Okotoks Food Bank Association

Financial Statements

Year Ended December 31, 2025

Independent Practitioner's Review Engagement Report

To the Board of Directors of Okotoks Food Bank Association

We have reviewed the accompanying financial statements of Okotoks Food Bank Association (the Association) that comprise the statement of financial position as at December 31, 2025, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 (ASNPO), 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Emphasis of Matter - Comparative Information

We draw attention to Note 2 to the financial statements which describes that Okotoks Food Bank Association adopted ASNPO on January 1, 2025 with a transition date of January 1, 2024. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at December 31, 2024 and January 1, 2024, and the statements of operations, changes in net assets and cash flows for the year ended December 31, 2024 and related disclosures. Our conclusion is not modified in respect of this matter.

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CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Practitioner's Review Engagement Report to the Board of Directors of Okotoks Food Bank Association *(continued)*

We were not engaged to report on the comparative information, and as such, it is neither audited nor reviewed.

Basis for Qualified Conclusion

In common with many not-for-profit organizations, the Association derives revenue from the general public in the form of monetary donations and donated food, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Association. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenues, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2025, current assets and net assets as at December 31, 2025.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the *Basis for Qualified Conclusion* paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Okotoks Food Bank Association as at December 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 (ASNPO).

Other Matter

The financial information of Okotoks Food Bank Association for the year ended December 31, 2024 was compiled by another practitioner and is presented for comparative purposes only.

Optimize

Okotoks, Alberta
June 19, 2026

Optimize LLP
Chartered Professional Accountants

Okotoks Food Bank Association

Statement of Financial Position

December 31, 2025

	***December 31* 2025 $**	*December 31* 2024 $	*January 1* 2024 $
Assets			
Current			
Cash	**921,641**	577,644	587,616
Marketable securities	**696,776**	652,587	598,961
Accounts receivable	**25,085**	20,317	-
Goods and services tax recoverable	**3,888**	3,590	3,968
	1,647,390	1,254,138	1,190,545
Property and equipment *(Note 4)*	**111,704**	124,139	181,060
Deposits	**15,979**	15,979	15,979
	1,775,073	1,394,256	1,387,584
Liabilities			
Current			
Accounts payable and accrued liabilities *(Note 5)*	**42,325**	50,202	50,965
Net Assets			
Unrestricted	**1,621,044**	1,219,915	1,155,559
Invested in property and equipment	**111,704**	124,139	181,060
	1,732,748	1,344,054	1,336,619
	1,775,073	1,394,256	1,387,584

Commitments *(Note 7)*

See notes to financial statements

Okotoks Food Bank Association

Statement of Operations

Year Ended December 31, 2025

	2025 $	2024 $
Revenue		
Donations	**1,059,258**	772,651
Restricted donations *(Note 6)*	**60,000**	4,716
Sales	**3,149**	4,163
Donations in-kind	**3,161,643**	4,153,569
	4,284,050	4,935,099
Expenses		
Advertising and promotion	**7,760**	2,716
Amortization	**33,052**	56,921
Community garden	**260**	440
Continuing education	**10,346**	7,302
Food	**119,883**	170,557
Food in-kind	**3,161,643**	4,153,569
Insurance	**21,073**	14,403
Interest and bank charges	**12,378**	8,840
Investment fees	**9,994**	9,212
Office	**27,189**	25,075
Professional fees	**22,502**	14,423
Rental	**204,931**	195,572
Repairs and maintenance	**28,192**	25,446
Salaries and wages	**265,354**	282,531
Telephone	**6,710**	7,740
Travel	**1,032**	315
Utilities	**25,688**	21,376
Vehicle	**5,859**	6,395
	3,963,846	5,002,833
Excess of (deficiency of) revenue over expenses from operations	**320,204**	(67,734)
Other income		
Realized gain (loss) on sale of marketable securities	**33,258**	(8,674)
Investment income	**16,006**	18,299
Interest income	**12,272**	11,876
Unrealized gain on marketable securities	**6,954**	53,668
	68,490	75,169
Excess of revenue over expenses	**388,694**	7,435

See notes to financial statements

Okotoks Food Bank Association
Statement of Changes in Net Assets
Year Ended December 31, 2025

	2024 Balance $	Excess of (deficiency of) revenue over expenses $	Transfers $	**2025 Balance $**
Unrestricted	1,219,915	421,746	(20,617)	**1,621,044**
Invested in property and equipment	124,139	(33,052)	20,617	**111,704**
	1,344,054	388,694	-	**1,732,748**

	2023 Balance $	Excess of (deficiency of) revenue over expenses $	Transfers $	2024 Balance **$**
Unrestricted	1,155,559	64,356	-	1,219,915
Invested in property and equipment	181,060	(56,921)	-	124,139
	1,336,619	7,435	-	1,344,054

See notes to financial statements

Okotoks Food Bank Association

Statement of Cash Flows

Year Ended December 31, 2025

	2025 $	2024 $
Operating activities		
Excess of revenue over expenses	**388,694**	7,435
Items not affecting cash:		
Amortization of property and equipment	**33,052**	56,921
Realized gain (loss) on sale of marketable securities	**(33,258)**	8,674
Unrealized gain on marketable securities	**(6,954)**	(53,668)
Donations in-kind	**(3,161,643)**	(4,153,569)
Food in-kind	**3,161,643**	4,153,569
	381,534	19,362
Changes in non-cash working capital:		
Accounts receivable	**(4,768)**	(20,317)
Accounts payable and accrued liabilities	**(7,878)**	(762)
Goods and services tax payable	**(298)**	378
	(12,944)	(20,701)
	368,590	(1,339)
Investing activities		
Purchase of property and equipment	**(20,617)**	-
Proceeds from sale of marketable securities	**556,011**	193,080
Purchase of marketable securities	**(559,987)**	(201,713)
	(24,593)	(8,633)
Increase (decrease) in cash flow	**343,997**	(9,972)
Cash - beginning of year	**577,644**	587,616
Cash - end of year	**921,641**	577,644

See notes to financial statements

1. Purpose of the Association

Okotoks Food Bank Association (the "Association") is a not-for-profit organization of Alberta. As a registered charity the Association is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act and may issue tax deductible receipts to donors.

The Association operates to provide emergency food assistance to the community of Okotoks, Alberta.

2. First time adoption of accounting standards for not-for-profit organizations

During the year the Association adopted Canadian accounting standards for not-for-profit organizations (ASNPO). These financial statements are the first prepared in accordance with these standards. The changes have been applied retrospectively, resulting in changes to beginning equity and restatement of certain assets and liabilities as described below.

a) Excess of revenues over expenses for the year ended December 31, 2024 which was not previously reported using Canadian generally accepted accounting principles, has been restated as follows:

	December 31 2024 $	Adjustment $	Restated $
Revenue	747,641	4,187,458	**4,935,099**
Expenses	(832,464)	(4,170,369)	**(5,002,833)**
(Deficiency) of revenues over expenditures	(84,823)	17,089	**(67,734)**
Other income	38,590	36,579	**75,169**
(Deficiency) of revenues over expenditures	(46,233)	53,668	**7,435**

b) The Association has elected upon transition to the new standards to report certain financial instruments at fair value, which were previously reported at cost. These financial instruments, which include marketable securities will continue to be carried at fair value and future changes in fair value reported as part of excess of revenues over expenses.

	January 1 2024 $	Adjustment $	Restated $
Marketable securities	598,919	53,668	**652,587**

3. Summary of significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

Revenue recognition

Okotoks Food Bank Association follows the deferral method of accounting for contributions. Unrestricted contributions are recorded as revenue when they are received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are initially deferred and then recognized as revenue in the year the related expenses are incurred.

Food and Non-food donations received in kind are recorded as revenue when they are received at estimated fair value at the date the donation is made. Food and non-food donations in-kind without a fair value assigned by the donor are recorded at a cost per pound for common classes of donated food. Miscellaneous food donations in-kind are assigned a fair value of $3.52 per pound (2024 - $3.52 per pound) from January 1 to December 31, 2025. Costs per pound are based on national food studies conducted by Food Banks Canada. Because the operational objective of the Association is the deployment and distribution of food items all contributed food is expensed in the period of receipt. No inventory asset is recorded on the Statement of Financial Position at year-end.

Interest and investment income, which consist of interest, dividends, income distributions from pooled funds and realized and unrealized gains and losses, are recognized in the statement of operations when receivable.

Cash and cash equivalents

Cash includes cash and cash equivalents consist of cash on deposit and short-term investments with a maturity of approximately three months or less from the date of purchase.

Marketable securities

Investments for which there are quoted prices in an active market were, prior to the Association's adoption of Canadian accounting standards for not-for-profit organizations, classified as held for trading and carried at historical cost. As described in Note 2., the Association has adopted new accounting standards during the year and accordingly, such investments were adjusted on conversion to be carried at fair value. Unrealized gains or losses are reported as part of excess of revenues over expenditures.

Property and equipment

Property and equipment is recorded at cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Computer equipment	55%	declining balance method
Equipment	20%	declining balance method
Furniture and fixtures	20%	declining balance method
Motor vehicles	30%	declining balance method
Leasehold improvements	5 years	straight-line method

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

Impairment of long lived assets

The Association tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Financial instruments

Recognition and derecognition

A financial asset or a financial liability is initially recognized when the Association becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished. Where the terms of a financial liability are renegotiated in an arm’s length transaction, resulting in substantially different terms, this is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability, with any difference recognized in the statement of operations. Where the terms of a financial liability are renegotiated with a related party, this is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Any difference is recognized in either net income or equity, depending on the circumstances.

Measurement

The Association initially measures financial assets originated or acquired and financial liabilities issued or assumed in an arm’s length transaction at fair value. These financial assets and liabilities are subsequently measured at amortized cost, except for equity investments quoted in active markets and derivative financial instruments, which are measured at fair value. Changes in fair value are recognized in net income.

Where transactions with related parties result in the recognition of derivative contracts, quoted debt or equity instruments, or debt instruments where significant inputs to measure their fair value are observable, these are initially measured at fair value. All other financial assets originated or acquired, and financial liabilities issued or assumed in a related party transaction are initially measured at cost. For financial instruments with repayment terms, cost is determined as the sum of undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. For financial instruments with no repayment terms, cost is determined by reference to the consideration transferred or received by the Association in the transaction. Equity instruments quoted in active markets and derivative financial instruments are subsequently measured at fair value, with changes in fair value recognized in the statement of operations. All other financial instruments resulting from related party transactions are subsequently measured at cost less any reduction for impairment.

Financial assets measured at cost or amortized cost include cash and accounts receivable. Financial liabilities measured at cost or amortized cost include accounts payable and accrued liabilities.

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

Impairment

At the end of each reporting period, the Association assesses whether there are any indications that a financial asset measured at cost or amortized cost may be impaired. If there are indicators of impairment, and the Association determines there has been a significant adverse change in the expected amount or timing of future cash flows, an impairment is recognized.

For all financial assets, other than investments in debt or equity instruments originated or acquired in a related party transaction and initially measured at cost, the carrying amount of the asset is reduced to the higher of: the expected cash flows expected to be generated by holding the asset, discounted using a current market rate of interest, the amount that could be realized by selling the asset at the non-consolidated balance sheet date, and the amount that could be realized by exercising the Association's right to any collateral held, net of all costs necessary to exercise those rights.

For a debt instrument originated or acquired in a related party transaction and initially measured at cost, the carrying amount of the asset is reduced to the higher of: the undiscounted expected cash flows, excluding interest and dividends, the amount that could be realized by selling the asset at the non-consolidated balance sheet date, and the amount that could be realized by exercising the Association's right to any collateral held, net of all costs necessary to exercise those rights.

For an equity instrument originated or acquired in a related party transaction and initially measured at cost, the carrying amount is reduced to the amount that could be realized by selling the asset.

If circumstances change, a previously recognized impairment may be reversed to the extent of the improvement, provided the adjusted carrying amount is no greater than the amount that would have been recognized if the impairment had not been recorded.

Foreign currency translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenues and expenses have been translated at the average rates of exchange during the year, except for amortization, which has been translated at the same rate as the related assets.

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. It is management's opinion that there are no significant estimates included in these financial statements.

4. Property and equipment

	Cost $	Accumulated amortization $	**2025 Net book value $**	2024 Net book value $
Computer software	10,250	9,034	**1,216**	2,702
Equipment	91,308	41,710	**49,598**	45,962
Furniture and fixtures	168,196	120,841	**47,355**	57,858
Leasehold improvements	115,915	111,258	**4,657**	4,935
Vehicles	43,500	34,622	**8,878**	12,682
	429,169	317,465	**111,704**	124,139

5. Accounts payable and accrued liabilities

As at December 31, 2025, the Association has outstanding government payroll remittances payable of $nil (2024 - $8,463), none of which are arrears.

6. Deferred operating contributions

Deferred operating contributions represent unspent externally restricted donations. During the year, the Association received $60,000 from the Community Initiatives Program in order to fund acquisition of food for distribution under their mandate. Changes in the deferred operating contributions are as follows:

	2025 $	2024 $
Balance, beginning of year	**-**	-
Externally restricted donations received	**60,000**	4,716
Amount recognized as revenue during the year	**(60,000)**	(4,716)
Balance, end of year	**-**	-

7. Commitments

The Association has entered into a lease agreement with respect to its premises. The aggregate minimum annual commitments until maturity are as follows:

	$
2026	208,017
2027	208,017
2028	208,017
2029	190,682

8. Financial instruments

The Association is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Association's risk exposure and concentration as of December 31, 2025.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is exposed to credit risk from customers. The Association's accounts receivable are primarily from a single entity, which represents a significant concentration of credit risk. The entity is a national donation agency for charitable donations on behalf of any registered Canadian charity, and as a result, management believes this risk is appropriately mitigated.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Association is mainly exposed to currency risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk to the Association's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Association is exposed to foreign currency exchange risk on marketable securities held in U.S. dollars for $121,957 (2024 - $132,494). The Association does not use derivative instruments to reduce its exposure to foreign currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed interest instruments subject the Association to fair value risk, while floating rate instruments subject it to cash flow risk. As at December 31, 2025, the Association's exposure to interest rate risk was as follows:

Marketable securities	fixed rate

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8. Financial instruments *(continued)*

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Association is exposed to other price risk through its investment in quoted shares.

Unless otherwise noted, it is management's opinion that the Association is not exposed to significant other price risks arising from these financial instruments.