GROWING CHEFS! ONTARIO SOCIETY

FINANCIAL STATEMENTS

JUNE 30, 2025

GROWING CHEFS! ONTARIO SOCIETY

INDEX TO AUDITED FINANCIAL STATEMENTS

JUNE 30, 2025

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Davis Martindale LLP
Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Growing Chefs! Ontario Society:

Qualified Opinion

We have audited the accompanying financial statements of Growing Chefs! Ontario Society, which comprise the statement of financial position as at June 30, 2025, 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 and other explanatory information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Growing Chefs! Ontario Society as at June 30, 2025, and its financial performance and its cash flows for the year ended June 30, 2025 in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from donations and fundraising activity, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of donation and fundraising revenues, in the fiscal year ending June 30, 2025 and the fiscal year ending June 30, 2024 was limited to the amounts recorded in the records of the organization. Accordingly, we are unable to determine whether any adjustments for unrecorded amounts might be necessary to revenues, excess of deficiency of revenues over expenditures and net assets.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of 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 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. In carrying out an 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.
- 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.

Davis Martindale LLP

London, Ontario
October 17, 2025

Chartered Professional Accountants
Licensed Public Accountants

GROWING CHEFS! ONTARIO SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

ASSETS

	2025	2024
Current Assets		
Cash	$ 290,421	$ 395,677
Raffle account	1,413	3,541
Accounts receivable	162,996	145,150
Government remittances receivable	19,403	-
Inventory	18,528	17,201
Prepaid expenses	32,519	23,228
	525,280	584,797
Equipment and Leaseholds (note 3)	243,634	197,506
Intangible Assets (note 4)	50,000	50,000
	$ 818,914	$ 832,303

LIABILITIES AND NET ASSETS

	2025	2024
Current Liabilities		
Accounts payable and accrued liabilities	$ 48,553	$ 53,664
Government remittances payable	-	1,561
Deferred revenue (note 5)	223,368	205,834
Current portion of long-term debt (note 6)	24,645	17,411
	296,566	278,470
Long-term Debt (note 6)	81,547	131,192
Deferred Contributions Related to Tangible Capital Assets (note 7)	264,113	220,630
	642,226	630,292
Commitments (note 8)		
Net Assets		
Unrestricted	186,486	167,399
Invested in tangible capital assets	(9,798)	(17,794)
Internally restricted for future operations (note 9)	-	52,406
	176,688	202,011
	$ 818,914	$ 832,303

APPROVED ON BEHALF OF THE BOARD:

Signed by:
Jordan Hypes
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Director

Signed by:
Mary Hopel
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Director

The attached Independent Auditor's Report and notes form an integral part of these audited financial statements.

GROWING CHEFS! ONTARIO SOCIETY

STATEMENT OF CHANGE IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2025

	Invested In Tangible Capital Assets	Internally Restricted for Future Operations (note 9)	Unrestricted	Total 2025	Total 2024
Balance, Beginning of Year	$ (17,794)	$ 52,406	$ 167,399	$ 202,011	$ 224,895
Interfund Transfer	-	(52,406)	52,406	-	-
Excess (Deficit) of Revenues Over Expenditures	7,996	-	(33,319)	(25,323)	(22,884)
Balance, End of Year	$ (9,798)	$ -	$ 186,486	$ 176,688	$ 202,011

The attached Independent Auditor's Report and notes form an integral part of these audited financial statements.

GROWING CHEFS! ONTARIO SOCIETY

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED JUNE 30, 2025

	Unaudited Budget 2025 (note 10)	Actual 2025	Actual 2024 (note12)
Revenue			
Lunches, catering and social enterprise	$ 1,277,000	$ 1,050,886	$ 906,059
Foundations and sponsorships	592,500	689,049	531,789
Fundraising and donations	185,000	127,597	96,110
Trillium grant	-	44,650	100,000
Amortization of deferred contributions related to tangible capital assets	-	56,092	41,026
	2,054,500	1,968,274	1,674,984
General Expenditures			
Advertising and marketing	22,000	26,295	30,463
Amortization of tangible capital assets	-	48,096	42,246
Food, supplies and project costs	552,500	538,047	496,069
General office expense and rent	204,000	135,773	127,221
Insurance	22,000	15,373	20,014
Interest on long-term debt	-	7,101	-
Professional fees	40,000	28,478	42,203
Salaries and benefits	1,257,000	1,194,434	959,652
	2,097,500	1,993,597	1,717,868
Excess (Deficit) of Operating Revenue over Expenditures	(43,000)	(25,323)	(42,884)
Other Income			
CEBA loan forgiveness	-	-	20,000
Excess (Deficit) of Revenue over Expenditures	$ (43,000)	$ (25,323)	$ (22,884)

The attached Independent Auditor's Report and notes form an integral part of these audited financial statements.

GROWING CHEFS! ONTARIO SOCIETY
(UNAUDITED)
SCHEDULE 1 - OPERATIONS BY PROJECT
FOR THE YEAR ENDED JUNE 30, 2025

	Education Project	HQ/ The Beet	Total 2025	Total 2024 (note 12)
Revenues				
Lunches, catering and social enterprise	$ -	$ 1,050,886	$ 1,050,886	$ 906,059
Foundations and sponsorships	653,476	35,573	689,049	531,789
Trillium grant	44,650	-	44,650	100,000
Fundraising and donations	-	127,597	127,597	96,110
Amortization of deferred contributions related to tangible capital assets	-	56,092	56,092	41,026
	698,126	1,270,148	1,968,274	1,674,984
Expenditures				
Advertising and marketing	23,200	3,095	26,295	30,463
Amortization of tangible capital assets	-	48,096	48,096	42,246
Food, supplies and project costs	99,907	438,140	538,047	496,069
General office expense and rent	8,442	127,331	135,773	127,221
Insurance	-	15,373	15,373	20,014
Interest on long-term debt	-	7,101	7,101	-
Professional fees	-	28,478	28,478	42,203
Salaries and benefits	630,000	564,434	1,194,434	959,652
	761,549	1,232,048	1,993,597	1,717,868
Excess (Deficit) of Operating Revenues over Expenditures	(63,423)	38,100	(25,323)	(42,884)
Other Income				
CEBA loan forgiveness	-	-	-	20,000
Excess (Deficit) of Revenues over Expenditures	$ (63,423)	$ 38,100	$ (25,323)	$ (22,884)

The attached Independent Auditor's Report and notes form an integral part of these audited financial statements.

GROWING CHEFS! ONTARIO SOCIETY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
Cash Flows from Operating Activities		
Excess (Deficit) of Revenue over Expenditures	$ (25,323)	$ (22,884)
Items not requiring an outlay of cash:		
Amortization of deferred contributions related to tangible capital assets	(56,092)	(41,026)
Amortization of tangible capital assets	48,096	42,246
CEBA loan forgiveness	-	(20,000)
	(33,319)	(41,664)
Changes in non-cash working capital:		
Accounts receivable	(17,846)	(57,682)
Inventory	(1,327)	2,262
Prepaid expenses	(9,291)	2,602
Accounts payable and accrued liabilities	(5,112)	17,751
Government remittances payable/receivable	(20,964)	(22,785)
Deferred revenue	17,534	97,312
	(37,006)	39,460
Net Cash Used in Operating Activities	(70,325)	(2,204)
Cash Flows from Financing Activities		
Increase in long-term debt	-	150,000
Repayments of long-term debt	(42,411)	(41,397)
Net Cash Provided by (Used in) Financing Activities	(42,411)	108,603
Cash Flows from Investing Activities		
Additions to equipment and leaseholds	(94,223)	(66,040)
Increase in deferred contributions related to tangible capital assets	99,575	53,900
Net Cash Provided by (Used in) Investing Activities	5,352	(12,140)
Net Increase (Decrease) in Cash	(107,384)	94,259
Cash, Beginning of Year	399,218	304,959
Cash, End of Year	$ 291,834	$ 399,218
Represented By:		
Cash	$ 290,421	$ 395,677
Raffle account	1,413	3,541
	$ 291,834	$ 399,218

The attached Independent Auditor's Report and notes form an integral part of these audited financial statements.

1. Nature of the Business

The organization was incorporated in the Province of Ontario under the Ontario Corporation Act as a not-for-profit corporation without share capital. The corporation qualifies as a not-for-profit organization which is exempt from income taxes under the Income Tax Act regulations 149(1)(1).

The purpose of the organization is to build and maintain an empowered community that is engaged with our food system by providing scratch-made, locally sourced food while engaging and educating children and youth in food preparation and literacy.

2. Significant Accounting Policies

(a) Basis of Preparation

These financial statements are prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

(b) Inventory

Inventory is valued as the lower of cost and net realizable value. Cost is calculated on the weighted average basis. Inventory consists of food and beverages.

(c) Equipment and Leaseholds Amortization

Tangible capital assets are recorded at cost and amortization is recorded in the accounts on the straight-line basis using the rates described in note 3.

(d) Impairment of Long-Lived Assets

Long-lived assets are tested for impairment when events or changes in circumstances indicate that their carrying value may not be recoverable. An impairment loss is recognized when the carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

(e) Intangible Asset

The intangible asset consists of the Londonlicious trademark and is recorded at cost and is not subject to amortization.

(f) Fund Accounting

To ensure observance of limitations and restrictions placed on the use of the resources available to the organization, the accounts are maintained in accordance with the principles of Fund Accounting. Under these principles, resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. Separate accounts are maintained for each fund.

2. Significant Accounting Policies (continued)

(f) Fund Accounting (continued)

Unrestricted Fund

The Unrestricted Fund of the organization records amounts used for the administrative and operational costs financed by program fees, private donations, grants and events.

Invested in Tangible Capital Assets Fund

The Invested in Tangible Capital Assets Fund accounts for monies received or internally designated for revenues and expenditures related to capital assets. These funds will be fully expended for their intended purpose.

Internally Restricted for Future Operations

The Internally Restricted for Future Operations accounts for monies received or internally designated for specific purposes other than operating programs. These funds will be fully expended for their intended purpose.

(g) 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 and according to grant agreement terms. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Foundation, sponsorships and trillium grant are recorded in the appropriate class when received or receivable if the amount to be received can be reasonably estimated and collection is reasonability assured.

Revenue from fundraising and donation is recognized as revenue in the corresponding class as appropriate in the year received or receivable, if the amount can be reasonability estimated and collection is reasonability assured.

Lunches, catering and other revenues are recognized when services have been provided.

Capital grant revenues are recognized in the year in which the related capital assets are amortized.

Loan forgiveness is recognised in the financial statements when eligibility criteria are met and a reasonable estimate of the amount can be made for all periods that pertain to the fiscal year.

2. Significant Accounting Policies (continued)

(h) Contributed Materials and Services

Volunteers contribute many hours per year to assist the organization in carrying out its activities. Because of the difficulty in determining fair value, contributed services are not recognized in the financial statements.

(i) Use of Estimates

The preparation of the financial statements of the organization, 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, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenues and expenses during the reporting period. Actual results could differ from those estimates.

(j) Financial Instruments

The organization financial instruments consist of cash, raffle account, accounts receivable, accounts payable and accrued liabilities, and long-term debt. The organization initially recognizes these financial instruments at fair value and subsequently at amortized cost.

3. Equipment and Leaseholds

		Cost	Accumulated Amortization	Net 2025	Net 2024
Electronic equipment	3 yr S.L.	$ 35,863	$ 35,863	$ -	$ 231
Kitchen equipment	10 yr S.L.	113,146	46,995	66,151	60,282
Website	5 yr S.L.	14,000	12,600	1,400	4,200
Greenhouse	10 yr S.L.	81,373	25,381	55,992	54,805
Leasehold improvements	10 yr S.L.	72,020	49,971	22,049	29,251
		$ 316,402	$ 170,810	$ 243,634	$ 197,506

4. Intangible Asset

The intangible asset consists of the Londonlicious trademark and is recorded at cost and is not subject to amortization.

5. Deferred Revenue

Deferred revenue represents unspent funding received for operations of $223,368 (2024 - $205,834). These funds will be recognized into revenue as the related expenditures are incurred. Deferred revenue is associated with the following programs:

	2025	2024 (note 12)
Foundation and sponsorships	$ 86,061	$ 56,771
Camp revenue	42,345	42,195
Trillium Charitable Projects	36,050	-
Londonlicious income	33,912	29,217
Other	25,000	25,000
Program registrations	-	36,751
Westminster College Foundation	-	10,000
London Community Foundation	-	5,900
	$ 223,368	$ 205,834

6. Long-term Debt

	2025	2024
3% promissory note repayable in blended annual instalments of $6,726 beginning December 2025, due December 2028.	$ 25,000	$ 25,000
7% term loan repayable in blended monthly principal and interest payments of $1,980, due May 2029.	81,192	98,603
3% promissory note repayable in blended annual instalments of $6,726, loan was forgiven during the year.	-	25,000
	106,192	148,603
Current portion of long-term debt	24,645	17,411
	$ 81,547	$ 131,192

During the year, a 3% promissory note repayable was forgiven and the $25,000 was retained in the organization as a donation.

6. Long-term Debt (continued)

The aggregate amount of principal payments required to meet retirement provisions are as follows:

Year ending June 30, 2026	$ 24,645
June 30, 2027	26,174
June 30, 2028	27,806
June 30, 2029	27,567
	$ 106,192

7. Deferred Contributions Related to Tangible Capital Assets

Deferred capital contributions represent funding received for the capital assets. These contributions are being amortized into income on the same basis as the related tangible capital assets. The changes in the deferred capital contributions balance for the year are as follows:

	2025	2024
Balance, beginning of the year:	$ 220,630	$ 207,756
Less: amortization of deferred capital contribution	(56,092)	(41,026)
Add: amount received during the year for capital purchases	99,575	53,900
Balance, end of year	$ 264,113	$ 220,630

The balance is made up of the following;

	2025	2024
Unamortized balance	$ 237,643	$ 211,148
Unspent balance	26,470	9,482
Balance, end of year	$ 264,113	$ 220,630

8. Commitments

The organization has entered into a lease agreement for the premises it occupies. The lease agreement expires July 31, 2025.

The organization has entered into a second lease agreement for land and building it occupies, which expires on August 31, 2025.

Subsequent to year-end, the organization entered into new lease agreements for its premises, replacing the existing leases expiring on July 31, 2025 and August 31, 2025. The new lease terms commence on August 1, 2025 and September 1, 2025, respectively, and extend to July 31, 2028 and August 31, 2030.

The organization has entered into two vehicle lease agreements. One lease has a term of five years and will expire on February 28, 2026, while the other has a term of three years and will expire on October 27, 2025.

The aggregate rental payments committed for each of the next year are as follows:

Year ending	June 30, 2026	$ 107,492
	June 30, 2027	104,922
	June 30, 2028	108,070
	June 30, 2029	52,970
	June 30, 2030	49,255
		$ 422,709

9. Internally Restricted for Future Operations

The Board of Directors has approved the restriction of funds received to be used in future years to cover deficits in future years.

10. Budget Figures

The budget amounts are presented for information purposes only. They were approved by the board of directors and are unaudited.

11. Financial Instruments

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at June 30, 2025.

Credit Risk

During the normal course of business, the organization is exposed to credit risk in the event of non-performance by customers in connection with its accounts receivable. The organization mitigates this risk by monitoring customer accounts on a continual basis and by dealing with what management believes to be financially sound customers. The organization determines, on a continuing basis, the probable uncollectible amounts and sets up provisions for these debts based on estimated realizable value. Management does not anticipate significant loss for non-performance.

Liquidity Risk

The organization is exposed to credit risk in respect of its receipt of funds from donors and customers and accounts receivable. The organization manages budgets to adjust expenditures when shortfalls are expected.

12. Comparative Figures

Certain figures from the prior year have been reclassified to conform to the financial statement presentation adopted in the current year.