THE STOP COMMUNITY FOOD CENTRE

FINANCIAL STATEMENTS

JUNE 30, 2026

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KRIENS~LAROSE, LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

37 Main Street
Toronto, Ontario M4E 2V5

Tel. 416-690-6800
Fax. 416-690-9919

Web Page:
www.krienslarose.com

INDEPENDENT AUDITOR'S REPORT

To the Members of
The Stop Community Food Centre

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of The Stop Community Food Centre (the "Centre"), which comprise the statement of financial position as at June 30, 2026, and the statements of operations and changes in net assets and cash flows for the ten-month period 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 Stop Community Food Centre as at June 30, 2026, and the results of its operations and its cash flows for the period 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 Centre 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.

Emphasis of Matter
Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes the change in the Centre's fiscal year-end from August 31 to June 30. As a result, the current period financial statements cover the ten-month period ended June 30, 2026, and the comparative figures cover the twelve-month year ended August 31, 2025, and are therefore not entirely comparable.

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INDEPENDENT AUDITOR'S REPORT (Continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of these 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 Centre'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 Centre or to cease operations, or has no realistic alternative but to do so.

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

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INDEPENDENT AUDITOR'S REPORT (Continued)

- 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 Centre'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 Centre'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 Centre 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.

KRIENS~LAROSE, LLP

KRIENS~LAROSE, LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
November 4, 2026

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

	June 30, 2026 $	August 31, 2025 $
ASSETS		
CURRENT		
Cash	4,119,559	917,586
Investments (Notes 3, 6)	25,594	3,211,215
Accounts receivable	131,779	140,966
HST rebate recoverable	58,863	67,769
Prepaid expenses	86,667	63,550
	4,422,462	4,401,086
CAPITAL ASSETS (Note 4)	68,423	69,772
	4,490,885	4,470,858
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	162,532	352,258
Government remittances payable	27,440	27,971
Deferred contributions (Note 5)	1,340,659	1,130,375
	1,530,631	1,510,604
NET ASSETS		
Unrestricted	762,173	762,173
Designated (Note 6)	2,198,081	2,198,081
	2,960,254	2,960,254
	4,490,885	4,470,858

APPROVED ON BEHALF OF THE BOARD:

_____, Director

_____, Director

Signer ID: Z9ACFM5W16...

See accompanying notes to the financial statements

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE TEN-MONTH PERIOD ENDED JUNE 30, 2026

	2026 (10 months) $	2025 (12 months) $
REVENUES		
Contributions (Note 7)	2,983,656	3,673,906
Food donations (Note 8)	774,998	730,380
Government funding (Note 9)	714,932	668,746
Social enterprise	169,061	197,506
Rental and other	104,880	201,677
	4,747,527	5,472,215
EXPENSES		
Program		
Personnel	1,532,703	1,932,183
Community programs	777,274	867,069
Food donations distributed (Note 8)	774,998	730,380
Occupancy	130,850	168,418
Fund Development		
Personnel	337,756	375,569
Fund development	151,759	141,948
Events	23,249	19,263
Social Enterprises		
Personnel	265,024	284,007
Occupancy	65,330	81,196
Social enterprise	58,660	45,084
Administrative		
Personnel	398,463	420,174
Administrative	145,047	304,888
Occupancy	71,038	94,223
Amortization	15,376	7,813
	4,747,527	5,472,215
EXCESS OF REVENUES OVER EXPENSES FOR THE PERIOD	-	-
NET ASSETS, beginning of period	2,960,254	2,960,254
NET ASSETS, end of period	2,960,254	2,960,254

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS
FOR THE TEN-MONTH PERIOD ENDED JUNE 30, 2026

	2026 (10 months) $	2025 (12 months) $
CASH WAS PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Excess of revenues over expenses	-	-
Charges to income not involving cash:		
Amortization	15,376	7,813
Food donations distributed	774,998	730,380
Food donations received	(774,998)	(730,380)
	15,376	7,813
Changes in non-cash working capital balances:		
Accounts receivable	9,187	(92,183)
HST rebate recoverable	8,906	(10,201)
Prepaid expenses	(23,117)	(15,706)
Accounts payable and accrued liabilities	(189,726)	226,697
Government remittances payable	(531)	27,971
Deferred contributions	210,284	(81,348)
	15,003	55,230
	30,379	63,043
CASH FROM INVESTING ACTIVITIES		
GICs redeemed (purchased) (net)	3,164,437	75,932
Other investments redeemed (purchased) (net)	21,184	(46,778)
Capital assets (purchased)	(14,027)	(54,551)
	3,171,594	(25,397)
Change in cash	3,201,973	37,646
Cash, beginning of period	917,586	879,940
Cash, end of period	4,119,559	917,586

See accompanying notes to the financial statements

PURPOSE OF THE CENTRE

The Stop Community Food Centre (the "Centre") is incorporated in the Province of Ontario without share capital. The Centre is exempt from income tax in Canada as a registered charitable organization under the *Income Tax Act* (Canada).

The Centre provides programs, services and advocacy to address the problems of poverty and hunger in Toronto.

The Centre is economically dependent on contributions, donations and government funding as these revenue sources comprise 94% (2025: 93%) of the Centre's total revenue.

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook and include the following significant accounting policies:

Financial Instruments

The Centre initially measures its financial assets and financial liabilities at fair value. The Centre 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 the statement of operations.

Financial assets measured at amortized cost include cash, investments, and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Use of Estimates

The preparation of financial statements in accordance 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 reporting date and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of operations in the period they become known.

Continued...

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and fixed income investments with maturities of less than 90 days.

Prepaid Expenses

Prepaid expenses are recorded for goods and services to be received in the next fiscal year, which were paid for in the current fiscal year.

Capital Assets

Capital assets are recorded at cost less accumulated amortization. Amortization is provided annually at rates calculated to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates and methods are as follows:

Kitchen equipment	5 years, straight-line basis
Furniture and equipment	5 years, straight-line basis
Computer equipment	5 years, straight-line basis
Leasehold improvements	5 years, straight-line basis

When a capital asset no longer contributes to the Centre's ability to provide goods and services, or its future service potential is less than its net carrying amount, the capital asset is written down to its fair value or replacement cost. Write-downs are recognized as expenses in the statement of operations and are not reversed if the fair value of the capital asset subsequently increases.

Revenue Recognition

The Centre uses the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the period 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. Restricted contributions related to the purchase of capital assets are recorded as revenue in the same period, and on the same basis, as the related capital assets are amortized.

Investment income, which comprises interest from cash and guaranteed investment certificates, is included in other income. Investment income is recognized as revenue when earned.

Continued...

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Special event and social enterprise revenue, which includes revenue from farmers' market related activities, is recognized as revenue in the period the service is delivered.

Rental and other revenues are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Pledges are not recorded as revenue.

Government Assistance

Government assistance is a restricted contribution and is accounted for using the deferral method based on the assistance provided.

Donated Property and Services

Except for food, contributed goods and services which are not normally purchased by the Centre are not recognized in these financial statements because of the difficulty of determining their fair value.

Food donations are recognized as revenue when received.

Food Donations Received and Distributed

Food donations received and distributed are valued based on the prices per pound by type of food established by Food Banks Canada.

Allocation of Expenses

The Centre allocates salary and other costs by financial statement expense category. Salary and other allocations are based on time spent in an activity.

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2. CHANGE IN FISCAL YEAR-END

During the period, the Centre changed its fiscal year-end from August 31 to June 30, as approved by the Canada Revenue Agency on December 23, 2025. The change was made to better align the Centre's budgeting and reporting with its fundraising cycle and with sector partners. Accordingly, these financial statements present the results of operations, changes in net assets and cash flows for the ten-month period from September 1, 2025 to June 30, 2026. The comparative figures are for the twelve-month year ended August 31, 2025. As a result, the amounts presented in the statements of operations and changes in net assets and cash flows, and the related notes, are not entirely comparable.

3. INVESTMENTS

Investments consist of the following:

	June 30, 2026 $	August 31, 2025 $
Guaranteed investment certificates, earning interest Royal Bank Prime Rate (RBP) minus 2.1% maturing in November 2025 to April 2026	-	3,164,437
Cash balance in RBC Direct Investing	25,594	46,778
	25,594	3,211,215
Guaranteed investment certificates	-	966,356
Designated guaranteed investment certificates	-	2,198,081
Cash balance	25,594	46,778
	25,594	3,211,215

Continued...

4. CAPITAL ASSETS

	2026		2025	
	Cost $	Accumulated amortization $	Cost $	Accumulated amortization $
Kitchen equipment	78,924	65,678	78,924	61,640
Furniture and equipment	50,953	39,306	41,811	38,925
Computer equipment	54,596	15,336	52,102	6,906
Leasehold improvements	150,525	146,255	148,134	143,728
	334,998	266,575	320,971	251,199
Net book value	68,423		69,772	

5. DEFERRED CONTRIBUTIONS

The change in the deferred contributions balance is as follows:

	2026 (10 months) $	2025 (12 months) $
Balance, beginning of period	1,130,375	1,211,723
Restricted contributions and government funding received during the period	3,908,872	4,261,304
Amounts recognized as revenue during the period	(3,698,588)	(4,342,652)
Balance, end of period	1,340,659	1,130,375

Deferred contributions consist of the following:

Contributions	1,104,136	854,698
Government funding	203,639	242,793
Insurance proceeds	32,884	32,884
	1,340,659	1,130,375

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6. DESIGNATED NET ASSETS

The Board of Directors of the Centre has established designated net assets for contingency and strategic purposes.

At the conclusion of each fiscal year, any surplus will be allocated to the reserve funds. The Board will approve the distribution in accordance with the following guiding principles:

- Ensure both funds are replenished to their minimum levels (equivalent to 3 months of monthly operating expenses for the Operating Reserve and a minimum of $100,000 for the Capital Asset Reserve).
- Top up the Capital Asset Reserve to fulfill the outlined requests specified by the Facilities Committee spend schedule for the year.
- Transfer any remaining surplus to the Operating Reserve.

Operating Reserve
This fund is intended to fund any short-term deficits within the fiscal year, providing continuity in program and operational costs (including staff and occupancy-related expenses). The amount of the Operating Reserve should remain between 3-6 months of the monthly budgeted expenses of the current fiscal year. Any recommendation to move funds must be approved by the Board.

Capital Asset Reserve
This fund is intended to fund investments in capital assets that are required to increase the capacity and efficiency of the Centre's program delivery and operations. The Capital Asset Reserve is intended to provide a source of funds for the repair or acquisition of buildings, leaseholds, furniture, fixtures, and equipment necessary for the effective operation of the Centre and its programs. The amount of the Capital Asset Reserve should not fall below $100,000. With the endorsement of the Executive Director, any withdrawal will require Board approval.

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6. DESIGNATED NET ASSETS (Continued)

The change in the designated net assets balance is as follows:

	Beginning balance	Interfund transfer	Transfer to / from unrestricted net assets	Ending balance
Operating reserve	1,800,000	-	-	1,800,000
Capital asset reserve	398,081	-	-	398,081
	2,198,081	-	-	2,198,081

Amounts maintained for designated net assets are held in cash and are not separately invested (2025: designated guaranteed investment certificates of $2,198,081).

7. CONTRIBUTIONS

Contributions were received from the following sources in the period:

	2026 (10 months) $	2025 (12 months) $
Foundations	1,251,963	1,851,285
Individuals	1,312,279	1,246,320
Corporations	419,414	576,301
	2,983,656	3,673,906

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8. FOOD DONATIONS RECEIVED AND DISTRIBUTED

Throughout the fiscal period, the Centre receives in-kind food donations from program partners and distributes them to those in need. These in-kind food donations are reflected in the statement of operations and changes in net assets as food donations revenue and an offsetting food donations distributed expense.

Food donations received and distributed are valued based on the prices per pound by type of food established by Food Banks Canada. The Centre recognizes food donations received and distributed in the period in which they are received and distributed.

9. GOVERNMENT FUNDING

Government funding recognized in the period is as follows:

	2026 (10 months) $	2025 (12 months) $
City of Toronto	505,880	548,379
Government of Canada		
Public Health Agency of Canada	114,877	105,462
Other Ministries	94,175	14,905
	714,932	668,746

Continued...

10. COMMITMENTS

The Centre leases kitchen and programming facilities and office space in Toronto, Canada. In addition to minimum rent, the Centre is also required to pay for its share of operating costs and property taxes, which are adjusted on an annual basis. The lease for the kitchen and programming facilities with Toronto Community Housing Corporation (TCHC), and a new lease agreement has not been signed as at the date of these financial statements. Negotiations with TCHC are ongoing. In the meantime, the Centre continues to occupy the premises at a monthly rent of $6,250.

In addition to the long-term commitments outlined above, the Centre also maintains month-to-month lease arrangements. The lease amounts for 2026 calendar year are approximately $7,000 and $3,800, with respective notice periods of six months and two months. These lease fees are subject to annual revision at the start of each calendar year.

11. FINANCIAL INSTRUMENTS

The Centre is exposed to various risks through its financial instruments. The following presents the Centre's risk exposures and concentrations at June 30, 2026.

Credit Risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Centre's credit risk would occur with their accounts receivable. Actual exposure to credit losses has been minimal in prior years. The allowance for doubtful accounts is $0 (2025: $0).

Liquidity Risk
Liquidity risk is the risk that the Centre will encounter difficulty in meeting obligations associated with financial liabilities. The Centre is exposed as they depend on contributions, donations, and Government assistance for its operations. In order to reduce its liquidity risk, the Centre seeks to continue to receive these revenue sources on an annual basis, and manages its cash flow and set aside idle funds to fulfill its obligations. There has been no change in the risk assessment from the prior period.

Continued...

11. FINANCIAL INSTRUMENTS (Continued)

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 market prices. Market risk comprises three types of risks: currency risk, interest rate risk and other price risk.

Currency Risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Centre does not hold financial instruments denominated in foreign currencies and therefore is not exposed to significant currency risk. There has been no change in these risks from the prior period.

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 Centre's financial instruments are mainly cash, and its exposure to interest rate risk is not significant. The Centre's exposure to interest rate risk changed from the prior period because the guaranteed investment certificates matured.

Other Price Risk
Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Centre does not hold investments in equities or mutual funds, and therefore is not exposed to other price risk. There has been no change in these risks from the prior period.