

AIRDRIE FOOD BANK

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2026

**AIRDRIE FOOD BANK
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YEAR ENDED JUNE 30, 2026**

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Directors of Airdrie Food Bank

We have reviewed the accompanying financial statements of Airdrie Food Bank (the Organization) that comprise the statement of financial position as at June 30, 2026, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 (ASNPO), 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Airdrie Food Bank as at June 30, 2026, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Airdrie, Alberta
October 15, 2026

NUMIS CPAs Inc.

Numis CPAs Professional Corporation,
Chartered Professional Accountants

AIRDRIE FOOD BANK
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2026

	2026	2025 (Revised)
	\$	\$
ASSETS		
CURRENT		
Cash	331,390	311,880
Restricted cash - AGLC (Note 3)	10,427	49,091
Restricted cash - internal reserves (Note 3)	625,181	532,237
Prepaid gift certificates on hand	83,816	66,643
Goods and services tax recoverable	6,400	63,101
Prepaid expenses (Note 5)	18,152	19,661
Security deposits recoverable	5,390	5,390
	1,080,756	1,048,003
PROPERTY AND EQUIPMENT (Note 6)	3,127,401	3,318,548
	4,208,157	4,366,551
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	83,658	90,850
Current portion of long term debt (Note 7)	69,269	63,574
Current portion of obligations under capital lease (Note 8)	8,320	7,861
Deferred contributions (Note 9)	76,986	54,450
	238,233	216,735
LONG TERM DEBT (Note 7)	1,462,830	1,587,154
OBLIGATIONS UNDER CAPITAL LEASE (Note 8)	64,964	73,283
DEFERRED CONTRIBUTIONS (Note 9)	819,769	808,840
SECURITY DEPOSIT HELD	5,152	5,152
	2,590,948	2,691,164
NET ASSETS		
NET ASSETS (Note 12)	1,617,209	1,675,387
	4,208,157	4,366,551

COMMITMENTS (Note 10)

AIRDRIE FOOD BANK
STATEMENT OF REVENUES AND EXPENDITURES
YEAR ENDED JUNE 30, 2026

	2026	2025 (Revised)
	\$	\$
REVENUES		
Donations and grants	1,149,952	1,093,936
Interest income	18,345	36,644
AGLC revenue	52,722	46,908
Special events	218,444	159,871
Rental revenue	61,012	72,652
	1,500,475	1,410,011
EXPENSES		
Salaries and wages	785,443	862,341
Food purchases	147,826	192,243
Employee benefits	80,825	79,810
Land and storage rent	78,164	72,890
Interest on long term debt	77,421	68,892
Repairs and maintenance	48,402	50,896
Utilities	44,260	50,083
Fundraising	27,704	28,048
Vehicle	24,378	20,555
Volunteer appreciation	22,884	28,718
Service providers	20,468	19,475
Supplies	19,957	36,175
Insurance	13,513	12,031
Professional fees	11,613	19,062
Office	10,041	11,294
Interest on obligations under capital lease	4,422	1,572
Advertising and promotion	3,115	6,019
Interest and bank charges	2,658	3,202
Travel	1,277	5,704
Business taxes, licenses and memberships	932	1,597
Property taxes	-	4,537
	1,425,303	1,575,144
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	75,172	(165,133)
OTHER INCOME (EXPENSES)		
Amortization of deferred contributions for property and equipment	57,797	76,080
Amortization of property and equipment	(191,147)	(150,872)
	(133,350)	(74,792)
DEFICIENCY OF REVENUES OVER EXPENSES	(58,178)	(239,925)

AIRDRIE FOOD BANK
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2026

	2026	2025
	\$	\$
NET ASSETS - BEGINNING OF YEAR	1,675,387	1,915,312
DEFICIENCY OF REVENUES OVER EXPENSES	(58,178)	(239,925)
NET ASSETS - END OF YEAR <i>(Note 12)</i>	1,617,209	1,675,387

AIRDRIE FOOD BANK
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2026

	2026	2025 (Revised)
	\$	\$
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Excess of revenues over expenses	(58,178)	(239,925)
Item not affecting cash:		
Amortization of property and equipment	191,147	150,872
	132,969	(89,053)
Changes in non-cash working capital:		
Restricted cash - AGLC	38,664	(46,964)
Restricted cash - internal reserves	(92,944)	698,690
Contributions receivable	-	939
Prepaid gift certificates on hand	(17,173)	17,136
Accounts payable and accrued liabilities	(7,192)	21,928
Prepaid expenses	1,509	(2,469)
Goods and services tax receivable	56,701	(54,344)
Security deposits recoverable	-	50,000
Security deposit held	-	5,152
Deferred contributions	33,465	36,956
	13,030	727,024
Cash provided by operating activities	145,999	637,971
CASH USED IN INVESTING ACTIVITIES		
Purchase of property and equipment	-	(2,414,359)
FINANCING ACTIVITIES		
Proceeds from long term debt	-	1,687,500
Repayment of long term debt	(118,629)	(36,772)
Proceeds from obligations under capital lease	-	83,667
Repayment of obligations under capital lease	(7,860)	(2,522)
Cash flow from (used by) financing activities	(126,489)	1,731,873
INCREASE (DECREASE) IN CASH FLOW	19,510	(44,515)
Cash and cash equivalents - beginning of year	311,880	356,395
CASH AND CASH EQUIVALENTS - END OF YEAR	331,390	311,880

AIRDRIE FOOD BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

1. NATURE OF OPERATIONS

Airdrie Food Bank (the "Organization") is a not-for-profit charitable organization incorporated under the Societies Act of Alberta. The purpose of the Organization is to collect and distribute food to those in need and educate the community on hunger-related issues.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

(a) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and funds held with financial institutions net of cheques issued and outstanding at the reporting date.

(b) Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Buildings	4%	declining balance method
Vehicles	30%	declining balance method
Computer equipment	55%	declining balance method
Equipment and furniture	20%	declining balance method
Leasehold improvements	5-20%	declining balance method

(c) Contributions receivable

Contributions receivable are recognized when the receivable amount can be reasonably estimated and collection is reasonably assured.

(d) Revenue recognition

Airdrie Food Bank follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted contributions received for the purchase of capital assets are initially deferred and recognized as revenue over the useful life of the asset.

Program fees, such as cooking classes, are recognized as revenue when the program is delivered.

(e) Contributed food, materials and services

The Organization records the value of donated food, materials and services when the fair value can be reasonably estimated and when they are used in the normal course of the Organization's operations and would otherwise have been purchased.

(f) Inventory

As part of the distribution of hampers, the Organization must purchase certain perishable items. The Organization purchases these on an as needed basis and therefore does not maintain an inventory balance.

(continues)

AIRDRIE FOOD BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(g) Financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value. The Organization subsequently measures all its financial assets and liabilities at cost or amortized cost. Changes in the fair value of these financial instruments are recognized in income in the period incurred.

Financial assets measured at amortized cost include cash and cash equivalents, restricted cash, contributions receivable, goods and services tax receivable, and security deposits recoverable.

Financial liabilities measured at amortized cost include the accounts payable and accrued liabilities, long term debt, obligations under capital lease, and security deposits held.

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in income in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in income over the life of the instrument using the straight-line method.

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there is an indication of impairment, and the Organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

(h) Use of estimates

The preparation of the financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and revenue and expenses during the reporting period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of property and equipment.

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

(i) Income taxes

The Organization is a charitable organization under the Income Tax Act (the "Act"). As such, they are exempt from filing an income tax return and are able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Organization must meet the certain requirements within the Act. In the opinion of management, these requirements have been met.

(j) Comparative figures

Certain comparative amounts have been reclassified to conform to the current year's presentation.

AIRDRIE FOOD BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

3. RESTRICTED CASH

Externally restricted cash includes funds which have been collected through casino proceeds and are therefore governed by the Alberta Gaming, Liquor & Cannabis Commission. The Organization must use gaming proceeds within 24-months following receipt.

	2026	2025
	\$	\$
<u>Restricted cash - AGLC</u>		
AGLC account - ATB	10,427	49,091

The Organization has internally restricted funds for specific purposes, below are the details on the current allocation of these reserves.

	2026	2025
	\$	\$
<u>Restricted cash - internal reserves</u>		
Operating reserve	341,807	360,972
Capital reserve	229,374	87,265
Capital maintenance & repair reserve	54,000	84,000
	625,181	532,237

Restricted cash balances are held, separately, in 90-day Notice Demand accounts which bear interest at prime less 1.95%.

4. CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of donations and grants that were completed prior to the end of fiscal year but the cash was received subsequent to June 30, 2026. As at year end, there were no such outstanding balances. However, the Organization received a donation commitment from a donor in the form of a 48-month vehicle lease (Note 8). Under this arrangement, the donor has committed to make total lease payments of \$47,932 on behalf of the Organization over the lease term. These donated lease payments are recognized as contribution income in the period in which the related payments are made.

5. PREPAID EXPENSES

	2026	2025
	\$	\$
Insurance	7,008	6,834
Wellness fund	8,605	12,042
Other	2,539	785
	18,152	19,661

AIRDRIE FOOD BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

6. PROPERTY AND EQUIPMENT

	Cost \$	Accumulated amortization \$	2026 Net book value \$	2025 Net book value \$
Buildings	2,397,585	193,725	2,203,860	2,295,688
Vehicles	257,254	172,530	84,724	121,034
Computer equipment	27,911	27,088	823	1,829
Equipment and furniture	163,832	93,465	70,367	87,959
Leasehold improvements	1,474,774	707,147	767,627	812,038
	4,321,356	1,193,955	3,127,401	3,318,548

The property and equipment balance includes assets acquired using casino proceeds. The assets have a net book value of \$5,369 (2025 - \$6,409).

The following assets included above are held under capital lease Note 8:

	Cost \$	Accumulated amortization \$	2026 Net book value \$	2025 Net book value \$
Vehicle	83,667	33,885	49,782	71,117

AIRDRIE FOOD BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

7. LONG TERM DEBT

	2026	2025
	\$	\$
ATB business term loan	1,532,099	1,650,728
Amounts payable within one year	(69,269)	(63,574)
	1,462,830	1,587,154

The loan bears interest at prime + 0.25% per annum and is repayable through blended monthly payments of \$11,650. The loan matures December 31, 2026 and is secured by the underlying asset, which has a carrying value of \$2,178,630 (2025 - \$2,269,406).

While the stated maturity date is December 31, 2026, the loan is structured to permit an annual review of the loan terms so that they may be adjusted to reflect the prevailing interest rates and ensure the loan continues to be appropriately amortized. Accordingly, the liability has been presented in the financial statements based on the amortization terms outlined in the loan renewal agreement.

In January 2026, The Organization received the GST rebate relating to the repurchase of the new warehouse. Following receipt, the Board of Directors approved a one-time lump-sum payment of the rebate against the principal of the loan, resulting in actual principal repayments during the year exceeding the previously reported current portion of principal repayments by \$55,055.

Principal repayment terms are approximately:

	\$
2027	69,269
2028	72,595
2029	76,082
2030	79,736
2031	83,567
Thereafter	1,150,850
	1,532,099

AIRDRIE FOOD BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

8. OBLIGATIONS UNDER CAPITAL LEASE

In the previous year, the Organization received the benefit of a donated 48-month vehicle lease. Under the terms of this arrangement, the donor is responsible for making all lease payments over the full lease term. Accordingly, while the related lease obligation is presented as a liability, the Organization has neither a contractual nor constructive obligation to make the associated payments, and no cash outflows are expected in respect of these lease payments.

The Organization's only potential cost arises from the option to purchase the vehicle at the end of the lease term for an estimated amount of \$50,000, which has been included in the capital lease obligation.

	2026 \$	2025 \$
48-month vehicle lease maturing February 28, 2029	73,284	81,144
Amounts payable within one year	(8,320)	(7,861)
	64,964	73,283

The lease bears interest at 5.70% per annum and is repayable through blended monthly payments of \$1,024 which are paid in full by the aforementioned donor. The lease is secured by the underlying asset, which has a carrying value of \$49,782 (2025 - \$71,117).

Future minimum capital lease payments are approximately:

	\$
2027	12,282
2028	12,282
2029	58,190
Total minimum payments	82,754
Less interest amount at various rates	9,470
Present value of minimum payments	73,284
Less current portion	8,320
	64,964

Lease payments totaling \$12,582 (2025 - \$4,194) were made by the donor on behalf of the Organization which have been recognized as revenue under donations and grants.

AIRDRIE FOOD BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

9. DEFERRED CONTRIBUTIONS

	2026	2025 (Revised)
	\$	\$
<u>a. Summary of the balances</u>		
<i>Current portion of deferred contributions</i>		
Airdrie & District Community Foundation	14,644	10,000
Dream Community Foundation	6,390	15,000
Family and Community Support Services volunteer grant	10,000	-
Food Banks Canada - access grant	26,735	10,745
Food Banks Canada - after the bell	5,040	5,040
Walmart Fight Hunger Spark Change Campaign	14,177	13,665
	76,986	54,450
<i>Long term portion of deferred contributions</i>		
AGLC funding	15,796	55,499
Building donations and grants	585,937	616,778
Food Banks Alberta - capacity grant	17,389	25,000
Food Banks Canada - capacity grant	115,000	-
Food Banks Canada - capital assets	34,399	47,122
Food Banks Canada - standards grant	5,117	6,778
Government of Canada - community services recovery fund	46,131	57,663
	819,769	808,840

Deferred contributions represent unrecognized or unspent donations received by the Organization designated by the donor for a specific purpose.

	2026	2025 (Revised)
	\$	\$
<u>b. Summary of deferred contribution movements</u>		
<i>Current portion of deferred contributions</i>		
Opening balance	54,450	18,596
Contributions received in the year	73,082	64,450
Contributions recognized as revenue in the year	(50,546)	(28,596)
Closing balance	76,986	54,450
<i>Long term portion of deferred contributions</i>		
Opening balance	808,840	807,738
Contributions received in the year	128,019	131,295
Contributions recognized as revenue in the year	(117,090)	(130,193)
Closing balance	819,769	808,840

\$57,797 (2025 - \$76,080) of the contributions recognized as revenue in the year relates to funding for purchased property and equipment made in prior years.

AIRDRIE FOOD BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

10. COMMITMENTS

The Organization leases land in Airdrie from the City for \$500 per annum. The Airdrie land lease expires July 31, 2027 but contains two additional term extensions each for five years.

The Organization entered into lease agreement for a warehouse facility in the North end of Airdrie that commenced February 1, 2023 for a 5-year term. Future minimum annual rent is as follows until the expiry of the lease:

	\$
2027	44,800
2028	26,133
	<u>70,933</u>
	<u>\$ 70,933</u>

11. CONTRIBUTED MATERIALS AND SERVICES

Donations and grants includes \$33,258 (2025 - \$57,320) of contributed materials and services that the Organization did issue tax receipts for.

An estimated total amount of 1,387,376 pounds (2025 - 1,608,804 pounds) was collected by the Organization. Food Banks Canada estimates the value of donated food to be \$3.64 (2025 - \$3.58) per pound. If the Organization reported the distributed food in the statement of revenues and expenditures, donation revenue and food purchase expense would both increase by \$5,050,048 (2025 - \$5,759,519).

An estimated total amount of 17,659 volunteering hours (2025 - 23,053 volunteering hours) were received from many members of the community.

12. NET ASSETS

The breakdown of the net assets of the organization is as follows:

	2026 \$	2025 \$
Unrestricted net assets	981,601	1,094,059
Restricted net assets	635,608	581,328
	<u>1,617,209</u>	<u>1,675,387</u>

13. CAPITAL MANAGEMENT

The Organization's objective in managing capital is to ensure that necessary funding is in place to provide assistance in the form of emergency food to support children, individuals and families in Airdrie and surrounding areas. The Organization manages capital through annual budgeting techniques, and by continuously monitoring the need for funding of various expenditures. The Organization's capital is maintained through revenue generating activities and through funding and grants from its supporters.

The Organization's capital is defined as total of net assets and deferred contributions which at June 30, 2026 total \$2,513,964 (2025 - \$2,538,677).

AIRDRIE FOOD BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

14. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of June 30, 2026.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its long term debt, obligations under capital leases, and accounts payable.

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 variable interest rate on long term debt.

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