

Firehouse Subs Public Safety Foundation of Canada
Financial Statements
December 31, 2024

Independent Auditor's Report

To the Board of Firehouse Subs Public Safety Foundation of Canada:

Opinion

We have audited the financial statements of Firehouse Subs Public Safety Foundation of Canada (the "Foundation"), which comprise the statement of financial position as at December 31, 2024, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2024, 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 Opinion

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 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 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 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.

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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

MNP LLP

Suite 1900, 1 Adelaide Street East, Toronto ON, M5C 2V9

1.877.251.2922 T: 416.596.1711 F: 416.596.7894

- 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 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 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.

MNP LLP

Toronto, Ontario

June 30, 2025

Chartered Professional Accountants

Licensed Public Accountants

MNP

Firehouse Subs Public Safety Foundation of Canada

Statement of Financial Position

As at December 31, 2024

	<i>General Fund</i>	<i>Externally Restricted Fund</i>	2024	2023
Assets				
Current				
Cash	611,514	-	611,514	253,724
Contributions receivable <i>(Note 4)</i>	31,906	-	31,906	59,763
Prepaid expenses	3,088	-	3,088	2,941
Inventory	-	-	-	3,779
	646,508	-	646,508	320,207
Liabilities				
Current				
Accounts payable and accrued liabilities	385,453	-	385,453	87,024
Donations payable	103,361	-	103,361	-
	488,814	-	488,814	87,024
Fund Balances				
General fund	157,694	-	157,694	233,183
	646,508	-	646,508	320,207

Approved on behalf of the Board

[Signed]

Director

The accompanying notes are an integral part of these financial statements

Firehouse Subs Public Safety Foundation of Canada Statement of Operations and Changes in Fund Balances

For the year ended December 31, 2024

	General Fund	Externally Restricted Fund	2024	2023
Contributions	918,903	-	918,903	709,103
Expenses				
Program services - donations	931,797	-	931,797	686,109
Professional fees	25,915	-	25,915	21,857
Advertising	10,235	-	10,235	2,475
General and administrative	10,000	-	10,000	10,000
Bank charges and interest	7,142	-	7,142	2,463
Supplies	5,745	-	5,745	7,530
Insurance	3,558	-	3,558	3,337
	994,392	-	994,392	733,771
Deficiency of revenue over expenses	(75,489)	-	(75,489)	(24,668)
Fund balances, beginning of year	233,183	-	233,183	257,851
Fund balances, end of year	157,694	-	157,694	233,183

The accompanying notes are an integral part of these financial statements

Firehouse Subs Public Safety Foundation of Canada

Statement of Cash Flows

For the year ended December 31, 2024

	General Fund	Externally Restricted Fund	2024	2023
Cash provided by (used for) the following activities				
Operating				
Deficiency of revenue over expenses	(75,489)	-	(75,489)	(24,668)
Changes in working capital accounts				
Contributions receivable	27,857	-	27,857	(15,029)
Prepaid expenses	(147)	-	(147)	(193)
Inventory	3,779	-	3,779	(1,367)
Accounts payable and accrued liabilities	298,429	-	298,429	(12,918)
Donations payable	103,361	-	103,361	-
Increase (decrease) in cash	357,790	-	357,790	(54,175)
Cash, beginning of year	253,724	-	253,724	307,899
Cash, end of year	611,514	-	611,514	253,724

The accompanying notes are an integral part of these financial statements

Firehouse Subs Public Safety Foundation of Canada

Notes to the Financial Statements

For the year ended December 31, 2024

1. Incorporation and nature of the foundation

Firehouse Subs Public Safety Foundation of Canada (the "Foundation") was created on June 12, 2015 without share capital under the Canada Not-For-Profit Corporations Act. The Organization is a registered charity and thus is exempt from income taxes under the Income Tax Act ("the Act") provided certain disbursement requirements are met.

The Foundation's mission is to increase the access to life saving equipment and resources to first responders and public safety organizations in Canada.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Measurement uncertainty

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Contributions receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in deficiency of revenue over expenses in the periods in which they become known.

Fund accounting

The Foundation follows the restricted fund method of accounting for contributions, and maintains an externally restricted fund ("Externally Restricted Fund") and an unrestricted fund ("General Fund").

The Externally Restricted Fund reports the Foundation's restricted funds to be used for disaster relief activities through public safety organizations in Canada, such as Canadian Red Cross, and for life saving equipment.

The General Fund reports the Foundation's unrestricted funds available for operations, which are not limited by donor restrictions.

Revenue recognition

The Foundation uses the restricted fund method of accounting for contributions, donations, and fundraising revenues (collectively referred to as "contributions"). Restricted contributions are recognized as revenue of the Externally Restricted Fund in the period in which they are earned. All other contributions are recognized as revenue of the General Fund.

Contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed materials and services

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

Firehouse Subs Public Safety Foundation of Canada

Notes to the Financial Statements

For the year ended December 31, 2024

2. Significant accounting policies (Continued from previous page)

Financial instruments

The Foundation recognizes financial instruments when the Foundation becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Foundation may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Foundation has not made such an election during the year.

All financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in deficiency of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

The Foundation initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at cost. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

At initial recognition, the Foundation may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value.

The Foundation has not made such an election during the year, thus all such related party debt instruments are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in deficiency of revenue over expenses.

Financial asset impairment

The Foundation assesses impairment of all its financial assets measured at cost or amortized cost. The Foundation groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; or no asset is individually significant, etc.. Management considers whether the issuer is having significant financial difficulty and whether there has been a breach in contract, such as a default or delinquency in interest or principal payments, etc., in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Foundation determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Foundation reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Firehouse Subs Public Safety Foundation of Canada

Notes to the Financial Statements

For the year ended December 31, 2024

2. Significant accounting policies *(Continued from previous page)*

Financial asset impairment *(Continued from previous page)*

For related party debt instruments initially measured at cost, the Foundation reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party equity instruments initially measured at cost, the Foundation reduces the carrying amount of the asset (or group of assets), to the amount that could be realized by selling the asset(s) at the statement of financial position date.

Any impairment, which is not considered temporary, is included in current year deficiency of revenue over expenses.

The Foundation reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in deficiency of revenue over expenses in the year the reversal occurs.

3. Financial instruments

The Foundation, as part of its operations, carries a number of financial instruments. It is management's opinion that the Foundation is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

4. Related party transactions

Included in contributions receivable is an amount of \$nil (2023 - \$28,716) due from Firehouse Subs of Canada, Ltd., a company related through common control.