

OPERATION HARVEST SHARING

o/a Brockville and Area Food Bank

Financial Statements

Year ended December 31, 2024

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Year ended December 31, 2024

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Independent Auditor's Report

To the Directors of
Operation Harvest Sharing o/a Brockville and Area Food Bank
Brockville, Ontario

Qualified Opinion

We have audited the financial statements of Operation Harvest Sharing o/a Brockville and Area Food Bank, which comprise the balance sheet as at December 31, 2024, and the statement of operations and net assets, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Operation Harvest Sharing as at December 31, 2024 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable and non-profit organizations, the organization derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to fundraising and donation revenues, excess of revenue over expenditures, assets and net assets for the years ended December 31, 2024 and December 31, 2023.

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 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 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 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 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.

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.

Brockville, Ontario
May 29, 2025

Allin & Associates
ALLIN & ASSOCIATES
PROFESSIONAL CORPORATION
Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario

OPERATION HARVEST SHARING

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Balance Sheet

December 31, 2024, with comparative figures for December 31, 2023

	2024	2023
Assets		
Current assets:		
Cash (note 2)	\$ 309,716	\$ 174,233
Investments (note 3)	503,931	738,822
Accounts receivable (note 4)	27,747	9,075
HST recoverable	10,220	2,324
Prepaid expenses	4,572	5,452
	856,186	929,906
Long term investments (note 3)	657,554	471,937
Capital assets (note 5)	666,329	683,564
	\$ 2,180,069	\$ 2,085,407
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 32,647	\$ 729
Deferred contributions (note 6)	17,968	25,283
Deferred capital contributions (note 7)	323,815	336,425
	341,783	361,708
Net assets:		
Unrestricted net assets (page 4)	1,805,639	1,722,970
	\$ 2,180,069	\$ 2,085,407

Approved by the Board:


 Director


 Director

OPERATION HARVEST SHARING

o/a Brockville and Area Food Bank

Statement of Operations and Net Assets

Year ended December 31, 2024, with comparative figures for 2023

	Budget (Unaudited)	2024	2023
Revenue:			
Donations	\$ 545,000	\$ 622,237	\$ 597,385
Grants	25,000	46,765	58,652
Gifts in kind	12,000	24,344	10,274
Amortization of deferred capital contributions	11,500	12,610	14,654
Investment income	44,000	51,256	41,293
Sale of goods	20,000	14,765	19,765
Wage subsidies	-	-	6,500
Rental revenue	11,000	10,320	10,320
	668,500	782,297	758,843
Expenditures:			
Administration:			
Advertising and promotion	5,000	2,667	2,567
Bank charges	1,000	4,062	1,067
Dues and fees	7,000	4,124	6,598
Education and training	4,000	7,251	3,237
Insurance - directors and officers	1,500	1,272	1,190
Miscellaneous	-	4,530	2,195
Office supplies	10,000	12,195	6,366
Management fees	45,000	60,501	-
Professional fees	20,000	14,891	6,055
	93,500	111,493	29,275
Wages and benefits	109,000	105,697	89,151
Program:			
Food and supplies purchases	440,000	394,655	382,193
Gifts in kind	12,000	24,344	10,274
	452,000	418,999	392,467
Occupancy:			
Amortization	19,000	17,234	16,904
Insurance	5,000	5,230	4,636
Property taxes	7,400	7,206	6,825
Repairs and maintenance - building	12,000	17,326	11,320
Repairs and maintenance - rental units	600	673	506
Telephone and internet	5,000	4,331	4,463
Utilities	12,000	11,439	10,360
	61,000	63,439	55,014
Total expenditures	715,500	699,628	565,907
Excess of revenues over expenditures (excess of expenditures over revenue)	\$ (47,000)	82,669	192,936
Net assets - beginning of the year		1,722,970	1,530,034
Net assets - end of the year		\$ 1,805,639	\$ 1,722,970

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

OPERATION HARVEST SHARING

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Statement of Cash Flows

Year ended December 31, 2024, with comparative figures for 2023

	2024	2023
Cash provided by (used in):		
Operations:		
Cash receipts	\$ 692,444	\$ 741,856
Cash paid to suppliers	(657,491)	(557,149)
	34,953	184,707
Investing:		
Purchase of investments	-	(149,994)
Sale of investments	100,530	-
Purchase of capital assets	-	(29,576)
	100,530	(179,570)
Increase in cash	135,483	5,137
Cash - beginning of the year	174,233	169,096
Cash - end of the year (note 2)	\$ 309,716	\$ 174,233

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

OPERATION HARVEST SHARING

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Notes to Financial Statements

Year ended December 31, 2024

Purpose of the organization:

Operation Harvest Sharing o/a Brockville and Area Food Bank was registered without share capital on June 21, 1985 under the Ontario Corporations Act as a not-for-profit organization and is a registered charity, exempt from tax under the Income Tax Act.

1. Significant accounting policies:

(a) Basis of presentation:

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

(b) Cash and cash equivalents:

Cash is defined as cash on hand, cash on deposit, and short-term deposits with maturity dates of less than 90 days, net of cheques issued and outstanding at the reporting date.

(c) Investments:

Investments are recorded at cost plus accrued interest. Guaranteed investment certificates maturing within 12 months of the reporting date are classified as short-term investments, while those maturing after 12 months are classified as long-term investments. Money market mutual funds are classified as short-term investments due to their liquidity and short-term nature.

(d) Capital assets:

Amortization is provided using the following methods and annual rates:

Asset		Rate
Building	Declining balance	3%
Furniture and equipment	Straight line	5, 10 and 20%

(e) Revenue recognition:

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(f) 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 revenues and expenses during the year. Actual results could differ from management's best estimates as additional information becomes available in the future.

Some in-kind donations recognized in the financial statements are recorded at estimated fair value.

OPERATION HARVEST SHARING

Notes to Financial Statements

Year ended December 31, 2024

1. Significant accounting policies (continued):

(g) Contributed services:

Volunteers contribute numerous hours per year to assist the organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

2. Cash:

	2024	2023
TD chequing	\$ 12,449	\$ 174,233
RBC chequing	221,737	-
TD Business Investor	75,530	-
	\$ 309,716	\$ 174,233

3. Investments:

Short-term investments:		2024	2023
Guaranteed investment certificates	\$	503,524	\$ 521,336
Money market mutual funds		407	217,486
	\$	503,931	\$ 738,822

Long-term investments:		2024	2023
Guaranteed investment certificates	\$	657,554	\$ 471,937

4. Accounts receivable:

	2024	2023
Sale of goods receivable	\$ -	\$ 2,138
Donations receivable	27,747	6,937
	\$ 27,747	\$ 9,075

5. Capital assets:

2024	Cost	Accumulated amortization	Net book value
Land	\$ 189,068	\$ -	\$ 189,068
Building	625,008	186,815	438,193
Furniture and equipment	89,458	50,390	39,068
	\$ 903,534	\$ 237,205	\$ 666,329

2023	Cost	Accumulated amortization	Net book value
Land	\$ 189,068	\$ -	\$ 189,068
Building	625,008	172,902	452,106
Furniture and equipment	89,458	47,068	42,390
	\$ 903,534	\$ 219,970	\$ 683,564

OPERATION HARVEST SHARING

Notes to Financial Statements

Year ended December 31, 2024

6. Deferred contributions:

Deferred contributions are unspent donor-restricted funds for client education and the Standards of Excellence document. They are recognized as revenue when the related expenses are incurred.

	2024	2023
Balance, beginning of the year	\$ 25,283	\$ 56,585
Contributions received during the year	7,500	15,288
Amount recognized as revenue	(14,815)	(3,818)
Transferred to deferred capital contributions	-	(42,772)
Balance, end of the year	\$ 17,968	\$ 25,283

7. Deferred capital contributions:

Deferred contributions related to capital assets represent externally restricted capital contributions and grants received for the purchase of capital assets together with contributed capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

	2024	2023
Balance, beginning of the year	\$ 336,425	\$ 308,307
Transferred from deferred contributions	-	42,772
Contributions received during the year	-	-
Amount amortized to revenue	(12,610)	(14,654)
Balance, end of the year	\$ 323,815	\$ 336,425

8. Management contract:

In 2024, the organization entered into a three-year contract with the YMCA of Eastern Ontario for management services. The annual fee is calculated at 9% of budgeted revenues, with a minimum of \$45,000, and is paid in monthly installments. The agreement allows for a reconciliation at year-end if actual revenues exceed budgeted revenues by more than 10%. For 2024, actual revenues exceeded the budget, and the total management fee recognized for the year was \$56,001, based on 9% of actual donations. A one-time setup fee of \$4,500 was also paid in January 2024.

9. Subsequent event:

On February 11, 2025, the Board approved a resolution to internally restrict \$500,000 of its accumulated general donations for future food purchases. This decision was made to help ensure the continuity of operations in the event that future donation levels decline. As this resolution was passed after year-end, the restriction is not reflected in the net assets as at December 31, 2024.

OPERATION HARVEST SHARING

Notes to Financial Statements

Year ended December 31, 2024

10. Financial instruments:

The organization's financial instruments consist of cash, investments, receivables, and payables. The significant financial risks to which the organization is exposed through its financial instruments are credit risk, interest rate risk, and liquidity risk.

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss.

Credit risk associated with cash and investments is minimized substantially by ensuring that these assets are held with major financial institutions that have investment-grade credit ratings from recognized rating agencies.

(b) Interest rate risk:

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

The organization's exposure to interest rate risk arises from its interest-bearing assets, primarily cash and investments.

The organization's cash includes amounts on deposit with financial institutions that earn interest at market rates. The organization manages its exposure to interest rate risk by seeking to maximize interest income on excess funds while maintaining sufficient liquidity to meet daily operational needs. Fluctuations in market interest rates on cash balances do not have a significant impact on the organization's results of operations.

The primary investment objective of the organization is to preserve capital, maintain a high level of liquidity, and achieve a satisfactory return on investments.

(c) Liquidity risk:

Liquidity risk refers to the risk that the organization will be unable to meet its financial obligations as they come due.

The organization manages its liquidity risk by monitoring cash flows, anticipating future investing and financing needs, and holding assets that can be readily converted into cash.