Doane Grant Thornton

Financial Statements

Alliston Food Bank Inc.

December 31, 2025

Contents

Doane Grant Thornton

Doane Grant Thornton LLP
Suite 400
85 Bayfield Street
Barrie, ON
L4M 3A7

T +1 705 728 3397
F +1 705 728 2728
www.doanegrantthornton.ca

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, 2025, 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, 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 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 of revenues over expenses, and cash flows from operations for the years ended December 31, 2025 and 2024, current assets as at December 31, 2025 and 2024, and net assets as at January 1 for both 2025 and 2024 years.

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 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

Independent Auditor's Report (continued)

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.

Doane Grant Thornton LLP

Barrie, Canada
June 22, 2026

Chartered Professional Accountants
Licensed Public Accountants

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

Year ended December 31	2025	2024
Revenues		
Donations	$ 432,009	$ 422,908
Grant revenue (Note 5)	48,138	42,662
Municipal government funding	28,800	28,800
Amortization of deferred capital contributions (Note 5)	10,393	14,847
Interest income	8,141	10,446
	527,481	519,663
Expenditures		
Grocery purchases	266,584	239,813
Wages and benefits	84,334	104,915
Legal and accounting	32,613	24,136
Rent	29,935	29,935
Repairs and maintenance	16,131	10,534
Office	9,786	10,806
Vehicle expenses	6,152	6,264
Telecommunications	5,865	5,020
Insurance	2,290	2,125
Advertising and promotion	1,883	1,396
Amortization	32,122	39,235
	487,695	474,179
Excess of revenues over expenditures before other income	39,786	45,484
Other income		
HST recovered	2,511	2,547
Excess of revenues over expenditures	$ 42,297	$ 48,031

Unrestricted net assets, beginning of year	$ 477,234	$ 429,203
Excess of revenues over expenditures	42,297	48,031
Unrestricted net assets, end of year	$ 519,531	$ 477,234

Alliston Food Bank Inc.
Statement of Financial Position

December 31	2025	2024
Assets		
Current		
Cash	$ 341,745	$ 260,975
HST recoverable	500	1,372
Accounts receivable	3,309	10,660
Short term investment (Note 3)	151,985	147,347
Prepaid expenses	12,601	34,536
	510,140	454,890
Property and equipment (Note 4)	68,379	95,782
	$ 578,519	$ 550,672
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 34,738	$ 36,757
Deferred contributions (Note 5)	-	2,038
	34,738	38,795
Long-term		
Deferred capital contributions (Note 5)	24,250	34,643
	58,988	73,438
Unrestricted net assets	519,531	477,234
	$ 578,519	$ 550,672

On behalf of the Board of Directors

[signature] Director   June 22, 2026 Date

See accompanying notes to the financial statements.

Alliston Food Bank Inc.
Statement of Cash Flows

Year ended December 31		2025	2024
Increase (decrease) in cash			
Operating			
Excess of revenues over expenditures		**$ 42,297**	$ 48,031
Items not affecting cash			
Amortization		**32,122**	39,235
Amortization of deferred capital contributions		**(10,393)**	(14,847)
Accrued interest		**(4,639)**	(5,309)
		59,387	67,110
Change in non-cash working capital items			
Government remittances recoverable		**872**	1,489
Accounts receivable		**7,351**	(10,660)
Prepaid expenses		**21,935**	(16,446)
Accounts payable and accrued liabilities		**(2,016)**	10,391
Deferred contributions		**(2,038)**	2,038
		85,491	53,922
Investing			
Purchase of property and equipment		**(4,721)**	(6,930)
Increase in cash		**80,770**	46,992
Cash			
Beginning of year		**260,975**	213,983
End of year		**$ 341,745**	$ 260,975

Non-cash investing:

During the year, a short term investment with a maturity value of $150,354 (2024 - $146,051) was reinvested directly into a new short term investment.

1. Nature of operations

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

The Organization is a registered charity and, as such is exempt from income tax under the Canadian Income Tax Act and may issue income tax receipts to donors.

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 property and equipment and accrued liabilities, and as adjustments become necessary, they are reported in excess of revenue over expenditures in the period in which they become known.

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 investment
- accounts receivable
- accounts payable

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

<u>Financial instruments in arm's length transactions</u>

Initial measurement

The Organization initially measures financial assets and financial liabilities originating, acquired, issued or assumed in arm's length transactions at fair value.

Subsequent measurement

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.

Derecognition

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

Impairment

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.

2. Significant accounting policies (continued)

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.

Property and equipment

Property and equipment is recorded at cost less accumulated amortization.

The amortization rates used for each class of property and equipment are:

Equipment	20% Declining balance
Vehicles	30% Declining balance
Furniture and fixtures	20% Declining balance
Leasehold improvements	5 years Straight-line
Computer equipment	55% 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 the fair value of volunteer services and certain donated food items cannot be reasonably determined, contributed goods and services are not recognized in the financial statements.

Food inventory

Donated food inventory is not recognized on the statement of financial position as the fair value of the donated food cannot be reasonably determined. Donated food is distributed in the normal course of the Organization’s charitable activities.

3. Short term investment

The Organization carries one guranteed investment certificate with an effective annual interest rate of 2.60% (2024 - 3.55%) with a maturity date of May 25, 2026 (2024 - July 24, 2025).

4. Property and equipment

			2025	2024
	Cost	Accumulated Amortization	**Net Book Value**	Net Book Value
Equipment	$ 98,388	$ 66,800	**$ 31,588**	$ 39,486
Vehicles	83,826	55,074	**28,752**	41,075
Furniture and fixtures	13,881	8,751	**5,130**	5,424
Leasehold improvements	35,323	35,323	**-**	7,065
Computer equipment	12,199	9,290	**2,909**	2,732
	$ 243,617	$ 175,238	**$ 68,379**	$ 95,782

5. Deferred contributions

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

	2025	2024
Deferred capital contributions balance, beginning of year	**$ 34,643**	$ 49,490
Less: deferred capital contribution amortization	**(10,393)**	(14,847)
Deferred capital contributions, end of year	**$ 24,250**	$ 34,643

	2025	2024
Deferred contributions balance, beginning of year	**$ 2,038**	$ -
Add: amounts received during the year	**46,100**	44,700
Less: revenue recognized from eligible expenditures in the year	**(48,138)**	(42,662)
	$ -	$ 2,038

6. 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, 2025.

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.

7. Comparative figures

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