash sources, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenues, excess (deficiency) of revenues over expenditures and cash flows from operations for the years ended March 31, 2025 and 2024, current assets as at March 31, 2025 and 2024, and net assets as at April 1 and March 31 for both the 2025 and 2024 years. Our audit opinion on the financial statements for the year ended March 31, 2024 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 Shelldale Family Gateway 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 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 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 a 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 judgement 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 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
July 23, 2025

Chartered Professional Accountants
Licensed Public Accountants

SHELLDALE FAMILY GATEWAY
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2025

| | 2025 | 2024 |
|---|-------------------|-------------------|
| ASSETS | | |
| CURRENT | | |
| Cash | \$ 351,018 | \$ 413,998 |
| Accounts receivable | 11,148 | 1,267 |
| Government rebates receivable | 8,965 | 6,883 |
| Prepaid expenses | <u>5,142</u> | <u>4,518</u> |
| | <u>\$ 376,273</u> | <u>\$ 426,666</u> |
| LIABILITIES | | |
| CURRENT | | |
| Accounts payable and accrued liabilities | \$ 18,293 | \$ 43,272 |
| Government funding repayable | 69,605 | 69,605 |
| Government remittances payable | 12,345 | 12,522 |
| Deferred contributions (note 4) | <u>4,125</u> | <u>11,051</u> |
| | <u>104,368</u> | <u>136,450</u> |
| NET ASSETS | | |
| EARLYON FUND (externally restricted) | 15,860 | (11,170) |
| YOUTH AND COMMUNITY FUND (unrestricted) | 56,045 | 101,386 |
| CONTINGENCY FUND (internally restricted) | <u>200,000</u> | <u>200,000</u> |
| | <u>271,905</u> | <u>290,216</u> |
| | <u>\$ 376,273</u> | <u>\$ 426,666</u> |

SHELLDALE FAMILY GATEWAY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2025

| | EarlyOn (externally restricted) | Youth and Community (unrestricted) | Contingency Fund (internally restricted) | 2025 | 2024 |
|--|--|--|---|-------------------|-------------------|
| NET ASSETS, beginning of year | \$ (11,170) | \$ 101,386 | \$ 200,000 | \$ 290,216 | \$ 333,004 |
| Excess (deficiency) of revenues over expenditures for the year | 27,030 | (45,341) | 0 | (18,311) | (52,136) |
| Program deficit to be recovered from funder | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>9,348</u> |
| NET ASSETS, end of year | <u>\$ 15,860</u> | <u>\$ 56,045</u> | <u>\$ 200,000</u> | <u>\$ 271,905</u> | <u>\$ 290,216</u> |

SHELLDALE FAMILY GATEWAY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2025

| | EarlyOn | Youth and Community | 2025 | 2024 |
|---|------------------|------------------------|--------------------|--------------------|
| REVENUES | | | | |
| County of Wellington subsidy | \$ 582,048 | \$ 0 | \$ 582,048 | \$ 553,100 |
| Grants (note 6) | 0 | 205,712 | 205,712 | 251,905 |
| Donations and fundraising | 0 | 114,230 | 114,230 | 107,843 |
| Registration fees | 0 | 21,024 | 21,024 | 14,605 |
| Interest income | 0 | 19,221 | 19,221 | 24,001 |
| | <u>582,048</u> | <u>360,187</u> | <u>942,235</u> | <u>951,454</u> |
| EXPENDITURES | | | | |
| Salaries | 412,409 | 325,041 | 737,450 | 767,199 |
| Rent/lease accommodation | 71,744 | 12,424 | 84,168 | 111,570 |
| Professional services | 13,536 | 15,407 | 28,943 | 28,183 |
| Supplies and equipment | 14,927 | 7,151 | 22,078 | 8,065 |
| Program nutrition and other | 1,429 | 18,345 | 19,774 | 17,028 |
| Insurance | 18,443 | 0 | 18,443 | 17,434 |
| Purchased client services | 5,663 | 11,248 | 16,911 | 19,554 |
| Travel | 313 | 14,747 | 15,060 | 13,808 |
| Repairs and maintenance | 10,795 | 870 | 11,665 | 9,059 |
| Utilities | 5,759 | 0 | 5,759 | 11,138 |
| Advertising | 0 | 295 | 295 | 552 |
| | <u>555,018</u> | <u>405,528</u> | <u>960,546</u> | <u>1,003,590</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES for the year | <u>\$ 27,030</u> | <u>\$ (45,341)</u> | <u>\$ (18,311)</u> | <u>\$ (52,136)</u> |

SHELLDALE FAMILY GATEWAY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2025

| | 2025 | 2024 |
|--|-------------------|-------------------|
| CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | | |
| Deficiency of revenues over expenditures for the year | \$ (18,311) | \$ (52,136) |
| Items not requiring an outlay of cash | | |
| Program surplus to be repaid to funder | <u>0</u> | <u>9,348</u> |
| | (18,311) | (42,788) |
| Changes in non-cash working capital | | |
| Accounts receivable | (9,881) | 22,126 |
| Government rebates receivable | (2,082) | 778 |
| Prepaid expenses | (624) | (637) |
| Accounts payable and accrued liabilities | (24,979) | (4,456) |
| Government funding repayable | 0 | (26,948) |
| Government remittances payable | (177) | (1,365) |
| Deferred contributions | <u>(6,926)</u> | <u>5,051</u> |
| NET DECREASE IN CASH | (62,980) | (48,239) |
| NET CASH, BEGINNING OF YEAR | <u>413,998</u> | <u>462,237</u> |
| NET CASH, END OF YEAR | <u>\$ 351,018</u> | <u>\$ 413,998</u> |

SHELLDALE FAMILY GATEWAY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

1. NATURE OF OPERATIONS

Shelldale Family Gateway is a not-for-profit organization incorporated under the laws of Ontario without share capital and is a registered charity under the Income Tax Act. Shelldale Family Gateway is exempt from income tax. Its purpose is to provide diverse programming which directly supports the children, youth and their families in the community.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) FUND ACCOUNTING

Youth and Community Fund

The Youth and Community Fund reports funds raised through donations and grants for the purpose of providing programs not funded by the County of Wellington. These funds may be transferred to the EarlyOn Fund by the organization to offset the costs of EarlyOn programs. Programs delivered during the year included:

Breakfast Club: A program that provides children the nutritious breakfast that is a building block for a healthy and productive day at school.

School Year: A range of social-recreational after school programs that focus on leadership development, social skills, and enrichment opportunities for school aged children and youth, including a teen drop-in program.

Summer Camp: A six week summer program to introduce children to a camp atmosphere right in their own neighbourhood. Activities include crafts, sports, swimming and off-site trips.

EarlyOn Fund

The EarlyOn Fund reports revenues that were raised through County of Wellington subsidies. These funds are used to fund EarlyOn programs for the year. This fund is externally restricted.

Contingency fund

The contingency fund protects the organization and the community that it serves from unexpected financial shortfalls. It will be used on an emergency basis when warranted. Authority for a transfer of an amount to the Youth and Community Fund must be approved by the Board of Directors in advance. This fund is internally restricted.

(b) REVENUE RECOGNITION

The organization follows the deferral method of accounting for contributions, which include the County of Wellington subsidy, donations and grants. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest income is recognized as revenue when earned.

SHELLDALE FAMILY GATEWAY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant areas requiring management's estimates include accounts receivable. Actual results could differ from those estimates.

(d) FINANCIAL INSTRUMENTS

The organization initially measures its financial assets and liabilities at fair value.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Impairment

At the end of each reporting period, the organization assesses whether there are any indications that a financial asset measured at cost or amortized cost may be impaired. If there are indicators of impairment, and the organization determines there has been a significant adverse change in the expected amount or timing of future cash flows, an impairment is recognized. If circumstances change, a previously recognized impairment may be reversed.

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value are recognized in income in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in income over the life of the instrument using the straight-line method.

(e) CONTRIBUTED MATERIALS AND SERVICES

During the year, individuals contribute a significant amount of their time to the organization. Because of the difficulty in determining the fair value of contributed services, these are not recorded in the financial statements.

Contributed materials, used in the normal course of operations, are recognized in the financial statements when the fair value can be reasonably estimated and the materials would otherwise have been purchased.

(f) LEASES

Leases are classified as either capital or operating leases. A lease that transfers substantially all the benefits and risks incidental to the ownership of property is classified as a capital lease. All other leases are accounted for as operating leases wherein rental payments are amortized on a straight-line basis over the term of the lease to rental expense. At the inception of a capital lease, an asset and obligation is recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair value at the beginning of such lease.

SHELLDALE FAMILY GATEWAY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

3. FINANCIAL INSTRUMENTS

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from its financial instruments.

The extent of the organization's exposure to these risks did not change in 2025 compared to the previous period.

4. DEFERRED CONTRIBUTIONS

Deferred contributions, which consist of the unexpended resources restricted for the purposes of various programs, are as follows:

| | 2025 | 2024 |
|--------------------------------|------------------------|-------------------------|
| Balance, beginning of the year | \$ 11,051 | \$ 6,000 |
| Add: contributions received | 4,125 | 11,051 |
| Less: revenue recognized | <u>(11,051)</u> | <u>(6,000)</u> |
| Balance, end of year | <u><u>\$ 4,125</u></u> | <u><u>\$ 11,051</u></u> |

5. ECONOMIC DEPENDENCE

The organization is economically dependent on the County of Wellington as it receives 100% of its EarlyOn operational revenues from this source.

6. GRANT CONTRIBUTIONS

The organization received contributions from the following major sources during the year:

| | 2025 | 2024 |
|-----------------------------|--------------------------|--------------------------|
| Government of Canada | \$ 43,976 | \$ 52,284 |
| Canadian Tire Jumpstart | 36,429 | 23,750 |
| Municipal and County | 34,679 | 31,226 |
| United Way | 32,743 | 62,211 |
| Province of Ontario | 21,157 | 19,547 |
| J.P. Bickell Foundation | 20,000 | 0 |
| The Children's Foundation | 10,917 | 0 |
| Other | 5,811 | 7,000 |
| Charities | 0 | 27,587 |
| The Grove | 0 | 25,000 |
| Ontario Trillium Foundation | <u>0</u> | <u>3,300</u> |
| | <u><u>\$ 205,712</u></u> | <u><u>\$ 251,905</u></u> |

SHELLDALE FAMILY GATEWAY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

7. COMMITMENTS

The organization has an operating lease for office space. Future minimum lease payments are as follows:

| | |
|------|-------------------|
| 2026 | \$ 94,966 |
| 2027 | 95,847 |
| 2028 | 96,728 |
| 2029 | 97,609 |
| 2030 | <u>98,490</u> |
| | <u>\$ 483,640</u> |