

**FoodShare Toronto Inc.**  
**Financial Statements**  
For the year ended December 31, 2024

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Tel: 289 881 1111  
Fax: 905 845 8615  
www.bdo.ca

BDO Canada LLP  
360 Oakville Place Drive, Suite 500  
Oakville ON L6H 6K8 Canada

## Independent Auditor's Report

To the Board of Directors of FoodShare Toronto Inc.

### Qualified Opinion

We have audited the financial statements of FoodShare Toronto Inc. (the "Organization"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, 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.

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 December 31, 2024 and its results of operations 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, 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, excess (deficiency) of revenue over expenses, and cash flows from operations for the year ended December 31, 2024, current assets as at December 31, 2024, and net assets as at January 1 and December 31, 2024. The predecessor auditor's opinion on the financial statements for the year ended December 31, 2023 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.

### Other Matter

The financial statements for the year ended December 31, 2023 were audited by another auditor who expressed a qualified opinion on those financial statements on June 27, 2024 for reasons described in the *Basis for Qualified Opinion* section.

### 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  
June 25, 2025

## FoodShare Toronto Inc.

### Statement of Operations

<b>For the year ended December 31</b>	<b>2024</b>	<b>2023</b>
<b>Revenue</b>		
Grants (Note 2)	\$ 3,464,798	\$ 4,103,838
Sales of produce	2,175,355	3,164,973
Donations	1,112,172	1,352,680
Other income	470,446	338,854
Amortization of deferred capital contributions (Note 7)	181,678	76,884
Rental income	106,375	122,727
	<b>7,510,824</b>	<b>9,159,956</b>
<b>Expenses</b>		
Salaries and benefits	5,016,197	5,077,976
Produce and catering	1,435,621	2,054,493
Warehouse and facilities	416,077	410,604
Program expenses	379,177	465,252
Office and general	200,694	254,742
Amortization	194,954	119,932
Donation campaign	101,354	44,105
Vehicle	86,629	155,587
Professional fees	52,236	50,572
Training	55,549	48,650
Promotion	29,516	46,275
Fundraising events	24,593	6,913
Volunteers	11,440	16,353
Project transportation	11,112	14,186
	<b>8,015,149</b>	<b>8,765,640</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (504,325)</b>	<b>\$ 394,316</b>

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

## FoodShare Toronto Inc. Statement of Financial Position

**December 31** **2024** **2023**

### Assets

#### Current

Cash	\$ 541,749	\$ 1,077,660
Short-term investments (Note 3)	2,807,428	2,675,919
Inventory	23,033	44,716
Prepaid expenses	17,437	14,026
Accounts receivable	86,820	254,506
Grants receivable	187,081	132,441
Other receivables	224,375	150,844
	<u>3,887,923</u>	<u>4,350,112</u>

**Long-term investments** (Note 3)

949 506,753

**Capital assets** (Note 4)

184,102 373,669

**\$ 4,072,974** **\$ 5,230,534**

### Liabilities and Net Assets

#### Current

Accounts payable and accrued liabilities (Note 5)	\$ 611,646	\$ 596,049
Customer deposits and advances	-	137,856
Line of credit (Note 6)	193,806	-
Deferred revenue (Note 8)	1,287,098	1,830,202
	<u>2,092,550</u>	<u>2,564,107</u>

Deferred capital contributions (Note 7)

179,547 361,225

2,272,097 2,925,332

#### Net Assets

Endowment	1	1
Internally restricted for Food Forever	750,000	1,000,000
Internally restricted for Black Creek Community Farm (BCCF)	51,000	51,000
Unrestricted	999,876	1,254,201
	<u>1,800,877</u>	<u>2,305,202</u>

**\$ 4,072,974** **\$ 5,230,534**

On behalf of the Board:

\_\_\_\_\_  
DocuSigned by:  
Michelle MacDonald  
BBA322717F5D435... Director

\_\_\_\_\_  
DocuSigned by:  
[Signature]  
FEAB2CAB6B009420... Director

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

## FoodShare Toronto Inc. Statement of Changes in Net Assets

**For the year ended December 31**

	Endowment	Internally Restricted for Food Forever	Internally Restricted for BCCF	Unrestricted	2024	2023
<b>Net assets, beginning of year</b>	\$ 1	\$ 1,000,000	\$ 51,000	\$ 1,254,201	\$ 2,305,202	\$ 1,910,886
<b>Excess (deficiency) of revenue over expenses for the year</b>	-	-	-	(504,325)	(504,325)	394,316
<b>Transfer to unrestricted net assets (Note 8)</b>	-	(250,000)	-	250,000	-	-
<b>Net assets, end of year</b>	\$ 1	\$ 750,000	\$ 51,000	\$ 999,876	\$ 1,800,877	\$ 2,305,202

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

## FoodShare Toronto Inc. Statement of Cash Flows

**For the year ended December 31** **2024** **2023**

### Cash provided by (used in)

#### Operating activities

Excess (deficiency) of revenue over expenses	\$ (504,325)	\$ 394,316
Adjustments required to reconcile excess (deficiency) of revenue over expenses with net cash provided by operating activities		
Amortization of capital assets	194,954	119,932
Amortization of deferred capital contributions	(181,678)	(76,884)
Changes in non-cash working capital balances		
Inventory	21,683	(3,218)
Prepaid expenses	(3,411)	50,000
Accounts receivable	167,686	194,725
Grants receivable	(54,640)	(65,410)
Other receivables	(73,531)	42,608
Accounts payable and accrued liabilities	15,597	17,889
Customer deposits and advances	(137,856)	80,340
Deferred revenue	(543,104)	(409,535)
	<u>(1,098,625)</u>	<u>344,763</u>

#### Investing activities

Purchase of capital assets	(5,387)	(236,836)
Purchase of investments	(2,808,375)	(3,182,670)
Redemption of investments	3,182,670	3,991,244
	<u>368,908</u>	<u>571,738</u>

#### Financing activities

Line of credit advanced	193,806	-
Contributions received related to capital assets	-	102,984
	<u>193,806</u>	<u>102,984</u>

**Increase (decrease) in cash during the year** **(535,911)** **1,019,485**

**Cash, beginning of year** **1,077,660** **58,175**

**Cash, end of year** **\$ 541,749** **\$ 1,077,660**

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

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## FoodShare Toronto Inc. Notes to Financial Statements

**December 31, 2024**

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### 1. Significant Accounting Policies

#### **Purpose of the Organization**

FoodShare Toronto Inc. (the "Organization" or "FoodShare") was incorporated without share capital under the laws of Ontario to act as a catalyst for the advocacy and change towards eliminating hunger and to assist existing emergency food distribution agencies, food recovery programs and related groups.

FoodShare Toronto Inc. is designated as a registered charitable organization under the Canadian Income Tax Act, and accordingly is exempt from income taxes.

#### **Basis of Presentation**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

#### **Revenue Recognition**

The Organization 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 in the year.

Revenue from the sale of produce is recognized when the goods have been delivered, price is fixed or determinable, and collection is reasonably assured.

Donations and other income are recognized as revenue when the amount can be reasonably estimated and collection is reasonably assured.

Interest income is recorded on an accrual basis.

Deferred capital contributions are donations received by the Organization for the purchase of capital assets. They are initially deferred and are amortized to revenue at the same rate as the related capital assets.

#### **Financial Instruments**

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, all 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 charged to the financial instrument.



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FoodShare Toronto Inc.

Notes to Financial Statements

December 31, 2024

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1. Significant Accounting Policies (Continued)

Capital Assets

Capital assets are recorded at cost less accumulated amortization. Amortization is calculated based on the estimated useful life on a straight-line basis as follows:

Computers	over 3 years
Furniture and equipment	over 5 years
Motor vehicles	over 4 years
Leasehold improvements	over the remaining term of the lease

Inventory

Inventory consists of packing materials, books and manuals held for use of service and sale. Inventory is valued at the lower of cost and net realizable value. Cost is determined using the first in first out method.

Contributed Materials and Services

The Organization derives benefits from donors for fundraising activities. Since these materials and services would normally be purchased by the Organization and as fair value can be determined, donated materials and services are recognized in these financial statements based on their estimated fair value.

The Organization derives significant benefits from volunteers. Since these services are not normally purchased by the Organization and because of the difficulty in determining their fair value, donated services are not recognized in these financial statements.

Use of Estimates

The preparation of financial statements 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 the carrying amount of capital assets and accrued liabilities. Actual results could differ from those estimates.

## FoodShare Toronto Inc. Notes to Financial Statements

**December 31, 2024**

### 2. Grants

	<u>2024</u>	<u>2023</u>
Foundations	\$ 2,257,687	\$ 2,941,054
Corporations	205,372	156,743
City of Toronto	515,443	516,374
United Way of Greater Toronto	443,582	442,974
Federal Government	42,714	46,693
	<u>\$ 3,464,798</u>	<u>\$ 4,103,838</u>

### 3. Investments

	<u>2024</u>	<u>2023</u>
Term deposits - bearing interest at rates between 2.00% and 5.00% (2023 - between 1.30% and 5.00%) and maturing between January to May 2025 (2023 - between May 2024 and January 2025)	\$ 2,807,428	\$ 3,182,670
1,000 preference shares in TREC Windpower Co-operative Incorporated. (Windshare) (13% non-voting) (Note 9)	2	2
9 shares in EQB Inc.	947	-
	<u>\$ 2,808,377</u>	<u>3,182,672</u>
Less: Short-term investments	<u>(2,807,428)</u>	<u>(2,675,919)</u>
Long-term investments	<u>\$ 949</u>	<u>\$ 506,753</u>

## FoodShare Toronto Inc. Notes to Financial Statements

**December 31, 2024**

### 4. Capital Assets

	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Leasehold improvements	\$ 1,032,260	\$ 1,032,260	\$ 1,032,260	\$ 1,030,526
Computers	227,426	220,894	222,039	207,617
Furniture and equipment	554,118	544,425	554,118	531,758
Motor vehicles	967,954	800,077	967,954	632,801
	<b>\$ 2,781,758</b>	<b>\$ 2,597,656</b>	<b>\$ 2,776,371</b>	<b>\$ 2,402,702</b>
		<b>\$ 184,102</b>		<b>\$ 373,669</b>

### 5. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances payable in the amount of \$36,656 (2023 - \$39,685).

### 6. Banking Facilities

The Organization has the following banking facilities available:

- 1) Demand line of credit facility with Alterna Savings ("Alterna") in the amount of \$50,000. The line of credit facility bears interest at Alterna's prime rate plus 2.00% (7.45% per annum as at December 31, 2024). A general security agreement is in place. The Organization also has a line of credit of \$200,000 for account overdraft protection that bears interest at Alterna's prime rate plus 0.25. This overdraft protection is secured by an assignment of a term deposit for \$200,000.

At December 31, 2024, no amount was drawn against these facilities (2023 - \$Nil).

- 2) The Organization has a revolving operating loan credit facility that is repayable on demand, with Vancity Community Investment Bank ("VCIB") in the amount of \$400,000. The line of credit facility bears interest at VCIB's prime rate plus 1.00% (6.45% per annum as at December 31, 2024) and is secured by a term deposit held with VCIB in the amount of \$400,000.

At December 31, 2024, \$193,806 (2023 - \$Nil) of the facility was used. Interest paid on the line of credit was \$6,245 (2023 - \$Nil).

## FoodShare Toronto Inc. Notes to Financial Statements

**December 31, 2024**

### 7. Deferred Capital Contributions

	<u>2024</u>	<u>2023</u>
Balance, beginning of the year	\$ 361,225	\$ 335,125
Contributions received	-	102,984
Amount amortized to revenue	<u>(181,678)</u>	<u>(76,884)</u>
Balance, end of the year	<u>\$ 179,547</u>	<u>\$ 361,225</u>

### 8. Deferred Revenue

Deferred revenue represents amounts received for operating expenses of specific programs as specified by the donors. Amounts are recognized as revenue in the year in which the related expenses are incurred. Changes in the deferred revenue balance are as follows:

	<u>2024</u>	<u>2023</u>
Balance, beginning of the year	\$ 1,830,202	\$ 2,239,737
Add: amounts received during the year	2,991,508	4,607,181
Less: amounts recognized as revenue	<u>(3,534,612)</u>	<u>(5,016,716)</u>
Balance, end of the year	<u>\$ 1,287,098</u>	<u>\$ 1,830,202</u>

### 9. Net Assets

Included in net assets is \$1 which is subject to a restriction imposed by the donor stipulating permanent investment in Windshare (Note 3). Investment income from Windshare is unrestricted.

The Board of Directors have internally restricted \$1,000,000 for the Food Forever Fund. This is a reserve which is to be used for future sustainability of the Organization, including unforeseen operational requirements and other strategic decisions aligned to achieving FoodShare's mission. These internally restricted amounts are not available for any other purpose without the approval of the Board of Directors and are currently invested in term deposits. During the year \$250,000 (2023 - \$Nil) was transferred from the Food Forever Fund to Unrestricted net assets.

The Board of Directors have internally restricted \$51,000 as the Black Creek Community Farm ("BCCF") Fund. This is a reserve which is to be used to cover any unforeseen expenditure incurred by the Organization in the normal course of operations. These internally restricted amounts are not available for any other purpose without the approval of the Board of Directors and are currently invested in term deposits.

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FoodShare Toronto Inc.

Notes to Financial Statements

**December 31, 2024**

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**10. Financial Instruments**

**Credit Risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. The Organization is exposed to credit risk arising from its accounts receivable, grants receivable and other receivables.

**Liquidity Risk**

Liquidity risk is the risk that the Organization will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value which is less than what they are worth; or may be unable to settle or recover a financial asset. The Organization is exposed to this risk in respect of its accounts payable and accrued liabilities and line of credit.

**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 investments and line of credit facility.

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**11. Commitments**

The Organization has entered into an operating lease for its current premises, expiring February 28, 2026. The future minimum lease payments required are as follows:

2025	\$	135,488
2026		<u>22,581</u>
Total	\$	<u>158,069</u>

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**12. Comparative Figures**

Certain comparative amounts have been reclassified to conform with the method of financial statement presentation adopted in the current year.