MILTON COMMUNITY RESOURCE CENTRE

FINANCIAL STATEMENTS

AS AT

DECEMBER 31, 2025

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Glenn Graydon Wright LLP

INDEPENDENT AUDITORS' REPORT

To the Members
Milton Community Resource Centre

Opinion
We have audited the financial statements of Milton Community Resource Centre which comprise the balance sheet as at December 31, 2025, and the statements of changes in net assets, revenue and expenditure, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the organization 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 Opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' 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.

Other Matter
Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included in the schedule to the statement of revenue and expenditure is presented for the purposes of additional information and has been subjected to the auditing procedures applied only to the extent necessary to express an opinion in the audit of the financial statements taken as a whole.

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.

John R. Nunnikhoven, CPA, CA **Anthony Falco**, CPA, CA **Atif Akhtar**, CPA, CA **Christopher J. Reinhardt**, CPA, CA

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INDEPENDENT AUDITORS' REPORT, continued

Auditors' 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 auditors' 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 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 auditors' 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 auditors' 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.

Glenn Graydon Wright LLP

Chartered Professional Accountants
Licensed Public Accountants
Oakville, Ontario
June 10, 2026

MILTON COMMUNITY RESOURCE CENTRE

Balance sheet
As at December 31, 2025

		2025	2024
Assets			
Current assets			
Cash and cash equivalents	$	4,000,766	2,353,215
Short-term investments (Note 4)		566,191	1,297,061
Accounts receivable (Note 5)		194,257	195,674
Prepaid expenses		154,108	79,837
		4,915,322	3,925,787
Capital assets (Note 6)		188,960	187,536
	$	5,104,282	4,113,323
Liabilities and operating reserve			
Current liabilities			
Accounts payable and accrued liabilities	$	853,111	338,575
Government remittances payable		125,082	105,937
Unutilized grants and advance billings (Note 7)		821,452	877,154
		1,799,645	1,321,666
Long-term liabilities			
Unutilized capital grants (Note 8)		145,051	132,665
		1,944,696	1,454,331
Net assets			
Operating reserve		3,159,586	2,658,992
	$	5,104,282	4,113,323

Contingent liability (Note 9)

Approved by the Board

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Director Director

MILTON COMMUNITY RESOURCE CENTRE

Statement of changes in net assets
For the year ended December 31, 2025

		2025	2024
Net assets, beginning of year	$	2,658,992	2,228,627
Operating surplus reserve for year		500,594	430,365
Net assets, end of year	$	3,159,586	2,658,992

MILTON COMMUNITY RESOURCE CENTRE
Statement of revenue and expenditure
For the year ended December 31, 2025

		2025	2024
Revenue			
Grants and subsidy			
Grants	$	9,792,606	6,981,121
Subsidies		473,058	1,283,080
Special purpose grants (Note 10)		283,743	545,334
Subtotal		10,549,407	8,809,535
Add utilized capital grants		37,081	58,975
Total grants and subsidy		10,586,488	8,868,510
Programs (Note 11)		4,706,936	4,496,694
Community agency rental		56,918	41,086
Donations		154	236
Fund raising		99,778	68,737
Interest income		119,044	165,762
		15,569,318	13,641,025
Expenditure			
Advertising and promotion		25,187	10,186
Amortization		48,043	70,530
Bank charges		82,512	73,610
Dues		22,457	14,960
Education		38,337	15,308
Fund raising		53,260	41,892
Insurance		50,496	51,738
Maintenance		239,812	209,967
Office and miscellaneous		77,714	69,045
Private Home Child Care Provider fees		339,469	281,224
Professional fees		77,698	98,532
Program supplies		735,867	612,530
Property tax		59,687	57,487
Rent		1,147,788	932,461
Salaries and benefits		10,330,674	8,740,754
Shared administration (Note 12)		1,315,765	1,241,819
Special purpose grants (Note 10)		283,743	545,334
Telephone		32,000	28,897
Utilities		27,278	28,087
Workshops		80,937	86,299
		15,068,724	13,210,660
Operating surplus reserve for year	$	500,594	430,365

MILTON COMMUNITY RESOURCE CENTRE

Statement of cash flows

For the year ended December 31, 2025

		2025	2024
Cash flows from (used in) operating activities			
Operating surplus reserve for year	$	500,594	430,365
Adjustments for			
Amortization of capital assets		48,043	70,530
Amortization of unutilized capital grants		(37,081)	(58,975)
		511,556	441,920
Changes in non-cash working capital			
Decrease in accounts receivable		1,417	53,971
Increase in prepaid expenses		(74,271)	(7,682)
Increase (decrease) in accounts payable and accrued liabilities		514,536	(552,491)
Increase in government remittances payable		19,145	18,623
Decrease in unutilized grants and advance billings		(55,702)	(38,665)
Cash flows from (used in) operating activities		916,681	(84,324)
Cash flows from (used in) investing activities			
Short-term investments, net		730,870	(551,888)
Acquisition of capital assets		(49,467)	(73,527)
Cash flows from (used in) investing activities		681,403	(625,415)
Cash flows from (used in) financing activities			
Increase in unutilized capital grants		49,467	66,838
Cash flows from financing activities		49,467	66,838
Net increase (decrease) in cash and cash equivalents during year		1,647,551	(642,901)
Cash and cash equivalents, beginning of year		2,353,215	2,996,116
Cash and cash equivalents, end of year	$	4,000,766	2,353,215

1. Purpose of the operation

Milton Community Resource Centre ("MCRC") is a non-profit, charitable agency serving children, their parents, caregivers as well as professionals who work in the field of Early Childhood Education.

MCRC offers a wide range of early learning and child care programs, parental support programs as well as professional development and resources which reflect the needs within Milton and the broader Halton community.

MCRC strives to meet the diverse cultural, social and economic demands of families and professionals by offering a wide range of child care and related services.

2. Significant accounting policies

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

a) Management estimates

The preparation of the 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 financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

b) Basis of accounting

MCRC uses the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions for capital assets are recognized as revenue over the useful life of the asset. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

2. Significant accounting policies – continued

c) Cash and cash equivalents

Cash and cash equivalents are defined as cash net of bank overdrafts and highly liquid investments, consisting primarily of term deposits and investment savings, cashable on demand.

d) Short-term investments

Short-term investments are measured at amortized cost.

e) Capital assets

Capital assets are recorded at acquisition cost. Amortization is recorded in the accounts at rates intended to write off the cost of the assets over their estimated useful life. In the year of acquisition, capital assets are amortized at one-half of the normal rate. Methods and rates used are:

Furniture and equipment
20% diminishing balance basis

Playscape
Straight-line basis over 5 years

Computer equipment
30% diminishing balance basis

Leasehold improvements
Straight-line basis over the remaining term of the lease

f) Allocation of expenses

MCRC engages in central administration costs and program support. The costs of program support include expenditures that are directly related to providing the program. The costs of each program also include the costs of personnel and other central administration expenses that are common to the administration of MCRC and each of the programs.

MCRC allocates certain central administration expenses by identifying the appropriate basis of allocating each component expense, and applies that basis consistently each year. Central administration expenses are allocated to shared administration on the following basis:

i) Salaries and benefits

- first allocated to programs where funding is fixed and limited to the respective funding agreement with the balance allocated proportionately on a percentage basis of revenues.

ii) Other expenses

- shared evenly over classes of revenue.

2. Significant accounting policies – continued

g) Revenue recognition

Grants, subsidies, restricted donations and programs revenues are deferred and recognized as revenue in the financial period in which the related expenses are incurred.

Unrestricted donations, fund raising and interest income are recognized as revenue when received.

Grants and subsidies received for capital expenditures are deferred and recognized as revenue over the useful life of the asset acquired.

Community agency rental is recognized as revenue when they are earned, in accordance with rental agreements in place.

h) Unutilized grants and advance billings

Unutilized grants consist of grants received for program expenses incurred after December 31, 2025, and any excess amounts being returned. Advance billings consist of funds collected for programs taking place after December 31, 2025.

i) Volunteer time

The value of volunteer time is not reflected in these financial statements since no objective basis is available to measure the value of such services. However, a substantial number of volunteers donated significant amounts of their time to MCRC's activities.

3. Financial instruments

a) Fair value

MCRC initially measures its financial assets and liabilities at fair value. The entity subsequently measures all its financial assets and financial liabilities at cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value.

3. Financial instruments – continued

b) 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 underlying market factors. MCRC is exposed to interest rate risk and credit risk.

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.

A portion of MCRC's cash and cash equivalents earn interest at variable rates. Consequently, there is a risk of cash flow exposure. However, there is no risk of fair value on this part of the assets.

MCRC's short-term investments earn interest at fixed rates. Consequently, the cash flow risks are not significant. However, there is a risk of fair value on this part of the asset.

ii) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation.

MCRC is subject to credit risk. To mitigate this, MCRC actively manages and monitors its receivables. Bad debt experience has not been significant.

c) Liquidity risk

Liquidity risk is the risk that MCRC cannot meet a demand for cash or fund its obligations as they come due. Unless otherwise noted, MCRC is not subject to significant liquidity risk. MCRC manages liquidity risk by:

- maintaining access to a number of sources of funding which are sufficient to meet anticipated funding requirements.
- investing in liquid fixed income securities and cash equivalents that, if necessary, can be sold to generate cash flow.

4. Short-term investments

Short-term investments consist of a Guaranteed Investment Certificate which matures on March 23, 2026 and bears interest at a fixed rate of 3.50% per annum.

MILTON COMMUNITY RESOURCE CENTRE
Notes to financial statements
As at December 31, 2025

5. Accounts receivable

		2025	2024
Accounts receivable	$	78,506	101,129
HST receivable		112,825	91,721
Ontario Trillium Foundation		2,926	-
Ministry of Ontario		-	2,824
	$	194,257	195,674

6. Capital assets

		2025			2024
		Cost	Accumulated amortization	Net	Net
Furniture and equipment	$	385,970	269,028	116,942	137,353
Computer equipment		152,861	130,112	22,749	32,498
Playscape		251,307	251,307	-	-
Leasehold improvements		278,813	229,544	49,269	17,685
	$	1,068,951	879,991	188,960	187,536

Amortization recorded during the year amounted to $48,043 (2024 - $70,530).

During the year, capital assets were acquired for cash at an aggregate cost of $49,467 (2024 - $73,527).

7. Unutilized grants and advanced billings

Unutilized grants and advanced billings are comprised of funding received in advance primarily related to The Regional Municipality of Halton's funding and advanced billings.

Changes in the unutilized grants and advanced billings are as follows:

		2025	2024
Balance, beginning of year	$	877,154	915,819
Amount received in the year		10,522,728	8,818,035
Revenue recognized in the year		(10,586,488)	(8,868,510)
Balance, before advanced billings		813,394	865,344
Advanced billings		8,058	11,810
Balance, end of year	$	821,452	877,154

8. Unutilized capital grants

Unutilized capital grants represent the unamortized amount of grants received for the purchase of capital assets. The amortization of unutilized capital grants is recorded as revenue in the statement of revenue and expenditure.

Changes in the unutilized capital grants are as follows:

		2025	2024
Balance, beginning of year	$	132,665	124,802
Amount received in the year		49,467	66,838
Revenue recognized in the year		(37,081)	(58,975)
Balance, end of year	$	145,051	132,665

The above unutilized capital grants are comprised of the following:

		2025			2024
		Cost	Accumulated amortization	Net	Net
Furniture and equipment	$	193,633	109,271	84,362	96,627
Computer equipment		57,306	39,554	17,752	25,361
Playscape		157,718	157,718	-	-
Leasehold improvements		109,626	66,689	42,937	10,677
	$	518,283	373,232	145,051	132,665

9. Contingent liability

Management is aware of possible claims against MCRC with respect to incidents that were discovered during a previous fiscal year. Management considers the probability of the realization of possible claims likely, however, the outcome cannot be reasonably determined at this time. Accordingly, no provision for loss has been reflected in the accounts of MCRC as management expects any loss related to possible claims to be covered by insurance.

10. Special purpose grants

Special purpose grants are made up of the following:

		2025	2024
Revenue			
Special purpose grants	$	283,743	545,334
Expenditure			
Furniture and equipment		-	144,023
Office and miscellaneous		40,305	170,823
Program supplies		104,855	68,312
Salesforce development project		-	32,316
SNAP (Stop Now and Plan) partnership		138,583	129,860
		283,743	545,334
Operating surplus for year	$	-	-

11. Programs

Programs are comprised of revenue received in regard to attending a child care program or other programs at one of eleven locations operated by MCRC.

		2025	2024
Infant, toddler and preschool	$	1,910,085	1,899,772
Before and after school		2,537,780	2,442,786
Family fun programs		244,144	138,406
Library revenue		14,927	15,730
	$	4,706,936	4,496,694

12. Allocation of expenses

An allocation of central administration costs has been made to shared administration as follows:

		2025	2024
Advertising and promotion	$	1,110	3,152
Education		10,587	3,681
Maintenance		12,067	16,438
Office and miscellaneous		171,426	183,404
Salaries and benefits		1,090,817	1,006,256
Telephone		29,758	28,888
	$	1,315,765	1,241,819

13. Operating lease commitments

Future minimum rental payments required under operating leases that have initial terms in excess of one year are:

2026	$	927,837
2027		927,837
2028		847,150
2029		674,378
2030		128,893
	$	3,506,095

14. Income taxes

MCRC is a registered charity and is therefore exempt from income taxes under Section 149(1)(f) of the Income Tax Act.

15. Economic dependence

MCRC is dependent on funding from The Regional Municipality of Halton in order to carry out its operations.

MILTON COMMUNITY RESOURCE CENTRE
Schedule to statement of revenue and expenditure
For the year ended December 31, 2025

Schedule 1 – CWELCC operations		2025	2024
Revenue			
Grants and subsidy			
Grants	$	6,326,923	4,288,274
Subsidies		14,109	8,938
Total grants and subsidies		6,341,032	4,297,212
Programs		2,618,728	2,652,536
Fund raising		484	1,424
		8,960,244	6,951,172
Expenditure			
Bank charges		45,219	42,150
Dues		8,219	4,053
Education		15,204	3,323
Insurance		26,911	18,034
Maintenance		176,494	145,191
Office and miscellaneous		36,991	29,222
Private Home Child Care Provider fees		339,469	281,224
Professional fees		8,399	12,656
Program supplies		505,465	370,349
Property tax		27,118	14,626
Rent		610,133	410,106
Salaries and benefits		6,164,004	4,803,227
Shared administration		804,547	716,511
Telephone		17,920	14,111
Utilities		12,359	7,262
		8,798,452	6,872,045
Operating surplus reserve for year	$	161,792	79,127