

Daily Bread Food Bank
Financial Statements
For the year ended June 30, 2026

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Independent Auditor's Report

To the Board of Directors of Daily Bread Food Bank

Opinion

We have audited the financial statements of Daily Bread Food Bank (the "Organization"), which comprise the statement of financial position as at June 30, 2026, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at June 30, 2026, 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 Opinion

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 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.



Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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
September 29, 2026

Daily Bread Food Bank Statement of Financial Position

June 30				2026	2025
	Operating Fund	Food Fund	Operations Expansion Fund	Total	Total
Assets					
Current					
Cash	\$ 24,062,344	\$ -	\$ -	\$ 24,062,344	\$ 20,816,420
Short-term investments (Note 2)	306,394	-	-	306,394	2,878,644
Receivables	611,528	1,300,000	-	1,911,528	573,543
Inventory	-	687,941	-	687,941	606,975
Prepaid expenses	189,150	6	-	189,156	364,688
Due to / from funds	124,871	(1,921,381)	1,796,510	-	-
	25,294,287	66,566	1,796,510	27,157,363	25,240,270
Long-term investments (Note 2)	8,821,020	-	-	8,821,020	9,750,389
Capital assets (Note 3)	6,580,307	-	143,600	6,723,907	7,044,152
	\$ 40,695,614	\$ 66,566	\$ 1,940,110	\$ 42,702,290	\$ 42,034,811
Liabilities and Net Assets					
Current					
Accounts payable and accrued liabilities	\$ 817,169	\$ 66,566	\$ -	\$ 883,735	\$ 2,117,921
Deferred contributions (Note 4)	214,431	-	-	214,431	135,178
	1,031,600	66,566	-	1,098,166	2,253,099
Deferred capital contributions (Note 4)	588,614	-	-	588,614	590,540
	1,620,214	66,566	-	1,686,780	2,843,639
Net assets					
Operating fund	39,075,400	-	-	39,075,400	37,220,365
Operations expansion fund	-	-	1,940,110	1,940,110	1,970,807
	39,075,400	-	1,940,110	41,015,510	39,191,172
	\$ 40,695,614	\$ 66,566	\$ 1,940,110	\$ 42,702,290	\$ 42,034,811

On behalf of the Board:



Director



Director

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

Daily Bread Food Bank
Statement of Operations and Changes in Net Assets

For the year ended June 30

2026

2025

	Operating Fund	Food Fund	Operations Expansion Fund	Total	Total
Revenue					
Monetary donations	\$ 36,753,267	\$ 5,520,165	\$ -	\$ 42,273,432	\$ 39,563,474
Bequests	942,668	-	-	942,668	1,200,613
Designated program grants	311,927	-	-	311,927	284,833
Government grants	50,191	-	-	50,191	39,311
Fee-for-service revenues	74,774	-	-	74,774	72,696
Other income	432,844	-	-	432,844	344,673
	38,565,671	5,520,165	-	44,085,836	41,505,600
Donated food (Note 1)	-	55,569,003	-	55,569,003	45,352,447
	38,565,671	61,089,168	-	99,654,839	86,858,047
Expenses					
Food distribution operations	4,761,784	-	30,697	4,792,481	4,838,262
Food preparation and purchases	1,232,519	21,055,696	-	22,288,215	21,745,730
Member agency and client support	7,053,375	-	-	7,053,375	7,080,677
Kitchen	532,752	-	-	532,752	480,707
Research and public policy	1,761,688	-	-	1,761,688	1,180,277
Fundraising	5,650,780	-	-	5,650,780	5,319,168
Administration	1,304,924	-	-	1,304,924	1,286,226
New building project	9,398	-	-	9,398	-
	22,307,220	21,055,696	30,697	43,393,613	41,931,047
Distribution of donated food (Note 1)	-	55,569,003	-	55,569,003	45,352,447
	22,307,220	76,624,699	30,697	98,962,616	87,283,494
Excess (deficiency) of revenue over expenses before other items	16,258,451	(15,535,531)	(30,697)	692,223	(425,447)
Investment income	1,364,122	-	-	1,364,122	1,374,195
Unrealized fair value gain (loss) on long-term investments	(232,007)	-	-	(232,007)	244,148
Excess (deficiency) of revenue over expenses	17,390,566	(15,535,531)	(30,697)	1,824,338	1,192,896
Net assets, beginning of year	37,220,365	-	1,970,807	39,191,172	37,998,276
Approved board transfers	(15,535,531)	15,535,531	-	-	-
Net assets, end of year	\$ 39,075,400	\$ -	\$ 1,940,110	\$ 41,015,510	\$ 39,191,172

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

Daily Bread Food Bank Statement of Cash Flows

For the year ended June 30 **2026** **2025**

Cash was provided by (used in)

Operating activities

Excess of revenue over expenses	\$ 1,824,338	\$ 1,192,896
Adjustments required to reconcile excess of revenue over expenses with net cash provided by operating activities		
Amortization of capital assets (Note 3)	611,876	670,462
Loss on disposal of capital asset	1,982	2,719
Amortization of deferred capital contributions (Note 4)	(119,658)	(114,897)
Unrealized fair value loss (gain) on long-term investments	232,007	(244,148)
Changes in non-cash working capital balances		
Receivables	(1,337,985)	(35,518)
Inventory	(80,966)	584,271
Prepaid expenses	175,532	25,781
Accounts payable and accrued liabilities	(1,234,186)	601,204
Deferred contributions	79,253	(15,866)
	<u>152,193</u>	<u>2,666,904</u>

Investing activities

Purchase of capital assets	(293,613)	(550,079)
Redemption (purchase) of short-term investments, net	2,572,250	(1,508,419)
Redemption of long-term investments, net	697,362	1,109,617
	<u>2,975,999</u>	<u>(948,881)</u>

Financing activity

Capital contributions received (Note 4)	<u>117,732</u>	<u>284,502</u>
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Increase in cash during the year

3,245,924 **2,002,525**

Cash, beginning of year

20,816,420 **18,813,895**

Cash, end of year

\$ 24,062,344 **\$ 20,816,420**

Supplementary cash flow information

Contributed capital assets	\$ -	\$ 48,500
Capital contributions received	-	48,500

Daily Bread Food Bank

Notes to Financial Statements

June 30, 2026

1. Significant Accounting Policies

Nature of Organization

Daily Bread Food Bank (the "Organization") was incorporated under the Canada Business Corporations Act on October 19, 1983 and continued under Articles of Continuance on January 15, 2013. These articles of continuance changed the name of the Organization from The Daily Bread Food Bank Foundation of Toronto to Daily Bread Food Bank. It is a registered charity under the Income Tax Act of Canada (the "Act"), and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Organization must meet certain requirements of the Act.

The Organization's objective is to collaborate with all to eliminate food insecurity and advocate for solutions to end poverty. This is done through the solicitation, purchase, preparation and distribution of food to those in need via member agencies that directly serve clients. It is also accomplished through research, education, and advocating for improved government policies to eliminate poverty. In addition, the Organization supports the establishment and running of member food banks across Toronto and operates a food bank out of its head office.

The Organization acts as a distribution hub for the Ontario Association of Food Banks (o/a Feed Ontario) in the distribution of food in Ontario.

Funding has been primarily received through voluntary contributions and grants from members of the public, corporations, government, and charitable foundations.

Basis of Accounting

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

Fund Accounting

The Organization follows the restricted fund method of accounting for contributions.

Operating Fund - Unrestricted

The Operating Fund records the operating activities of the Organization.

Restricted Funds

(i) Food Fund - externally restricted

All donations designated by donors for the acquisition of food are allocated to the Food Fund. Additional monies may be transferred to this fund from time to time by the Board of Directors.

Daily Bread Food Bank Notes to Financial Statements

June 30, 2026

1. Significant Accounting Policies (Continued)

Fund Accounting (continued)

Restricted Funds (continued)

(ii) Operations Expansion Fund - internally restricted

The Operations Expansion fund is an internally restricted fund that reflects the amounts that are designated by the Board of Directors for increasing operating capacity. The Fund will ensure that there are sufficient resources for the capital investments required for the Organization to fulfill future demand. The qualifying expenditures will include capital improvements or upgrades made to the Organization's building, purchase of operating equipment and purchase of vehicles.

Revenue Recognition

Restricted contributions are recognized as revenue of the appropriate externally restricted fund. All other restricted contributions for which no restricted fund has been established are deferred and recognized as revenue of the Operating Fund in the years in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the Operating Fund if the amount to be received can be reasonably estimated and collection is reasonably assured.

Grants are recognized as income in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Deferred contributions relate to grants received in advance for programs taking place in the next fiscal year for those which do not have a specific externally restricted fund established.

Fee-for-service revenue is recognized as income when the service has been provided, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Deferred capital contributions arise from amounts that have been received and that are receivable under the restriction that proceeds are to be used to fund capital asset purchases. Deferred capital contributions are recognized on a straight-line basis over the estimated useful life of the corresponding capital asset.

Donated food is recognized as revenue in the Statement of Operations and Changes in Net Assets when distributed. 14,194,722 pounds of donated food (2025 - 11,542,747) has been valued based on independently obtained, national standards recommended by Food Banks Canada at \$3.71 per pound (2025 - \$3.64). The use of the national standards recommended by Food Banks Canada is consistent with fiscal 2025; management and the Board believe that this valuation is a reasonable reflection of fair market value. 1,719,872 pounds of donated food (2025 - 1,908,357) was received from farmers who were issued tax receipts for \$2,906,584 (2025 - \$3,336,848), calculated at an average value of \$1.69 per pound (2025 - \$1.75). The Organization distributed a total of 15,914,594 pounds of donated food to the community (2025 - 13,451,104) at a value of \$55,569,003 (2025 - \$45,352,447).

Donations of physical capital assets are recorded at fair value at the date of contribution in the amount of \$Nil (2025 - \$48,500).

Daily Bread Food Bank Notes to Financial Statements

June 30, 2026

1. Significant Accounting Policies (Continued)

Revenue Recognition (continued)

Investment income includes interest, dividends, and realized and unrealized gains and losses on investments.

Items other than food are donated to the Organization from time to time. These items are not recognized in the financial statements.

Inventory

Food, which has been purchased from suppliers, but not yet distributed to member agencies, is recorded in 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.

Capital Assets

Capital assets are recorded at cost less accumulated amortization. Amortization, based on the estimated useful life of the asset, is calculated as follows:

Building structure	- 40 years straight-line basis
Building, non-structure	- 25 years straight-line basis
Parking lot	- 12 years straight-line basis
Warehouse equipment	- 5 - 10 years straight-line basis
Automotive	- 6 years straight-line basis
Kitchen equipment	- 6 years straight-line basis
Computer and office equipment	- 5 - 10 years straight-line basis

Volunteer Services

The work of the Organization is dependent on the efforts of many volunteers. Since these services are not purchased by the Organization and due to the difficulty of determining their fair value, donated services are not recognized in these financial statements.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, investments are recorded at fair value with any change in the fair value reported in the Statement of Operations and Changes in Net Assets. All other 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.

Foreign Currency Transactions

Foreign currency transactions are translated at the rates of exchange in effect at the date of the transaction. Resulting foreign currency denominated monetary assets and liabilities are translated at the rates of exchange in effect at the date of the statement of financial position. Gains and losses on translation of monetary assets and liabilities are included in excess (deficiency) of revenue over expenses.

Daily Bread Food Bank Notes to Financial Statements

June 30, 2026

1. Significant Accounting Policies (Continued)

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 expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Allocation of Administrative Expenses to Cost Centres

The Organization reports its operating costs by function. Many cost centres work for a single function and are appropriately allocated. Certain costs pertain to more than one function and these are allocated as follows:

- (i) When a staff member spends part of their time on different functions, the policy is to apportion the relevant salary and associated costs in proportion to the amount of time spent on each function.
- (ii) The expenses within the kitchen operation have been charged 50% to food preparation and 50% to kitchen, which respects the two-fold operation of the kitchen and the approximate cost of performing each of the functions.
- (iii) Common and support expenses such as facilities maintenance, computer services, staff and volunteer management have been allocated as follows:

<u>Expense</u>	<u>Basis of Allocation</u>
Facilities maintenance	Square footage of space used
Computer systems	Network administration, by time spent, hardware and software, by cost
Human resources management	Headcount
Volunteer management	Volunteer labour hours
Central services	Usage of reception and office equipment

Daily Bread Food Bank Notes to Financial Statements

June 30, 2026

2. Investments

	2026		2025	
	Fair Value	Cost	Fair Value	Cost
Short-term investments				
Cash	\$ 14,259	\$ 14,259	\$ 135,240	\$ 135,240
GICs	292,135	288,000	2,743,404	2,641,000
	306,394	302,259	2,878,644	2,776,240
Long-term investments				
Exchange-traded funds	-	-	1,038,400	986,584
GICs	-	-	292,135	288,000
Mutual funds	8,821,020	8,933,858	8,419,854	8,454,905
	8,821,020	8,933,858	9,750,389	9,729,489
	\$ 9,127,414	\$ 9,236,117	\$ 12,629,033	\$ 12,505,729

Short-term GICs have interest rates between 2.55% and 2.61% (2025 - 2.45% and 5.60%) and maturity dates in December 2026 (2025 - November 2025 to December 2025).

Long-term GICs held in the prior year, with interest rates between 2.55% and 2.61%, matured during the year.

3. Capital Assets

	2026		2025	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 871,388	\$ -	\$ 871,388	\$ -
Building and parking lot	7,441,463	3,197,421	7,413,932	2,960,373
Warehouse equipment	2,198,606	1,464,842	2,288,766	1,253,121
Automotive	1,249,079	1,080,814	1,249,079	1,042,706
Kitchen equipment	191,080	160,518	166,460	155,346
Capital Work-in-Progress	264,685	-	-	-
Computer and office equipment	1,229,204	818,003	1,187,736	721,663
	\$ 13,445,505	\$ 6,721,598	\$ 13,177,361	\$ 6,133,209
Net book value		\$ 6,723,907		\$ 7,044,152

Daily Bread Food Bank Notes to Financial Statements

June 30, 2026

3. Capital Assets (Continued)

	<u>2026</u>	<u>2025</u>
Total investment in capital assets	\$ 6,723,907	\$ 7,044,152
Less: amount funded by deferred capital contributions (Note 4)	<u>(588,614)</u>	<u>(590,540)</u>
Funds invested in capital assets	<u>\$ 6,135,293</u>	<u>\$ 6,453,612</u>

Included in the balance of capital assets is warehouse equipment of \$143,600 (2025 - \$253,489) that has been funded through the Operations Expansion Fund.

Capital work-in-progress has not been amortized as the asset is not yet in use.

Amortization of capital assets is included on the Statement of Operations and Changes in Net Assets in the following expense categories:

	<u>2026</u>	<u>2025</u>
Food distribution operations	\$ 382,189	\$ 450,559
Food preparation and purchases	62,524	60,636
Member agency and client support	54,672	49,077
Kitchen	30,758	28,916
Research and public policy	25,232	18,598
Fundraising	39,904	40,781
Administration	<u>16,597</u>	<u>21,895</u>
	<u>\$ 611,876</u>	<u>\$ 670,462</u>

4. Deferred Contributions and Deferred Capital Contributions

Changes in deferred contributions and deferred capital contributions are as follows:

	<u>Current</u>	<u>Capital</u>	<u>2026</u>	<u>2025</u>
Balance, beginning of year	\$ 135,178	\$ 590,540	\$ 725,718	\$ 523,479
Donated capital assets	-	-	-	48,500
Add: funds received	236,700	117,732	354,432	689,370
Less: contributions recognized as revenue	<u>(157,447)</u>	<u>(119,658)</u>	<u>(277,105)</u>	<u>(535,631)</u>
Balance, end of year	<u>\$ 214,431</u>	<u>\$ 588,614</u>	<u>\$ 803,045</u>	<u>\$ 725,718</u>

Daily Bread Food Bank Notes to Financial Statements

June 30, 2026

5. Allocation of Administrative Expenses to Cost Centres

Administrative expenses totalling \$2,696,801 (2025 - \$2,483,544) have been allocated as follows:

	2026	2025
Food distribution operations	\$ 919,392	\$ 898,002
Food preparation and purchases	316,532	277,538
Member agency and client support	435,972	385,484
Kitchen	301,760	267,213
Research and public policy	195,011	137,152
Fundraising	373,518	352,397
Administration	154,616	165,758
	\$ 2,696,801	\$ 2,483,544

6. Line of Credit

The Organization has a \$750,000 credit facility agreement with a Canadian chartered bank. The line of credit is secured by a general security agreement representing a first charge on all present and after acquired property, bears interest at prime and is payable on demand. The balance outstanding as at June 30, 2026 is \$Nil (2025 - \$Nil).

7. Employee Benefits

The Organization maintains an RRSP matching program for its employees. The Organization matches up to 2% of the employee's gross earnings. The expense for the year was \$115,752 (2025 - \$95,945).

8. Commitments

The Organization has obligations under operating leases for office equipment as follows:

2027	\$ 20,899
2028	20,899
2029	20,899
2030	20,601
2031	19,110
Thereafter	9,904
	\$ 112,312

Daily Bread Food Bank Notes to Financial Statements

June 30, 2026

9. Financial Instrument Risks

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 mainly in respect of its accounts payable and accrued liabilities and commitments.

The Organization's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions. The Organization maintains a portion of its invested assets in liquid securities.

Market Risk

Market risk arises from the possibility that changes in market prices will affect the level of investments held by the Organization. The Organization is subject to market risk on its long-term investments. The values of these long-term investments will fluctuate as a result of changes in market prices or other factors affecting the values of the investments.

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.

Currency Risk

Currency risk is the risk that arises from fluctuations in foreign exchanges rates. The Organization is exposed to currency risk with respect to \$157,449 (2025 - \$120,399) of cash held in U.S dollars.

These risks have not changed from the prior year.

10. Contingencies

The Organization has been named in legal matters arising in the ordinary course of operations. The outcome of these matters is not determinable at this time and accordingly, no provision has been recorded in the financial statements. Any settlement or award resulting from these matters will be recorded in the period in which the amount becomes determinable.