

**Food Banks Mississauga**  
**Financial Statements**  
For the 14 month period ended July 31, 2025

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## Independent Auditor's Report

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To the Board of Directors of Food Banks Mississauga

### Qualified Opinion

We have audited the financial statements of Food Banks Mississauga (the "Organization"), which comprise the statement of financial position as at July 31, 2025, and the statements of changes in net assets, operations and cash flows for the 14 month period 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 July 31, 2025, and its results of operations and its cash flows for the 14 month period 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, 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 donations, deficiency of revenue over expenditures and cash flows from operations for the 14 month period ended July 31, 2025 and year ended May 31, 2024, current assets as at July 31, 2025 and May 31, 2024, and net assets as at June 1, 2024, May 31, 2025 and July 31, 2025 for the 14 month period in 2025 and the 2024 year. Our audit opinion on the financial statements for the year ended May 31, 2024 was modified accordingly because of the possible effects of this limitation in scope.

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 13, 2025

## Food Banks Mississauga Statement of Financial Position

	For the 14 month period ended July 31, 2025	For the year ended May 31, 2024
<b>Assets</b>		
<b>Current</b>		
Cash (Note 2)	\$ 1,166,018	\$ 1,195,445
Short-term investments (Note 3)	2,206,119	2,976,851
Receivables	366,274	382,766
Food inventory	191,091	-
Prepaid expenses	179,992	203,367
	<u>4,109,494</u>	4,758,429
<b>Capital assets (Note 4)</b>	<u>540,529</u>	599,836
	<u><b>\$ 4,650,023</b></u>	<u><b>\$ 5,358,265</b></u>

## Liabilities and Net Assets

<b>Current</b>		
Accounts payable and accrued liabilities	\$ 304,208	\$ 386,859
Deferred grant revenue (Note 5)	701,474	617,595
Deferred sponsorship revenue	9,392	30,000
Current portion of obligations under capital lease (Note 6)	-	23,469
	<u>1,015,074</u>	1,057,923
<b>Deferred capital contributions (Note 7)</b>	<u>327,396</u>	300,635
<b>Deferred rent</b>	<u>50,491</u>	50,491
	<u><b>1,392,961</b></u>	<u><b>1,409,049</b></u>
<b>Net assets</b>		
Funds invested in capital assets (Note 8)	213,133	275,732
Contingency fund	763,307	763,307
Strategic investment fund	2,280,622	2,910,177
	<u><b>3,257,062</b></u>	<u><b>3,949,216</b></u>
	<u><b>\$ 4,650,023</b></u>	<u><b>\$ 5,358,265</b></u>

On behalf of the Board:



Linda Charlebois

Director



Todd Fisher

Director

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

**Food Banks Mississauga**  
**Statement of Changes in Net Assets**

						For the 14 month period ended July 31, 2025	For the year ended May 31, 2024
	Funds Invested in Capital Assets	Contingency Fund	Strategic Investment Fund	Unrestricted Fund		Total	Total
<b>Balance</b> , beginning of period	\$ 275,732	\$ 763,307	\$ 2,910,177	\$ -	\$ 3,949,216	\$ 5,535,775	
<b>Deficiency of revenue over expenditures</b>	-	-	-	(692,154)	(692,154)	(1,586,559)	
<b>Transfer from funds invested in capital assets</b> (Note 11)	(62,599)	-	-	62,599	-	-	
<b>Transfer to unrestricted fund</b>	-	-	(629,555)	629,555	-	-	
<b>Balance</b> , end of period	\$ 213,133	\$ 763,307	\$ 2,280,622	\$ -	\$ 3,257,062	\$ 3,949,216	

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

## Food Banks Mississauga Statement of Operations

	For the 14 month period ended July 31, 2025	For the year ended May 31, 2024
<b>Revenue</b>		
Donations	\$ 7,260,815	\$ 5,903,173
Donated food and donations in kind (Note 1)	37,448,655	28,428,126
Government grants	735,816	311,242
Sponsorships	82,667	91,139
Interest and other income	112,617	113,955
Deferred capital contributions (Note 7)	121,450	86,476
Fees for services	629,780	197,078
United Way of Greater Toronto grant	36,775	50,000
<b>Total revenue</b>	<b>46,428,575</b>	<b>35,181,189</b>
<b>Expenditures</b>		
Administration		
Governance expenses	25,614	35,261
General office	208,231	319,681
Professional fees	260,882	263,667
Staffing (Note 9)	774,528	434,867
<b>Total administration expenditures</b>	<b>1,269,255</b>	<b>1,053,476</b>
Fundraising		
Fundraising expenses	875,278	803,968
Staffing (Note 9)	1,236,124	983,599
<b>Total fundraising expenditures</b>	<b>2,111,402</b>	<b>1,787,567</b>
Programs		
Client services, Food Banks Mississauga network	41,219	89,655
Donated food and donations in kind (Note 1)	37,438,165	28,428,126
Facility	1,285,638	1,042,458
Food pickup and delivery	398,316	382,562
Sourcing, managing, procuring food	1,921,484	1,659,180
Staffing (Note 9)	2,651,131	2,319,508
Volunteers	4,119	5,216
<b>Total programs expenditures</b>	<b>43,740,072</b>	<b>33,926,705</b>
<b>Total expenditures</b>	<b>47,120,729</b>	<b>36,767,748</b>
<b>Deficiency of revenue over expenditures</b>	<b>\$ (692,154)</b>	<b>\$ (1,586,559)</b>

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

## Food Banks Mississauga Statement of Cash Flows

	For the 14 month period ended July 31, 2025	For the year ended May 31, 2024
<b>Cash was provided by (used in)</b>		
<b>Operating activities</b>		
Deficiency of revenue over expenditures	\$ (692,154)	\$ (1,586,559)
Adjustments required to reconcile deficiency of revenue over expenditures with net cash provided by operating activities		
Amortization of capital assets	232,676	182,570
Amortization of deferred capital contributions	(121,450)	(86,476)
Changes in non-cash working capital balances		
Receivables	16,492	101,387
Food inventory	(191,091)	-
Prepaid expenses	23,375	2,225
Accounts payable and accrued liabilities	(82,651)	(38,415)
Deferred grant revenue	83,879	609,262
Deferred sponsorship revenue	(20,608)	-
	<u>(751,532)</u>	<u>(816,006)</u>
<b>Investing activities</b>		
Purchase of capital assets	(173,369)	(168,608)
Redemption of short-term investments, net	770,732	382,003
	<u>597,363</u>	<u>213,395</u>
<b>Financing activities</b>		
Capital contributions received	148,211	61,564
Payments of obligations under capital lease	(23,469)	(22,314)
	<u>124,742</u>	<u>39,250</u>
<b>Decrease in cash during the period</b>	<b>(29,427)</b>	<b>(563,361)</b>
<b>Cash, beginning of period</b>	<b>1,195,445</b>	<b>1,758,806</b>
<b>Cash, end of period</b>	<b>\$ 1,166,018</b>	<b>\$ 1,195,445</b>

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

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## Food Banks Mississauga Notes to Financial Statements

**July 31, 2025**

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### 1. Significant Accounting Policies

#### **Nature of Organization**

Food Banks Mississauga's (the "Organization") mission is to realize a food secure Mississauga by providing and promoting access to healthy and appropriate food. A Mississauga where everyone is food secure. The Organization was registered as a charity without share capital under the Ontario Corporations Act. The Organization continued as a charity under the provisions of the Canada Not-for-profit Corporations Act effective January 30, 2020. As such, the Organization is able to issue donation receipts and is not liable for any federal or provincial income taxes under the provisions of the Income Tax Act.

#### **Basis of Accounting**

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

#### **Capital Assets**

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

Warehouse equipment	- 5 years straight-line basis
Refrigerated trucks under capital lease	- straight-line over term of lease
Freezer/cooler unit	- 5 years straight-line basis
Leasehold improvements	- shorter of the life of the leasehold improvement or the remaining term of the lease / straight-line over the term of the lease
Office equipment	- 5 years straight-line basis
Computer hardware and software	- 3 years straight-line basis



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## **Food Banks Mississauga Notes to Financial Statements**

**July 31, 2025**

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### **1. Significant Accounting Policies (Continued)**

#### **Revenue Recognition**

The Organization follows the deferral method of accounting for revenue. Restricted donations are recognized as revenue in the period 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. Contributions restricted for the purchase of capital assets are recorded as revenue over the same period as the related amortization of the purchased assets.

Donated food that has been distributed has been valued based on national standards recommended by Food Banks Canada at \$3.64 (May 31, 2024 - \$3.58) per pound, which management believes to be a reasonable reflection of fair value. This dollar value of food has been reflected as both a revenue and an expenditure as donated food and donations in kind on the Statement of Operations. During the period, the Organization distributed 10,283,705 pounds of donated food to the community (May 31, 2024 - 7,940,105 pounds). The value of the food has been estimated at \$37,432,686 (May 31, 2024 - \$28,425,576).

Donations in kind (non-cash donations) are recorded as contributions at their estimated fair market value at the date of the donation. During the period, the Organization received \$15,969 (May 31, 2024 - \$2,550) of donations in kind. As at year end, gift cards in the amount of \$10,490 (May 31, 2024 - \$Nil) were not used and are included in prepaid expenses on the statement of financial position, and therefore, the donated food and donations in kind expenditure is lower by this amount.

Fees for services are recorded as services are provided, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Grants are recorded as revenue in the period to which they relate. Where a portion of a grant relates to a future period, it is deferred and recognized in the subsequent period.

Sponsorship revenue that relates to a future period is deferred and recognized over the term of the sponsorship agreement.

#### **Food Inventory**

Food which has been purchased from suppliers but not yet distributed to the community, is recorded on the Statement of Financial Position at the lower of cost and current replacement cost. The cost of inventory is determined on a first-in, first-out basis. As donated food has no net realizable value, it is not included in the inventory balance.

#### **Obligations under Capital Lease**

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.

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## **Food Banks Mississauga Notes to Financial Statements**

**July 31, 2025**

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### **1. Significant Accounting Policies (Continued)**

#### **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 unforeseen short falls in donations and/or increase in demand for food, such as an emergency response. The Contingency fund is not intended to fund or eliminate a permanent loss of funds or an ongoing budget gap. Additionally, should the Organization find itself in the unfortunate position where the organization ceases to exist, then these funds can also be used for wind up costs.

#### **Strategic Investment Fund**

The Strategic Investment Fund is internally restricted by the Board of Directors. This Fund was established to build new or enhance organizational capacity through infrastructure. The objective is to improve the quality of food and enhance services to clients through improving dignity and reducing barriers. Building capacity/capability may come as a specific one-time use of funds or may be in the form of operating deficits or a higher than usual expense rate across several years while building a capability. During the period, the Board of Directors approved a transfer of \$629,555 (May 31, 2024 - \$1,619,823) from the Strategic Investment Fund to the Unrestricted Fund.

#### **Donated Services**

The operation of the Organization is dependent on services provided by volunteers. Since these services are not purchased by the Organization and due to the difficulty of determining their market value, donated services are not recorded in the accounts.

#### **Remuneration of the Board of Directors**

Members of the Board of Directors are volunteers who serve without remuneration.

#### **Financial Instruments**

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

#### **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.

## Food Banks Mississauga Notes to Financial Statements

**July 31, 2025**

### 2. Cash

Included in cash are amounts restricted for deferred grant revenue and deferred sponsorship revenue aggregating \$710,866 (May 31, 2024 - \$647,595).

### 3. Short-term Investments

Short-term investments consist of the following:

	For the 14 month period ended July 31, 2025	For the year ended May 31, 2024
Cash	\$ 93,564	\$ 109,479
Fixed income	2,112,555	2,867,372
	<b>\$ 2,206,119</b>	<b>\$ 2,976,851</b>

Fixed income consists of redeemable Guaranteed Investment Certificates that earn interest between 1.20% and 5.75% (May 31, 2024 - 0.81% and 5.75%) and have maturity dates between August 2025 to November 2028 (May 31, 2024 - between June 2024 to November 2028).

### 4. Capital Assets

	For the 14 month period ended July 31, 2025			For the year ended May 31, 2024	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization	
Warehouse equipment	\$ 768,749	\$ 414,170	\$ 700,644	\$ 276,192	
Refrigerated trucks under capital lease	263,500	256,441	263,500	231,735	
Freezer/cooler unit	32,328	7,002	7,382	1,538	
Leasehold improvements	128,777	27,483	48,459	7,895	
Office equipment	87,246	49,469	87,246	31,533	
Computer hardware and software	80,847	66,353	80,847	39,349	
Totals	\$ 1,361,447	\$ 820,918	\$ 1,188,078	\$ 588,242	
Cost, net of accumulated amortization		\$ 540,529		\$ 599,836	

## Food Banks Mississauga Notes to Financial Statements

**July 31, 2025**

### 5. Deferred Grant Revenue

	For the 14 month period ended <u>July 31, 2025</u>	For the year ended May 31, 2024
Balance, beginning of period	\$ 617,595	\$ 8,333
Funding received during the period	976,344	928,712
Transferred to deferred capital contributions	(66,026)	-
Amounts recognized in revenue	<u>(826,439)</u>	<u>(319,450)</u>
Balance, end of period	<u>\$ 701,474</u>	<u>\$ 617,595</u>

### 6. Obligations Under Capital Lease

	For the 14 month period ended <u>July 31, 2025</u>	For the year ended May 31, 2024
Obligation under capital lease for a refrigerated truck monthly payments of \$2,010 with an imputed interest rate of 5%, maturing May 2025, secured by the related asset	\$ -	\$ 23,469
Less: current portion	<u>-</u>	<u>23,469</u>
	<u>\$ -</u>	<u>\$ -</u>

The interest expense for the period was \$651 (May 31, 2024 - \$1,806).

## Food Banks Mississauga Notes to Financial Statements

**July 31, 2025**

### 7. Deferred Capital Contributions

	For the 14 month period ended <u>July 31, 2025</u>	For the year ended <u>May 31, 2024</u>
Balance, beginning of period	\$ 300,635	\$ 325,547
Contributions received	82,185	61,564
Transferred from deferred grants	66,026	-
Amounts amortized to revenue	<u>(121,450)</u>	<u>(86,476)</u>
Balance, end of period	<u>\$ 327,396</u>	<u>\$ 300,635</u>

### 8. Funds Invested in Capital Assets

	For the 14 month period ended <u>July 31, 2025</u>	For the year ended <u>May 31, 2024</u>
Capital assets (Note 4)	\$ 540,529	\$ 599,836
Deferred capital contributions related to capital assets (Note 7)	(327,396)	(300,635)
Capital lease obligations (Note 6)	<u>-</u>	<u>(23,469)</u>
	<u>\$ 213,133</u>	<u>\$ 275,732</u>

### 9. Allocation of Expenses

The Organization engages in food distribution and community programs. The costs of each program include personnel 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. Such allocations are reviewed and updated annually.

Certain salaries and benefits for employees whose job function is across different programs have been allocated as follows:

	For the 14 month period ended <u>July 31, 2025</u>	For the year ended <u>May 31, 2024</u>
Administration	\$ 474,484	\$ 269,097
Fundraising	268,032	335,714
Programs	<u>563,629</u>	<u>517,616</u>
	<u>\$ 1,306,145</u>	<u>\$ 1,122,427</u>

## Food Banks Mississauga Notes to Financial Statements

**July 31, 2025**

### 10. Commitments

The Organization leases a premise and refrigerated trucks under operating lease arrangements. The minimum payments under the agreements for the next five years and thereafter are as follows:

2026	\$ 939,208
2027	969,135
2028	989,903
2029	978,257
2030	1,009,576
Thereafter	<u>418,062</u>
	<u><b>\$ 5,304,141</b></u>

During the year, the Organization entered into an agreement to obtain a refrigerated truck under a capital lease arrangement in the amount of \$221,174.

### 11. Transfer of Funds

Transfer of funds to (from) the unrestricted funds from (to) funds invested in capital assets is as follows:

	<b>For the 14 month period ended July 31, 2025</b>	<b>For the year ended May 31, 2024</b>
Amortization of capital assets	<b>\$ 232,676</b>	\$ 182,570
Capital funding received (Note 7)	<b>82,185</b>	61,564
Amortization of deferred capital contributions (Note 7)	<b>(121,450)</b>	(86,476)
Purchase of capital assets	<b>(173,369)</b>	(168,608)
Payments made for obligations under capital lease	<b>(23,469)</b>	(22,314)
Capital contributions related to sale of capital asset	<b>66,026</b>	-
	<u><b>\$ 62,599</b></u>	<u><b>\$ (33,264)</b></u>

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## **Food Banks Mississauga Notes to Financial Statements**

**July 31, 2025**

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### **12. Financial Instrument Risks**

#### **Interest Rate Risk**

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 arising from the possibility that changes in interest rates will affect the value of fixed income denominated short-term investments. This risk is mitigated as the fixed income consists of redeemable Guaranteed Investment Certificates. This risk has not changed from the prior period.

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### **13. Comparative Figures**

Certain comparative figures have been reclassified to conform with the method of presentation adopted for the current period.