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# Financial statements of Food Banks Canada

March 31, 2025

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## Independent Auditor's Report

To the Board of Directors of  
Food Banks Canada

### Opinion

We have audited the financial statements of Food Banks Canada (the "Organization"), which comprise the statement of financial position as at March 31, 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 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 audit 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 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 GAAS 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 GAAS, 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.

*Deloitte LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
May 28, 2025

**Food Banks Canada**  
**Statement of financial position**  
As at March 31, 2025

	Notes	2025 \$	2024 \$
<b>Assets</b>			
Current assets			
Cash		<b>31,921,014</b>	17,017,007
Investments	3	<b>5,632,934</b>	19,004,184
Accounts receivable	4	<b>7,512,755</b>	7,241,551
Prepays and inventory		<b>840,063</b>	1,094,520
		<b>45,906,766</b>	44,357,262
Capital assets	5	—	40,998
		<b>45,906,766</b>	44,398,260
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	6	<b>14,990,043</b>	16,049,945
Deferred capital contribution	7	—	6,120
		<b>14,990,043</b>	16,056,065
Sublease deposit		—	16,932
		<b>14,990,043</b>	16,072,997
<b>Net assets</b>			
General Fund	8	<b>20,093,291</b>	19,779,398
Internally restricted funds	9	<b>5,500,000</b>	4,750,000
Externally restricted funds	10(a)	<b>5,323,432</b>	3,795,865
		<b>30,916,723</b>	28,325,263
		<b>45,906,766</b>	44,398,260

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

**Food Banks Canada**  
**Statement of operations and changes in net assets**  
Year ended March 31, 2025

		Invested in		Total	Internally	Externally	2025	2024
	General	Capital	Program	General	Restricted	Restricted	Total	Total
	Funds	Assets	Reserve	Fund	Funds	Funds		
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>								
Corporate donations	7,382,914	6,120	—	7,389,034	—	12,999,381	20,388,415	20,069,249
Foundation grants	2,951,383	—	—	2,951,383	—	12,049,565	15,000,948	4,829,618
Government grants	33,994	—	—	33,994	—	7,214,129	7,248,123	22,934,540
Individual donations	11,004,676	—	—	11,004,676	—	74,552	11,079,228	8,609,931
Interest	1,385,104	—	—	1,385,104	—	—	1,385,104	1,942,346
Other income	3,833	—	—	3,833	—	1,200	5,033	19,616
Donated food products	—	—	—	—	—	28,016,512	28,016,512	33,359,934
Total revenue	22,761,904	6,120	—	22,768,024	—	60,355,339	83,123,363	91,765,234
<b>Expenses</b>								
Programs								
Food acquisition and sharing	1,567,458	—	—	1,567,458	—	4,499,905	6,067,363	3,113,220
Network services and support	2,223,184	—	—	2,223,184	—	8,494,553	10,717,737	25,558,582
Research and advocacy	1,068,223	—	—	1,068,223	—	926,055	1,994,278	1,971,454
Designated funds redistributed to the Network	5,828,213	—	—	5,828,213	50,000	16,470,747	22,348,960	22,259,413
Donated food products distributed to the Network	—	—	—	—	—	28,016,512	28,016,512	33,359,934
Total programs	10,687,078	—	—	10,687,078	50,000	58,407,772	69,144,850	86,262,603
Support Services								
Administration	1,265,392	40,998	—	1,306,390	—	80,000	1,386,390	985,388
Fund development	9,660,663	—	—	9,660,663	—	340,000	10,000,663	5,371,944
Total support services	10,926,055	40,998	—	10,967,053	—	420,000	11,387,053	6,357,332
Total expenses	21,613,133	40,998	—	21,654,131	50,000	58,827,772	80,531,903	92,619,935
Excess (deficiency) of revenue over expenses	1,148,771	(34,878)	—	1,113,893	(50,000)	1,527,567	2,591,460	(854,701)
Fund balance, beginning of year	19,438,400	40,998	300,000	19,779,398	4,750,000	3,795,865	28,325,263	29,179,964
Interfund transfers	(793,880)	(6,120)	—	(800,000)	800,000	—	—	—
<b>Fund balance, end of period</b>	<b>19,793,291</b>	<b>—</b>	<b>300,000</b>	<b>20,093,291</b>	<b>5,500,000</b>	<b>5,323,432</b>	<b>30,916,723</b>	<b>28,325,263</b>

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

**Food Banks Canada**  
**Statement of cash flows**  
Year ended March 31, 2025

	<b>2025</b>	2024
	<b>\$</b>	<b>\$</b>
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenses	<b>2,591,460</b>	(854,701)
Items not affecting cash		
Amortization of capital assets	<b>40,998</b>	71,228
Amortization of deferred capital contributions	<b>(6,120)</b>	(12,242)
Changes in non-cash working capital items		
Accounts receivable	<b>(271,204)</b>	425,450
Prepays and inventory	<b>254,457</b>	(185,906)
Accounts payable and accrued liabilities	<b>(1,059,902)</b>	8,627,679
	<b>1,549,689</b>	8,071,508
<b>Investing activities</b>		
Purchase of capital assets	<b>—</b>	(50,516)
Net redemption (purchases) of investments	<b>13,371,250</b>	(5,992,849)
Redemption of sublease deposit	<b>(16,932)</b>	—
	<b>13,354,318</b>	(6,043,365)
Net cash inflow	<b>14,904,007</b>	2,028,143
Cash, beginning of year	<b>17,017,007</b>	14,988,864
<b>Cash, end of year</b>	<b>31,921,014</b>	17,017,007

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

## **1. Summary of significant accounting policies**

### *Nature and purpose of organization*

Food Banks Canada (the "Organization") is the national organization representing and supporting the food bank network across Canada. Its mandate is to build a Canada where no one goes hungry, achieving this through national initiatives that share food and funds with food banks across the country, developing and supporting programs that enable the self-sufficiency of individuals and families and working to find long term solutions to hunger through research and government engagement. The Organization was federally incorporated on December 20, 1988 as Canadian Association of Food Banks as an entity without share capital under the Canada Corporations Act. In 2008, it rebranded as Food Banks Canada. In 2014, the Organization transitioned to the Canada Not-for-Profit Corporations Act.

The Organization is designated as a charitable organization with the Canada Revenue Agency, is exempt from income taxes and is able to issue donation receipts.

### *Basis of accounting*

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

### *Donated services and food products*

A number of 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.

The Organization receives and shares a significant volume of food and consumer products with the network through various programs.

#### *(a) National Food Sharing System*

The volume of food and consumer products acquired and distributed through the Corporate Donation Program of the National Food Sharing System was 7,771,325 pounds (8,026,323 pounds in 2024). The average price per pound for each food category ranges from \$1.17 to \$7.29 (ranges from \$1.12 to \$7.13 per pound in 2024) based on an estimate provided by a third party. These donated food products are reflected in the statement of operations and changes in net assets as donated food products offset donated food products distributed to the Network. The Organization recognizes the donated food products in the year in which they are received and distributed to the Network.

#### *(b) Retail Food Program*

In addition to the product donated through the National Food Sharing System, the Organization also manages donations related to our Retail Food Program. The volume of products donated was 19,128,568 pounds (19,962,434 pounds in 2024). These donated products are not reflected in the Statement of Operations or Statement of Financial Position as the Organization acts as an intermediary for the Retail Food Program.



**1. Summary of significant accounting policies (continued)**

*Donated services and food products (continued)*

The expenses related to the National Food Sharing System and Retail Food Program are included in food acquisition and sharing expenses in the statement of operations and changes in net assets. In addition to incurring expenses to run these food donation programs, the Organization receives significant donated services for the warehousing and transporting of the products. The value of the donated warehousing and transporting services is not reflected in these financial statements.

*Capital assets*

Capital assets are recorded at cost. Donated capital assets are recorded at fair market value at the date of contribution. Amortization is calculated based on the carrying value and is provided over the estimated useful lives of the capital assets at the following annual rates

Furniture and equipment	30% declining balance basis
Computers and software	30% declining balance basis
Leasehold improvements	Over the term of the lease utilized by the Organization

*Revenue recognition*

Restricted donations or grants are recognized as revenue of the appropriate restricted funds using the restricted fund method of accounting. All other restricted donations or grants for which no restricted funds have been established are deferred and recognized as revenue of the General Fund in the years in which the related expenses are incurred. Unrestricted donations or grants are recognized as revenue of the General Fund. Pledges are recognized as receivable when the amount can be reasonably estimated and ultimate collection is reasonably assured.

*Deferred rent*

The Organization has an operating lease that contains predetermined fixed escalations of minimum rentals during the lease term. The Organization recognizes the related rental expense on a straight-line basis over the life of the lease and records the difference between the amounts charged to operations and amounts paid as deferred rent. This amount is recorded as a deferred credit in the early years of the lease, when cash payments are generally lower than the straight-line rent expense, and reduced in the later years of the lease when payments begin to exceed the straight-line expense.

The Organization also received funding for leasehold improvements in conjunction with the operating lease. This funding is recorded as deferred capital contributions at the beginning of the lease term and recognized as revenue over the lease term at the same rate as amortization expense is recognized on the leasehold improvements.

*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 amount of revenue and expenses for the year then ended. Actual results may differ from such estimates. Balances for which estimates were used are capital assets (amortization), accrued liabilities, allowance for doubtful accounts and the value of donated food products.

**1. Summary of significant accounting policies (continued)**

*Financial instruments*

Financial assets and financial liabilities are initially recognized at fair value when the Organization becomes a party to the contractual provision of the financial instrument. Subsequently, all financial instruments are measured at amortized cost, except for investments. The Organization has elected to use the fair value option to measure investments, with any subsequent changes in fair value recorded in the statement of operations and changes in net assets.

Financial assets measured at amortized cost are assessed at each reporting date for indications of impairment. If such impairment exists, the asset is written down and the resulting impairment loss is recognized in the statement of operations and changes in net assets. Transaction costs are expensed for those items measured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

*Deferred capital contributions*

Amounts received for the purchase of capital assets are recorded as deferred capital contributions and are amortized over the useful life of the related capital assets.

**2. Description of funds**

*General fund*

*(a) Unrestricted fund*

The Unrestricted Fund records the operating activities of the Organization.

*(b) Invested in capital assets*

The Invested in Capital Assets records the Organization's capital assets, less any related capital grants.

*(c) Program reserve*

The Program Reserve provides short term funds to allow for program area development or growth.

*Internally restricted funds*

*(a) Operating reserve fund*

The Operating Reserve Fund provides funds to allow the Organization to continue to operate during extreme financially difficult conditions; and/or ensures adequate funds are available in the event the Organization is dissolved. During the year, there was a transfer of \$750,000 (\$1,000,000 2024) to the fund from the Unrestricted fund.

*(b) Disaster response reserve fund*

The Disaster Response Reserve Fund was established by the Board of Directors in the year 2021. The Disaster Response Reserve Fund allows the Organization to respond in the event of a disaster incident impacting one or more food banks within the Food Banks Canada network.

During the year, the Board approved a transfer of \$50,000 (\$216,509 in 2024) to the fund from the Unrestricted Fund to replenish the fund to \$1,000,000.

**2. Description of funds (continued)**

*Externally restricted funds*

*Donor restricted fund*

The Donor Restricted Fund records designated funds received from donors for specific projects and funds for distribution to the Network.

**3. Investments**

Funds are invested as per the Organization's investment policy. Investments totaling \$5,632,934 (\$19,004,184 in 2024) consist of funds invested in an Investment Savings Account, a money market account, and Guaranteed Investment Certificates ("GICs"). The GICs mature in April 2025 (between April and June in 2024) and bear interest rates of 3.19% (5.12% and 5.56% in 2024). Following the maturity of the GICs, both the principal amount and the interest were placed in an interest-bearing savings account.

**4. Accounts receivable**

	<b>2025</b>	2024
	\$	\$
Accounts receivable	<b>91,274</b>	12,695
Interest receivable	<b>129,586</b>	366,172
Pledges receivable, corporate	<b>6,410,344</b>	1,789,247
Corporate credit cards	<b>17,777</b>	15,841
Government rebates receivable	<b>863,774</b>	593,572
	<b>7,512,755</b>	7,241,551

**5. Capital assets**

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2025 Net book value</b>	2024 Net book value
	\$	\$	\$	\$
Computers and office equipment	<b>100,921</b>	<b>100,921</b>	—	40,998

**6. Accounts payable and accrued liabilities**

	<b>2025</b>	2024
	\$	\$
Accounts payable and accrued liabilities	<b>2,305,380</b>	5,154,586
Grants payable to food banks	<b>12,684,663</b>	10,895,359
	<b>14,990,043</b>	16,049,945

There are no government remittances payable as at March 31, 2025 or 2024.

## 7. Deferred capital contributions

Deferred capital contributions represent the unamortized amount of the grants received for leasehold improvements and furniture additions.

	2025 \$	2024 \$
Balance, beginning of year	6,120	18,362
Less: amounts recognized as revenue during the year	6,120	12,242
Balance, end of year	—	6,120

## 8. General fund

	2025 \$	2024 \$
Unrestricted General Fund	19,793,291	19,438,400
Invested in capital assets	—	40,998
Program Reserve Fund	300,000	300,000
Balance, end of year	20,093,291	19,779,398

The unrestricted general funds are expected to be used to fund direct investments into the food bank network in areas including improving access to underserved communities; system, infrastructure and capacity enhancements; and to advance the Organization's strategic plan initiatives to advance its mission of relieving hunger today and preventing hunger tomorrow towards a vision of a Canada where no one goes hungry.

## 9. Internally restricted funds

	2025 \$	2024 \$
Operating Reserve Fund	4,500,000	3,750,000
Disaster Response Reserve Fund	1,000,000	1,000,000
Balance, end of year	5,500,000	4,750,000

## 10. Externally restricted funds

### (a) Externally restricted funds

Externally restricted funds at year-end total \$5,323,432 (\$3,795,865 in 2024). These funds are held for specific initiatives to support the Network.

### (b) Funds for redistribution to the network

Funds received from the undernoted sources, together with proceeds from specific programs, have been distributed to network partners (Provincial Associations, Affiliate Food Banks and Non-affiliate Food Banks) across Canada.

	2025 \$	2024 \$
Corporate Philanthropy and Cause Campaigns	7,719,769	7,900,233
National Campaigns and Initiatives	14,629,191	14,359,180
	22,348,960	22,259,413

## 11. Allocation of payroll expenses

Salaries and benefits expenses are allocated to programs or support services based on an estimation of number of hours employees worked on programs.

The summary of allocations is as follows:

	<b>2025</b>	2024
	<b>\$</b>	<b>\$</b>
Food acquisition and sharing	<b>1,235,165</b>	1,153,100
Network services and support	<b>1,836,382</b>	1,320,257
Research and advocacy	<b>1,087,204</b>	908,454
Fund development	<b>2,537,159</b>	1,854,033
Administration	<b>749,164</b>	659,347
	<b>7,445,074</b>	5,895,191

## 12. Guarantees

In the normal course of business, the Organization enters into agreements that meet the definition of a guarantee.

The Organization indemnifies all directors, officers, employees and volunteers acting on behalf of the Organization for various items including but not limited to all costs to settle suits or actions due to services provided to the Organization, subject to certain restrictions.

The nature of these indemnification agreements prevents the Organization from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability which stems from the unpredictability of future events and the unlimited coverage offered to counterparties. Historically, the Organization has not made any payments under such or similar indemnification agreements and therefore no amount has been accrued with respect to these agreements. The Organization has purchased liability insurance to mitigate the cost of any potential future suits or action.

## 13. 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 savings investments.

### *Credit Rate Risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's credit risk is primarily attributable to its accounts and pledges receivable.

These risks have not changed from the prior year.