

Financial statements of

Moorelands Community Services
O/A Moorelands Kids

December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Members of
Moorelands Community Services

Opinion

We have audited the financial statements of Moorelands Community Services ("the Organization"), which comprise the statement of financial position as at December 31, 2025 and the statements of operations and 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization 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 *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.

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 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. 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 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.

TORONTO, Ontario
March 19, 2026



Licensed Public Accountants



Moorelands Community Services
Statement of Financial Position

As at December 31	2025	2024
Current assets		
Cash	\$ 704,116	\$ 594,836
Short-term investments (note 3)	1,699,149	1,970,366
Accounts receivable	-	17,435
Public service body rebate receivable	61,966	42,051
Prepaid expenses and other assets	49,944	45,860
	2,515,175	2,670,548
Current liabilities		
Accounts payable and accrued liabilities	87,229	106,644
Deferred contributions (note 4)	135,000	175,000
	222,229	281,644
Net working capital	2,292,946	2,388,904
Externally restricted investments (note 3)	631,170	584,670
Capital assets (note 5)	1,574,430	1,542,515
	\$ 4,498,546	\$ 4,516,089
Fund balances		
Restricted funds (note 6)	\$ 2,924,115	\$ 2,973,574
Invested in capital assets	1,574,431	1,542,515
	\$ 4,498,546	\$ 4,516,089

Commitments (note 7)

See accompanying note to financial statements.

On behalf of the Board:



Director



Director

Moorelands Community Services
Statement of Operations and Changes in Fund Balances

Year ended December 31	General Fund		Restricted Funds (note 6)		Invested in Capital Assets		Total
	2025	2024	2025	2024	2025	2024	
Revenues							
Camp (schedule 1)							
Donations and grants	\$ 511,167	\$ 522,866	\$ -	\$ -	\$ -	\$ -	\$ 522,866
Camper fees	84,591	61,367	-	-	-	-	61,367
Municipal grant	70,000	70,000	-	-	-	-	70,000
Other							
Donations and grants	1,094,832	992,645	107,000	8,825	-	-	1,001,470
Investment income	153,550	186,288	39,500	51,545	-	-	237,833
Facility rentals	86,331	78,268	-	-	-	-	78,268
Legacies	81,657	100,000	280	329,764	-	-	429,764
Gifts in kind	61,764	68,721	-	-	-	-	68,721
Miscellaneous	13	-	22,625	-	-	-	-
Tax rebates	4,684	4,676	-	-	-	-	4,676
	2,148,589	2,084,831	169,405	390,134	-	2,317,994	2,474,965
Expenses							
Camp	1,223,195	1,196,819	-	-	-	-	1,196,819
City programs	418,175	596,877	-	-	-	-	596,877
Fundraising	285,196	294,322	-	-	-	-	294,322
Amortization	-	-	-	-	170,667	190,514	190,514
Administration	138,794	143,766	-	-	-	-	143,766
Public awareness	99,510	91,494	-	-	-	-	91,494
	2,164,870	2,323,278	-	-	170,667	190,514	2,335,537
Excess (deficiency) of revenue over expenses for the year	(16,281)	(238,447)	169,405	390,134	(170,667)	(190,514)	(38,827)
Inter-fund transfers (note 6)	16,281	238,447	(16,281)	(238,447)	-	-	-
Invested in capital assets	-	-	(202,583)	(34,080)	202,583	34,080	-
Net change in fund balance	-	-	(49,459)	117,607	31,916	(156,434)	(38,827)
Balance, beginning of year	-	-	2,973,574	2,855,967	1,542,515	1,698,949	4,554,916
Balance, end of year	\$ -	\$ -	\$ 2,924,115	\$ 2,973,574	\$ 1,574,431	\$ 1,542,515	\$ 4,498,546

See accompanying notes to financial statements.

Moorelands Community Services

Statement of Cash Flows

Year ended December 31	2025	2024
Cash used by operating activities:		
Deficiency of revenue over expenses for the year	\$ (17,543)	\$ (38,827)
Items not affecting cash		
Amortization	170,667	190,514
Realized gain on investments	(5,784)	(5,287)
Unrealized gain on investments	(41,557)	(73,373)
	105,783	73,027
Changes in non cash working capital balances:		
Accounts receivable	17,435	(443)
Public service body rebate receivable	(19,915)	9,229
Prepaid expenses and other assets	(4,084)	4,290
Accounts payable and accrued liabilities	(19,414)	(46,179)
Deferred contributions	(40,000)	175,000
	(65,978)	141,897
Net cash provided by operating activities	39,805	214,924
Cash provided (used) by investment activities:		
Sale of short-term investments (net)	307,794	97,279
Sale of externally restricted investments (net)	(35,737)	(35,563)
Purchase of capital assets	(202,582)	(34,080)
Net cash provided by investment activities	69,475	27,636
Net increase in cash	109,280	242,560
Cash, beginning of year	594,836	352,276
Cash, end of year	\$ 704,116	\$ 594,836

See accompanying note to financial statements.

Moorelands Community Services

Notes to Financial Statements

December 31, 2025

1 Nature of operations

Moorelands Community Services (operating as Moorelands Kids, and hereinafter referred to as "the Organization") is a charitable organization that delivers leadership based programs to support children and youth facing socio-economic barriers through experiential learning programs. Kids at Moorelands develop leadership, confidence, character and skills to strengthen their emotional and social well-being. These goals are achieved through a year-round continuum of support via summer camp, after-school and family programs.

The Organization was founded in 1912 and incorporated as a non-profit organization without share capital in 1917 under the Laws of Ontario. The Organization is a registered charity under the *Income Tax Act (Canada)* and is exempt from income tax.

2 Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Significant accounting policies are:

(a) Basis of accounting

The Organization follows the restricted fund method of accounting for contributions.

The General Fund accounts for the Organization's program delivery and administrative activities. This fund reports unrestricted resources and grants that are designated for specific operating purposes.

The Net Investment in Capital Assets Fund reports the revenues that have been invested in capital assets.

The Restricted Funds report the contributions which have been designated by the Board or by the donor for a specific purpose and are not available for unrestricted purposes without approval of the Board of Directors. The restricted funds are comprised of the following:

- (i) The Capital Fund reports the contributions which have been designated, by the donor or by the Board, to be used for the acquisition of capital assets, and reports the expenses directly related to such acquisitions.
- (ii) The Operating Reserve Fund was established to provide the Organization with financial stability in the event of an unforeseen crisis, including a significant drop in fundraising revenues. The goal is to maintain the fund at an amount equal to 50% of the Organization's annual operating budget.
- (iii) The Bursary Fund reports contributions that are required by the contributors to be permanently held as capital. The income earned on these contributions is transferred to the operating fund annually.
- (iv) The Endowment Fund reports contributions that are required by the contributors to be permanently held as capital. Each year a total of 4% of the book value of the Endowment Fund investment pool will be transferred to the operating fund.

In years when the investment return exceeds the 4% target, the excess earned income will remain in the Endowment investment pool; in years when the return falls short of the 4% target, the income will be augmented by a withdrawal of capital.

(b) Investments

Money market funds and marketable securities are recorded at market values.

Guaranteed investment certificates are recorded at amortized cost which approximates fair value.

Moorelands Community Services

Notes to Financial Statements

December 31, 2025

2 Significant accounting policies (continued)

(c) Capital assets

The Organization records capital assets at cost less accumulated amortization. The cost of a capital asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

When conditions indicate a capital asset no longer contributes to the Organization's ability to provide services or that the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount, its net carrying amount is written down to its fair value or replacement costs.

Capital assets are amortized over their estimate useful lives using the straight-line basis over the following periods:

Buildings	20 - 40 years
Equipment, furniture, and fixtures	10 years
Vehicles	10 years
Telephone system	10 years
Computer equipment	5 years
Computer software	5 years

(d) Deferred contributions

Deferred contributions represent the deferred portion of contributions and funds received for specific projects for which no corresponding restricted fund is presented. Deferred contributions are recognized as revenue when the related expenses are incurred.

(e) Revenue recognition

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund when received.

Special events revenue is recognized on completion of the event.

The Organization may be the beneficiary under various wills and trust agreements. The total realizable amounts are not at present readily determinable. The Organization recognizes such bequests when the proceeds are received.

Investment income earned on Endowment Fund resources is reported in the General Fund in accordance with the restrictions imposed by the fund policy. Other investment income is recognized as revenue of the General Fund on an accrual basis. The unrealized gain or loss on investments, being the difference between book value and fair value, is included in income in the statement of operations.

Camper and program fee revenues are recognized as revenue of the General Fund in the year in which it is earned.

(f) Expenditures

Expenditures are charged to operating expense categories which include camp expense, city programs, public awareness, administration and fundraising according to the activity to which they benefit. The basis of allocation among categories may be revised according to circumstances prevailing at any given time.

Administrative and fundraising expenses are incurred to operate the Organization and its programs in a cost-effective manner while maximizing all opportunities to further the Organization's mission. The Organization allocates certain of its administrative and fundraising expenditures to the operating expense categories based on management's best estimate based on time for labour and usage of materials, and applies that basis consistently each year.

2 Significant accounting policies (continued)

(g) Contributed goods and services

The value of goods and services is recorded as revenue and an expense in the financial statements when the fair value can be reasonably estimated and when the goods and services would otherwise be purchased if not donated.

Volunteers provide invaluable donated services to the Organization. Since the fair value of volunteer services can not be reasonably estimated, these contributed services are not recognized in the financial statements.

(h) Financial instruments

(i) Measurement

The Organization initially measures its financial assets and liabilities at fair value.

The Organization subsequently measures its financial assets and liabilities at amortized cost, except for marketable securities that are quoted in an active market which are measured at fair value based on quoted market prices. Changes in fair value are recognized in the statement of operations.

(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.

(i) Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant management estimates include the useful lives of capital assets, certain accrued liabilities, and the allocation of expenses among the different funds and activities of the Organization. Actual results could differ from management's best estimates as additional information becomes available in the future.

Moorelands Community Services

Notes to Financial Statements

December 31, 2025

3 Investments

Short term investments are comprised of the following:

As at December 31	2025	2024
Short term investments		
Canadian money market fund	\$ 44,351	\$ 44,351
Balanced fund	821,864	721,549
Guaranteed investment certificates including accrued interest of \$13,416 (2024 - \$58,420)	832,934	1,204,466
	1,699,149	1,970,366
Externally restricted investments		
Balanced fund	631,170	584,670
Total investments	\$ 2,330,319	\$ 2,555,036
Total investments, at cost	\$ 1,902,390	\$ 2,273,922

Externally restricted investments are accounted for in accordance with the bursary fund policy, as described in note 2(a).

Canadian money market fund

The Canadian money market fund investments are recorded at fair value based on year end quoted market prices. The investment objective of this fund is to provide a steady level of current income while preserving capital by investing in a well-diversified portfolio of short term Canadian money market securities. The underlying investments are comprised of commercial paper, bank deposits, bankers acceptance and provincial bills.

Balanced fund

The balanced fund investments are recorded at fair value based on year end quoted market prices. The investment objective of this fund is to provide long-term capital growth and income by investing primarily in a well-diversified, balanced portfolio of Canadian common stocks, bonds and money market securities. This fund also holds a portion of its assets in foreign common stock.

Guaranteed investment certificates

The guaranteed investment certificates ("GIC") have been recorded at amortized cost which approximates fair value. The GIC investments mature on January 27, 2026 (2024 - January 27, 2025) and bear interest at a variable rate equal to prime rate less 2.20% (2024 - prime rate less 1.95%). At December 31, 2025 the GIC investments earned interest at 2.25% (2024 - 3.50%).

Total investments asset mix

The Organization's total investment asset mix is as follows:

Cash & short term	40%	\$ 943,251
Fixed income	22%	522,173
Canadian equity	13%	291,556
US equity	16%	375,969
International equity	9%	197,370
		<u>\$ 2,330,319</u>

Moorelands Community Services

Notes to Financial Statements

December 31, 2025

4 Deferred contributions

Deferred contributions are comprised of the unearned portion of contributions received from donors, summarized as follows:

Year ended December 31,	2025	2024
Balance, beginning of year	\$ 175,000	\$ -
Received or receivable in the year		175,000
Recognized as revenue in the year	(40,000)	-
Deferred contributions, end of year	\$ 135,000	\$ 175,000

5 Capital assets

As at December 31	2025		2024	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 135,363	\$ -	\$ 135,363	\$ -
Buildings	4,110,715	2,979,808	4,052,183	2,854,674
Equipment, furniture and fixtures	503,890	380,894	500,666	344,510
Vehicles	279,888	232,854	279,888	232,854
Telephone system	10,012	5,352	10,012	4,351
Computer equipment and software	106,545	105,991	106,545	105,753
Assets under construction	132,916	-	-	-
	\$ 5,279,329	\$ 3,704,899	\$ 5,084,657	\$ 3,542,142
Net book value		\$ 1,574,430		\$ 1,542,515

Assets under construction will not be amortized until such time as construction is complete and the asset has been put into use.

Moorelands Community Services

Notes to Financial Statements

December 31, 2025

6 Restricted funds

The restricted funds consist of resources that have been externally restricted by the donor or internally restricted by the Board of Directors for specific purposes. The restricted funds are comprised of the following:

	Opening	Revenue	Expenditure	Transfers	Ending
External					
Endowment	\$ 486,690	\$ 39,500	\$ -	\$ -	\$ 526,190
Bursary	97,980	7,000	-	-	104,980
Capital	306,585	280	(132,916)	-	173,949
Internal					
Operating reserve	1,083,642	-	-	(16,281)	1,067,361
Capital	998,677	122,625	(69,667)	-	1,051,635
	<u>\$ 2,973,574</u>	<u>\$ 169,405</u>	<u>\$ (202,583)</u>	<u>\$ (16,281)</u>	<u>\$ 2,924,115</u>

For the year ended December 31, 2025, transfers from the Restricted Funds to the General Fund of \$16,281 (2024 - 2024) were approved by the Board of Directors.

7 Commitments

The Organization has a lease agreement for its premises expiring on April 30, 2029.

Future minimum lease payments, before HST, for the term of premises and equipment lease agreements are as follows:

	Premises	Equipment	Total
2026	\$ 44,800	\$ 5,793	\$ 50,593
2027	44,800	1,813	46,613
2028	44,800	-	44,800
2029	14,933	-	14,933
	<u>\$ 149,333</u>	<u>\$ 7,606</u>	<u>\$ 156,939</u>

In addition to the minimum lease payments, the lease agreement requires the Organization to pay a proportionate share of property taxes and operating expenses.

Moorelands Community Services

Notes to Financial Statements

December 31, 2025

8 Allocated expenses

Certain administrative, public awareness and fundraising expenses are allocated to the activities which they benefit by management using their best estimate based on time for labour and usage of materials.

The administrative expenses have been allocated as follows:

Year ended December 31	2025	2024
Moorelands camp	\$ 139,386	\$ 143,685
City programs	76,029	78,372
Public awareness	12,672	13,062
Christmas sharing	12,672	13,062
	\$ 240,759	\$ 248,181

The public awareness expenses have been allocated as follows:

Year ended December 31	2025	2024
Moorelands camp	\$ 53,760	\$ 35,702
City programs	35,840	35,702
	\$ 89,600	\$ 71,404

The fundraising expenses have been allocated as follows:

Year ended December 31	2025	2024
Public awareness	57,238	\$ 57,493
Administrative	17,508	18,741
	\$ 74,746	\$ 76,234

Moorelands Community Services

Notes to Financial Statements

December 31, 2025

9 Financial instruments

The Organization actively manages the market risks that arise from the use of financial instruments including interest risk, currency risk and price risk. The Organization adheres to an investment policy that outlines the objectives, constraints and parameters related to investing activities. This policy prescribes limits around the quality and concentrations of investments held by the Organization. Management regularly reviews the Organization investments to ensure all activities adhere to the investment policy. There has been no change to the risk exposure of the Organization from the prior year.

Interest risk

A portion of investments of the Organization consist of fixed income instruments which bear interest at a variable rate. As a result, a change in market interest rate will have an impact on the fair value of these investments.

Currency risk

A portion of the investments of the Organization consist of US and international equities. As a result, the Organization is exposed to risk that arises from fluctuation of foreign exchange rates.

Price risk

A portion of the investments of the Organization are invested in equities. As a result the Organization is exposed to risk that arises from fluctuation in market prices and the degree of volatility of investment markets.

Changes in risk

There have been no significant changes in risk exposures from the prior year.

Moorelands Community Services
Schedule

Schedule 1: Camp

Year ended December 31	2025	2024
Camp revenues		
Donations and grants	\$ 511,167	\$ 522,866
Camper fees	84,591	61,367
Municipal grant	70,000	70,000
	665,758	654,233
Allocated revenues		
Donations - other	557,437	542,586
	1,223,195	1,196,819
Expenses		
Wages	446,075	355,890
Food	227,225	276,735
Administration	139,386	143,685
Utilities, maintenance and cleaning	78,663	86,755
Insurance	66,795	67,095
Transportation	65,261	68,412
Benefits	56,912	44,368
Professional fees	54,714	54,027
Occupancy	32,493	34,465
Program related costs	27,295	25,778
Staff training	10,875	17,958
Office	9,097	11,604
Business travel	4,592	2,442
Dues - Ontario Camps Association	2,848	2,562
Gift-in-kind	964	5,043
	1,223,195	1,196,819
Camp deficiency of revenue over expense for the year	-	-

