

**Harvest Share Community
Food Programs**

**Financial Statements
For the year ended
December 31, 2024**

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For the year ended December 31, 2024

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Independent Auditors' Report

To the Members of Harvest Share Community Food Programs

Qualified Opinion

We have audited the accompanying financial statements of Harvest Share Community Food Programs (the "entity"), which comprise the statement of financial position as at December 31, 2024 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 entity as at December 31, 2024, 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 entity 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 entity. Therefore, we were 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 year then ended, current assets as at December 31, 2024 and 2023 and net assets as at January 1 and December 31 for both years. Our 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.

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

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditors' 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 auditors' 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 entity'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 entity'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 entity 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.

Hingrich Harris Copeland

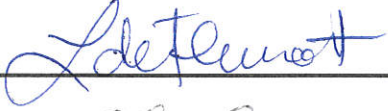

Parry Sound, Ontario
June 12, 2025

Chartered Professional Accountants
Licensed Public Accountants

Harvest Share Community Food Programs Statement of Financial Position

December 31	2024	2023
Assets		
Current		
Cash and bank	\$ 402,233	\$ 279,687
Gift cards on hand	11,456	10,877
Short-term investments (Note 3)	208,157	387,864
Accounts receivable (Note 4)	25,866	10,777
Prepaid expenses	362	595
	648,074	689,800
Capital assets (Note 5)	32,785	43,781
	\$ 680,859	\$ 733,581
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (Note 6)	\$ 43,046	\$ 15,858
Deferred contribution	7,078	26,403
	50,124	42,261
Deferred capital asset grant (Note 7)	17,170	24,113
	67,294	66,374
Net Assets		
Unrestricted	613,565	667,207
	\$ 680,859	\$ 733,581

On behalf of the Board:

	Director
	Director

Harvest Share Community Food Programs Statement of Changes in Net Assets

For the year ended December 31	2024	2023
Net Assets, beginning of year	\$ 667,207	\$ 700,964
Loss for the year	<u>(53,642)</u>	<u>(33,757)</u>
Net Assets, end of year	<u>\$ 613,565</u>	<u>\$ 667,207</u>

Harvest Share Community Food Programs Statement of Operations

For the year ended December 31	2024	2023
Revenue		
Government grants (Note 8)	\$ 6,943	\$ 9,814
DSSAB funding	72,000	72,000
Donations and other funding		
- individual and corporate	299,790	193,288
- charities and organizations	64,676	56,535
Fundraising	23,733	23,023
Other revenue	15,510	9,688
	<u>482,652</u>	<u>364,348</u>
Expenses		
Advertising and promotion	1,277	1,494
Amortization	10,996	14,707
Fundraising	5,521	2,882
Honorariums	500	700
Insurance	4,172	2,718
Interest and bank fees	280	214
Occupancy costs	55,216	52,242
Office and general	10,008	7,229
Professional fees	62,950	5,441
Purchases - food and supplies	57,319	42,247
Repairs and maintenance	1,783	2,402
Taxes, licenses, and fees	3,424	2,565
Telephone and internet	5,941	5,650
Vehicle and travel	5,814	4,262
Wages and benefits	311,093	253,352
	<u>536,294</u>	<u>398,105</u>
Excess of revenues over expenses for the year	\$ (53,642)	\$ (33,757)

Harvest Share Community Food Programs Statement of Cash Flows

For the year ended December 31	2024	2023
Cash provided by (used in)		
Operating activities		
Net Loss for the year	\$ (53,642)	\$ (33,757)
Adjustments required to reconcile net income with net cash provided by operating activities		
Amortization of capital assets	10,996	14,707
Changes in non-cash working capital balances		
Gift cards on hand	(579)	(1,344)
Accounts receivable	(15,089)	7,769
Prepaid expenses	233	(595)
Accounts payable and accrued liabilities	27,188	4,309
Deferred contributions	(19,325)	26,403
	<u>(50,218)</u>	<u>17,492</u>
Investing & financing activities		
Deferred capital asset grant	(6,943)	(9,814)
Increase/Decrease in investments	<u>179,707</u>	<u>(9,658)</u>
	<u>172,764</u>	<u>(19,472)</u>
Increase (decrease) in cash during the year	122,546	(1,980)
Cash, beginning of year	<u>279,687</u>	<u>281,667</u>
Cash, end of year	<u>\$ 402,233</u>	<u>\$ 279,687</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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June 12, 2025

Harvest Share Community Food Programs
93A James Street
Parry Sound ON P2A 1T7

Attention: Board of Directors

We have completed our audit of Harvest Share Community Food Programs for the year ended December 31, 2024. The objective of an audit is to obtain reasonable assurance whether the financial statements are free of material misstatement and it is not designed to identify all matters that may be of interest to management in discharging its responsibilities. In addition, an audit cannot be expected to disclose all defalcations and other irregularities that may have occurred.

We would like to point out that despite bringing many of these matters to the Board's attention in past years; little has been done to improve the conditions. We implore the board to seriously consider the changes that we suggest.

As a result of our audit, we have outlined below some of our observations and some suggestions for your consideration:

1. Payable and cut off

We noted that not all payables had been recorded. At year end please ensure that all unpaid invoices are recorded as payables to ensure all expenses are recorded in the correct period.

2. Expense approval

We noted that wire transfers did not always have the proper approvals and supporting documentation. Various expenses stated that they were approved by the board, however we were not able to find the approval in the board minute. Such approval should be clearly referenced to which board meeting, and the minutes should document that approval for easy cross referencing.

We shall be pleased to discuss with you further any matters mentioned in this report at your convenience. We thank staff members for their cooperation during our audit.

This communication is prepared solely for the information of management and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

Yours truly,

GINGRICH HARRIS COPELAND

BHarris-Green:jz
Encls.

Per:

A handwritten signature in blue ink, appearing to read "Randy Harris", is written over the "Per:" label.