

COMMUNITY FOOD SHARE

FINANCIAL STATEMENTS

DECEMBER 31, 2021



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, 2021 and the statements of operations, 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 controls 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.



McCay Duff LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

141 Laurier Ave. West, 6th Floor
Ottawa, ON K1P 5J3
1 (613) 236-2367
Fax: 1 (613) 236-5041

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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 (the Organization) as at December 31, 2021, 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.

McCay Duff LLP

McCay Duff LLP
Licensed Public Accountants.

Ottawa, Ontario
March 1, 2022.

COMMUNITY FOOD SHARE

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

UNAUDITED

ASSETS

	<u>2021</u>	<u>2020</u>
CURRENT		
Cash	\$ 271,300	\$ 203,275
Short-term investments (note 4)	182,632	122,632
HST recoverable	1,998	6,758
Prepaid expenses	<u>4,583</u>	<u>3,054</u>
	<u>\$ 460,513</u>	<u>\$ 335,719</u>

LIABILITIES

CURRENT		
Accounts payable and accrued liabilities	\$ 12,743	\$ 12,901
Deferred revenue	<u>31,929</u>	<u>3,464</u>
	44,672	16,365

NET ASSETS

Unrestricted net assets	235,841	319,354
Internally restricted net assets - operating	120,000	-
Internally restricted net assets - capital	<u>60,000</u>	<u>-</u>
	<u>415,841</u>	<u>319,354</u>
	<u>\$ 460,513</u>	<u>\$ 335,719</u>

Future impact of Covid-19 (note 7)

Approved on behalf of the Board:

Director

Director

COMMUNITY FOOD SHARE

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2021

UNAUDITED

	<u>Unrestricted</u>	<u>Internally Restricted Operating Fund</u>	<u>Internally Restricted Capital Fund</u>	<u>2021</u>	<u>2020</u>
BALANCE - BEGINNING OF YEAR	\$ 319,355	\$ -	\$ -	\$ 319,355	\$ 138,868
Net revenue for the year	96,486	-	-	96,486	180,486
Transfer to Internally Restricted (note 5)	<u>(180,000)</u>	<u>120,000</u>	<u>60,000</u>	<u>-</u>	<u>-</u>
BALANCE - END OF YEAR	<u>\$ 235,841</u>	<u>\$ 120,000</u>	<u>\$ 60,000</u>	<u>\$ 415,841</u>	<u>\$ 319,354</u>

COMMUNITY FOOD SHARE
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021
UNAUDITED

	<u>2021</u>	<u>2020</u>
REVENUE		
Donations (note 2 g)	\$ 369,474	\$ 264,310
COVID-19 Relief Funding	109,483	125,804
Grants	13,562	11,200
Fundraising	10,645	12,980
Donations to the North Dundas Christmas Fund	2,763	21,142
Membership fees	378	285
Interest income	<u>88</u>	<u>981</u>
	506,393	436,702
EXPENSES		
Groceries (note 2 g)	253,227	79,376
Salaries and wages	83,440	67,057
Office	26,458	10,507
Program operations	9,513	22,019
Utilities	6,695	7,878
Strategic planning and Board training	6,180	-
Telecommunications	4,364	4,758
Professional fees	4,151	4,243
Repairs and maintenance	3,369	4,954
Vehicle	3,256	1,871
Fundraising	3,040	5,212
Computer expenses	2,525	1,880
Memberships and licenses	1,467	1,438
Interest and bank charges	1,033	711
Insurance	681	2,415
Advertising	<u>508</u>	<u>984</u>
	<u>409,907</u>	<u>215,303</u>
REVENUE FROM OPERATIONS	96,486	221,399
INTERNALLY RESTRICTED (note 5)		
Revenue	-	-
Expenses	<u>-</u>	<u>40,913</u>
NET REVENUE (EXPENSES) - INTERNALLY RESTRICTED	<u>-</u>	<u>(40,913)</u>
NET REVENUE FOR THE YEAR	<u>\$ 96,486</u>	<u>\$ 180,486</u>

COMMUNITY FOOD SHARE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
UNAUDITED

	<u>2021</u>	<u>2020</u>
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Cash from operations		
Net revenue for the year	\$ 96,486	\$ 180,486
Changes in non-cash working capital		
- HST recoverable	4,760	(4,414)
- prepaid expenses	(1,529)	(2,224)
- accounts payable and accrued liabilities	(157)	2,507
- Deferred revenue	<u>28,465</u>	<u>3,464</u>
	<u>31,539</u>	<u>(667)</u>
	128,025	179,819
INVESTING ACTIVITY		
Change in short-term investments	(60,000)	(40,443)
CHANGE IN CASH POSITION DURING THE YEAR	68,025	139,376
Cash position - beginning of year	<u>203,275</u>	<u>63,899</u>
CASH POSITION - END OF YEAR	<u>\$ 271,300</u>	<u>\$ 203,275</u>

COMMUNITY FOOD SHARE**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2021****UNAUDITED****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) Capital Assets and Amortization

Capital assets are expensed in the year of acquisition. During the year the Organization expensed \$12,085 in equipment (2020 - \$40,913).

(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.

COMMUNITY FOOD SHARE

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

UNAUDITED

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

(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

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.

COMMUNITY FOOD SHARE**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2021****UNAUDITED****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 0.10% and 0.50% and come due within the December 31, 2022 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.

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 \$19,543 from a business owned by one of the members of the board. These transactions were in the normal course of operations and were measured at the exchange amount.

7. FUTURE IMPACT OF COVID-19

The impact of COVID-19 to the public since its outbreak in mid-March 2020 has been extensive. In response to ongoing health concerns, the Organization has been adhering to government guidelines as they relate to states of emergency, social distancing measures and mandated closures. The Canadian government has continued to implement financial easing policies to mitigate the financial impact on the economy in which the Organization operates, however its effectiveness is yet to be determined. The financial impact on the Organization as a result of COVID-19 is unknown as the potential impact on future operations cannot be determined. No amounts have been recognized in the reviewed financial statements relating to the potential impact of future events on the Organization as a result of COVID-19.

COMMUNITY FOOD SHARE

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

UNAUDITED

8. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current financial statement presentation.