Doane Grant Thornton

Financial Statements

Food Depot Alimentaire Inc. (Operating as Feed Nourrir NB')

March 31, 2025

Contents

Independent Auditor's Report

To the Board of Directors of
Food Depot Alimentaire Inc.

Qualified opinion

We have audited the financial statements of Food Depot Alimentaire Inc., which comprise the statement of financial position as at March 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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 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 not-for-profit organizations, the Organization derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2025 and 2024, current assets as at March 31, 2025 and 2024, and net assets as at April 1 and March 31 for both the 2025 and 2024 years. Our audit opinion on the financial statements for the year ended March 31, 2025 was modified accordingly because of the possible effects of this limitation in scope.

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 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 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. 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.

Independent Auditor's Report (continued)

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.

Doane Grant Thornton LLP

Moncton, Canada
May 6, 2026

Chartered Professional Accountants

Food Depot Alimentaire Inc.
Statement of Operations

Year ended March 31	2025	2024
Donated food (Note 9)	**$ 20,272,000**	$ 19,524,000
Distribution of food (Note 9)	**20,272,000**	19,524,000
	-	-
Revenue		
50/50 draw	**4,289,884**	4,820,349
Donations	**4,356,608**	4,449,812
Breakfast program	**1,869,379**	1,373,987
Amortization of deferred contributions related to property and equipment (Note 7)	**100,313**	98,336
Other income	**332,876**	379,344
	10,949,060	11,121,828
Expenditures		
Food and cash distributed to various Food Banks (Note 13)	**5,316,289**	5,436,844
50/50 expenses (Note 13)	**906,720**	1,092,337
Breakfast program (Note 13)	**1,613,154**	1,324,444
Food delivery and recovery (Note 13)	**623,706**	503,284
Warehouse and occupancy costs (Note 13)	**602,081**	571,858
Administrative expenses (Note 13)	**899,438**	658,749
Amortization of property and equipment	**305,214**	237,055
	10,266,602	9,824,571
Excess of revenues over expenses	**$ 682,458**	$ 1,297,257

See accompanying notes to the financial statements.

Food Depot Alimentaire Inc.
Statement of Changes in Net Assets
Year ended March 31

Year ended March 31	Balance, beginning of year	Excess (deficiency) of revenues over expenses	Interfund transfer (Note 10)	**2025** Balance, end of year
Invested in property and equipment	$ 1,014,494	$ (204,901)	$ 1,105,589	**$ 1,915,182**
Unrestricted	1,595,585	887,359	(1,163,777)	**1,319,167**
Capital reserve	1,036,816	-	16,229	**1,053,045**
Operational reserve	2,074,183	-	41,959	**2,116,142**
	$ 5,721,078	**$ 682,458**	**$ -**	**$ 6,403,536**

Year ended March 31	Balance, beginning of year	Excess (deficiency) of revenues over expenses	Interfund transfer (Note 10)	2024 Balance, end of year
Invested in property and equipment	$ 857,908	$ (138,719)	$ 295,305	$ 1,014,494
Unrestricted	517,086	1,435,976	(357,477)	1,595,585
Capital reserve	1,013,789	-	23,027	1,036,816
Operational reserve	2,035,038	-	39,145	2,074,183
	$ 4,423,821	$ 1,297,257	$ -	$ 5,721,078

Food Depot Alimentaire Inc.
Statement of Financial Position

March 31		**2025**	2024
Assets			
Current			
Cash and cash equivalents		**$ 989,913**	$ 3,658,716
Investments (Note 3)		**2,655,751**	3,117,069
Accounts receivable		**595,991**	957,393
Prepaid expenses		**-**	9,889
Harmonized sales tax receivable		**223,837**	149,183
		4,465,492	7,892,250
Long-term			
Investments - reserves (Note 4)		**3,240,181**	3,110,999
Property and equipment (Note 5)		**3,011,752**	2,143,296
		6,251,933	5,254,295
		$ 10,717,425	$ 13,146,545

Liabilities		
Current		
Accounts payable and accrued liabilities	**$ 1,267,201**	$ 1,723,612
Unearned income	**1,950,118**	2,573,053
Unearned income - Province of New Brunswick grant (Note 6)	**-**	2,000,000
	3,217,319	6,296,665
Long-term		
Deferred contributions related to property and equipment (Note 7)	**1,096,570**	1,128,802
	4,313,889	7,425,467
Fund balances		
Invested in property and equipment	**1,915,182**	1,014,494
Unrestricted	**1,319,167**	1,595,585
Capital reserve	**1,053,045**	1,036,816
Operational reserve	**2,116,142**	2,074,183
	6,403,536	5,721,078
	$ 10,717,425	$ 13,146,545

Commitments (Note 8)

On behalf of the Board

____________________ Member ____________________ Member

Food Depot Alimentaire Inc.
Statement of Cash Flows

Year ended March 31	2025	2024
Increase (decrease) in cash		
Operating		
Excess of revenues over expenses	**$ 682,458**	$ 1,297,257
Items not affecting cash		
Amortization of property and equipment, net of disposals	**305,214**	237,055
Amortization of deferred contributions related to property and equipment	**(100,313)**	(98,336)
	887,359	1,435,976
Change in non-cash working capital items		
Accounts receivable	**361,402**	(701,312)
Prepaid expenses	**9,889**	3,435
Harmonized sales tax	**(74,654)**	(85,512)
Accounts payable and accrued liabilities	**(456,411)**	1,430,858
Unearned income	**(622,935)**	657,908
Unearned income - Province of New Brunswick grant	**(2,000,000)**	300,000
	(1,895,350)	3,041,353
Investing		
Purchase of property and equipment, net of proceeds	**(1,173,670)**	(371,701)
Deferred contributions received	**68,081**	76,397
Proceeds (purchase) of investments, net	**332,136**	(356,598)
	(773,453)	(651,902)
(Decrease) increase in cash	**(2,668,803)**	2,389,451
Cash		
Beginning of year	**3,658,716**	1,269,265
End of year	**$ 989,913**	$ 3,658,716

1. Nature of operations

Food Depot Alimentaire Inc. (the "Organization") is a non-profit Organization, incorporated under the Laws of the Province of New Brunswick, whose core mission is to store and distribute food to food banks, community kitchens and other agencies in need. The Organization is also committed to advocating for lon-term solutions to end hunger in the Province of New Brunswick.

2. Significant accounting policies

These financial statements were prepared in accordance with Part III of the Chartered Professional Accountants of Canada (CPA Canada) Accounting Handbook - Accounting Standards for Not-for-Profit Organizations (ASNPO), which sets out generally accepted accounting principles for not-for-profit Organizations in Canada and include the significant accounting policies as described hereafter:

Donations-in-kind

Donated food and its subsequent distribution to food banks, community kitchens and agencies are valued based on management's best estimate using the Food Bank of Canada's food valuation metric, using the national aggregate value of food method (see Note 9). Since it is donated to food banks, community kitchens, and agencies, the Organization has not recorded inventory of donated food as an asset in these financial statements.

Volunteers at the Organization contribute an indeterminable number of hours per year to promote and support the Organization's activities. Due to the difficulty in determining the estimated fair value for contributed services, they are not recognized in the financial statements.

The Organization may choose to recognize donations in-kind and services when management can reasonably estimate the fair value of the donated goods or services and when the materials and services are used in the normal course of the Organization's operations and would otherwise have been purchased.

Revenue recognition

The Organization follows the deferral method of accounting for contributions which includes donations and grants from government and other sources.

Restricted contributions are recognized as revenue in the year in which the related expenses are made. 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. Deferred capital contributions are amortized and taken into income at the same rate as the underlying asset purchased.

Donated food is recognized at the time the food is distributed to food banks, community kitchens and agencies, and is valued based on Food Bank Canada's food valuation metric.

Sale of 50/50 tickets are recognized when the draws are made and the amount to be received can be reasonably estimated and collection is reasonably assured. Sale of products are recognized when all the risks and benefits of ownership of product has been transferred to the customers, the price is fixed or determinable and collection is reasonably assured. Included in 50/50 draw revenue is the distribution of funds to winners of ($4,282,474) (2024 - ($4,820,581)).

2. Significant accounting policies (continued)

Reserves

The Organization has established an operational reserve fund and a capital reserve fund.

The operational reserve fund, established in fiscal 2022, is to ensure the sustainability of the Organization. Each year, at the board's discretion, amounts can be transferred to or from the fund.

The capital reserve fund, established in fiscal 2021, is used to account for capital assets, including their acquisition, financing, amortization and disposal. Operating costs of capital assets are accounted for in the operating fund.

Government assistance

Government assistance received to cover current period expenses are accounted for as other income.

Government assistance received specified to cover future expenses are deferred and amortized as income in the period in which the expenses are incurred.

Government assistance received for the acquisition of long lived assets are recorded as deferred government assistance and is amortized on the same basis and according to the same rates as the related long lived asset.

Government grants are recorded when there is reasonable assurance that the Organization has complied with and will continue to comply with, all the necessary conditions to obtain the grants.

Cash and cash equivalents

Cash and cash equivalents include cash, gift cards on hand and balances with credit unions net of overdraft. Gift cards with a value of $50,460 (2024 - $14,256) are included in cash and cash equivalents on the Statement of Financial Position.

Inventory

Purchased inventory is recorded at the lower of cost or net realizable value. Inventory of donated food is not recorded by management (see note 9 for the estimated value).

Property and equipment

Property and equipment acquired are initially measured at cost and subsequently measured at cost less accumulated amortization.

Property and equipment contributed are recorded at fair value at the date of contribution and subsequently measured at cost less accumulated amortization.

Amortization is provided on the declining and straight-line basis over the assets' useful lives using the rates disclosed in note 5.

2. Significant accounting policies (continued)

Property and equipment (continued)

The Organization reviews the carrying value of property and equipment on an ongoing basis, taking into consideration any events or circumstances which might have impaired the carrying value. If it is determined that the carrying amount is not recoverable, the asset is written down to its estimated fair value.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets, 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. Actual results could differ from these estimates.

Significant items subject to such estimates and assumptions include the estimated useful lives of property and equipment, the valuation of inventory and the estimation of accrued liabilities. Accordingly, the measurement of those items reflects management's best estimates taking account of all the information available at the time. Actual results could differ from those estimates.

Financial instruments

The Organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Organization accounts for the following as financial instruments:

- cash and cash equivalents
- accounts receivables
- harmonized sales tax receivable
- accounts payable and accrued liabilities

A financial asset or liability is recognized when the Organization becomes party to contractual provisions of the instrument.

Financial assets or liabilities obtained in arm’s length transactions are initially measured at their fair value. In the case of a financial asset or liability not being subsequently measured at fair value, the initial fair value will be adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption.

The Organization removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

2. Significant accounting policies (continued)

Investments

Investments are measured and recorded at fair value using quoted market prices. Any subsequent changes in fair value are recorded in the statement of operations and changes in net assets.

3. Investments

Funds are invested as per the Organization's investment policy. These unrestricted investments consist of funds invested in an Investment Savings Account. and a Guaranteed Investment Certificate ("GIC"). The Investment Savings Accounts bear interest at 2.40% and the GICs bear interest between 3.85% and 4.26%, maturing December 2025.

4. Investments - reserves

Capital and operational reserves balances represent funds set aside to meet the objectives of each reserve as disclosed in Note 2. The total capital reserve balance is $1,083,769 (2024 - $1,013,789) and total operational reserve balance is $2,156,412 (2024 - $2,035,038). Funds are invested as per the Organization's investment policy. The investments consist of funds invested in Investment Savings Accounts and 1-4 year Guaranteed Investment Certificates ("GICs"). The GICs mature between August 2025 and December 2029 and bear interest between 3.00% and 5.35%. The Investment Savings Accounts bears interest at 2.40%.

	2025	2024
Investment savings accounts	**$ 1,083,769**	$ 1,060,965
Guaranteed investment certificates	**2,156,412**	2,050,034
	$ 3,240,181	$ 3,110,999

5. Property and equipment

				2025	2024
	Rate	Cost	Accumulated Amortization	**Net Book Value**	Net Book Value
Land		$ 124,489	$ -	**$ 124,489**	$ 124,489
Buildings	4%	2,360,269	546,177	**1,814,092**	1,152,189
Equipment	20-30%	633,488	439,943	**193,545**	237,403
Vehicles	30%	1,200,537	530,231	**670,306**	404,920
Paving	8%	293,264	98,114	**195,150**	206,582
Database management and hardware	20%	74,643	60,523	**14,120**	17,650
Signs	20%	2,923	2,873	**50**	63
		$ 4,689,613	$ 1,677,861	**$ 3,011,752**	$ 2,143,296

5. Property and equipment (continued)

	Rate	Cost	Accumulated Amortization	**Net Book Value**	Net Book Value
Equipment consists of:					
Forklift		$ 83,471	$ 73,880	**$ 9,591**	$ 13,702
Warehouse equipment		449,717	298,791	**150,926**	182,638
Lottery equipment		40,128	25,127	**15,001**	18,752
Office equipment		60,172	42,145	**18,027**	22,311
		$ 633,488	$ 439,943	**$ 193,545**	$ 237,403

At March 31, 2025, $707,990 of the buildings were not being depreciated as they were not available for use at that time.

6. Unearned income - Province of New Brunswick grant

In January 2024 the Province of New Brunswick awarded the Organization the receipt of $2,000,000 in aggregate which shall be used in accordance with terms of the grant program. The funds were to be used to address food insecurity in the Province by purchasing specific food items for distribution, by increasing food sourced by local suppliers, or by an equitable distribution to member food banks and or soup kitchens. As at March 31, 2024, no portion of this grant was recognized as revenue and the balance was deferred and recognized in revenue when the associated expenditures occured which was throughout fiscal 2025. At March 31, 2025 the grant was fully utilized in accordance with the terms of the grant program, therefore there no balance remaining.

7. Deferred contributions related to property and equipment

	Balance, beginning of year	Net received (disposed of)	Recognized	**Balance, end of year**
Land and building	$ 990,169	$ -	$ (39,607)	**$ 950,562**
Other property and equipment	138,633	68,081	(60,706)	**146,008**
	$ 1,128,802	$ 68,081	$ (100,313)	**$ 1,096,570**

8. Commitments

In 2019, the Organization entered into a service agreement with Link2Feed Inc. for the limited, non-exclusive and non-transferable license to remotely access and use the web-based client database management software "Link2feed". Under this service agreement, the Organization is to pay $3,389 per month until the agreement is terminated, which would occur 365 days after receiving written notice from the Organization.

The Organization is committed to pay fixed charges for an operating lease on a vehicle. The remaining payment for 2026 is $5,570. There are additional charges when kilometres driven and hours of refrigeration are in excess of the fixed charge allocation.

9. Donated food

	2025	2024
Estimated value of food donated during the year	$ 20,900,880	$ 19,077,820
Estimated food inventory at beginning of year	2,238,938	2,685,118
Estimated food inventory at end of year	(2,867,818)	(2,238,938)
	$ 20,272,000	$ 19,524,000

Food distributed consists of purchased food and receipted and non-receipted food donations. Since the food is distributed to members and individuals, the inventory has no net realizable value. Therefore in accordance with accounting standards for not-for-profit organizations, inventory has not been recorded as an asset in the statements of the Organization.

Estimated fair value of food distributed during the year is calculated based on 5,742,000 lbs (2024 - 5,329,000 lbs) of food distributed during the year using the Food Bank of Canada estimated fair value of $3.64 per lbs (2024 - $3.58 per lbs).

10. Interfund transfer

Invested in property and equipment

	2025	2024
Deferred contribution additions	**$ (68,081)**	$ (76,396)
Purchase of property and equipment	**1,173,670**	371,701
	$ 1,105,589	$ 295,305

During the year, the Board approved a transfer of $16,229 (2024 - $23,027) from the unrestricted fund to the capital reserve fund and a transfer of $41,959 (2024 - $39,145) from the unrestricted fund to the operational reserve fund.

11. Financial instruments

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage those risks. The following analysis provides a measure of the Organization's risk exposures and concentrations at March 31, 2025.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risks relate to its cash, receivables, and investments.

(b) Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting the obligations associated with its financial liabilities. The Organization is exposed to this risk mainly in respect of its payables and accruals. Cash flow from operations provides a substantial portion of the Organization's cash requirements.

(c) Market risk

Market risk is the risk that the fair value or expected 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.

(i) 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 on its line of credit bearing a fixed and floating interest rate and on its investments held.

12. Credit facility

The Organization has an authorized a line of credit in the amount of $50,000 (2024 - $50,000) with interest at the rate of the Credit Union prime plus 1% of which no balance was owing as of March 31, 2025. This is secured by a General Security Agreement from the Organization. The line of credit was renewed subsequent to year end under the same terms and conditions.

13. Expenses

	2025	2024
Food and cash distributions to Food Banks		
Food purchases for food banks	**$ 4,480,388**	$ 3,305,370
Christmas food purchases	**52,030**	-
Anglophone East purchases	**15,626**	17,234
	4,548,044	3,322,604
Cash distributions to food banks	**692,237**	1,614,347
Grants	**76,008**	499,893
	$ 5,316,289	$ 5,436,844
50/50 expenses		
Wages and benefits	**$ 69,764**	$ 120,370
Royalties	**387,948**	499,291
Commissions to stores	**117,688**	144,017
Advertising	**163,674**	125,476
Fees	**124,990**	156,993
Other	**42,656**	46,190
	$ 906,720	$ 1,092,337
Breakfast program		
Food purchases	**$ 1,402,143**	$ 1,117,080
Wages and benefits	**174,971**	174,406
Other	**36,040**	32,958
	$ 1,613,154	$ 1,324,444
Food delivery and recovery		
Wages and benefits	**$ 149,745**	$ 115,618
Vehicle operating costs	**343,426**	289,803
Food transportation	**130,535**	97,863
	$ 623,706	$ 503,284

13. Expenses (continued)

Warehouse and occupancy costs

Wages and benefits	**$ 348,809**	$ 314,086
Building repairs	**11,551**	34,034
Equipment repairs	**40,847**	34,730
Utilities	**111,898**	90,240
Warehouse supplies	**20,384**	23,678
Other	**68,592**	75,090
	$ 602,081	$ 571,858

Administrative expenses

Wages and benefits	**$ 439,342**	$ 366,732
Professional fees	**173,874**	121,215
Other	**113,746**	48,942
Office supplies	**21,927**	17,274
Telephone	**18,838**	13,836
Database management	**90,977**	90,750
Web design	**40,734**	-
	$ 899,438	$ 658,749