FOUNDATION OF RESOURCES FOR TEENS OF WEST NIAGARA O/A FORT

Financial Statements

For the year ended December 31, 2025

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Independent Auditors' Report

To the Board of Directors
Foundation of Resources for Teens of West Niagara

Opinion

We have audited the accompanying financial statements of Foundation of Resources for Teens of West Niagara (the foundation), which comprise the balance sheet as at December 31, 2025, and the statements of operations, 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 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 the foundation as at December 31, 2025, and its results of its operations and cash flows for the year then ended, in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ANSPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the foundation derives revenue from fundraising activities, 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 the foundation. Therefore, we were unable to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2025, current assets and net assets as at December 31, 2025. Our audit opinion on the financial statements for the year ended December 31, 2025 was modified accordingly because of the possible effects of this limitation in scope.

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 the foundation 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.

Independent Auditors' Report

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 ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the foundation's financial reporting process. When individuals responsible for the oversight of the financial reporting process are the same as those responsible for the preparation of the financial statements, no reference to oversight responsibilities is required.

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:

- 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 foundation's internal control.

Independent Auditors' Report

- 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 foundation'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 foundation 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.

DiPaola DiPietro & Little Professional Corporation

DiPaola Di Pietro & Little Professional Corporation
Chartered Professional Accountants
Authorized to practice public accounting by the Chartered Professional Accountants of Ontario

St. Catharines, Ontario
May 20, 2026

FOUNDATION OF RESOURCES FOR TEENS OF WEST NIAGARA
Statement of Financial Position
December 31, 2025

	Note	2025	2024
ASSETS			
Current Assets			
Cash		**$ 170,034**	$ 168,848
Short term investments	2.	**-**	121,570
Trade accounts receivable		**9,168**	10,859
GST/HST recoverable		**18,035**	13,455
Prepaid expenses		**2,128**	2,128
TOTAL ASSETS		**$ 199,365**	$ 316,860
LIABILITIES AND FUND BALANCE			
Current Liabilities			
Accounts payable and accrued liabilities	3.	**$ 30,321**	$ 13,053
Employee deductions payable		**5,332**	7,576
Deferred revenue	4.	**2,739**	7,570
Total current liabilities		**38,392**	28,199
Fund balance			
Unrestricted - General Fund		**160,973**	288,661
TOTAL LIABILITIES AND FUND BALANCE		**$ 199,365**	$ 316,860

Approved on Behalf of the Board:

_____, Director

_____, Director

FOUNDATION OF RESOURCES FOR TEENS OF WEST NIAGARA
Statement of Revenues and Expenses
For the Year Ended December 31, 2025

	Note	2025	%	2024	%
Revenue					
Donations		**$ 93,983**	***52.4***	$ 167,508	*56.4*
Grants - Federal		**10,746**	***6.0***	15,434	*5.2*
Grants - Provincial		**-**	***-***	30,297	*10.2*
Grants - Other		**60,413**	***33.7***	67,781	*22.8*
Fundraising		**14,273**	***8.0***	15,982	*5.4*
Total revenue		**179,415**	***100.1***	297,002	*100.0*
Expenses					
Advertising and promotion		**2,803**	***1.6***	2,818	*0.9*
Compensation expenses		**230,902**	***128.7***	229,052	*77.1*
Counselling services		**1,740**	***1.0***	2,035	*0.7*
Food and supplies		**13,981**	***7.8***	15,318	*5.2*
Fundraising		**186**	***0.1***	7,105	*2.4*
Insurance		**8,460**	***4.7***	9,117	*3.1*
Interest and bank charges		**226**	***0.1***	711	*0.2*
Memberships and licenses		**274**	***0.2***	-	*-*
Office		**4,474**	***2.5***	5,485	*1.8*
Professional fees	6.	**25,820**	***14.4***	24,044	*8.1*
Program		**7,296**	***4.1***	7,769	*2.6*
Rent		**12,180**	***6.8***	11,446	*3.9*
Repairs and maintenance		**1,912**	***1.1***	1,208	*0.4*
Telephone		**3,207**	***1.8***	2,993	*1.0*
United Way revitalization of tech expense		**-**	***-***	804	*0.3*
Utilities		**3,323**	***1.9***	3,096	*1.0*
Total expenses		**316,784**	***176.8***	323,001	*108.7*
Deficiency of revenue over expenditures from operations		**(137,369)**	***(76.7)***	(25,999)	*(8.7)*
Non operating income and expenses					
Interest income		**2,152**	***1.2***	3,552	*1.2*
Investment fees		**(368)**	***(0.2)***	(395)	*(0.1)*
Realized gain on investment		**10,853**	***6.0***	3	*-*
Unrealized gain (loss) on investment		**(2,957)**	***(1.6)***	8,222	*2.8*
Total non operating income and expenses		**9,680**	***5.4***	11,382	*3.9*
Deficiency of revenue over expenditures		**$ (127,689)**	***(71.3)***	$ (14,617)	*(4.8)*

FOUNDATION OF RESOURCES FOR TEENS OF WEST NIAGARA
Statement of Changes in Fund Balances
For the Year Ended December 31, 2025

	2025 General Fund	2024 General Fund
Fund balances - beginning	**$ 288,661**	$ 303,277
Deficiency of revenue over expenditures	**(127,689)**	(14,616)
Fund balances - ending	**$ 160,972**	$ 288,661

FOUNDATION OF RESOURCES FOR TEENS OF WEST NIAGARA
Statement of Cash Flows
For the Year Ended December 31, 2025

	2025	2024
Cash flows from operating activities:		
Deficiency of revenue over expenditures for the year	**$ (127,689)**	$ (14,616)
Non cash items		
Unrealized loss (gain) on investments	**2,957**	(8,222)
Gain on sale of investments	**(10,853)**	-
	(135,585)	(22,838)
Net change in accounts receivable	**1,691**	31,799
Net change in prepaid expenses	**-**	1,291
Net change in accounts payable and accrued liabilities	**17,268**	(11,917)
Net change in deferred revenue	**(4,831)**	(35,209)
Net change in government remittances	**(6,824)**	(8,930)
Total cash flows from operating activities	**(128,281)**	(45,804)
Cash flows from investing activities:		
Payments to acquire short term investments	**(2,152)**	(3,160)
Proceeds from sale of short term investments	**131,619**	-
Total cash flows from investing activities	**129,467**	(3,160)
Increase (decrease) in cash	**1,186**	(48,964)
Cash - beginning	**168,848**	217,812
Cash - ending	**$ 170,034**	$ 168,848

FOUNDATION OF RESOURCES FOR TEENS OF WEST NIAGARA
Notes to the Financial Statements
For the Year Ended December 31, 2025

1. Significant accounting policies

a. Nature of business and basis of preparation

Foundation of Resources for Teens of West Niagara (the foundation) is incorporated as a not-for-profit organization under the Ontario Corporations Act on January 26, 2001. The foundation's principal business activities are to operate a youth resource centre in West Niagara and to empower youth to make positive and successful choices through opportunities and guidance.

The foundation is a not-for-profit organization under the Income Tax Act and is exempt from payment of taxes as provided under the Income Tax Act.

The accounting policies of the foundation are in accordance with Canadian accounting standards for not-for-profit organizations applied on a basis consistent with that of the preceding year. Outlined below are those policies considered particularly significant.

b. Fund accounting

The unrestricted general fund reports the foundation's program delivery and administrative activities. This fund reports restricted and unrestricted donations, fundraising activities, and operating grants.

c. Use of estimates

The preparation of financial statements in conformity with Canadian Accounting Standards for Not-for-Profit Organizations (ANSPO) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the recognized amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the collectibility of accounts receivable, accrued liabilities, and the amount of deferred revenue.

d. Revenue recognition

The foundation follows the deferral method of accounting for contributions.

Unrestricted contributions related to general operations are recognized as revenue in the year which they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. This generally includes grants, donations, and gifts in kind.

Restricted contributions are recognized as revenue in the year in which the related expenses are made. Restricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Fundraising income is recognized as revenue on the date in which the event takes place.

Interest revenue is recognized when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

1. Significant accounting policies (continued)

e. Cash

Cash includes cash on hand and balances with banks.

f. Marketable securities

Equity securities that are quoted in an active market are recorded at their fair value. Changes in fair value are recorded in the statement of revenues and expenses. Equity securities that are not quoted in an active market and debt securities are recorded at cost less impairment. The foundation tests the impairment of its marketable securities that are recorded at cost when an event or circumstance occurs that indicates that there may be a significant adverse change in the expected timing or amount of future cash flows. The amount of the impairment recorded is recorded as the higher of present value of the expected cash flows from holding the asset or the amount that could be realized by selling the asset.

g. Capital assets

Purchased capital assets are expensed during the year and are not capitalized or amortized. This is in accordance with Section 4431 of the Canadian Institute of Chartered Accountants Handbook whereby an entity may elect to expense capital assets if the organization's annual gross revenues are under $500,000 in the current and preceding year.

Capital assets which have been expensed and are still in use at year end consists primarily of computers, office equipment, and musical instruments. Capital asset purchases of $NIL were expensed during the year (2024 - $5,446).

h. Contributed services

Volunteers contribute time to assist the organization in carrying out its various programs. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

All gifts in kind which have been recognized as revenue consist of operational or program supplies and fundraising expenses. If these supplies were not donated to the organization, they would have been purchased by the organization directly. These gifts in kind are recorded at their fair value at the time of donation. The total revenues from gifts in kind which have been receipted are NIL (2024 - NIL).

1. Significant accounting policies (continued)

i. Financial instruments

Initial and subsequent measurement:

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

The foundation subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. changes in the fair value of these financial instruments are recognized in net income in the period incurred.

Financial assets measured at amortized cost include cash, short term investments, and trade accounts receivable.

Financial assets measured at fair value include short term investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, employee deductions payable, and deferred revenue.

Transactions costs:

The foundation recognizes all transaction costs related to financial assets and liabilities subsequently measured at fair value as a reduction to net income in the period in which the costs were incurred.

Impairment:

For financial assets measured at cost or amortized cost, the foundation determines whether there are indications of possible impairment. When there is an indication of impairment, and the foundation determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

2. Short term investments

Investments consist of the following:

	2025	2024
Equity investments, at fair value		
Fixed income securities and fixed income funds	**$ -**	$ 58,508
Other assets	**-**	63,062
Total investments	**$ -**	$ 121,570

3. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of the following:

	2025	2024
Accounts payable	**$ 14,884**	$ (2,235)
Accrued wages	**5,436**	5,287
Accrued liabilities	**10,000**	10,000
Total	**$ 30,320**	$ 13,052

4. Deferred revenue

Deferred revenue represents restricted funding received in the current year that is related to a future project or funding intended for the subsequent year. Deferred revenue consists of the following:

	2024 Deferred balance	Amount received	Amount recognized	2025 Deferred balance
Grimsby Benevolent Fund, for programming, food and mental health	**$ 1,570**	$ -	$ (1,570)	$ -
Grimsby Benevolent Fund, for programming, food, and mental health	**$ 6,000**	$ -	$ (3,261)	$ 2,739

5. Contributions by major source

The foundation receives significant contributions from United Way Niagara.

The foundation received funding from United Way Niagara as part of their All That Kids Can Be program. The terms of the agreement runs from April 1, 2025 to March 31, 2027.

6. Related party transactions

The foundation had the following transactions with related parties:

	2025	2024
Bookkeeping fees paid to:		
Michele Dawn, a Board member	**$ 14,161**	$ 11,709

These transactions occurred in the normal course of operations and are measured at the exchange amount, which is the amount of the consideration established and agreed to by the related parties, and which in management's opinion is comparable to amounts that would have been paid to non-related parties.

7. Financial instruments

a. Risks and concentrations

The foundation is exposed to various risks through its financial instruments. It is management's opinion that the foundation is not exposed to significant currency risk and interest rate risk. The following analysis provides a measure of the foundation's risk exposure and concentrations at December 31, 2025.

b. Credit risk

Credit risk is the risk that a third party to a financial instrument might fail to meet its obligations under the terms of the financial instrument. Financial instruments that potentially subject the foundation to concentrations of credit risk consists principally of accounts receivable and are limited due to the financial strength of the companies the receivables are due from.

c. Liquidity risk

Liquidity risk is the risk that the foundation will not be able to meet its financial obligations as they become due. Liquidity risk also includes the risk of not being able to liquidate assets in a timely manner at a reasonable price. The foundation’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions.

d. Market risk

Market risk is the risk that financial instrument fair values will fluctuate due to changes in market prices. The significant market risk to which the foundation is exposed to is other price risk.

e. Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The foundation's investments in equity securities exposes the foundation to price risks as equity instruments are subject to price changes in an open market.