

North York Harvest Food Bank
Financial Statements
For the year ended August 31, 2025

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Independent Auditor's Report

To the Board of Directors of North York Harvest Food Bank

Qualified Opinion

We have audited the financial statements of North York Harvest Food Bank (the "Organization"), which comprise the statement of financial position as at August 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 August 31, 2025, and its results of 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 charitable organizations, the Organization derives revenue from individual, community and special events 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 revenue from individual, community and special events donations, excess of revenue over expenditures and cash flows from operations for the years ended August 31, 2025 and 2024, current assets as at August 31, 2025 and 2024, and net assets as at September 1 and August 31 for both 2025 and 2024 years. Our opinion on the financial statements for the year ended August 31, 2024 was modified accordingly because of the possible effects of this scope limitation.

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 audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Oakville, Ontario
November 27, 2025

North York Harvest Food Bank
Statement of Financial Position

August 31 **2025** **2024**

Assets

Current

| | | |
|-----------------------------------|--------------|--------------|
| Cash | \$ 1,308,651 | \$ 1,782,515 |
| Short-term investments (Note 3) | 1,652,260 | 1,086,035 |
| Receivables | 197,670 | 233,860 |
| Prepaid expenses and other assets | 305,292 | 72,410 |
| | 3,463,873 | 3,174,820 |

Capital assets (Note 4) 458,535 576,383

\$ 3,922,408 **\$ 3,751,203**

Liabilities and Net Assets

Current

| | | |
|--|------------|------------|
| Accounts payable and accrued liabilities | \$ 594,133 | \$ 418,891 |
| Food vouchers payable | - | 216,138 |
| Deferred revenue (Note 5) | 816,431 | 622,650 |
| Current portion of obligations under capital leases (Note 6) | 9,255 | 20,184 |
| | 1,419,819 | 1,277,863 |

Obligations under capital leases (Note 6) 6,190 15,445

Deferred capital contributions (Note 7) 348,978 442,476

1,774,987 **1,735,784**

Net assets

| | | |
|----------------------------------|-----------|-----------|
| Community Capacity Building Fund | 200,000 | 200,000 |
| Contingency Fund | 810,000 | 810,000 |
| Infrastructure Fund | 593,004 | 461,002 |
| Unrestricted | 544,417 | 544,417 |
| | 2,147,421 | 2,015,419 |

\$ 3,922,408 **\$ 3,751,203**

On behalf of the Board:

_____ Director _____ Director

The accompanying notes are an integral part of these financial statements.

North York Harvest Food Bank
Statement of Operations

| For the year ended August 31 | 2025 | 2024 |
|--|-------------------|-------------------|
| Revenue | | |
| Individual donations | \$ 1,755,074 | \$ 1,547,499 |
| Services | 1,943,072 | 1,740,911 |
| Foundation donations | 1,041,166 | 1,227,906 |
| Community donations | 999,289 | 1,195,826 |
| Government grants | 1,233,212 | 943,239 |
| Corporate donations | 358,997 | 429,588 |
| Interest and other income | 318,449 | 378,275 |
| Special event donations | 115,858 | 135,597 |
| | 7,765,117 | 7,598,841 |
| Expenditures (Note 9) | | |
| Food distribution program | 2,088,882 | 2,229,079 |
| Community food banks and programs | 2,617,922 | 2,658,459 |
| Food distribution - food and gift card purchases | 1,470,293 | 1,038,328 |
| Fundraising | 1,168,119 | 867,665 |
| Administration | 287,899 | 344,308 |
| | 7,633,115 | 7,137,839 |
| Excess of revenue over expenditures | \$ 132,002 | \$ 461,002 |

The accompanying notes are an integral part of these financial statements.

North York Harvest Food Bank
Statement of Changes in Net Assets

For the year ended August 31

| | Community Capacity Building Fund | Contingency Fund | Infrastructure Fund | Unrestricted | 2025 Total |
|---|--|---------------------|------------------------|-------------------|---------------------|
| Net assets, beginning of year | \$ 200,000 | \$ 810,000 | \$ 461,002 | \$ 544,417 | \$ 2,015,419 |
| Excess of revenue over expenditures | - | - | - | 132,002 | 132,002 |
| Transfer to Infrastructure Fund (Note 1) | - | - | 132,002 | (132,002) | - |
| Net assets, end of year | \$ 200,000 | \$ 810,000 | \$ 593,004 | \$ 544,417 | \$ 2,147,421 |

For the year ended August 31

| | Community Capacity Building Fund | Contingency Fund | Infrastructure Fund | Unrestricted | 2024 Total |
|--|--|---------------------|------------------------|-------------------|---------------------|
| Net assets, beginning of year | \$ 200,000 | \$ 810,000 | \$ - | \$ 544,417 | \$ 1,554,417 |
| Excess of revenue over expenditures | - | - | - | 461,002 | 461,002 |
| Transfer to Infrastructure Fund (Note 1) | - | - | 461,002 | (461,002) | - |
| Net assets, end of year | \$ 200,000 | \$ 810,000 | \$ 461,002 | \$ 544,417 | \$ 2,015,419 |

The accompanying notes are an integral part of these financial statements.

North York Harvest Food Bank Statement of Cash Flows

| For the year ended August 31 | 2025 | 2024 |
|---|---------------------|---------------------|
| Cash was provided by (used in) | | |
| Operating activities | | |
| Excess of revenue over expenditures | \$ 132,002 | \$ 461,002 |
| Adjustments required to reconcile excess of revenue over expenditures with net cash provided by operating activities | | |
| Amortization of capital assets | 134,519 | 126,687 |
| Amortization of deferred capital contributions | (93,498) | (96,083) |
| Changes in non-cash working capital balances | | |
| Receivables | 36,190 | (73,225) |
| Prepaid expenses and other assets | (232,882) | 37,123 |
| Accounts payable and accrued liabilities | 175,242 | 157,424 |
| Food vouchers payable | (216,138) | 216,138 |
| Deferred revenue | 193,781 | 164,408 |
| | 129,216 | 993,474 |
| Investing activities | | |
| Purchase of capital assets | (16,671) | (188,363) |
| Purchase of short-term investments | (566,225) | (45,914) |
| | (582,896) | (234,277) |
| Financing activities | | |
| Capital contributions received | - | 147,340 |
| Payments of obligations under capital leases | (20,184) | (19,051) |
| | (20,184) | 128,289 |
| Increase (decrease) in cash during the year | (473,864) | 887,486 |
| Cash, beginning of year | 1,782,515 | 895,029 |
| Cash, end of year | \$ 1,308,651 | \$ 1,782,515 |

The accompanying notes are an integral part of these financial statements.

North York Harvest Food Bank

Notes to Financial Statements

August 31, 2025

1. Significant Accounting Policies

Nature of Organization

North York Harvest Food Bank (the "Organization") is a not-for-profit organization whose mission is to engage the community in meeting the food needs of northern Toronto by providing dignified food assistance, education, focused advocacy, and long term food solutions. The Organization is a registered charity pursuant to paragraph 149(1)(f) of the Income Tax Act (Canada) and accordingly, is exempt from income taxes.

Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue Recognition

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

Fees for services are recorded on an accrual basis. Fees for services include services the Organization provides on a contract basis to third parties for the delivery of prepared food and training in support of skills training programs. The FoodReach program is a program where bulk food purchases are made through a portal managed by the Organization. The food is delivered to the purchaser directly by the supplier.

Interest and other income is recorded on an accrual basis.

Deferred capital contributions are donations received by the Organization for the purchase of capital assets. They are initially deferred and are amortized to revenue at the same rate as the related purchased capital assets.

Donated Goods and Services and Gift Cards

Goods and services that have been donated are recorded in the financial statements at their fair value when a fair value can be reasonably estimated and the goods and services would be paid for if not donated. Where an estimate of fair value cannot reasonably be made, such donations would not be recorded. No value is placed on food donations received and disbursed.

A number of volunteers contribute their services to the Organization each year. Due to the difficulty in determining their fair value, these contributed services are not recognized or disclosed in the financial statements.

Gift cards are expensed at the time they are redeemed.

North York Harvest Food Bank

Notes to Financial Statements

August 31, 2025

1. Significant Accounting Policies (continued)

Capital Assets

Capital assets are stated at cost less accumulated amortization. Amortization is provided at the following rates:

| | |
|---------------------------------|------------------------------------|
| Trucks | - 10 years straight-line basis |
| Computer equipment and software | - 5 years straight-line basis |
| Equipment | - 3 to 5 years straight-line basis |
| Leasehold improvements | - term of lease |

Food Vouchers Payable

Food vouchers are issued to agencies that will be utilized to purchase food subsequent to year end.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, short-term investments are reported at fair value, while all other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in excess of revenue over expenditures. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in excess of revenue over expenditures.

Obligations under Capital Leases

Leases meeting certain criteria are accounted for as capital leases. The imputed interest is charged against income and the capitalized value is amortized on a straight-line basis over its estimated useful life. Obligations under capital leases are reduced by rental payments net of imputed interest. All other leases are accounted for as operating leases with rental payments being expensed as incurred.

Contingency Fund

The Contingency Fund is an internally restricted fund that reflects amounts that are designated by the Board of Directors to support core operations for a set period of time in the event of short falls in donations and/or increase in demand for food.

Community Capacity Building Fund

The Community Capacity Building Fund is an internally restricted fund that will be used to support the Organization's agencies and other groups in the catchment area that are engaged in anti-poverty work. This fund will respond to the strain and increased client volumes seen in the network and will be administered via a participatory budgeting process.

North York Harvest Food Bank

Notes to Financial Statements

August 31, 2025

1. Significant Accounting Policies (continued)

Infrastructure Fund

The Infrastructure Fund is an internally restricted fund that reflects the amounts that are designated by the Board of Directors for costs associated with the Organization's facilities, vehicles and physical infrastructure. The Fund will ensure that there are sufficient resources for the investments required for the Organization to fulfill future food distribution demand. During the year, the Board of Directors approved a transfer of \$132,002 (2024 - \$461,002) from the Unrestricted Fund to the Infrastructure Fund.

Attribution and Allocation of Expenses

The Organization engages in food distribution and community programs. The costs of each program include personnel and other expenses that are directly related to providing the programs.

For employees who perform a combination of program, fundraising and administrative activities, their salaries, benefits and all other payroll costs are attributed based on the percentage of time dedicated to each activity.

Occupancy related costs are attributed to programs based on the percentage of the actual used area space by each function.

Some shared costs are attributed based on estimated consumption to each function.

Occupancy related costs relating to common areas, and other shared costs such as cleaning and telecommunications, are allocated based on the percentage of time dedicated by staff with workstations to program, fundraising and administrative activities.

Such allocations are reviewed annually, updated and applied on a prospective basis.

Allocations are detailed in Note 9.

Use of Estimates

The preparation of financial statements in accordance 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 at the date of the financial statements, and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Pension Plan

The Organization participates in a multi-sector defined benefit pension plan for its employees. Full-time employees of the Organization are mandatory members of the plan, while part-time employees are optional. The Organization and employees equally contribute 3% of the employees' pensionable pay to the plan. This plan is accounted for as a defined contribution plan since the plan is a multi-employer pension plan.

North York Harvest Food Bank Notes to Financial Statements

August 31, 2025

2. Credit Facilities

The Organization has an operating line of credit for \$150,000 collateralized by a general assignment of a Guaranteed Investment Certificate of the Organization. Advances under this line of credit bear interest at the bank's prime rate plus 1.56% (2024 - prime rate plus 1.56%). As at August 31, 2025 and 2024, there were no amounts drawn under the line of credit.

During the current year, the Organization issued an irrevocable letter of credit to the landlord, in the amount of \$301,347, which will stay in effect till July 29, 2026. As at August 31, 2025, there were no amounts drawn under this facility.

3. Short-term Investments

Short-term investments consist of the following:

| | 2025 | 2024 |
|-------------------------------|--------------|--------------|
| High interest savings account | \$ 505,960 | \$ 782,493 |
| Fixed income | 1,146,300 | 303,542 |
| | \$ 1,652,260 | \$ 1,086,035 |

Fixed income consists of Guaranteed Investment Certificates that earn interest of 3.25% and 3.85% (2024 - 2.75% and 5.16%) with maturity dates between October 2025 and October 2028 (2024 - December 2024 and February 2025). Fixed income also includes a variable rate investment in Solactive Canada Bank 40 AR Index, maturing in October 2027.

4. Capital Assets

| | 2025 | | 2024 | |
|---------------------------------------|--------------|-----------------------------|--------------|-----------------------------|
| | Cost | Accumulated Amortization | Cost | Accumulated Amortization |
| Trucks | \$ 653,430 | \$ 347,586 | \$ 724,996 | \$ 365,533 |
| Computer equipment and software | 98,441 | 55,335 | 98,441 | 37,368 |
| Equipment | 237,643 | 134,399 | 220,972 | 109,972 |
| Leasehold improvements | 368,912 | 362,571 | 368,912 | 324,065 |
| Totals | \$ 1,358,426 | \$ 899,891 | \$ 1,413,321 | \$ 836,938 |
| Cost, net of accumulated amortization | | \$ 458,535 | | \$ 576,383 |

Trucks and equipment include assets under capital lease of \$119,823 (2024 - \$119,823), net of accumulated amortization of \$76,143 (2024 - \$62,559).

North York Harvest Food Bank
Notes to Financial Statements

August 31, 2025

5. Deferred Revenue

| | 2025 | 2024 |
|---|-------------|-------------|
| Balance, beginning of year | \$ 622,650 | \$ 458,242 |
| Funding received during the year | 1,963,547 | 1,299,879 |
| Funding transferred to deferred capital contributions | - | (40,906) |
| Amounts recognized in revenue | (1,769,766) | (1,094,565) |
| Balance, end of year | \$ 816,431 | \$ 622,650 |

6. Obligations under Capital Leases

| | 2025 | 2024 |
|--|----------|-----------|
| Equipment under capital lease, bearing interest at 7.34%, repayable in blended monthly installments of \$329, due May 2028, secured by related equipment | \$ 9,544 | \$ 12,662 |
| Truck under capital lease, bearing interest at 5.51%, repayable in blended monthly installments of \$1,429, due December 2025, secured by related truck | 5,901 | 22,967 |
| Balance of obligations | 15,445 | 35,629 |
| Less: current portion | 9,255 | 20,184 |
| | \$ 6,190 | \$ 15,445 |

Future minimum lease payments consist of the following:

| | | |
|------------------------|----|--------|
| 2026 | \$ | 9,884 |
| 2027 | | 3,943 |
| 2028 | | 2,654 |
| Minimum lease payments | | 16,481 |
| Less: imputed interest | | 1,036 |
| Balance of obligations | | 15,445 |
| Less: current portion | | 9,255 |
| Long term portion | \$ | 6,190 |

Interest expense on capital leases for the year was \$1,583 (2024 - \$2,716).

North York Harvest Food Bank
Notes to Financial Statements

August 31, 2025

7. Deferred Capital Contributions

| | 2025 | 2024 |
|------------------------------|------------|------------|
| Balance, beginning of year | \$ 442,476 | \$ 391,219 |
| Contributions received | - | 147,340 |
| Amounts amortized to revenue | (93,498) | (96,083) |
| Balance, end of year | \$ 348,978 | \$ 442,476 |

8. Pension Plan

The Organization's contributions to the pension plan during the year amounted to \$79,800 (2024 - \$64,900).

9. Allocation of Expenses

Certain salaries and benefits for employees whose job function is across different programs, and certain operational expenses, such as occupancy and other administrative expenses, have been allocated as follows:

| | Salaries and benefits | Operational expenses | 2025 Total |
|-----------------------------------|--------------------------|-------------------------|---------------|
| Food distribution program | \$ 164,128 | \$ 141,661 | \$ 305,789 |
| Community food banks and programs | 193,225 | 141,676 | 334,901 |
| Fundraising | 50,143 | 89,961 | 140,104 |
| Administration | 198,710 | 25,169 | 223,879 |
| | \$ 606,206 | \$ 398,467 | \$ 1,004,673 |

| | Salaries and benefits | Operational expenses | 2024 Total |
|-----------------------------------|--------------------------|-------------------------|---------------|
| Food distribution program | \$ 267,243 | \$ 84,487 | \$ 351,730 |
| Community food banks and programs | 294,578 | 61,848 | 356,426 |
| Fundraising | 28,396 | 21,747 | 50,143 |
| Administration | 190,586 | 13,706 | 204,292 |
| | \$ 780,803 | \$ 181,788 | \$ 962,591 |

North York Harvest Food Bank
Notes to Financial Statements

August 31, 2025

10. Commitments

The Organization leases premises under operating lease arrangements. During the year, the Organization entered into a new lease agreement, beginning September 2025. The minimum payments under these agreements for the next 5 years and thereafter are as follows:

| | |
|------------|---------------------|
| 2026 | \$ 496,546 |
| 2027 | 458,989 |
| 2028 | 472,758 |
| 2029 | 486,941 |
| 2030 | 501,549 |
| Thereafter | <u>2,742,677</u> |
| | <u>\$ 5,159,460</u> |

11. Financial Instruments Risk

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization is exposed to credit risk on its receivables. The Organization's credit risk is considered to be low as receivables consist primarily of grants, HST receivable and accrued interest.

Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly with respect to its accounts payable, accrued liabilities, deferred revenue and obligations under capital leases. The Organization expects to meet its obligations by managing its working capital, ensuring that sufficient credit is available, and by generating sufficient cash flow from operations.

These risks have not changed from the prior year.