



Financial Statements

City Kidz Ministry (Operating as CityKidz)

December 31, 2025

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Independent Auditor's Report

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To the Directors of
City Kidz Ministry (Operating as CityKidz)

Opinion

We have audited the financial statements of City Kidz Ministry (Operating as CityKidz) ("CityKidz"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations, 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 financial statements present fairly, in all material respects, the financial position of CityKidz 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 ("ASNPO").

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 CityKidz 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 these financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

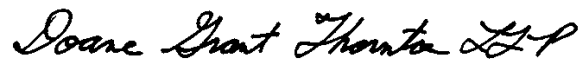
Auditor's Responsibilities for the Audit of the Financial Statements

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 CityKidz'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 CityKidz'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 CityKidz 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.



Mississauga, Canada
April 21, 2026

Chartered Professional Accountants
Licensed Public Accountants

City Kidz Ministry (Operating as CityKidz)

Statement of Financial Position

December 31

2025

2024

Assets

Current

Cash	\$ 645,283	\$ 865,681
Short-term investments	847,729	801,155
Accounts receivable	151,017	120,109
Prepaid expenses	<u>122,512</u>	<u>75,115</u>
	1,766,541	1,862,060

Investments	100,000	50,000
Capital assets (Note 3)	<u>1,143,187</u>	<u>932,194</u>
	\$ 3,009,728	\$ 2,844,254

Liabilities

Current

Accounts payable and accrued liabilities	\$ 87,378	\$ 70,843
Deferred contributions (Note 4)	<u>161,180</u>	<u>139,900</u>
	248,558	210,743

Lease inducement (Note 5)	165,127	178,971
Deferred contributions (Note 4)	<u>93,164</u>	<u>46,675</u>
	<u>506,849</u>	<u>436,389</u>

Fund balances

Unrestricted	225,370	81,299
Internally restricted (Note 6)	987,240	1,162,450
Externally restricted	147,082	231,922
Invested in capital assets	<u>1,143,187</u>	<u>932,194</u>
	<u>2,502,879</u>	<u>2,407,865</u>
	\$ 3,009,728	\$ 2,844,254

Commitments (Note 7)

On behalf of the Board of Directors

 Director

Wendy Sherren Director

Jun 18, 2026

City Kidz Ministry (Operating as CityKidz)

Statement of Operations

Year ended December 31

	General Fund	Capital Asset Fund	Total 2025	Total 2024
Revenue				
Donations	\$ 1,784,223	\$ 200,000	\$ 1,984,223	\$ 1,665,999
Grants	549,534	7,500	557,034	590,260
Other income	136,927	-	136,927	153,077
Legacies	26,408	-	26,408	182,200
Government funding	<u>21,536</u>	<u>-</u>	<u>21,536</u>	<u>12,504</u>
	<u>2,518,628</u>	<u>207,500</u>	<u>2,726,128</u>	<u>2,604,040</u>
Expenses				
Wages and benefits	1,493,594	-	1,493,594	1,414,923
Fundraising	312,154	-	312,154	297,030
Building operations	263,005	-	263,005	246,790
Program direct expenses	255,500	-	255,500	259,462
Office and general	111,827	-	111,827	96,008
Amortization	-	103,502	103,502	134,551
Professional fees	56,234	-	56,234	28,147
Insurance	31,298	-	31,298	28,031
Gifts to other charities	<u>4,000</u>	<u>-</u>	<u>4,000</u>	<u>9,375</u>
	<u>2,527,612</u>	<u>103,502</u>	<u>2,631,114</u>	<u>2,514,317</u>
Excess (deficiency) of revenue over expenses	\$ <u>(8,984)</u>	\$ <u>103,998</u>	\$ <u>95,014</u>	\$ <u>89,723</u>

See accompanying notes to the financial statements.

City Kidz Ministry (Operating as CityKidz)

Statement of Changes in Fund Balances

Year ended December 31

	General Fund		Capital Asset Fund		Total 2025	Total 2024
	Unrestricted	Internally restricted	Externally restricted	Invested in capital assets		
Fund balance, beginning of year	\$ 81,299	\$ 1,162,450	\$ 231,922	\$ 932,194	\$ 2,407,865	\$ 2,318,142
Excess (deficiency) of revenue over expenses	(8,984)	-	207,500	(103,502)	95,014	89,723
Interfund transfers	175,210	(175,210)	-	-	-	-
Purchase of capital assets	(22,155)	-	(292,340)	314,495	-	-
Fund balance, end of year	<u>\$ 225,370</u>	<u>\$ 987,240</u>	<u>\$ 147,082</u>	<u>\$ 1,143,187</u>	<u>\$ 2,502,879</u>	<u>\$ 2,407,865</u>

See accompanying notes to the financial statements.

City Kidz Ministry (Operating as CityKidz)

Statement of Cash Flows

Year ended December 31

2025

2024

Increase (decrease) in cash

Operating

Excess of revenue over expenses	\$ 95,014	\$ 89,723
Items not affecting cash		
Amortization	103,502	134,551
Decrease in lease inducement	<u>(13,844)</u>	<u>(11,814)</u>

	184,672	212,460
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Change in non-cash working capital items

Accounts receivable	(30,908)	(20,851)
Prepaid expenses	(47,397)	60,403
Accounts payable and accrued liabilities	16,535	49,185
Deferred contributions	<u>67,769</u>	<u>(17,329)</u>

	<u>190,671</u>	<u>283,868</u>
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Investing

Purchase of investments (net)	(96,574)	(43,659)
Purchase of capital assets	<u>(314,495)</u>	<u>(56,960)</u>

	<u>(411,069)</u>	<u>(100,619)</u>
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(Decrease) increase in cash

	(220,398)	183,249
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Cash, beginning of year

	<u>865,681</u>	<u>682,432</u>
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Cash, end of year

	<u>\$ 645,283</u>	<u>\$ 865,681</u>
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See accompanying notes to the financial statements.

City Kidz Ministry (Operating as CityKidz)

Notes to the Financial Statements

December 31, 2025

1. Purpose of the Organization

City Kidz Ministry (Operating as CityKidz) (“CityKidz”) exists to increase resiliency and inspire big dreams for Canadian children living in low-income communities by providing inspirational experiences and nurturing personal relationships, one child at a time. The aim of CityKidz programs is that all children will thrive so that they can have the opportunity to reach their full potential. Guided by faith, hope and love for the children and their families, CityKidz offers programs for children aged 3 to 18. Each program is designed using evidence-based research and outcomes.

CityKidz is incorporated, without share capital, under the Ontario Not-for-Profit Corporations Act, is a Canadian registered charity under the Income Tax Act and is exempt from income taxes.

2. Summary of significant accounting policies

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (“ASNPO”). ASNPO requires entities to select policies appropriate for their circumstances from policies provided in these standards. The significant accounting policies selected by CityKidz and applied in these financial statements are as follows.

Fund accounting

The accounts are maintained in accordance with the principles of fund accounting, whereby fund balances of CityKidz are classified for accounting and reporting purposes into funds to be used according to the directions of the donors or as determined by CityKidz.

The General Fund accounts for CityKidz’s program delivery and administrative activities. This fund includes unrestricted and internally restricted funds.

The unrestricted fund represents amounts held for CityKidz’s program delivery and administrative activities outside of the purposes of the internally restricted funds.

The internally restricted funds are as follows:

Operating Reserve

The Operating Reserve is available to support short term operations depending on the anticipated variation of revenue compared to operations’ needs at the beginning of the fiscal year. During fiscal 2025, \$531,850 (2024 - \$443,570) was utilized to support operations. In fiscal 2025, the Board of Directors (the “Board”) approved an addition to this reserve in the amount of \$304,880 (2024 - \$531,850).

Long-Term Planning Reserve

The Long-Term Planning Reserve is available to provide a source of funds for capital priorities to facilitate ongoing operational needs and the development of future programs. During fiscal 2025, \$Nil (2024 - \$53,946) was utilized to support capital purchases. In fiscal 2025, the Board approved an addition to this reserve in the amount of \$51,760 (2024 - \$56,236).

Contingency Reserve

The Contingency Reserve is available to ensure the stability of the mission, programs, employment, and ongoing operations of CityKidz in the event of unforeseen events or conditions.

City Kidz Ministry (Operating as CityKidz)

Notes to the Financial Statements

December 31, 2025

2. Summary of significant accounting policies (continued)

Fund accounting (continued)

The Capital Asset Fund reports the assets, liabilities, revenue and expenses related to CityKidz's capital assets. This fund includes funds received externally restricted for capital assets as well as those invested in capital assets.

Revenue recognition

CityKidz follows the restricted fund method of accounting for contributions. Contributions and grants which are externally restricted by the donor are recorded as revenue of the appropriate restricted fund when received. Externally restricted contributions and grants for which there is no associated externally restricted fund are recorded as deferred contributions when received and are recognized as revenue in the year in which the related expenses are incurred. 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.

Other income is recognized as earned in the General Fund.

Contributed services and goods

Volunteers contribute their time during the year to assist CityKidz in carrying out its service delivery activities. However, because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Contributed goods used in the normal course of operations that would have been purchased are recorded at their fair value at the date of contribution and are included in donations revenue. Included in donations revenue is contributed goods of \$47,732 (2024 - \$48,621). All other contributed goods are not recognized in the financial statements because of the difficulty in determining its fair value or use for CityKidz operations.

Financial instruments

CityKidz considers any contract creating a financial asset, liability or equity instrument as a financial instrument. CityKidz's financial instruments are comprised of cash, investments, accounts receivable and accounts payable.

CityKidz's financial instruments are initially recorded at fair value and subsequently measured at amortized cost. Short-term investments consist of balances in investment savings accounts of \$772,729 (2024 - \$451,155) and guaranteed investment certificates of \$75,000 (2024 - \$350,000) earning interest between 2.50% and 4.31% (2024 - 4.00% and 5.16%) and maturing between February and August 2026 (2024 - August and December 2025). Investments consist of guaranteed investment certificates of \$100,000 (2024 - \$50,000) earning interest between 3.23% and 3.45% (2024 - 4.31%) and maturing between February and December 2027 (2024 - August 2026).

City Kidz Ministry (Operating as CityKidz)

Notes to the Financial Statements

December 31, 2025

2. Summary of significant accounting policies (continued)

Capital assets

Purchased capital assets are recorded at cost and contributed capital assets are recorded at fair value at the date of contribution. CityKidz provides for amortization using the following methods and rates designed to amortize the cost of the capital assets over its estimated useful life. The annual amortization rates are as follows:

Furniture and fixtures	30% declining balance
Office equipment	30% declining balance
Audio video equipment	30% declining balance
Automotive equipment	30% declining balance
Leasehold improvements	5.5% - 20% straight-line or over the term of the lease
Computer hardware	55% declining balance

Capital assets are tested for impairment when events or changes in circumstances indicate that an asset might be impaired. The assets are tested for impairment by comparing the net carrying value to its fair value or replacement cost. If the asset's fair value or replacement cost is determined to be less than its net carrying value, the resulting impairment is reported in the statement of operations. Any impairment recognized is not reversed.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each statement of financial position date to assess the need for revision or any possibility of impairment. Certain items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. These estimates are reviewed periodically, and adjustments are made to the excess (deficiency) of revenue over expenses as appropriate in the year they become known.

3. Capital assets

			<u>2025</u>	<u>2024</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Furniture and fixtures	\$ 78,833	\$ 76,945	\$ 1,888	\$ 2,697
Office equipment	126,916	123,111	3,805	4,963
Audio video equipment	161,350	160,121	1,229	1,756
Automotive equipment	120,146	88,946	31,200	19,642
Leasehold improvements	1,964,429	869,841	1,094,588	894,492
Computer hardware	<u>82,718</u>	<u>72,241</u>	<u>10,477</u>	<u>8,644</u>
	<u>\$ 2,534,392</u>	<u>\$ 1,391,205</u>	<u>\$ 1,143,187</u>	<u>\$ 932,194</u>

Included in leasehold improvements is \$383,917 (2024 - \$99,078) of assets that are not in use and accordingly, amortization has not commenced.

City Kidz Ministry (Operating as CityKidz)

Notes to the Financial Statements

December 31, 2025

4. Deferred contributions

	<u>2025</u>	<u>2024</u>
Balance, beginning of the year	\$ 186,575	\$ 203,904
Externally restricted contributions received or receivable	190,000	105,000
Revenue recognized	<u>(122,231)</u>	<u>(122,329)</u>
Balance, end of the year	254,344	186,575
Less current portion	<u>(161,180)</u>	<u>(139,900)</u>
Long term portion	<u>\$ 93,164</u>	<u>\$ 46,675</u>

5. Lease inducement

During fiscal 2016, CityKidz entered into a 15 year lease agreement which includes discounted rent for the first seven years of the lease for one of the two units rented.

	<u>2025</u>	<u>2024</u>
Balance, beginning of the year	\$ 178,971	\$ 190,785
Decrease of lease inducement	<u>(13,844)</u>	<u>(11,814)</u>
Balance, end of the year	<u>\$ 165,127</u>	<u>\$ 178,971</u>

6. Internally restricted funds

The internally restricted funds are comprised of the following:

	<u>2025</u>	<u>2024</u>
Operating Reserve	\$ 304,880	\$ 531,850
Long-Term Planning Reserve	282,360	230,600
Contingency Reserve	<u>400,000</u>	<u>400,000</u>
	<u>\$ 987,240</u>	<u>\$ 1,162,450</u>

7. Commitments

CityKidz has an operating lease commitment to August 2041 with respect to premises. At December 31, 2025, future payments are as follows:

2026	\$ 135,000
2027	137,000
2028	139,000
2029	141,000
2030	143,000
Thereafter	<u>1,668,000</u>
	<u>\$ 2,363,000</u>

City Kidz Ministry (Operating as CityKidz)

Notes to the Financial Statements

December 31, 2025

7. Commitments (continued)

During fiscal 2025, CityKidz entered into a contract for the design and installation of the natural playground in the amount of \$616,186, of which \$337,670 is committed for fiscal 2026.

8. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of the financial statements in assessing the extent of risk related to financial instruments. There have been no changes to CityKidz's risk exposures from prior years.

Liquidity risk

Liquidity risk is the risk that CityKidz will be unable to fulfill its obligations on a timely basis or at a reasonable cost. CityKidz is exposed to liquidity risk in respect to its accounts payable. CityKidz manages its liquidity risk by monitoring its operating requirements. CityKidz prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

CityKidz has a \$100,000 line of credit from its bank with an annual interest rate of the bank's prime plus 3.10% per annum. The line was not drawn in 2025 (2024 - \$Nil).

Included in accounts payable and accrued liabilities is \$12,135 (2024 - \$14,252) in government remittances payable.

Credit risk

Credit risk is the risk of financial loss occurring as a result of a counter party to a financial instrument failing to discharge an obligation or commitment that it has entered into with CityKidz. CityKidz's main credit risks relate to its accounts receivable. CityKidz reduces its exposure to credit risk by creating an allowance for doubtful accounts when appropriate. As at December 31, 2025, the allowance for doubtful accounts is \$Nil (2024 - \$Nil).

Interest rate risk

Interest rate risk is the risk that the fair value of an interest bearing financial instrument will fluctuate due to changes in market interest rates. CityKidz's exposure to interest rate risk is limited to its fixed interest bearing investments. CityKidz mitigates its exposure by investing in accordance with the investment strategy developed by the Board.

Signature: 
Wendy Sherren (Jun 18, 2026 08:18:06 EDT)

Email: wendy.sherren@citykidz.ca







City Kidz FS-A25 - FINAL

Final Audit Report

2026-06-18

Created:	2026-06-17
By:	Samantha Bondy (samantha.bondy@citykidz.ca)
Status:	Signed
Transaction ID:	CBJCHBCAABAAz9i88V7u7U_UcuOH3sad1ALrroqX2ygr

"City Kidz FS-A25 - FINAL" History

-  Document created by Samantha Bondy (samantha.bondy@citykidz.ca)
2026-06-17 - 3:08:49 PM GMT
-  Document emailed to wendy.sherren@citykidz.ca for signature
2026-06-17 - 3:10:23 PM GMT
-  Email viewed by wendy.sherren@citykidz.ca
2026-06-17 - 3:10:44 PM GMT
-  Signer wendy.sherren@citykidz.ca entered name at signing as Wendy Sherren
2026-06-18 - 12:18:04 PM GMT
-  Document e-signed by Wendy Sherren (wendy.sherren@citykidz.ca)
Signature Date: 2026-06-18 - 12:18:06 PM GMT - Time Source: server - Signature Appearance Selected: TYPE
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