

MARKHAM FOOD BANK
FINANCIAL STATEMENTS
FEBRUARY 28, 2025

MARKHAM FOOD BANK

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A J Komarnycky, CPA, C.A.

20 Cachet Woods Court, Suite 2
Markham, Ontario L6C 3G1
Telephone (905) 888-0303

INDEPENDENT AUDITOR'S REPORT

To: The Members of Markham Food Bank

Opinion

I have audited the accompanying financial statements of **Markham Food Bank**, which comprise the statement of financial position as at **February 28, 2025** and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Basis for Qualified Opinion

In common with many not-for-profit organizations, Markham Food Bank derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of Markham Food Bank and I am not able to determine whether any adjustments might be necessary to donation receipts, excess of receipts over disbursements, assets and net assets.

Qualified Opinion

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Markham Food Bank as at February 28, 2025 and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 these financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to a 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 to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities

My 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 my 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, I exercise professional judgment and maintain

professional skepticism throughout the audit.

I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.



July 8, 2025
Toronto, Ontario

A J Komarnycky, CPA. C.A.
Licensed Public Accountant
Chartered Professional Accountant

MARKHAM FOOD BANK

STATEMENT OF FINANCIAL POSITION

February 28, 2025

	2025	2024
	\$	\$
ASSETS		
<i>Current</i>		
Cash and cash equivalents	363,917	279,165
GIC Investments (Note 6)	1,000,001	1,016,704
Interest receivable	4,541	14,082
HST recoverable	55,870	28,752
	1,424,329	1,338,703
<hr/>		
TOTAL ASSETS	1,424,329	1,338,703
<hr/>		
LIABILITIES		
<i>Current</i>		
Accounts payable and accrued liabilities	4,860	4,860
	4,860	4,860
<hr/>		
TOTAL LIABILITIES	4,860	4,860
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NET ASSETS		
General Fund - unrestricted	1,419,469	1,333,843
TOTAL LIABILITIES & NET ASSETS	1,424,329	1,338,703

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Director

MARKHAM FOOD BANK

STATEMENT OF OPERATIONS and CHANGES IN NET ASSETS

February 28, 2025

	2025	2024
	\$	\$
Receipts		
Donations of food (note 5)	4,915,349	3,844,461
Financial donations	866,830	774,985
Donations in kind (note 4)	3,060	11,298
Interest and investments	43,750	42,549
HST rebates	27,118	39,612
	<u>5,856,107</u>	<u>4,712,905</u>
Disbursements		
Donated and purchased food (note 5)	5,462,958	4,362,336
Rent, Heat and Electricity	182,000	209,453
Insurance	7,860	8,510
Telephone and Internet	2,346	1,757
Office and warehouse	89,296	125,437
Audit fees	4,859	5,424
Bank charges and interest	345	341
Delivery and pick up expenses	20,817	89,069
	<u>5,770,481</u>	<u>4,802,327</u>
Excess (deficiency) of receipts over disbursements	85,626	(89,422)
General Fund, beginning of year	1,333,843	1,423,265
General Fund, end of year	<u>1,419,469</u>	<u>1,333,843</u>

MARKHAM FOOD BANK

STATEMENT OF CASH FLOWS

February 28, 2025

	2025	2024
	\$	\$
Operating activities		
Working capital from operations		
Excess (deficiency) of revenues over expenses	85,626	(89,422)
	85,626	(89,422)
Net change in non-cash working capital accounts		
(Increase) decrease in interest receivable	9,541	1,154
(Increase) decrease in HST recoverable	(27,118)	(5,555)
Increase (decrease) in accounts payable and accruals	-	114
	(17,577)	(4,287)
Cash flow from operating activities	68,049	(93,709)
Increase (decrease) in cash for the year	68,049	(93,709)
Cash and cash equivalents, beginning of year	1,295,869	1,389,578
Cash and cash equivalents, end of year	1,363,918	1,295,869
Represented by		
Cash	363,917	279,165
GIC Investments	1,000,001	1,016,704
Cash and cash equivalents, end of year	1,363,918	1,295,869

MARKHAM FOOD BANK
NOTES TO THE FINANCIAL STATEMENTS
FEBRUARY 28, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature and purpose of organization

Markham Food Bank ("The Organization") was incorporated on July 6, 1993 under the laws of the Province of Ontario. Markham Food Bank is a not-for-profit organization whose purpose is to alleviate food insecurity for Markham community members.. As a registered charitable organization, Markham Food Bank may issue tax-deductible receipts to donors and is exempt from taxation under section 149(1)(1) of the Income Tax Act (Canada).

Basis of accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. A summary of its significant accounting policies follows:

Cash and equivalents

Cash and equivalents include cash on hand, short-term deposits with initial maturities of one year or less.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from these estimates. Balances for which estimates were used are the value of donated food products.

Revenue recognition

The Organization follows the deferral method of accounting for contributions. 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. The organization recognizes the donated food products in the year in which they are received and distributed.

Investment income is recognized as revenue when earned.

MARKHAM FOOD BANK
NOTES TO THE FINANCIAL STATEMENTS
FEBRUARY 28, 2025

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

Contributed materials and services

Donations of materials which are not normally purchased by the Organization are not recorded in the accounts. Volunteers provide significant amounts of time to the activities of the Organization. Due to the difficulty in assigning values for such services, the value of donated time is not reflected in the financial statements.

Financial instruments

The Organization initially measures its financial assets and financial 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 with changes in fair value recognized in net earnings.

The carrying amount of the financial assets or liabilities are adjusted by the transaction costs, which are recognized in net earnings.

2. DESCRIPTION OF FUNDS

General Fund

The unrestricted general fund records the operating activities of the Organization.

3. FINANCIAL INSTRUMENTS and RISK

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations at the Statement of Financial Position date.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk because of its investments. This risk is low since the investments made are very conservative, short term and do not fluctuate significantly.

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to liquidity risk arising primarily from accounts payable. The Organization expects to meet these obligations as they come due by generating sufficient cash flow from operations.

4. DONATIONS IN KIND

Included in receipts for the year is the amount of \$3,060 (2024 - \$11,298) in non-cash gifts pertaining to gifts of food.

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NOTES TO THE FINANCIAL STATEMENTS
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5. DONATIONS OF FOOD

Food Banks Canada estimated in 2024 that the average price for food amounted to \$3.73/lb (2023 - \$3.52/lb). During fiscal 2025 the organization served 9,764 (2024 - 8,262) families and donated an average of 150 lbs for a total of \$5,462,958 (\$3.73*9,764*150). The organization supplied \$547,609 (2024-\$517,875) in financial aid leaving \$4,915,349 as the value of food donated.

6. GIC INVESTMENTS

	2025	2024
\$700,000 @ 3.45% (2023 -5.60%), maturing Mar. 10, 2026	700,000	700,000
\$300,000 @ 3.00% (2023- 5.00%), maturing Apr. 19, 2025	300,001	316,704
	1,000,001	1,016,704
Accrued interest at year end	4,541	14,082