

MINDEN COMMUNITY FOOD CENTRE

FINANCIAL STATEMENTS

Year ended December 31, 2024

MINDEN COMMUNITY FOOD CENTRE

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December 31, 2024

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of
Minden Community Food Centre

We have reviewed the accompanying financial statements of Minden Community Food Centre (the "Organization") that 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 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, 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.

Basis for Qualified Conclusion

In common with many not-for-profit organizations, the Organization derives revenues from fundraising activities and donations, 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 Organization. Therefore, we were unable to determine whether any adjustments might have been found necessary with respect to fundraising activities and donations, excess of revenues over expenditures, and cash flows from operations for the years ended December 31, 2024 and December 31, 2023, current assets as at December 31, 2024 and December 31, 2023, and net assets as at January 1 and December 31 for both the 2024 and 2023 year ends. Our conclusion on the financial statements as at and for the year ended December 31, 2023 was qualified accordingly because of the possible effects of this scope limitation.

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT, continued

Qualified Conclusion

Based on our review, except for the 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 Minden Community Food Centre 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.

A handwritten signature in black ink that reads "Ascend". The letter "A" is large and stylized, with a long horizontal stroke that extends to the right and then curves upwards. The word "scend" is written in a simpler, cursive-like font.

Ascend LLP, Chartered Professional Accountants, LPA
Bancroft, Ontario
May 6, 2025

MINDEN COMMUNITY FOOD CENTRE
STATEMENT OF OPERATIONS
Year ended December 31, 2024

	2024	2023
Revenues		
Receipted donations	\$ 191,766	\$ 231,183
Non-receipted donations	154,239	66,371
Interest income	9,794	10,710
Fundraising	5,851	5,294
Government grants - note 4	1,344	3,207
Fees	220	-
	363,214	316,765
Expenditures		
Program supplies	102,227	76,092
Salaries and related benefits	84,370	58,377
Rent	27,713	18,805
Amortization	18,034	16,713
Professional fees	13,178	9,075
Repairs and maintenance	6,160	5,842
Interest on long-term debt - note 11	5,632	5,632
Insurance	3,152	2,385
Utilities	2,681	-
Dues and subscriptions	2,481	1,524
Postage and courier	2,479	2,009
Office	2,338	5,488
Subcontract	1,725	2,945
Telephone and internet	1,523	1,969
Cloud computing agreements	1,093	-
Advertising and promotion	1,048	2,556
Travel	739	1,758
Interest and bank charges	348	431
	276,921	211,601
Excess of revenues over expenditures	\$ 86,293	\$ 105,164

The accompanying notes are an integral part of these financial statements

MINDEN COMMUNITY FOOD CENTRE
STATEMENT OF CHANGES IN NET ASSETS
Year ended December 31, 2024

2024				
	Total	General Fund	Contingency Reserve Fund	Capital Reserve Fund
Net assets, beginning of year	\$ 684,831	\$ 684,831	\$ -	\$ -
Excess of revenues over expenditures	86,293	86,293	-	-
Internally restricted - note 2	-	(500,000)	300,000	200,000
Net assets, end of year	\$ 771,124	\$ 271,124	\$ 300,000	\$ 200,000
2023				
	Total	General Fund		
Net assets, beginning of year			\$ 579,667	\$ 579,667
Excess of revenues over expenditures			105,164	105,164
Net assets, end of year			\$ 684,831	\$ 684,831

The accompanying notes are an integral part of these financial statements

MINDEN COMMUNITY FOOD CENTRE
STATEMENT OF FINANCIAL POSITION
December 31, 2024

	2024	2023
ASSETS		
Current		
Cash and cash equivalents - note 5	\$ 519,258	\$ 507,354
Guaranteed investment certificates - note 6	105,999	51,421
Contributions receivable - note 7	51,471	-
Inventory	11,615	24,500
Harmonized sales tax receivable	12,521	8,306
Current portion of loan receivable - note 8	11,205	10,874
	712,069	602,455
Loan receivable - note 8	17,449	28,654
Tangible capital assets - note 9	76,864	84,513
	\$ 806,382	\$ 715,622
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities - note 10	\$ 18,404	\$ 7,569
Current portion of long-term debt - note 11	12,000	12,000
	30,404	19,569
Long-term debt - note 11	4,854	11,222
	35,258	30,791
General Fund - unrestricted	271,124	684,831
Contingency Reserve Fund - internally restricted	300,000	-
Capital Reserve Fund - internally restricted	200,000	-
	771,124	684,831
	\$ 806,382	\$ 715,622

COMMITMENTS (note 12)

On behalf of the board

_____ Member

_____ Member

MINDEN COMMUNITY FOOD CENTRE
STATEMENT OF CASH FLOWS
Year ended December 31, 2024

	2024	2023
Operating activities		
Excess of revenues over expenditures	\$ 86,293	\$ 105,164
Adjustments for items which do not affect cash		
Amortization	18,034	16,713
Accrued interest on guaranteed investment certificate	(319)	(1,132)
Interest on Haliburton County Development Corp. loan	5,632	5,632
	109,640	126,377
Change in non-cash working capital items		
Contributions receivable	(51,471)	-
Inventory	12,885	-
Deposit	-	24,529
Harmonized sales tax	(4,215)	612
Accounts payable and accrued liabilities	10,835	(4,145)
	77,674	147,373
Financing activity		
Repayment of long-term debt	(12,000)	(12,000)
Investing activities		
Proceeds of loan receivable	10,874	10,553
Purchase of guaranteed investment certificate	(105,680)	(51,125)
Proceeds of guaranteed investment certificate	51,421	51,125
Purchase of tangible capital assets	(10,385)	(44,477)
	(53,770)	(33,924)
Increase in cash and cash equivalents	11,904	101,449
Cash and cash equivalents, beginning of year	507,354	405,905
Cash and cash equivalents, end of year	\$ 519,258	\$ 507,354
Cash and cash equivalents consist of:		
Cash	\$ 356,744	\$ 295,343
Guaranteed investment certificates - note 5	162,514	212,011
	\$ 519,258	\$ 507,354

The accompanying notes are an integral part of these financial statements

MINDEN COMMUNITY FOOD CENTRE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

1. NATURE OF OPERATIONS

Minden Community Food Centre (the "Organization") is a not-for-profit organization incorporated under the Corporations Act of Ontario. The Organization was formed to provide food bank services to the community. As a registered charity, the Organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Externally and internally 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.

Externally restricted contributions are recognized as revenue in the Restricted Funds when the conditions of the restriction have been satisfied.

Internally restricted funds are transferred from net assets for specific purposes. Their usages are at discretion of and as approved by the Board of Directors.

Government grants are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest income is recognized as revenue when earned.

Fundraising revenue is recognized when an event is held.

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates:

Equipment	20%
Furniture and fixtures	20%
Computer equipment	55%

The Organization regularly reviews its tangible capital assets to eliminate obsolete items.

Tangible capital assets acquired during the year but not available for use are not amortized until they are placed into use.

Amortization is recognized beginning in the month the tangible capital asset is available for use until the asset is disposed of or use is discontinued.

MINDEN COMMUNITY FOOD CENTRE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES, continued

Contributed services

Volunteers contributed time to assist in the Organization's activities. While these services benefit the Organization considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

Fund accounting

The Organization follows the deferral method of fund accounting.

The General Fund accounts for the Organization's general operations. Unrestricted contributions and restricted contributions to be used for operations are reported in this fund.

The Capital Reserve Fund accounts for all items related to future building improvements or renovations. Internally and externally restricted contributions to be used for building projects are reported in this fund.

The Contingency Reserve Fund accounts for funds set aside to cover unexpected expenses or emergencies. Internally and externally restricted contributions to be used for emergencies are reported in this fund.

Financial instruments

Measurement of financial instruments

The Organization initially measures its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of the transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

The Organization subsequently measures its financial assets and liabilities at cost or amortized cost, except equity securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and cash equivalents, contribution receivable, loan receivable and guaranteed investment certificates.

Financial liabilities measured at amortized cost include accrued liabilities and long-term debt.

Impairment

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there is an indication of impairment, and the Organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. A previously recognized impairment loss may be reversed. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

MINDEN COMMUNITY FOOD CENTRE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES, continued

Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments with maturities of three months or less from their date of acquisition, which are readily convertible into a known amount of cash, and are subject to an insignificant risk to changes in their fair value.

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 amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from those estimates. Significant items subject to estimates and assumptions include:

- Amortization of tangible capital assets; and
- Estimated useful lives of tangible capital assets

Inventory

Inventory is measured at the lower of cost or current replacement cost as it is held for distribution at no charge or for a nominal charge, with cost being determined based upon the year end inventory count.

The amount of inventory included in expenses is \$102,227 (2023 - \$76,092).

Cloud computing arrangements

The Organization has applied the simplification approach, as permitted by Accounting Guideline AcG-20, Customer's accounting for cloud computing arrangements, in accounting for its cloud computing arrangements. The Organization allocates the consideration of the agreement between all of the significant separable elements, and recognize the expenses related to such arrangements that fall into the scope of AcG-20. These expenses are treated as the supply of services and recognized as expenses when the Organization receives the services. The Organization recognizes a prepayment as an asset when payments for goods and services are made in advance. Implementation costs were and continue to be expensed as incurred. The amount recognized as an expense as regards to software services in cloud computing arrangements totals \$1,093 in 2024 (2023 - \$0). These expenses are presented under the "Cloud computing agreements" heading in the Statement of Operations.

MINDEN COMMUNITY FOOD CENTRE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

3. FINANCIAL INSTRUMENT RISKS

The Organization 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 Organization's risk exposure and concentration as of December 31, 2024:

(a) 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 risk, interest rate risk and other price risk. The Organization is mainly exposed to interest rate risk.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate financial instruments subject the Organization to a fair value risk, while the floating-rate financial instruments subject the Organization to a cash flow risk.

(c) Liquidity risk

Liquidity risk is the risk that the Organization may not have cash available to satisfy financial liabilities as they come due. Management oversees liquidity risk to ensure the Organization has access to enough readily available funds to cover its financial obligations as they become due. The Organization manages liquidity risk by continuously monitoring actual daily cash flows and longer term forecasted cash flows and monitoring the maturity profiles of financial assets and liabilities. The Organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, accounts payable, accrued liabilities and long-term debt.

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

4. GOVERNMENT GRANTS

During the year, the Organization received a government grant from the Haliburton County Development Corporation.

MINDEN COMMUNITY FOOD CENTRE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

5. CASH AND CASH EQUIVALENTS

Included in cash and cash equivalents are the following guaranteed investment certificates:

	2024	2023
Guaranteed investment certificates with Oaken Financial, matured during the year.	\$ -	\$ 212,011
Guaranteed investment certificates with Oaken Financial, bearing interest at 1.00%, maturing January 2025.	162,514	-
	<u>\$ 162,514</u>	<u>\$ 212,011</u>

6. GUARANTEED INVESTMENT CERTIFICATES

Guaranteed investment certificates with Oaken Financial, bearing interest at rates between 1.00% and 2.25%, maturing between March 2025 and September 2025.

7. CONTRIBUTIONS RECEIVABLE

During the year, the Organization experienced mail delays caused by the Canada postal strike. As a result, donations received subsequent to year-end but dated prior to December 31, 2024, have been recognized as a contribution receivable.

8. LOAN RECEIVABLE

	2024	2023
Places for People loan receivable, bearing interest at 3%, receivable in blended monthly installments of \$993, maturing when the loan receivable is paid in full.	\$ 28,654	\$ 39,528
Less current portion	11,205	10,874
Receivable beyond one year	<u>\$ 17,449</u>	<u>\$ 28,654</u>

MINDEN COMMUNITY FOOD CENTRE
NOTES TO THE FINANCIAL STATEMENTS
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9. TANGIBLE CAPITAL ASSETS

	2024		2023	
	Cost	Accumulated amortization	Net Book Value	Net Book Value
Equipment	\$ 33,875	\$ 12,917	\$ 20,958	\$ 26,198
Furniture and fixtures	82,081	26,404	55,677	57,805
Computer equipment	1,843	1,614	229	510
	\$ 117,799	\$ 40,935	\$ 76,864	\$ 84,513

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Accounts payable	\$ 11,997	\$ 69
Accrued liability	7,500	7,500
Source deductions payable	(1,093)	-
	\$ 18,404	\$ 7,569

The Organization has an approved credit card with the Toronto Dominion Bank of Canada with a maximum authorized limit of \$1,000. As at year end the organization had \$462 available for use. The balance owing is included in accounts payable.

11. LONG-TERM DEBT

	2024	2023
Haliburton County Development Corporation loan, non-interest bearing, monthly repayable principal payments of \$1,000 with one final payment of \$575, unsecured, matures June 2027.	\$ 29,525	\$ 41,525
Less unamortized non-market rate of interest	(12,671)	(18,303)
	16,854	23,222
Less current portion	12,000	12,000
Due beyond one year	\$ 4,854	\$ 11,222
Principal repayments until maturity are as follows:		
2025	\$ 12,000	
2026	12,000	
2027	5,525	
	\$ 16,854	

The Organization is recognizing interest on long-term debt for the non-market rate of interest on a straight line basis over the term of the loan.

MINDEN COMMUNITY FOOD CENTRE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

12. COMMITMENT

The Organization has a lease with respect to its premises expiring in June 2027. The monthly payment is \$1,600 plus HST. The lease agreement was finalized subsequent to year end.

2025	\$	19,200
2026		19,200
2027		9,600

13. CONTINGENT LIABILITIES

For the purpose of the accompanying financial statements, contingent liabilities have been evaluated by management

There were no contingent liabilities that would have a material impact on these financial statements.

14. SUBSEQUENT EVENTS

For the purpose of the accompanying financial statements, subsequent events have been evaluated by management.

There were no subsequent events that would have a material impact on these financial statements.

15. CORRESPONDING FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.