

The Food Sharing Project
Financial Statements
August 31, 2025

The Food Sharing Project

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For the year ended August 31, 2025

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To the Board of The Food Sharing Project:

Qualified Opinion

We have audited the financial statements of The Food Sharing Project (the "Charity"), which comprise the statement of financial position as at August 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, 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 Charity as at August 31, 2025, and its financial performance 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 Charity derives revenue from fundraising and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Charity and we were not able to determine whether any adjustments might be necessary to these revenues, the excess of revenue over expenditures, net assets and cash flows for the year ended August 31, 2025. The audit opinion on the financial statements for the year ended August 31, 2024 was modified accordingly because of these possible effects.

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 Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Matter

The financial statement for the year ended August 31, 2024 were audited by another auditor who expressed a qualified opinion on those statements on December 10, 2024 for the reasons described in the Basis for Qualified Opinion paragraph.

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 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 Charity'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 Charity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Charity'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 Charity'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 Charity'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 Charity 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.

MNP LLP

Kingston, Ontario

November 18, 2025

Chartered Professional Accountants

Licensed Public Accountants

The Food Sharing Project
Statement of Financial Position
As at August 31, 2025

	2025	2024
Assets		
Current		
Cash	433,190	501,512
Sales tax recoverable	38,524	21,038
Prepaid expenses	51,281	63,149
Grants receivable	63,239	5,000
	586,234	590,699
Capital assets (Note 3)	137,883	62,384
Investments (Note 4)	1,070,596	945,668
	1,794,713	1,598,751
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 5)	89,006	116,629
Deferred contributions (Note 6)	22,999	47,464
Current portion of deferred capital contributions (Note 7)	23,825	4,745
	135,830	168,838
Deferred capital contributions (Note 7)	73,898	11,861
	209,728	180,699
Net Assets		
Internally restricted net assets (Note 8)	1,544,825	1,372,274
Invested in capital assets (Note 9)	40,160	45,778
Unrestricted	-	-
	1,584,985	1,418,052
	1,794,713	1,598,751
Approved on behalf of the Board		

Director

Director

The accompanying notes are an integral part of these financial statements

The Food Sharing Project
Statement of Operations
For the year ended August 31, 2025

	2025	2024
Revenue		
Amortization of deferred contributions <i>(Note 9)</i>	14,285	4,745
Donations	309,058	252,149
Grant revenue <i>(Note 10)</i>	857,098	676,758
School board contributions	91,791	113,301
School food purchases	148,533	166,705
Special events	42,081	67,007
	1,462,846	1,280,665
Direct costs		
Food	811,942	626,506
Milk	114,335	103,783
Paper products	42,119	30,693
	968,396	760,982
Gross surplus	494,450	519,683
Operating expenses		
Amortization <i>(Note 9)</i>	37,805	29,532
Board expenses	196	38
Delivery	-	325
Fundraising and special events	38	12,903
Insurance	6,219	5,577
Office and administrative	31,487	13,960
Professional fees	25,432	16,279
Rent <i>(Note 11)</i>	37,645	31,771
Repairs and maintenance	24,438	7,937
Salaries and benefits	226,386	186,421
Special projects	25,647	23,905
Telephone	1,387	1,199
Travel	895	311
Utilities	4,798	4,413
Vehicle and travel	15,319	20,990
Summer program	28,968	-
	466,660	355,561
Excess of revenue over expenses before other items	27,790	164,122
Other items		
Investment income	19,983	36,010
Investment fees	(5,742)	(4,919)
Unrealized gain on investments	124,902	112,388
	139,143	143,479
Excess of revenue over expenses	166,933	307,601

The accompanying notes are an integral part of these financial statements

The Food Sharing Project
Statement of Changes in Net Assets
For the year ended August 31, 2025

	<i>Internally restricted</i>	<i>Invested in capital assets</i>	<i>Unrestricted</i>	2025	2024
Net assets, beginning of year	1,372,274	45,778	-	1,418,052	1,110,451
Excess of revenue over expenses	-	(23,520)	190,453	166,933	307,601
Investment in capital assets	-	17,902	(17,902)	-	-
Transfers	172,551	-	(172,551)	-	-
Net assets, end of year	1,544,825	40,160	-	1,584,985	1,418,052

The accompanying notes are an integral part of these financial statements

The Food Sharing Project
Statement of Cash Flows
For the year ended August 31, 2025

	2025	2024
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	166,933	307,601
Non-cash items		
Amortization	37,805	29,532
Amortization of deferred contributions	(14,285)	(4,745)
Unrealized gain on investments	(124,902)	(112,388)
	65,551	220,000
Changes in working capital accounts		
Sales tax recoverable	(17,486)	(12,490)
Grants receivable	(58,239)	120,982
Prepaid expenses	11,868	(46,790)
Accounts payable and accrued liabilities	(27,623)	90,081
Deferred contributions	(24,465)	30,655
	(50,394)	402,438
Financing		
Deferred capital contributions received	97,723	-
Investing		
Purchase of capital assets	(113,304)	(17,720)
Purchase of investments	(2,347)	(129,517)
Proceeds on disposal of investments	-	110,130
	(115,651)	(37,107)
Increase (decrease) in cash resources	(68,322)	365,331
Cash resources, beginning of year	501,512	136,181
Cash resources, end of year	433,190	501,512

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

The Food Sharing Project (The "Charity") is a not-for-profit organization incorporated without share capital under the laws of Ontario and is a registered Canadian charity exempt from income taxes under the Income Tax Act. Its primary activity is to provide meals and snacks to students within the Limestone District School Board and Algonquin and Lakeshore Catholic District School Board areas.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Fund accounting

The Charity's board has established a number of internally restricted funds in order to provide financial resources for anticipated future program delivery and for other specific expenditures.

The internally restricted fund established for dishwashing facilities is intended to assist with the financing of future replacements or expansions of dishwashing equipment at various school sites across the areas it serves. During the year, this fund was closed out and combined with the remaining, internally restricted fund.

The remaining internally restricted fund has been established for future food purchases and operating costs.

Revenue recognition

The Charity follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

The Charity's activities are assisted by the contribution of services and food supplies by individuals and organizations. Because of the difficulty of determining the fair value, these donated services and supplies are not recognized in the financial statements.

Contributions from the school boards that the Charity serves are generally unrestricted in nature, and are recognized in the manner described above.

Revenue from school food purchases are recognized as food shipments pertaining to the particular orders are shipped to the respective schools.

Revenue for special events and other services is typically recognized after the event giving rise to the revenue has occurred provided that the amount of revenue is known with sufficient certainty.

Investment income is recognized in the statement of operations as it is earned based on the nature of the related investments.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

Capital assets

Capital assets are recorded at cost. Amortization is provided using the straight-line method using the following estimated useful lives.

	Rate
Automotive	5 years
Equipment	5 years
Leasehold improvements	5 years

Deferred capital contributions

Deferred capital contributions represent financial assistance received for the purchase of capital assets. The financial assistance is deferred and amortized to income on the same basis as the related capital assets.

2. Significant accounting policies *(Continued from previous page)*

Measurement uncertainty (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 and disclosure of contingent 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 judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the year in which they become known.

Financial instruments

The Charity recognizes financial instruments when the Charity becomes party to the contractual provisions of the financial instrument. The Charity accounts for cash, grants receivable, investments, and accounts payable as financial instruments.

A financial asset or liability is recognized when the Charity becomes party to contractual provisions of the instrument.

The Charity initially measures its financial assets and financial liabilities at fair value.

The Charity subsequently measures all of 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 the statement of operations. Financial assets and financial liabilities in related party transactions are initially measured at cost, with the exception of certain instruments which are initially measured at fair value. The Charity does not have any financial assets or financial liabilities in related party transactions which are initially measured at fair value.

Financial assets and financial liabilities recognized in related party transactions are subsequently measured based on how the Charity initially measured the instrument. Financial instruments initially measured at cost are subsequently measured at cost, less any impairment for financial assets. Financial instruments initially measured at fair value, or which the Charity has none, would be subsequently measured at amortized cost or fair value based on certain conditions.

The Charity removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. Any impairment loss is recognized in the statement of operations. Previously recognized impairment losses are reversed to the extent of the improvement.

The Food Sharing Project
Notes to the Financial Statements
For the year ended August 31, 2025

3. Capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2025 Net book value</i>	<i>2024 Net book value</i>
Automotive	195,445	107,837	87,608	21,123
Equipment	175,975	138,922	37,053	28,274
Leasehold improvements	35,357	22,135	13,222	12,987
	406,777	268,894	137,883	62,384

During the year, capital asset purchases totalled \$113,304 (2024 - \$17,720).

4. Investments

Investments consist of the following:

	<i>2025 Cost</i>	<i>2025 Market value</i>
Fixed income	172,070	174,503
Equities	366,642	721,068
Mutual funds	168,302	175,025
	707,014	1,070,596

	<i>2024 Cost</i>	<i>2024 Market value</i>
Equities	627,157	860,014
Mutual funds	85,654	85,654
	712,811	945,668

5. Government remittances

Included in accounts payable and accrued liabilities are source deductions withheld of \$4,935 (2024 - \$2,961).

6. Deferred contributions

Deferred contributions consists of the following:

	<i>2025</i>	<i>2024</i>
Breakfast Club of Canada	17,999	-
United Way	5,000	5,000
Community Foundation for Kingston & Area	-	12,575
Loyalist Township	-	10,000
Ontario Trillium Foundation	-	19,889
	22,999	47,464

The Food Sharing Project
Notes to the Financial Statements
For the year ended August 31, 2025

7. Deferred capital contributions

The changes in the deferred capital contributions balances are as follows:

	2025	2024
Balance, beginning of year	16,606	21,351
Contributed capital assets	95,401	-
Less: Amounts recognized as revenue during the year	(14,284)	(4,745)
	97,723	16,606
Less: current portion	23,825	4,745
Balance, end of year	73,898	11,861

8. Internally restricted operating net assets

The Charity has internally restricted funds consisting of the following:

	2025	2024
Food and operating costs	1,544,825	1,284,556
Upgrade of dishwashing facilities	-	87,718
	1,544,825	1,372,274

During the year, the internally restricted fund for future upgrades to dishwashing facilities was closed out and combined with the remaining, internally restricted fund for future food and operating costs.

9. Net assets invested in capital assets

Net assets invested in capital assets is calculated as follows:

	2025	2024
Capital assets	137,883	62,384
Deferred capital contributions	(97,723)	(16,606)
	40,160	45,778

Changes in net assets invested in capital assets is calculated as follows:

	2025	2024
Excess (deficiency) of revenues over expenses:		
Amortization of deferred contributions	14,285	4,745
Amortization of capital assets	(37,805)	(29,532)
	(23,520)	(24,787)
Net change in investment in capital assets:		
Capital assets acquired	113,304	17,720
Capital contributions received	(95,402)	-
	17,902	17,720

The Food Sharing Project
Notes to the Financial Statements
For the year ended August 31, 2025

10. Grant revenues

The Charity's grant revenues recognized during the year include:

	2025	2024
Breakfast Club of Canada	21,788	31,437
Britton Smith Foundation	-	10,000
Canada Summer Jobs Program	4,644	-
Churchill Foundation	-	25,000
CIBC	10,000	-
City of Kingston	35,000	-
Community Foundation for Kingston & Area	54,505	37,001
Dairy Farmers of Ontario	30,571	15,908
Grocery Foundation	104,043	76,508
Kingston Area Real Estate Association	3,338	-
Limestone District School Board	20,000	-
Loyalist Township	10,000	-
Ministry of Francophone Affairs	11,800	-
National School Food Program	205,789	-
Ontario Ministry of Children, Communities and Social Services	225,791	389,774
Ontario Trillium Foundation	23,589	13,511
Other	8,025	6,417
United Way - City Investment Fund	20,000	10,000
United Way - designated	8,215	3,869
United Way - Student Nutrition Program	60,000	53,333
	857,098	672,758

11. Commitments

The Charity has entered into a rental lease agreements that runs from October 1, 2024 to September 30, 2029 with estimated minimum annual payments as follows:

2026	41,132
2027	41,132
2028	41,132
2029	41,132
2030	3,428
	167,956

12. Financial instruments

The Charity manages its exposure to risks associated with financial instruments that have potential to affect its operating and financial performance. The Charity manages its financial instruments to ensure it has adequate capital to continue to provide its services. It is management's opinion that the Charity is not exposed to significant currency or liquidity risks arising from its financial instruments.

Other financial risks are as follows:

Credit Risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations. The maximum exposure to credit risk of the Charity at year-end is limited to the carry amount of these assets.

Market risk

Market risk is the risk of financial loss to the Charity arising from fluctuations in the market price of the Charity's investments. To manage these risks, the Charity has established a target mix of investment types designed to achieve acceptable returns with reasonable amount of tolerance.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Charity is exposed to interest rate risk on its portfolio investments, some of which consist of fixed income instruments. Fluctuations in market interest rates in the short term may result in changes to the fair market values of the Charity's investments.

13. Comparative figures

Certain direct costs have been reclassified from expenses in the current year. Comparative figures have been reclassified to conform with current year presentation.