ANCASTER COMMUNITY SERVICES
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

BROWNLOW PARTNERS
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Ancaster Community Services

Qualified Opinion
We have audited the financial statements of Ancaster Community Services (the Organization), which comprise the statement of financial position as at March 31, 2026, and the statements of revenues and expenditures, changes in fund balances and 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* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of March 31, 2026, and its financial performance and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO).

Basis for Qualified Opinion
In common with many charitable organizations, the Organization derives revenue from cash donations and program fees, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditures, current assets and unrestricted net assets. Our audit opinion on the financial statements for the year ended March 31, 2026 was modified accordingly because of the possible effect of this limitation in scope. It is not practical to quantify the effect on the financial statements.

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 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 the financial statements in accordance with ASNPO 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 the 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 the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Brownlow Partners

Ancaster, Ontario
September 24, 2026

Chartered Professional Accountants
Licensed Public Accountants

ANCASTER COMMUNITY SERVICES
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2026

ASSETS

	2026	2025
CURRENT ASSETS		
Cash	$ 437,028	$ 358,951
Accounts receivable	8,469	6,129
Government remittances receivable	3,520	4,899
Inventory	15,964	5,073
	464,981	375,052
INVESTMENTS (note 2)	332,199	398,948
	$ 797,180	$ 774,000

LIABILITY

CURRENT LIABILITY		
Accounts payable and accrued liabilities	$ 10,864	$ 13,588

NET ASSETS

UNRESTRICTED GENERAL FUND	651,316	625,412
BOARD DESIGNATED RESERVE FUND	115,000	115,000
EARL MARCY ENDOWMENT FUND	20,000	20,000
	786,316	760,412
	$ 797,180	$ 774,000

Approved by the Board

Director

Director

(The accompanying notes form an integral part of these financial statements)

ANCASTER COMMUNITY SERVICES
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2026

	2026	2025
Revenue		
Fundraising	$ 262,693	$ 236,668
Grants	198,866	207,960
Programs and other	97,809	86,498
	559,368	531,126
Expenditures		
Administration (schedule 1)	85,740	90,758
Programs and services (schedule 2)	463,141	433,151
	548,881	523,909
	10,487	7,217
Interest income	15,417	26,231
EXCESS OF REVENUES OVER EXPENDITURES	$ 25,904	$ 33,448

(The accompanying notes form an integral part of these financial statements)

ANCASTER COMMUNITY SERVICES
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2026

	Unrestricted General Fund	Earl Marcy Endowment Fund	Board Designated Reserve Fund	2026	2025
NET ASSETS, BEGINNING OF THE YEAR	$ 625,412	$ 20,000	$ 115,000	$ 760,412	$ 726,964
Excess of revenue over expenditures	25,904	-	-	25,904	33,448
NET ASSETS, END OF THE YEAR	$ 651,316	$ 20,000	$ 115,000	$ 786,316	$ 760,412

(The accompanying notes form an integral part of these financial statements)

ANCASTER COMMUNITY SERVICES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2026

	2026	2025
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Excess of revenues over expenditures for the year	$ 25,904	$ 33,448
Net changes in working capital balances		
- accounts receivable	(2,340)	559
- government remittances receivable	1,379	(491)
- inventory	(10,891)	(3,590)
- accounts payable and accrued liabilities	(2,724)	(2,044)
	(14,576)	(5,566)
	11,328	27,882
INVESTING ACTIVITY		
Decrease in investments	66,749	87,157
INCREASE IN CASH DURING THE YEAR	78,077	115,039
CASH AT BEGINNING OF THE YEAR	358,951	243,912
CASH AT END OF THE YEAR	$ 437,028	$ 358,951

(The accompanying notes form an integral part of these financial statements)

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Purpose of Organization

Ancaster Community Services (the "Organization") is a registered charity that links members of the Ancaster community to services, information and volunteer opportunities that enhance the quality of life and the overall well being of the community. Ancaster Community Services is incorporated under the Ontario Business Corporations Act as a Not-for-Profit Organization and is a Registered Charity under the Income Tax Act.

(b) Basis of Presentation

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

(c) Inventory

Inventory, consisting of gift cards and food vouchers, is valued at the lower of cost and replacement cost, the cost being determined using the specific identification method.

(d) Capital Assets

Capital assets are recorded at cost. Amortization is provided for over the useful lives of the capital assets. The Organization does not own any significant capital assets.

(e) General Fund

The General Fund is used for the day-to-day operations of the Organization.

(f) Board Designated Reserve Fund

The Board Designated Reserve Fund is used to create an internal line of credit to manage cash flows and maintain financial flexibility, to enable the Organization to sustain operations through delays in payment of committed funding or to cover a period of time to obtain alternate funding, and to pay for one-time, non-recurring expenses to build capacity.

(g) Earl Marcy Endowment Fund

The Earl Marcy Endowment Fund is to be used only in the event that the Organization would be required to shut down operations permanently due to financial difficulties and pay all debts and outstanding balances.

(h) Revenue Recognition

The Organization follows the deferral method of accounting for recognizing contributions. Fundraising and grant revenue are recognized in the year in which the related expenses are incurred. Fundraising and grant revenue received for expenses to be incurred in future periods are recognized as deferred revenue. Programs and other revenue is recognized when earned.

(i) Contributed Materials

The Organization receives donations of food, toiletries and gift items. Due to the difficulty of determining their fair value and the impracticality of record-keeping, contributed materials are not recognized in the financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Contributed Services

Volunteers assist the Organization in carrying out its programs. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(k) Use of Estimates

The preparation of financial statements 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may vary from the current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

(l) Measurement of Financial Instruments

The Organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Organization subsequently measures all of its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable. Investments are recorded at cost plus accrued interest. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Organization has not designated any financial asset or financial liability to be measured at fair value.

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

2. INVESTMENTS

	2026	2025
GIC, annual interest rate of 4.75%, matured May 16, 2025	$ -	$ 77,183
GIC, annual interest rate of 4.85%, matured May 24, 2025	-	236,793
GIC, annual interest rate of 2.50%, matures May 24, 2026	243,668	-
GIC, annual interest rate of 4.15%, matures May 22, 2027	88,531	84,972
	$ 332,199	$ 398,948

It is the Organization's intention to reinvest all funds upon maturity. As such, all GIC's have been presented as long term investments.

3. FINANCIAL INSTRUMENTS

Risks and Concentrations

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations at March 31, 2026.

(a) Liquidity Risk

Liquidity risk is the risk that the Organization 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. This risk has not changed from the prior year.

(b) 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. The Organization's main credit risks relate to its accounts receivable. This risk has not changed from the prior year.

(c) 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. This risk has not changed from the prior year.

(i) 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 interest rate investments, which subject the Organization to a fair value risk.

ANCASTER COMMUNITY SERVICES
SCHEDULES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

	2026	2025
Schedule 1 - Administration		
Bookkeeping	$ 6,095	$ 3,458
Insurance	8,391	7,971
Professional fees	3,750	16,870
Wages	67,504	62,459
	$ 85,740	$ 90,758
Schedule 2 - Program and services		
Advertising and promotion	$ 8,489	$ 9,637
Bank charges and merchant fees	3,756	3,890
Fundraising	1,982	5,393
Office, computer maintenance and other	20,683	17,203
Program expenses	155,026	138,263
Wages	273,205	258,765
	$ 463,141	$ 433,151