

**COCHRANE FOOD BANK INC.
LA BANQUE ALIMENTAIRE DE COCHRANE INC.**

**INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT AND
FINANCIAL STATEMENTS**

DECEMBER 31, 2025

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the board of directors of
Cochrane Food Bank Inc. / La banque alimentaire de Cochrane Inc.

We have reviewed the accompanying financial statements of Cochrane Food Bank Inc. / La banque alimentaire de Cochrane Inc. 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, 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.

Conclusion

Based on our review, 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 Cochrane Food Bank Inc. / La banque alimentaire de Cochrane Inc. as at December 31, 2025, 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.

Chartered Professional Accountants
Licensed Public Accountants
May 24, 2026

**COCHRANE FOOD BANK INC.
LA BANQUE ALIMENTAIRE DE COCHRANE INC.
FINANCIAL STATEMENTS**

DECEMBER 31, 2025

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**COCHRANE FOOD BANK INC.
LA BANQUE ALIMENTAIRE DE COCHRANE INC.**

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2025

	2025	2024
REVENUES		
Donations	\$ 415,562	\$ 289,018
Sales	162,750	159,988
Grant revenue (note 9)	9,627	9,268
Amortization of deferred capital contributions (note 7)	5,560	-
Freight revenue	360	1,980
Membership fees	183	393
	<u>594,042</u>	<u>460,647</u>
EXPENDITURES		
Advertising and promotion	12,151	13,504
Amortization	15,830	8,292
Food purchases	120,636	109,998
Insurance	7,879	4,896
Interest and bank charges	1,152	990
Memberships	4,250	6,197
Miscellaneous and fundraising expenses	15,452	2,006
Municipal taxes	667	615
Office and shop supplies	17,528	26,514
Professional fees	15,643	7,172
Rent	240	-
Repairs and maintenance	11,546	29,287
Utilities	13,404	13,825
Vehicle expenses	11,923	15,146
Wages and benefits	200,184	155,748
	<u>448,485</u>	<u>394,190</u>
EXCESS OF REVENUES OVER EXPENDITURES FROM OPERATIONS	<u>145,557</u>	<u>66,457</u>

**COCHRANE FOOD BANK INC.
LA BANQUE ALIMENTAIRE DE COCHRANE INC.**

STATEMENT OF OPERATIONS, (CONT'D)

YEAR ENDED DECEMBER 31, 2025

	2025	2024
OTHER INCOME (EXPENSE)		
Investment income	47,025	27,371
Investment fees	(15,377)	(15,098)
Change in unrealized gain on investments	11,093	117,465
	<u>42,741</u>	<u>129,738</u>
EXCESS OF REVENUES OVER EXPENDITURES BEFORE REGIONAL DISTRIBUTION	188,298	196,195
REGIONAL DISTRIBUTION	<u>(2,992)</u>	-
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 185,306</u>	<u>\$ 196,195</u>

**COCHRANE FOOD BANK INC.
LA BANQUE ALIMENTAIRE DE COCHRANE INC.**

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2025

	2025	2024
BALANCE, BEGINNING OF YEAR	\$ 1,245,009	\$ 1,048,814
EXCESS OF REVENUES OVER EXPENDITURES	<u>185,306</u>	<u>196,195</u>
BALANCE, END OF YEAR	<u>\$ 1,430,315</u>	<u>\$ 1,245,009</u>

**COCHRANE FOOD BANK INC.
LA BANQUE ALIMENTAIRE DE COCHRANE INC.**

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2025

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash	\$ 562,696	\$ 187,426
Accounts receivable (note 3)	11,727	38,148
Inventory (note 4)	5,000	-
Short term investment	-	107,061
	<u>579,423</u>	<u>332,635</u>
PROPERTY AND EQUIPMENT (note 5)	528,177	216,381
INVESTMENTS (note 8)	<u>765,856</u>	<u>707,882</u>
	<u>\$ 1,873,456</u>	<u>\$ 1,256,898</u>
LIABILITIES		
CURRENT LIABILITY		
Accounts payable and accrued liabilities (note 6)	\$ 170,701	\$ 11,889
DEFERRED CAPITAL CONTRIBUTIONS (note 7)	<u>272,440</u>	<u>-</u>
	443,141	11,889
NET ASSETS	<u>1,430,315</u>	<u>1,245,009</u>
	<u>\$ 1,873,456</u>	<u>\$ 1,256,898</u>

**COCHRANE FOOD BANK INC.
LA BANQUE ALIMENTAIRE DE COCHRANE INC.**

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 185,306	\$ 196,195
Items not involving cash:		
Amortization	15,830	8,292
Amortization of deferred capital contributions	(5,560)	-
Change in unrealized gain on investments	(11,093)	(117,465)
	<u>184,483</u>	<u>87,022</u>
Changes in:		
Accounts receivable	26,421	4,739
Inventory	(5,000)	-
Accounts payable and accrued liabilities	158,812	(9,875)
	<u>364,716</u>	<u>81,886</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	(327,626)	(57,739)
Purchase of investments	(126,881)	(5,859)
Purchase of short term investments	-	(5,099)
Proceeds on disposal of short term investments	107,061	-
Proceeds on disposal of investments	80,000	-
	<u>(267,446)</u>	<u>(68,697)</u>
FINANCING ACTIVITY		
Deferred capital contributions received	278,000	-
CHANGE IN CASH POSITION	<u>375,270</u>	<u>13,189</u>
CASH POSITION, BEGINNING OF YEAR	<u>187,426</u>	<u>174,237</u>
CASH POSITION, END OF YEAR	<u>\$ 562,696</u>	<u>\$ 187,426</u>

**COCHRANE FOOD BANK INC.
LA BANQUE ALIMENTAIRE DE COCHRANE INC.**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

1. STATUS AND NATURE OF OPERATIONS

Cochrane Food Bank Inc. / La banque alimentaire de Cochrane Inc. is a corporation without share capital incorporated under the laws of the Province of Ontario and is a registered charity under the Income Tax Act, and, as such, is exempt from income tax under the Income Tax Act (Canada).

The Organization provides food and other products to individuals in need in Cochrane, Ontario.

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:

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.

REVENUE RECOGNITION

The Organization follows the deferral method of accounting for contributions, which include donations, bequests and government grants. Grants and bequests are recorded as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Donations are recorded when received since pledges are not legally enforceable claims.

Unrestricted contributions are recognized as revenue when initially recorded in the accounts. Externally restricted contributions are deferred when initially recorded in the accounts and recognized as revenue over the year in which the related expenses are recognized.

Membership fees are deferred and recognized as revenue over the term covered by the fees.

Revenue from the sale of goods and services is recorded when the goods are delivered and the services are rendered.

Revenue from investments is recognized when it is earned and when the amount can be reasonably estimated.

**COCHRANE FOOD BANK INC.
LA BANQUE ALIMENTAIRE DE COCHRANE INC.**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

GOVERNMENT ASSISTANCE

Government and other grants related to property and equipment are accounted for as deferred government assistance and amortized on the same basis as the related property and equipment. Operating grants are accounted for as a reduction of operating expenses.

PROPERTY AND EQUIPMENT

Amortization of property and equipment is calculated on the declining balance method using the following annual rates:

Buildings	4%
Equipment	20-30%
Computer equipment	30%

DONATED MATERIAL AND SERVICES

The value of donated materials and volunteer and other services donated to the Organization is not recorded in the financial statements.

INVENTORY

Purchased food inventory is valued at the lower of cost and replacement value. Cost is determined using the first-in, first-out method.

INVESTMENTS

Short-term investments consist of term deposits and other interest-bearing instruments with original maturities of more than three months but less than one year. These investments are measured at amortized cost using the effective interest method. They are classified as current assets due to their short-term nature and high liquidity. They are reviewed for impairment at each reporting date, with any losses recognized in the statement of operations.

Long-term investments consist of investments that have maturities of more than one year. Long-term investments are recorded at fair value.

**COCHRANE FOOD BANK INC.
LA BANQUE ALIMENTAIRE DE COCHRANE INC.**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

FINANCIAL INSTRUMENTS

Financial instruments are financial assets or liabilities of the Organization where, in general, the Organization has the right to receive cash or another financial asset from another party or the Organization has the obligation to pay cash or other financial asset to another party.

Measurement

The Organization initially measures its financial assets and financial 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 transaction costs directly attributable to the instrument.

The Organization subsequently measures its financial assets and financial liabilities at amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in the statement of operations.

Related party financial instruments that do not have repayment terms are recorded at cost, determined using the consideration transferred or received. If the consideration transferred or received has repayment terms, then the cost is determined using the undiscounted cash flows, excluding interest and dividend payments, of the financial instrument transferred as consideration. If, however, the consideration transferred is an asset or liability that does not have repayment terms, the cost is initially recognized at the carrying or exchange amount of the consideration transferred or received, depending on the circumstances. The exchange amount is used when the transaction is in the normal course of operations or the transaction is not in the normal course of operations but has commercial substance, the change in ownership interest is substantive and the amount of consideration transferred or received is supported by independent evidence. Otherwise, the consideration transferred or received is recorded at the carrying amount.

Financial instruments measured at amortized cost include cash, accounts receivable, short term investments and accounts payable and accrued liabilities. Financial instruments measured at fair market value include long-term investments.

Impairment

Financial assets measured at amortized cost are tested for impairment at the end of each year to determine whether there are indicators that the assets may be impaired. The amount of identified impairment, if any, is recorded as a write-down and recognized in the statement of operations. Any previously recognized impairment loss may be reversed to the extent of the improvement, provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost. The amount of the reversal is recognized in the statement of operations.

**COCHRANE FOOD BANK INC.
LA BANQUE ALIMENTAIRE DE COCHRANE INC.**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES, (CONT'D)

MEASUREMENT UNCERTAINTY

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 period. Significant areas requiring the use of estimates include: estimated useful lives of property and equipment and accrued liabilities. Actual results may differ from management's best estimates as additional information becomes available in the future.

3. ACCOUNTS RECEIVABLE

	2025	2024
Contributions receivable	\$ -	\$ 27,075
HST receivable	11,727	11,073
	<u>\$ 11,727</u>	<u>\$ 38,148</u>

4. INVENTORY

Inventory recognized as an expense during the period totaled \$120,636 in 2025 (2024 - \$109,998).

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	2025 Net
Land	\$ 39,768	\$ -	\$ 39,768
Buildings	553,413	78,743	474,670
Equipment	100,165	86,898	13,267
Computer equipment	2,601	2,129	472
	<u>\$ 695,947</u>	<u>\$ 167,770</u>	<u>\$ 528,177</u>

**COCHRANE FOOD BANK INC.
LA BANQUE ALIMENTAIRE DE COCHRANE INC.**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

5. PROPERTY AND EQUIPMENT, (CONT'D)

	Cost	Accumulated Amortization	2024 Net
Land	\$ 39,768	\$ -	\$ 39,768
Buildings	234,071	65,619	168,452
Equipment	91,881	84,395	7,486
Computer equipment	2,601	1,926	675
	<u>\$ 368,321</u>	<u>\$ 151,940</u>	<u>\$ 216,381</u>

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
Trade accounts payable	\$ 160,251	\$ 3,440
Visa payable	112	38
Payroll accrual	5,546	3,539
Vacation payable	3,188	3,111
WSIB payable	104	261
Accrued accounting fees	1,500	1,500
	<u>\$ 170,701</u>	<u>\$ 11,889</u>

7. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represents the unamortized amount of donations and grants received and expended for the purchase of property and equipment. The deferred capital contributions are amortized and recorded as revenue in the statement of operations on a declining balance method using the annual rates of the designated assets.

	2025	2024
Balance, beginning of year	\$ -	\$ -
Capital contributions received	278,000	-
Amounts amortized into revenue	(5,560)	-
	<u>\$ 272,440</u>	<u>\$ -</u>

**COCHRANE FOOD BANK INC.
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

7. DEFERRED CAPITAL CONTRIBUTIONS, (CONT'D)

The Organization received funding of \$139,000 from Food Banks Canada and \$139,000 from Feed Ontario which is restricted for capacity building purposes, including the expansion of warehouse space and enhanced distribution capacity in Northeastern Ontario. The related building expansion is recorded as a capital asset with a carrying amount of \$281,888 as at the balance sheet date.

8. INVESTMENTS

The Organization holds a diversified investment portfolio comprising both market-based and fixed-term investments. The majority of the portfolio consists of segregated mutual funds held with Canada Life, which are measured at fair value. The fair value of each fund held as at the balance sheet date is presented below. In addition, the Organization holds a term savings investment with Caisse Desjardins Ontario.

	2025	2024
Conservative allocation fund	\$ 81,013	\$ 86,126
Strategic income fund	61,293	62,362
Global balanced fund	61,778	64,852
Canadian focused dividend fund	73,834	69,635
Global multi-sector bond fund	45,992	49,566
Global growth opportunities fund	55,154	64,026
U.S. All cap growth fund	84,317	93,646
U.S. Dividend fund	80,520	85,310
Science and technology fund	121,955	132,359
	<hr/>	<hr/>
Total for Canada Life segregated funds	665,856	707,882
Caisse Desjardins Ontario Inc., term savings, bearing interest at 2.70%, maturing on December 22, 2027	100,000	-
	<hr/>	<hr/>
	\$ 765,856	\$ 707,882

As at the balance sheet date, the portfolio has a guarantee of \$355,670 (2024 - \$404,056) at maturity being December 31, 2045.

As at the balance sheet date, the portfolio also has a death benefit guarantee of \$450,515 (2024 - \$484,867) on the death of a specifically named director.

**COCHRANE FOOD BANK INC.
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

9. GRANT REVENUE

The Organization received \$9,627 (2024 - \$9,268) from the Government of Canada, under the Youth Employment and Skills Strategy program.

The program provided wage subsidies support for not-for-profit employers with 50 or fewer full-time employees, to create quality summer work experience for youth aged 15 to 30 years.

Once the summer student's time was completed, the Government of Canada refunded the Organization's eligible expenses. The related expenses are classified under wages and benefits.

10. FINANCIAL INSTRUMENTS

The Organization is exposed to various financial risks through transactions in financial instruments. They are discussed below.

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 risk relates to its accounts receivable. The Organization manages this risk by performing regular reviews of outstanding receivables. Contributions receivable are recognized only when received from reputable donors whose creditworthiness is assessed by management. Other receivables are primarily from government agencies and are therefore considered to present a low risk of uncollectability.

CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the risk that a donor or grantor has more than ten percent of the total accounts receivable balance and thus is a higher risk to the Organization in the event of a default by one of these donors or grantor. As at December 31, 2025, there was a nil balance of accounts receivable (2024 – one donor comprised 94%).

LIQUIDITY RISK

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Organization maintains an adequate cash reserve to ensure it can meet its obligations as they become due.

**COCHRANE FOOD BANK INC.
LA BANQUE ALIMENTAIRE DE COCHRANE INC.**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

10. FINANCIAL INSTRUMENTS, (CONT'D)

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 primarily through its term savings investment and its investment in segregated funds. The term savings investment bears interest at a fixed rate and is therefore subject to fair value risk. The segregated fund investments are subject to market risk, which includes interest rate risk, depending on the underlying assets held within the funds.

FAIR VALUE

The long-term investments held by the Organization are quoted in an active market and measured at fair value. Changes in market conditions could significantly alter the fair value of the assets. The Organization manages its risk by diversifying its portfolio in different segregated funds. These funds are also insured to guarantee 75% of the cost base at maturity.

11. SUBSEQUENT EVENTS

Subsequent to the year end, the Organization purchased a forklift at a cost of \$51,450. The purchase relates to the subsequent fiscal year and has not been reflected in these financial statements.
