

Good Neighbours Food Centre Inc.

Financial Statements

Unaudited

December 31, 2025

Independent Practitioner's Review Engagement Report

To the members of
Good Neighbours Food Centre Inc.

We have reviewed the accompanying financial statements of Good Neighbours Food Centre Inc. that comprise the statement of financial position as at December 31, 2025, and the statements of operations and 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 ASNPO, 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying 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.

In common with many not-for-profit organizations, the organization derives revenue from fundraising and donation activities the completeness of which is not susceptible to us obtaining evidence we consider necessary for the purpose of our review. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the organization. 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 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. Our 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.

Independent Practitioner's Review Engagement Report, continued

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 Good Neighbours Food Centre Inc. 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.

Lastowski Wright & Baker LLP

Chartered Professional Accountants

Warman, Saskatchewan

April 14, 2026

Good Neighbours Food Centre Inc. Statement of Financial Position

Unaudited

As at December 31

2025

2024

Assets

Current

Cash	\$ 72,391	\$ 32,698
Inventory	51,296	14,312
Prepaid expenses	3,178	566
Restricted cash	34,935	33,302
GST receivable	1,158	1,450

162,958 82,328

Short-term investments (Note 3)

85,187 94,612

Property, plant and equipment (Note 4)

234,193 264,024

\$ 482,338 \$ 440,964

Liabilities

Current

Accounts payable and accrued liabilities (Note 5)	\$ 17,564	\$ 6,527
Unearned revenue (Note 6)	-	2,915

17,564 9,442

Net assets

Net assets

464,774 431,522

\$ 482,338 \$ 440,964

Approved by the Board

 Member

 Member

See accompanying notes

Good Neighbours Food Centre Inc.

Statement of Operations and Changes in Net Assets

Unaudited

For the year ended December 31	2025	2024
Revenues		
Revenue	\$ 244,808	\$ 208,717
Grant income	45,680	149,450
Interest income	2,838	4,669
Gain on investments	1,633	4,299
Rental	1,540	1,050
Miscellaneous income	40	595
	296,539	368,780
Expenditures		
Advertising and promotion	312	56
Amortization	30,138	35,341
Automotive	5,299	4,233
Food expense	62,734	128,105
Fundraising expenses	1,426	2,057
Insurance	982	4,636
Interest and bank charges	33	28
Meals and entertainment	41	196
Memberships	600	315
Office	6,063	7,593
Professional fees	15,073	12,979
Rent	-	20
Repairs and maintenance	6,357	8,197
Salaries and related benefits	100,409	134,546
Supplies	9,921	13,205
Telephone and utilities	21,299	23,194
Training	2,000	1,283
Travel	600	2,088
	263,287	378,072
Excess (deficiency) of revenues over expenditures	33,252	(9,292)
Net assets, beginning of year	431,522	440,814
Net assets, end of year	\$ 464,774	\$ 431,522

See accompanying notes

Good Neighbours Food Centre Inc.

Statement of Cash Flows

Unaudited

For the year ended December 31	2025	2024
Operating activities		
Excess (deficiency) of revenues over expenditures	\$ 33,252	\$ (9,292)
Adjustment for		
Amortization	30,138	35,341
	63,390	26,049
Change in non-cash working capital items		
Inventory	(36,984)	28,284
Prepaid expenses	(2,612)	1,224
GST receivable	292	(68)
Accounts payable and accrued liabilities	11,039	3,636
Unearned revenue	(2,915)	(15,570)
Deposits	-	(405)
	32,210	43,150
Investing activities		
Decrease (increase) in short-term investments	9,425	(24,246)
Purchase of property, plant and equipment	(309)	(71,593)
	9,116	(95,839)
Increase (decrease) in cash	41,326	(52,689)
Cash, beginning of year	66,000	118,689
Cash, end of year	\$ 107,326	\$ 66,000

See accompanying notes

Good Neighbours Food Centre Inc.

Notes to the Financial Statements

Unaudited

December 31, 2025

1. Nature of operations

Good Neighbours Food Centre Inc. is a registered charity under the provision of the Canada Revenue Agency and is exempt from taxes according to the Income Tax Act (Canada).

The charity's purpose is to address food insecurity in the their community by offering emergency food aid.

2. Accounting policies

The organization applies the Canadian accounting standards for not-for-profit organizations.

(a) Cash and cash equivalents

Cash consists of balances with financial institutions.

(b) Inventory

Inventory is valued at the lower of cost and replacement cost. Donated articles are recorded in the financial statements at fair value on the date of the donation when a fair value can be reasonably estimated and when the materials are used in the normal course of operations and would otherwise have been purchased.

(c) Property, plant and equipment

Property, plant and equipment are recorded at cost. The organization provides for amortization using the declining balance method at rates designed to amortize the cost of the property, plant and equipment over their estimated useful lives. The annual amortization rates are as follows:

The organization does not follow the half year-rule for recording amortization in the year of acquisition.

Buildings	10%
Computer equipment	50%
Equipment	20%
Vehicles	30%

(d) 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 projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

Good Neighbours Food Centre Inc.

Notes to the Financial Statements

Unaudited

December 31, 2025

2. Accounting policies, continued

(e) Revenue recognition

The organization follows the deferral method of accounting for contributions which includes grants and donations. 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.

Rental revenue is recognized as it is earned.

(f) Contributed services

Volunteers contributed their time to assist in the organization's activities. While these services benefit the organization considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

(g) Financial instruments

The organization initially measures its financial assets and liabilities at fair value.

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.

Financial assets measured at amortized cost include cash and accounts receivable.

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

The organization's financial asset which is measured at fair value is investments.

(h) 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 amounts of 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. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are the useful life of equipment.

3. Short-term investments

Investments consist of GIC's that bear interest ranging from 2.00% - 3.30% and mature between March 2026 to December 2026.

Good Neighbours Food Centre Inc.

Notes to the Financial Statements

Unaudited

December 31, 2025

4. Property, plant and equipment

			2025	2024
	Cost	Accumulated amortization	Net	Net
Buildings	\$ 308,672	\$ 133,713	\$ 174,959	\$ 194,399
Computer equipment	1,183	1,035	148	296
Equipment	95,620	60,897	34,723	43,096
Vehicles	12,720	8,357	4,363	6,233
Land	20,000	-	20,000	20,000
	<u>\$ 438,195</u>	<u>\$ 204,002</u>	<u>\$ 234,193</u>	<u>\$ 264,024</u>

5. Accounts payable and accrued liabilities

	2025	2024
Accounts payable and accrued liabilities	\$ 13,366	\$ 6,527
Government remittances payable	4,198	-
	<u>\$ 17,564</u>	<u>\$ 6,527</u>

6. Unearned revenue

	Balance, beginning of year	Received	Recognized	Balance, end of year
Tax Clinic	\$ 2,915	\$ 2,500	\$ (5,415)	\$ -

7. Financial instruments

(a) 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 organization is exposed to interest rate risk on its fixed rate investments. Fixed-rate financial instruments subject the organization to a fair value risk, while the floating-rate financial instruments subject the organization to a cash flow risk.

(b) Liquidity risk

Liquidity risk is the risk that the organization cannot repay its obligations when they become due to its creditors. The organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due.