

GLEANERS FOODBANK (QUINTE) INC.

FINANCIAL STATEMENTS

March 31, 2026

INDEPENDENT AUDITOR'S REPORT

To the Members of
GLEANERS FOODBANK (QUINTE) INC.

Qualified Opinion

We have audited the financial statements of **GLEANERS FOODBANK (QUINTE) INC.** (the "Corporation"), which comprise the statement of financial position as at March 31, 2026, and the statement of revenue, expenses and changes in 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 and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2026, 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Corporation derives revenue from donations and 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 Corporation. Therefore, we were unable 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, 2026 and March 31, 2025, current assets and net assets as at March 31, 2026 and March 31, 2025. 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 Corporation 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

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

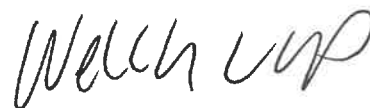
INDEPENDENT AUDITOR'S REPORT (continued)

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 Corporation'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 Corporation'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 Corporation 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.



Belleville, Ontario
August 24, 2026

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

GLEANERS FOODBANK (QUINTE) INC.

*Also Operating as Tri-County Food Network
(Incorporated without share capital under the laws of Ontario)*

STATEMENT OF FINANCIAL POSITION**MARCH 31, 2026****ASSETS**

	Operating Fund	Capital Asset Fund	2026	2025
CURRENT ASSETS				
Cash	\$ 161,350	\$ -	\$ 161,350	\$ 1,008,732
Accounts receivable	4,133	12,724	16,857	8,699
Government remittances recoverable	1,151	12,792	13,943	13,380
Prepaid expenses	8,062	-	8,062	7,202
Due to/from other fund	20,765	(20,765)	-	-
Interest receivable	37,198	-	37,198	27,646
	<u>232,659</u>	<u>4,751</u>	<u>237,410</u>	<u>1,065,659</u>
TANGIBLE CAPITAL ASSETS				
- Note 5	-	1,052,513	1,052,513	1,029,303
INVESTMENTS - Note 4	<u>3,305,837</u>	<u>-</u>	<u>3,305,837</u>	<u>1,658,230</u>
	<u>\$ 3,538,496</u>	<u>\$ 1,057,264</u>	<u>\$ 4,595,760</u>	<u>\$ 3,753,192</u>

LIABILITIES AND NET ASSETS**CURRENT LIABILITIES**

Accounts payable and accrued liabilities	\$ 61,354	\$ -	\$ 61,354	\$ 32,456
Government remittances payable	10,068	-	10,068	-
Deferred contributions - Note 7	825,262	1,448	826,710	323,540
	<u>896,684</u>	<u>1,448</u>	<u>898,132</u>	<u>355,996</u>

NET ASSETS

Invested in capital assets	-	1,055,816	1,055,816	1,014,776
Other - Note 9	810,000	-	810,000	658,000
Unrestricted	1,831,812	-	1,831,812	1,724,420
	<u>2,641,812</u>	<u>1,055,816</u>	<u>3,697,628</u>	<u>3,397,196</u>
	<u>\$ 3,538,496</u>	<u>\$ 1,057,264</u>	<u>\$ 4,595,760</u>	<u>\$ 3,753,192</u>

Approved by the Board:

Director_____
Director

(See accompanying notes)

GLEANERS FOODBANK (QUINTE) INC.
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2026

	Operating Fund 2026	Operating Fund 2025	Capital Asset Fund 2026	Capital Asset Fund 2025
REVENUE				
Donations	\$ 1,511,765	\$ 1,418,704	\$ 11,518	\$ -
Donations in memoriam	325	3,419	-	-
Foundation grants	474,169	466,777	117,074	31,733
Fundraising	134,655	108,099	-	-
Government subsidy - federal	51,426	4,156	-	-
Solar panel energy income	-	-	15,306	16,262
Other	1,241	802	-	-
	<u>2,173,581</u>	<u>2,001,957</u>	<u>143,898</u>	<u>47,995</u>
EXPENSES				
Amortization	-	-	96,103	95,602
Food purchases and delivery	989,257	939,489	-	-
Fundraising	17,817	15,189	-	-
Insurance and protection services	14,842	14,139	-	-
Office and sundry	125,150	118,505	-	-
Professional fees	35,490	39,457	-	-
Telephone	8,508	8,457	-	-
Utilities	35,613	31,581	-	-
Vehicle operation	7,443	3,880	-	-
Wages and benefits	723,841	440,531	-	-
Warehouse maintenance	6,613	-	20,360	37,007
	<u>1,964,574</u>	<u>1,611,228</u>	<u>116,463</u>	<u>132,609</u>
	<u>209,007</u>	<u>390,729</u>	<u>27,435</u>	<u>(84,614)</u>
OTHER INCOME				
Interest income	55,001	74,506	-	-
Dividend income	8,296	-	-	-
Realized gain on sale of investments	2,030	-	-	-
Unrealized loss on investments	(1,337)	-	-	-
	<u>63,990</u>	<u>74,506</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	272,997	465,235	27,435	(84,614)
BALANCE, beginning of year	2,382,420	2,054,638	1,014,776	961,937
Interfund transfers - Note 8	<u>(13,605)</u>	<u>(137,452)</u>	<u>13,605</u>	<u>137,452</u>
BALANCE, end of year	<u>\$ 2,641,812</u>	<u>\$ 2,382,421</u>	<u>\$ 1,055,816</u>	<u>\$ 1,014,775</u>

(See accompanying notes)

GLEANERS FOODBANK (QUINTE) INC.
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2026

	Operating Fund		Capital Asset Fund	
	2026	2025	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES				
Excess (deficiency) of revenue over expenses	\$ 272,997	\$ 465,235	\$ 27,435	\$ (84,614)
Adjustments for				
Amortization of tangible capital assets	-	-	96,103	95,602
Realized gain on sale of investments	(2,030)	-	-	-
Unrealized loss on investments	1,337	-	-	-
	<u>272,304</u>	<u>465,235</u>	<u>123,538</u>	<u>10,988</u>
Change in non-cash working capital components:				
Accounts receivable	3,175	1,365	(11,332)	(287)
Prepaid expenses	(860)	5,073	-	-
Government remittances recoverable	7,383	6,500	(7,946)	(1,728)
Accounts payable and accrued liabilities	28,898	(22,328)	-	-
Government remittances payable	-	(8,084)	-	-
Deferred contributions	501,722	(73,130)	1,448	-
	<u>812,622</u>	<u>374,631</u>	<u>105,708</u>	<u>8,973</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of tangible capital assets	-	-	(119,313)	(146,425)
Purchase/sale of investments	(1,646,399)	(453,938)	-	-
Interfund transfers	(13,605)	(137,452)	13,605	137,452
	<u>(1,660,004)</u>	<u>(591,390)</u>	<u>(105,708)</u>	<u>(8,973)</u>
INCREASE (DECREASE) IN CASH	<u>(847,382)</u>	<u>(216,759)</u>	<u>-</u>	<u>-</u>
CASH, beginning of year	<u>1,008,732</u>	<u>1,225,491</u>	<u>-</u>	<u>-</u>
CASH, end of year	<u>\$ 161,350</u>	<u>\$ 1,008,732</u>	<u>\$ -</u>	<u>\$ -</u>

(See accompanying notes)

GLEANERS FOODBANK (QUINTE) INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2026

1. PURPOSE OF THE ORGANIZATION

Gleaners Foodbank (Quinte) Inc. is a local Corporation established to assist in meeting the immediate food needs of food bank recipients and to work toward long-term solutions to hunger and poverty.

The Corporation is a registered charity under Section 149(1) of the Canadian Income Tax Act and, as such, is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Fund accounting restricted

The Corporation follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for all the activities of the Corporation's day-to-day operations.

The Capital Asset Fund reports the assets, liabilities, revenues and expenses related to the Corporation's capital assets.

Investments

Investments are classified as fair value through profit and loss and are initially recorded at their acquisition cost. Changes in fair value are recognized in the Statement of Revenues, Expenses and Changes in Net Assets.

Financial instruments

The Corporation initially measures its financial assets and financial liabilities at fair value adjusted by transaction costs in the case where a financial asset or financial liability is subsequently measured at amortized cost.

The Corporation subsequently measures all its financial assets and financial liabilities at amortized cost, with exception to investments which are subsequently measured at fair market value. Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and government remittances payable.

Inventory

Inventory consists of donated and purchased food. Since the inventory is to be distributed to the needy, it is not reflected as an asset in the financial statements.

GLEANERS FOODBANK (QUINTE) INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2026

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Tangible capital assets

Tangible capital assets are stated at acquisition cost. Amortization is provided on a straight line basis over the estimated useful life of the assets as follows:

Buildings	40 years
Vehicles	5 years
Equipment	5 years
Computer equipment	5 years
Solar equipment	40 years
Fences	10 years

Assets under construction are not amortized until the asset is available for productive use, at which time they are amortized.

Intangible capital assets

The costs of intangible capital assets are capitalized upon meeting the criteria for recognition as an intangible asset; otherwise, costs are expensed as incurred. Intangible assets, consisting of a website are measured at cost less accumulated amortization. Amortization of the website is provided on a straight-line basis over 1 year.

Donated material and services

Donated items excluding food and services, are recorded at fair value at the date of contribution. Donated food, for which charitable receipts are issued, are recorded at 100% of fair value. Donated services are not recorded by the Corporation.

During the year the Corporation recognized \$541,478 (2025 - \$544,083) in-kind food purchases. The Corporation also received in-kind donations of shares with a value of \$247,357.

GLEANERS FOODBANK (QUINTE) INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2026

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditure during the reporting period. Management makes accounting estimates when determining the estimated useful life of the Corporation's capital assets and determining significant accruals of liabilities. Actual results could differ from those estimates.

3. FINANCIAL INSTRUMENTS

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 Corporation's maximum exposure to credit risk represents the sum of the carrying value of its cash, short term investments and accounts receivable. The Corporation's cash and short-term investments are held with a Chartered bank and therefore it is management's opinion that the Corporation is not subject to significant credit risk with respect to cash and short-term investments. The Corporation does not provide credit to its customers in the normal course of operations and therefore it is not subject to credit risk.

Liquidity Risk

Liquidity risk is the risk that the Corporation cannot meet its commitments when they become due. Liquidity risk also includes the risk of the Corporation not being able to liquidate assets in a timely manner. The Corporation's management manages this risk by reviewing expected cash flow requirements and anticipating investing and financing activities.

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 is comprised of currency risk, interest rate risk and other price risk.

Currency Risk

Currency risk is the risk that the fair value of instruments or future cash flows associated with the instrument will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. The Corporation's financial instruments are all denominated in Canadian dollars and it transacts primarily in Canadian dollars. As a result, management does not believe it is exposed to significant currency risk.

GLEANERS FOODBANK (QUINTE) INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2026

3. FINANCIAL INSTRUMENTS (continued)

Interest Rate Risk

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

The Corporation's exposure to interest rate risk arises from its interest bearing assets.

The Corporation manages interest rate risk exposure of its cash by maintaining liquidity necessary to conduct operations on a day-to-day basis. Fluctuations in market rates of interest on cash do not have a significant impact on the Corporation's results of operations.

Other Price Risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market.

The Corporation is exposed to other price risk related to their investments in publicly traded securities.

Change in Risk

During the year, the Corporation's risk increased related to their investments in publicly traded securities.

GLEANERS FOODBANK (QUINTE) INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2026

4. INVESTMENTS

Investments are recorded at fair value. The market values of the investments as of the date of the Statement of Financial Position are as follows:

	2026 Cost	2026 Market Value	2025 Cost	2025 Market Value
Cash	\$ 1,205,223	\$ 1,205,223	\$ 515	\$ 515
Fixed Income - GICs	834,366	834,366	734,560	734,560
Mutual funds	668,889	662,916	923,140	923,140
Equities	598,696	603,332	15	15
	<u>\$ 3,307,174</u>	<u>\$ 3,305,837</u>	<u>\$ 1,658,230</u>	<u>\$ 1,658,230</u>

5. TANGIBLE CAPITAL ASSETS

Tangible capital assets consist of the following:

	2026 Cost	2026 Accumulated amortization	2026 Net	2025 Net
Land	\$ 20,000	\$ -	\$ 20,000	\$ 20,000
Buildings	1,166,987	342,282	824,705	688,690
Building under construction	-	-	-	157,687
Equipment	243,659	215,026	28,633	44,903
Computer equipment	18,398	3,477	14,921	7,364
Solar equipment	124,030	52,148	71,882	75,596
Fences	9,012	8,175	837	1,076
Vehicles	266,189	174,654	91,535	33,987
	<u>\$ 1,848,275</u>	<u>\$ 795,762</u>	<u>\$ 1,052,513</u>	<u>\$ 1,029,303</u>

GLEANERS FOODBANK (QUINTE) INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2026

6. INTANGIBLE CAPITAL ASSETS

Intangible capital assets consist of the following:

	2025 Cost	2025 Accumulated amortization	2026 Net	2025 Net
Website	\$ 15,850	\$ 15,850	\$ -	\$ -

7. DEFERRED CONTRIBUTIONS

Deferred contributions represents unspent resources externally restricted for specified uses.

	2026	2025
Deferred Revenue for Food Purchases		
Balance, beginning of year	\$ 226,775	\$ 278,448
Add: Amounts received during the year	946,823	300,000
Less: Amounts recognized as revenue in the year	(427,951)	(351,673)
Total Deferred Revenue for Food Purchases	745,647	226,775
Deferred Revenue for Transportation/Delivery/Storage		
Balance, beginning of year	96,765	118,222
Add: Amounts received during the year	55,000	30,000
Less: Amounts recognized as revenue in the year	(72,150)	(51,457)
Total Deferred Revenue for Transportation/Delivery/Storage	79,615	96,765
Total Operating Fund	825,262	323,540
Deferred Revenue for Capital Asset Fund		
Add: amounts received during the year	118,522	-
Less: Amounts recognized as revenue in the year	(117,074)	-
Total Deferred Revenue for Capital Asset Fund	1,448	-
Total	\$ 826,710	\$ 323,540

8. INTERFUND TRANSFERS

During the year, \$13,605 was transferred from the Operating Asset Fund to the Capital Asset Fund for cash flow purposes and purchases of capital assets. In 2025, \$137,452 was transferred from the Capital Asset Fund to the Operating Fund.

Interfund loans outstanding are non-interest bearing and have no fixed repayable date.

GLEANERS FOODBANK (QUINTE) INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2026

9. INTERNALLY RESTRICTED NET ASSETS

The Board has internally restricted the amount of \$810,000 in the operating fund for two purposes: \$710,000 (2025 - \$558,000) as a contingency reserve and \$100,000 (2025 - \$100,000) as a building maintenance reserve.

The purpose of the contingency reserve is to ensure funds are available to cover unexpected revenue loss or events that would result in a serious interruption of service and in order to maintain the Corporation's long-term fiscal strength. The Corporation's policy is to maintain a reserve equal to six months operating expenses, to a maximum of the remaining total assets of the Corporation. The building maintenance reserve provides funds for building maintenance, durable goods and capital expenditures.

These internally restricted amounts cannot be used for any other purpose without the approval of the Board of Directors.

10. COMPARATIVE FIGURES

Certain comparative figures have been reclassified from those previously presented to conform to the presentation of the 2026 financial statements.