

**FOOD4KIDS NIAGARA
FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025**

INDEPENDENT AUDITOR'S REPORT

To the Members of Food4Kids Niagara

Qualified Opinion

We have audited the financial statements of Food4Kids Niagara (the Organization), which comprise the statement of financial position as at August 31, 2025, and the statements of changes in net assets, revenues and expenditures and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at August 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Additionally, the Organization distributes gift cards, the occurrence and timing 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, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended August 31, 2025, current assets and net assets as at August 31, 2025.

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 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 audit opinion.

Emphasis of Matter

We draw attention to Note 7 of the financial statements, which explains that certain comparative figures for the year ended August 31, 2024 have been restated to reclassify a subscription fee previously recorded in Professional fees to Memberships. This reclassification affected the presentation of expenses only and had no impact on the previously reported net results or equity. Our opinion is not modified in respect of this matter.

We also draw attention to Note 3 of the financial statements, which explains that certain comparative figures in the reconciliation of deferred revenue for the year ended August 31, 2024 have been corrected. These corrections relate solely to the presentation within the reconciliation and did not affect the previously reported deferred revenue balance, net results, or equity. Our opinion is not modified in respect of this matter.

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Independent Auditor's Report to the Members of Food4Kids Niagara *(continued)*

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.

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Independent Auditor's Report to the Members of Food4Kids Niagara (*continued*)

- 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.

Niagara-on-the-Lake, Ontario
February 3, 2026

A handwritten signature in black ink that reads 'B&D CPAs'. The letters are stylized and cursive.

PROFESSIONAL CORPORATION

Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario

FOOD4KIDS NIAGARA
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2025

	2025	2024
ASSETS		
CURRENT		
Cash	\$ 296,982	\$ 182,553
Term deposits	227,128	219,573
Harmonized sales tax recoverable	20,550	14,656
Food inventory	4,857	3,065
Gift cards	600	1,350
Prepaid expenses	4,563	5,330
	\$ 554,680	\$ 426,527
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 8,661	\$ 8,602
Employee deductions payable	2,467	8,111
Deferred revenues (Note 3)	157,600	66,000
	168,728	82,713
NET ASSETS		
GENERAL FUND	235,952	193,814
RESTRICTED FUND (Note 2)	150,000	150,000
	385,952	343,814
	\$ 554,680	\$ 426,527

APPROVED BY THE DIRECTOR

_____ Director

FOOD4KIDS NIAGARA
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED AUGUST 31, 2025

	General Fund	Restricted Fund	2025	2024
NET ASSETS - beginning of year	\$ 193,814	\$ 150,000	\$ 343,814	\$ 347,312
Excess (deficiency) of revenues over expenditures	42,138	-	42,138	(3,498)
NET ASSETS - end of year	\$ 235,952	\$ 150,000	\$ 385,952	\$ 343,814

FOOD4KIDS NIAGARA
STATEMENT OF REVENUES AND EXPENDITURES
YEAR ENDED AUGUST 31, 2025

	2025	2024 <i>Restated</i>
REVENUES		
Donations and fundraising	\$ 361,030	\$ 331,710
In-kind contributions	52,962	69,442
Interest earned	7,555	8,895
	421,547	410,047
EXPENDITURES		
Food expenses	160,875	219,183
Salaries and wages	132,286	98,166
Fundraising	27,077	39,189
Rent and utilities	24,887	21,544
Professional fees (Note 7)	15,228	13,648
Office and general	6,943	12,897
Memberships (Note 7)	4,474	1,206
Insurance	3,372	3,606
Telephone and internet	3,114	2,790
Program equipment and supplies	1,153	1,316
	379,409	413,545
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 42,138	\$ (3,498)

FOOD4KIDS NIAGARA
STATEMENT OF CASH FLOWS
YEAR ENDED AUGUST 31, 2025

	2025	2024 <i>Restated</i>
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	\$ 42,138	\$ (3,498)
Item not affecting cash:		
Interest earned	<u>(7,555)</u>	<u>(8,895)</u>
	<u>34,583</u>	<u>(12,393)</u>
Changes in non-cash working capital:		
Harmonized sales tax recoverable	(5,894)	2,985
Food inventory	(1,792)	6,866
Gift cards	750	4,766
Prepaid expenses	767	(1,845)
Accounts payable and accrued liabilities	59	(1,283)
Employee deductions payable	(5,644)	6,126
Deferred revenues	<u>91,600</u>	<u>22,000</u>
	<u>79,846</u>	<u>39,615</u>
INCREASE IN CASH	114,429	27,222
CASH - beginning of year	<u>182,553</u>	<u>155,331</u>
CASH - end of year	<u>\$ 296,982</u>	<u>\$ 182,553</u>

FOOD4KIDS NIAGARA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025

1. PURPOSE OF THE ORGANIZATION

Food4Kids Niagara (the "Organization") is a not-for-profit organization incorporated provincially under the Business Corporations Act of Ontario on May 30, 2017. As a registered charity, the Organization is exempt from the payment of income tax under Section 149(1)(f) of the Income Tax Act.

The Organization operates to provide packages of healthy food for kids aged 4-14 years with limited or no access to food each weekend.

The Organization is a member agency of Food4Kids Ontario.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Fund accounting

Food4Kids Niagara follows the deferral method of accounting for contributions.

Revenues and expenses related to program delivery and administrative activities are reported in the General Fund. Unrestricted 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 are recognized as revenue in the year in which the related expenses are incurred.

The internally restricted Restricted Fund represents funds set aside as a way to mitigate future fiscal uncertainties. The Restricted Fund recognizes transfers made to or from the General Fund.

Cash and cash equivalents

Cash is defined as cash in operating and savings bank accounts net of outstanding cheques and deposits, and gift cards on hand.

Food inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Capital assets

Capital assets are recorded as expenses in the year they are acquired. In the current year, the Organization expensed equipment with a total cost of \$1,153 (2024 - \$1,908).

The Organization's capital assets include office furniture and equipment, computer equipment, and a vehicle.

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FOOD4KIDS NIAGARA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated services and materials

The operations of the Organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated services cannot be reasonably determined and are therefore not reflected in these financial statements. Donated materials in-kind that would have otherwise been purchased are recorded at their fair value on the date of contribution.

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

3. DEFERRED REVENUES

Deferred revenues consists of donations and grants received in the current year that are to be utilized in the following fiscal year.

	2025	2024 <i>Restated</i>
Balance, opening	\$ 66,000	\$ 44,000
Food4Kids Ontario donations received during the year	206,552	75,000
Great Wolf Lodge donations received during the year	-	40,000
Ontario Trillium Foundation grant received during the year	20,300	56,600
Food4Kids Ontario donations recognized during the year	(48,952)	(96,000)
Great Wolf Lodge donations recognized during the year	(20,000)	(20,000)
Ontario Trillium Foundation grant recognized during the year	(66,300)	(31,100)
Rotary Club donations recognized during the year	-	(2,500)
Balance, closing	\$ 157,600	\$ 66,000

Certain comparative figures presented in the reconciliation of deferred revenue have been corrected to address presentation inconsistencies identified during the current year. These corrections relate solely to the amounts disclosed within the reconciliation schedule. The opening and closing deferred revenue balances previously reported remain unchanged, and the corrections had no impact on the deferred revenue balance, total revenue recognized, net results, or equity for the comparative period.

FOOD4KIDS NIAGARA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2025

4. RELATED PARTY

	2025	2024
<u>Related party transactions</u>		
Food4Kids Ontario		
<i>The Organization is a member agency of Food4Kids Ontario</i>		
Funds received and used during the the year	\$ 206,552	\$ 75,000

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

5. COMMITMENTS

The Organization has committed to a lease for a period of three years ending on December 31, 2026. As at August 31, 2025, the commitment in respect to this lease is \$18,135 per annum, including HST. Property tax and other common expenses are in addition to the lease.

6. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of August 31, 2025. Unless otherwise noted, the risks and management thereof have not changed in the past year.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through its normal operating and financing activities. The Organization is exposed to interest rate risk primarily through its term deposits.

Industry risk (donation risk)

The Organization relies off the continued support from the community in donations and time for its operations.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant other price risks arising from these financial instruments.

7. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation. A subscription fee previously recorded in Professional fees has been reclassified to Memberships in the comparative period. This reclassification affected the presentation of expenses only and had no impact on the total expenses, net results, or equity reported for the prior year.