

MADISON COMMUNITY SERVICES

FINANCIAL STATEMENTS

MARCH 31, 2025

Independent Auditor's Report

To the Directors of Madison Community Services

Opinion

We have audited the financial statements of Madison Community Services (the "Organization"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations and fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with the financial reporting framework described in note 1 of the financial statements (the "Financial Reporting Framework").

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 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 opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist Madison Community Services to meet the requirements of Ontario Ministry of Health and Long-Term Care and other funders. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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 the Financial Reporting Framework, 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 ability of the Organization 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 financial reporting process of the Organization.

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 the 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.

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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 internal control of the Organization.
- 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 ability of the Organization 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.

We also 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.



Toronto, Ontario
June 26, 2025

Chartered Professional Accountants
Licensed Public Accountants

MADISON COMMUNITY SERVICES

Statement of Financial Position

March 31	2025 \$	2024 \$
ASSETS		
Current assets		
Cash	1,030,721	345,405
Short-term investments (note 3)	-	200,000
Accounts receivable	456,844	924,266
HST recoverable	29,986	42,168
Prepaid expenses	77,968	130,272
	<u>1,595,519</u>	<u>1,642,111</u>
Non-current assets		
Capital assets (note 4)	650,110	664,656
Long-term investments (note 3)	500,000	500,000
	<u>1,150,110</u>	<u>1,164,656</u>
	<u><u>2,745,629</u></u>	<u><u>2,806,767</u></u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	485,203	576,629
Due to funders (note 5)	325,674	405,511
Current portion of mortgage payable (note 6)	28,179	59,677
	<u>839,056</u>	<u>1,041,817</u>
Mortgage payable (note 6)	-	28,179
Loan payable (note 7)	55,534	-
	<u>894,590</u>	<u>1,069,996</u>
FUND BALANCES		
Unrestricted	602,405	550,824
Invested in capital assets	621,931	576,800
Restricted fund	626,703	609,147
	<u>1,851,039</u>	<u>1,736,771</u>
	<u><u>2,745,629</u></u>	<u><u>2,806,767</u></u>

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board of Directors:

Director Stephany Mandin (Board Chair) 

Director Tony Do (Treasurer)

DocuSigned by:

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MADISON COMMUNITY SERVICES

Statement of Operations and Fund Balances

Year ended March 31

	Unrestricted 2025 \$	Unrestricted 2024 \$	Invested in Capital assets 2025 \$	Invested in Capital assets 2024 \$	Restricted 2025 \$	Restricted 2024 \$	Total 2025 \$	Total 2024 \$
					(Schedule)	(Schedule)		
Revenues								
Ontario Health	-	-	-	-	1,499,040	1,533,190	1,499,040	1,533,190
Ministry of Health	5,000	5,000	-	-	401,181	411,737	406,181	416,737
Immigration, Refugees & Citizenship - Canada	1,067,464	1,104,907	-	-	-	-	1,067,464	1,104,907
City of Toronto SSHA	-	-	-	-	1,966,207	1,966,206	1,966,207	1,966,206
CAMH	-	-	-	-	543,908	518,139	543,908	518,139
Rent	137,912	145,220	-	-	286,550	112,603	424,462	257,823
Habitat Services	495,879	336,903	-	-	-	-	495,879	336,903
North York Community House	-	-	-	-	45,055	26,222	45,055	26,222
United Way	-	-	-	-	90,000	90,000	90,000	90,000
St. Clares Multifaith Housing society	-	-	-	-	118,825	118,825	118,825	118,825
Fundraising and other funding	239,902	265,685	-	-	-	-	239,902	265,685
	1,946,157	1,857,715	-	-	4,950,766	4,776,922	6,896,923	6,634,637
Expenses								
Salaries and benefits	1,098,599	1,019,804	-	-	2,900,599	2,544,241	3,999,198	3,564,045
Rent and building costs	392,466	249,500	-	-	885,112	836,760	1,277,578	1,086,260
Outside services	-	-	-	-	25,075	23,968	25,075	23,968
Supplies and equipment	160,952	198,349	-	-	708,370	750,779	869,322	949,128
Administrative	112,025	115,215	-	-	258,317	309,108	370,342	424,323
Travel	7,283	10,050	-	-	24,253	25,878	31,536	35,928
Bursaries	61,986	71,500	-	-	-	-	61,986	71,500
Mortgage interest	-	-	-	-	1,248	2,422	1,248	2,422
Amortization	-	-	16,134	10,522	59,677	54,290	75,811	64,812
	1,833,311	1,664,418	16,134	10,522	4,862,651	4,547,446	6,712,096	6,222,386
Excess of revenues over expenses (expenses over revenues) before undernoted	112,846	193,297	(16,134)	(10,522)	88,115	229,476	184,827	412,251
Return of funding	-	-	-	-	(70,559)	(184,883)	(70,559)	(184,883)
Excess of revenues over expenses (expenses over revenues)	112,846	193,297	(16,134)	(10,522)	17,556	44,593	114,268	227,368
Net assets, beginning of year	550,824	755,256	576,800	189,593	609,147	564,554	1,736,771	1,509,403
Purchase of capital assets	(61,265)	(397,729)	61,265	397,729	-	-	-	-
Net assets, end of year	602,405	550,824	621,931	576,800	626,703	609,147	1,851,039	1,736,771

The accompanying notes are an integral part of these financial statement

MADISON COMMUNITY SERVICES

Schedule of Restricted Funds

Year ended March 31, 2025

	Ontario Heath \$	Rent supplement \$	Craigleigh (note 9) \$	CAMH \$	North York Community House \$	ECHO Foundation \$	United Way \$	City of Toronto SSHA \$	St. Clare's Multifaith Housing \$	Total \$
Revenues										
Base grants	1,499,040	236,512	123,769	543,908	45,055	-	90,000	1,639,807	118,825	4,296,916
Capital reserve	-	-	34,900	-	-	-	-	-	-	34,900
Rent	-	82,191	21,332	183,027	-	-	-	-	-	286,550
One-time	-	-	6,000	-	-	-	-	-	-	6,000
Rent supplement	-	-	-	-	-	-	-	326,400	-	326,400
	<u>1,499,040</u>	<u>318,703</u>	<u>186,001</u>	<u>726,935</u>	<u>45,055</u>	<u>-</u>	<u>90,000</u>	<u>1,966,207</u>	<u>118,825</u>	<u>4,950,766</u>
Expenses										
Salaries and benefits	1,141,358	-	45,443	478,576	45,516	-	82,980	989,026	117,700	2,900,599
Rent and building costs	102,760	318,882	46,365	-	-	-	4,000	413,105	-	885,112
Outside services	15,514	-	-	-	-	-	-	8,655	906	25,075
Supplies and equipment	38,071	-	-	207,028	-	-	720	461,845	706	708,370
Administrative	183,112	-	5,700	46,629	-	-	800	21,494	582	258,317
Travel	17,803	-	-	-	-	-	1,500	1,945	3,005	24,253
Mortgage interest	-	-	1,248	-	-	-	-	-	-	1,248
Amortization	-	-	59,677	-	-	-	-	-	-	59,677
	<u>1,498,618</u>	<u>318,882</u>	<u>158,433</u>	<u>732,233</u>	<u>45,516</u>	<u>-</u>	<u>90,000</u>	<u>1,896,070</u>	<u>122,899</u>	<u>4,862,651</u>
Excess of revenues over expenses (expenses over revenues) before the undernoted	422	(179)	27,568	(5,298)	(461)	-	-	70,137	(4,074)	88,115
Amounts refundable to funder	(422)	-	-	-	-	-	-	(70,137)	-	(70,559)
Excess of revenues over expenses (expenses over revenue)	-	(179)	27,568	(5,298)	(461)	-	-	-	(4,074)	17,556
Restricted net assets, beginning of year	-	158,122	204,924	134,960	7,925	100,000	(613)	9,891	(6,062)	609,147
Restricted net assets, end of year	-	157,943	232,492	129,662	7,464	100,000	(613)	9,891	(10,136)	626,703

The accompanying notes are an integral part of these financial statements

MADISON COMMUNITY SERVICES

Schedule of Restricted Funds

Year ended March 31, 2024

	Ontario Health \$	Rent supplement \$	Craigleigh (note 9) \$	CAMH \$	North York Community House \$	ECHO Foundation \$	United Way \$	City of Toronto SSHA \$	St. Clare's Multifaith Housing \$	Total \$
Revenues										
Base grants	1,499,968	211,579	118,801	518,139	26,222	-	90,000	1,639,806	118,825	4,223,340
Capital reserve	-	-	2,957	-	-	-	-	-	-	2,957
Rent	-	63,340	15,464	33,799	-	-	-	-	-	112,603
One time	33,222	78,400	-	-	-	-	-	-	-	111,622
Rent supplements	-	-	-	-	-	-	-	326,400	-	326,400
	<u>1,533,190</u>	<u>353,319</u>	<u>137,222</u>	<u>551,938</u>	<u>26,222</u>	<u>-</u>	<u>90,000</u>	<u>1,966,206</u>	<u>118,825</u>	<u>4,776,922</u>
Expenses										
Salaries and benefits	1,080,012	-	45,000	349,933	24,696	-	82,980	848,647	112,973	2,544,241
Rent and building costs	96,436	310,916	29,810	-	-	-	4,000	395,598	-	836,760
Outside services	13,114	-	-	-	-	-	-	9,948	906	23,968
Supplies and equipment	29,463	-	-	188,005	-	-	720	531,891	700	750,779
Administrative	266,224	-	5,700	14,000	-	-	800	21,802	582	309,108
Travel	19,431	-	-	-	-	-	1,500	1,947	3,000	25,878
Mortgage interest	-	-	2,422	-	-	-	-	-	-	2,422
Amortization	-	-	54,290	-	-	-	-	-	-	54,290
	<u>1,504,680</u>	<u>310,916</u>	<u>137,222</u>	<u>551,938</u>	<u>24,696</u>	<u>-</u>	<u>90,000</u>	<u>1,809,833</u>	<u>118,161</u>	<u>4,547,446</u>
Excess of revenues over expenses (expenses over revenues) before the undernoted	28,510	42,403	-	-	1,526	-	-	156,373	664	229,476
Amounts refundable to funder	(28,510)	-	-	-	-	-	-	(156,373)	-	(184,883)
Excess of revenues over expenses (expenses over revenue)	-	42,403	-	-	1,526	-	-	-	664	44,593
Restricted net assets, beginning of year	-	115,719	204,924	134,960	6,399	100,000	(613)	9,891	(6,726)	564,554
Restricted net assets, end of year	-	158,122	204,924	134,960	7,925	100,000	(613)	9,891	(6,062)	609,147

The accompanying notes are an integral part of these financial statements

MADISON COMMUNITY SERVICES

Statement of Cash Flows

Year ended March 31	2025 \$	2024 \$
Cash flows from operating activities		
Excess of revenues over expenses for year	114,268	227,368
Item not requiring a current cash outlay		
Amortization	75,811	64,812
	190,079	292,180
Changes in non-working capital		
Decrease (increase) in accounts receivable	467,422	(613,535)
Decrease in HST recoverable	12,182	28,964
Decrease in prepaid expenses	52,304	7,703
(Decrease) increase in accounts payable and accrued liabilities	(91,426)	48,784
(Decrease) in accounts payable to funders	(79,837)	5,047
	550,724	(230,857)
Cash flows from investing activities		
Purchase of capital assets	(61,265)	(397,729)
Purchase of investments	-	(700,000)
Redemption of investments	200,000	1,000,000
	138,735	(97,729)
Cash flows from financing activities		
Repayments of mortgage payable	(59,677)	(54,290)
Proceeds of loan payable	55,534	-
	(4,143)	(54,290)
Change in cash	685,316	(382,876)
Cash - beginning of year	345,405	728,281
Cash - end of year	1,030,721	345,405

The accompanying notes are an integral part of these financial statements

MADISON COMMUNITY SERVICES

Notes to Financial Statements

March 31, 2025

Purpose of the Organization

Madison Avenue Housing and Support Services Inc. was incorporated October 13, 1981 under the laws of Ontario as a corporation without share capital. On August 6, 2010 Madison Avenue Housing and Support Services Inc. changed the name of the Organization to Madison Community Services (the "Organization").

The Organization is registered as a charitable organization under the Income Tax Act.

Madison Community Services is a community-based supportive housing organization. The objectives of the Organization are to promote the health, well-being and community integration of people 16 years of age and over with serious mental health issues through advocacy, education and the provision of a broad range of high quality community based support services.

1. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, except for those accounting standards presented by Ontario Health to record capital assets and reserves (note 1(a)(iii) and 1(e)) (the "Framework"). The Framework is a disclosed basis of accounting and is a compliance framework. In this regard, these financial statements have not been prepared in accordance with Canadian generally accepted accounting principles.

The Organization's significant accounting policies follow:

a) Fund accounting

The Organization follows the restricted fund method of accounting for contributions whereby all contributions are recognized as revenue when received or receivable. Unspent contributions that are refundable at the grant expiry are recorded as due to funder.

i) Unrestricted Program Fund

The Unrestricted Program Fund is a fund where donation and other program revenue is managed by the Organization, including programs operated on a fee for service and cost recovery basis.

ii) Invested in Capital Asset Fund

The Invested in Capital Asset Fund records capital assets used by the Organization for the Program Fund.

iii) Restricted Fund

The Restricted Fund is for all externally restricted funds received and accounts for all contributions and expenses toward individual funding grants. The program objectives of the individual funds are as follows:

Ontario Health Fund and Rent Supplement Program Fund are for supportive housing. All unexpended funds are repayable to Ontario Health.

MADISON COMMUNITY SERVICES

Notes to Financial Statements

March 31, 2025

1. **Significant accounting policies (continued)**

a) **Fund accounting (continued)**

iii) **Restricted Fund (continued)**

The Craigeigh Project Fund, funded by Ministry of Health, is for the operation of an 11 unit non-profit housing complex. Included in the fund is a replacement reserve fund established to provide for major repairs on the Craigeigh Project Fund housing complex. Purchases of a capital nature, other than building, are expensed in the year of acquisition from the Replacement Reserve Fund.

The CAMH Fund is used to provide high support services to individuals in the CAMH program.

The City of Toronto Fund is provided for one time upgrades to buildings being used by the organization for supportive housing.

The North York Community House Fund is provided for a vaccine ambassador program.

The ECHO Foundation Fund is used to provide additional funds in support of the Recovery during Immigration (RISE) program.

The United Way Fund is used to provide funds for the RISE program.

The City of Toronto Shelter, Support & Housing Administration Fund (SSHA) is to support the Pathways to Home program, which is designed to address the critical lack of 24/7 on-site, high support for long term users of the shelter system who require intensive support to maintain stable housing. This funding is provided by the City of Toronto through provincial and federal funding programs.

The St. Clare's Multifaith Housing Society Fund funding is to provide low and high level support to individuals in St. Clare's housing program.

b) **Financial instruments**

i) Measurement of financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value adjusted by transaction costs in the case where a financial asset or financial liability is subsequently measured at amortized cost.

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

Financial assets measured at amortized cost include cash, accounts receivable and investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, due to funders, mortgage payable and loan payable.

MADISON COMMUNITY SERVICES

Notes to Financial Statements

March 31, 2025

1. **Significant accounting policies (continued)**

b) **Financial instruments (continued)**

ii) Impairment

At the end of each reporting period, the Organization assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. Objective evidence of impairment includes observable data that comes to the attention of the Organization, including but not limited to the following events: significant financial difficulty of the issuer; a breach of contract, such as a default or delinquency in interest or principal payments; or bankruptcy or other financial reorganization proceedings.

When there is an indication of impairment, the Organization determines whether a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset.

When the Organization identifies a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it reduces the carrying amount of the asset to the highest of the following:

- the present value of the cash flows expected to be generated by holding the asset discounted using a current market rate of interest appropriate to the asset;
- the amount that could be realized by selling the asset at the statement of financial position date; and
- the amount the Organization expects to realize by exercising its rights to any collateral held to secure repayment of the asset net of all costs necessary to exercise those rights.

The carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the reduction is recognized as an impairment loss in the statements of revenues and expenses.

When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent of the improvement, directly or by adjusting the allowance account. The amount of the reversal is recognized in the statement of operations and fund balances in the period the reversal occurs.

c) **Investments**

Investments consist of guaranteed investment certificates (GICs) which are measured at cost plus accrued interest. GICs maturing in 12 months as at the reporting date are classified as short-term investments. GICs maturing beyond 12 months as at the reporting date are classified as long-term investments.

MADISON COMMUNITY SERVICES

Notes to Financial Statements

March 31, 2025

1. **Significant accounting policies (continued)**

d) **Capital assets**

The costs of capital assets are capitalized upon meeting the criteria for recognition as a capital asset. The cost of a capital asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

Capital assets are measured at cost less accumulated amortization and accumulated impairment losses.

Buildings are recorded at acquisition cost. Amortization of the Craighleigh Project Fund building is equivalent to the annual principal repayments on the mortgage. Amortization of the Program Fund building is 5% per annum on a straight-line basis. Amortization of furniture and equipment and computer equipment is 20% per annum on a straight line basis.

A capital asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. If any potential impairment is identified, the amount of the impairment is quantified by comparing the carrying value of the capital asset to its fair value. Any impairment of the capital asset is recognized in income in the year in which the impairment occurs.

An impairment loss is not reversed if the fair value of the capital asset subsequently increases.

e) **Management estimates**

The preparation of financial statements in conformity with the Framework requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. Actual results could differ from those estimates, the impact of which would be recorded in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

f) **Contributed goods and services**

The Volunteers contribute significant amounts of time to assist the Organization carrying out its service delivery activities. The Organization also, from time to time, receives donations of goods. Because of the difficulty in determining their fair value, contributed goods and services are not recognized in the financial statements.

MADISON COMMUNITY SERVICES

Notes to Financial Statements

March 31, 2025

2. Financial instrument risk management

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The following disclosures provide information to assist users of the financial statements in assessing the extent of risk related to the Organization's financial instruments.

The Organization manages its exposure to the risks associated with financial instruments that have the potential to affect its operating and financial performance in accordance with its risk management policy. The objective of the policy is to reduce volatility in cash flow and earnings. The Organization monitors compliance with risk management policies and reviews risk management policies and procedures on an annual basis.

Credit risk

The Organization is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, or if there is a concentration of transactions carried out with the same party, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the Organization could incur a financial loss. The Organization does not hold directly any collateral as security for financial obligations of counterparties.

The maximum exposures of the Organization to credit risk are as follows:

	2025	2024
	\$	\$
Cash	1,030,721	345,405
Accounts receivable	456,844	924,266
Investments	500,000	700,000
	<u>1,987,565</u>	<u>1,969,671</u>

Credit risk associated with cash and investments is minimized substantially by ensuring that these assets are invested in major financial institutions that have been accorded investment grade ratings by a primary rating agency; and/or other credit-worthy parties.

The Organization is not exposed to significant credit risk on its accounts receivables as the receivables are primarily due from the Organization's funders.

Liquidity risk

Liquidity risk is the risk that the Organization will not be able to meet a demand for cash or fund its obligations as they come due. Liquidity risk also includes the risk of the Organization not being able to liquidate assets in a timely manner at a reasonable price.

The Organization meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flows from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash. The organization has exposure to liquidity risk in accounts payable and accrued liabilities, due to funders, mortgage payable and loan payable to a maximum of \$894,590 (2024 - \$1,069,996).

Notes to Financial Statements

March 31, 2025

2. Financial instrument risk management (continued)

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 is comprised of currency risk, interest rate risk and other price risk.

Currency risk

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. The functional currency of the Organization is the Canadian dollar. The Organization does not enter into transactions in foreign currencies.

Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. The exposure of the Organization to interest rate risk arises from its interest bearing assets. The Organization has investments in guaranteed investment certificates. Details are disclosed in note 3.

Other price risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market. The Organization is not subject to other price risk.

Changes in risk

There have been no significant changes in the Organization's risk exposures from the prior year except that the Organization acquired a loan from Canada Mortgage Housing Corporation, which is new in 2025.

3. Investments

Investments consist of short-term investments in guaranteed investment certificate of \$nil (2024 - \$200,000, bearing interest of 5.0%) and long-term investments in guaranteed investment certificates of \$500,000 (2024 - \$500,000) bearing interest of 4.5% with maturity dates ranging from July 2026 to July 2028.

MADISON COMMUNITY SERVICES

Notes to Financial Statements

March 31, 2025

4. Capital assets

	Cost \$	Accumulated Amortization \$	2025 Net Book Value \$
Craigleigh			
Building	1,054,275	1,026,096	28,179
Epworth			
Land	170,195	-	170,195
Building	233,000	233,000	-
Furniture and equipment	68,450	65,983	2,467
Computer equipment	61,244	60,099	1,145
	532,889	359,082	173,807
Dundas			
Building	110,805	6,317	104,488
Redwood			
Building	78,074	4,554	73,520
Havelock			
Building - renovation in progress	270,116	-	270,116
	2,046,159	1,396,049	650,110

MADISON COMMUNITY SERVICES

Notes to Financial Statements

March 31, 2025

4. Capital assets (continued)

	Cost \$	Accumulated Amortization \$	2024 Net Book Value \$
Craigleigh			
Building	1,054,275	966,419	87,856
Epworth			
Land	170,195	-	170,195
Building	233,000	233,000	-
Furniture and equipment	68,450	63,515	4,935
Computer equipment	61,244	55,876	5,368
	<u>532,889</u>	<u>352,391</u>	<u>180,498</u>
Dundas			
Building	110,805	777	110,028
Redwood			
Building	78,074	650	77,424
Havelock			
Building - renovation in progress	208,850	-	208,850
	<u>1,984,893</u>	<u>1,320,237</u>	<u>664,656</u>

Havelock building is under renovation as at the end of the year and therefore, no amortization has been taken in the current year.

5. Due to funders

	2025 \$	2024 \$
Ontario Health	117,035	116,612
Pathways to Home	208,639	288,899
	<u>325,674</u>	<u>405,511</u>

MADISON COMMUNITY SERVICES

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6. Mortgage payable

The mortgage bears interest at 2.15%, is repayable in blended monthly payments of \$4,726 and matures September 1, 2025.

The mortgage is secured by property with a net book value of \$28,179.

During the year, the Organization made principal payment of \$55,463 (2024 - \$54,290) and interest payment of \$1,248 (2024 - \$2,422).

7. Loan payable

On July 16, 2024, the Organization entered into a loan agreement with Canada Mortgage Housing Corporation ("CMHC") under the Seed Funding Program pursuant to Section 76 of the National Housing Act. The Seed Funding Program provides financial assistance to support the development planning of affordable housing projects.

Under the agreement, CMHC approved a loan of up to \$80,000 to fund specific activities related to the planning and development of a proposed affordable housing project. The loan is non-interest-bearing until maturity and becomes repayable on the earliest of: (i) the date the Organization obtains long-term project financing, (ii) the third anniversary of the effective date of the loan agreement, (iii) the date the project is abandoned or discontinued, (iv) the date CMHC issues a notice of termination due to non-compliance, or (v) the date CMHC determines that the Organization has not met the project deliverables. Interest, if applicable, will accrue beginning 30 days after the maturity date at a rate equal to Canada Prime Rate plus 2%, calculated semi-annually and not in advance. The loan is unsecured and is restricted for use solely on CMHC approved eligible activities.

As of March 31, 2025, a total of \$55,534 has been advanced under the loan agreement.

8. Commitments

The Organization is committed to various premises leases expiring between June 30, 2025 and March 31, 2029. Minimum lease payments including estimated operating costs are as follows:

	\$
2026	701,756
2027	619,828
2028	572,673
2029	318,158
	<u>2,212,415</u>

The Organization has also entered into a five-year commitment related to a software service agreement effective March 22, 2024 with a minimum annual fee of \$28,112.

MADISON COMMUNITY SERVICES

Notes to Financial Statements

March 31, 2025

9. **Craighleigh capital reserve fund**

The Craighleigh restricted fund balance consists of the following:

	2025	2024
	\$	\$
Operating fund	93,979	104,268
Replacement reserve fund	138,513	100,656
	232,492	204,924