

**INTERFAITH FOOD BANK SOCIETY OF LETHBRIDGE**

**FINANCIAL STATEMENTS**

**For the year ended December 31, 2025**

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**INTERFAITH FOOD BANK SOCIETY OF LETHBRIDGE**  
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**December 31, 2025**

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## INDEPENDENT AUDITOR'S REPORT

To: The Board of Directors of  
Interfaith Food Bank Society of Lethbridge

### *Qualified Opinion*

We have audited the financial statements of Interfaith Food Bank Society of Lethbridge, which 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Interfaith Food Bank Society of Lethbridge 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.

### *Basis for Qualified Opinion*

In common with many charitable organizations, the Society receives revenue from donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. We are therefore unable to obtain sufficient appropriate audit evidence regarding the completeness of these revenues. Consequently we were unable to determine whether any adjustments to donations and fundraising revenue were necessary.

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 Society 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 qualified 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

## INDEPENDENT AUDITOR'S REPORT, continued

### *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. 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 Society'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 Society'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 Society 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.



Lethbridge, Alberta

April 27, 2026

Chartered Professional Accountants



**INTERFAITH FOOD BANK SOCIETY OF LETHBRIDGE**  
**STATEMENT OF OPERATIONS**  
For the year ended December 31, 2025

	2025 Budget (unaudited)	2025 Actual	2024 Actual
<b>Revenue</b>			
Donations - in-kind	\$ -	\$ 4,205,980	\$ 3,708,085
Donations	658,000	807,890	555,326
Christmas fundraiser	525,000	651,568	491,463
Grants (schedule 1)	354,911	374,939	406,833
Charity dinner and silent auction	65,000	96,787	64,215
Bakeless bake sale	40,000	46,717	39,569
Supportive housing	50,000	44,838	47,270
Second Door Thrift Store	30,000	31,480	25,569
Miscellaneous	2,000	5,299	4,250
Interest	3,500	3,562	3,786
	1,728,411	6,269,060	5,346,366
<b>Expenses</b>			
Programs			
Gifts in-kind	-	4,064,214	3,563,955
Food and supplies	618,500	589,414	614,678
Wages and benefits	575,613	568,017	584,106
Repairs and maintenance	50,000	85,322	65,927
Utilities	80,000	55,784	78,487
Computer	25,000	41,655	29,034
Pickup and travel	19,000	14,707	17,803
Program related printing	10,000	11,671	22,514
Freight	5,000	7,168	9,345
Advertising and promotion	8,500	5,910	6,515
Garden	-	2,128	8,724
	1,391,613	5,445,990	5,001,088
Fundraising			
Gifts in-kind	-	34,829	23,431
Wages and benefits	71,576	70,632	55,033
Fundraising	45,000	33,928	30,990
	116,576	139,389	109,454
Administration			
Wages and benefits	127,811	126,124	127,525
Office and telephone	67,000	59,707	59,215
Insurance	24,694	21,126	25,566
Professional fees	12,000	13,395	14,940
Security	6,000	6,097	5,704
Interest and bank charges	4,000	3,924	3,430
Licenses and memberships	2,500	2,305	1,745
Interest on long-term debt	-	418	3,859
	244,005	233,096	241,984
	1,752,194	5,818,475	5,352,526
<b>(Deficiency) excess of revenue over expenses before amortization</b>	<b>(23,783)</b>	<b>450,585</b>	<b>(6,160)</b>

**INTERFAITH FOOD BANK SOCIETY OF LETHBRIDGE**  
**STATEMENT OF OPERATIONS, continued**  
**For the year ended December 31, 2025**

	2025 Budget (unaudited)	2025 Actual	2024 Actual
<b>Amortization revenue (expense)</b>			
Amortization of deferred capital allocations	-	109,710	115,947
Amortization of capital assets	-	(146,617)	(158,428)
	-	(36,907)	(42,481)
<b>(Deficiency) excess of revenue over expenses</b>	<b>\$ (23,783)</b>	<b>\$ 413,678</b>	<b>\$ (48,641)</b>
<b>(Deficiency) excess of revenue over expenses consists of:</b>			
Cash revenue over expenses	\$ (23,783)	\$ 343,648	\$ (126,859)
In-kind revenue over expenses	-	106,937	120,699
Net amortization	-	(36,907)	(42,481)
<b>(Deficiency) excess of revenue over expenses</b>	<b>\$ (23,783)</b>	<b>\$ 413,678</b>	<b>\$ (48,641)</b>

**INTERFAITH FOOD BANK SOCIETY OF LETHBRIDGE**  
**STATEMENT OF CHANGES IN NET ASSETS**  
For the year ended December 31, 2025

	Unrestricted	Internally restricted net assets	Net assets invested in capital assets	Total 2025	Total 2024
Balance, beginning of year	\$ 704,196	\$ 296,473	\$ 972,403	\$ 1,973,072	\$ 2,024,923
Excess (deficiency) of revenue over expenses	413,678	-	-	413,678	(48,641)
Decrease in endowment fund	-	-	-	-	(3,210)
Transfers from internally restricted net assets	150,000	(150,000)	-	-	-
Transfers to internally restricted net assets	(1,135)	1,135	-	-	-
Purchase of capital assets	(167,221)	(23,025)	190,246	-	-
Amortization of capital assets	146,617	-	(146,617)	-	-
Repayment of long-term debt	(22,743)	-	22,743	-	-
Capital allocations received	167,221	-	(167,221)	-	-
Amortization of capital allocations	(109,710)	-	109,710	-	-
<b>Balance, end of year</b>	<b>\$ 1,280,903</b>	<b>\$ 124,583</b>	<b>\$ 981,264</b>	<b>\$ 2,386,750</b>	<b>\$ 1,973,072</b>

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**INTERFAITH FOOD BANK SOCIETY OF LETHBRIDGE****STATEMENT OF CASH FLOWS**

For the year ended December 31, 2025

	2025	2024
<b>Cash flows from operating activities</b>		
Excess (deficiency) of revenue over expenses	\$ 413,678	\$ (48,641)
Adjustments for items which do not affect cash		
Amortization of capital assets	146,617	158,428
Amortization of capital allocations	(109,710)	(115,947)
	450,585	(6,160)
Change in non-cash working capital items		
Accounts receivable	20,907	(62,719)
Inventory	(89,454)	(120,699)
Prepaid expenses	(531)	17,141
GST	(4,842)	(360)
Accounts payable and accrued liabilities	(48,390)	13,162
Deferred revenue	95,908	(51,894)
	424,183	(211,529)
<b>Cash flows from investing activity</b>		
Purchase of capital assets	(190,246)	(66,908)
<b>Cash flows from financing activities</b>		
Repayment of long-term debt	(22,743)	(55,464)
Capital contributions	167,221	52,108
	144,478	(3,356)
<b>Net increase (decrease) in cash</b>	378,415	(281,793)
<b>Cash, beginning of year</b>	587,058	868,851
<b>Cash, end of year</b>	\$ 965,473	\$ 587,058
<b>Cash consists of:</b>		
Cash	\$ 667,154	\$ 222,330
Restricted cash	298,319	364,728
	\$ 965,473	\$ 587,058

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**INTERFAITH FOOD BANK SOCIETY OF LETHBRIDGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2025**

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**1. Nature of operations**

Interfaith Food Bank Society of Lethbridge is incorporated under the Societies Act of Alberta and is a registered charity under the Income Tax Act. As such, the Society is exempt from income tax and may give tax deductible receipts to donors. Interfaith Food Bank Society of Lethbridge recognizes the human dignity of those in need and provides food and access to services and resources generated from within our community.

**2. Significant accounting policies**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

**(a) Revenue recognition**

The Society 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.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

**(b) Cash and cash equivalents**

The Society includes cash on hand and cash held by financial institutions in operating accounts in the determination of cash and cash equivalents.

**(c) Inventory**

Inventory is valued at the industry standard of \$3.64/lb (2024 - \$3.58/lb).

**(d) Capital assets**

Capital assets are recorded at cost. The Society provides for amortization using the declining balance method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Building	6%
Equipment	20%
Vehicles	30%

One-half the normal rate of amortization is recorded in the year of acquisition.

**(e) Net assets invested in capital assets**

The Society has chosen to treat net assets invested in capital assets as a separate component of net assets.

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**INTERFAITH FOOD BANK SOCIETY OF LETHBRIDGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2025**

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**2. Significant accounting policies, continued**

(f) Contributed goods and services

Contributions of goods are recognized when fair value can be reasonably estimated, the goods are used in the normal course of operations and would otherwise have been purchased.

A substantial number of unpaid volunteers make significant contributions of their time to the Society's programs. The value of this contributed time is not reflected in these financial statements since objective measurement or valuation is undeterminable.

(g) Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

A significant area requiring the use of managements estimates was the inventory valuation. The value of the inventory was determined using the industry standard for the year.

(h) Financial instruments

The Society initially measures its financial assets and liabilities at fair value.

The Society subsequently measures all its financial assets and financial liabilities at amortized cost.

**3. Cash**

The Society receives a significant portion of its donations during the final quarter of the year. Cash balances are managed to ensure the Society can meet its operational needs throughout the year, including periods when donation revenue is seasonally lower.

**4. Restricted cash**

Restricted cash consists of cash balances held in respect of deferred revenue and internally restricted net assets.

**5. Inventory**

	2025	2024
<u>Food inventory (2025 - 157,171 lbs.; 2024 - 137,818 lbs.)</u>	<u>\$ 572,101</u>	<u>\$ 482,647</u>

**INTERFAITH FOOD BANK SOCIETY OF LETHBRIDGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended December 31, 2025

6. **Capital assets**

			2025	2024
	Cost	Accumulated amortization	Net	Net
Land	\$ 459,077	\$ -	\$ 459,077	\$ 459,077
Building	2,886,698	1,183,122	1,703,576	1,623,078
Equipment	240,348	132,653	107,695	126,895
Vehicles	173,079	131,855	41,224	58,893
	<b>\$ 3,759,202</b>	<b>\$ 1,447,630</b>	<b>\$ 2,311,572</b>	<b>\$ 2,267,943</b>

**INTERFAITH FOOD BANK SOCIETY OF LETHBRIDGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended December 31, 2025

**7. Deferred revenue**

Deferred revenue represents unspent resources received in the current period that are related to the subsequent period.

	Balance, beginning of year	Received	Recognized	Balance, end of year
Community Facility Enhancement Program	\$ 53,637	\$ -	\$ (53,637)	\$ -
35th Anniversary Endowment Fund	14,371	1,173	(14,371)	1,173
Age Better Innovative Programming	9,820	-	(9,820)	-
City of Lethbridge - Reaching Home	-	17,640	(17,640)	-
Farm Credit Canada Anonymous	-	23,000	-	23,000
Food Banks Canada - Standards of Excellence	-	72,000	(72,000)	-
City of Lethbridge - Community Capital Projects	-	13,845	(13,845)	-
Community Foundation of Lethbridge and Southwestern Alberta	-	34,721	(34,721)	-
Government of Canada - Enabling Accessibility	-	10,000	-	10,000
Food Banks Canada - Capacity Boost	-	4,263	-	4,263
Food Banks Canada - Accessibility	-	16,445	(16,445)	-
City of Lethbridge - Community Social Development	-	42,700	(42,700)	-
Arconic Foundation	-	50,000	(50,000)	-
Government of Alberta - Community Initiatives Program	-	51,536	(51,536)	-
Food Banks Alberta	-	75,000	(60,000)	15,000
Sunny South Veterinary Services - Project Protein Sponsorship	-	46,840	(28,840)	18,000
Other capital donations	-	15,000	-	15,000
Other grants	-	86,550	-	86,550
	-	52,451	(51,701)	750
	\$ 77,828	\$ 613,164	\$ (517,256)	\$ 173,736

**INTERFAITH FOOD BANK SOCIETY OF LETHBRIDGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended December 31, 2025

**8. Unamortized capital allocations**

Unamortized capital allocations represent the externally funded portion of capital assets that will be recognized as revenue in future periods. The changes in unamortized capital allocation balance for the period are as follows:

	2025	2024
Balance, beginning of year	\$ 1,272,796	\$ 1,336,635
Contributions received	167,221	52,108
Amortization of capital allocations	(109,710)	(115,947)
	<u>\$ 1,330,307</u>	<u>\$ 1,272,796</u>

Current year contributions received consisted of \$72,000 from an anonymous donor, \$53,637 from the Community Facility Enhancement Program, and \$41,584 from the City of Lethbridge.

**9. Internally restricted net assets**

Internally restricted net assets consist of funds set aside by the Board of Directors of the Society for specific purposes, as follows:

	2025	2024
Capital contingency fund	\$ 124,583	\$ 146,473
Operating contingency	-	150,000
	<u>\$ 124,583</u>	<u>\$ 296,473</u>

The Society maintains a Contingency Fund to ensure funds are available for unexpected costs associated with maintenance and upkeep of the facility, major equipment necessary for food bank operations, planned repairs and purchases of fixed assets, and expected increases in food and operational costs.

**10. Line of credit**

The Society has negotiated an operating loan in the amount of \$80,000. Any drawings on this amount are repayable at prime plus 0.5%. No amount was drawn on this facility at December 31, 2025 (2024 - nil).

**11. Funds held by others**

The Lethbridge Community Foundation hold funds on behalf of Interfaith Food Bank Society. The Society will receive investment income earned on the contributions. As at December 31, 2025, the fund balance was \$19,892 (2024 - \$3,679).

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**INTERFAITH FOOD BANK SOCIETY OF LETHBRIDGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2025**

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**12. Allocation of expenses**

The Society engages in food distribution and community programs. The costs of each program include personnel that are directly related to providing the programs. For employees who perform a combination of programs, fundraising and administrative activities, their salaries, benefits and all other payroll costs are attributed based on the percentage of time dedicated to each activity. Such allocations are reviewed and updated annually.

Salaries and benefits for employees whose job function is across different programs have been allocated as follows:

	2025	2024
Programs	\$ 506,985	\$ 499,226
Administration	112,572	110,590
Fundraising	63,043	55,033
	<u>\$ 682,600</u>	<u>\$ 664,849</u>

**13. Comparative 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.

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**INTERFAITH FOOD BANK SOCIETY OF LETHBRIDGE**  
**SCHEDULE TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2025**

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<b>Schedule of grants</b>	<b>Schedule 1</b>	
	2025	2024
Municipal grants	\$ 62,277	\$ 52,500
Provincial grants	60,000	60,000
Federal grants	9,556	15,431
Other operating grants	243,106	278,902
	<b>\$ 374,939</b>	<b>\$ 406,833</b>

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