CENTRAL FOOD NETWORK

Financial Statements
December 31, 2025

INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

To the Board of Directors of Central Food Network:

We have reviewed the accompanying financial statements of Central Food Network that comprise the statement of financial position of Central Food Network as at December 31, 2025 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted 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.

Practitioners' Responsibility
Our responsibility is to express a conclusion on the financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion
In common with many not-for-profit organizations, Central Food Network derives revenue from donations and fundraising activities, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were unable to determine whether any adjustments might be necessary to donation and fundraising revenue, excess (deficiency) of revenue over expenditures, and cash flows from operations for the years ended December 31, 2025 and 2024, current assets as at December 31, 2025 and 2024, and net assets as at January 1 and December 31 for both the 2025 and 2024 years.

Qualified Conclusion
Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Central Food Network 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.

Other Matter
The financial statements of Central Food Network for the year ended December 31, 2024, were reviewed by another practitioner who expressed a qualified conclusion on those financial statements on May 30, 2025 for the reasons described in the Basis for Qualified Conclusion paragraph.

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
May 28, 2026

CENTRAL FOOD NETWORK

STATEMENT OF FINANCIAL POSITION
December 31, 2025

	Notes	2025	2024
ASSETS			
CURRENT			
Cash		$ 179,683	$ 131,027
Short-term investments	2	159,732	155,733
Accounts receivable		21,425	4,674
Prepaid expenses		2,909	4,271
		363,749	295,705
FIXED ASSETS	3	52,402	55,665
LONG-TERM INVESTMENTS	4	10,784	10,335
		$ 426,935	$ 361,705
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities		$ 22,851	$ 22,942
Deferred capital contributions	5	40,722	40,331
Deferred revenue	6	24,147	-
		87,720	63,273
NET ASSETS			
General Fund		174,683	106,773
Capital Reserve Fund		20,000	20,000
Cardiff Fund		22,726	26,714
Heat Bank Fund		67,708	100,296
Highlands East Food Hub Fund		54,098	44,649
		339,215	298,432
		$ 426,935	$ 361,705

Approved by the Board:

.....Director

See accompanying notes

CENTRAL FOOD NETWORK

STATEMENT OF CHANGES IN NET ASSETS
For the year ended December 31, 2025

	General Fund	Capital Reserve Fund	Cardiff Fund	Heat Bank Fund	Highlands East Food Hub Fund	Total 2025
BALANCE, beginning of year	$ 106,773	$ 20,000	$ 26,714	$ 100,296	$ 44,649	$ 298,432
Excess (deficiency) of revenue over expenditures	67,910	-	(3,988)	(32,588)	9,449	40,783
BALANCE, end of year	$ 174,683	$ 20,000	$ 22,726	$ 67,708	$ 54,098	$ 339,215

	General Fund	Capital Reserve Fund	Cardiff Fund	Heat Bank Fund	Highlands East Food Hub Fund	Total 2024
BALANCE, beginning of year (as previously stated)	$ 165,988	$ -	$ -	$ 103,700	$ -	$ 269,688
PRIOR PERIOD ADJUSTMENT (NOTE 7)	$ (72,091)	$ -	$ 29,429	$ -	$ 42,662	$ -
BALANCE, beginning of year	$ 93,897	$ -	$ 29,429	$ 103,700	$ 42,662	$ 269,688
Excess (deficiency) of revenue over expenditures	32,876	-	(2,715)	(3,404)	1,987	28,744
Internally restricted	(20,000)	$ 20,000	-	-	-	-
BALANCE, end of year	$ 106,773	$ 20,000	$ 26,714	$ 100,296	$ 44,649	$ 298,432

CENTRAL FOOD NETWORK

STATEMENT OF OPERATIONS
For the year ended December 31, 2025

	2025 Budget (Note 9)	2025 Actual	2024 Actual
REVENUE			
General (Schedule 1)	$ 60,994	$ 111,036	$ 61,085
Cardiff Food Bank (Schedule 2)	31,871	36,664	28,435
Heat Bank (Schedule 3)	105,980	90,656	108,624
Highlands East Food Hub (Schedule 4)	112,177	116,739	103,336
	311,022	355,095	301,480
EXPENSES			
General (Schedule 1)	37,267	43,126	27,642
Cardiff Food Bank (Schedule 2)	44,044	40,652	31,150
Heat Bank (Schedule 3)	104,670	123,244	112,028
Highlands East Food Hub (Schedule 4)	112,391	107,290	101,349
	298,372	314,312	272,169
EXCESS OF REVENUE OVER EXPENDITURES BEFORE UNDERNOTED ITEMS	12,650	40,783	29,311
LOSS ON SALE OF TANGIBLE CAPITAL ASSET	-	-	(567)
EXCESS OF REVENUE OVER EXPENDITURES	$ -	$ 40,783	$ 28,744

See accompanying notes

CENTRAL FOOD NETWORK

STATEMENT OF CASH FLOWS
For the year ended December 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Excess of revenue over expenditures	$ 40,783	$ 28,744
Items not involving cash:		
Amortization	15,821	18,860
Loss on sale of tangible capital asset	-	567
Amortization of deferred capital contributions	(12,166)	(14,810)
Unrealized investment income	(3,276)	(6,067)
	41,162	27,294
Net change in non-cash working capital items:		
Accounts receivable	(16,751)	5,577
Prepaid expenses	1,362	(1,885)
Accounts payable and accrued liabilities	(90)	(9,704)
Deferred revenue	24,147	-
	49,830	21,282
INVESTING ACTIVITIES		
Purchase of fixed assets	(12,558)	(7,918)
Proceeds from disposal of fixed assets	-	1,100
Purchase of short-term and long-term investments	(157,241)	(160,000)
Proceeds from maturity of short-term investments	156,067	104,174
	(13,732)	(62,644)
FINANCING ACTIVITIES		
Deferred capital contributions	12,558	5,444
INCREASE (DECREASE) IN CASH	48,656	(35,918)
CASH, beginning of year	131,027	166,945
CASH, end of year	$ 179,683	$ 131,027

CENTRAL FOOD NETWORK

SCHEDULE 1 - GENERAL
For the year ended December 31, 2025

	2025 Budget (Note 9)	2025 Actual	2024 Actual
REVENUE			
Donations and support from other charities	$ 53,703	$ 105,400	$ 53,164
Investment income	7,291	5,636	7,921
	60,994	111,036	61,085
EXPENDITURES			
Salaries and benefits	26,375	29,038	17,942
Professional fees	3,553	4,968	3,527
Payment processing charges	2,526	3,412	2,171
Travel	1,799	2,129	1,730
Advertising	1,073	1,107	471
Insurance	577	918	558
Volunteer services	492	626	473
Operating supplies	563	491	472
Fundraising	69	317	67
Membership fees	240	120	231
	37,267	43,126	27,642
EXCESS OF REVENUES OVER EXPENDITURES BEFORE UNDERNOTED ITEMS	$ 23,727	$ 67,910	$ 33,443
LOSS ON SALE OF TANGIBLE CAPITAL ASSET	-	-	(567)
EXCESS OF REVENUES OVER EXPENDITURES	$ 23,727	$ 67,910	$ 32,876

CENTRAL FOOD NETWORK

SCHEDULE 2 - CARDIFF FOOD BANK
For the year ended December 31, 2025

	2025 Budget (Note 9)	2025 Actual	2024 Actual
REVENUE			
Donations and support from other charities	$ 31,871	$ 36,664	$ 28,435
EXPENDITURES			
Salaries and benefits	20,455	17,087	11,100
Program supplies	17,180	14,675	14,719
Travel	1,632	2,564	1,569
Professional fees	2,018	1,869	1,684
Subcontracts	-	1,386	-
Internet	830	872	805
Insurance	263	698	547
Telephone	720	630	-
Advertising	191	243	184
Volunteer services	350	182	216
Payment processing charges	129	177	124
Website development	242	87	30
Facility maintenance	-	59	-
Rent	12	12	12
Client assistance	22	-	21
Amortization	-	111	139
	44,044	40,652	31,150
DEFICIENCY OF REVENUES OVER EXPENDITURES	$ (12,173)	$ (3,988)	$ (2,715)

CENTRAL FOOD NETWORK

SCHEDULE 3 - HEAT BANK
For the year ended December 31, 2025

	2025 Budget (Note 9)	2025 Actual	2024 Actual
REVENUE			
Donations and support from other charities	$ 93,408	$ 80,062	$ 98,984
Government grants	8,959	7,514	5,715
Other support	3,613	3,080	3,925
	105,980	90,656	108,624
EXPENDITURES			
Salaries and benefits	56,978	78,278	65,664
Client assistance	27,876	27,989	26,804
Professional fees	6,604	4,621	6,406
Travel	3,994	4,128	3,840
Payment processing charges	2,105	2,589	2,024
Telephone	1,556	1,663	1,496
Program supplies	1,083	1,414	1,041
Advertising	1,279	1,001	1,229
Insurance	999	794	547
Fundraising	1,273	252	2,484
Website development	923	214	136
Amortization	-	301	357
	104,670	123,244	112,028
DEFICIENCY OF REVENUES OVER EXPENDITURES	$ 1,310	$ (32,588)	$ (3,404)

CENTRAL FOOD NETWORK

SCHEDULE 4 - HIGHLANDS EAST FOOD HUB
For the year ended December 31, 2025

	2025 Budget (Note 9)	2025 Actual	2024 Actual
REVENUE			
Donations and support from other charities	$ 89,075	$ 97,587	$ 63,606
Other income	-	12,166	-
Government grants	20,188	4,895	36,564
Other support	2,914	2,091	3,166
	112,177	116,739	103,336
EXPENDITURES			
Salaries and benefits	49,062	40,026	35,945
Program supplies	24,200	24,274	19,995
Travel	11,884	8,570	11,428
Professional fees	5,953	5,331	5,573
Insurance	869	2,799	547
Community cooks	13,352	2,791	1,249
Subcontracts	-	2,772	-
Facility maintenance	1,500	1,339	3,565
Membership fees	1,151	1,117	1,107
Telephone	1,030	1,035	990
Advertising	992	693	954
Payment processing charges	707	683	679
Website development	803	247	99
Volunteer Services	811	179	779
Fundraising	65	13	63
Rent	12	12	12
Amortization	-	15,409	18,364
	112,391	107,290	101,349
EXCESS OF REVENUES OVER EXPENDITURES	$ (214)	$ 9,449	$ 1,987

DESCRIPTION OF BUSINESS

Central Food Network is a not-for-profit organization (hereinafter, "the Organization") incorporated without share capital under the Societies Act of Ontario. The Organization was formed to assist the community and partners, share food resources, and create opportunities to help those living in poverty. As a registered charity, the Organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

1 SIGNIFICANT ACCOUNTING POLICIES

These financial statements were prepared in accordance with Canadian generally accepted accounting principles applying accounting standards for not-for-profit organizations and include the following significant accounting policies:

Measurement uncertainty

The preparation of the Organization's 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 the 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. These estimates are reviewed periodically and adjustments are made to income as appropriate in the period they become known. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

Estimates and assumptions considered by management in the preparation of the financial statements include amortization of fixed assets (Note 3), and amortization of deferred capital contributions (Note 5).

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year 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. Contributions restricted for the purchase of tangible capital assets are deferred and recognized as revenue on the same basis that the tangible capital asset is amortized.

Investment income is recognized when it has been earned.

1 **SIGNIFICANT ACCOUNTING POLICIES continued**
Financial instruments

Initial and subsequent measurement
The Organization initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions that are measured at the carrying amount or exchange amount.

The Organization 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.

Impairment
For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there is an indication of impairment, and the Organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be 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.

Fixed assets

Fixed assets are stated at cost less accumulated amortization. Fixed assets are amortized over their estimated useful lives at the following annual rates:

Equipment	20% declining balance
Vehicles	30% declining balance

The estimated useful lives of assets are reviewed by management and adjusted if necessary. The Organization regularly reviews its equipment to eliminate obsolete items. Government grants are deferred and amortized to revenue equal to the amount of amortization of the related fixed asset.

Fixed assets acquired during the year but not available for use are not amortized until they are placed into use.

Amortization is recorded at the beginning of the month the fixed assets are available for use until the asset is disposed of or use is discontinued.

1 **SIGNIFICANT ACCOUNTING POLICIES continued**

Impairment of long-lived assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair market value.

Intangible assets that are not subject to amortization are tested for impairment whenever events or changes in circumstances indicate that the carrying amount exceeds fair value. The impairment test involves comparing the fair value of assets with their carrying amount. When the carrying amount exceeds the fair value, an impairment loss is recognized in an amount equal to the excess.

Contributed services

Volunteers contributed time to assist the Organization in carrying out its operations. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Donated material and services

Donated capital and investments are recorded in the financial statements at fair value on the date of the donation. Donated materials and services are not recorded because the fair market value is not readily determinable.

1 **SIGNIFICANT ACCOUNTING POLICIES continued**
Fund accounting

The Organization follows the deferral method of fund accounting.

The General Fund accounts for the collection of unrestricted donations and fundraising activities.

The Capital Reserve Fund accounts for amounts to be used for future capital expenditures, major repairs, and the replacement of fixed assets. Amounts in the capital reserve fund are not available for general operating use. No amounts were transferred to or from the capital reserve fund during the year.

The Cardiff Fund accounts for amounts for which the use is restricted by the donors and includes related investment income on the fund balance, to provide low income individuals with access to food.

The Heat Bank Fund accounts for amounts for which the use is restricted by the donors and includes related investment income on the fund balance, to provide low income individuals with access to heating. These come in the form of small grants provided to these individuals to overcome emergencies concerning hydro, propane, or furnace oil, and accessible stockpiles of firewood.

The Highlands East Food Hub Fund accounts for amounts for which the use is restricted by the donors and related investment income on the fund balance, to provide support to low income individuals with access to food products for the eastern part of Haliburton County.

2 **SHORT-TERM INVESTMENTS**

	2025	2024
GICs with Scotiabank, bearing interest at 2.15% to 3.20% per annum, maturing between January and September 2026	$ 159,732	$ -
GICs with Scotiabank, bearing interest at 4.25% to 5.00% per annum, matured between January and August 2025	-	155,733
	$ 159,732	$ 155,733

Interest accrued on the short-term investments as at the date of the statement of financial position is $3,276 (2024 - $6,067). This amount has been recorded into revenue for the year.

3 FIXED ASSETS

	Cost	Accumulated Amortization	Net Book Value 2025	Net Book Value 2024
Highlands East Food Hub equipment	$ 48,602	$ 21,873	$ 26,729	$ 19,283
Vehicles	57,686	33,660	24,026	34,323
Heat Bank equipment	3,332	2,130	1,202	1,503
Cardiff Food Bank equipment	695	250	445	556
	$ 110,315	$ 57,913	$ 52,402	$ 55,665

During the year, the Organization had total amortization of $15,821 (2024 - $18,860) consisting of $15,409 (2024 - $18,364) in Highlands East Food Hub expenses, $301 (2024 - $357) in Heat Bank expenses, and $111 (2024 - $139) in Cardiff Food Bank expenses.

4 LONG-TERM INVESTMENTS

	2025	2024
GIC with Scotiabank, bearing interest at 4.35% per annum, maturing in March 2028	$ 10,784	$ 10,335

5 DEFERRED CAPITAL CONTRIBUTIONS

The Organization received funding for fixed assets that is amortized via the declining balance method, which is consistent with the amortization of the underlying fixed assets.

	Original grant	Recorded as revenue	Deferred grant balance 2025	Deferred grant balance 2024
Equipment	$ 34,559	$ 13,746	$ 20,813	$ 11,889
Vehicle	48,793	28,884	19,909	28,442
	$ 83,352	$ 42,630	$ 40,722	$ 40,331

6 DEFERRED REVENUE

Deferred revenue is comprised of donations and support from other charities received by the Organization that are allocated for use in 2026, either as stipulated within an agreement, or internally restricted. Deferred revenue is recognized into income once the related expenditures have occurred.

7 CHANGE IN ACCOUNTING POLICIES

Effective for the year ended December 31, 2025, the Organization changed its accounting policy with regards to fund presentation. Previously, the Organization maintained a General fund, a Capital Reserve fund and a Heat Bank fund. These funds reflected internally restricted net assets at year end. The change in policy reflects more reliable and relevant information regarding the divisions of the Organization by including the net assets held at year end in the remaining divisions, the Cardiff fund and the Highlands East Food Hub fund.

The change in policy had a retrospective change to the Organization's financial statements, resulting in a $72,091 decrease to the opening General fund, a $29,429 increase to the Cardiff fund, and a $42,662 increase to the Highlands East Food Hub fund as at January 1, 2024.

8 FINANCIAL INSTRUMENTS

Risks and concentrations

The Organization is exposed to various risks through its financial instruments, without being exposed to concentrations of risk, except where noted below. The following analysis provides a measure of the Organization's risk exposure at the statement of financial position date.

Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether the factors are specific to the instrument or all instruments traded in the market. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Organization is mainly exposed to interest rate risk.

Interest rate risk

The Organization is exposed to interest rate risk. Interest rate risk is the risk that the Organization has interest rate exposure on its bank indebtedness, which is variable based on the bank's prime rates. This exposure may have an effect on its earnings in future periods. The Organization reduces its exposure to interest rate risk by regularly monitoring published bank prime interest rates which have been relatively stable over the period presented. The Organization does not use derivative instruments to reduce its exposure to interest rate risk. In the opinion of management the interest rate risk exposure to the Organization is low. The risk is unchanged from the prior year.

9 BUDGET AMOUNTS

The 2025 budget amounts on the Statement of Operations and the Schedules to the Financial Statements, are presented for information purposes only.

10 COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.