

**COMMUNITY FOOD SHARE
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**



INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Community Food Share

We have reviewed the accompanying financial statements of Community Food Share (the "Organization") that comprise the statement of financial position as at December 31, 2022, and the statements of changes in net assets, operations 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 (ASNPO), 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 Community Food Share as at December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

McCay Duff LLP
McCay Duff LLP,
Licensed Public Accountants.

Ottawa, Ontario,
February 20, 2023

COMMUNITY FOOD SHARE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022
UNAUDITED

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 296,608	\$ 271,300
Short-term investments <i>(Note 4)</i>	182,622	182,632
HST recoverable	999	1,998
Prepaid expenses	8,398	4,583
	\$ 488,627	\$ 460,513
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 8,496	\$ 12,743
Deferred revenue	5,515	31,929
	14,011	44,672
NET ASSETS		
Unrestricted	294,616	235,841
Internally restricted operating fund	120,000	120,000
Internally restricted capital fund	60,000	60,000
	474,616	415,841
	\$ 488,627	\$ 460,513

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

COMMUNITY FOOD SHARE
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2022
UNAUDITED

	Unrestricted	Internally Restricted Operating Fund	Internally Restricted Capital Fund	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 235,841	\$ 120,000	\$ 60,000	\$ 415,841	\$ 319,355
Net revenue for the year	58,775	-	-	58,775	96,486
NET ASSETS - END OF YEAR	\$ 294,616	\$ 120,000	\$ 60,000	\$ 474,616	\$ 415,841

COMMUNITY FOOD SHARE
STATEMENT OF REVENUES AND EXPENDITURES
YEAR ENDED DECEMBER 31, 2022
UNAUDITED

	2022	2021
REVENUES		
Donations <i>(Note 2)</i>	\$ 544,133	\$ 369,474
Grants	37,566	13,562
Fundraising	13,548	10,645
Membership fees	390	378
Interest income	312	88
COVID-19 Relief Funding	-	109,483
Donations to the North Dundas Christmas Fund	-	2,763
	<u>595,949</u>	<u>506,393</u>
EXPENSES		
Groceries <i>(Note 2)</i>	400,395	253,227
Salaries and wages	89,315	83,440
Office	13,559	26,458
Utilities	8,087	6,695
Professional fees	4,590	4,151
Telecommunications	4,247	4,364
Vehicle	4,034	3,256
Insurance	2,458	681
Repairs and maintenance	2,449	3,369
Program operations	1,575	9,513
Memberships and licenses	1,550	1,467
Advertising	1,208	508
Computer expenses	1,120	2,525
Fundraising	1,055	3,040
Strategic planning and Board training	1,050	6,180
Interest and bank charges	482	1,033
	<u>537,174</u>	<u>409,907</u>
NET REVENUE FOR THE YEAR	<u>\$ 58,775</u>	<u>\$ 96,486</u>

**COMMUNITY FOOD SHARE
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022
UNAUDITED**

	2022	2021
OPERATING ACTIVITIES		
Net revenue for the year	\$ 58,775	\$ 96,486
Changes in non-cash working capital:		
HST recoverable	1,000	4,760
Prepaid expenses	(3,815)	(1,529)
Accounts payable and accrued liabilities	(4,248)	(157)
Deferred revenue	(26,414)	28,465
	<u>(33,477)</u>	<u>31,539</u>
Cash flow from operating activities	25,298	128,025
INVESTING ACTIVITY		
Change in short-term investments	<u>10</u>	<u>(60,000)</u>
CHANGE IN CASH POSITION DURING THE YEAR	25,308	68,025
Cash - beginning of year	<u>271,300</u>	<u>203,275</u>
CASH POSITION - END OF YEAR	<u>\$ 296,608</u>	<u>\$ 271,300</u>

COMMUNITY FOOD SHARE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

1. ORGANIZATION

Community Food Share ("Organization") is a registered charity under the Canada Not-for-Profit Act incorporated without share capital. Accordingly, the Organization is exempt from income taxes. The primary purpose of the Organization is to help fight hunger in the Dundas and Stormont Counties.

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Revenue recognition

The Organization follows the deferral method of accounting for contributions, which includes grants and donations. Externally restricted contributions are recognized as revenues in the year the restriction has been met. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonable assured.

Revenues from fundraising is recognized in the year during which the event was held.

Grant revenue is recognized in the period in which the related expenses are incurred.

Revenue from membership fees is recognized in the year to which the membership fee relates.

Donations are recognized as revenue when received or receivable, if ultimate collection is reasonably assured.

(b) Property, Plant and Equipment

Capital assets are expensed in the year of acquisition. During the year the Organization expensed \$5,332 in equipment (2021 - \$12,085).

(c) 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, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. These estimates are reviewed periodically and adjustments are made to net revenue as appropriate in the year they become known.

(d) Volunteer Services

The Organization benefits from the services of many volunteers who have made significant contributions. Since these services are not normally purchased by the Organization, and because of the difficulty of determining their fair value, the value of these services is not reflected in these financial statements.

(e) Financial instruments

The Organization's financial instruments consist of cash, short-term investments, accounts payable and accrued liabilities.

Measurement

(continues)

COMMUNITY FOOD SHARE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments are recorded at fair value on initial recognition.

Cash, accounts payable and accrued liabilities are subsequently measured at amortized cost.

Short-term investments are subsequently measured at fair value. Changes in fair value are recognized in net revenue.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down or subsequent recovery is recognized in net revenue.

(f) Food Purchases

Food purchases are recorded as an expense at the date of purchase.

(g) Contributed Food

The community contributes food during the year to assist the Organization in carrying out its mandate. Food donations received in kind are recorded at the estimated fair market value at the date the donation is made.

3. FINANCIAL RISKS AND CONCENTRATION OF RISKS

It is management's opinion that the Organization is not exposed to significant market, interest rate, liquidity, credit or currency risks arising from its financial instruments. There have been no changes to the risk exposure from the prior year.

4. SHORT-TERM INVESTMENTS

Short-term investments consist of guaranteed investment certificates with effective interest rates of between 1.15% and 3.80% and come due within the December 31, 2023 fiscal year. The Organization's credit card is secured by the assignment of \$16,500 of the guaranteed investment certificates.

5. INTERNALLY RESTRICTED NET ASSETS

The internally restricted net assets are set aside to cover six months of operating costs and capital purchases of the Organization. During the 2021 fiscal year, the Board of Directors approved a transfer of \$160,000 to cover six months of operating costs and \$60,000 for the future purchase of a building.

COMMUNITY FOOD SHARE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

6. RELATED PARTY TRANSACTIONS

No remuneration was paid to Directors and Officers during the year. Management, in addition to salaries, is reimbursed for certain administrative costs. These transactions were in the normal course of operations and were measured at the exchange amount.

During the course of the year, the Organization purchased groceries and other supplies totalling \$7,854 from a business owned by one of the members of the Board (2021 - \$19,543). These transactions were in the normal course of operations and were measured at the exchange amount.