

AIRDRIE FOOD BANK

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

In Process

AIRDRIE FOOD BANK
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YEAR ENDED JUNE 30, 2025

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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, 2025, 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.

(continues)

Independent Practitioner's Review Engagement Report to the Directors of Airdrie Food Bank *(continued)*

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, 2025, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

NUMIS CPAs Inc.

Airdrie, Alberta
October 16, 2025

Numis CPAs Professional Corporation,
Chartered Professional Accountants

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AIRDRIE FOOD BANK
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025

	2025	2024
	\$	\$
ASSETS		
CURRENT		
Cash and cash equivalents <i>(Note 3)</i>	378,523	440,174
Restricted cash - AGLC <i>(Note 4)</i>	49,091	2,127
Restricted cash - internal reserves <i>(Note 4)</i>	532,237	1,230,927
Contributions receivable <i>(Note 5)</i>	-	939
Goods and services tax receivable	63,101	8,757
Prepaid expenses <i>(Note 6)</i>	19,661	17,192
Security deposits recoverable	5,390	55,390
	1,048,003	1,755,506
PROPERTY AND EQUIPMENT <i>(Note 7)</i>	3,318,548	1,055,061
	4,366,551	2,810,567
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	90,850	68,921
Current portion of long term debt <i>(Note 8)</i>	63,574	-
Current portion of obligations under capital lease <i>(Note 9)</i>	7,861	-
	162,285	68,921
LONG TERM DEBT <i>(Note 8)</i>	1,587,154	-
OBLIGATIONS UNDER CAPITAL LEASE <i>(Note 9)</i>	73,283	-
DEFERRED CONTRIBUTIONS <i>(Note 10)</i>	863,290	826,334
SECURITY DEPOSIT HELD	5,152	-
	2,691,164	895,255
NET ASSETS <i>(Note 13)</i>	1,675,387	1,915,312
	4,366,551	2,810,567

COMMITMENTS *(Note 11)*

APPROVED BY THE DIRECTOR

Director

AIRDRIE FOOD BANK
STATEMENT OF REVENUES AND EXPENDITURES
YEAR ENDED JUNE 30, 2025

	2025	2024
	\$	\$
REVENUES		
Donations and grants <i>(Note 9)</i>	1,093,936	1,373,381
Interest	36,644	80,108
AGLC revenue	46,908	39,803
Special events	159,871	104,486
Rental revenue	72,652	-
	1,410,011	1,597,778
OPERATING EXPENSES		
Salaries and wages	942,151	809,522
Food purchases	192,243	194,456
Land and storage rent	72,890	62,870
Interest on long term debt	68,892	-
Repairs and maintenance	50,896	87,581
Utilities	50,083	44,367
Supplies	36,175	39,623
Volunteer appreciation	28,718	21,295
Fundraising	28,048	28,230
Vehicle	20,555	19,408
Service providers	19,475	23,032
Professional fees	19,062	22,712
Insurance	12,031	9,909
Office	11,294	10,802
Advertising and promotion	6,019	9,240
Travel	5,704	4,350
Property taxes	4,537	-
Interest and bank charges	3,202	1,799
Business taxes, licenses and memberships	1,597	971
Interest on obligations under capital lease	1,572	-
	1,575,144	1,390,167
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	(165,133)	207,611
OTHER INCOME (EXPENSES)		
Amortization of deferred contributions for capital assets <i>(Note 10)</i>	76,080	34,627
Amortization of capital assets	(150,872)	(96,613)
	(74,792)	(61,986)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(239,925)	145,625

AIRDRIE FOOD BANK
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2025

	2025	2024
	\$	\$
NET ASSETS - BEGINNING OF YEAR	1,915,312	1,769,687
DEFICIENCY OF REVENUES OVER EXPENSES	(239,925)	145,625
NET ASSETS - END OF YEAR <i>(Note 13)</i>	1,675,387	1,915,312

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AIRDRIE FOOD BANK
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025

	2025	2024
	\$	\$
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Excess of revenues over expenses	(239,925)	145,625
Item not affecting cash:		
Amortization of property and equipment	150,872	96,613
	(89,053)	242,238
Changes in non-cash working capital:		
Restricted cash - AGLC	(46,964)	37,800
Restricted cash - internal reserves	698,690	39,829
Contributions receivable	939	2,005
Accounts payable and accrued liabilities	21,928	4,249
Prepaid expenses	(2,469)	(2,310)
Goods and services tax receivable	(54,344)	2,136
Security deposits recoverable	50,000	(50,000)
Security deposit held	5,152	-
Deferred contributions	36,956	(110,518)
	709,888	(76,809)
Cash provided by operating activities	620,835	165,429
CASH USED IN INVESTING ACTIVITIES		
Purchase of property and equipment	(2,414,359)	(88,437)
FINANCING ACTIVITIES		
Proceeds from long term debt	1,687,500	-
Repayment of long term debt	(36,772)	-
Proceeds from obligations under capital lease	83,667	-
Repayment of obligations under capital lease	(2,522)	-
Cash flow from financing activities	1,731,873	-
INCREASE (DECREASE) IN CASH FLOW	(61,651)	76,992
Cash - beginning of year	440,174	363,182
CASH - END OF YEAR (Note 3)	378,523	440,174
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash	311,690	356,090
Cash equivalents	66,833	84,084
	378,523	440,174

AIRDRIE FOOD BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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 (ASNFPO) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

(a) Cash and cash equivalents

Cash includes funds held with financial institutions. Cash equivalents consist of near-cash balances held in the form of gift cards from major retail grocery stores. These balances are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(b) Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives 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.

Seminar fees are recognized as revenue when the seminars are held.

(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, 2025

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, and goods and services tax receivable.

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

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.

AIRDRIE FOOD BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

3. CASH

	2025	2024
	\$	\$
Cash		
Cash	311,690	356,090
Cash equivalents		
Cash equivalents	66,833	84,084
	378,523	440,174

4. 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.

	2025	2024
	\$	\$
<u>Restricted cash - AGLC</u>		
AGLC account - ATB	49,091	2,127

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

	2025	2024
	\$	\$
<u>Restricted cash - internal reserves</u>		
Operating reserve	360,972	356,280
Disaster reserve	-	75,000
Capital reserve	87,265	704,151
Capital maintenance & repair reserve	84,000	95,496
	532,237	1,230,927

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

5. 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, 2025. 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 9). 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.

AIRDRIE FOOD BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

6. PREPAID EXPENSES

	2025	2024
	\$	\$
Insurance	6,834	5,135
Wellness fund	12,042	10,290
Other	785	1,767
	19,661	17,192

7. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
	\$	\$	\$	\$
Buildings	2,397,585	101,897	2,295,688	27,377
Vehicles	257,254	136,220	121,034	71,311
Computer equipment	27,911	26,082	1,829	2,122
Equipment and furniture	163,832	75,873	87,959	94,461
Leasehold improvements	1,474,774	662,736	812,038	859,790
	4,321,356	1,002,808	3,318,548	1,055,061

The property and equipment balance includes assets acquired using casino proceeds. The assets have a net book value of \$6,409 (2024 - \$8,011).

The following asset, included in the balances listed above, is held under capital lease Note 9:

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
	\$	\$	\$	\$
Vehicles	83,667	12,550	71,117	-

AIRDRIE FOOD BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

8. LONG TERM DEBT

	2025	2024
	\$	\$
ATB business term loan	1,650,728	-
Amounts payable within one year	(63,574)	-
	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, 2025 and is secured by the underlying asset, which has a carrying value of \$2,269,406.

While the stated maturity date is December 31, 2025, 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 dated December 2, 2024.

Principal repayment terms are approximately:

	\$
2026	63,574
2027	66,627
2028	69,827
2029	73,180
2030	76,695
Thereafter	1,300,825
	1,650,728

AIRDRIE FOOD BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

9. OBLIGATIONS UNDER CAPITAL LEASE

During the 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.

	2025 \$	2024 \$
48-month vehicle lease maturing February 28, 2029	81,144	-
Amounts payable within one year	(7,861)	-
	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 \$64,346.

Future minimum capital lease payments are approximately:

	\$
2026	12,282
2027	12,282
2028	12,282
2029	58,190
Total minimum payments	95,036
Less interest amount at various rates	13,892
Present value of minimum payments	81,144
Less current portion	7,861
	73,283

Lease payments totaling \$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, 2025

10. DEFERRED CONTRIBUTIONS

	2025	2024
	\$	\$
<u>a. Summary of the balance</u>		
AGLC funding	55,499	10,138
Airdrie & District Community Foundation	10,000	-
Building donations and grants	616,778	658,178
Dream Community Foundation	15,000	-
Food Banks Alberta	-	2,548
Food Banks Alberta - capacity grant	25,000	-
Food Banks Canada - access grant	10,745	-
Food Banks Canada - after the bell	5,040	4,200
Food Banks Canada - capital assets	47,122	64,795
Food Banks Canada - standards grant	6,778	-
Government of Canada - community services recovery fund	57,663	72,079
Walmart Fight Hunger Spark Change Campaign	13,665	14,396
	863,290	826,334

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

	2025	2024
	\$	\$
<u>b. Summary of movements</u>		
Opening balance	826,334	936,852
Contributions received in the year	195,745	171,588
Contributions recognized as revenue in the year	(158,789)	(282,106)
	863,290	826,334

\$76,080 (2024 - \$34,627) 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, 2025

11. 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 new 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:

	\$
2026	43,867
2027	44,800
2028	26,133
	<u>114,800</u>
	<u>\$ 114,800</u>

12. CONTRIBUTED MATERIALS AND SERVICES

Donations and grants includes \$57,320 (2024 - \$79,401) of contributed materials and services that the Organization did issue tax receipts for.

An estimated total amount of 1,608,804 pounds (2024 - 1,284,240 pounds) was collected by the Organization. Food Banks Canada estimates the value of donated food to be \$3.58 (2024 - \$3.52) 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 \$5,759,519 (2024 - \$4,520,525).

An estimated total amount of 23,053 volunteering hours (2024 - 19,317 volunteering hours) were received from many members of the community.

13. NET ASSETS

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

	2025	2024
	\$	\$
Unrestricted net assets	1,094,059	682,258
Restricted net assets	581,328	1,233,054
	<u>1,675,387</u>	<u>1,915,312</u>

14. 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, 2025 total \$2,538,678 (2024 - \$2,741,646).

AIRDRIE FOOD BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

15. 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, 2025.

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.

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