

MEALS ON WHEELS LONDON
FINANCIAL STATEMENTS
MARCH 31, 2024



MEALS ON WHEELS LONDON
INDEX TO AUDITED FINANCIAL STATEMENTS
MARCH 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Directors of:
Meals on Wheels London

Qualified Opinion

We have audited the accompanying financial statements of Meals on Wheels London (the organization), which comprise the statement of financial position as at March 31, 2024, the statement of changes in accumulated net assets, statement of operations and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Meals on Wheels London as at March 31, 2024, and its financial performance and its cash flows for the year ended March 31, 2024 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 revenue from donations and fundraising activity, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of donation and fundraising revenues, in the fiscal year ending March 31, 2024 and the fiscal year ending March 31, 2023 was limited to the amounts recorded in the records of the organization. Accordingly, we are unable to determine whether any adjustments for unrecorded amounts might be necessary to revenues, excess of revenues over expenditures and net assets.

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 qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

A further description of the auditor's responsibilities for the audit of the financial statements is located on Davis Martindale LLP's website. This description forms part of our auditor's report.
https://www.davismartindale.com/auditors_report

London, Ontario
June 26, 2024

Davis Martindale LLP
Chartered Professional Accountants
Licensed Public Accountants



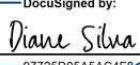
MEALS ON WHEELS LONDON
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

| | ASSETS | |
|--|---------------------|-------------------|
| | 2024 | 2023 |
| Current Assets | | |
| Cash - general fund | \$ 77,168 | \$ 17,957 |
| Cash - reserve fund | 320,357 | 4,243 |
| Investments - reserve fund (note 3) | 363,757 | 718,432 |
| Accounts receivable | 135,403 | 71,828 |
| HST rebate recoverable | 14,047 | 9,187 |
| Inventory | 2,778 | 775 |
| Prepaid expense | <u>12,298</u> | <u>12,025</u> |
| | 925,808 | 834,447 |
| Tangible Capital Assets (note 5) | 75,067 | 19,697 |
| Investments - reserve fund (note 3) | <u>100,000</u> | <u>-</u> |
| | <u>\$ 1,100,875</u> | <u>\$ 854,144</u> |

LIABILITIES AND NET ASSETS

| | | |
|--|---------------------|-------------------|
| Current Liabilities | | |
| Accounts payable and accrued liabilities | \$ 167,104 | \$ 154,645 |
| Government remittances payable | 2,381 | 2,091 |
| Repayable to Ontario Health (note 6) | 4,309 | - |
| Deferred revenue (note 7) | <u>109,187</u> | <u>17,327</u> |
| | 282,981 | 174,063 |
| Deferred Capital Contributions (note 8) | <u>72,772</u> | <u>20,245</u> |
| | 355,753 | 194,308 |
| Commitments (note 9) | | |
| Net Assets | | |
| Reserve fund | <u>745,122</u> | <u>659,836</u> |
| | <u>\$ 1,100,875</u> | <u>\$ 854,144</u> |

APPROVED ON BEHALF OF THE BOARD:

| | |
|---|----------|
| <small>DocuSigned by:</small>  <small>97725D05A5AC4F8...</small> | Director |
| <small>DocuSigned by:</small>  <small>BF75ED65B860482...</small> | Director |

*The attached Independent Auditor's Report and notes
form an integral part of these audited financial statements.*



MEALS ON WHEELS LONDON
STATEMENT OF CHANGES IN ACCUMULATED NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2024

| | 2024 | 2023 |
|--|-------------------|-------------------|
| <u>General Fund</u> | | |
| Balance, Beginning of Year | \$ - | \$ - |
| Interfund Transfers (note 11) | (4,447) | 138,104 |
| Excess (Deficiency) of Revenue over Expenditures | <u>4,447</u> | <u>(138,104)</u> |
| Balance, End of Year | <u>\$ -</u> | <u>\$ -</u> |
| <u>Reserve Fund</u> | | |
| Balance, Beginning of Year | \$ 659,836 | \$ 799,350 |
| Interfund Transfers (note 11) | 4,447 | (138,104) |
| Excess (Deficiency) of Revenue over Expenditures | <u>80,839</u> | <u>(1,410)</u> |
| Balance, End of Year | <u>\$ 745,122</u> | <u>\$ 659,836</u> |

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MEALS ON WHEELS LONDON
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2024

| | General Fund | Reserve Fund | 2024 | 2023 (note 13) |
|--|-------------------------|-------------------------|------------------|---------------------------|
| Revenue | | | | |
| Ontario Health Grant | \$ 473,683 | \$ - | \$ 473,683 | \$ 461,079 |
| Meal service - frozen | 381,379 | - | 381,379 | 299,861 |
| Meal service - standard | 374,146 | - | 374,146 | 356,692 |
| Other grant revenue | 178,895 | - | 178,895 | 98,120 |
| Fundraising initiatives | 79,494 | 50,000 | 129,494 | 76,231 |
| United Way Grant | 40,000 | - | 40,000 | 40,000 |
| Transportation service | 38,020 | - | 38,020 | 24,992 |
| Gas reimbursement donations | 19,889 | - | 19,889 | 12,986 |
| PSW management fee | - | 77,450 | 77,450 | 78,920 |
| Interest | - | 15,010 | 15,010 | 4,681 |
| Dividend income | - | 11,041 | 11,041 | 18,388 |
| | <u>1,585,506</u> | <u>153,501</u> | <u>1,739,007</u> | <u>1,471,950</u> |
| Expenditures | | | | |
| Bad debt | - | - | - | 5,658 |
| Compassionate program | 29,369 | - | 29,369 | - |
| Fundraising and marketing | 22,426 | - | 22,426 | 20,820 |
| Insurance | 12,131 | - | 12,131 | 11,441 |
| Meal subsidy programs | 125,994 | - | 125,994 | 101,315 |
| Meals (direct costs) | 751,613 | - | 751,613 | 645,729 |
| Meals provided to those in crisis | - | - | - | 16,300 |
| Memberships | 3,578 | - | 3,578 | 4,705 |
| Occupancy costs | 51,744 | 2,570 | 54,314 | 53,349 |
| Office | 38,020 | 1,830 | 39,850 | 39,672 |
| Professional fees | 7,505 | 7,308 | 14,813 | 17,403 |
| Salaries and benefits | 475,292 | 66,000 | 541,292 | 590,195 |
| Staff training | 2,536 | - | 2,536 | 3,980 |
| Technology | 20,097 | 4,050 | 24,147 | 40,122 |
| Travel | 113 | - | 113 | 37 |
| Van operations | 4,329 | - | 4,329 | 7,124 |
| Volunteer gas | 33,684 | - | 33,684 | 30,580 |
| Volunteer services | 7,228 | - | 7,228 | 4,035 |
| | <u>1,585,659</u> | <u>81,758</u> | <u>1,667,417</u> | <u>1,592,465</u> |
| Excess (Deficiency) of Revenue over Expenditures before Other Items | <u>\$ (153)</u> | <u>\$ 71,743</u> | <u>\$ 71,590</u> | <u>\$ (120,515)</u> |

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MEALS ON WHEELS LONDON
STATEMENT OF OPERATIONS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2024

| | General Fund | Reserve Fund | 2024 | 2023 (note 13) |
|--|-------------------------|-------------------------|------------------|---------------------------|
| Excess (Deficiency) of Revenue over Expenditures before Other Items | \$ (153) | \$ 71,743 | \$ 71,590 | \$ (120,515) |
| Other Revenues (Expenditures) | | | | |
| Amortization of deferred capital contributions | 15,240 | - | 15,240 | 12,774 |
| Amortization of tangible capital assets | (15,640) | - | (15,640) | (12,830) |
| Gain on sale of tangible capital assets | 5,000 | - | 5,000 | - |
| Unrealized gain (loss) on investments | - | 35,571 | 35,571 | (18,943) |
| Realized loss on investments | - | (26,475) | (26,475) | - |
| | <u>4,600</u> | <u>9,096</u> | <u>13,696</u> | <u>(18,999)</u> |
| Excess (Deficiency) of Revenue over Expenditures | <u>\$ 4,447</u> | <u>\$ 80,839</u> | <u>\$ 85,286</u> | <u>\$ (139,514)</u> |

The attached Independent Auditor's Report and notes form an integral part of these audited financial statements.



MEALS ON WHEELS LONDON
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2024

| | 2024 | 2023 |
|--|-------------------|------------------|
| Cash Flows from Operating Activities | | |
| Excess (deficit) of revenue over expenditures | \$ 85,286 | \$ (139,514) |
| Items not requiring an outlay of cash: | | |
| Amortization of tangible capital assets | 15,640 | 12,830 |
| Amortization of deferred capital contributions | (15,240) | (12,774) |
| Gain on sale of tangible capital assets | (5,000) | - |
| Unrealized (gain) loss on investments | <u>(35,571)</u> | <u>18,943</u> |
| | 45,115 | (120,515) |
| Changes in non-cash working capital: | | |
| Accounts receivable | (63,575) | 52,872 |
| HST rebate recoverable | (4,860) | 179 |
| Inventory | (2,003) | 2,835 |
| Prepaid expense | (273) | 28,217 |
| Accounts payable and accrued liabilities | 12,458 | 37,569 |
| Government remittances payable | 290 | (2,192) |
| Repayable to Ontario Health | 4,309 | (12,918) |
| Deferred revenue | <u>91,861</u> | <u>(7,304)</u> |
| | <u>38,207</u> | <u>99,258</u> |
| Net Cash Provided by (Used in) Operating Activities | 83,322 | (21,257) |
| Cash Flows from Financing Activities | | |
| Deferred capital contributions received | 67,767 | 12,705 |
| Cash Flows from Investing Activities | | |
| Additions to tangible capital assets | (71,010) | (12,213) |
| Proceeds on sale of tangible capital assets | 5,000 | - |
| Decrease (increase) in short-term investments | <u>290,246</u> | <u>(84,757)</u> |
| Net Cash Provided by (Used in) Investing Activities | <u>224,236</u> | <u>(96,970)</u> |
| Net Increase (Decrease) in Cash | 375,325 | (105,522) |
| Cash, Beginning of Year | <u>22,200</u> | <u>127,722</u> |
| Cash, End of Year | \$ <u>397,525</u> | \$ <u>22,200</u> |
| Represented By: | | |
| Cash - general fund | \$ 77,168 | \$ 17,957 |
| Cash - reserve fund | <u>320,357</u> | <u>4,243</u> |
| | \$ <u>397,525</u> | \$ <u>22,200</u> |

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MEALS ON WHEELS LONDON
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

1. Nature of the Organization

Meals on Wheels London (the "organization") offers services to people with the desire to live full and independent lives in their own homes, despite the challenges of age and disability. The organization is incorporated without share capital under the Ontario Corporations Act and is exempt from income tax under Section 149 (1)(1) of the Income Tax Act, Canada.

2. Significant Accounting Policies

The accompanying financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. Those policies that are considered to be particularly significant are outlined below:

(a) Fund Accounting

In order to ensure observance of the limitations and restrictions placed on the use of resources available to the organization, the accounts of the organization are maintained in accordance with the principles of "fund accounting". Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the donors or in accordance with directives issued by the Board of Directors. Transfers between the funds are made when it is considered appropriate and authorized by the Board of Directors. To meet these objectives of financial reporting and stewardship over assets, certain inter-fund transfers may be necessary to ensure the appropriate allocation of assets and liabilities to the respective funds. These inter-fund transfers are recorded as a component of changes in accumulated net assets.

For financial statement purposes, the accounts have been classified into the following funds:

i) General Fund

The General Fund accounts for the organization's administrative and operating activities financed by client fees, grants and other general income. Ontario Health and United Way Elgin Middlesex ("United Way") allocate grants to the program for which their use has been approved, and expenditures are recorded within the appropriate program. The General Fund reports unrestricted resources available for immediate purposes. Unrestricted investment income is allocated to the general fund.

ii) Reserve Fund

The Reserve Fund includes funds that have been internally restricted by the Board of Directors and income from the Ministry of Health ("MOH") in relation to the PSW program.

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MEALS ON WHEELS LONDON
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

2. Significant Accounting Policies (continued)

(b) Cash

Cash includes cash on hand and on deposit, less cheques issued and outstanding at the reporting date.

(c) Investments

The organization's investments consist of equity mutual funds and guaranteed investment certificates, which are initially recognized and subsequently measured at fair value. Transaction costs that are directly attributable to the acquisition of these investments are an adjustment to the fair value when initially recognized.

(d) Inventory

Inventory is valued as the lower of cost and net realizable value. Cost is calculated on the weighted average cost basis.

(e) Tangible Capital Assets and Amortization

Tangible capital assets and leaseholds purchased by the organization are recorded at cost. Amortization is recorded in the accounts on the straight-line method using the annual rates described in note 5. No amortization is charged in the month of acquisition.

(f) Impairment of Long-lived Assets

Long-lived assets are tested for impairment when events or changes in circumstances indicate that their carrying value may not be recoverable. An impairment loss is recognized when the carrying value exceeds the total undiscounted cash flows expected 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.

(g) Deferred Capital Contributions

Grants received for the purchase of depreciable capital assets are recorded as deferred capital contributions and amortized over the estimated useful life of the related asset.

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MEALS ON WHEELS LONDON
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

2. Significant Accounting Policies (continued)

(h) Revenue Recognition

The Organization follows the deferral method of accounting for contributions. Contributions received that are restricted for a specific purpose or over a set period of time 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 can be reasonably estimated and collection is reasonably assured. Endowment contributions, if any, are recognized as direct increases in net assets.

Meal service is recorded as revenue when meals are delivered. Transportation and PSW management fees are recorded as revenue when services are rendered. Interest income is recognized as earned in the appropriate fund. Fundraising income is recognized as earned at the time of the event.

(i) Contributed Services

Volunteers contribute many hours per year to assist the organization in carrying out its activities. Because of the difficulty in determining their fair value, these contributed services are not recognized in the financial statements.

(j) Use of Estimates

The preparation of the financial statements of the organization in conformity 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 and the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(k) Financial Instruments

The organization's financial instruments consist of cash, investments, accounts receivable, and accounts payable and accrued liabilities. The organization initially recognizes these financial instruments at fair value and subsequently, except for investments, at amortized cost. Investments are subsequently measured at fair value. Changes in fair value are recognized in excess (deficiency) of revenue over expenditures.

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MEALS ON WHEELS LONDON
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

3. Investments - Reserve Fund

The investments consist of the following:

| | 2024 | | 2023 | |
|--|-------------------|-------------------|-------------------|-------------------|
| | Cost | FMV | Cost | FMV |
| CIBC Wood Gundy - Equity Mutual Funds | \$ 158,891 | \$ 185,382 | \$ 655,865 | \$ 643,432 |
| Libro GIC 4.5%, due December 15, 2023 | - | - | 75,000 | 75,000 |
| Libro GIC 5.15%, due December 15, 2024 | 78,375 | 78,375 | - | - |
| CIBC GIC 6.00%, due October 1, 2024 | 100,000 | 100,000 | - | - |
| Peoples Trust GIC 5.80%, due September 29, 2025 | <u>100,000</u> | <u>100,000</u> | <u>-</u> | <u>-</u> |
| | \$ 437,266 | \$ 463,757 | \$ 730,865 | \$ 718,432 |
| Less current portion: | <u>\$ 337,266</u> | <u>\$ 363,757</u> | <u>\$ 730,865</u> | <u>\$ 718,432</u> |
| | <u>\$ 100,000</u> | <u>\$ 100,000</u> | <u>\$ -</u> | <u>\$ -</u> |

4. PSW Training Project

The organization has an agreement with the MOH, whereby the organization receives funds from the MOH, in trust, and disburses them in accordance with the terms of the agreement as it related to the administration and delivery of Personal Support Workers (PSW) Training Programs in the Southwestern Ontario region.

The amounts shown below have not been included in the accompanying statement of financial position and statement operations as they are not related to the activities of the organization, and all amounts are held in trust on behalf of the MOII. The organization has reported administration fee revenue of \$77,450 (2023 - \$78,920) in its statement of operations, for administering the PSW program for the year.

*The attached Independent Auditor's Report and notes
form an integral part of these audited financial statements.*



MEALS ON WHEELS LONDON
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

4. PSW Training Project (continued)

(a) The following summarizes funds received and disbursed in accordance with this agreement.

| | 2024 | 2023 |
|---|---------------------|---------------------|
| Funds received from MOH | \$ - | \$ 3,029,749 |
| Interest earned | <u>215,386</u> | <u>101,281</u> |
| | <u>215,386</u> | <u>3,131,030</u> |
| Disbursements, in accordance with agreement | 498,677 | 270,959 |
| Administration expenditures | <u>83,059</u> | <u>143,381</u> |
| | <u>581,736</u> | <u>414,340</u> |
| Excess (deficit) of funds received over funds disbursed for specified purposes during the year | (366,350) | 2,716,690 |
| Project funds held in trust, beginning of the year | <u>4,147,191</u> | <u>1,430,501</u> |
| Project fund held in trust, end of the year | <u>\$ 3,780,841</u> | <u>\$ 4,147,191</u> |

(b) The following summarizes assets and liabilities that are held in trust for the project at year-end.

| | 2024 | 2023 |
|-----------------------------------|---------------------|---------------------|
| Assets | | |
| Cash - PSW | <u>\$ 3,780,841</u> | <u>\$ 4,147,191</u> |
| Liabilities | | |
| Payable to eligible organizations | \$ 416,797 | \$ 464,164 |
| Payable to the organization | - | 5,612 |
| Payable to MOH | <u>3,364,044</u> | <u>3,677,415</u> |
| | <u>\$ 3,780,841</u> | <u>\$ 4,147,191</u> |

5. Tangible Capital Assets

| | | Cost | Accumulated Amortization | Net 2024 | Net 2023 |
|-------------------------|-----------|-------------------|-------------------------------------|---------------------|---------------------|
| Computer hardware | 3 yr S.L. | \$ 122,800 | \$ 99,727 | \$ 23,073 | \$ 6,653 |
| Furniture and equipment | 5 yr S.L. | 59,470 | 53,167 | 6,303 | 5,874 |
| Leaseholds | 3 yr S.L. | 47,676 | 47,676 | - | - |
| Vehicle | 3 yr S.L. | <u>74,371</u> | <u>28,680</u> | <u>45,691</u> | <u>7,170</u> |
| | | <u>\$ 304,317</u> | <u>\$ 229,250</u> | <u>\$ 75,067</u> | <u>\$ 19,697</u> |

During the year amortization of \$15,640 (2023 - \$12,830) was recorded.

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MEALS ON WHEELS LONDON
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

6. Repayable to Ontario Health

Funding received from Ontario Health is refundable to the extent that it is not used for program expenditures.

As at March 31, 2024, the organization had repaid all funds applicable to the following program:

| | 2024 | 2023 |
|---|-----------------|-------------|
| Community Support Services - one time funding | \$ <u>4,309</u> | \$ <u>-</u> |

7. Deferred Revenue

Deferred revenue represents externally restricted funds received that relate to a subsequent period. The deferred revenue balance as at year end is as follows:

| Grant Donor | 2024 | 2023 |
|--------------------|-------------------|------------------|
| London Food Bank | \$ 56,200 | \$ - |
| March for Meals | 19,469 | 7,024 |
| United Way | 17,143 | - |
| Helpage | 8,750 | - |
| Petro Canada | 5,625 | - |
| Good Companions | 2,000 | - |
| Westminster Grant | - | 10,303 |
| | <u>\$ 109,187</u> | <u>\$ 17,327</u> |

8. Deferred Capital Contributions

Deferred capital contributions related to tangible capital assets represent contributed tangible capital assets and restricted contributions used to purchase furniture and equipment, computer hardware and leaseholds. These contributions are being amortized into income on the same basis as the related tangible capital assets. The changes in the deferred capital contributions balance for the year are as follows:

| | 2024 | 2023 |
|--|------------------|------------------|
| Balance, beginning of year | \$ 20,245 | \$ 20,314 |
| Add: increase in contributions received for capital purposes | 67,767 | 12,705 |
| Less: amortization of deferred capital contributions | <u>(15,240)</u> | <u>(12,774)</u> |
| Balance, end of year | <u>\$ 72,772</u> | <u>\$ 20,245</u> |
| Unspent contributions | \$ 2,881 | \$ 1,167 |
| Unamortized contributions | <u>69,891</u> | <u>19,078</u> |
| | <u>\$ 72,772</u> | <u>\$ 20,245</u> |

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MEALS ON WHEELS LONDON
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

9. Commitments

The organization has long term leases with respect to its main building, depots and equipment. Future minimum lease payments as at March 31, 2024 are as follows:

| | |
|----------------------------|-------------------|
| Year ending March 31, 2025 | \$ 52,275 |
| March 31, 2026 | 53,095 |
| March 31, 2027 | 4,343 |
| March 31, 2028 | <u>1,337</u> |
| | <u>\$ 111,050</u> |

10. Financial Instruments

Credit risk

Credit risk arises from the potential that a third party will fail to perform its obligations. The organization is exposed to credit risk from customers and funders. The organization has a significant number of customers which minimizes the concentration of credit risk. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information.

Liquidity risk

Liquidity risk is the risk that the organization may encounter difficulty in meeting obligations associated with financial liabilities. The organization manages its liquidity risk by forecasting its cash needs on a regular basis and investing its surplus cash in easily liquidated investments.

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MEALS ON WHEELS LONDON
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

10. Financial Instruments (continued)

Market risk

Market risk is the risk that 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 risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk to the organization's operations that arise from fluctuations of foreign exchange rates. The organization is not exposed to significant currency risk as it does not have any financial instruments denominated in a foreign currency.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financial activities. The organization is exposed to interest rate risk as the value of marketable securities is affected by market changes in interest rates. The organization is also exposed to fluctuations in the interest rates earned on cash - reserve fund cash and the cash for the PSW Training Project.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual instrument or its issuer, or factors affecting similar financial instruments traded in the market. The organization's exposure to other price risk is limited to its investment in mutual funds.

11. Transfer Between Funds

During the year, the Board of Directors approved a transfer of \$(4,447) (2023 - \$138,104) (to) from the Reserve Fund to (from) the General Fund.

12. Employee Pension Plan

The organization makes contributions, on behalf of its staff, to the Meals on Wheels Registered Pension Plan, which is a single employer plan. The plan is a defined contribution plan which contributions are determined as a percentage of earnings. The amount contributed to the plan for 2024 was \$10,474 (2023 - \$11,681) for current service and is included as an expenditure in the statement of operations.

At March 31, 2024, there is no liability for past service under the agreement.

*The attached Independent Auditor's Report and notes
form an integral part of these audited financial statements.*



MEALS ON WHEELS LONDON
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

13. Comparative Figures

Certain of the prior years figures have been reclassified to conform to the financial statement presentation adopted in the current year.

*The attached Independent Auditor's Report and notes
form an integral part of these audited financial statements.*

