

Financial statements of

Moorelands Community Services
O/A Moorelands Kids

December 31, 2023

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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, 2023 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, 2023, 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 21, 2024



Licensed Public Accountants

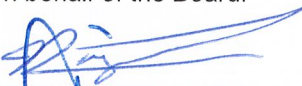
Moorelands Community Services
Statement of Financial Position

As at December 31	2023	2022
Current assets		
Cash	\$ 352,276	\$ 495,848
Short-term investments (note 3)	2,013,792	2,129,067
Accounts receivable	16,992	48,502
Public service body rebate receivable	51,280	35,669
Prepaid expenses and other assets	50,150	47,321
	2,484,490	2,756,407
Current liabilities		
Accounts payable and accrued liabilities	152,823	102,904
Deferred contributions	-	2,260
Canada Emergency Business Account (CEBA) loan payable (note 5)	-	40,000
	152,823	145,164
Net working capital	2,331,667	2,611,243
Externally restricted investments (note 3)	524,300	490,652
Capital assets (note 4)	1,698,949	1,720,453
	\$ 4,554,916	\$ 4,822,348
Fund balances		
Restricted funds (note 6)	\$ 2,855,967	\$ 3,101,895
Invested in capital assets	1,698,949	1,720,453
	\$ 4,554,916	\$ 4,822,348

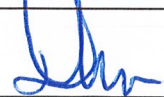
Commitments (note 7)

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
	2023	2022	2023	2022	2023	2022	
Revenues							
Camp (schedule 1)							
Donations and grants	\$ 646,463	\$ 556,144	\$ -	\$ -	\$ -	\$ -	\$ 556,144
Municipal grant	70,000	70,000	-	-	-	-	70,000
Camper fees	58,956	29,784	-	-	-	-	29,784
Other							
Donations and grants	1,124,672	1,027,018	5,500	5,500	-	-	1,032,518
Investment income (loss)	140,192	(25,741)	28,148	(86,016)	-	-	(111,757)
(note 3)							
Legacies	88,350	127,386	-	-	-	-	127,386
Gifts in kind	85,259	131,545	-	-	-	-	131,545
Government assistance	-	-	-	-	-	-	-
(note 5)							
Facility rentals	60,023	15,120	-	-	-	-	15,120
Tax rebates	4,964	4,549	-	-	-	-	4,549
Miscellaneous	700	82,547	-	-	-	-	82,547
City program fees	353	244	-	-	-	-	244
	2,279,932	2,018,596	33,648	(80,516)	-	-	1,938,080
Expenses							
Camp	1,180,580	810,508	17,178	51,280	-	-	861,788
City programs	637,933	526,429	-	-	-	-	526,429
Fundraising	280,999	253,079	-	-	-	-	253,079
Amortization	-	-	-	-	189,468	181,250	181,250
Administration	145,754	130,961	-	-	-	-	130,961
Public awareness	129,100	105,625	-	-	-	-	105,625
	2,374,366	1,826,602	17,178	51,280	189,468	181,250	2,059,132
Excess (deficiency) of revenue over expenses for the year	(94,434)	191,994	16,470	(131,796)	(189,468)	(181,250)	(121,052)
Inter-fund transfers (note 6)	94,434	(191,994)	(94,434)	191,994	-	-	-
Invested in capital assets	-	-	(167,964)	(91,890)	167,964	91,890	-
Net change in fund balance	-	-	(245,928)	(31,692)	(21,504)	(89,360)	(121,052)
Balance, beginning of year	-	-	3,101,895	3,133,587	1,720,453	1,809,813	4,943,400
Balance, end of year	\$ -	\$ -	\$ 2,855,967	\$ 3,101,895	\$ 1,698,949	\$ 1,720,453	\$ 4,554,916
							\$ 4,822,348

See accompanying notes to financial statements.

Moorelands Community Services
Statement of Cash Flows

Year ended December 31	2023	2022
Cash provided (used) by operating activities:		
Deficiency of revenue over expenses for the year	\$ (267,432)	\$ (121,052)
Items not affecting cash		
Amortization	189,468	181,250
Realized (gain) on investments	(3,260)	(3,615)
Unrealized (gain) loss on investments	(63,149)	179,105
	(144,373)	235,688
Changes in non cash working capital balances:		
Accounts receivable	31,510	10,571
Public service body rebate receivable	(15,611)	(1,905)
Prepaid expenses and other assets	(2,829)	(5,570)
Accounts payable and accrued liabilities	49,919	(42,247)
Deferred contributions	(2,260)	215
	60,729	(38,936)
Net cash provided (used) by operating activities	(83,644)	196,752
Cash provided (used) by investment activities:		
Sale (purchase) of short-term investments (net)	151,349	(306,636)
Sale (purchase) of externally restricted investments (net)	(3,313)	7,031
Purchase of capital assets	(167,964)	(91,890)
Net cash used by investment activities	(19,928)	(391,495)
Net cash used by financing activities:		
CEBA loan payable	(40,000)	-
Net decrease in cash	(143,572)	(194,743)
Cash, beginning of year	495,848	690,591
Cash, end of year	\$ 352,276	\$ 495,848

See accompanying note to financial statements.

Moorelands Community Services

Notes to Financial Statements

December 31, 2023

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) Cash

Cash includes cash deposits in the bank.

(c) 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, 2023

2 Significant accounting policies (continued)

(d) 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. As at December 31, 2023, no such impairment exists.

Capital assets are depreciated 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

(e) 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.

(f) 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.

(g) 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.

Moorelands Community Services

Notes to Financial Statements

December 31, 2023

2 Significant accounting policies (continued)

(h) 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.

(i) 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.

(j) 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, 2023

3 Investments

Short term investments are comprised of the following:

As at December 31	2023	2022
Short term investments		
Canadian money market fund	\$ 42,394	\$ 40,459
Balanced fund	613,042	561,303
Guaranteed investment certificates including accrued interest of \$69,962 (2022 - \$21,377)	1,358,356	1,527,305
	2,013,792	2,129,067
Externally restricted investments		
Balanced fund	524,300	490,652
Total investments	\$ 2,538,092	\$ 2,619,719
Total investments, at cost	\$ 2,331,362	\$ 2,476,126

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 26, 2024 (2022 - dates ranging from July 19, 2023 to August 31, 2023) and bear interest at a variable rate equal to prime rate less 1.85%. At December 31, 2023 the GIC investments earned interest at 5.35% (2022 - 4.25%).

Total investments asset mix

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

Cash & short term	56%	\$ 1,420,509
Fixed income	18%	444,588
Canadian equity	9%	228,078
US equity	11%	286,830
International equity	6%	158,087
		<u>\$ 2,538,092</u>

Moorelands Community Services

Notes to Financial Statements

December 31, 2023

4 Capital assets

As at December 31	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 135,363	\$ -	\$ 135,363	\$ -
Buildings	4,018,104	2,712,047	3,924,083	2,566,123
Equipment, furniture and fixtures	500,666	308,684	432,129	278,752
Vehicles	279,888	224,943	274,483	219,112
Telephone system	10,012	3,350	10,012	2,349
Computer equipment and software	106,545	102,605	106,545	95,826
	\$ 5,050,578	\$ 3,351,629	\$ 4,882,615	\$ 3,162,162
Net book value		\$ 1,698,949		\$ 1,720,453

5 Canada Emergency Business Account (CEBA) loan

The Organization received a \$60,000 loan under the federal government's Canada Emergency Business Account (CEBA) program which provides assistance to small businesses and not-for-profit organizations in paying non-deferrable operating expenses. The CEBA program was designed to assist organizations dealing with the economic impact of the COVID-19 pandemic. Provided \$40,000 of the CEBA loan was repaid on or before January 18, 2024, the remaining \$20,000 would be forgiven.

The Organization paid the balance owing on the CEBA loan during the year.

Moorelands Community Services

Notes to Financial Statements

December 31, 2023

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	\$ 413,870	\$ 21,275	\$ -	\$ -	\$ 435,145
Bursary	76,782	12,373	-	-	89,155
Capital	35,315	-	(35,315)	-	-
Internal					
Operating reserve	1,416,523	-	-	(94,434)	1,322,089
Capital	1,159,405	-	(149,827)	-	1,009,578
	\$ 3,101,895	\$ 33,648	\$ (185,142)	\$ (94,434)	\$ 2,855,967

For the year ended December 31, 2023, transfers from the Restricted Funds to the General Fund of \$94,434 (2022 - \$191,994, General Fund to Restricted Funds) 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
2024	\$ 44,000	\$ 5,793	\$ 49,793
2025	44,800	5,793	50,593
2026	44,800	5,793	50,593
2027	44,800	1,813	46,613
2028	44,800	-	44,800
2029	14,933	-	14,933
	\$ 238,133	\$ 19,192	\$ 257,325

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, 2023

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	2023	2022
Moorelands camp	\$ 139,070	\$ 116,980
City programs	79,607	70,188
Fundraising	6,882	11,698
Public awareness	13,269	11,698
Christmas sharing	13,269	11,698
	\$ 252,097	\$ 222,262

The public awareness expenses have been allocated as follows:

Year ended December 31	2023	2022
Moorelands camp	\$ 39,297	\$ 24,216
City programs	39,297	24,216
	\$ 78,594	\$ 48,432

The fundraising expenses have been allocated as follows:

Year ended December 31	2023	2022
Public awareness	\$ 56,705	\$ 32,015
Administrative	18,758	18,995
	\$ 75,463	\$ 51,010

Moorelands Community Services

Notes to Financial Statements

December 31, 2023

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	2023	2022
Revenues		
Donations and grants	\$ 646,463	\$ 556,144
Municipal grant	70,000	70,000
Camper fees	58,956	29,784
	775,419	655,928
Expenses		
Wages	347,449	302,759
Food	304,997	97,649
Administration	139,070	116,980
Transportation	76,535	29,826
Utilities, maintenance and cleaning	69,267	68,682
Insurance	64,882	60,098
Professional fees	55,091	13,512
Benefits	51,404	43,633
Occupancy	27,300	27,501
Program related costs	23,950	27,229
Staff training	7,725	8,835
Office	7,588	6,670
Business travel	2,915	4,277
Dues - Ontario Camps Association	2,407	2,757
Gift-in-kind	-	100
	1,180,580	810,508
Camp deficiency of revenue over expense for the year	(405,161)	(154,580)
Camp deficit, beginning of the year	(3,309,121)	(3,154,541)
Camp deficit, end of the year	\$ (3,714,282)	\$ (3,309,121)

