

EDEN FOOD FOR CHANGE
Financial Statements
Year Ended December 31, 2025

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Year Ended December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Members of Eden Food for Change

Opinion

We have audited the financial statements of Eden Food for Change (the "Organization"), 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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 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 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 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.

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Independent Auditor's Report to the Members of Eden Food for Change *(continued)*

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.
- 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.

Toronto, Ontario
May 27, 2026

Hogg, Shain & Scheck PC


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

EDEN FOOD FOR CHANGE
Statement of Financial Position
As at December 31, 2025

	2025	2024
ASSETS		
CURRENT		
Cash	\$ 512,879	\$ 689,206
Term deposits (Note 3)	552,500	550,000
Accounts receivable	44,909	57,753
Harmonized Sales Tax recoverable	23,424	31,966
Prepaid expenses and supplies	63,610	61,073
	1,197,322	1,389,998
CAPITAL ASSETS (Notes 4 and 6)	548,495	660,181
	\$ 1,745,817	\$ 2,050,179
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 58,510	\$ 315,601
Deferred revenues (Note 5)	141,524	50,000
	200,034	365,601
LONG TERM		
Deferred capital revenues (Note 6)	541,259	644,219
Asset retirement obligation (Note 7)	131,106	36,698
	872,399	1,046,518
NET ASSETS		
CAPITAL FUND (Note 8)	7,236	15,962
GENERAL FUND (Note 8)	566,182	687,699
INTERNALLY RESTRICTED FUND (Note 8)	300,000	300,000
	873,418	1,003,661
	\$ 1,745,817	\$ 2,050,179

COMMITMENTS (Note 9)

APPROVED ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

See the accompanying notes to these financial statements

EDEN FOOD FOR CHANGE
Statement of Changes in Net Assets
Year Ended December 31, 2025

	Capital Fund	General Fund	Internally Restricted Fund	2025	2024
NET ASSETS - BEGINNING OF YEAR	\$ 15,962	\$ 687,699	\$ 300,000	\$ 1,003,661	\$ 1,091,805
Amortization of capital assets	(167,296)	-	-	(167,296)	(128,024)
Amortization of deferred capital revenues	154,163	-	-	154,163	88,566
Deficiency of revenues over expenses	-	(117,110)	-	(117,110)	(48,686)
Capital asset additions, net	55,610	(55,610)	-	-	-
Deferred capital contributions spent (Notes 6 and 7)	(51,203)	51,203	-	-	-
NET ASSETS - END OF YEAR	\$ 7,236	\$ 566,182	\$ 300,000	\$ 873,418	\$ 1,003,661

See the accompanying notes to these financial statements

EDEN FOOD FOR CHANGE
Statement of Operations
Year Ended December 31, 2025

	2025	2024
REVENUES		
Fundraising and donations	\$ 635,912	\$ 672,586
Meals on Wheels	409,976	426,736
Ontario Lottery and Gaming charitable gaming funding	210,625	193,842
Grants:		
Region of Peel	158,525	201,000
Community Foundation of Canada	7,274	-
United Way of Peel Region (Note 5)	-	1,168
Deferred capital revenues (Note 6)	154,163	88,566
Donations in kind (Note 10)	28,079	19,183
Interest income (Note 3)	19,168	16,742
	<u>1,623,722</u>	<u>1,619,823</u>
EXPENSES		
Salaries and wages	675,185	686,522
Food purchases	362,265	389,141
Facility (Note 9)	237,360	210,019
Amortization of capital assets	167,296	128,024
Professional fees	53,212	50,263
Waste removal	24,767	21,030
Fundraising	22,819	27,852
Program (Note 10)	19,641	70,223
Repairs and maintenance	19,430	13,885
Supplies	17,579	25,981
General and administrative	13,726	15,837
Interest and bank charges	9,760	8,777
Volunteer appreciation	9,474	12,027
Transportation costs and truck repairs	9,468	23,070
Insurance	7,851	8,150
Telephone	5,839	6,849
Advertising and promotion	2,064	8,338
Courses, fees and dues	1,821	-
Accretion (Note 7)	2,092	1,979
	<u>1,661,649</u>	<u>1,707,967</u>
DEFICIENCY OF REVENUES OVER EXPENSES BEFORE OTHER EXPENSES	(37,927)	(88,144)
VALUATION ADJUSTMENT TO ASSET RETIRMENT OBLIGATION (Note 7)	92,316	-
DEFICIENCY OF REVENUES OVER EXPENSES	\$ (130,243)	\$ (88,144)

See the accompanying notes to these financial statements

EDEN FOOD FOR CHANGE
Statement of Cash Flows
Year Ended December 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	\$ (130,243)	\$ (88,144)
Items not affecting cash:		
Amortization of deferred capital revenues	(154,163)	(88,566)
Amortization of capital assets	167,296	128,024
Accretion	2,092	1,979
Write-up of asset retirement obligation	92,316	-
	<u>(22,702)</u>	<u>(46,707)</u>
Changes in non-cash working capital:		
Accounts receivable	12,844	23,673
Harmonized Sales Tax recoverable	8,542	(12,459)
Prepaid expenses and supplies	(2,537)	(7,724)
Accounts payable and accrued liabilities	(257,091)	270,372
Deferred revenues	91,524	(99,980)
	<u>(146,718)</u>	<u>173,882</u>
Cash flows from (used by) operating activities	<u>(169,420)</u>	<u>127,175</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(55,610)	(468,984)
Purchase of term deposits (net)	(2,500)	(550,000)
Deferred capital revenues received	51,203	646,346
Deferred capital revenues for future use	-	(585,646)
	<u>(6,907)</u>	<u>(958,284)</u>
Cash flows used by investing activities	<u>(6,907)</u>	<u>(958,284)</u>
DECREASE IN CASH	(176,327)	(831,109)
CASH - BEGINNING OF YEAR	689,206	1,520,315
CASH - END OF YEAR	\$ 512,879	\$ 689,206

See the accompanying notes to these financial statements

EDEN FOOD FOR CHANGE
Notes to Financial Statements
Year Ended December 31, 2025

1. NATURE AND PURPOSE OF THE ORGANIZATION

Eden Food for Change (the "Organization") is a not-for-profit organization incorporated provincially under the Ontario Corporations Act and was continued under the Ontario Not-for-profit Corporations Act in 2023. As a registered charity the Organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Organization is committed to increasing access to good food in a dignified manner, developing food skills to encourage healthy eating and empowering the community through education, outreach and advocacy.

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 (ASNFPO).

Revenue recognition

The Organization follows the deferral method of accounting for contributions.

Restricted amounts received including grants from the Region of Peel and United Way of Peel Region, and bingo are recognized as revenues in the year in which the related expenditures are incurred.

Amounts received for acquiring capital assets, and related expenses, are deferred and amortized on the same basis and rates as the related fixed assets, when eligible purchases are made. Prior to purchases being put into use, contribution amounts are recognized as deferred capital revenues for future use.

Unrestricted contributions including donations, donations in kind, fundraising, and Meals on Wheels are recognized as revenues when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Deferred revenues represents amounts received for future use. These funds are restricted either to be used towards specific expenses or are restricted for a future time period. These amounts are recognized as revenues in the future period, or when the related expenses are incurred.

Interest earned on guaranteed investment certificates are recognized on an accrual basis over the investment term.

Contributed services

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 or would not have otherwise been purchased, and are therefore not reflected in these financial statements.

Donations in kind

Donated goods are recorded at their fair market value at the time of the donation if a fair value can be determined and the Organization would have purchased the goods.

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EDEN FOOD FOR CHANGE
Notes to Financial Statements
Year Ended December 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Leasehold improvements	5 years	straight-line method
Kitchen equipment	5 years	straight-line method
Truck	30%	declining balance method
Computer equipment	3 years	straight-line method
Office and other equipment	5 years	straight-line method
Kitchen development costs	3 years	straight-line method

The Organization regularly reviews its capital assets to eliminate obsolete items.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use. No amortization is charged in the year of disposal. One half of the annual amortization is charged in the year of acquisition. Funding received for capital assets purchased and put in use is outlined in Note 6.

Impairment of long-lived assets

The Organization tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the estimated replacement value. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Financial instruments

Financial assets initially recorded at fair value and subsequently at amortized cost include cash, term deposits and accounts receivable.

Financial liabilities initially recorded at fair value and subsequently at amortized cost include accounts payable.

Financial instruments are tested for impairment at each reporting date and when an event occurs which may have caused impairment. When a test for impairment indicates the carrying value exceeds its fair value (being the estimated recoverable amount), an impairment loss is recognized to the extent of the excess. When the test indicates that the fair value exceeds the carrying amount, a reversal of the impairment loss previously recorded is recognized to the extent of the original cost.

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 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 year. Such estimates are periodically reviewed and any adjustments necessary are reported in deficiency of revenues over expenses in the year in which they become known. Estimates include the useful life of capital assets and the asset retirement obligation. Actual results could differ from these estimates.

3. TERM DEPOSITS

The term deposits are comprised of three (2024 - two) GICs, earning interest at rates between 2.7% and 3.4% (2024 - 4.2% and 5%) and expiring between February 2026 and September 2027 (2024 - January 2025 and October 2025). Subsequent to year end, one GIC reinvested at an interest rate of 2.7% and maturing in February 2027.

EDEN FOOD FOR CHANGE
Notes to Financial Statements
Year Ended December 31, 2025

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Leasehold improvements	\$ 758,709	\$ 394,380	\$ 364,329	\$ 473,507
Kitchen equipment (Note 6)	527,139	362,595	164,544	171,927
Truck	119,271	114,446	4,825	6,893
Computer equipment	13,598	10,869	2,729	1,328
Office and other equipment	54,728	42,660	12,068	6,526
Kitchen development costs	95,625	95,625	-	-
	<u>\$ 1,569,070</u>	<u>\$ 1,020,575</u>	<u>\$ 548,495</u>	<u>\$ 660,181</u>

5. DEFERRED REVENUES

	2025	2024
Grant from the Fyfe Foundation	<u>\$ 141,524</u>	<u>\$ 50,000</u>

The continuity of deferred revenues for the year is as follows:

Balance, beginning of year	\$ 50,000	\$ 149,980
Add: amounts received or repurposed during the year	336,605	51,168
Less: amounts to be repaid to funder, transferred to payables	-	(102,980)
Less: amounts spent on capital assets purchased during the year	(51,203)	(47,000)
Less: amounts recognized as revenues during the year	<u>(193,878)</u>	<u>(1,168)</u>
Balance, end of year	<u>\$ 141,524</u>	<u>\$ 50,000</u>

6. DEFERRED CAPITAL REVENUES

This balances includes amounts previously received from Agriculture Canada and used to fund capital asset purchases of kitchen equipment (Note 4):

	2025	2024
Balance, beginning of year	\$ 644,219	\$ 86,439
Add: amounts received and used during the year	51,203	646,346
Less: amounts recognized as revenues during the year	<u>(154,163)</u>	<u>(88,566)</u>
Balance, end of year	<u>\$ 541,259</u>	<u>\$ 644,219</u>

EDEN FOOD FOR CHANGE
Notes to Financial Statements
Year Ended December 31, 2025

7. ASSET RETIREMENT OBLIGATION

Under the terms of the lease, the Organization may be required to remove certain leasehold improvements and restore the premises to their original condition at the end of the lease in March 2030. In measuring this obligation, the Organization applied a discount rate of 4.0% (2024 – 5.7%).

During the year, the Organization obtained an updated cost estimate and recognized a valuation adjustment to reflect the revised liability. The liability is increased annually through accretion, bringing its carrying amount to the estimated cost expected to be incurred to settle the obligation at the end of the lease term.

	2025	2024
Balance, beginning of year	\$ 36,698	\$ 34,719
Accretion during the year	2,092	1,979
Valuation adjustment	92,316	-
Balance, end of year	\$ 131,106	\$ 36,698

8. NET ASSETS

The balance of net assets is segregated as follows:

- a) The net assets of the Capital fund represent the amount which has been invested in capital assets, net of deferred capital contributions previously received and used to purchase those capital assets.
 - b) General fund net assets comprise the excess of revenue over expenses accumulated by the Organization each year, net of transfers, and are available for general purposes.
 - c) Internally restricted fund net assets comprise \$224,022 (2024 - \$224,022) of a board designated reserve, and \$75,978 (2024 - \$75,978) of an operating reserve. This fund is supported by amounts held in cash.
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9. COMMITMENTS

The Organization has long term leases with respect to its premises expiring December 2028. The leases contain renewal options and provide for payment of utilities, property taxes and maintenance costs. Future minimum lease payments as at December 31, 2025, are as follows:

2026		\$ 219,311
2027		73,913
2028		24,750
		\$ 317,974

10. DONATIONS IN KIND

The Organization received \$28,079 of produce in fiscal 2025 (2024 - \$19,183 of gift cards, which were used for the purchase of food and other supplies).

EDEN FOOD FOR CHANGE
Notes to Financial Statements
Year Ended December 31, 2025

11. 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 December 31, 2025.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk from funders and donors. In order to reduce its credit risk, the Organization deals with reputable government or long standing funders. Donations pledged and receivable are only recognized to the extent collected after year end. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Organization has a significant number of funders and donors which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its receipt of contributions from its funders and donors, and accounts payable.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant market, currency rate, interest rate, or other price risks arising from these financial instruments, nor any concentrations of risk. This risk assessment remains consistent with the prior year.
