J. STECKLE HERITAGE HOMESTEAD

2025 Financial Statements

J. STECKLE HERITAGE HOMESTEAD
Financial Statements

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Independent Auditor's Report

To the board of directors of
J. Steckle Heritage Homestead

Qualified Opinion
I have audited the financial statements of J. Steckle Heritage Homestead, which comprise the statement of financial position as at December 31, 2025, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of J. Steckle Heritage Homestead as at December 31, 2025 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion
In common with many not-for-profit organizations, the Organization derives revenue from fundraising activities 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 Organization. Therefore, I was not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2025 and 2024, current assets as at December 31, 2025 and 2024, and net assets as at January 1 and December 31 for both the 2025 and 2024 years. My audit opinion on the financial statements for the year ended December 31, 2024 was modified accordingly because of the possible effects of this limitation in scope.

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

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 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 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.

Auditor's Responsibilities for the Audit of the Financial Statements
My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

Ark

Ark Accounting & Tax Professional Corporation
Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario
Kitchener, Ontario
June 22, 2026

J. STECKLE HERITAGE HOMESTEAD
Statement of Operations
Year ended December 31, 2025

	2025	%	2024	%
Revenue				
Program fees	$ 294,286	*62.6*	$ 289,147	*52.4*
Rental	49,370	*10.5*	54,515	*9.9*
Wedding revenue	43,440	*9.2*	43,939	*8.0*
Grant revenue	34,320	*7.3*	138,716	*25.1*
Events income	21,124	*4.5*	8,924	*1.6*
Fundraising and donations	15,214	*3.2*	10,281	*1.9*
Farm produce	6,057	*1.3*	-	
Interest and other income	5,933	*1.3*	6,060	*1.1*
	469,744	*100.0*	551,582	*100.0*
Expenses				
Amortization	3,199	*0.7*	-	
Animal and crop maintenance	10,349	*2.2*	5,960	*1.1*
Capital projects	-		105,778	*19.2*
Events expenses	17,211	*3.7*	16,236	*2.9*
Insurance	10,257	*2.2*	10,119	*1.8*
Interest and bank charges	9,129	*1.9*	12,144	*2.2*
Office	-		2	
Office and administration	5,064	*1.1*	6,491	*1.2*
Professional fees	29,111	*6.2*	29,895	*5.4*
Program expenses	2,381	*0.5*	2,853	*0.5*
Property taxes	5,107	*1.1*	4,787	*0.9*
Repairs and maintenance	20,793	*4.4*	16,385	*3.0*
Salaries and related benefits	267,996	*57.1*	345,268	*62.6*
Telephone and utilities	17,796	*3.8*	19,101	*3.5*
	398,393	*84.8*	575,019	*104.2*
Excess (deficiency) of revenue over expenses before undernoted item	71,351	*15.2*	(23,437)	*(4.2)*
Other income				
Writeup (writedown) of investments	7,242	*1.5*	12,007	*2.2*
Excess (deficiency) of revenue over expenses	$ 78,593	*16.7*	$ (11,430)	*(2.1)*

See Independent Auditor's Report and accompanying notes to the Financial Statements

J. STECKLE HERITAGE HOMESTEAD
Statement of Financial Position
As at December 31, 2025

	2025	2024
ASSETS		
Current assets		
Cash	$ 31,728	$ -
Investments and marketable securities (note 2)	268,373	256,286
Accounts receivable (note 3)	19,296	16,449
	319,397	272,735
Property and equipment (note 4)	76,782	1
	$ 396,179	$ 272,736

See Independent Auditor's Report and accompanying notes to the Financial Statements

J. STECKLE HERITAGE HOMESTEAD
Statement of Financial Position — continued
As at December 31, 2025

	2025	2024
LIABILITIES AND FUND BALANCES		
Current liabilities		
Bank indebtedness (note 5)	$ -	$ 33,950
Accounts payable and accrued liabilities (note 6)	19,196	14,895
Deferred contributions (note 7)	83,328	16,603
Rental and event deposits	39,535	25,400
Long-term debt (note 8)	6,361	6,361
	148,420	97,209
Long-term debt (note 8)	3,181	9,542
	151,601	106,751
Subsequent events (note 9)		
Fund balances		
Building Fund (internally restricted)	(446,585)	(445,482)
General Fund (unrestricted)	492,900	420,446
Endowment	198,263	191,021
	244,578	165,985
	$ 396,179	$ 272,736

See Independent Auditor's Report and accompanying notes to the Financial Statements

On behalf of the Board

Director _____ **Director** _____

J. STECKLE HERITAGE HOMESTEAD
Statement of Changes in Net Assets
Year ended December 31, 2025

				2025
	Building Fund (internally restricted)	**General Fund (unrestricted)**	**Endowment**	**Total**
Balance*, beginning of year*	$ (445,482)	$ 420,446	$ 191,021	$ 165,985
Excess (deficiency) of revenue over expenses	(1,103)	72,454	7,242	78,593
Balance, end of year	$ (446,585)	$ 492,900	$ 198,263	$ 244,578

				2024
	Building Fund (internally restricted)	**General Fund (unrestricted)**	**Endowment**	**Total**
Balance*, beginning of year*	$ (445,482)	$ 431,876	$ 191,021	$ 177,415
Deficiency of revenue over expenses	-	(11,430)	-	(11,430)
Balance, end of year	$ (445,482)	$ 420,446	$ 191,021	$ 165,985

See Independent Auditor's Report and accompanying notes to the Financial Statements

J. STECKLE HERITAGE HOMESTEAD
Statement of Cash Flows
Year ended December 31, 2025

	2025	2024
Operating activities		
Excess (deficiency) of revenue over expenses	$ 78,593	$ (11,430)
Items not involving cash		
Amortization	3,199	-
Writeup of investments	(7,242)	(12,007)
	74,550	(23,437)
Net change in non-cash working capital items		
Investments and marketable securities	(4,845)	(4,638)
Accounts receivable	(2,847)	(970)
Prepaid expenses	-	852
Accounts payable and accrued liabilities	4,301	(8,119)
Deferred contributions	66,725	13,003
Rental and event deposits	14,135	(10,880)
	77,469	(10,752)
Cash flows from operating activities provided by (used in) operating activities	152,019	(34,189)
Financing activity		
Repayment of long-term debt and cash flows from financing activity	(6,361)	(46,361)
Investing activity		
Purchase of property and equipment and cash flows from investing activity	(79,980)	-
Net change in cash during the year	65,678	(80,550)
Cash (bank indebtedness), beginning of year	(33,950)	46,600
Cash (bank indebtedness), end of year	$ 31,728	$ (33,950)

See Independent Auditor's Report and accompanying notes to the Financial Statements

Nature of operations

J. Steckle Heritage Homestead (the "Organization") was incorporated without share capital under letters patent by the Ministry of Consumer and Commercial Affairs. The purpose of the Organization is the restoration, conservation and interpretation of the historical site.

The Organization is a registered charity under the Income Tax Act and, accordingly, is exempt from income taxes provided certain requirements of the Income Tax Act are met.

1. Summary of significant accounting policies

The Organization applies the Canadian accounting standards for not-for-profit organizations.

Fund accounting deferred

The Organization follows the deferral method of accounting for contributions which includes grants and donations. The purpose of the funds are as follows:
(i) General fund (unrestricted) - the general fund accounts for the Organization's program and administrative activities.
(ii) Building fund (internally restricted) - the building fund accounts for the development of the land that was donated by the City of Kitchener.
(iii) Endowment fund - the endowment fund reports resources contributed for endowment.
Investment income earned on resources of the endowment fund is reported in the unrestricted fund.

Property and equipment

Property and equipment are recorded at cost and are being amortized over their estimated useful lives. The annual amortization rate is as follows:

Buildings	4 %

Property and equipment are reviewed for impairment whenever events or changes in the circumstances indicate that the carrying value may not be recoverable. If the total of the estimated undiscounted future cash flows is less than the carrying value of the asset, an impairment loss is recognized for the excess of the carrying value over the fair value of the asset during the year the impairment occurs.

Tangible capital assets acquired during the year but not available for use are not amortized until they are placed into use.

1. Summary of significant accounting policies — continued

Revenue recognition

Grants, donations and fundraising are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Program activities, wedding, events, farm produce and rental revenue are recognized as services are rendered.

Interest and other income is recognized as revenue when earned.

Contributions for endowment are recognized as revenue in the endowment fund.

Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments with maturities of three months or less from their date of acquisition, which are readily convertible into a known amount of cash, and are subject to an insignificant risk to changes in their fair value.

Marketable securities

Marketable securities are carried at the lower of cost and market value.

Financial instruments
The Organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, investments and marketable securities and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, deferred contributions, rental and event deposits and long-term debt.

The Organization has designated a certain investments and marketable securities to be measured at fair value as disclosed in note 2.

Measurement uncertainty

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 and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

1. Summary of significant accounting policies — continued

Contributed materials and services

Volunteers contributed time to assist the Organization in carrying out its education program. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

2. Investments and marketable securities

	2025	2024
Equity instruments, at fair value	$ 157,838	$ 150,597
GIC, at cost, interest at 4.75% per annum, maturing Feb 2028	35,988	34,352
GIC, at cost, interest at 4.50% per annum, maturing June 2028	74,547	71,337
	$ 268,373	$ 256,286

3. Accounts receivable

	2025	2024
Accounts receivable	$ 150	$ -
Accrued receivables	3,143	3,084
PSB rebate receivable	16,003	13,365
	$ 19,296	$ 16,449

4. Property and equipment

	2025		2024	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Land	$ 1	$ -	$ 1	$ -
Buildings	79,980	3,199	-	-
	79,981	3,199	1	-
Net book value	$ 76,782		$ 1	

4. Property and equipment — continued

During 2004, the charity received the real property known as 811-831 Bleams Road, furnishings and contents, and an automobile as a beneficiary under the will of Jean Steckle. These have not been recognized in the financial statements as the charity was previously expensing capital costs when funded.

The City of Kitchener had donated land adjacent to the Homestead property to the Foundation (J. Steckle Heritage Foundation) for the purpose of supporting future initiatives of the Homestead. The City has first right of refusal on this land at a nominal cost of $1. On January 1, 2016 J. Steckle Heritage Homestead was amalgamated under the Income Tax Act with the Foundation. This land nominal value is recorded in J. Steckle Heritage Homestead's books.

In prior years, the Organization expensed its capital expenditures. The capital expenditures included $105,778 in 2024.

5. Line of credit

The Organization has a business line of credit to a maximum of $50,000 and bears interest at bank prime plus 1% per annum and is secured by a general security agreement and the investments disclosed in note 2. At year end $50,000 (2024 - $7,090) was available for use.

6. Accounts payable and accrued liabilities

	2025	2024
Accounts payable and accrued liabilities	$ 12,675	$ 9,044
Payroll remittances payable	4,777	5,179
Accrued wages	1,744	672
	$ 19,196	$ 14,895

The Organization has a Visa credit facility with Libro Credit Union with a credit limit of $2,500. At year end $1,654 (2024 - $1,952) was available for use.

7. Deferred contributions

	Balance, beginning of year	Received	Recognized	Balance, end of year
Ontario Trillium Foundation	$ 16,603	$ 35,800	$ (2,096)	$ 50,307
Other capital funding	-	33,021	-	33,021
	$ 16,603	$ 68,821	$ (2,096)	$ 83,328

8. Long-term debt

	2025	2024
Term loan payable, interest at 0.00%, repayable in monthly instalments of $530 on account of principal, due June 2027, secured by a tractor with a net book value of $nil.	$ 9,542	$ 15,903
Less: current portion	6,361	6,361
	$ 3,181	$ 9,542

Minimum principal payments over the next two years are as follows:

2026	$ 6,361
2027	3,181
Thereafter	-
	$ 9,542

9. Subsequent events

For the purpose of the accompanying financial statements, subsequent events have been evaluated by management through to the date of the report, with is the date these financial statements were available to be issued.

10. Grant revenue

	2025	2024
Government of Canada - Canada Summer Jobs	$ 27,224	$ 26,014
Ontario Trillium Grant	2,096	99,997
YMCA	-	3,178
KWCF	-	9,527
Waterloo Region District School Board	5,000	-
	$ 34,320	$ 138,716

11. Financial instruments

Liquidity risk

The Organization does have a liquidity risk in the bank indebtedness and accounts payable and accrued liabilities of $19,196 (2024 - $48,845). Liquidity risk is the risk that the Organization cannot repay its obligations when they become due to its creditors. The Organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate line of credit to repay trade creditors and repays long term debt interest and principal as they become due. In the opinion of management the liquidity risk exposure to the Organization is low and is not material.

Credit risk

The Organization does have credit risk in accounts receivable $13,979 (2024 - $16,449). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Organization reduces its exposure to credit risk by performing credit valuations on a regular basis; granting credit upon a review of the credit history of the applicant and creating an allowance for bad debts when applicable. The Organization maintains strict credit policies and limits in respect to counterparties. In the opinion of management the credit risk exposure to the Organization is low and is not material and the allowance for bad debt is $0 (2024- $0).

12. Contingent liabilities

For the purpose of the accompanying financial statements, contingent liabilities have been evaluated by management. There were no contingent liabilities that would have a material impact on these financial statements.