Chatham Outreach for Hunger
10 Wellington Street West
P.O. Box 953
Chatham, ON N7M 5L3

February 10, 2026

MNP LLP
708 Wellington St
Wallaceburg, Ontario N8A 2Y6

To Whom It May Concern:

In connection with your audit of the financial statements of Chatham Outreach for Hunger (the "Organization") as at August 31, 2025 and for the year then ended, we hereby confirm to the best of our knowledge and belief, the following representations made to you during the course of your audit.

We understand that your audit was made in accordance with Canadian generally accepted auditing standards. Accordingly, the audit included an examination of the accounting system, controls and related data, and tests of the accounting records and such other auditing procedures as you considered necessary in the circumstances, for the purpose of expressing an opinion on the financial statements. We also understand that such an audit is not designed to identify, nor can it necessarily be expected to disclose, misstatements, non-compliance with laws and regulations, fraud or other irregularities, should there be any.

Certain representations in this letter are described as being limited to matters that are material. An item is considered material, regardless of its monetary value, if it is probable that its omission from or misstatement in the financial statements would influence the decision of a reasonable person relying on the financial statements.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 12, 2025, for the preparation and fair presentation of the Organization's financial statements in accordance with Canadian accounting standards for not-for-profit organizations. We believe these financial statements are complete and present fairly, in all material respects, the financial position of the Organization as at August 31, 2025, and the results of its operations and its cash flows, in accordance with Canadian accounting standards for not-for-profit organizations.

2. All transactions have been recorded in the accounting records and are reflected in the financial statements, and are reported in the appropriate period.

3. We acknowledge that we are responsible for the accounting policies followed in the preparation of the Organization's financial statements. Significant accounting policies, and any related changes to significant accounting policies, are disclosed in the financial statements. The selection of accounting policies is appropriate in accordance with the requirements of Canadian accounting standards for not-for-profit organizations, and are applied consistently throughout the financial statements.

4. All significant judgments made in making the accounting estimates have taken into account all relevant information of which we are aware.

5. The selection and application of the methods, assumptions and data used in making the accounting estimates are consistent and appropriate.

6. We are aware of and concur with the contents and results of the attached journal entries prepared by you, and accept responsibility for the financial statement effects of the entries.

7. We believe the effects of those uncorrected financial statement differences aggregated by you during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. A summary of these differences has been attached to this written representation.

8. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian accounting standards for not-for-profit organizations.

9. All events or transactions that have occurred subsequent to the balance sheet and for which Canadian accounting standards for not-for-profit organizations require adjustment or disclosure have been adjusted or disclosed appropriately in the financial statements.

10. All plans or intentions that may affect the carrying value or classification of assets and liabilities are appropriately reflected in the financial statements in accordance with Canadian accounting standards for not-for-profit organizations.

11. All liabilities, both known and contingent, requiring recognition or disclosure in the financial statements in accordance with the requirements of Canadian accounting standards for not-for-profit organizations have been adjusted or disclosed as appropriate.

12. All outstanding and possible claims, whether or not they have been discussed with legal counsel, have been disclosed to you and are appropriately reflected in the financial statements.

13. All assets, wherever located, to which the Organization had satisfactory title at the year-end, have been fairly stated and recorded in the financial statements. The assets are free from hypothecation, liens and encumbrances, except as noted in the financial statements. We have disclosed the nature and carrying amounts of any assets pledged as collateral. All assets of uncertain value, and restrictions imposed on assets, are appropriately reported in the financial statements.

14. All aspects of laws, regulations or contractual agreements, including non-compliance, are appropriately reflected in the financial statements.

15. All restricted cash has been appropriately designated and separated from operating funds.

16. All cash accounts have been appropriately recorded in the financial statements and all terms and associated conditions have been disclosed to you in full. We have provided you with the most current banking agreements.

17. Investments in marketable securities are appropriately recorded in the financial statements in accordance with the requirements of Canadian accounting standards for not-for-profit organizations. All events or

circumstances giving rise to impairments are reflected in the financial statements.

18. Accounts and contributions receivable are correctly described in the records and represent valid claims as at August 31, 2025. An appropriate allowance has been made for losses from uncollectible accounts and for costs or expenses that may be incurred with respect to sales made or services rendered.

19. Inventory is correctly recorded in the financial statements in accordance with the requirements of Canadian accounting standards for not-for-profit organizations. All required provisions for slow-moving, obsolete, and unsaleable stock have been recorded. Inventory does not include any goods on consignment to others or goods invoiced to customers.

20. All charges to capital assets represent capital expenditures. No expenditures of a capital nature were charged to operations of the Organization. Depreciation of property, plant and equipment has been recorded according to our best estimates of their useful lives. All events or circumstances giving rise to impairments are appropriately reflected in the financial statements.

21. Revenue has been recognized only where sales have been made and items delivered, or services rendered, and the amounts have been collected or are collectible. Revenues do not include any amounts arising from consignment sales or from any other transaction from which the Organization is not entitled to the proceeds.

22. Contributions have been recognized only where a non-reciprocal transfer of cash or other assets, or a non-reciprocal settlement or cancellation of liabilities has occurred, and the amounts have been collected or are collectible. Contributions have been recognized in accordance with any stipulated restrictions and are recorded in the financial statements according to the requirements of Canadian accounting standards for not-for-profit organizations.

Information Provided

1. We have responded fully to all inquiries made to us and have made available to you:

    - A complete record of all financial records that are relevant to the preparation and presentation of the financial statements, related data and minutes of the meetings of members and board of directors held throughout the year to the present date as well as summaries of recent meetings for which minutes have not yet been prepared;
    - Additional information that you have requested from us for the purpose of your audit;
    - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

2. We acknowledge management's responsibility for the design, implementation and operation of controls that have been designed to prevent and detect fraud.

3. We have assessed the risk that the financial statements may be materially misstated as a result of fraud, and have determined such risk to be low.

4. Where the impact of any frauds or suspected frauds, and non-compliance or possible non-compliance with laws and regulations, has a material effect on the financial statements, we have disclosed to you all known significant facts relating thereto, including circumstances involving management, employees having significant roles over controls, and others. We have made known to you any allegations of fraud or suspected fraud

communicated by employees, former employees, analysts, regulators and others. The effects of such events, if any, are properly presented in the financial statements.

5. We have disclosed to you all deficiencies in the design or operation of internal controls over financial reporting of which we are aware.

6. We have disclosed to you all aspects of laws, regulations or contractual agreements that may affect the financial statements, including non-compliance.

7. We have disclosed to you the identities of all related parties to the Organization and all related party relationships and transactions of which we are aware.

8. We have no knowledge of side agreements (contractual or otherwise) with any parties that have not been disclosed to you.

9. The previous year's representation letter dated August 19, 2025 is still applicable to the prior year's financial statements, and no matters have arisen that require restatement of those financial statements.

10. There are no discussions with your firm's personnel regarding employment with the Organization.

Professional Services

1. We acknowledge the engagement letter dated September 12, 2025, which states the terms of reference regarding your professional services.

2. We are not aware of any reason why MNP LLP would not be considered independent for purposes of the Organization's audit.

Sincerely,

Chatham Outreach for Hunger

Signature

Title

Chatham Outreach for Hunger
Financial Statements
August 31, 2025

Contents

For the year ended August 31, 2025

MNP

To the Members of Chatham Outreach for Hunger:

Qualified Opinion

We have audited the financial statements of Chatham Outreach for Hunger (the "Organization"), which comprise the statement of financial position as at August 31, 2025, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters 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 Organization as at August 31, 2025, and its financial performance 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 organization derives a portion of its revenues from the general public in the form of donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. In addition, the organization reports in-kind food donations as both revenue and an expense, the occurence, completeness and valuation of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues and the expense from these sources 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 these revenues, excess of revenues over expenses, cash flows from operations for the years ended August 31, 2025 and August 31, 2024, current assets as at August 31, 2025 and August 31, 2024, and net assets as at September 1, 2024 and August 31, 2025 and 2024. The audit opinion on the financial statements for the year ended August 31, 2024 was also modified accordingly, because of the possible effects of this scope limitation.

The organization's inventory related to contributed materials for which the fair value is determinable and the item would have been otherwise purchased are recorded based upon the fair value. We were unable to obtain sufficient appropriate audit evidence over the existence of the inventory. Consequently, we were unable to determine whether any adjustments might have been found necessary with respect to the inventory balance for the years ended August 31, 2025 and 2024, and net assets as at September 1 and August 31 for both the 2025 and 2024 year ends.

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 qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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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.

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.

Wallaceburg, Ontario

Chartered Professional Accountants
Licensed Public Accountants

Chatham Outreach for Hunger
Statement of Financial Position
As at August 31, 2025

	Investment in Capital Assets	*Restricted*	*Unrestricted*	**2025**	*2024*
Assets					
Current					
Cash	-	-	**282,667**	**282,667**	199,009
HST receivable	-	-	**42,234**	**42,234**	27,292
Marketable securities *(Note 5)*	-	-	**550,285**	**550,285**	419,759
Inventory	-	-	**75,211**	**75,211**	57,456
Prepaid expenses and gift cards	-	-	**59,495**	**59,495**	59,723
Interfund Balances	-	**50,000**	**(50,000)**	-	-
	-	**50,000**	**959,892**	**1,009,892**	763,239
Capital assets *(Note 6)*	**25,398**	-	-	**25,398**	13,463
Investments *(Note 5)*	-	-	**1,413,009**	**1,413,009**	1,316,700
	25,398	**50,000**	**2,372,901**	**2,448,299**	2,093,402
Liabilities					
Current					
Accounts payable and accrued liabilities *(Note 7)*	-	-	**20,368**	**20,368**	36,131
Net Assets					
Invested in capital assets	**25,398**	-	-	**25,398**	13,463
Unrestricted	-	-	**2,352,533**	**2,352,533**	1,993,808
Restricted	-	**50,000**	-	**50,000**	50,000
	25,398	**50,000**	**2,352,533**	**2,427,931**	2,057,271
	25,398	**50,000**	**2,372,901**	**2,448,299**	2,093,402

Approved on behalf of the members

Director **Director**

Chatham Outreach for Hunger
Statement of Operations and Changes in Net Assets
For the year ended August 31, 2025

	Investment in Capital Assets	*Restricted*	*Unrestricted*	*2025*	*2024*
Revenue					
Donated food and other products	-	-	**1,406,727**	**1,406,727**	1,580,057
Monetary donations	-	-	**721,894**	**721,894**	607,071
Interest	-	-	**76,836**	**76,836**	56,406
Other income	-	-	-	-	3,352
	-	-	**2,205,457**	**2,205,457**	2,246,886
Expenses					
Distribution of donated food and other products	-	-	**1,388,159**	**1,388,159**	1,577,997
Salaries, wages and benefits	-	-	**232,416**	**232,416**	208,190
Annual meeting and volunteer banquet	-	-	**4,335**	**4,335**	7,358
Rent and municipal taxes	-	-	**53,730**	**53,730**	69,435
Food purchases	-	-	**41,791**	**41,791**	67,518
Utilities and telephone	-	-	**17,575**	**17,575**	18,726
Office and general supplies	-	-	**29,012**	**29,012**	14,904
Distribution service fees	-	-	**14,073**	**14,073**	15,300
Professional fees	-	-	**14,687**	**14,687**	18,623
Repairs and maintenance	-	-	**4,289**	**4,289**	11,299
Insurance	-	-	**14,336**	**14,336**	12,827
Advertising	-	-	**4,888**	**4,888**	4,525
Travel	-	-	**787**	**787**	1,775
Conferences	-	-	**9,473**	**9,473**	7,387
Amortization	**5,246**	-	-	**5,246**	4,403
	5,246	-	**1,829,551**	**1,834,797**	2,040,267
Excess (deficiency) of revenue over expenses	**(5,246)**	-	**375,906**	**370,660**	206,619
Net assets, beginning of year	**13,463**	**50,000**	**1,993,808**	**2,057,271**	1,850,652
Interfund transfers *(Note 4)*	**17,181**	-	**(17,181)**	-	-
Net assets, end of year	**25,398**	**50,000**	**2,352,533**	**2,427,931**	2,057,271

The accompanying notes are an integral part of these financial statements

	2025	2024
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	**370,660**	206,619
Amortization	**5,246**	4,403
	375,906	211,022
Changes in working capital accounts		
Accounts receivable	**(14,942)**	87,696
Inventory	**(17,755)**	(1,456)
Prepaid expenses and gift cards	**228**	(3,344)
Accounts payable and accrued liabilities	**(15,762)**	15,111
	327,675	309,029
Investing		
Purchase of capital assets	**(17,181)**	(1,091)
Purchase of investments	**(656,258)**	(724,697)
Proceeds on disposal of investments	**429,422**	368,292
	(244,017)	(357,496)
Increase (decrease) in cash	**83,658**	(48,467)
Cash, beginning of year	**199,009**	247,476
Cash, end of year	**282,667**	199,009

1. Incorporation and nature of the organization

Chatham Outreach for Hunger Inc. (the organization) was incorporated without share capital under the laws of Corporations Act of Ontario on August 15, 1988. Its purpose is to provide for the hungry within the Municipality of Chatham-Kent, to inform Chatham-Kent residents of the problem of hunger in our society, and to encourage governments to prevent hunger. As a registered charity under the Income Tax Act, the organization is exempt from income taxes and may issue receipts for charitable donations.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Fund accounting

The organization follows the fund method of accounting.

Investment in capital assets reports the assets, liabilities, revenue and expenses related to the capital assets of the organization.

The Restricted fund reports resources appropriated by the Board of Directors for future use.

The Unrestricted fund accounts for current operations and general operations. Unrestricted donations are reported in the Unrestricted fund.

Cash

Cash and bank include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Investments

Short-term investments consists of marketable securities which are liquid short-term investments with maturities of between three months and one year at the date of acquisition, and carried at cost less impairment.

Long-term investments consist of investments that have maturities of more than one year. Long-term investments are portfolio investments recorded at fair value for those with prices quoted in an active market, and cost less impairment for those that are not quoted in an active market. They have been classified as long-term assets in concurrence with the nature of the investment.

Revenue recognition

Revenue from monetary donations is recognized when the contribution is received. As a result of the uncertainty surrounding the collectability of pledges, the organization does not record these until collected. Donations in kind are recorded at fair market value at the time the donation is received.

Interest income is recorded as revenue when earned.

Contributed materials and services

A substantial number of volunteers contribute a significant amount of their time to the organization each year. Due to the difficulty of determining fair value, these contributed services are not recognized in the financial statements.

Contributed materials for which the fair value is determinable and the item would have been otherwise purchased are recorded in the financial statements as both an in-kind donation and an expense. The organization receives in-kind donations of various food items which are included in donated food and other products revenue and distribution of donated food and other products costs.

2. **Significant accounting policies** *(Continued from previous page)*

Food purchases

Food purchases are recorded as an expense at the date of purchase. Inventory for contributed food and materials is valued and recorded at fair value.

Government assistance

Government assistance is recognized when there is reasonable assurance that the organization has complied and will continue to comply with all conditions of the assistance. Government assistance toward current expenses is recognized in income for the period as revenue. Government assistance towards expenses of future accounting periods is deferred and recognized as revenue as the related expenses are incurred.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Amortization is provided using the following methods and rates and are intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Computer equipment	declining balance	30%
Equipment	declining balance	30%
Furniture and fixtures	declining balance	20%
Leasehold improvements	straight-line	10 years

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 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 the carrying value exceeds its fair value.

Financial instruments

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Organization has made such an election during the year. Fair value is determined by reference to recent arm's length transactions.

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Organization's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

2. Significant accounting policies *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; no asset is individually significant, etc. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments; etc. in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Organization reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party equity instruments initially measured at cost, the Organization reduces the carrying amount of the asset (or group of assets), to the amount that could be realized by selling the asset(s) at the statement of financial position date.

Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenues over expenses in the year the reversal occurs.

Measurement uncertainty (use of estimates)

The preparation of financial statements in accordance with Canadian accepted 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 period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Accounts specifically affected by estimates in these financial statements include the estimated useful life of capital assets, valuation of inventory and the valuation of donated food and other products.

Customer's accounting for cloud computing arrangement

The Organization has applied the simplification approach to account for expenditures in a cloud computing arrangement. Under the simplification approach, the Organization recognizes expenditures related to the elements in the cloud computing arrangement as an expense as incurred. In the current year, expenses of $nil have been recognized as office expense.

3. Change in accounting policies

Customer's accounting for cloud computing arrangements

Effective September 1, 2024, the Organization adopted the Accounting Standard for Private Enterprises' (ASPE) new guideline AcG-20 *Customer's Accounting for Cloud Computing Arrangements.* Applying the new guideline results in the recognition, measurement, and disclosure of cloud computing arrangements, including the allocation of the arrangement consideration to significant separable elements of cloud computing arrangement.

There was no material impact on the financial statements from the application of the new accounting guideline.

4. Interfund transactions

At the end of the year, the Restricted fund held a receivable from the Unrestricted fund of $50,000 (2024 - $50,000). This balance is not subject to interest and has no specific terms of repayment.

The organization's management carried out the following interfund transfer during the year:

A net transfer of $17,181 (2024 - $1,091) from the Unrestricted fund to the Investment in capital assets fund for the purchase of capital assets. These transfers have been approved by the Board.

5. Investments

Investments consist of amounts invested in cashable guaranteed investment certificates. While the investments are cashable, all of them have maturity dates within the next five years. The organization is earning interest on these investments at varying rates from 2.05% and 4.9% per annum.

6. Capital assets

	Cost	***Accumulated amortization***	***2025 Net book value***	*2024 Net book value*
Computer equipment	**14,719**	**11,405**	**3,314**	2,188
Equipment	**12,035**	**11,965**	**70**	100
Furniture and fixtures	**30,489**	**13,988**	**16,501**	3,612
Leasehold improvements	**239,270**	**233,757**	**5,513**	7,563
	296,513	**271,115**	**25,398**	13,463

7. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are comprised of the following amounts:

	2025	2024
Accounts payable and accrued liabilities	**13,611**	10,376
Government remittances payable	**6,759**	25,755
	20,370	36,131

8. Commitments

The Organization has entered into various lease agreements with estimated minimum annual payments as follows:

2026	40,537
2027	40,537
2028	40,537
2029	40,537
2030	40,537
Thereafter	40,537
	243,222

9. Financial instruments

The organization is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis presents the organization's exposures to significant risk as at August 31, 2025:

Credit Risk

Credit risk results from the possibility that parties may default on their financial obligations. The organization is exposed to credit risk as a result of its investments.

Management believes this risk is minimized as the investments are guaranteed and are invested with large financial institutions.

There has been no change to this risk exposure from the prior year.

Liquidity risk

Liquidity risk is the risk of being unable to meet a demand for cash or fund its obligations as they come due.

Management minimizes its exposure to liquidity risk by regularly monitoring cash flows.

There has been no change to this risk exposure from the prior year.

Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value of future cash flows of financial instruments because of changes in market interest rates.

The organization is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed rate instruments subject the organization to risk of changes in fair value. The risk is minimized as the organization holds all investments to maturity.

There has been no change to this risk exposure from the prior year.