THE FOOD BANK OF YORK REGION

FINANCIAL STATEMENTS

DECEMBER 31, 2025

SMITH, SYKES, LEEPER & TUNSTALL LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

LICENSED PUBLIC ACCOUNTANTS

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DECEMBER 31, 2025

CONTENTS

SMITH | SYKES | LEEPER | TUNSTALL LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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ACCOUNTING | TAX | ADVISORY

INDEPENDENT AUDITORS' REPORT

To the Directors of,
The Food Bank of York Region.

Qualified Opinion

We have audited the accompanying financial statements of The Food Bank of York Region, which comprise the statement of financial position as at **December 31, 2025** and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial resources of the Organization as at **December 31, 2025** and the results of financial activities, its changes in resources 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 donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

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 Food Bank of York Region 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 opinion.

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 Food Bank of York Region'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 Food Bank of York Region or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing The Food Bank of York Region's financial reporting process.

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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 Food Bank of York Region'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 Food Bank of York Region'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 Food Bank of York Region 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.

Smith, Sykes, Leeper & Tunstall LLP

Barrie, Ontario.
June 16, 2026.

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

THE FOOD BANK OF YORK REGION
BALANCE SHEET
DECEMBER 31, 2025

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and short-term investments	$ 1,125,528	$ 903,012
Restricted cash (Note 3)	160,599	49,958
Accounts receivable	24,206	24,136
HST recoverable	22,064	30,384
Inventory	534,974	482,800
Prepaid expenses	37,167	38,342
	1,904,538	**1,528,632**
Capital assets (Note 4)	278,968	389,040
	$ 2,183,506	**$ 1,917,672**
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 51,635	$ 51,040
Deferred grants and donations (Note 7)	689,934	548,280
Current portion of obligations under capital lease (Note 6)	12,775	9,710
	754,344	**609,030**
Obligations under capital lease (Note 6)	48,580	61,355
Deferred capital grants (Note 7)	206,252	311,634
	1,009,176	**982,019**
NET ASSETS		
Invested in capital assets (Note 5)	11,361	6,341
Unrestricted	1,162,969	929,312
	1,174,330	**935,653**
	$ 2,183,506	**$ 1,917,672**

Approved on Behalf of the Board,

DocuSigned by:
E6B38405ACD84F8...
________________, Directors.

DocuSigned by:
Sandra Zoratti
79FE66535B0E4DF...
________________, Directors.

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

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THE FOOD BANK OF YORK REGION
STATEMENT OF NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025			2024
	Invested in Capital Assets	**Unrestricted**	**Total**	**Total**
NET ASSETS, BEGINNING OF THE YEAR	$ 6,341	$ 929,312	$ 935,653	$ 872,560
Excess of revenues over expenditures for the year	0	238,677	238,677	63,093
Net change in investment in capital assets (Note 5)	5,020	(5,020)	0	0
NET ASSETS, END OF THE YEAR	**$ 11,361**	**$ 1,162,969**	**$ 1,174,330**	**$ 935,653**

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

THE FOOD BANK OF YORK REGION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
REVENUE		
Food program in-kind	$ 7,000,853	$ 9,907,535
Donations	1,059,856	800,192
Designated fund receipts (Note 8)	234,426	303,118
Amortization of deferred capital grants	105,382	73,060
Service charge income	80,640	73,416
Other revenue	35,515	41,803
Grants	0	46,032
	8,516,672	**11,245,156**
OPERATING EXPENSES		
Food program costs in-kind (Inventory)	7,000,853	9,907,535
Salaries and benefits (Note 8)	620,309	633,160
Rent	142,208	115,027
Amortization of capital assets	121,627	80,128
Vehicle and travel (Note 8)	95,487	82,936
Office and general (Note 8)	71,547	76,644
Fresh produce purchases (Note 8)	58,598	23,966
Professional fees (Note 8)	52,315	98,278
Supplies and warehousing costs (Note 8)	44,276	20,528
Grants (Note 8)	31,150	117,959
Utilities	15,270	13,971
Advertising (Note 8)	11,900	4,753
Interest on capital leases	6,113	93
Insurance (Note 8)	3,868	4,079
Bank charges and interest (Note 8)	2,474	3,006
	8,277,995	**11,182,063**
EXCESS OF REVENUES OVER EXPENDITURES FOR THE YEAR	**$ 238,677**	**$ 63,093**

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

THE FOOD BANK OF YORK REGION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
CASH PROVIDED BY (USED FOR)		
OPERATIONS		
Excess of revenues over expenditures for the year	$ 238,677	$ 63,093
Items not requiring an outlay of cash:		
Amortization of capital assets	121,627	80,128
Amortization of deferred capital grants	(105,382)	(73,060)
Food program and other donations-in-kind	(7,000,853)	(9,907,535)
Food program and other in-kind expenses recognized	7,000,853	9,907,535
	254,922	**70,161**
Changes in operating working capital		
Restricted cash	(110,641)	224,036
Accounts receivable	(70)	(18,280)
Prepaid expenses	1,175	(17,653)
Accounts payable and accrued expenses	595	5,940
HST recoverable	8,320	(8,329)
Deferred grants and donations excluding non-cash inventory grants	89,480	(208,714)
Current portion of obligations under capital lease	3,065	945
	(8,076)	**(22,055)**
CASH PROVIDED BY OPERATIONS	**246,846**	**48,106**
FINANCING		
(Decrease) increase in obligations under capital lease	(12,775)	54,867
Capital grant funding	0	183,621
CASH (USED FOR) PROVIDED BY FINANCING	**(12,775)**	**238,488**
INVESTING		
Additions to property, plant and equipment	(11,555)	(247,868)
CASH (USED FOR) INVESTING	**(11,555)**	**(247,868)**
NET CHANGE IN CASH POSITION	**222,516**	**38,726**
Cash position, beginning of the year	903,012	864,286
CASH POSITION, END OF THE YEAR	**$ 1,125,528**	**$ 903,012**

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

PURPOSE OF THE ORGANIZATION

The Food Bank of York Region is federally incorporated, regulated by the Canada Not-for-Profit Corporations Act and is a Canadian Registered Charity dedicated to relieving poverty. The Food Bank of York Region works to achieve this by operating a food bank distribution centre and related operations, providing the basic necessities of life, including clean water and clothing for individuals or families in need.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations (ASNPO) and include the following significant accounting policies:

Donated Materials and Supplies -

Donated materials and supplies are recorded at their fair market value at the time of the donation. During the year $7,000,853 (2024 - $9,907,535) was recorded as donations consisting primarily of food donations. If the donating organization discloses the value of the goods then that is used as the fair market value. If the value is not disclosed then the organization uses a standard rate per unit of measure as the fair market value.

Use of estimates -

The preparation of the financial statements in conformity 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include allowance for doubtful accounts, the estimated useful lives of property, plant and equipment (including deferred capital contributions); the valuation of inventory and contributed materials and supplies. Actual results could differ from those estimates.

Financial instruments -

The Organization initially measures its financial assets and liabilities at fair value.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets and liabilities measured at amortized cost include cash, short-term investments, accounts receivable and accounts payable and accrued expense.

There are currently no financial assets and liabilities subsequently measured at fair value.
Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of any write-down is recognized in net income. Any previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. Any reversal is recognized in net income.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Cash and cash equivalents -

The Organization's policy is to present under cash and cash equivalents; bank balances at a registered financial institution including a GIC.

Revenue recognition -

The Organization follows the deferral method of accounting for donations.

- Unrestricted donations are recognized as revenue when received.
- Externally restricted donations are deferred and taken into revenue when the funds are spent.
- Donations restricted for the purchase of capital assets are deferred and amortized into revenue at an amount equal to the amortization of that group of capital assets.
- Externally restricted donations used to purchase land are recorded as a direct increase in net assets invested in capital assets.
- Donated materials and supplies are only recorded as revenue when the estimated fair market value of the items donated can be supported within the policy set out by the Charities Directorate of the Canada Revenue Agency.

The Organization generates service charge revenue from Agencies to which it contracts with. Service charge revenue is determined by a unit fee per unique individual served by the agency. Revenue is charged annually and recorded when invoiced.

Short term investments -

Short-term investments are valued at the lower of cost and quoted market value.

Inventory -

Inventory consists of donated materials and supplies and is recorded within the policies set out within revenue recognition. Additionally, the Organization purchases fresh food when funding is available, this inventory is stated at the lower of cost and market value. Market value is considered as replacement value or estimated realizable value, whichever is lower. Purchased inventory on hand at year-end is $5,639 (2024 - $0).

Contributed services -

Volunteers contribute many hours each year to assist the Organization in carrying out its activities. Because of the difficulty of determining its fair value, contributed services are not recognized in the financial statements.

Allocation of common expenses within designated disbursements -

The Organization engages in a number of activities for which it receives designated funding. While engaged in these activities, the Organization incurs common expenditures as allowed by the various funding providers. These common expenditures have been reallocated from common expense accounts to the designated disbursement account as allocated in (Note 8).

2. FINANCIAL RISKS AND CONCENTRATION OF RISK

The Organization is exposed to the following risks related to its financial assets and liabilities:

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 accounts payable, accrued expenses, obligations under capital lease and deferred grants and donations carrying external restrictions. The Organization expects to meet these obligations as they come due by generating sufficient cash flow from operations. There has been no change in the risk assessment from the prior period.

Credit risk -

Credit risk arises from the possibility that the entities to which the Organization sells services may experience financial difficulty and be unable to fulfil their contractual obligations. This risk is mitigated by proactive credit management policies that include regular monitoring of the debtors' payment history. The Organization provides credit to funders through contracts, receivables are concentrated to funding organizations where management is of the opinion that risk is minimal. Actual exposure to credit losses has been minimal in prior years. There has been no change in the risk assessment from the prior period. At year-end, the allowance for doubtful accounts is $0 (2024 - $0).

Market risk -

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk.

Foreign currency risk -

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization is not currently exposed to foreign currency risk. There has been no change in the risk assessment from the prior period.

Interest rate risk -

Interest rate risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market interest rates. The Organization is mainly exposed to interest rate risk through capital lease obligations. The exposure to this risk fluctuates from year to year. There has been no change in the risk assessment from the prior period.

Other price risk -

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is not exposed to other price risk. There has been no change in the risk assessment from the prior period.

3. RESTRICTED CASH

The Organization has cash on hand related to the monetary component of deferred grants and donations and Bingo cash. Restricted cash as of year-end consists of the following:

	2025	2024
York region food for learning	$ 69,165	$ 20,579
JP Bickell - Food and water for first nations	0	10,000
Bingo	4,052	7,101
Walmart	2,598	6,513
School food program	0	3,000
Federal - Community services recovery fund	2,353	2,353
Other	391	391
PetSmart Charities of Canada	82,040	0
Balance, end of the year	$ 160,599	$ 49,937

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2025	Net 2024
Leasehold improvements	82,585	81,806	779	8,530
Furniture and equipment	67,075	43,809	23,266	16,335
Vehicles	546,384	457,929	88,455	126,364
Vehicles - capital lease	243,909	77,441	166,468	237,811
	$ 939,953	$ 660,985	$ 278,968	$ 389,040

Capital assets are recorded at cost less accumulated amortization. Amortization is provided on a declining-balance basis at the following annual rates:

Leasehold improvements	- 5 year straight line over the term of lease
Furniture and equipment	- 20% declining balance
Vehicles	- 30% declining balance
Vehicles - capital lease	- 30% declining balance

THE FOOD BANK OF YORK REGION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025

5. NET ASSETS INVESTED IN CAPITAL ASSETS

The net assets invested in capital assets consists of the following:

	2025	2024
Net book value of capital assets	$ 278,968	$ 389,040
Financed through capital lease obligations	(61,355)	(71,065)
Amounts financed by deferred capital grants	(206,252)	(311,634)
	$ 11,361	$ 6,341

The changes in net assets invested in capital assets is calculated as follows:

	2025	2024
Purchase of capital assets	$ 11,555	$ 247,868
Amortization of capital assets	(121,627)	(80,128)
Amortization of deferred capital grants	105,382	73,060
Grant funds received	0	(183,621)
Loan activity for loans used to capital assets	9,710	(55,812)
	$ 5,020	$ 1,367

6. OBLIGATIONS UNDER CAPITAL LEASE

	2025	2024
Capital lease obligation with Toyota Commercial Finance, bearing implicit interest at 10.06% per annum, repayable in 59 monthly principal and interest payments of $1,472, to January 2030, secured by a vehicle with a carrying amount of $166,468.	$ 61,355	$ 71,065
Less: current portion	12,775	61,355
	$ 48,580	$ 9,710

The minimum annual payments over the next five years with respect to the long-term debt are as follows:

2026	$ 12,775
2027	14,122
2028	15,610
2029	17,256
2030	1,592
	$ 61,355

7. DEFERRED CONTRIBUTIONS AND DEFERRED CAPITAL CONTRIBUTIONS

Deferred grants and donations consists of the following:

	2025	2024
Undistributed food donations (in-kind)	529,335	482,800
York Region Food for Learning	69,165	20,579
Community partner credits - service charge revenue	0	15,543
JP Bickell - Food and water for first nations	0	10,000
Bingo	4,052	7,101
Walmart	2,598	6,513
School food program	0	3,000
Federal - Community services recovery fund	2,354	2,354
Other	390	390
PetSmart Charities of Canada	82,040	0
Balance, end of the year	$ 689,934	$ 548,280

Undistributed food donations (in-kind): This balance represents the inventory on hand at the year end waiting to be distributed subsequent to the year end.

Remaining cash amounts are received with external restrictions by the provider for which the related expenditure has not been incurred.

Deferred capital grants related to capital assets:

	2025	2024
Balance, beginning of the year	$ 311,634	$ 201,073
Additional restricted funds received	0	183,621
Current year's amortization	(105,382)	(73,060)
Balance, end of the year	$ 206,252	$ 311,634

8. DESIGNATED FUNDS

Designated fund receipts include funding from various contracts applicable during the period excluding the Region of York which is reported in Grants. Designated fund receipts consists of the following:

	2025	2024
Designated fund receipts	$ 234,426	$ 303,118

Designated fund disbursements, including current year allocation from common expenditures, consists of the following:

	2025	2024
Grocery purchases (includes YRFFL)	103,474	130,804
Salaries and benefits	74,391	125,004
Vehicle	36,075	44,056
Office and general	0	3,062
Bank charges	114	200
Grants	0	0
Advertising	2,110	0
Supplies and warehousing	17,902	0
	$ 234,066	$ 303,126

9. LEASE COMMITMENTS

The Organization has entered into a lease with minimum aggregate annual payments for the next five years as follows:

2026	$ 121,404
2027	$ 125,028
2028	$ 128,652
2029	$ 65,232