

**WESLEY ACRES INC.**

**NON-CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2025

## INDEPENDENT AUDITOR'S REPORT

To the Directors of  
**WESLEY ACRES INC.**

### Qualified Opinion

We have audited the non-consolidated financial statements of **WESLEY ACRES INC.**, which comprise the statement of financial position as at December 31, 2025, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Qualified Opinion

In common with many not-for-profit organizations, Wesley Acres Inc. derives revenues from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Corporation. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenue over expenses and cash flows from operations for the years ended December 31, 2025 and 2024, current assets as at December 31, 2025 and 2024, and net assets as at January 1 and December 31 for both the 2025 and 2024 years. Our audit opinion on the non-consolidated financial statements for the year ended December 31, 2024 was modified accordingly because of the possible effects of this limitation in scope.

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 Non-Consolidated Financial Statements section of our report. We are independent of the Corporation 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 qualified opinion.

### Responsibilities of Management and Those Charged with Governance for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

## INDEPENDENT AUDITOR'S REPORT (continued)

In preparing the non-consolidated financial statements, management is responsible for assessing the Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 non-consolidated 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 non-consolidated 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 Corporation'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 Corporation'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 non-consolidated 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 Corporation to cease to continue as a going concern.

## INDEPENDENT AUDITOR'S REPORT (continued)

- ◆ Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated 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 controls that we identify during our audit.



Picton, Ontario  
May 7, 2026


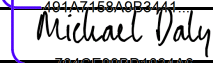
CHARTERED PROFESSIONAL ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS

**WESLEY ACRES INC.**  
*(Incorporated under the laws of Ontario)*  
**NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2025**

**ASSETS**

	<u>2025</u>	<u>2024</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 804,517	\$ 787,651
Accounts receivable	2,999	8,019
HST receivable	1,459	12,226
Inventory	10,096	7,358
Prepaid expenses and deposits	<u>86,811</u>	<u>84,028</u>
	<u>905,882</u>	<u>899,282</u>
<b>CAPITAL ASSETS - note 4</b>	<u>2,232,858</u>	<u>2,307,115</u>
<b>INVESTMENTS</b>		
Investments - note 5	166,141	171,103
Investment in subsidiary - note 6	<u>229,579</u>	<u>208,385</u>
	<u>395,720</u>	<u>379,488</u>
	<u><u>\$ 3,534,460</u></u>	<u><u>\$ 3,585,885</u></u>

Approved by the Board

 <small>Signed by: 491A7153A0B3441</small>	Director
 <small>704CE99BD1034A0...</small>	Director

*(See accompanying notes)*

**WESLEY ACRES INC.**  
*(Incorporated under the laws of Ontario)*  
**STATEMENT OF FINANCIAL POSITION (continued)**  
**DECEMBER 31, 2025**

**LIABILITIES AND NET ASSETS**

	<u>2025</u>	<u>2024</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 64,792	\$ 161,026
Deferred revenue	15,398	2,411
Due to subsidiary - note 10	<u>18,676</u>	<u>34,211</u>
	<u>98,866</u>	<u>197,648</u>
 <b>DEFERRED CONTRIBUTIONS</b>		
Deferred contributions related to capital assets - note 7	892,015	901,424
Deferred contributions - other - note 8	<u>107,567</u>	<u>139,865</u>
	<u>999,582</u>	<u>1,041,289</u>
<b>TOTAL LIABILITIES</b>	<u>1,098,448</u>	<u>1,238,937</u>
 <b>NET ASSETS</b>		
Internally restricted - invested in capital assets - note 9	1,340,843	1,405,692
Internally restricted reserves - note 9	578,132	548,465
Unrestricted net assets	287,458	184,406
Equity in subsidiary	<u>229,579</u>	<u>208,385</u>
	<u>2,436,012</u>	<u>2,346,948</u>
	<u>\$ 3,534,460</u>	<u>\$ 3,585,885</u>

*(See accompanying notes)*

**WESLEY ACRES INC.**  
**NON-CONSOLIDATED STATEMENT OF OPERATIONS**  
**YEAR ENDED DECEMBER 31, 2025**

	<u>2025</u>	<u>2024</u>
<b>REVENUES</b>		
Accommodations	\$ 233,520	\$ 203,985
Facilities	12,970	13,323
Food services	271,313	237,309
Program	89,589	82,768
Donations - note 12	427,588	339,361
Boat storage fee	7,007	5,886
HST rebate	26,115	39,746
Miscellaneous	25,098	20,782
Rental income	1,548	3,789
Land rent from related party - note 10	376,671	417,616
Front shop	8,792	7,263
Interest income	<u>17,712</u>	<u>20,947</u>
	<u>1,497,923</u>	<u>1,392,775</u>
<b>EXPENSES</b>		
Housekeeping, Schedule 1	100,658	85,126
Administration, Schedule 2	399,157	446,802
Promotion - fundraising, Schedule 3	3,364	5,060
Food services, Schedule 4	296,553	293,939
Facilities, Schedule 5	232,991	309,945
Program, Schedule 6	<u>255,053</u>	<u>232,733</u>
	<u>1,287,776</u>	<u>1,373,605</u>
Excess of revenues over expenses before other items	<u>210,147</u>	<u>19,170</u>
<b>OTHER</b>		
Amortization of capital assets	(226,373)	(227,972)
Amortization of deferred capital contributions	84,096	82,224
Equity pick up of current year income (loss) of subsidiary - note 6	<u>21,194</u>	<u>(8,799)</u>
	<u>(121,083)</u>	<u>(154,547)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ 89,064</u>	<u>\$ (135,377)</u>

*(See accompanying notes)*

**WESLEY ACRES INC.**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**YEAR ENDED DECEMBER 31, 2025**

	<u>Invested in Capital Assets</u>	<u>Internally Restricted Reserves</u>	<u>Invested in subsidiary</u>	<u>Unrestricted</u>	<u>2025 Total</u>	<u>2024 Total</u>
<b>BALANCE, beginning of year</b>	\$ 1,405,692	\$ 548,465	\$ 208,385	\$ 184,406	\$ 2,346,948	\$ 2,482,325
Excess (deficiency) of revenues over expenses	(142,277)	-	21,194	210,147	89,064	(135,377)
Investment in capital assets	77,428	-	-	(77,428)	-	-
Interfund transfers- note 11	<u>-</u>	<u>29,667</u>	<u>-</u>	<u>(29,667)</u>	<u>-</u>	<u>-</u>
<b>BALANCE, end of year</b>	<u>\$ 1,340,843</u>	<u>\$ 578,132</u>	<u>\$ 229,579</u>	<u>\$ 287,458</u>	<u>\$ 2,436,012</u>	<u>\$ 2,346,948</u>

*(See accompanying notes)*

**WESLEY ACRES INC.**  
**SCHEDULES TO NON-CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

**SCHEDULE OF HOUSEKEEPING****Schedule 1**

	<u>2025</u>	<u>2024</u>
Wages and benefits	\$ 89,637	\$ 80,572
Supplies	<u>11,021</u>	<u>4,554</u>
	<u>\$ 100,658</u>	<u>\$ 85,126</u>

**SCHEDULE OF ADMINISTRATION****Schedule 2**

	<u>2025</u>	<u>2024</u>
Wages and benefits	\$ 119,180	\$ 105,060
Accounting and legal fees	14,680	27,540
Telephone	6,362	5,632
Board and committee	408	58,798
Office	15,012	16,288
Taxes and insurance	96,936	90,223
Travel expenses	2,961	3,304
Utilities	72,957	69,865
Miscellaneous	32,335	34,358
Bank charges	28,010	21,589
Bad debts	(250)	5,366
Services and fees	<u>10,566</u>	<u>8,779</u>
	<u>\$ 399,157</u>	<u>\$ 446,802</u>

**SCHEDULE OF PROMOTION - FUNDRAISING****Schedule 3**

	<u>2025</u>	<u>2024</u>
Printing	\$ 982	\$ 812
Advertising	<u>2,382</u>	<u>4,248</u>
	<u>\$ 3,364</u>	<u>\$ 5,060</u>

*(See accompanying notes)*

**WESLEY ACRES INC.**  
**SCHEDULES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

**SCHEDULE OF FOOD SERVICES**

**Schedule 4**

	<u>2025</u>	<u>2024</u>
Wages and benefits	\$ 81,665	\$ 112,326
Supplies	123,744	117,308
Food services - repairs and maintenance	15,480	15,507
Services	<u>75,664</u>	<u>48,798</u>
	<u>\$ 296,553</u>	<u>\$ 293,939</u>

**SCHEDULE OF FACILITIES**

**Schedule 5**

	<u>2025</u>	<u>2024</u>
Wages and benefits	\$ 91,804	\$ 77,531
Maintenance and repairs	135,387	225,590
Gas and diesel fuel	<u>5,800</u>	<u>6,824</u>
	<u>\$ 232,991</u>	<u>\$ 309,945</u>

**SCHEDULE OF PROGRAM**

**Schedule 6**

	<u>2025</u>	<u>2024</u>
Wages and benefits	\$ 121,103	\$ 136,038
Supplies	24,751	23,109
Honoraria	69,141	47,773
Rentals	259	76
Program - miscellaneous	<u>39,799</u>	<u>25,737</u>
	<u>\$ 255,053</u>	<u>\$ 232,733</u>

*(See accompanying notes)*

**WESLEY ACRES INC.**  
**NON-CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2025**

	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	\$ 89,064	\$ (135,377)
Adjustments for:		
Amortization of deferred capital contributions	(84,096)	(82,224)
Amortization of capital assets	<u>226,373</u>	<u>227,972</u>
	231,341	10,371
Change in non-cash working capital components:		
Accounts receivable	5,020	(1,439)
HST receivable	10,767	(7,987)
Inventory	(2,738)	(2,573)
Prepaid expenses and deposits	(2,783)	(3,694)
Accounts payable and accrued liabilities	(96,234)	106,297
Deferred revenue	12,987	(3,484)
Deferred contributions - other	<u>(32,298)</u>	<u>15,598</u>
	<u>126,062</u>	<u>113,089</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of capital assets	(152,115)	(162,609)
Donations received for capital asset acquisitions	74,687	8,625
Purchase of investments	4,961	(5,389)
Equity pick up of current year	<u>(21,194)</u>	<u>8,799</u>
	<u>(93,661)</u>	<u>(150,574)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Advances from (to) subsidiary	<u>(15,535)</u>	<u>7,004</u>
<b>INCREASE (DECREASE) IN CASH</b>	16,866	(30,481)
<b>CASH, beginning of year</b>	<u>787,651</u>	<u>818,132</u>
<b>CASH, end of year</b>	<u>\$ 804,517</u>	<u>\$ 787,651</u>
<b>CASH CONSISTS OF:</b>		
Operating account	\$ 244,766	\$ 296,184
Saving for reserves	<u>559,751</u>	<u>491,467</u>
	<u>\$ 804,517</u>	<u>\$ 787,651</u>

*(See accompanying notes)*

**WESLEY ACRES INC.**  
**NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

**1. PURPOSE OF THE ORGANIZATION**

Wesley Acres Inc. is a non-profit charitable corporation incorporated under the laws of Canada. The purpose of the corporation is to preach, teach, promote, demonstrate, encourage, disseminate and implement the Gospel of Jesus Christ and related truths of the Holy Bible through facilities and programs that communicate and exemplify the Christian faith in furtherance of the teachings and practices of The Free Methodist Church in Canada.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These non-consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

**Use of estimates**

The preparation of non-consolidated 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 and disclosure of contingent assets and liabilities at the date of the non-consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Management makes accounting estimates when determining the estimated useful life of Corporation's capital assets, net realizable value of inventory, allowance for doubtful accounts and accrued liabilities. Actual results could differ from these estimates.

**Revenue recognition**

The Corporation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions and other revenues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Deposits for events in future years are recorded as deferred revenue.

**Contributed materials and services**

Contributed materials and services are recognized in the non-consolidated financial statements when a fair value can be reasonably estimated, when the materials and services are used in the normal course of operations and when they would otherwise have been purchased.

**Inventory**

Inventories are valued at the lower of cost and net realizable value with cost being determined substantially on a first-in, first-out basis.

**WESLEY ACRES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Capital assets**

Capital assets are stated at acquisition cost. Amortization is provided on a straight-line basis over the estimated useful life of the assets as follows:

Building – wood construction	- 25 years
– steel construction	- 40 years
Equipment and furniture	- 5 years
Site services, roads and other land improvements	- 5 to 25 years
Trailer park	- 15 years
Dock	- 10 years
Shower Trailer	- 15 years
Signs	- 5 years
Trailer	- 5 years
Boat	- 15 years
Vehicles	- 3 years
Play structure	- 15 years

**Financial instruments**

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

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

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and amounts due to subsidiary.

**Income taxes**

The Corporation is a registered charity, and as such, is exempt from income taxes.

**Investment in Subsidiary**

The Corporation has elected to report its investments in the wholly owned profit oriented subsidiary, Wesley Acres Trailer Park Inc., using the equity method of accounting. Under this method, net income of the subsidiary is reported as income of the Corporation and the investment value is adjusted to include the retained earnings of the subsidiary.

**WESLEY ACRES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

**3. FINANCIAL INSTRUMENTS**

The Corporation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Corporation's risk exposure and concentrations.

**Credit risk**

The Corporation is exposed to credit risk resulting from the possibility that parties may default on their financial obligations.

The Corporation's maximum exposure to credit risk is represented by the carrying value of its cash and accounts receivable.

The Corporation's cash is on deposit with a Canadian chartered bank and therefore it is management's opinion that the Corporation is not subject to significant credit risk in respect to cash.

The Corporation is exposed to credit risk on accounts receivable from customers. The Corporation manages its credit risk by reviewing accounts receivable aging monthly and following up on outstanding amounts. Management believes that all accounts receivables at year-end will be collected and have not deemed it necessary to establish an allowance for doubtful accounts.

**Liquidity risk**

Liquidity risk is the risk that the Corporation will not be able to meet a demand for cash or fund its obligations as they come due. The Corporation manages this risk by reviewing its expected future cash flow requirements and by holding cash reserves.

**Market risk**

Market risk is the risk that the fair value of 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 Corporation's investments are all denominated in Canadian dollars and it transacts primarily in Canadian dollars. As a result, management does not believe it is exposed to significant currency risk.

**WESLEY ACRES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

**3. FINANCIAL INSTRUMENTS (continued)**

**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 Corporation to interest rate risk arises from its interest bearing assets. The Corporation's investments include amounts on deposit with financial institutions that earn interest at market rates.

Fluctuations in market rates of interest on cash and investments do not have a significant impact on the Corporation's results of operations.

**Other price risk**

Other price risk refers to the risk that 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. Management does not believe that it is exposed to significant risk.

**Changes in risk**

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

**WESLEY ACRES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

**4. CAPITAL ASSETS**

Capital assets consist of the following:

	2025			2024
	Cost	Accumulated amortization	Net	Net
Aldersgate Lodge	\$ 195,357	\$ 135,541	\$ 59,816	\$ 64,157
Boat	22,538	18,036	4,502	6,005
Building improvements	799,687	632,469	167,218	80,145
Cabins	385,726	315,517	70,209	85,638
Dock	48,954	22,126	26,828	31,034
Douglas Memorial Centre	498,130	311,162	186,968	199,388
Equipment	1,062,757	1,027,357	35,400	56,614
Front gate sign	35,160	35,160	-	-
Land	200,000	-	200,000	200,000
Land improvements	1,464,058	1,088,706	375,352	413,673
Mapledene Motel	625,216	416,499	208,717	219,615
Other buildings	298,810	133,806	165,004	176,747
Picnic shelters and coverall	37,371	36,735	636	1,264
Play structure	195,850	104,454	91,396	104,453
Shower trailer	34,524	32,229	2,295	4,591
Tennis Court	30,656	30,656	-	-
Tenting area	16,508	16,508	-	-
Trailer	61,400	61,400	-	2,580
Trailer Park	263,728	262,641	1,087	2,179
Utility upgrade	324,211	263,803	60,408	54,598
Vehicles	101,180	87,982	13,198	26,396
Welcome Centre	905,014	386,316	518,698	554,898
Youth Campus	169,917	145,716	24,201	-
Memorial garden	33,225	12,300	20,925	23,140
	<u>\$ 7,809,977</u>	<u>\$ 5,577,119</u>	<u>\$ 2,232,858</u>	<u>\$ 2,307,115</u>

**WESLEY ACRES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

**5. INVESTMENT**

Investments are reported at cost plus accrued interest and consist of the following:

	<u>2025</u>	<u>2024</u>
Free Methodist Church in Canada Bond earning interest at 2.0%, maturing Oct 2, 2025	\$ -	\$ 11,089
Bank of Montreal, GIC, earning interest at 3.0% per annum, maturing April 1, 2025	-	160,014
Bank of Montreal, GIC, earning interest at 2.0% per annum, maturing April 7, 2026	<u>166,141</u>	<u>-</u>
	<u>\$ 166,141</u>	<u>\$ 171,103</u>

**6. INVESTMENT IN SUBSIDIARY**

As of January 1, 2014 the operations of Wesley Acres Inc. were divided between Wesley Acres Inc. and Wesley Acres Trailer Park Inc. Wesley Acres Inc. owns 100% of the common shares of Wesley Acres Trailer Park Inc.

Wesley Acres Inc. has recorded its investment in the wholly owned subsidiary using the equity method of accounting and the investment is detailed as follows:

	<u>2025</u>	<u>2024</u>
Balance, beginning of the year	\$ 208,385	\$ 217,184
Equity pick up of current year income (loss)	<u>21,194</u>	<u>(8,799)</u>
	<u>\$ 229,579</u>	<u>\$ 208,385</u>

Summary financial information for Wesley Acres Trailer Park Inc. is as follows:

	<u>2025</u>	<u>2024</u>
Total assets	\$ 281,851	\$ 363,511
Total liabilities	52,272	155,126
Shareholder's equity	229,579	208,385
Total revenues	1,314,553	1,168,679
Total expenses	1,293,359	1,177,478
Net income (loss)	21,194	(8,799)
Cash flows from - operations	(34,080)	14,252
- investing	7,650	7,649
- financing	\$ 15,535	\$ (7,004)

**WESLEY ACRES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2025**

**7. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS**

Deferred contributions related to capital assets represent the restricted contributions received in the current and prior years for the acquisition of capital assets. Deferred contributions are amortized to revenue on the same basis that the capital assets acquired with the funding are amortized. The changes in the deferred contributions balance are as follows:

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 901,424	\$ 975,023
Additional contributions	74,687	8,625
Amounts recognized as revenue	<u>(84,096)</u>	<u>(82,224)</u>
Balance, end of year	<u>\$ 892,015</u>	<u>\$ 901,424</u>

**8. DEFERRED CONTRIBUTIONS - OTHER**

Other deferred contributions consist of externally restricted donations for future camp improvements and certain operating purposes. Amounts are taken into revenue as specified expenses are incurred. Changes in the deferred contributions balance are as follows:

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 139,865	\$ 124,267
Contributions received	62,799	24,223
Transferred to deferred capital contributions	(74,687)	(8,625)
Amounts recognized as donation revenue	(14,705)	-
Amounts recognized as program revenue	<u>(5,705)</u>	<u>-</u>
Balance, end of year	<u>\$ 107,567</u>	<u>\$ 139,865</u>

**WESLEY ACRES INC.  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2025**

**9. INTERNALLY RESTRICTED NET ASSETS**

**Invested in Capital Assets**

The components of this fund are as follows:

	<u>2025</u>	<u>2024</u>
Capital assets	\$ 2,232,858	\$ 2,307,115
Deferred contributions related to capital assets	<u>(892,015)</u>	<u>(901,424)</u>
	<u>\$ 1,340,843</u>	<u>\$ 1,405,691</u>

**Reserves**

The Corporation has chosen to set aside funds for particular future expenses. These internally restricted funds have been designated by management for the following purposes:

	<u>2025</u>	<u>2024</u>
Capital repairs	\$ 65,562	\$ 65,562
Executive director's reserve	29,172	29,172
HST recovery	251,949	225,834
Unspecified	19,276	62,779
Emergency Fund	<u>212,173</u>	<u>165,118</u>
	<u>\$ 578,132</u>	<u>\$ 548,465</u>

**WESLEY ACRES INC.  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2025**

**10. RELATED PARTY TRANSACTIONS**

The following related party transactions occurred in the normal course of business between the Corporation and its wholly owned subsidiary, Wesley Acres Trailer Park Inc. and have been recorded at their exchange amount which is the amount agreed upon by the related parties.

Wesley Acres Trailer Park Inc.

	2025	2024
Base rental revenue	\$ 375,000	\$ 375,000
Additional rental revenue	1,671	42,616
	\$ 376,671	\$ 417,616
 Donations	 \$ 40,000	 \$ -

The amounts due from the subsidiary have no fixed terms of repayment. Interest of 2% annually is calculated on monthly balances. Based on monthly balances, for 2025 interest calculation was \$141.

Wesley Acres Trailer Park Inc. leases its land from Wesley Acres Inc. and is responsible for operating costs related to the facilities. Operating costs are shared jointly between the two organizations by applying set percentages to the operating costs for each organization as agreed to at budget time.

The lease is for a period of twenty years and it commenced in 2017 and has a base rent of \$375,000 for 2025.

The continuity of the due to shareholder balance is as follows:

	2025	2024
Opening balance	\$ 34,211	\$ 27,207
Repayment of loan	(34,211)	(27,207)
Split costs owed to Wesley Acres Trailer Park Inc.	18,817	34,211
Interest owed on shareholder loan balance	(141)	-
	\$ 18,676	\$ 34,211

Board Member

During the year, there was a related party transaction with a board member. The related party transaction was a temporary engagement to provide specialized food services for rental groups during a short-term operational gap. This arrangement was proposed as a contractor for services distinct from directional duties, at a fair market rate.

**WESLEY ACRES INC.  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2025**

**11. INTERFUND TRANSFERS**

Interfund transfers represent amounts set aside by the Board, including interest earned on investments funding the restricted funds, less amounts released to fund qualifying expenditures in the year.

**12. DONATIONS**

The donations received are as follows:

	2025	2024
General	\$ 193,209	\$ 185,275
Booster club	89,832	49,190
Program	83,694	94,777
In-kind	6,148	2,169
Transferred from deferred contributions - other	14,705	7,950
Wesley Acres Trailer Park Inc.	40,000	-
	\$ 427,588	\$ 339,361

**13. COMMITMENTS**

The Corporation entered into a lease agreement in 2021 for the Xerox photocopier at an annual rental of \$4,977, with HST included, for sixty-six months. The amount of the commitments until the end of the lease are as follows.

2026	\$ 2,488
------	----------

The expense for the lease is split between Wesley Acres Inc. (40%) and Wesley Acres Trailer Park Inc. (60%).