

FOOD FOR LIFE INC.
FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025

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INDEPENDENT AUDITORS' REPORT

To the Directors
Food For Life Inc.

Qualified Opinion

We have audited the financial statements of Food For Life Inc. (the "Corporation") which comprise the statement of financial position as at December 31, 2025, and the statements of changes in net assets, operations, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the 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 Corporation as at December 31, 2025, and its results of operations 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 charitable organizations, the Corporation derived revenues from fundraising and donations, the completeness of which are not susceptible to satisfactory audit verification. The Corporation also derives revenues and incurs expenses from donated food products, of which the accuracy of the weight is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues and expenses and verification of the accuracy of the donated food and distribution of donated food was limited to the amounts recorded in the records of the Corporation. Therefore, we were not able to determine whether any adjustments might be necessary to donated food, donations and fundraising revenue, distribution of donated food, excess of revenue over expenditure, cash flows from operations, general fund or net assets for the year ended December 31, 2025 and the year ended December 31, 2024. Our audit opinion on the financial statements for the year ended December 31, 2024 was modified 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

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

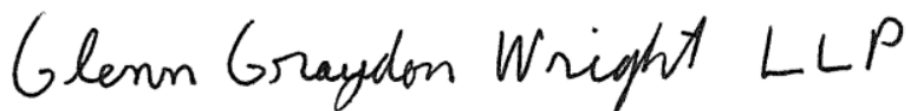
INDEPENDENT AUDITORS' REPORT, continued

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 Corporation'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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Corporation 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.




Chartered Professional Accountants
Licensed Public Accountants
Oakville, Ontario
May 15, 2026

FOOD FOR LIFE INC.
(Incorporated without share capital)
Statement of financial position
As at December 31, 2025

	2025	2024
Assets (Note 7)		
Current assets		
Cash and cash equivalents (Note 2(c))		
Unrestricted	\$ 996,146	822,871
Restricted	240,000	-
Accounts receivable (Note 4)	129,656	82,228
Prepaid expenses	46,469	26,656
	1,412,271	931,755
Capital assets (Note 5)		
	302,729	539,077
	\$ 1,715,000	1,470,832
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities	\$ 79,109	117,062
Deferred contributions (Note 6)	166,191	476,339
	245,300	593,401
Deferred contributions related to capital assets (Note 7)		
	495,264	430,918
	740,564	1,024,319
Net assets		
Capital reserve fund (Note 2(b)(i))	45,000	45,000
Invested in capital assets fund (Note 2(b)(ii))	47,465	108,157
Stabilization fund (Note 2(b)(iii))	125,000	125,000
Unrestricted fund (Note 2(b)(iv))	756,971	168,356
	974,436	446,513
	\$ 1,715,000	1,470,832

Approved by the Board



Muhammad Niazi
Director and Treasurer



Paul Keery
Chair of the Board of Directors

FOOD FOR LIFE INC.**(Incorporated without share capital)****Statement of changes in net assets****For the year ended December 31, 2025**

	Capital reserve fund	Invested in capital assets fund	Stabilization fund	Unrestricted fund	2025	2024
Fund balances, beginning of year	\$ 45,000	108,157	125,000	168,356	446,513	387,575
Excess of revenue over expenditure (expenditure over revenue)	-	(62,477)	-	590,400	527,923	58,938
Net transfer of capital assets (Note 9)	-	1,785	-	(1,785)	-	-
Fund balances, end of year	\$ 45,000	47,465	125,000	756,971	974,436	446,513

FOOD FOR LIFE INC.
(Incorporated without share capital)
Statement of operations
For the year ended December 31, 2025

	2025	2024
Revenue		
Donations and fundraising	\$ 1,665,162	1,230,596
The Regional Municipality of Halton	757,896	511,929
Ontario Trillium Foundation	232,229	171,391
The Sprott Foundation	317,917	285,000
Other income	34,898	53,473
United Way	102,497	116,217
Amortization of deferred contributions related to capital assets (Note 7)	238,403	331,204
Value of donated food – received	16,284,286	15,271,296
	19,633,288	17,971,106
Expenditure		
Salaries, benefits and contracts	1,594,364	1,471,166
Amortization	300,880	386,916
Warehouse rental	238,309	199,565
Administration	141,012	83,334
Vehicle operating costs	127,404	124,464
Warehousing	104,007	106,683
Professional fees	89,469	165,723
Promotion	76,321	25,580
Fundraising	65,445	40,409
Utilities	40,834	33,989
Travel and conferences	17,716	11,273
Telephone	14,223	5,308
Insurance	11,095	10,314
Interest on long-term debt	-	749
Value of donated food – distributed and shared	15,214,934	14,241,985
Value of donated food – inedible food diverted	692,688	784,489
Value of donated food – directed to landfill	376,664	244,822
	19,105,365	17,936,769
Excess of revenue over expenditure, before other	527,923	34,337
Other		
Gain on disposal of capital assets	-	24,601
Excess of revenue over expenditure for year	\$ 527,923	58,938

FOOD FOR LIFE INC.
(Incorporated without share capital)
Statement of cash flows
For the year ended December 31, 2025

	2025	2024
Cash flows from (used in) operating activities		
Excess of revenue over expenditure for year	\$ 527,923	58,938
Adjustments for		
Amortization of capital assets	300,880	386,916
Amortization of deferred contributions related to capital assets (Note 7)	(238,403)	(331,204)
Gain on disposal of capital assets	-	(24,601)
	590,400	90,049
Changes in non-cash working capital		
(Increase) decrease in accounts receivable	(47,428)	156,783
(Increase) decrease in prepaid expenses	(19,813)	259
Decrease in accounts payable and accrued liabilities	(37,953)	(54,601)
Decrease in deposits	-	(102,539)
(Decrease) increase in deferred contributions	(310,148)	191,808
Cash flows from operating activities	175,058	281,759
Cash flows from (used in) investing activities		
Acquisition of capital assets	(64,532)	(13,557)
Proceeds on disposal of capital assets	-	62,000
Cash flows (used in) from investing activities	(64,532)	48,443
Cash flows from (used in) financing activities		
Deferred contributions related to capital assets	302,749	-
Repayment of long-term debt	-	(42,806)
Cash flows from (used in) financing activities	302,749	(42,806)
Net increase in cash and cash equivalents during year	413,275	287,396
Cash and cash equivalents, beginning of year	822,871	535,475
Cash and cash equivalents, end of year	\$ 1,236,146	822,871
Cash and cash equivalents are comprised of:		
Unrestricted	\$ 996,146	822,871
Restricted	240,000	-
	\$ 1,236,146	822,871

FOOD FOR LIFE INC.**(Incorporated without share capital)****Notes to financial statements****As at December 31, 2025**

1. Purpose of the corporation

Food for Life Canada Charitable Corporation (the "Corporation") was incorporated without share capital under the laws of the Province of Ontario on November 6, 2002. Articles of Amendment were filed June 26, 2024 and the Corporation's name changed to Food For Life Inc. Their purpose is providing a sustainable, perishable food network that is able to supplement the nutritional needs of individuals in need. Prior to incorporation, the Corporation operated as Food for Life Canada.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies where alternatives are available:

a) Management estimates

The preparation of the 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 estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

b) Basis of accounting

The Corporation follows the deferral method of accounting for contributions for financial statement reporting purposes. The accounts have been classified into the following funds:

i) Capital reserve fund

The capital reserve fund represents internally restricted funds available for purposes specified by the Board of Directors for major capital repairs or replacements. Any use of these funds requires approval by the Board of Directors.

ii) Invested in capital assets fund

The invested in capital assets fund reports the accounts for assets, liabilities, revenues and expenditures relating to capital assets.

iii) Stabilization fund

The stabilization fund represents internally restricted funds available for purposes specified by the Board of Directors from time-to-time. Any use of these funds requires approval by the Board of Directors.

iv) Unrestricted fund

The unrestricted fund accounts for the Corporation's program delivery and administrative activities.

FOOD FOR LIFE INC.
(Incorporated without share capital)
Notes to financial statements
As at December 31, 2025

2. Significant accounting policies – continued

c) Cash and cash equivalents

Cash and cash equivalents are defined as cash and highly liquid investments. These consist primarily of cash held for operating purposes in demand current accounts and term deposits with terms to maturity of three months or less at the date of purchase, or term deposits redeemable on demand. Cash and cash equivalents are comprised of cash held for operating purposes of \$853,371 (2024 - \$684,859), cash held for future capital asset expenditures \$240,000 (2024 - \$Nil) and term deposits of \$142,775 (2024 - \$138,012) bearing interest at a fixed rate of 3.50% and maturing on January 13, 2026.

d) Revenue recognition

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.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred and in the year specified in the terms and conditions of each respective agreement.

Donated food is valued at an average price per pound based on specific estimates of the types of donated food received, using available market data from major grocery stores of \$3.64 per pound (2024 - \$3.58 per pound). These donated food products are reflected in the statement of operations and changes in net assets as donated food offsetting distribution of donated food. The Corporation recognizes the donated food in the year in which they are received and distributed. In the year to December 31, 2025, management estimates that approximately 4,473,705 pounds of food (2024 – 4,265,725 pounds of food) were received and donated. Based on these valuations, the total amount received and donated during the year was \$16,284,286 (2024 - \$15,271,296).

e) Capital assets

Capital assets are recorded at acquisition cost. Amortization is recorded in the accounts at rates intended to write off the cost of the assets over their estimated useful life. Methods and rates used are:

Computers
3 years straight-line basis

Refrigeration equipment
10 years straight-line basis

Furniture and equipment
5 years straight-line basis

Leasehold improvements
5 years straight-line basis

Vehicles
5 years straight-line basis

FOOD FOR LIFE INC.
(Incorporated without share capital)
Notes to financial statements
As at December 31, 2025

2. Significant accounting policies – continued

f) Deferred contributions

Deferred contributions consist of funds from grants or donations received relating to expenditures arising in the next fiscal year.

g) Deferred contributions related to capital assets

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis at a rate corresponding with the amortization rate of the related assets.

h) Contributed materials and services

The Corporation recognizes contributed materials and services if the determination of fair value is readily available. The value of volunteer time is not reflected in these financial statements.

3. Financial instruments

a) Fair value

The Corporation 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 cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value.

b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in underlying market factors. The Corporation is exposed to interest rate risk and credit risk.

i) Interest rate risk

The Corporation's cash and cash equivalents and long-term debt bear interest at fixed rates. Consequently, the cash flow risks are not significant. However, there is a risk of fair value on this part of the asset and debt respectively.

ii) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation.

The Corporation is subject to credit risk. To mitigate this, the Corporation actively manages and monitors its receivables. Bad debt experience has not been significant.

FOOD FOR LIFE INC.
(Incorporated without share capital)
Notes to financial statements
As at December 31, 2025

3. Financial instruments – continued

c) Liquidity risk

Liquidity risk is the risk that the Corporation cannot meet a demand for cash or fund its obligations as they come due. Unless otherwise noted, the Corporation is not subject to significant liquidity risk. The Corporation manages liquidity risk by:

- maintaining access to a number of sources of funding which are sufficient to meet anticipated funding requirements.
- investing in liquid fixed income securities and cash equivalents that, if necessary, can be sold to generate cash flow.

4. Accounts receivable

	2025	2024
Blackbaud Merchant Services	\$ 60,335	41,245
HST receivable	40,246	30,078
Ontario Trillium Foundation	16,459	-
Other	12,616	10,905
	<u>\$ 129,656</u>	<u>82,228</u>

5. Capital assets

	2025		2024	
	Cost	Accumulated amortization	Net	Net
Computers	\$ 30,823	26,143	4,680	2,875
Furniture and equipment	413,917	347,358	66,559	87,049
Vehicles	755,184	686,651	68,533	121,472
Refrigeration equipment	282,466	166,042	116,424	87,927
Leasehold improvements	1,222,748	1,176,215	46,533	239,754
	<u>\$ 2,705,138</u>	<u>2,402,409</u>	<u>302,729</u>	<u>539,077</u>

Amortization recorded during the year amounted to \$300,880 (2024 - \$386,916).

During the year, capital assets were acquired at an aggregate cost of \$64,532 (2024 - \$13,557).

FOOD FOR LIFE INC.
(Incorporated without share capital)
Notes to financial statements
As at December 31, 2025

6. Deferred contributions

		The Regional Municipality of Halton	Other grants	2025	2024
Balance, beginning of year	\$	119,270	357,069	476,339	284,531
Contributions received		638,626	581,676	1,220,302	1,254,210
Donor designated expenditures		(757,896)	(772,554)	(1,530,450)	(1,062,402)
Balance, end of year	\$	-	166,191	166,191	476,339

7. Deferred contributions related to capital assets

Deferred contributions related to capital assets represent the unamortized amount of contributions received for the purchase of capital assets. The amortization of the deferred contributions is recorded as revenue in the statement of operations as the related amortization expense is incurred. The changes in the deferred contributions related to capital asset balances during the year are as follows:

		2025	2024
Balance, beginning of year	\$	430,918	762,122
Contributions received		302,749	-
Amount amortized to revenue		(238,403)	(331,204)
Balance, end of year	\$	495,264	430,918

8. Operating lease commitments

The Corporation has a long-term lease with respect to its office and warehouse at 2258 Mountainside Drive. The lease provides for payment of HST, property taxes and insurance in addition to future minimum lease payments at approximately \$35,000 per year. Future minimum lease payments required under the lease that have initial or remaining terms in excess of one year are:

2026	\$	274,800
2027		323,300
2028		340,900
2029		340,900
2030		358,500
2031		358,500
	\$	<u>1,996,900</u>

FOOD FOR LIFE INC.
(Incorporated without share capital)
Notes to financial statements
As at December 31, 2025

9. Transfers

Transfers represent reallocations within the fund balances of the Corporation. Transfers between the unrestricted fund and amounts invested in capital assets are based on the discretion of the Board of Directors in order to purchase capital assets. Transfer to and from internally restricted net assets is determined on an annual basis at the discretion of the Board of Directors and may be used to offset a shortfall in operations.

10. Income taxes

The Corporation is a registered charity and is therefore exempt from income taxes under Section 149(1)(f) of the Income Tax Act.

11. Economic dependence

The Corporation is dependent on the operating grants provided by The Regional Municipality of Halton, Ontario Trillium Foundation, The Sprott Foundation and the United Way, as well as food sourced from growers, wholesalers and retailers.