

BARRIE FOOD BANK
Financial Statements
March 31, 2025

INDEPENDENT AUDITOR'S REPORT

To the Members of Barrie Food Bank

Qualified Opinion

We have audited the financial statements of Barrie Food Bank (the Organization), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, changes in 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 possible 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 Organization as at March 31, 2025, and the results of its operations and 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, the Organization derives revenue from donations and fundraising activities the completeness of which is not susceptible of 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 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 March 31 for both the 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 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 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.

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Independent Auditor's Report To the Members of Barrie Food Bank (*continued*)

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 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 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 the 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, 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.



June 24, 2025

Chartered Professional Accountants
Licensed Public Accountants

BARRIE FOOD BANK
Statement of Financial Position
As at March 31, 2025

	2025	2024
	\$	\$
ASSETS		
CURRENT		
Cash	305,973	511,558
Investments <i>(Note 3)</i>	2,882,865	2,129,344
Accounts receivable	16,816	12,664
Government remittances recoverable	35,118	34,541
Prepaid expenses	9,826	6,767
	<u>3,250,598</u>	<u>2,694,874</u>
CAPITAL ASSETS <i>(Note 4)</i>	<u>191,116</u>	<u>157,527</u>
	<u>3,441,714</u>	<u>2,852,401</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	140,831	30,993
Deferred revenue <i>(Note 5)</i>	-	28,571
	<u>140,831</u>	<u>59,564</u>
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS <i>(Note 6)</i>	<u>110,655</u>	<u>60,863</u>
	<u>251,486</u>	<u>120,427</u>
NET ASSETS		
Unrestricted fund	3,109,767	2,635,310
Invested in capital assets	82,228	96,664
	<u>3,190,228</u>	<u>2,731,974</u>
	<u>3,441,714</u>	<u>2,852,401</u>

APPROVED ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

See notes to financial statements

BARRIE FOOD BANK
Statement of Operations
For the Year Ended March 31, 2025

	2025	2024
	\$	\$
REVENUES		
Donations	2,535,146	1,847,806
Grant revenue	122,329	64,005
Fundraising	94,443	158,150
School Fuel program funding	78,055	30,101
Bequests	25,019	-
	<u>2,854,992</u>	<u>2,100,062</u>
EXPENSES		
Food purchases	1,418,492	1,796,597
Wages and benefits	576,426	550,451
Rent (<i>Note 7</i>)	126,439	105,613
Program expenses	91,532	-
Office and bank charges	48,181	47,151
Travel and vehicle	43,111	34,274
Repairs and maintenance	37,131	37,847
Public awareness and fundraising	29,891	33,245
Utilities	25,466	28,790
Professional services	16,058	13,397
Insurance	11,754	12,118
Training workshops	2,130	1,088
	<u>2,426,611</u>	<u>2,660,571</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE UNDERNOTED ITEMS	<u>428,381</u>	<u>(560,509)</u>
Amortization of capital assets	(45,702)	(39,140)
Amortization of deferred contributions related to capital assets (<i>Note 6</i>)	18,110	10,351
Realized gain on disposal of investments	7,831	-
Investment income	85,672	105,969
Unrealized gain (loss) on investments	<u>(36,038)</u>	<u>8,214</u>
	<u>29,873</u>	<u>85,394</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>458,254</u>	<u>(475,115)</u>

See notes to financial statements

BARRIE FOOD BANK
Statement of Changes in Net Assets
For the Year Ended March 31, 2025

	Invested in Capital Assets \$	Unrestricted Fund \$	2025 \$	2024 \$
NET ASSETS - BEGINNING OF YEAR	96,664	2,635,310	2,731,974	3,207,089
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(27,592)	485,846	458,254	(475,115)
INTERFUND TRANSFERS	11,389	(11,389)	-	-
NET ASSETS - END OF YEAR	80,461	3,109,767	3,190,228	2,731,974

BARRIE FOOD BANK
Statement of Cash Flows
For the Year Ended March 31, 2025

	2025	2024
	\$	\$
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	458,254	(475,115)
Items not affecting cash:		
Amortization of capital assets	45,702	39,140
Realized gain on disposal of investments	(7,831)	-
Amortization of deferred contributions related to capital assets	(18,110)	(10,351)
Unrealized (gain) loss on investments	36,038	(8,214)
Donation of marketable securities	(196,480)	(25,321)
In kind donation of capital asset	(10,729)	-
	<u>306,844</u>	<u>(479,861)</u>
Changes in non-cash working capital:		
Accounts receivable	(4,152)	(12,664)
Government remittances recoverable	(577)	(5,933)
Prepaid expenses	(3,059)	(1,745)
Accounts payable and accrued liabilities	109,839	3,333
Deferred revenue	(28,571)	22,571
	<u>73,480</u>	<u>5,562</u>
Cash flow from (used by) operating activities	<u>380,324</u>	<u>(474,299)</u>
INVESTING ACTIVITIES		
Investments, net	(585,249)	595,167
Purchase of capital assets	(68,562)	(68,069)
Cash flow from (used by) investing activities	<u>(653,811)</u>	<u>527,098</u>
FINANCING ACTIVITY		
Deferred contributions related to capital assets	<u>67,902</u>	<u>47,173</u>
INCREASE (DECREASE) IN CASH FLOW	<u>(205,585)</u>	<u>99,972</u>
Cash - beginning of year	<u>511,558</u>	<u>411,586</u>
CASH - END OF YEAR	<u>305,973</u>	<u>511,558</u>

See notes to financial statements

BARRIE FOOD BANK
Notes to Financial Statements
For the Year Ended March 31, 2025

1. GENERAL

Barrie Food Bank (the "Organization") is a not-for-profit organization incorporated provincially under the laws of Ontario. The principal activity of the Organization is to alleviate the source causes of hunger and to provide opportunities, whenever possible, to develop self-sufficiency. On July 7, 2006, the Organization received Supplementary Letters Patent changing its name from Community Food Foundation of Barrie Inc., to Barrie Food Bank.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Revenue recognition

The Organization uses the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue of the unrestricted fund in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Contributions received for designated purposes related to general operations are deferred and recognized as revenue of the unrestricted fund in the year in which the designated expenditures occur.

Contributions received to fund the purchase of capital assets are recorded as deferred contributions related to capital assets. Deferred contributions related to capital assets are amortized and recorded in revenue in the statement of operations at the same rate as the amortization expense on the related assets.

Investment income is recognized as revenue when earned.

Fund Accounts

The accounts of the Food Bank have been segregated into the following funds for reporting purposes. The funds and the purpose of each are as follows:

i) Unrestricted

The Unrestricted fund accounts for donations, grants, other income and operating expenses. The Unrestricted Fund reports unrestricted resources.

ii) Invested in Capital Assets

The balance of Invested in Capital Assets represents the total equity that is required to fund the capital assets of the Organization. The balance changes annually by the amount of capital asset additions and disposals, amortization of capital assets, deferred contributions related to capital assets, amortization of deferred contributions related to capital assets and transfers from the Unrestricted fund.

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BARRIE FOOD BANK
Notes to Financial Statements
For the Year Ended March 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated materials and services

i) Food and Household Goods Donations

Food and household goods donations received by the Organization are not reflected in the financial statements. In 2025 \$172,920 (2024 - \$98,641) of food and household goods donations were issued a tax receipt, at their estimated fair market value. There is an undeterminable amount of other food and household goods donations, therefore no amounts related to these donations are recorded as revenue in the statement of operations.

The Organization receives a substantial amount of food donations which are required to maintain the Organization and meet the needs of the community.

ii) Other Gifts In-Kind

Other gifts in-kind are recorded as donation revenue when a fair value can be reasonably estimated and when the materials are used in the normal course of the Organization's operations. In 2025, \$196,480 of common shares (2024 - \$25,321 of common shares) were donated and have been recorded as revenue in the statement of operations. In addition, a vehicle valued at \$10,729 was donated and has been recorded as revenue in the statement of operations.

iii) Contributed services

Services contributed by volunteers to assist the Organization in carrying out its activities are not recognized in the financial statements. A great deal of staff and volunteer time is required to promote the need for food donations and the subsequent collection, sorting, refrigeration, storage, and distribution of these donations in the community.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates:

Automotive	30%
Computer equipment	55%
Computer software	30%
Furniture and equipment	20%
Signs	20%
Website	50%

Leasehold improvements are amortized over a 10 year period on a straight-line basis.

Income taxes

The Organization is a registered charity for the purpose of the Income Tax Act (Canada). It is exempt from income tax and is permitted to issue official receipts to donors of qualified donations.

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BARRIE FOOD BANK
Notes to Financial Statements
For the Year Ended March 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

The preparation of the Organization's financial statements, in accordance with Canadian accounting standards for not-for-profit organizations, requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the year. Significant items subject to such estimates and assumptions include the estimated useful lives of capital assets. Due to the inherent uncertainty involved with making such estimates, actual results could differ from those reported. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

Financial instruments

Measurement of Financial Instruments

The Organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Organization subsequently measures all of its financial assets and financial liabilities at amortized cost except for investments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations in the period incurred.

Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

At the end of each reporting period, the Organization assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. The carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the reduction is recognized as an impairment loss in the statement of operations.

Transaction Costs

Transaction costs are recognized in the statement of operations in the period incurred, except for financial instruments that will be subsequently measured at amortized cost. Transaction costs associated with the acquisition and disposal of investments are capitalized and are included in the acquisition costs or reduce proceeds on disposal.

BARRIE FOOD BANK
Notes to Financial Statements
For the Year Ended March 31, 2025

3. INVESTMENTS

	2025 \$	2024 \$
Presented at market value		
GIC, interest rate of 3.20%, maturing January 26, 2026 (cost - \$750,000, 2024 - \$1,000,000)	754,340	1,008,855
High interest savings account (cost - \$1,072,010, 2024 - \$1,034,635)	1,072,010	1,034,635
Marketable securities (cost - \$1,084,806, 2024 - \$78,128)	1,056,515	85,854
	2,882,865	2,129,344

The market value of the investment portfolio at the audit report date is \$2,892,338.

4. CAPITAL ASSETS

	Cost \$	Accumulated amortization \$	2025 Net book value \$	2024 Net book value \$
Automotive	99,379	82,844	16,535	10,594
Computer equipment	20,522	18,956	1,566	3,480
Computer software	15,920	7,086	8,834	12,620
Furniture and equipment	185,185	84,888	100,297	87,986
Leasehold improvements	378,210	315,363	62,847	40,935
Signs	3,500	3,284	216	270
Website	19,652	18,831	821	1,642
	722,368	531,252	191,116	157,527

5. DEFERRED REVENUE

Deferred revenue is comprised of funds received in the current year for a future period. The balance is comprised of funding received for the Organization's general programming, food programs, and a fundraising event.

	2025 \$	2024 \$
School Fuel program	-	12,571
Grant revenue for operating costs	-	10,000
2025 fundraising event sponsorship	-	6,000
	-	28,571

BARRIE FOOD BANK
Notes to Financial Statements
For the Year Ended March 31, 2025

6. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred contributions related to capital assets represent the unamortized amount of restricted donations received to purchase heating equipment, a countertop, furniture, refrigeration equipment, or the lease of a van, outdoor shelter and ramps, and warehouse equipment.

	2025	2024
	\$	\$
Balance at beginning of year	60,863	24,041
Contributions received in current year	67,902	47,173
Less: Amounts amortized to revenue	<u>(18,110)</u>	<u>(10,351)</u>
	<u>110,655</u>	<u>60,863</u>

7. LEASE COMMITMENTS

The Organization leases a facility under a long term lease for a five year term concluding September 2026. The annual rent for the year ended March 31, 2025 was \$91,125, plus applicable taxes. The annual lease commitments are outlined below.

The Organization is also responsible for their proportionate share of the maintenance, insurance, and property taxes estimated at \$42,000 per year, subject to annual adjustments. The Organization has an option to extend the lease for another five year term with conditions to be agreed upon with the lessor at the time of the renewal.

At the report date, management does not have a renewed lease beyond the end of the five year term ending September 2026. The cost of a potential move is expected to be significant. At year end there are no amounts committed to facilitate relocation costs, though management believes the Organization has sufficient net assets to cover all expected costs.

	\$	
2026	95,934	
2027	<u>49,106</u>	
	<u>145,040</u>	

8. SUBSEQUENT EVENTS

Subsequent to year end, the Organization received an Access grant from Food Banks Canada in the amount of \$71,717, which will go towards part-time staffing costs and culturally specific food. The Organization also received a Capacity Boost grant in the amount of \$51,550 towards the purchase of one electric lift truck and collapsible bulk containers.

BARRIE FOOD BANK
Notes to Financial Statements
For the Year Ended March 31, 2025

9. FINANCIAL INSTRUMENT RISK

The Organization is exposed to various risks through its financial instruments. The following analysis provides information about the Organization's risk exposure and concentration as of March 31, 2025.

(a) Credit risk

Credit risk refers to the risk that the fair market value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in collectibility of receivables.

Cash is exposed to credit risk as the amounts on deposit exceed the federally insured limits. The Organization minimizes its exposure by depositing cash at the Royal Bank of Canada, a major financial institution.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk and other price risk.

(c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument 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 primarily through its investment in GICs and a high interest savings account.

(d) 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), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Organization is exposed to securities price risk on its investment in marketable securities. The Organization mitigates this risk by investing funds in low volatility investments and reviewing the performance and risk exposure of the investments regularly.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant currency or liquidity risks arising from these financial instruments.
