

CROUCH NEIGHBOURHOOD RESOURCE CENTRE
FINANCIAL STATEMENTS
DECEMBER 31, 2025
(Audited - See Auditors' Report)

INDEPENDENT AUDITOR'S REPORT

To Crouch Neighbourhood Resource Centre

We have audited the accompanying financial statements of Crouch Neighbourhood Resource Centre which comprise the statement of financial position as at December 31, 2025, the statements of receipts and disbursements, receipts and disbursements for Core Project, accumulated surplus, and cash flow for the year ended, and notes to the financial statements, including a summary of significant accounting policies inclusive of the basis of accounting.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Crouch Neighbourhood Resource Centre as at December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Crouch Neighbourhood Resource Centre in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 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 Non-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 Neighbourhood Resource Centre 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 Crouch Neighbourhood Resource Centre or to cease operations, or has no realistic alternative but to do so.

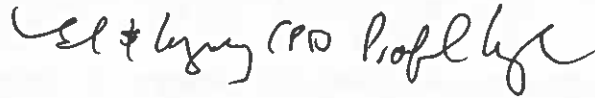
Those charged with governance are responsible for overseeing Crouch Neighbourhood Resource Centre's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the 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 Crouch Neighbourhood Resource Centre's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Crouch Neighbourhood Resource Centre's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Crouch Neighbourhood Resource Centre to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Crouch Neighbourhood Resource Centre to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of Crouch Neighbourhood Resource Centre audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



London, Ontario
May 27, 2026

LUNICK & COMPANY CPA PROFESSIONAL CORPORATION
Authorized to practice public accounting by the Chartered Professional Accountants of Ontario

CROUCH NEIGHBOURHOOD RESOURCE CENTRE

Statement of Financial Position

as at December 31

(Audited - See Auditors' Report)

	<u>2025</u>	<u>2024</u> <i>(Note 10)</i>
<u>Assets</u>		
Current assets:		
Cash	\$ 199,403	\$ 190,414
Investments	79,289	75,887
Accounts receivable	19,948	12,300
Prepaid expenses	<u>5,988</u>	<u>28,527</u>
	<u>304,628</u>	<u>307,128</u>
Capital assets (note 1)	<u>2,104</u>	<u>2,630</u>
	<u>\$ 306,732</u>	<u>\$ 309,758</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 25,728	\$ 21,038
Deferred program liability (note 5)	<u>89,000</u>	<u>55,020</u>
	<u>114,728</u>	<u>76,058</u>
<u>Equity</u>		
Accumulated surplus	<u>192,004</u>	<u>233,700</u>
	<u>\$ 306,732</u>	<u>\$ 309,758</u>

Approved on Behalf of the Board:

Director

Director

See the accompanying notes which are an integral part of these financial statements.

CROUCH NEIGHBOURHOOD RESOURCE CENTRE

Statement of Accumulated Surplus

Year ended December 31

(Audited - See Auditors' Report)

	<u>2025</u>	<u>2024</u> <i>(Note 10)</i>
Balance, beginning of year	\$ 233,700	\$ 243,973
Prior period adjustment	20,559	-
Deficiency of receipts over disbursements for the year	<u>(21,137)</u>	<u>(10,273)</u>
Balance, end of year	<u>\$ 192,004</u>	<u>\$ 233,700</u>

See the accompanying notes which are an integral part of these financial statements.

CROUCH NEIGHBOURHOOD RESOURCE CENTRE

Consolidated Statement of Receipts and Disbursements

Year ended December 31

(Audited - See Auditors' Report)

	<u>2025</u>	<u>2024</u> <i>(Note 10)</i>
Revenue		
Foundations	\$ 136,444	\$ 158,499
United Way	60,000	100,945
City of London	80,450	80,000
Ministry of Tourism, Culture, and Sport	119,512	106,887
Donations	85,205	87,787
Fundraising and other	52,573	70,134
Gifts in Kind (note 8)	25,964	7,501
Interest income	5,276	8,193
	<u>565,424</u>	<u>619,946</u>
Expenses		
Amortization	526	751
Bank charges	2,733	169
Bookkeeping services	19,515	19,255
Communications	5,664	6,667
Licenses & membership costs	8,293	6,566
Office supplies and photocopying	6,122	16,607
Professional fees	1,930	15,109
Program supplies	119,707	175,739
Rent	34,392	16,354
Training	9,584	10,247
Wages and benefits	378,095	362,755
	<u>586,561</u>	<u>630,219</u>
Deficiency of receipts over disbursements for the year	\$ <u>(21,137)</u>	\$ <u>(10,273)</u>

See the accompanying notes which are an integral part of these financial statements.

CROUCH NEIGHBOURHOOD RESOURCE CENTRE

Statement of Cash Flow
Year ended December 31
(Audited - See Auditors' Report)

	<u>2025</u>	<u>2024</u> <i>(Note 10)</i>
Cash flows from operating activities:		
Surplus of receipts over disbursements for the year	\$ (21,137)	\$ (10,273)
Items not affecting working capital:		
Depreciation of capital assets	526	751
Adjustment to opening retained earnings	(20,559)	-
Changes in non-cash working capital:		
Accounts receivable	(7,648)	36,642
Prepaid expenses	22,539	(7,803)
Accounts payable and accrued liabilities	4,690	(9,596)
Deferred program liability	<u>33,980</u>	<u>(51,939)</u>
	<u>12,391</u>	<u>(42,218)</u>
Cash flows from investing activities:		
Decrease in (additions to) investments	(3,402)	39,941
	<u>(3,402)</u>	<u>39,941</u>
Increase in cash and cash equivalents during the year	8,989	(2,277)
Cash and cash equivalents, beginning of year	<u>190,414</u>	<u>192,691</u>
Cash and cash equivalents, end of year	\$ <u><u>199,403</u></u>	\$ <u><u>190,414</u></u>
Represented by:		
Cash	\$ <u><u>199,403</u></u>	\$ <u><u>190,414</u></u>

See the accompanying notes which are an integral part of these financial statements.

CROUCH NEIGHBOURHOOD RESOURCE CENTRE

Notes to the Financial Statements

December 31, 2025

(Audited - See Auditor's Report)

Nature of business:

Crouch Neighbourhood Resource Centre was incorporated without share capital, pursuant to the Ontario Corporations Act. The centre operates within the Hamilton Road area of London, Ontario.

The organization is a community-based neighbourhood resource centre serving the Hamilton Road and surrounding areas in London Ontario. Its core programming focuses on children, youth and families and includes a Basic Needs Program that provides access to essential supports and resources. Additional programming includes after-school programming and a summer day camp that provides structured recreational and developmental activities. The organization also engages the broader community through partnerships, volunteer involvement, and community-based initiatives that promote connection, well-being and improved access to local resources.

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in part III of the CICA Handbook, the more significant of which are summarized below.

Significant Accounting Policies

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

Revenue Recognition

The Centre follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred or on the basis which coincides with the funding agencies' terms of payment. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collections is reasonably assured. Investment revenues are recognized as revenue when earned.

Contributed Services

Volunteers contribute many hours each year to assist the Centre in carrying out its activities. Due to the difficulty in determining fair value, contributed services are not recognized in the financial statements.

Capital Assets

Capital assets are recorded at acquisition cost. Amortization is provided on a straight-line basis over the estimated useful lives of the assets at the following annual rates, with one-half the rate in the year of acquisition.

Equipment: 5 years

CROUCH NEIGHBOURHOOD RESOURCE CENTRE

Notes to the Financial Statements - continued

(Audited - See Auditor's Report)

Allocated Expenses

The Centre allocates its various administrative expenses to its different programs on a cost recovery basis. Where the cost is undeterminable, the Centre allocates the expenses in proportion to the programs' aggregate core funding.

Cash and Cash Equivalents

Cash as disclosed on the Statement of Financial Position consists of cash on hand, balances with banks and guaranteed investment certificates.

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for Not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during that period. These estimates include useful lives of capital assets, program expense allocations, amortization methods, allowance for doubtful accounts, gifts in kind, and deferred revenues. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in net revenue (expense) in the period in which they become known.

Income Taxes

According to the provisions of the Income Tax Act - section 149 (Canada), the organization is exempt from taxes on income.

Financial Instruments

Measurement of financial instruments

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

Impairment

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

Transaction Costs

The Centre recognizes its transaction costs in net revenue (expense) in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

CROUCH NEIGHBOURHOOD RESOURCE CENTRE

Notes to the Financial Statements - continued

(Audited - See Auditor's Report)

1. Capital assets:

			<u>2025</u>	<u>2024</u>
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer hardware	\$ 3,066	\$ 3,066	\$ -	\$ -
Equipment	<u>3,757</u>	<u>1,653</u>	<u>2,104</u>	<u>2,630</u>
	<u>\$ 6,823</u>	<u>\$ 4,719</u>	<u>\$ 2,104</u>	<u>\$ 2,630</u>

2. Premises:

Premises used by the Centre to conduct its programs have been generously donated by the London Public Library. There is no formal contractual arrangement for these premises.

3. Operating line of credit:

The Centre has a VISA credit facility through Libro Credit Union to a maximum of \$15,000. The credit facility bears interest at 19.99% per annum and the year-end balance owing of \$13,094.02 (2024 - \$7,748) is included in accounts payable and accrued liabilities. The credit facility is unsecured.

4. Internally Restricted Net Assets:

In 2015, the Board of Directors approved establishing an internal restriction of net assets for the purpose of funding future spacing needs for the Centre, as well as establishing a three month reserve to support operations during a wind-down should the Board of Directors determine that the operations of the Centre are no longer viable. Annually, the Board of Directors can increase these internally restricted net assets by up to 80% of any excess of revenues over expenses. These restricted funds are only accessibly by the approval of the Board of Director's, in whole or in part.

CROUCH NEIGHBOURHOOD RESOURCE CENTRE

Notes to the Financial Statements - continued

(Audited - See Auditor's Report)

5. Deferred & restricted program liability:

Certain receipts are received by the organization for use over an extended period of time. Funding received for periods beyond the year end have been classified as a deferred program liability as follows:

<u>Grant Donor</u>	<u>Period</u>	<u>Total Grants</u>	<u>Deferred Receipts</u>	<u>Revenue Realized</u>
Westminster College Foundation	December 31, 2026	\$ 37,000	\$ 37,000	\$ -
TD Community Grant	July 31, 2026	<u>80,000</u>	<u>52,000</u>	<u>28,000</u>
		<u>\$ 117,000</u>	<u>\$ 89,000</u>	<u>\$ 28,000</u>

6. Receipts and expense allocations

Revenue has been recognized over the contract term for all programs which have been funded over a specified time period. For funding provided with no specified time period or with no specified ending date the revenue is recognized based on the amount of funding spent. The expenses are recorded as they are incurred. Certain expense items identified on the statement of receipts and disbursements have been allocated to the various programs based on the program funding agreements. In some cases these items will include expenses that were specific to the program.

Due to the timing difference between the revenue reported and the actual expenses incurred, any final program surplus or deficit is only known at the end of each program. As at December 31, 2025 some of the programs are ongoing and as such are subject to these timing differences.

CROUCH NEIGHBOURHOOD RESOURCE CENTRE

Notes to the Financial Statements - continued

(Audited - See Auditor's Report)

7. City of London Grant - Special Purpose Statement

Included in Revenue - City of London is \$80,450 the Centre received under the Funded Activity Budget dated March 9, 2020 for the year ending December 31, 2025. Under Schedule B of the budget, this funding as stipulated for staff wages for the Community Development, Opening Doors, and Youth Programs. An accrued liability provision is required when programs have revenues in excess of expenses for the year. The Community Development, Opening Doors and Youth program wages exceeded the funding received from the City of London under the Funded Activity Budget, resulting in no repayment requirement

8. Gifts in Kind:

During the year the Centre received the following, recorded at fair market value:

	<u>2025</u>	<u>2024</u>
City of London - facility rental	\$ <u>25,964</u>	\$ <u>7,501</u>
Total gifts in kind	\$ <u>25,964</u>	\$ <u>7,501</u>

The Centre distributed all funds by December 31, 2025

9. Financial Instruments:

Risks and concentrations

The organization is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the risks at December 31, 2025.

Credit Risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

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 risk, interest rate risk and other price risk. The organization is mainly exposed to interest rate risk and other price risk.

CROUCH NEIGHBOURHOOD RESOURCE CENTRE

Notes to the Financial Statements - continued

(Audited - See Auditor's Report)

9. Financial Instruments (continued):

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-interest instruments subject the organization to a fair value risk, since fair value fluctuates inversely to changes in market interest rates. Floating rate instruments subject the organization to related cash flow risk.

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 and accrued liabilities. The organization considers that it has sufficient credit facilities to ensure that funds are available to meet its current and long-term financial needs, at a reasonable cost.

Other price risk

The organization is exposed to other price risk through its investments in mutual fund units for which the fair value fluctuates based on the quoted market price

10. Comparative balances:

The financial statements for the prior year were prepared by another firm of chartered accountants.

Certain of the comparative balances have been restated to conform to the presentation adopted for the current year.