

**MEALS ON WHEELS LONDON**

**FINANCIAL STATEMENTS**

**MARCH 31, 2025**



**MEALS ON WHEELS LONDON**  
**INDEX TO AUDITED FINANCIAL STATEMENTS**  
**MARCH 31, 2025**

	<b>Page</b>
Independent Auditor's Report	1 - 3
Statement of Financial Position	4
Statement of Changes in Accumulated Net Assets	5
Statement of Operations	6 - 7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 16



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Chartered Professional Accountants

## 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, 2025, 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, 2025, and its financial performance and its cash flows for the year ended March 31, 2025 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, 2025 and the fiscal year ending March 30, 2024 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.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. In carrying out an 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.
- 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.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

London, Ontario  
June 5, 2025

*Davis Martindale LLP*

Chartered Professional Accountants  
Licensed Public Accountants



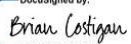
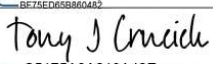
**MEALS ON WHEELS LONDON**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2025**

<b>ASSETS</b>		<b>2025</b>	<b>2024</b>
<b>Current Assets</b>			
Cash - general fund	\$	81,605	\$ 77,168
Cash - reserve fund		361,681	320,357
Investments - reserve fund (note 3)		492,638	363,757
Accounts receivable		68,755	135,403
HST rebate recoverable		13,837	14,047
Inventory		4,904	2,778
Prepaid expense		<u>17,787</u>	<u>12,298</u>
		1,041,207	925,808
<b>Tangible Capital Assets (note 5)</b>		77,624	75,067
<b>Investments - reserve fund (note 3)</b>		<u>-</u>	<u>100,000</u>
	<b>\$</b>	<b><u>1,118,831</u></b>	<b><u>\$ 1,100,875</u></b>

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	\$	194,469	\$ 167,104
Government remittances payable		1,140	2,381
Repayable to Ontario Health (note 6)		-	4,309
Deferred revenue (note 7)		<u>47,673</u>	<u>109,187</u>
		243,282	282,981
<b>Deferred Capital Contributions (note 8)</b>		<u>46,182</u>	<u>72,772</u>
		289,464	355,753
<b>Commitments (note 9)</b>			
<b>Net Assets</b>			
Reserve fund		<u>829,367</u>	<u>745,122</u>
	<b>\$</b>	<b><u>1,118,831</u></b>	<b><u>\$ 1,100,875</u></b>

**APPROVED ON BEHALF OF THE BOARD:**

<small>DocuSigned by:</small>  <small>BE75ED06B800482</small>	Director
 <small>C6476A0A210A43E...</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, 2025**

	2025	2024
<b><u>General Fund</u></b>		
Balance, Beginning of Year	\$ -	\$ -
Interfund Transfers (note 11)	50,444	(4,447)
Excess (Deficiency) of Revenue over Expenditures	<u>(50,444)</u>	<u>4,447</u>
Balance, End of Year	\$ <u>-</u>	\$ <u>-</u>
<b><u>Reserve Fund</u></b>		
Balance, Beginning of Year	\$ 745,122	\$ 659,836
Interfund Transfers (note 11)	(50,444)	4,447
Excess of Revenue over Expenditures	<u>134,689</u>	<u>80,839</u>
Balance, End of Year	\$ <u>829,367</u>	\$ <u>745,122</u>

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**MEALS ON WHEELS LONDON**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31, 2025**

	General Fund	Reserve Fund	2025	2024
<b>Revenue</b>				
Ontario Health Grant	\$ 518,862	\$ -	\$ 518,862	\$ 473,683
Meal service - frozen	432,142	-	432,142	381,379
Meal service - standard	375,226	-	375,226	374,146
Other grant revenue	178,222	10,000	188,222	178,895
Fundraising initiatives	31,110	89,790	120,900	129,494
United Way Grant	50,000	-	50,000	40,000
Transportation service	33,453	-	33,453	38,020
Gas reimbursement donations	20,896	-	20,896	19,889
PSW management fee	-	79,820	79,820	77,450
Interest	-	26,588	26,588	15,010
Dividend income	-	19,299	19,299	11,041
	<u>1,639,911</u>	<u>225,497</u>	<u>1,865,408</u>	<u>1,739,007</u>
<b>Expenditures</b>				
Compassionate program	18,615	-	18,615	29,369
Fundraising and marketing	40,667	-	40,667	22,426
Insurance	11,867	-	11,867	12,131
Meal subsidy programs	119,903	-	119,903	125,994
Meals (direct costs)	807,520	-	807,520	751,613
Memberships	3,859	-	3,859	3,578
Occupancy costs	53,669	2,673	56,342	54,314
Office	46,153	1,888	48,041	39,850
Professional fees	11,900	5,463	17,363	14,813
Salaries and benefits	496,275	71,275	567,550	541,292
Staff training	8,301	-	8,301	2,536
Technology	25,302	1,977	27,279	24,147
Travel	3,976	-	3,976	113
Van operations	5,791	-	5,791	4,329
Volunteer gas	31,356	-	31,356	33,684
Volunteer services	4,394	-	4,394	7,228
	<u>1,689,548</u>	<u>83,276</u>	<u>1,772,824</u>	<u>1,667,417</u>
<b>Excess (Deficiency) of Revenue over Expenditures before Other Items</b>	<u>\$ (49,637)</u>	<u>\$ 142,221</u>	<u>\$ 92,584</u>	<u>\$ 71,590</u>

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**MEALS ON WHEELS LONDON**  
**STATEMENT OF OPERATIONS (CONTINUED)**  
**FOR THE YEAR ENDED MARCH 31, 2025**

	General Fund	Reserve Fund	2025	2024
<b>Excess (Deficiency) of Revenue over Expenditures before Other Items</b>	\$ (49,637)	\$ 142,221	\$ 92,584	\$ 71,590
<b>Other Revenues (Expenditures)</b>				
Amortization of deferred capital contributions	26,590	-	26,590	15,240
Amortization of tangible capital assets	(27,797)	-	(27,797)	(15,640)
Gain on sale of tangible capital assets	400	-	400	5,000
Unrealized gain (loss) on investments	-	(7,483)	(7,483)	35,571
Realized loss on investments	<u>-</u>	<u>(49)</u>	<u>(49)</u>	<u>(26,475)</u>
	<u>(807)</u>	<u>(7,532)</u>	<u>(8,339)</u>	<u>13,696</u>
<b>Excess (Deficiency) of Revenue over Expenditures</b>	\$ <u>(50,444)</u>	\$ <u>134,689</u>	\$ <u>84,245</u>	\$ <u>85,286</u>

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**MEALS ON WHEELS LONDON**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2025**

	<b>2025</b>	<b>2024</b>
<b>Cash Flows from Operating Activities</b>		
Excess of revenue over expenditures	\$ 84,245	\$ 85,286
Items not requiring an outlay of cash:		
Amortization of tangible capital assets	27,797	15,640
Amortization of deferred capital contributions	(26,590)	(15,240)
Gain on sale of tangible capital assets	(400)	(5,000)
Unrealized (gain) loss on investments	<u>7,483</u>	<u>(35,571)</u>
	92,535	45,115
Changes in non-cash working capital:		
Accounts receivable	66,648	(63,575)
HST rebate recoverable	210	(4,860)
Inventory	(2,126)	(2,003)
Prepaid expense	(5,489)	(273)
Accounts payable and accrued liabilities	27,365	12,458
Government remittances payable	(1,241)	290
Repayable to Ontario Health	(4,309)	4,309
Deferred revenue	<u>(61,514)</u>	<u>91,861</u>
	<u>19,544</u>	<u>38,207</u>
<b>Net Cash Provided by Operating Activities</b>	112,079	83,322
<b>Cash Flows from Financing Activities</b>		
Deferred capital contributions received	-	67,767
<b>Cash Flows from Investing Activities</b>		
Additions to tangible capital assets	(30,354)	(71,010)
Proceeds on sale of tangible capital assets	400	5,000
Decrease (Increase) in short-term investments	<u>(36,364)</u>	<u>290,246</u>
<b>Net Cash Provided by (Used in) Investing Activities</b>	<u>(66,318)</u>	<u>224,236</u>
<b>Net Increase in Cash</b>	45,761	375,325
<b>Cash, Beginning of Year</b>	<u>397,525</u>	<u>22,200</u>
<b>Cash, End of Year</b>	\$ <u>443,286</u>	\$ <u>397,525</u>
<b>Represented By:</b>		
Cash - general fund	\$ 81,605	\$ 77,168
Cash - reserve fund	<u>361,681</u>	<u>320,357</u>
	\$ <u>443,286</u>	\$ <u>397,525</u>

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**MEALS ON WHEELS LONDON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2025**

**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, 2025**

**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, 2025**

**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 of revenue over expenditures.

*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, 2025**

**3. Investments - Reserve Fund**

The investments consist of the following:

	<b>2025</b>		<b>2024</b>	
	<b>Cost</b>	<b>FMV</b>	<b>Cost</b>	<b>FMV</b>
CIBC Wood Gundy - Equity Mutual Funds	\$ 291,208	\$ 310,216	\$ 158,891	\$ 185,382
Peoples Trust GIC 5.80%, due				
September 29, 2025	100,000	100,000	100,000	100,000
Libro GIC 3.6%, due December 15, 2025	82,422	82,422	-	-
CIBC GIC 6.00%, matured October 1, 2024	-	-	100,000	100,000
Libro GIC 5.15%, matured December 15, 2024	<u>-</u>	<u>-</u>	<u>78,375</u>	<u>78,375</u>
	\$ 473,630	\$ 492,638	\$ 437,266	\$ 463,757
Less current portion:	<u>473,630</u>	<u>492,638</u>	<u>337,266</u>	<u>363,757</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ 100,000</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 MOH. The organization has reported administration fee revenue of \$79,820 (2024 - \$77,450) in its statement of operations, for administering the PSW program for the year.

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form an integral part of these audited financial statements.*





**MEALS ON WHEELS LONDON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2025**

**4. PSW Training Project (continued)**

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

	<b>2025</b>	<b>2024</b>
Funds received from MOH	\$ 3,769,651	\$ -
Interest earned	<u>259,767</u>	<u>215,386</u>
	<u>4,029,418</u>	<u>215,386</u>
Disbursements, in accordance with agreement	320,186	498,677
Administration expenditures	<u>79,820</u>	<u>83,059</u>
	<u>400,006</u>	<u>581,736</u>
Excess (deficit) of funds received over funds disbursed for specified purposes during the year	3,629,412	(366,350)
Project funds held in trust, beginning of the year	<u>3,780,841</u>	<u>4,147,191</u>
Project fund held in trust, end of the year	<u>\$ 7,410,253</u>	<u>\$ 3,780,841</u>

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

	<b>2025</b>	<b>2024</b>
<b>Assets</b>		
Cash - PSW	<u>\$ 7,410,253</u>	<u>\$ 3,780,841</u>
<b>Liabilities</b>		
Payable to eligible organizations	\$ 328,692	\$ 416,797
Payable to MOH	<u>7,081,561</u>	<u>3,364,044</u>
	<u>\$ 7,410,253</u>	<u>\$ 3,780,841</u>

**5. Tangible Capital Assets**

		<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net 2025</b>	<b>Net 2024</b>
Computer hardware	3 yr S.L.	\$ 101,508	\$ 86,486	\$ 15,022	\$ 23,073
Furniture and equipment	5 yr S.L.	79,734	55,090	24,644	6,303
Leaseholds	3 yr S.L.	31,322	23,824	7,498	-
Vehicle	3 yr S.L.	<u>74,371</u>	<u>43,911</u>	<u>30,460</u>	<u>45,691</u>
		<u>\$ 286,935</u>	<u>\$ 209,311</u>	<u>\$ 77,624</u>	<u>\$ 75,067</u>

During the year amortization of \$27,797 (2024 - \$15,640) was recorded.

**6. Repayable to Ontario Health**

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

There are no amounts payable as at March 31, 2025 (2024 - \$4,309).

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form an integral part of these audited financial statements.*





**MEALS ON WHEELS LONDON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2025**

**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:

<b>Grant Donor</b>	<b>2025</b>	<b>2024</b>
March for Meals	\$ 25,943	\$ 19,469
City of London	20,000	-
WSIB	1,730	-
London Food Bank	-	56,200
United Way	-	17,143
Helpage	-	8,750
Petro Canada	-	5,625
Good Companions	-	2,000
	<u>\$ 47,673</u>	<u>\$ 109,187</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:

	<b>2025</b>	<b>2024</b>
Balance, beginning of year	\$ 72,772	\$ 20,245
Add: increase in contributions received for capital purposes	-	67,767
Less: amortization of deferred capital contributions	<u>(26,590)</u>	<u>(15,240)</u>
Balance, end of year	<u>\$ 46,182</u>	<u>\$ 72,772</u>
 Unspent contributions	 \$ -	 \$ 2,881
Unamortized contributions	<u>46,182</u>	<u>69,891</u>
	<u>\$ 46,182</u>	<u>\$ 72,772</u>

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**MEALS ON WHEELS LONDON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2025**

**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, 2025 are as follows:

Year ending March 31, 2026	\$ 53,095
March 31, 2027	4,343
March 31, 2028	<u>1,337</u>
	<u>\$ 58,775</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.

**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.

*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, 2025**

**10. Financial Instruments (continued)**

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 \$50,444 (2024 - \$(4,447)) (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 2025 was \$10,090 (2024 - \$10,474) for current service and is included as an expenditure in the statement of operations.

At March 31, 2025, there is no liability for past service under the agreement.

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form an integral part of these audited financial statements.*

