

**WESLEY ACRES INC.**

**NON-CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2023**

## 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, 2023, 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, 2023, 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, 2023 and 2022, current assets as at December 31, 2023 and 2022, and net assets as at January 1 and December 31 for both the 2023 and 2022 years. Our audit opinion on the non-consolidated financial statements for the year ended December 31, 2022 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:

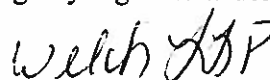
- ♦ Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk 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  
March 27, 2024



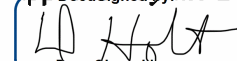
CHARTERED PROFESSIONAL ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS

**WESLEY ACRES INC.**  
*(Incorporated under the laws of Ontario)*  
**NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2023**

**ASSETS**

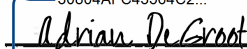
	<u>2023</u>	<u>2022</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 818,132	\$ 975,196
Accounts receivable	6,580	1,750
HST receivable	4,239	21,643
Inventory	4,785	11,161
Prepaid expenses and deposits	<u>80,334</u>	<u>72,912</u>
	<u>914,070</u>	<u>1,082,662</u>
<b>CAPITAL ASSETS - note 4</b>	<u>2,372,479</u>	<u>2,451,722</u>
<b>INVESTMENTS</b>		
Investments - note 5	165,714	10,665
Investment in subsidiary - note 6	<u>217,184</u>	<u>228,259</u>
	<u>382,898</u>	<u>238,924</u>
	<u>\$ 3,669,447</u>	<u>\$ 3,773,308</u>

Approved by the Board



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Director



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Director

*(See accompanying notes)*

**WESLEY ACRES INC.**  
*(Incorporated under the laws of Ontario)*  
**STATEMENT OF FINANCIAL POSITION (continued)**  
**DECEMBER 31, 2023**

**LIABILITIES AND NET ASSETS**

	<u>2023</u>	<u>2022</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 54,730	\$ 31,432
Deferred revenue	5,895	4,776
Due to subsidiary - note 10	<u>27,207</u>	<u>30,256</u>
	<u>87,832</u>	<u>66,464</u>
<b>DEFERRED CONTRIBUTIONS</b>		
Deferred contributions related to capital assets - note 7	975,023	1,007,003
Deferred contributions - other - note 8	<u>124,267</u>	<u>139,443</u>
	<u>1,099,290</u>	<u>1,146,446</u>
<b>TOTAL LIABILITIES</b>	<u>1,187,122</u>	<u>1,212,910</u>
<b>NET ASSETS</b>		
Internally restricted - invested in capital assets - note 9	1,397,456	1,444,719
Internally restricted reserves - note 9	472,934	474,853
Unrestricted net assets	394,751	412,567
Equity in subsidiary	<u>217,184</u>	<u>228,259</u>
	<u>2,482,325</u>	<u>2,560,398</u>
	<u>\$ 3,669,447</u>	<u>\$ 3,773,308</u>

*(See accompanying notes)*

**WESLEY ACRES INC.**  
**NON-CONSOLIDATED STATEMENT OF OPERATIONS**  
**YEAR ENDED DECEMBER 31, 2023**

	<u>2023</u>	<u>2022</u>
<b>REVENUES</b>		
Accommodations	\$ 186,283	\$ 157,718
Facilities	20,694	13,805
Food services	267,009	155,018
Program	75,608	59,207
Donations - note 12	274,059	356,124
Boat storage fee	4,665	4,412
Government assistance - note 13	4,090	10,156
HST rebate	32,518	29,102
Miscellaneous	12,424	20,738
Rental income	15,079	12,398
Land rent from related party - note 10	381,179	341,919
Front shop	8,654	8,563
Interest income	20,918	7,851
	<u>1,303,180</u>	<u>1,177,011</u>
<b>EXPENSES</b>		
Housekeeping, Schedule 1	77,258	91,895
Administration, Schedule 2	391,778	381,476
Promotion - fundraising, Schedule 3	3,415	3,026
Food services, Schedule 4	323,308	192,211
Facilities, Schedule 5	269,392	244,294
Program, Schedule 6	179,984	124,007
	<u>1,245,135</u>	<u>1,036,909</u>
Excess of revenues over expenses before other items	<u>58,045</u>	<u>140,102</u>
<b>OTHER</b>		
Amortization of capital assets	(227,096)	(239,614)
Amortization of deferred capital contributions - note 7	102,052	107,461
Equity pick up of current year income (loss) of subsidiary - note 6	(11,075)	11,835
	<u>(136,119)</u>	<u>(120,318)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ (78,074)</u>	<u>\$ 19,784</u>

*(See accompanying notes)*

**WESLEY ACRES INC.**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**YEAR ENDED DECEMBER 31, 2023**

	<u>Invested in Capital Assets</u>	<u>Internally Restricted Reserves</u>	<u>Invested in subsidiary</u>	<u>Unrestricted</u>	<u>2023 Total</u>	<u>2022 Total</u>
BALANCE, beginning of year	\$ 1,444,719	\$ 474,853	\$ 228,259	\$ 412,567	\$ 2,560,398	\$ 2,540,614
Excess (deficiency) of revenues over expenses	(125,045)	-	(11,075)	58,046	(78,074)	19,784
Investment in capital assets	77,781	-	-	(77,781)	-	-
Interfund transfers	-	(1,919)	-	1,919	-	-
<b>BALANCE, end of year</b>	<u>\$ 1,397,456</u>	<u>\$ 472,934</u>	<u>\$ 217,184</u>	<u>\$ 394,751</u>	<u>\$ 2,482,324</u>	<u>\$ 2,560,398</u>

*(See accompanying notes)*



**WESLEY ACRES INC.**  
**SCHEDULES TO NON-CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

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

	<u>2023</u>	<u>2022</u>
Wages and benefits	\$ 66,507	\$ 85,143
Supplies	<u>10,751</u>	<u>6,752</u>
	<u>\$ 77,258</u>	<u>\$ 91,895</u>

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

	<u>2023</u>	<u>2022</u>
Wages and benefits	\$ 132,460	\$ 129,001
Accounting and legal fees	33,748	31,403
Telephone	5,734	5,933
Board and committee	1,911	1,211
Office	16,829	13,913
Taxes and insurance	86,076	80,354
Travel expenses	1,690	176
Utilities	69,838	71,283
Miscellaneous	16,828	20,093
Bank charges	23,157	23,094
Services and fees	<u>3,507</u>	<u>5,015</u>
	<u>\$ 391,778</u>	<u>\$ 381,476</u>

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

	<u>2023</u>	<u>2022</u>
Printing	\$ 286	\$ 221
Advertising	<u>3,129</u>	<u>2,805</u>
	<u>\$ 3,415</u>	<u>\$ 3,026</u>

*(See accompanying notes)*

**WESLEY ACRES INC.**  
**SCHEDULES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

**SCHEDULE OF FOOD SERVICES****Schedule 4**

	<u>2023</u>	<u>2022</u>
Wages and benefits	\$ 113,714	\$ 72,021
Supplies	137,340	86,545
Food services - repairs and maintenance	10,328	6,308
Services	<u>61,926</u>	<u>27,337</u>
	<u>\$ 323,308</u>	<u>\$ 192,211</u>

**SCHEDULE OF FACILITIES****Schedule 5**

	<u>2023</u>	<u>2022</u>
Wages and benefits	\$ 71,156	\$ 61,977
Maintenance and repairs	189,272	172,618
Gas and diesel fuel	<u>8,964</u>	<u>9,699</u>
	<u>\$ 269,392</u>	<u>\$ 244,294</u>

**SCHEDULE OF PROGRAM****Schedule 6**

	<u>2023</u>	<u>2022</u>
Wages and benefits	\$ 95,185	\$ 68,304
Supplies	27,224	13,140
Honoraria	54,372	39,280
Rentals	1,371	1,270
Program - miscellaneous	<u>1,832</u>	<u>2,013</u>
	<u>\$ 179,984</u>	<u>\$ 124,007</u>

*(See accompanying notes)*

**WESLEY ACRES INC.**  
**NON-CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2023**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	\$ (78,074)	\$ 19,784
Adjustments for:		
Amortization of deferred capital contributions	(102,052)	(107,461)
Amortization of capital assets	<u>227,096</u>	<u>239,611</u>
	46,970	151,934
Change in non-cash working capital components:		
Accounts receivable	(4,830)	(30)
HST receivable	17,404	(21,643)
Inventory	6,376	4,018
Prepaid expenses and deposits	(7,422)	(2,014)
Government remittances	-	(3,641)
Accounts payable and accrued liabilities	23,299	12,728
Deferred revenue	1,119	2,585
Deferred contributions - other	<u>(15,176)</u>	<u>59,653</u>
	<u>67,740</u>	<u>203,590</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of capital assets	(147,852)	(154,310)
Donations received for capital asset acquisitions	70,072	5,000
Purchase of investments	(155,050)	(185)
Equity pick up of current year	<u>11,075</u>	<u>(11,835)</u>
	<u>(221,755)</u>	<u>(161,330)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Advances from (to) subsidiary	<u>(3,049)</u>	<u>28,407</u>
<b>INCREASE (DECREASE) IN CASH</b>	(157,064)	70,667
<b>CASH, beginning of year</b>	<u>975,196</u>	<u>904,529</u>
<b>CASH, end of year</b>	<u>\$ 818,132</u>	<u>\$ 975,196</u>
<b>CASH CONSISTS OF:</b>		
Operating account	\$ 385,960	\$ 375,154
Saving for reserves	<u>432,172</u>	<u>600,042</u>
	<u>\$ 818,132</u>	<u>\$ 975,196</u>

*(See accompanying notes)*

**WESLEY ACRES INC.**  
**NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

**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, 2023**

**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.

**Government assistance**

Government assistance received is recorded as revenue in the period to which it relates.

**Income taxes**

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

**WESLEY ACRES INC.  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023**

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

**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.

**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.

**WESLEY ACRES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

**3. FINANCIAL INSTRUMENTS (continued)**

**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.

**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.

The Corporation's fixed income securities are held through The Free Methodist Church in Canada. Management does not believe that it is exposed to significant risk through these holdings.

**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, 2023**

**4. CAPITAL ASSETS**

Capital assets consist of the following:

	<u>2023</u>		<u>2022</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>	<u>Net</u>
Aldersgate Lodge	\$ 195,357	\$ 126,859	\$ 68,498	\$ 72,839
Boat	22,538	15,030	7,508	9,011
Building improvements	690,661	592,651	98,010	115,868
Cabins	385,726	284,659	101,067	116,496
Dock	48,954	13,324	35,630	24,308
Douglas Memorial Centre	498,130	286,322	211,808	224,228
Equipment	1,047,264	983,356	63,908	50,422
Front gate sign	35,160	35,160	-	477
Land	200,000	-	200,000	200,000
Land improvements	1,464,058	1,007,176	456,882	480,171
Mapledene Motel	609,294	394,524	214,770	155,184
Other buildings	215,170	110,321	104,849	113,246
Picnic shelters and coverall	37,371	34,817	2,554	3,927
Play structure	195,850	78,340	117,510	130,566
Shower trailer	34,524	27,637	6,887	9,183
Tennis Court	30,656	30,656	-	-
Tenting area	16,508	16,508	-	-
Trailer	61,400	56,240	5,160	7,740
Trailer Park	263,728	259,581	4,147	6,118
Utility upgrade	299,090	242,253	56,837	68,407
Vehicles	61,586	61,586	-	7,752
Welcome Centre	905,014	313,915	591,099	627,299
Youth Campus	143,988	143,988	-	910
Memorial garden	33,225	7,870	25,355	27,570
	<u>\$ 7,495,252</u>	<u>\$ 5,122,773</u>	<u>\$ 2,372,479</u>	<u>\$ 2,451,722</u>



**WESLEY ACRES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

**5. INVESTMENT**

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

	<u>2023</u>	<u>2022</u>
Free Methodist Church in Canada Bond earning interest at 1.75%, maturing Oct 2, 2022	\$ -	\$ 10,645
Free Methodist Church in Canada Bond earning interest at 2.0%, maturing Oct 2, 2023	10,870	-
Bank of Montreal, GIC, earning interest at 4.35% per annum, maturing April 2, 2024	<u>154,844</u>	<u>-</u>
	<u>\$ 165,714</u>	<u>\$ 10,645</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>2023</u>	<u>2022</u>
Balance, beginning of the year	\$ 228,259	\$ 216,424
Equity pick up of current year income (loss)	<u>(11,075)</u>	<u>11,835</u>
	<u>\$ 217,184</u>	<u>\$ 228,259</u>

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

	<u>2023</u>	<u>2022</u>
Total assets	\$ 256,061	\$ 280,172
Total liabilities	38,877	51,913
Shareholder's equity	217,184	228,529
Total revenues	1,273,893	1,092,691
Total expenses	1,284,968	1,080,856
Net income (loss)	(11,075)	11,835
Cash flows from - operations	(29,048)	30,702
- investing	7,650	7,650
- financing	\$ 3,049	\$ (28,407)

**WESLEY ACRES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

**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>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 1,007,003	\$ 1,109,464
Additional contributions	70,072	5,000
Amounts recognized as revenue	<u>(102,052)</u>	<u>(107,461)</u>
Balance, end of year	<u>\$ 975,023</u>	<u>\$ 1,007,003</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>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 139,443	\$ 79,790
Contributions received	111,683	85,227
Transferred to deferred capital contributions	(70,072)	(5,000)
Amounts recognized as revenue	<u>(56,787)</u>	<u>(20,574)</u>
Balance, end of year	<u>\$ 124,267</u>	<u>\$ 139,443</u>

**WESLEY ACRES INC.**  
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**9. INTERNALLY RESTRICTED NET ASSETS**

Invested in Capital Assets

The components of this fund are as follows:

	<u>2023</u>	<u>2022</u>
Capital assets	\$ 2,372,479	\$ 2,451,722
Deferred contributions related to capital assets	<u>(975,023)</u>	<u>(1,007,003)</u>
	<u>\$ 1,397,456</u>	<u>\$ 1,444,719</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>2023</u>	<u>2022</u>
Capital repairs	\$ 65,562	\$ 140,664
Executive director's reserve	29,172	114,172
HST recovery	186,088	153,570
WATPI dividend	-	30,854
Unspecified	42,553	35,593
Emergency Fund	<u>149,559</u>	<u>-</u>
	<u>\$ 472,934</u>	<u>\$ 474,853</u>

**WESLEY ACRES INC.**  
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**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.

	<u>2023</u>	<u>2022</u>
Base rental costs	\$ 375,000	\$ 330,000
Additional rental costs	<u>6,179</u>	<u>11,919</u>
	<u>\$ 381,179</u>	<u>\$ 341,919</u>

The amounts due from the subsidiary have no fixed terms of repayment. Interest of 2% annually is calculated on monthly balances.

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 2023.

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

	<u>2023</u>	<u>2022</u>
Opening balance	\$ (30,256)	\$ (1,849)
Repayment of loan	30,256	1,849
Split costs owed to Wesley Acres Trailer Park Inc.	(31,513)	(33,762)
Split costs owed from Wesley Acres Trailer Park Inc.	4,652	3,533
Interest owed on shareholder loan balance	<u>(346)</u>	<u>(27)</u>
	<u>\$ (27,207)</u>	<u>\$ (30,256)</u>

**WESLEY ACRES INC.**  
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**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:

	<u>2023</u>	<u>2022</u>
General	\$ 147,894	\$ 194,756
Booster club	54,851	63,177
Program	20,562	91,835
In-kind	660	6,204
Reserves	<u>50,092</u>	<u>152</u>
	<u>\$ 274,059</u>	<u>\$ 356,124</u>

**13. GOVERNMENT ASSISTANCE**

During the year, Wesley Acres Inc. received the Canada Summer Jobs Grant which allows not-for-profit organizations to provide quality paid summer work experiences to individuals to aid in developing their skills for a better transition into the labour force.

The amounts received from Canada Summer Jobs is as follows:

	<u>2023</u>	<u>2022</u>
Canada summer jobs grant	<u>\$ 4,090</u>	<u>\$ 10,156</u>

**14. 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.

**WESLEY ACRES INC.**  
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**14. COMMITMENTS (continued)**

2024	\$ 4,977
2025	4,977
2026	2,488
2027	<u>-</u>
	<u>\$ 12,442</u>

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

**15. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified from those previously presented to conform to the presentation of the 2023 financial statements.