ANNUAL REPORT 2025

WARMAN CHILDCARE CENTRE

GUIDING PRINCIPLES

OUR MISSION

Warman Childcare Centre provides high quality childcare in a safe and secure learning environment.

OUR VISION

Our Centre is the platform where every child will thrive while learning in a nurturing environment. We do this through providing children with experiences and play based learning opportunities and offering supportive resources to families within the community.

VALUES THAT GUIDE US

- Accountability
- Best interest - “put children first”
- Engagement – parents, staff and children
- Excellence
- Integrity

MESSAGE FROM THE CHAIR

AMANDA KING-DUKART
CHAIR, WCC BOARD OF DIRECTORS

As we wrap up another wonderful year at the centre, we want to take a moment to thank our amazing staff, our dedicated Board members, and the families who make our community so special.

This year has been another strong one for the centre, and that's thanks to the incredible team who show up every day with care, compassion, and a deep commitment to providing the very best for the children in our care. We're so grateful for the warmth, professionalism, and consistency they bring to their work—it truly shows in the high quality of care they provide each day.

A big thank you also goes to our Directors, whose leadership continues to guide the centre forward in meaningful ways, and to the Board members who generously give their time to support the centre's operations and long-term vision. This year also brought some exciting milestones, including the launch of our new website, making it even easier for families to stay connected and informed. We also want to give a special shoutout to our Expansion Committee, who have been working hard behind the scenes to bring our new space to life. With construction on site 2 well underway, we're looking forward to opening in fall 2026 for childcare. We're also pleased to share that site 2 will offer a B&A program for WCC families starting September 2, 2026. It's exciting to see these plans coming together, and we can't wait to welcome families into this new chapter.

On behalf of the Board, thank you for your trust and for being such an important part of our community. We're grateful for your ongoing support and look forward to another great year together. Please feel free to connect with the Board of Directors anytime—we can be reached at wccboard@outlook.com, or you can chat with us at pick-up or drop-off. We're here to support the centre and always value staying connected with parents and staff.

Amanda King-Dukart

MESSAGE FROM THE DIRECTOR

MELINDA MARTENS
DIRECTOR, WARMAN CHILDCARE CENTRE

I want to take a moment to reflect on the growth, progress, and strength of Warman Childcare Centre. One of the most exciting developments for our organization is that our new childcare centre, which will create 90 additional spaces for children and families in our community, is now almost complete. This project represents an important step forward in responding to the growing need for licensed childcare in Warman, and we are very proud to be so close to opening a space that will allow us to serve more families while continuing to provide the high standard of care our centre is known for.

This past year has also brought continued change within the childcare sector across Canada. Recent updates to the Canada-Saskatchewan early learning and childcare agreements have reinforced the national commitment to affordable, accessible, and high-quality childcare, including the continuation of $10-a-day regulated childcare, added long-term funding stability, and expanded eligibility for some families with children turning six while still in care. While these changes can sometimes come with challenges, we are committed to keeping quality care at the core of our values.

At the heart of Warman Childcare Centre is our team. We are incredibly fortunate to have such wonderful, caring, and supportive staff who bring dedication, professionalism, and compassion to their work each and every day. Their commitment to the children and to one another is what makes our centre such a positive place to learn and grow. I also want to sincerely thank the families of WCC for their ongoing trust, encouragement, and support. Your partnership means so much to us, and together we continue to build a strong and connected childcare community.

As our centre grows and the needs of our program continue to evolve, Tasha and I have been making small adjustments within the program to help things run more smoothly while still ensuring that we provide quality care for every child. These adjustments are focused on strengthening daily routines, improving communication, and supporting staff in delivering consistent, thoughtful programming. We believe that by making these careful improvements now, we will be even better positioned to support children, families, and staff both in our current centre and in the exciting next chapter ahead.

It has been an honour to be a part of Warman Childcare Centre for 10 years and I thank you all for your continued support. We are proud of how far we have come, and we look forward with optimism to all that is ahead. Together, we are creating a strong foundation for children and families in our community.

Melinda Martens

FUNDRAISING REPORT

Warman Childcare Centre is a non-profit organization and requires fundraisers throughout the year to supplement the operational costs of the facility. All families are required to participate in the fundraising events planned by the committee.

The amount required to be raised per spot is determined annually by the Board of Directors based on the budget and shared with families at the beginning of the year. In 2025 we held three fundraising events (World's Finest Chocolates, Summer Raffle & Rampage Coffee), raising a net profit of $13,800 for the Centre which was used towards three quiet area tents outside, a sandbox for the infant/toddler side, sensory and regulation items and an outdoor Tuff Tray!

For 2026, the Board identified the amount to be raised as $300/spot.

2026 FUNDRAISERS

1. Cash Calendar – April 2026 **(Complete, $10.647.50 raised!)**
2. Music Bingo – June 13, 2026

On behalf of the Warman Childcare Centre Board of Directors, thank you for your support of WCC and we look forward to a successful year of fundraising!

EXPANSION UPDATE

Over the past year, we have made significant progress on our daycare expansion project, bringing us closer to increasing our capacity and enhancing the spaces available for children, families, and staff.

Construction of the new building is now well advanced. We are pleased to report that the building envelope is complete, meaning the structure is fully enclosed and protected from the elements. This is a major milestone that has allowed the work to transition fully indoors.

Inside the building, construction has progressed to the painting stage, with interior finishes now becoming visible throughout the space. In the coming weeks, flooring installation will begin, followed by the remaining final finishes that will bring the building to completion.

All contractors that have been engaged directly are scheduled to complete their installations over approximately the next month. This coordinated effort will be key in keeping the project on track as we move into the final phase of construction.

While the building itself is nearing completion, the remaining exterior work still includes landscaping and the installation of outdoor play spaces. These elements are an important part of the project, ensuring the outdoor environment is safe, functional, and engaging for children.

Looking ahead, our goal is to achieve occupancy of the new building in early July. This will allow us to begin preparing the space for operations and welcoming families into the expanded facility in the fall of 2026.

Overall, the project continues to progress well, and we are excited to be approaching the final stages. We appreciate the continued support and patience of our members and families as we work toward completing this important addition to our daycare.

Mark Prodahl

BOARD OF DIRECTORS

The WCC Board of Directors is made up of up to 10 positions. A membership vote is held annually at the Warman Childcare Centre's AGM to fill open positions.

The Executive Committee, with Board approval, recommends that the following people stand for nomination at the Annual General Meeting on the 27th day of May 2026:

To be elected for a two-year term:

- Amanda King-Dukart
- Jasmyne Bahr
- Lisa Spies
- Dawna Fisher
- Mark Prodahl
- Ian Braaten

Directors Continuing to serve in 2026-2027:

- Morgan Bullee
- Mitchell Blixrud
- Katherine Armstrong
- Keara Willoughby

MEET YOUR BOARD OF DIRECTORS

AMANDA KING-DUKART, CHAIR

Hi, I'm Amanda, mom to Oliver (6) and Gabriel (4). My husband, Peter, and I moved to Warman in 2014, and we've loved being part of the community ever since. Our household is a crazy one, made complete with our three dogs, Ember, Eevie and Zinnia. I am employed with SaskEnergy as a Customer Business Representative and recently completed a Business Certificate through Saskatchewan Polytechnic. Our family has been at WCC since 2020, and the care our boys have received has been wonderful—they genuinely love going to daycare. I'm grateful to serve on the board of directors and give back to a place that means a lot to our family. It's been fulfilling to be part of the centre's growth and to help make sure every child and family feels welcome and supported.

JASMYNE BAHR, VICE-CHAIR

My name is Jasmyne Bahr, I am proud mom of two, Eleanor (6) and Oliver (4). My husband, Nick, and I have called Warman home since 2019 and have been part of the WCC family since 2020. Through our time at WCC, we have built many meaningful friendships and truly value the strong sense of community the centre provides for families.

Professionally, I work as a Mortgage Associate with Mint Mortgage, where I enjoy helping clients through important milestones in their lives. I am grateful for the opportunity to be involved with the board and to support the continued growth and success of the WCC community.

LISA SPIES, TREASURE

Hi, I'm Lisa! I'm married to my husband, Brett and we moved to Warman in 2019. We have two children, Levi and Brynn who keep us very active. We enjoy all sorts of adventures - biking, hockey, soccer, horseback riding or going for a quad ride.

I grew up on our family farm at Glentworth, SK. I moved to Saskatoon for University and haven't left since! I'm a Chartered Professional Accountant and a Partner at MNP LLP.

I joined the board of WCC about three years ago. The centre has provided such excellent care for our kids, and we love the family feel. I'm excited to see and be a part of such a quality centre.

DAWNA FISHER, SECRETARY

My name is Dawna Fisher. I am a real estate appraiser with Brunsdon Lawrek & Associates and have an AACI designation with the Appraisal Institute of Canada. The majority of my assignments are commercial based and I have been training in property assessment review services.

I graduated from the University of Saskatchewan in 2010 with a B.Comm degree with honours and distinction. My husband, Adrian and I moved to Warman in 2013 shortly after welcoming our daughter, Helaina. Since establishing our family in Warman we have welcomed two more children, Jarett and Lars. I enjoy spending time with my family, gardening, going to greenhouses and u-pick farms, baking and eating it too, and anything where I get to be creative.

All of our children have been privileged to attend the centre. I have served on the Board for four years and am excited for the opportunity to continue working with an amazing group of parents.

MARK PRODAHL

Mark is from the small town of Lake Lenore Saskatchewan. He grew up in a farming household and still helps (seasonally) on the farm to this day. Mark decided to pursue a different career than farming and entered the College of Engineering at the U of S directly out of high school. A few years later with a Civil Engineering degree in hand, he started working for PCL Construction Management and has worked there ever since. In 2018 Mark moved to Warman with his wonderful wife Brittany. They have two daughters and a son, Bryer (5yrs), Bodie (3yrs), and Larke (1year). With the little bit of free time he has, he enjoys golfing and downhill skiing. Mark joined the WCC board in March of 2022 and is currently sitting as the chair of the expansion committee. He wishes the parents and staff of the WCC all the best for 2026 and is looking forward to an exciting year ahead for the centre.

IAN BRAATEN

Ian Braaten earned his accounting degree from the Edwards School of Business in 2009, followed by a Master of Professional Accounting in 2011 and his Chartered Accountant designation in 2013. His career then took him to Calgary for several years before he returned to Saskatchewan. He is currently a Partner at KPMG LLP, where he brings a strong foundation in finance, governance, and strategic oversight.

Ian and his wife, Christie, moved to Warman in the winter of 2012 and quickly came to appreciate the strong sense of community the city offers. Since then, they have welcomed their son, Beau, in 2018 and their daughter, Freya, in 2021. Freya joined the WCC family in 2022, and Beau graduated from WCC in 2023. Their children's experience at WCC has been an important part of their learning and social development. Ian believes that investing in early education and literacy helps build both a vibrant community and a strong future—while also keeping family calendars pleasantly full.

Ian previously served on the board of READ Saskatoon from 2013 to 2020, where he was a member of the Audit and Finance Committee and contributed to the review of annual financial statements and budgets. He also served on the Board of the Saskatchewan Young Professionals and Entrepreneurs (SYPE) from 2013 to 2021. He currently serves on the Board of Ideas Inc., continuing his commitment to strong governance and community-minded leadership.

Outside of work and board service, Ian enjoys coaching hockey and spending time with his family at the lake, where fishing and snowmobiling remain his favorite pastimes.

MORGAN BULLEE

Proud mama to Olivia (6) & Sloane (3). Born and raised in Regina, I moved to Warman with my husband, Garrett, in 2018. We have two large rescue dogs who keep us extra busy. We feel so fortunate to have our daughters attend Warman Childcare Centre and I love being able to volunteer my time towards supporting the centre and its strategic goals.

When I'm not chasing my girls around, I spend paid days as a Marketing Manager & Brand Strategist. I have a passion for driving change through innovative and successful campaigns. In my current role at Saskatchewan Blue Cross, I oversee the marketing and communications strategies and guide a team of specialists in executing corporate objectives.

I'm passionate about supporting local organizations and investing in the community – supporting fundraisers and volunteering my time.

MITCHELL BLIXRUD

My name is Mitchell Blixrud. I have been a board member for three years serving on the financial and fundraising committee. I grew up near the town of Medstead on a cattle and grain farm. After graduating high school, I entered the Agricultural Machinery Technician Industry where I received my Journeyperson certificate at Saskatchewan Polytechnic. I started my job at Redhead Equipment in 2014 as agriculture field technician.

My wife Jenna and I are parents to Madison and Jaxon. We have been attending WCC since 2021. As a family we love spending time at Brightsand Lake in the summer.

KATHERINE (KATIE) ARMSTRONG

My name is Katie, and I live in Warman with my husband, Tim, our two daughters, Ellen (6) and Adeline (4), and our two dogs, Gus and Winnie. We have been attending WCC since 2020, and we are so grateful for the welcoming, positive, and enriching environment the centre has provided for our girls.

I grew up just outside of Ottawa, Ontario. I hold an undergraduate degree in Legal Studies from Carleton University and a Juris Doctor from the University of Ottawa. I now work as Legal Counsel with the Law Society of Saskatchewan.

I truly enjoy serving on the board and contributing to a community that has meant so much to our family. It is a privilege to support the centre's continued growth and to help ensure a positive experience for all the children and families it serves.

KEARA WILLOUGHBY

My name is Keara Willoughby, and I live in Martensville with my husband, Jeff, and our two children, Slade (21 months old) and Blaire (1 month old). Our family has been part of the WCC community since January 2024, and we are grateful for the welcoming environment and strong sense of community the centre provides for children and families.

Originally from Vancouver, BC, I moved to Saskatchewan in 2018 to complete my family medicine residency and chose to stay after meeting my husband, Jeff. I hold an Honours Bachelor of Science from Western University and a Bachelor of Medicine and Bachelor of Surgery from the University of Limerick. After completing my Family Medicine residency at the University of Saskatchewan in 2020, I earned my CCFP designation and have been practicing as a family physician since 2020.

I have recently completed my first year serving on the WCC board and am grateful for the opportunity to contribute to a community that means so much to so many families. It is a privilege to support the continued growth of WCC and help foster a positive experience for all children and families connected to our centre.

2025 FINANCIAL STATEMENTS & 2026 BUDGET

Warman Childcare Centre Inc.

Financial Statements

Year ended December 31, 2025

LASKOWSKI WRIGHT & BAKER LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the members of
Warman Childcare Centre Inc.

Opinion
We have audited the financial statements of Warman Childcare Centre Inc., 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 our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization 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.

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 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

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 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.

Laskowski Wright & Baker LLP

Chartered Professional Accountants

Warman, Saskatchewan
May 20, 2026

Warman Childcare Centre Inc.
Statement of Financial Position

As at December 31	2025	2024
Assets		
Current		
Cash	$ 160,799	$ 145,758
Short term investment (Note 9) (Note 3)	1,502,182	1,122,836
Accounts receivable	1,406	21,687
Prepaid expenses (Note 4)	12,883	13,772
GST receivable	2,904	2,990
	1,680,174	1,307,043
Building and equipment (Note 5)	812,960	847,443
Intangible asset (Note 6)	5,396	-
	$ 2,498,530	$ 2,154,486
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 8)	$ 27,935	$ 25,741
Unearned revenue (Note 9)	1,589,582	1,210,237
Deposits	16,827	7,503
Current portion of callable debt (Note 9)	699,971	36,619
	2,334,315	1,280,100
Callable debt (Note 10)	-	700,154
	2,334,315	1,980,254
Commitments (Note 11)		
Subsequent events (Note 12)		
Net Assets		
Unrestricted	154,836	164,853
Capital Fund	9,379	9,379
	164,215	174,232
	$ 2,498,530	$ 2,154,486

Approved by the Board

M. Martin _______________ Director   _______________ Director

See accompanying notes

Warman Childcare Centre Inc.
Statement of Operations

For the year ended December 31	2025	2024
Revenues		
Parent fee grant	$ 354,196	$ 354,086
Operating grant	185,472	188,016
Wage enhancement grant	151,477	119,641
Parent fees	109,399	124,834
School aged fees	33,559	41,706
Fundraising	21,441	12,187
Other grant revenue	4,340	27,420
Other income	2,976	-
Credit card points redemption	2,749	-
Interest income	706	1,217
	866,315	869,107
Expenditures		
Advertising and promotion	-	430
Amortization	37,280	38,676
Cleaning contract	16,897	18,861
Continuing education	341	619
Fundraising costs	8,376	7,843
Insurance	16,249	11,604
Interest and bank charges	47	61
Interest on long-term debt	24,868	26,196
Memberships	426	401
Office	6,027	4,668
Professional fees	19,682	19,480
Rent	1,472	3,150
Repairs and maintenance	14,573	16,304
Staff appreciation	5,352	5,658
Subscriptions, permits and licenses	100	100
Supplies	55,649	49,891
Telephone	3,429	3,584
Utilities	9,356	11,955
Wages and benefits	653,483	618,458
Waste removal	2,725	2,160
	876,332	840,099
(Deficiency) excess of revenues over expenditures before undernoted item	(10,017)	29,008
Other income		
Gain on disposal of equipment	-	320
(Deficiency) excess of revenues over expenditures	$ (10,017)	$ 29,328

Warman Childcare Centre Inc.
Statement of Changes in Net Assets

For the year ended December 31, 2025

	Unrestricted	Capital Fund	**Total 2025**	Total 2024
Balance, beginning of year	$ 164,853	$ 9,379	$ 174,232	$ 144,904
(Deficiency) excess of revenues over expenditures	(10,017)	-	(10,017)	29,328
Balance, end of year	$ 154,836	$ 9,379	$ 164,215	$ 174,232

Warman Childcare Centre Inc.
Statement of Cash Flows

For the year ended December 31	2025	2024
Operating activities		
(Deficiency) excess of revenues over expenditures	$ (10,017)	$ 29,328
Adjustments for		
Amortization	37,280	38,676
Gain on disposal of building and equipment	-	(320)
	27,263	67,684
Change in non-cash working capital items		
Accounts receivable	20,281	(16,040)
Prepaid expenses	889	(889)
GST receivable	86	(900)
Accounts payable and accrued liabilities	2,194	(5,428)
Unearned revenue	379,345	25,619
Deposits	9,324	(800)
	439,382	69,246
Investing activities		
Purchase of investments	(379,346)	(34,960)
Purchase of equipment	(8,193)	-
Proceeds on disposal of equipment	-	320
	(387,539)	(34,640)
Financing activity		
Repayment of callable debt	(36,802)	(35,478)
Increase (decrease) in cash	15,041	(872)
Cash, beginning of year	145,758	146,630
Cash, end of year	$ 160,799	$ 145,758

See accompanying notes

1. Nature of operations

Warman Childcare Centre Inc. (the "Organization") was incorporated as a non profit corporation under the laws of the Province of Saskatchewan on September 13, 2013 as a registered charity. The primary objective of the Organization is to provide child care services.

2. Accounting policies

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

(a) Cash

Cash consists of balances with financial institutions, some of which are interest bearing accounts.

(b) Building and equipment

Building and equipment are recorded at cost. The organization provides for amortization using the declining balance method at rates designed to amortize the cost of the building and equipment over their estimated useful lives. No amortization is recorded in the year of disposal. The annual amortization rates are as follows:

Building	4%
Computer equipment	50%
Furniture and fixtures	20%

Amortization of leasehold improvements is recorded on a straight-line basis over the remaining term of the lease.

(c) Intangible assets

Intangible assets are recorded at cost. The organization provides for amortization using the declining balance method at rates designed to amortize the cost of the intangible assets over their estimated useful lives. The annual amortization rate and method is 5% declining balance.

(d) Impairment of long-lived assets

The organization tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

(e) Revenue recognition

The Organization recognizes parent and school aged fee revenue on a monthly basis as services are provided. Grants and fundraising revenue are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

2. Accounting policies, continued

(f) **Contributed services**

Volunteers contributed time to assist the organization in carrying out its fundraising activities. 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.

(g) **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 its financial assets and financial liabilities at cost or amortized cost, except for investments quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, accounts receivable and short term investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, unearned revenue, deposits and callable debt.

(h) **Use of 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are the collectibility of accounts receivable and the useful lives of building and equipment.

(i) **Government assistance**

Parent fee, operating, wage enhancement and other grants are accounted for as revenue when earned if the amount to be received can be reasonably estimated and collection is reasonably assured.

3. Short term investment

Description	Maturity	Interest	**2025**	2024
1 Year Flex Term	August 23, 2026	2.00%	$ 1,054,716	$ -
1 Year GIC	August 18, 2026	3.40%	347,310	-
1 Year Flex Term	March 22, 2026	2.10%	86,856	-
1 Year Flex Term	Matured in the year	2.75%	-	1,026,487
1 Year Flex Term	Matured in the year	3.00%	-	84,327
Accrued interest			13,300	12,022
			$ 1,502,182	$ 1,122,836

4. Prepaid expenses

	2025	2024
Insurance	$ 6,061	$ 7,179
Food supplies	2,762	2,857
Janitorial supplies	2,063	1,429
Craft supplies	957	1,267
Utility deposit	1,040	1,040
	$ 12,883	$ 13,772

5. Building and equipment

	Cost	Accumulated amortization	2025 Net	2024 Net
Building	$ 1,127,773	$ 360,808	$ 766,965	$ 798,922
Computer equipment	1,519	380	1,139	-
Furniture and fixtures	52,647	40,470	12,177	13,939
Leasehold improvements	48,828	16,149	32,679	34,582
	$ 1,230,767	$ 417,807	$ 812,960	$ 847,443

6. Intangible asset

	Cost	Accumulated amortization	2025 Net	2024 Net
Website	$ 5,534	$ 138	$ 5,396	$ -

7. Operating line of credit

A demand operating line of credit has been authorized by the Affinity Credit Union to a maximum of $25,000 and bears interest at bank's prime lending rate plus 2.00% per annum and is secured by a general security agreement. At year-end, no amounts (2024 - $nil) are outstanding on this line of credit.

8. Accounts payable and accrued liabilities

	2025	2024
Accrued liabilities	$ 8,384	$ 10,005
Payroll liabilities	16,673	13,400
Accrued interest	1,472	1,550
Mastercard payable	1,406	786
	$ 27,935	$ 25,741

9. Short term investment and unearned revenue

In 2023, the Organization was approved for an additional 90 licensed spots by the Government of Saskatchewan. On approval of the Organization's plan and budget, funding was released to the Organization, these funds have been invested in interest bearing accounts and the amounts have been deferred until construction work is completed.

10. Callable debt

	2025	2024
Affinity Credit Union demand mortgage, repayable in monthly instalments of $5,146, including interest at 3.49%, secured by building and leased land, due September 2026	$ 699,971	$ 736,773
Less current portion	699,971	36,619
Callable debt	$ -	$ 700,154

Accounting Standards require that loans the lender can require to be repaid on demand be classified as a current liability. Under certain credit facilities, the Organization is required to maintain a current ratio of 1:1 and a debt service coverage ratio of 1.25:1. The Organization is in violation of the current ratio and debt service coverage ratio at year end.

Management does not believe that the bank will demand repayment. Principal repayments on callable bank loans over the next five years are as follows:

Principal repayments until maturity are as follows:

2026	$ 699,971

11. Commitments

(a) On May 12, 2025, the Organization signed an offer to lease agreement with Fire Cliff Developments for a 90 spot licensed centre. The offer to lease outlines the following key terms:

- Term of lease: 15 years and 4 months, commencing September 1, 2026 with September to December 2026 as a rent free period.
- Leasehold improvements: July 1 - August 31, 2026; to be paid by Warman Childcare Centre Inc.
- The Organization shall be responsible for separately metered water, gas, electrical, and telecommunication utilities.
- The Organization, has agreed to commit $900,000 to the project upon board approval and review to ensure that they have sufficient cash flow for sundries and operating expenses.

Future committments are expected as follows:

2026	$ 900,000
2027	268,300
2028	268,300
2029	268,300
2030	268,300
Subsequent years	3,970,840
	$ 5,944,040

(b) The organization is also comitted to $645,800 for landscaping, playground, furniture, and equipment associated with the purpose-built leased building under construction in Warman. Subsequent to the year end 50% of this amount was paid on deposit (see note 12).

12. Subsequent events

Subsequent to the year end, the Organization paid deposits totaling $322,900 in connection with landscaping, playground, furniture, and equipment associated with the purpose-built leased building under construction in Warman.

13. Financial instruments

(a) Liquidity risk

The Organization does have a liquidity risk in the accounts payable and accrued liabilities. 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 callable debt interest and principal as they become due. There was no change in risk exposure from 2024.

13. Financial instruments, continued

(b) Credit risk

The Organization does have credit risk in accounts receivable. 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 by maintaining strict credit policies and limits in respect to counterparties. There was no change in risk exposure from 2024.

(c) Fair value

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity dates.

(d) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Organization's exposure to interest rate risk is with its callable debt. Changes in market interest rates will have an effect on the Organization's debt service when the loan renews in 2026.

Warman Childcare Centre Inc.
Annual Budget
For the year Ended December 31, 2026

Revenues		**Budget**
Parent fee grant	$	372,182
Operating grant		185,472
Parent fees		120,060
Wage enhancement grant		162,921
School aged fees		40,000
Other grant revenue		36,500
Fundraising		15,000
Total Revenues		932,136
Expenditures		
Cleaning contract		18,000
Continuing education		2,300
Insurance		9,500
Interest on long-term debt		22,200
Memberships		500
Office		5,000
Professional fees		9,300
Rent		215
Repairs and maintenance		49,500
Staff appreciation		4,500
Staff clothing		650
Subscriptions, permits and licenses		1,500
Supplies		51,900
Telephone		2,850
Travel		250
Utilities		10,500
Wages and benefits		740,368
Waste removal		2,500
Website		400
Total Expenditures		931,933
Excess (deficiency) of revenues over expenditures	$	203