

**M.I.N.D PROGRAM MOVING IN NEW
DIRECTIONS INC.**

**FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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INDEPENDENT AUDITOR'S REPORT

To the Members of
M.I.N.D. Program Moving in New Directions Inc.

Qualified Opinion

We have audited the accompanying financial statements of M.I.N.D. Program Moving in New Directions Inc., which comprise the statement of financial position as at December 31, 2025 and the statement of changes in net assets, statement of revenues and expenditures and statement of 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 matter 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 M.I.N.D. Program Moving in New Directions 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.

Basis for Qualified Opinion

In common with many charitable organizations, M.I.N.D. Program Moving in New Directions Inc. derives revenue from programs and donations the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of M.I.N.D. Program Moving in New Directions Inc. Therefore, we were not able to determine whether any adjustments might be necessary to programs and donation revenue, excess of revenues over expenditures, and cash flows.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of M.I.N.D. Program Moving in New Directions Inc. 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 audit opinion.

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

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 M.I.N.D. Program Moving in New Directions Inc.'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 M.I.N.D. Program Moving in New Directions Inc. or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing M.I.N.D. Program Moving in New Directions Inc.'s financial reporting process.

Auditor's Responsibility 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements 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 M.I.N.D. Program Moving in New Directions Inc.'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 M.I.N.D. Program Moving in New Directions Inc.'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 M.I.N.D. Program Moving in New Directions Inc. 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.

VMD Professional Corporation

VMD PROFESSIONAL CORPORATION
Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
February 19, 2026

M.I.N.D PROGRAM MOVING IN NEW DIRECTIONS INC
STATEMENT OF FINANCIAL POSITION

As at December 31,

	2025	2024
ASSETS		
Current		
Cash	\$ 56,649	\$ 91,885
Accounts receivable	1,025	653
Investment (Note 4)	45,000	-
Prepaid	-	-
	<u>\$ 102,674</u>	<u>\$ 92,538</u>
LIABILITIES		
Current		
Accounts Payable & Accrued Liabilities	173	-
Deferred Revenue (Note 5)	33,500	23,846
	<u>33,673</u>	<u>23,846</u>
NET ASSETS		
General fund	69,001	68,691
	<u>\$ 102,674</u>	<u>\$ 92,538</u>

Approved on behalf of the Board:

Angel Ma 2026-02-24

Director

M. Jane Dahl 2026-02-25

Director

See accompanying notes

M.I.N.D PROGRAM MOVING IN NEW DIRECTIONS INC**STATEMENT OF REVENUES AND EXPENDITURES**

As at December 31,

	2025	2024
REVENUES		
Meal Program	\$ 241,161	\$ 196,446
Grants	84,997	66,500
Donations - Individuals	32,735	23,199
Donations - Organizations	5,084	3,128
Canada Summer Jobs Grant	4,971	5,211
Interest Income	25	139
	<u>368,973</u>	<u>294,623</u>
EXPENDITURES		
Meal program costs	274,350	234,026
Salaries and benefits	86,514	66,691
Professional fees	3,550	3,326
Travel	1,354	231
Insurance	1,112	540
Advertising	844	-
Communication	816	949
Bank charges	114	304
Office	8	122
	<u>368,663</u>	<u>306,190</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>310</u>	<u>(11,567)</u>

See accompanying notes

M.I.N.D PROGRAM MOVING IN NEW DIRECTIONS INC
STATEMENT OF CHANGES IN NET ASSETS
As at December 31, 2025

	Opening Balance	Revenues	Expenses	Transfers	Closing Balance
CURRENT YEAR TOTAL	\$ <u>68,691</u>	\$ <u>368,973</u>	\$ <u>368,663</u>	\$ <u>-</u>	\$ <u>69,001</u>
PRIOR YEAR TOTAL	\$ <u>80,258</u>	\$ <u>294,623</u>	\$ <u>306,190</u>	\$ <u>-</u>	\$ <u>68,691</u>

See accompanying notes

M.I.N.D PROGRAM MOVING IN NEW DIRECTIONS INC
STATEMENT OF CASH FLOWS
As at December 31,

	2025	2024
Cash flows from operating activities		
Excess (deficiency) of revenues over expenditures	\$ 310	\$ (11,567)
Net change in non-cash working capital balances:		
Accounts receivable	(372)	(653)
Prepaid	-	255
Accounts Payable & Accrued Liabilities	173	-
Deferred revenue	<u>9,654</u>	<u>3,846</u>
Net cash provided by (used in) operating activities	9,764	(8,118)
Cash flows from investing activities		
Purchase of investments	(45,000)	-
Net decrease in cash during the year	(35,236)	(8,118)
Cash, beginning of year	<u>91,885</u>	<u>100,003</u>
Cash, end of year	<u>\$ 56,649</u>	<u>\$ 91,885</u>

See accompanying notes

M.I.N.D PROGRAM MOVING IN NEW DIRECTIONS INC
NOTES TO FINANCIAL STATEMENTS
As at December 31, 2025

1. PURPOSE OF THE ORGANIZATION

M.I.N.D. Program Moving in New Directions Inc. (the "Organization") is a not-for-profit organization incorporated provincially under the Not-for-profit Corporations Act of Ontario. As a registered charity the organization is exempt from the payment of income tax under subsection 149 (I) of the Income Tax Act.

The organization's purpose is to nourish at-risk and marginalized communities, beginning in Toronto, by providing healthy, dignified, and barrier-free food programs. Through nutritious meals and warm hospitality, it works to reduce isolation, break cycles of poverty, and restore dignity—one meal at a time. The organization partners with frontline agencies serving low-income and vulnerable populations to deliver culturally diverse meals where they are most needed. This model addresses a critical gap: clients cannot engage in medical or mental health recovery while food insecure, yet partner organizations often lack the capacity to provide nutrition. By sourcing surplus food donations, the MIND Program offers free, homemade meals, allowing partners to focus on therapeutic care.

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Revenue Recognition

The Organization follows the deferral method of accounting for contributions.

Unrestricted contributions, including general donations and grants without donor-imposed restrictions, are recognized as revenue in the period in which they are received. Contributions subject to external restrictions are deferred and recognized as revenue in the period in which the related expenditures are incurred and the restrictions are satisfied.

Donations in kind, primarily consisting of donated food, are recognized as revenue and a corresponding expense when received, measured at their estimated fair market value based on information provided by donors or comparable market prices.

Grant revenue is recognized in accordance with the terms of the related funding agreements.

Interest income is recognized as revenue when earned.

(b) Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expenses when incurred.

(c) Contributed Services

Volunteers contribute numerous hours per year 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.

(d) Cash and Cash Equivalents

Cash consists of balances held in chequing and savings accounts with Canadian financial institutions. Cash equivalents include highly liquid investments with maturities of three months or less from the date of acquisition.

(e) Investments

Investments consist of short-term, low-risk instruments held with a Canadian financial institution. Investments are recorded at fair value, which approximates cost due to their short-term nature. Investment income is recognized as revenue when earned.

M.I.N.D PROGRAM MOVING IN NEW DIRECTIONS INC

NOTES TO FINANCIAL STATEMENTS

As at December 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Use of Estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. In the opinion of management, these financial statements reflect, within reasonable limits of materiality, all adjustments necessary to fairly present the results for the years presented. Actual results could differ from these estimates.

3. CAPITAL MANAGEMENT

The Organization's capital consists of cash and unrestricted net assets. The organization's capital structure is intended to meet or exceed internally set capital targets while addressing the need to meet a demand for cash or fund its obligations as they come due. It monitors its capital by preparing annual budgets and monitoring actual results in comparison to budgeted amounts regularly held Board meetings and is not subject to any externally imposed capital.

4. INVESTMENTS

As at December 31, 2025, the Organization holds investments with a carrying value of \$45,000 (2024 – nil). The investments consist of short-term, low-risk instruments held with a Canadian financial institution. These investments are intended to preserve capital while earning interest income and are recorded at fair value, which approximates cost due to their short-term nature.

Investment income earned during the year amounted to \$25 (2024 – \$139) and has been included in interest income in the statement of revenues and expenditures.

5. DEFERRED REVENUE

Deferred revenue represents externally restricted contributions received in advance of the related expenditures.

As at December 31, 2025, deferred revenue totaled \$33,500 (2024 – \$23,846). Of this amount, \$20,000 relates to a restricted donation received in prior years from a major donor, supported by a letter of direction, which is restricted for Executive Director compensation. The remaining \$13,500 represents surplus funds generated during 2025 from individual donors that are externally restricted for future Executive Director salary costs.

Deferred revenue is recognized as revenue in the period in which the related payroll expenditures are incurred.

6. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's significant risk exposures and concentrations as of December 31, 2025.

Fair Values

The carrying values of cash and accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of the instruments.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instruments might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities.

The Organization is exposed to interest rate risk through its cash balances and short-term investments; however, management considers this risk to be minimal due to the conservative nature and short-term maturity of these instruments.

M.I.N.D PROGRAM MOVING IN NEW DIRECTIONS INC
NOTES TO FINANCIAL STATEMENTS
As at December 31, 2025

6. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk

Liquidity risk relates to the risk the organization will encounter difficulties meeting obligations associated with financial liabilities. The financial liabilities on its balance sheet consist of accounts payable and accrued liabilities. Management closely monitors cash flow requirements to ensure that it has sufficient cash on demand to meet operational and financial obligations.

7. DONATIONS IN KIND

The Organization receives significant donations in kind, primarily consisting of donated food used in its meal programs. Donations in kind are recorded as revenue and expense at their estimated fair market value at the time received. Fair value is determined based on information provided by donors or comparable market prices for similar goods.