



Financial Statements

Alliston Food Bank Inc.
(Formerly The Good Shepherd Food Bank of
Alliston)

December 31, 2024

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Independent Auditor's Report

To the Board of Directors of
Alliston Food Bank Inc.

Qualified opinion

We have audited the financial statements of Alliston Food Bank Inc. (the "Organization"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations and 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 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 Alliston Food Bank Inc. as at 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 qualified opinion

In common with many not-for-profit organizations, the Organization derives part of its revenue from donations, 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 Organization. Therefore, we were not able to determine whether any adjustments might be necessary to donations, excess (deficiency) of revenues over expenses, and cash flows from operations for the years ended December 31, 2024 and 2023, current assets as at December 31, 2024 and 2023, and net assets as at January 1 and Board of Directors for both the 2024 and 2023 years. The review engagement conclusion on the financial statements for the year ended December 31, 2023 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.

Other matter

The financial statements of the Organization for the year ended December 31, 2023 are unaudited.

Independent Auditor's Report (continued)

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.

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.

Independent Auditor's Report (continued)

Alliston, Canada
June 2, 2025

Doane Grant Thornton LLP

Chartered Professional Accountants
Licensed Public Accountants

Alliston Food Bank Inc.**Statements of Operations and Changes in Net Assets**

Year ended December 31

2024**2023**

Revenues

Donations	\$ 422,908	\$ 353,437
Grant revenue (Note 5)	42,662	-
Municipal government funding	28,800	26,400
Amortization of deferred capital contributions (Note 5)	14,847	21,210
Interest income	10,446	8,408
	<u>519,663</u>	<u>409,455</u>

Expenditures

Grocery purchases	239,813	232,936
Wages and benefits	104,915	71,034
Amortization	39,235	47,079
Rent and utilities	29,935	29,935
Legal and accounting	24,136	5,697
Office	10,806	13,753
Repairs	10,534	8,470
Vehicle mileage	6,264	10,087
Telecommunications	5,020	2,554
Insurance	2,125	1,995
Advertising and promotion	1,396	-
	<u>474,179</u>	<u>423,540</u>

Excess (deficiency) of revenues over expenditures before other income

45,484 (14,085)

Other income

HST recovered	<u>2,547</u>	<u>2,699</u>
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Excess (deficiency) of revenues over expenditures

\$ 48,031 **\$ (11,386)**

Unrestricted net assets, beginning of year

\$ 429,203 \$ 440,589

Excess (deficiency) of revenues over expenditures

48,031 **(11,386)**

Unrestricted net assets, end of year

\$ 477,234 **\$ 429,203**

Alliston Food Bank Inc.

Statement of Financial Position

December 31

2024

2023

Assets

Current

Cash and cash equivalents	\$ 285,425	\$ 223,139
Goods and services tax receivable	1,373	2,861
Accounts receivable	10,660	-
Short term investments (Note 3)	147,347	142,036
Prepaid expenses	<u>10,085</u>	<u>8,934</u>
	454,890	376,970

Capital assets (Note 4)	<u>95,782</u>	<u>128,087</u>
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	<u>\$ 550,672</u>	<u>\$ 505,057</u>
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Liabilities

Current

Accounts payable and accrued liabilities	\$ 36,757	\$ 26,364
Deferred contributions (Note 5)	<u>2,038</u>	<u>-</u>
	38,795	26,364

Long-term

Deferred capital contributions (Note 5)	<u>34,643</u>	<u>49,490</u>
	73,438	75,854

Unrestricted net assets

	<u>477,234</u>	<u>429,203</u>
	<u>\$ 550,672</u>	<u>\$ 505,057</u>

On behalf of the Board of Directors

_____ Director _____ Date

Alliston Food Bank Inc.

Statement of Cash Flows

Year ended December 31

2024

2023

Increase (decrease) in cash and cash equivalents

Operating

Excess (deficiency) of revenues over expenditures	\$ 48,031	\$ (11,386)
Items not affecting cash		
Amortization	39,235	47,079
Amortization of deferred capital contributions	(14,847)	(21,210)
Accrued interest	<u>(5,309)</u>	<u>(4,707)</u>

67,110 9,776

Change in non-cash working capital items

Goods and services tax	1,488	(2,582)
Accounts receivable	(10,660)	-
Prepaid expenses	(1,151)	(7,082)
Accounts payable and accrued liabilities	10,391	(8,553)
Deferred contributions	<u>2,038</u>	<u>43,000</u>

69,216 34,559

Investing

Purchase of investments	(146,051)	(141,465)
Proceeds on sale of investments	146,051	160,629
Purchase of capital assets	<u>(6,930)</u>	<u>(105,119)</u>

(6,930) (85,955)

Increase (decrease) in cash and cash equivalents

62,286 (51,396)

Cash and cash equivalents

 Beginning of year 223,139 274,535

 End of year \$ 285,425 \$ 223,139

Alliston Food Bank Inc.

Notes to the Financial Statements

December 31, 2024

1. Nature of operations

Alliston Food Bank Inc. (the "Organization") was incorporated under the Business Corporations Act of Ontario on December 2, 2002 and was established to collect and distribute food items to underprivileged families in the community. On September 30, 2024 the Organization filed articles of amendment to comply with the Ontario Not-for-Profit Corporations Act, 2010.

2. Significant accounting policies

Basis of presentation

The financial statements of the Organization have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"), consistently applied. The following is a summary of the more significant accounting policies:

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Unrestricted donations, government funding and grants are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted donations, government funding and grants are recognized as revenue in the period in which the related expenditures are incurred.

Funding received for capital purposes is deferred and amortized at the same rate as the corresponding amortization of the capital asset that was funded.

Interest income is recognized as it is earned.

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 may affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results may differ from these estimates.

Management reviews these estimates periodically, which includes estimated useful lives of capital assets and accruals, and as adjustments become necessary, they are reported in excess of revenue over expenditures in the period in which they become known.

Alliston Food Bank Inc.

Notes to the Financial Statements

December 31, 2024

2. Significant accounting policies (continued)

Financial instruments

The Organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Organization accounts for the following as financial instruments:

- cash
- short-term investments
- accounts receivable
- accounts payable

A financial asset or liability is recognized when the Organization becomes party to contractual provisions of the instrument.

Financial assets or liabilities obtained in arm's length transactions are initially measured at their fair value. In the case of a financial asset or liability not being subsequently measured at fair value, the initial fair value will be adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption.

The Organization subsequently measures its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in excess of revenue over expenditures.

The Organization removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in excess of revenue over expenditures.

Financial instruments in related party transactions

Financial assets and financial liabilities in related party transactions are initially measured at cost, with the exception of certain instruments which are initially measured at fair value.

Cash and cash equivalents

Cash and cash equivalents include cash and gift cards which have a monetary value equivalent to cash exchanged to purchase them.

Investments

Investments are recorded and carried at fair market value. Unrealized gains and losses arising from the change in fair value of investments are recorded in the statement of operations.

Short-term investments represent the amounts available to be utilized within one year.

Alliston Food Bank Inc.

Notes to the Financial Statements

December 31, 2024

2. Significant accounting policies (continued)

Capital assets

Capital assets are recorded at cost less accumulated amortization.

The amortization rates used for each class of capital assets are:

Computer equipment	55% Declining balance
Equipment	20% Declining balance
Furniture and fixtures	20% Declining balance
Leasehold improvements	5 years Straight-line
Vehicles	30% Declining balance

The Organization tests long-lived assets for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Contributed goods and services

The Organization receives many hours each year of volunteer services and a large quantity of donated food goods in carrying out its activities. Because of the difficulty in determining their fair value, contributed goods and services are not recognized in the financial statements.

Food Inventory

No inventory value is recorded on the statement of financial position as the food is distributed at no charge.

3. Short term investments

The Organization carries one guaranteed investment certificate with an effective annual interest rate of 3.55% (2023 - 3.88%) with a maturity date of July 24, 2025.

4. Capital assets

			<u>2024</u>	<u>2023</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer equipment	\$ 8,466	\$ 5,734	\$ 2,732	\$ 1,076
Equipment	98,388	58,902	39,486	47,424
Furniture and fixtures	12,892	7,468	5,424	6,780
Leasehold improvements	35,323	28,258	7,065	14,129
Vehicles	83,826	42,751	41,075	58,678
	<u>\$ 238,895</u>	<u>\$ 143,113</u>	<u>\$ 95,782</u>	<u>\$ 128,087</u>

Alliston Food Bank Inc.

Notes to the Financial Statements

December 31, 2024

5. Deferred contributions

Deferred contributions represent donations and government grants that are externally restricted. Changes in the deferred contributions balance are as follows:

	<u>2024</u>	<u>2023</u>
Deferred capital contributions balance, beginning of year	\$ 49,490	\$ 27,700
Add amounts received during the year	-	43,000
Less: deferred capital contribution amortization	<u>(14,847)</u>	<u>(21,210)</u>
Deferred capital contributions balance, end of year	<u>\$ 34,643</u>	<u>\$ 49,490</u>
	<u>2024</u>	<u>2023</u>
Add: amounts received during the year	\$ 44,700	\$ -
Less: amount recognized from eligible expenditures in the year	<u>(42,662)</u>	<u>-</u>
Deferred contributions balance, end of year	<u>\$ 2,038</u>	<u>\$ -</u>

6. Related party transactions

A member of the Board of Directors was appointed by the Board to provide services to the Organization. These services included updating the Organization's policy to comply with the Food Banks of Canada Standards of Excellence. The amount paid was \$11,200 and was funded through a grant receipt supporting this work.

7. Financial instruments

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposures and concentrations at December 31, 2024.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting the obligations associated with its financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Organization manages liquidity risk by maintaining sufficient cash on hand to settle obligations as they arise through operations.

There have been no significant changes to risk exposure from the prior year.

Alliston Food Bank Inc.
Notes to the Financial Statements

December 31, 2024

8. Subsequent events

Subsequent to year end, a former employee of the Organization has retained legal counsel to explore potential claims against the Organization. As of the date of approval of these financial statements, the outcome of this matter remains uncertain, and the amount of any potential liability, if any, cannot be reasonably estimated. Accordingly, no provision has been recognized in these financial statements.

9. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.