STRATFORD HOUSE OF BLESSING

FINANCIAL STATEMENTS

DECEMBER 31, 2025

Famme & Co.
Professional Corporation

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Stratford House of Blessing
Stratford, Ontario

Qualified Opinion

We have audited the financial statements of **Stratford House of Blessing**, which comprise the balance sheet as at **December 31, 2025** and the statements of operations and changes in fund balances 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 possible effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of **Stratford House of Blessing** 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

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of **Stratford House of Blessing** 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

In common with many not-for-profit organizations, the organization derives cash revenue, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenue, excess 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 year ends. Our audit opinion on the financial statements for the year ended December 31, 2024 was modified accordingly because of the possible effects of this limitation in scope.

INDEPENDENT AUDITORS' REPORT - continued

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

In preparing the financial statements, management is responsible for assessing the entity'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 entity, cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditors' 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 auditors' 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:

(a) 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.

(b) 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 entity's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of the entity'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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the entity to cease to continue as a going concern.

(e) 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.

INDEPENDENT AUDITORS' REPORT - continued

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.

Famme + Co.

Professional Corporation
Chartered Professional Accountants
Authorized to practice public accounting by
the Chartered Professional Accountants of Ontario

Stratford, Ontario
June 24, 2026

Stratford House of Blessing
Balance Sheet
As at December 31, 2025

ASSETS

		2025		2024
Current Assets				
Cash on hand and in bank - unrestricted	$ 789,899			$ 878,572
Cash in bank - restricted	-			24
Guaranteed investment certificates and accrued interest receivable - unrestricted (Note 5)	331,763			107,795
Guaranteed investment certificates and accrued interest receivable - restricted (Note 5)	105,375			102,715
Accounts receivable	17,667			29,009
HST receivable	10,144			11,270
Prepaid expenses	13,808			17,310
		$ 1,268,656		1,146,695
Property, Plant, and Equipment - *at cost*				
Land	79,518			79,518
Building	814,906			807,042
Furniture	42,130			40,443
Equipment	90,055			84,310
Vehicle	62,529			39,880
Computer software	20,689			20,689
	1,109,827			1,071,882
Less: Accumulated amortization	564,399			531,202
		545,428		540,680
		$ 1,814,084		$ 1,687,375

Approved on Behalf of the Board:

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Director

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Director

(See Accompanying Notes to the Financial Statements)

Stratford House of Blessing
Balance Sheet
As at December 31, 2025

LIABILITIES

		2025	2024
Current Liabilities			
Accounts payable and accrued expenses	$ 35,582		$ 35,330
Deferred revenue	25,526		6,985
Deferred capital contributions (Note 6)	26,279		25,495
		$ 87,387	67,810

NET ASSETS

		2025	2024
Unrestricted net assets	1,621,322		1,516,826
Net assets restricted: Capital Reserve Fund	105,375		102,739
		1,726,697	1,619,565
		$ 1,814,084	$ 1,687,375

(See Accompanying Notes to the Financial Statements)

Stratford House of Blessing
Statement of Operations and Changes in Fund Balances
General Fund
For the year ended December 31, 2025

		2025		2024
Revenue				
Donations	$ 759,915			$ 623,442
Foundations and grants	53,536			113,280
Fundraising	164,617			94,492
Interest	11,509			14,117
Other revenue	1,643			580
Amortization of deferred capital contributions (Note 6)	4,752			4,482
		$ 995,972		850,393
Expenditures				
Professional fees	39,636			49,368
Advertising and promotion	2,303			222
Amortization of property, plant, and equipment	33,197			28,203
Bank charges	2,980			2,122
Children's programs	13,596			14,639
Diapers and formula	17,252			17,897
Family care centre	964			2,349
Financial assistance	215			1,631
Food	114,543			100,736
Food bank supplies	1,537			2,351
Fundraising	12,993			6,522
Insurance	14,871			14,544
Memberships	5,191			5,396
Office	24,638			25,137
Professional development	1,463			2,422
Recycling	8,418			10,896
Repairs and maintenance	42,214			34,858
Snow removal and lawn care	7,795			8,988
Telephone	8,470			8,857
Travel	1,063			1,206
Utilities	11,117			12,763
Vehicle	8,754			2,632
Volunteer expense	4,799			3,361
Wages and benefits	458,331			482,676
Additional board authorized expenditures	52,500			-
		888,840		839,776
Excess of revenue over expenditures for the year		107,132		10,617
Net assets - beginning of year		1,516,826		1,509,217
		1,623,958		1,519,834
Interfund transfers		(2,636)		(3,008)
Net assets - end of year		$ 1,621,322		$ 1,516,826

(See Accompanying Notes to the Financial Statements)

Stratford House of Blessing
Statement of Operations and Changes in Fund Balances
Capital Reserve Fund
For the year ended December 31, 2025

	2025	2024
Net assets - beginning of year	$ 102,739	$ 99,731
Interfund transfers	2,636	3,008
Net assets - end of year	$ 105,375	$ 102,739

(See Accompanying Notes to the Financial Statements)

Stratford House of Blessing
Statement of Cash Flows
For the year ended December 31, 2025

		2025		2024
Cash Provided By (Used In):				
Operating Activities				
Excess of revenue over expenditures for the year	$ 107,132		$ 10,617	
Items not requiring cash				
Amortization of property, plant, and equipment	33,197		28,203	
Net changes in non-cash current operating accounts				
Decrease (increase) in accounts receivable	11,342		(3,130)	
Decrease (increase) in HST receivable	1,126		2,063	
Decrease (increase) in prepaid expenses	3,502		10,675	
Increase (decrease) in accounts payable and accrued expenses	252		1,488	
Increase (decrease) in deferred revenue	18,541		(12,850)	
Increase (decrease) in deferred capital contributions	784		4,982	
		$ 175,876		42,048
Investing Activities				
Purchase of property, plant, and equipment		(37,945)		(95,030)
Increase (decrease) in cash and cash equivalents		137,931		(52,982)
Cash and cash equivalents - beginning of year		1,089,106		1,142,088
Cash and cash equivalents - end of year		$ 1,227,037		$ 1,089,106

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents comprise the following balance sheet amounts:

	2025	2024
Cash on hand and in bank	789,899	878,596
Guaranteed investment certificates	437,138	210,510
	$ 1,227,037	$ 1,089,106

(See Accompanying Notes to the Financial Statements)

Stratford House of Blessing
Notes to the Financial Statements
For the year ended December 31, 2025

1. Purpose

The Stratford House of Blessing, located in Stratford, Ontario, is a non-denominational faith-based organization dedicated to helping anyone regardless of race or religion who is in need of help or support. It is an incorporated not-for-profit organization and is a registered charity under the Income Tax Act.

2. Fund Accounting

Stratford House of Blessing uses fund accounting in these financial statements. The purpose of each individual fund is as follows:

(a) Unrestricted General Fund: to report revenue and expenditures related to program delivery and administrative activities.

(b) Restricted Capital Reserve Fund: to accumulate money for future capital needs of the organization.

3. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with the Canadian accounting standards for not-for-profit organizations summarized below:

(a) Capital Expenditures

Property, plant, and equipment are recorded at cost or at estimated cost, if donated, with charitable receipt given. Amortization is claimed when the asset is put in use at the rates reflected in the accompanying schedule of property, plant, and equipment and amortization.

(b) Contributed Services

Volunteers contribute significant hours to the organization annually. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(c) Revenue Recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

(d) Use of Estimates

Preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that could affect amounts reported as assets, liabilities, revenue, and expenditures. Due to measurement uncertainty, results could differ from those estimates.

(e) Financial Instruments

A financial asset is any asset that is cash; a contractual right to receive cash from another party; or an equity instrument of another entity. A financial liability is any liability that is a contractual obligation to deliver cash to another party.

Financial assets and liabilities are initially measured at fair value, except for certain non-arm's length transactions. Subsequently, financial assets and financial liabilities are measured 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 excess of revenue over expenditures.

4. Gifts in Kind

Gifts in kind, for which donation receipts were issued, are included in donation revenue and have been allocated as follows:

	2025	2024
Shares	$ 28,731	$ 22,529
Food	19,038	27,775
	$ 47,769	$ 50,304

The organization's policy is to issue a donation receipt for gifts in kind only when an independent market value is readily available.

5. Guaranteed Investment Certificates - Short-Term Investment

The guaranteed investment certificates of the restricted and unrestricted funds is composed of short-term cashable investments, details are as follows:

	2025	2024
Guaranteed Investment Certificate - Unrestricted		
The Toronto Dominion Bank - 2.55%, maturing June, 2026	$ 109,260	$ -
The Toronto Dominion Bank - 3%, maturing June, 2025	-	106,077
Royal Bank of Canada - 2.55%, maturing January, 2026	216,000	-
Accrued interest receivable	6,503	1,718
	$ 331,763	$ 107,795
Guaranteed Investment Certificate - Restricted		
The Canada Trust Company - 2.25%, maturing June, 2026	104,111	-
The Canada Trust Company - 3%, maturing June, 2025	-	101,079
Accrued interest receivable	1,264	1,636
	$ 105,375	$ 102,715

6. Deferred Capital Contributions

Deferred capital contributions represent the unamortized portion of donations and government grants received for the purchase of specific capital expenditures subject to amortization. Changes in deferred capital contributions for the year were as follows:

	2025	2024
Balance - beginning of year	$ 25,495	$ 20,513
Capital contributions	5,536	9,464
Amortization of deferred capital contributions	(4,752)	(4,482)
Balance - end of year	$ 26,279	$ 25,495

7. Financial Instruments Risk

It is management's opinion that the company is not subject to any significant risks associated with its financial instruments.

Stratford House of Blessing

Schedule of Property, Plant, and Equipment and Amortization

For the year ended December 31, 2025

	As at December 31, 2024									As at December 31, 2025		
	Cost	Accum. Amort.	Unamort. Bal.	Add.	Disp.	Gain	Unamort. Bal.	Rate %	Prov.	Cost	Accum. Amort.	Unamort. Bal.
Land	79,518		79,518				79,518			79,518		79,518
Building	807,042	387,715	419,327	7,864			427,191	4	17,088	814,906	404,803	410,103
Furniture	40,443	27,384	13,059	1,687			14,746	10	1,475	42,130	28,859	13,271
Equipment	84,310	60,997	23,313	5,745			29,058	20	5,812	90,055	66,809	23,246
Vehicle	39,880	36,358	3,522	22,649			26,171	30	7,851	62,529	44,209	18,320
Computer software	20,689	18,748	1,941				1,941	50	971	20,689	19,719	970
	1,071,882	**531,202**	**540,680**	**37,945**			**578,625**		**33,197**	**1,109,827**	**564,399**	**545,428**