

TRAILS YOUTH INITIATIVES INC.

FINANCIAL STATEMENTS SEPTEMBER 30, 2025

CONTENTS	PAGE
Independent auditor's report	1 - 2
Statement of fund operations	3
Statement of changes in net assets	4
Statement of financial position	5
Statement of cash flows	6
Notes to financial statements	7 - 12



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Trails Youth Initiatives Inc.

Opinion:

We have audited the accompanying financial statements of Trails Youth Initiatives Inc., which comprises the statement of financial position as at September 30, 2025, the statements of fund operations, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as at September 30, 2025, and the statements of fund operations, changes in net assets, and cash flows for the year then ended in accordance with Canadian accounting standards for Not-for-Profit Organizations.

Basis for Opinion:

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged With Governance for the Financial Statements:

Management is responsible for the preparation and fair presentation of these 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.

INDEPENDENT AUDITOR'S REPORT (continued)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 it 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements (including the disclosures), and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**CHARTERED PROFESSIONAL ACCOUNTANTS
AUTHORIZED TO PRACTISE PUBLIC ACCOUNTING BY THE
CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO**

Aurora, Ontario
January 28, 2026

TRAILS YOUTH INITIATIVES INC.
STATEMENT OF FUND OPERATIONS
SEPTEMBER 30, 2025

Page 3

	Note Reference	General Fund	D. Dion Memorial Fund	Total 2025	Total 2024
		\$	\$	\$	\$
REVENUES					
Donations	3	1,660,748	-	1,660,748	1,247,254
Events fundraising		298,350	-	298,350	261,221
Other income		26,429	-	26,429	38,632
Rental income		16,250	-	16,250	12,000
Investment income		427,825	43,709	471,534	321,085
Realized gain/(loss) on investments		(1,145)	-	(1,145)	37,582
Unrealized gain/(loss) on investments		943,708	(43,055)	900,653	1,657,880
		3,372,165	654	3,372,819	3,575,654
PROGRAM EXPENDITURES					
Salaries and wages		1,033,654	-	1,033,654	905,434
Food		87,519	-	87,519	124,312
Facility		111,992	-	111,992	123,478
Transportation		13,203	-	13,203	16,006
Bursary payments		132,084	150,870	282,954	261,767
Insurance		35,009	-	35,009	32,155
Programming		88,312	-	88,312	73,804
Amortization		53,549	-	53,549	54,512
		1,555,322	150,870	1,706,192	1,591,468
FUNDRAISING AND ADMINISTRATION					
Events and donations fundraising salaries		235,026	-	235,026	239,098
Direct fundraising expenses		8,984	-	8,984	4,844
Administrative salaries		55,196	-	55,196	49,872
Office		36,209	-	36,209	38,067
Insurance		3,273	-	3,273	3,273
Professional fees		31,663	-	31,663	57,721
Administration fees		15,059	-	15,059	12,999
Investment management fees		44,360	689	45,049	40,494
		429,770	689	430,459	446,368
TOTAL EXPENDITURES		1,985,092	151,559	2,136,651	2,037,836
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES		1,387,073	(150,905)	1,236,168	1,537,818

TRAILS YOUTH INITIATIVES INC.
STATEMENT OF CHANGES IN NET ASSETS
SEPTEMBER 30, 2025

Page 4

	General Fund	D. Dion Memorial Fund	Total 2025	Total 2024
	\$	\$	\$	\$
NET ASSETS - Beginning of year	10,354,199	150,905	10,505,104	8,967,286
Excess/(deficiency) of revenues over expenditures	1,387,073	(150,905)	1,236,168	1,537,818
NET ASSETS - End of year	11,741,272	-	11,741,272	10,505,104

TRAILS YOUTH INITIATIVES INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2025

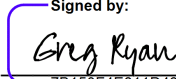
	Note Reference	2025	2024
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and equivalents	4	289,756	332,119
Marketable securities		10,496,833	8,943,470
Amounts receivable		27,263	67,515
Prepaid expenses		806	-
		10,814,658	9,343,104
Investments		222,714	430,339
Capital assets	5	829,180	848,289
TOTAL ASSETS		11,866,552	10,621,732
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accruals		92,185	79,860
Revenue received in advance		2,460	7,542
Deferred contributions	6	30,635	29,226
		125,280	116,628
NET ASSETS			
Invested in capital assets		829,180	848,289
Externally restricted		-	150,905
Unrestricted		10,912,092	9,505,910
		11,741,272	10,505,104
TOTAL LIABILITIES AND NET ASSETS		11,866,552	10,621,732

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board:

Signed by:

 D22B5B67E18C4B2...
 Director

Signed by:

 7B150F4E811D43F...
 Director

TRAILS YOUTH INITIATIVES INC.
STATEMENT OF CASH FLOWS
SEPTEMBER 30, 2025

Page 6

	General Fund	D. Dion Memorial Fund	2025	2024
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Excess/(deficiency) of revenues over expenditures	1,387,073	(150,905)	1,236,168	1,537,818
Items not requiring cash:				
Unrealized (gain)/loss	(943,708)	43,055	(900,653)	(1,657,880)
Amortization	53,549	-	53,549	54,512
	496,914	(107,850)	389,064	(65,550)
Non-cash working capital items:				
Amounts receivable	40,252	-	40,252	(54,732)
Prepaid expenses	(806)	-	(806)	-
Accounts payable and accruals	17,557	(5,232)	12,325	1,629
Revenue received in advance	(5,082)	-	(5,082)	7,542
	548,835	(113,082)	435,753	(111,111)
FINANCING ACTIVITIES				
Deferred contributions	1,409	-	1,409	(3,379)
INVESTING ACTIVITIES				
Marketable securities	(765,791)	113,082	(652,709)	(455,837)
Investments	207,625	-	207,625	417,927
Acquisition of capital assets	(34,441)	-	(34,441)	(25,553)
	(592,607)	113,082	(479,525)	(63,463)
DECREASE IN CASH AND EQUIVALENTS	(42,363)	-	(42,363)	(177,953)
CASH AND EQUIVALENTS - Beginning of year	332,119	-	332,119	510,072
CASH AND EQUIVALENTS - End of year	289,756	-	289,756	332,119

TRAILS YOUTH INITIATIVES INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

1. PURPOSE OF THE ORGANIZATION

Trails Youth Initiatives Inc. was established to help vulnerable youth in the Greater Toronto Area reach their full potential. The Organization's four-year program has helped hundreds of children become active participants in their communities. The Organization was incorporated without share capital on May 4, 1992, qualifies as a charitable organization under the Income Tax Act, and is exempt from income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation:

These financial statements have been prepared using Canadian accounting standards for Not-for-Profit Organizations.

b) Revenue recognition:

The Organization follows the deferral method of accounting for contributions. Contributions are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions for the purchase of capital assets are deferred and recognized as revenue on the same basis as the related asset. Restricted contributions for which there is no corresponding restricted fund are recognized in the general fund in accordance with the deferral method where contributions are recognized as revenue in the year in which the related expenditures are incurred.

All other revenues, including fundraising, rental income and 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.

Investment income is recognized when received or receivable and collection is reasonably assured.

c) Fund accounting:

Unrestricted Funds

Revenues and expenditures for ongoing activities, including education expenses, are recorded in the General Fund.

Marketable securities held in the general fund are used for program expenditures or capital investments as per contractual funding agreements or approval for disbursement by the Board of Directors. The marketable securities in this fund are under the custody of CI Institutional Asset Management and CG Wealth Management.

Restricted Funds

D. Dion Memorial Fund was established in memory of Danielle Dion in 2000. The funds are restricted to helping current and former participants of the Organization's program in the continuation of their education. The marketable securities in this fund are under the custody of CI Institutional Asset Management. In fiscal 2025, the Board approved combining the D. Dion Memorial Fund into the Trails Bursary Fund.

TRAILS YOUTH INITIATIVES INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Contributed services:

A substantial number of volunteers have made significant contributions of their time to the Organization's operations. While these services benefit the Organization considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

e) Marketable securities:

Marketable securities held have been designated as held for trading assets by management and are recorded at fair market value with unrealized holding gains and losses adjusted to the applicable statement of fund operations. Fair market value is based on the closing prices from publicly traded stock exchanges.

f) Cash and equivalents:

Cash and equivalents are defined as cash on hand, cash on deposit, and short-term deposits with maturity dates of less than 90 days, net of cheques issued and outstanding at the reporting date.

g) Amortization:

Capital assets are recorded at cost and are being amortized on the diminishing balance basis at the following annual rates -

Building	4%
Computer equipment	30%
Furniture and kitchen equipment	20%
Outdoor operations equipment	30%
Indoor operations equipment	20%
Vehicles	30%
Dock	5%
Paving	8%

In the year of acquisition or disposal, and provided the asset is available for its intended use, amortization is recorded at 50% of the annual rate.

h) Management's estimates:

The preparation of 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, disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the period. Significant items subject to such estimates and assumptions include the estimated useful lives of capital assets, completeness of accounts payable and accruals, deferred contributions, and the allocation of salaries to programming, administration and fundraising expenses based on time spent on various function areas. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the statement of operations in the period they become known.

i) Financial instruments:

The fair values of cash and equivalents, investments, amounts receivable, accounts payable and accruals, revenue received in advance and deferred contributions are approximately equal to their carrying values.

TRAILS YOUTH INITIATIVES INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Page 9

3. DONATIONS

Donations received are comprised of the following:

	2025	2024
	\$	\$
Individuals	93,291	148,167
Corporations	361,778	441,976
Foundations	567,129	462,337
Board of governors	638,550	194,774
	1,660,748	1,247,254

4. CASH AND EQUIVALENTS

The cash and equivalents are comprised of the following:

	2025	2024
	\$	\$
Cash	289,756	181,311
Canadian short-term investment certificates	-	150,808
	289,756	332,119

5. CAPITAL ASSETS

	2025		2024	
	Original Cost	Accumulated Amortization	Original Cost	Accumulated Amortization
	\$	\$	\$	\$
Buildings	1,445,518	735,080	1,425,593	705,893
Computer equipment	2,139	1,898	2,139	1,795
Furniture and kitchen equipment	46,507	26,616	43,258	22,050
Outdoor operations equipment	98,535	71,086	87,269	61,736
Indoor operations equipment	50,563	31,923	50,563	27,263
Vehicles	47,586	42,715	47,586	40,627
Dock	21,736	5,758	21,736	4,917
Paving	38,978	7,306	38,978	4,552
	1,751,562	922,382	1,717,122	868,833
Net Book Value		829,180		848,289

TRAILS YOUTH INITIATIVES INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Page 10

6. DEFERRED CONTRIBUTIONS

The changes to deferred contributions during the year were as follows:

	2025	2024
	\$	\$
Balance - beginning of year	29,226	32,605
Externally restricted revenues received	5,000	-
Recognized as revenue in General Fund	(3,591)	(3,379)
	30,635	29,226

The deferred contributions as at September 30, 2025 consist of the following:

	2025	2024
	\$	\$
Bob and Joan Northey Bursary	8,000	9,000
Rotary Toronto Eglinton for investment in capital assets	22,635	20,226
	30,635	29,226

Rotary Toronto Eglinton contributed \$28,200 in 2023 and \$5,000 in 2025 to acquire certain capital assets. These contributions are being recognized as revenue on the same basis as the amortization on the related capital assets.

TRAILS YOUTH INITIATIVES INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Page 11

7. LEASE COMMITMENT

The Organization renewed its lease for the second twenty year term stipulated in the lease. The renewed lease expires on June 30, 2037. If the lease is not in default after this second twenty year term, the Organization has the option to renew the lease for another ten years upon the terms and conditions then prevailing. The minimum annual rentals payable under this long term lease, exclusive of certain operating costs for which the Organization is responsible, are approximately as follows:

	\$
Year ending: September 30, 2026	8,270
September 30, 2027	8,270
September 30, 2028	8,370
September 30, 2029	8,680
September 30, 2030	8,680
September 30, 2031 and subsequent	60,340
	102,610

8. RELATED PARTY TRANSACTIONS

During the year, the Organization received rental income in the amount of \$6,000 (2024 - \$6,000) from the President of the Organization.

These transactions are in the normal course of business and are measured and recorded at the cash exchange amount, which is the amount of monetary consideration established and agreed to by the related parties.

9. ALLOCATION OF EXPENDITURES

Salaries and wage costs of \$200,981 (2024 - \$202,309) have been allocated to various function areas based on management's estimate of time spent as follows:

	2025	2024
	\$	\$
Program	99,433	73,448
Events and donations fundraising	46,440	78,989
Administration	55,108	49,872
	200,981	202,309

10. CREDIT FACILITY

The Organization has three credit cards with a combined limit of \$45,000. The balance as at September 30, 2025 is \$13,349 (2024 - \$nil).

TRAILS YOUTH INITIATIVES INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

11. FINANCIAL RISKS AND CONCENTRATION OF RISK

The financial risks and concentration of risks are as follows. There has been no change to the nature of any of the risk exposures from 2024.

a) Credit risk:

The Organization maintains its cash and deposits with a single federally regulated Canadian financial institution.

b) Currency risk:

The Organization is exposed to financial risks as a result of exchange rate fluctuations and the volatility of those rates. Marketable securities are denominated in approximately the following foreign currencies: United States - 40% (2024 - 43%) and International - 4% (2024 - 5%).

c) Other price risk:

The Organization's marketable securities are invested in various securities and bonds that are publicly traded. Accordingly, these marketable securities are subject to other price risks whereby the future cash flows will fluctuate because of changes in market price and interest markets. A decline in the equity markets will result in a decrease to the fair value of the assets held.

12. NON-MONETARY TRANSACTIONS

The Organization receives donations-in-kind, accounted for at the market value of contributions on the date of transfer. The total value of non-cash donations received in 2025 was \$25,075 (2024 - \$25,435).