

THE SHOEBOX PROJECT FOR WOMEN
YEAR ENDED MARCH 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the directors of

THE SHOEBOX PROJECT FOR WOMEN

Qualified Opinion

We have audited the financial statements of The Shoebox Project for Women, which comprise of the statement of financial position as at March 31, 2025 and the statements of revenues and expenses, changes in net assets, and cash flow 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 financial statements present fairly, in all material respects, the financial position of The Shoebox Project for Women as at March 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 not for profit organizations, the organization derives revenue from donations, 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. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2025 and 2024, current assets as at March 31, 2025 and 2024, and net assets as at April 1 and March 31 for both 2025 and 2024 years. Our audit opinion on the financial statements for the year ended March 31, 2024 was modified accordingly because of the possible effects of this limitation of scope.

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

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.

INDEPENDENT AUDITOR'S REPORT (cont'd)

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 controls.
- 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 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, amongst 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.

Stern Cohen LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Canada
September 22, 2025

THE SHOEBOX PROJECT FOR WOMEN
STATEMENT OF REVENUES AND EXPENSES

For the year ended March 31,	2025 \$	2024 \$
Revenues		
Donations	808,471	658,252
Fundraising & events	26,311	38,030
Interest	10,625	13,100
Government grants	-	9,715
	845,407	719,097
Expenses		
Programming (Note 2)	430,343	394,967
Salaries	317,920	321,951
Rent	31,425	31,538
System	18,593	16,470
Fundraising & events	-	14,649
Office and general	10,231	12,127
Professional fees	14,142	14,453
Printing	3,533	6,652
Insurance	4,994	5,168
Travel	462	685
	831,643	818,660
Surplus (deficiency) of revenues over expenses for the year	13,764	(99,563)

See accompanying notes.

THE SHOEBOX PROJECT FOR WOMEN
STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31,	2025 \$	2024 \$
Beginning of year	220,477	320,040
Surplus (deficiency) of revenues over expenses for the year	13,764	(99,563)
End of year	234,241	220,477

See accompanying notes.

THE SHOEBOX PROJECT FOR WOMEN

STATEMENT OF CASH FLOW

For the year ended March 31,	2025 \$	2024 \$
Operating activities		
Surplus (deficiency) of revenues over expenses for the year	13,764	(99,563)
Net change in non-cash working capital balances related to operations	(40,053)	(44,070)
Cash required by operations	(26,289)	(143,633)
Investing activities		
Short-term investments, net	(383)	(1,164)
Change in cash during the year	(26,672)	(144,797)
Cash		
Beginning of year	399,441	544,238
End of year	372,769	399,441

See accompanying notes.

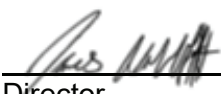
THE SHOEBOX PROJECT FOR WOMEN
STATEMENT OF FINANCIAL POSITION

As at March 31,	2025 \$	2024 \$
ASSETS		
Current assets		
Cash	372,769	399,441
Short-term investment (Note 3)	41,547	41,164
Accounts receivable	-	6,250
Prepaid expenses and deposits	15,191	14,689
	429,507	461,544
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	31,650	27,721
Deferred revenue (Note 4)	163,616	213,346
	195,266	241,067
NET ASSETS	234,241	220,477
	429,507	461,544

Other information (Note 5)

See accompanying notes.

Approved on behalf of the Board:



 Director

THE SHOEBOX PROJECT FOR WOMEN

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2025

The Shoebox Project for Women (the organization) is a registered charitable organization incorporated under the Canada Not-for-Profit Corporations Act (CNCA). The organization is exempt from income taxes under the Income Tax Act of Canada. The Shoebox Project for Women collects and distributes gifts in the form of shoeboxes to women who are homeless or at-risk of homelessness in communities across Canada and the U.S.

1. Significant accounting policies

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) and include the following significant accounting policies:

(a) *Revenue recognition*

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

Fundraising income is recognized as revenue upon completion of the corresponding event.

Investment income is recognized as earned.

(b) *Contributed materials and services*

Contributions of materials and services are recognized both as contributions and expenses in the statement of revenues and expenses when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the organization's operations and would otherwise have been purchased.

In fiscal 2025 an approximate \$1,796,323 in shoeboxes and individual items were donated to the organization (2024 - \$1,819,773) and subsequently dispersed to women who are homeless or at-risk of homelessness. Moving, storage, marketing, and photography services were also donated to the organization. These contributions are not recognized in the financial statements as they would not have otherwise been purchased by the organization. There were no other contributions of services recognized in the financial statements.

The organization benefits from services in the form of volunteer time to fulfill its mission. Since these invaluable services are not purchased by the organization and a reasonable estimate of their value cannot be made, they are not recorded in the financial statements.

1. Significant accounting policies (cont'd)*(c) Use of estimates*

The preparation of financial statements 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, liabilities, revenues and expenditures during the period. Actual results could differ from these estimates.

(d) Financial instruments

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

The organization subsequently measures all of its financial assets and financial liabilities at amortized cost except for investments, which are measured at fair value.

The organization's financial instruments that are measured at amortized cost consist of cash, accounts payable and accrued liabilities, and deferred revenue.

2. Programming expenses

The organization offers virtual shoeboxes which results in cash donations and gift cards purchased to fill the shoeboxes. During the year, the organization purchased \$120,439 (2024 - \$138,973) of gifts cards as part of the virtual shoebox program. This amount is included in programming expenses.

3. Short-term investment

The guaranteed investment certificate bears a yield to maturity of 4.0% (2024 - 3.0%) with a maturity date of April 12, 2025 (2024 - April 11, 2024).

4. Deferred revenue

The organization receives donations which are restricted as to the location or program where the funds will be used. The organization records restricted donations as deferred revenue until they are expended for the designated purpose.

	2025 \$	2024 \$
Opening balance - deferred revenue	213,346	251,545
Add: current year restricted donations received	376,426	344,598
Less: revenue recognized	(426,156)	(382,797)
Ending balance - deferred revenue	163,616	213,346

5. Other information*(a) Commitments*

The organization is committed under a net lease for the premise until August 2026. Lease payments are approximately as follows:

	\$
2026	33,600
2027	14,100
	<u>47,700</u>

(b) Financial instruments

The organization is exposed to the following significant risk:

Liquidity risk

Liquidity risk is the risk that the organization may not be able to meet its financial obligations as they become due. The organization manages its liquidity risk by monitoring and managing the cash requirements to ensure the organization has sufficient funds to meet its operational requirements.