Harvest Share Community Food Programs

Financial Statements

For the year ended
December 31, 2025

Draft

Harvest Share Community Food Programs
Financial Statements
For the year ended December 31, 2025

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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, 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 entity as at December 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.

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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 for the year then ended, current assets as at December 31, 2025 and 2024 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, 2025 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 changed 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.

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Parry Sound, Ontario
June XX, 2026

Chartered Professional Accountants
Licensed Public Accountants

Harvest Share Community Food Programs
Statement of Financial Position

December 31	2025	2024
Assets		
Current		
Cash and bank	**$ 345,656**	$ 402,233
Gift cards on hand	**9,702**	11,456
Short-term investments (Note 3)	**419,505**	208,157
Accounts receivable (Note 4)	**15,008**	25,866
Prepaid expenses	**3,679**	362
	793,550	648,074
Long-term investments (Note 5)	**102,200**	-
Capital assets (Note 6)	**24,694**	32,785
	$ 920,444	$ 680,859
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (Note 7)	**$ 25,108**	$ 43,046
Deferred contribution	**5,027**	7,078
	30,135	50,124
Deferred capital asset grant (Note 8)	**12,252**	17,170
	42,387	67,294
Net Assets		
Unrestricted	**878,057**	613,565
	$ 920,444	$ 680,859

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On behalf of the Board:

_____ Director

_____ Director

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

Harvest Share Community Food Programs
Statement of Changes in Net Assets

For the year ended December 31	2025	2024
Net Assets, beginning of year	**$ 613,565**	$ 667,207
Net income (loss) for the year	**264,492**	(53,642)
Net Assets, end of year	**$ 878,057**	$ 613,565

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

Harvest Share Community Food Programs
Statement of Operations

For the year ended December 31	2025	2024
Revenue		
Government grants (Note 9)	**$ 4,918**	$ 6,943
DSSAB funding	**77,000**	72,000
Donations and other funding		
- individual and corporate	**521,372**	299,790
- charities and organizations	**56,834**	64,676
Fundraising	**40,382**	23,733
Other revenue	**19,684**	15,510
	720,190	482,652
Expenses		
Advertising and promotion	**1,016**	1,277
Amortization	**8,091**	10,996
Fundraising	**12,604**	5,521
Honorariums	**1,100**	500
Insurance	**4,056**	4,172
Interest and bank fees	**384**	280
Occupancy costs	**60,108**	55,216
Office and general	**8,596**	10,008
Professional fees	**8,195**	62,950
Purchases - food and supplies	**59,375**	57,319
Repairs and maintenance	**8,314**	1,783
Taxes, licenses, and fees	**2,672**	3,424
Telephone and internet	**4,826**	5,941
Vehicle and travel	**2,226**	5,814
Wages and benefits	**274,135**	311,093
	455,698	536,294
Excess of revenues over expenses for the year	**$ 264,492**	$ (53,642)

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

Harvest Share Community Food Programs
Statement of Cash Flows

For the year ended December 31	2025	2024
Cash provided by (used in)		
Operating activities		
Net income (loss) for the year	**$ 264,492**	$ (53,642)
Adjustments required to reconcile net income with net cash provided by operating activities		
Amortization of capital assets	**8,091**	10,996
Changes in non-cash working capital balances		
Gift cards on hand	**1,754**	(579)
Accounts receivable	**10,858**	(15,089)
Prepaid expenses	**(3,317)**	233
Accounts payable and accrued liabilities	**(17,938)**	27,188
Deferred contributions	**(2,051)**	(19,325)
	261,889	(50,218)
Investing & financing activities		
Deferred capital asset grant	**(4,918)**	(6,943)
Increase/Decrease in investments	**(313,548)**	179,707
	(318,466)	172,764
Increase (decrease) in cash during the year	**(56,577)**	122,546
Cash, beginning of year	**402,233**	279,687
Cash, end of year	**$ 345,656**	$ 402,233

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

Harvest Share Community Food Programs
Notes to Financial Statements

December 31, 2025

1. Nature and Purpose of the Organization

Harvest Share Community Food Programs (the Organization) is incorporated under provincial letters patent as a not-for-profit organization and is a registered charity under the Income Tax Act.

The organization provides weekly programs to community members in the form of a weekly soup kitchen, access to a community food bank and fresh food program, community supper, emergency food provision, food rescue efforts, community partnerships and ongoing outreach.

2. Significant Accounting Policy

a) Basis of Accounting These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

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b) Revenue Recognition The Organization follows the deferral method of accounting for contributions. Under this method, restricted contributions are recognized as revenue in the year the corresponding expenditure is incurred.

Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions restricted for the purchase of capital assets are recognized as revenue in the same manner that the corresponding assets are amortized.

Interest income is recognized as it is earned.

c) Contributed

Materials & Services The Board of Directors and volunteers contribute many hours and materials to assist the organization in carrying out its activities. Because of the difficulty of determining their fair value, contributed services and materials are not recognized in the financial statements.

d) Financial Instruments *Measurement of financial instruments*
The entity initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The entity 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 and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment
Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

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Transaction costs
The entity recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

e) Capital Assets

Capital assets are recorded at cost. Amortization is allocated using the following rates per annum (1/2 the rate in the year of acquisition):

Leasehold improvements	-	5	years, straight line basis
Furniture and fixtures	-	20	%, declining balance basis
Computer equipment	-	20	%, declining balance basis
Vehicle	-	30	%, declining balance basis

f) Investments

Investments are recorded at fair market value.

g) Use of Estimates

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to net income as appropriate in the year they become known.

Items subject to significant management estimates include accounts receivable, accrued liabilities, deferred revenues, and deferred contributions.

h) Cash and equivalents The organization's policy is to disclose bank balances under cash and cash equivalents.

3. Short-term Investments

	2025	2024
Scotiabank - term fixed investment, 4.25% interest, matures July 9, 2025	$ -	$ 204,000
Scotiabank - term fixed investment, 3.00% interest, matures August 3, 2026	**212,528**	-
Kawarth Credit Union - term fixed investment, 2.80% interest, matures May 26, 2026	**100,000**	-
Oaken Financial - term fixed investment, 3.55% interest, matures November 30, 2026	**100,000**	-
	412,528	204,000
Accrued interest	**6,977**	4,157
	$ 419,505	$ 208,157

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4. Accounts Receivable

	2025	2024
CanadaHelps donations receivable	**$ 6,376**	$ 7,438
Grant receivable	**-**	6,407
HST recoverable	**8,632**	12,021
	$ 15,008	$ 25,866

The carrying value of accounts receivable approximates fair value because of the short maturity of these instruments and because they are subject to normal credit terms.

5. Long-term Investments

	2025	2024
Oaken Financial - term fixed investment, 3.70% interest, matures May 28, 2027	**$ 100,000**	$ -
Accrued interest	**2,200**	-
	$ 102,200	$ -

6. Capital Assets

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	2025			2024
	Cost	**Accumulated Amortization**	**Net Book Value**	Net Book Value
Computer equipment	**$ 8,330**	**$ 6,103**	**$ 2,227**	$ 2,784
Furniture and fixtures	**44,401**	**31,598**	**12,803**	16,004
Leasehold improvements	**1,917**	**1,917**	**-**	192
Vehicle	**67,644**	**57,980**	**9,664**	13,805
	$ 122,292	**$ 97,598**	**$ 24,694**	$ 32,785

7. Accounts Payable and Accrued Liabilities

	2025	2024
Accrued liabilities	**$ 18,714**	$ 30,336
Accrued wages	**434**	6,750
Government remittances payable	**5,960**	5,960
	$ 25,108	$ 43,046

The carrying value of other liabilities approximates fair value because of the short maturity of these instruments and because they are subject to normal credit terms.

8. Deferred Capital Asset Grant

Deferred capital grants represent restricted capital funding received from the government for the purchase of depreciable capital assets. The changes in the deferred contributions for capital assets are as follows:

Changes in the deferred capital grant balances during the year are as follows:

	2025	2024
Beginning balance	**$ 17,170**	$ 24,113
Less amount amortized to revenue in the year	**(4,918)**	(6,943)
	$ 12,252	$ 17,170

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9. Government Grants

	2025	2024
Ministry of the Environment (Note 8)	**$ 4,918**	$ 6,943

10. Financial Assets and Financial Liabilities

Liquidity risk

Liquidity risk is the risk that the Organization will not be able to meet its obligations associated with financial liabilities. Cash flow from donations provides a substantial portion of the Organization's cash requirements.

Credit risk

The Organization is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable which is comprised primarily of grants receivable. In the opinion of management, credit risk exposure is low and not material.