

**CAMBRIDGE SELF-HELP FOOD BANK INC.**

**FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2020**



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**MARCH 31, 2020**  
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## **INDEPENDENT AUDITORS' REPORT**

To the Members of  
**Cambridge Self-Help Food Bank Inc.**

### **Qualified Opinion**

We have audited the accompanying financial statements of **Cambridge Self-Help Food Bank Inc.** (the Organization), which comprise the statement of financial position as at March 31, 2020, and the statements of operations and fund balances 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, 2020, and its financial performance 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 charitable organizations, the Organization derives revenue from fundraising and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to revenue, net results of operations and fund balances.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' 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 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.

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 the Board of Directors 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.

### **Auditors' 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 auditors' 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.

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 auditors' 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 auditors' 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.

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.

*Carolan Mathew Professional Corporation*

Cambridge, Ontario  
June 22, 2020

Chartered Professional Accountants, authorized to practise public  
accounting by the Chartered Professional Accountants of Ontario



**STATEMENT OF OPERATIONS AND FUND BALANCES  
YEAR ENDED MARCH 31, 2020**

	Operating Fund \$	Bingo Fund \$	Contingency Reserve Fund \$	2020 Total \$	2019 Total \$
<b>Revenue</b>					
Lottery		23,355		23,355	21,547
Grants	221,300			221,300	170,826
United Way grants	75,000			75,000	75,000
United Way - donor designations	3,844			3,844	2,739
Region of Waterloo	249,992			249,992	255,413
Membership fees (note 8)	40,691			40,691	43,696
Fundraising and other income	183,146			183,146	169,021
Unrestricted donations	640,715			640,715	425,880
Designated donations	61,826			61,826	54,333
	<b>1,476,514</b>	<b>23,355</b>	<b>NIL</b>	<b>1,499,869</b>	<b>1,218,455</b>
<b>Expenditure</b>					
Salaries and benefits	927,137			927,137	784,037
Public relations	39,130			39,130	26,460
Office supplies and computer	32,542			32,542	32,124
Program costs	64,228		1,855	66,083	101,049
Professional fees	22,689			22,689	25,982
Food purchases	47,762			47,762	44,476
Insurance	6,610			6,610	6,647
Vehicle and travel	7,553	26,583		34,136	27,780
Occupancy costs (note 10)	62,618			62,618	55,603
Bank charges and interest	9,486	10		9,496	7,192
Amortization	25,054			25,054	17,511
	<b>1,244,809</b>	<b>26,593</b>	<b>1,855</b>	<b>1,273,257</b>	<b>1,128,861</b>
<b>Net results of operations</b>	<b>231,705</b>	<b>( 3,238)</b>	<b>( 1,855)</b>	<b>226,612</b>	<b>89,594</b>
Interfund transfer (note 5)	<b>( 108,776)</b>		<b>108,776</b>		
	<b>122,929</b>	<b>( 3,238)</b>	<b>106,921</b>	<b>226,612</b>	<b>89,594</b>
Fund balance, beginning of year	83,762	6,809	666,027	756,598	667,004
<b>Fund balance, end of year</b>	<b>206,691</b>	<b>3,571</b>	<b>772,948</b>	<b>983,210</b>	<b>756,598</b>

The explanatory financial notes form an integral part of these financial statements.

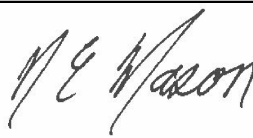


**STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2020**

	Operating Fund \$	Bingo Fund \$	Contingency Reserve Fund \$	2020 Total \$	2019 Total \$
<b>ASSETS</b>					
Cash and term deposits (note 9)	510,161	1,844	772,948	1,284,953	1,103,886
Accounts receivable	34,479	3,387		37,866	23,173
Prepaid expenses	6,243			6,243	5,249
<b>Current assets</b>	<b>550,883</b>	<b>5,231</b>	<b>772,948</b>	<b>1,329,062</b>	<b>1,132,308</b>
Capital assets (note 3)	41,295			41,295	54,525
	<b>592,178</b>	<b>5,231</b>	<b>772,948</b>	<b>1,370,357</b>	<b>1,186,833</b>
<b>LIABILITIES</b>					
Accounts payable (note 4)	52,969	1,660		54,629	39,952
Deferred revenue	332,518			332,518	390,283
<b>Current liabilities</b>	<b>385,487</b>	<b>1,660</b>	<b>NIL</b>	<b>387,147</b>	<b>430,235</b>
<b>FUND BALANCES</b>					
Fund balances	206,691	3,571	772,948	983,210	756,598
	<b>592,178</b>	<b>5,231</b>	<b>772,948</b>	<b>1,370,357</b>	<b>1,186,833</b>

**APPROVED ON BEHALF OF THE BOARD:**

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

The explanatory financial notes form an integral part of these financial statements.



**STATEMENT OF CASH FLOWS**  
**YEAR ENDED MARCH 31, 2020**

	2020 \$	2019 \$
<b>Cash flows from operating activities:</b>		
Net results of operations	226,612	89,594
Item not involving cash:		
Amortization	25,054	17,511
	<b>251,666</b>	107,105
Net change in non-cash working capital balances related to operations:		
Accounts receivable	( 14,693)	( 4,346)
Prepaid expenses	( 994)	( 5,249)
Accounts payable	14,678	( 30,427)
Deferred revenue	( 57,765)	154,856
	<b>192,892</b>	221,939
<b>Cash flows from investment activities:</b>		
Net additions to capital assets	( 11,825)	( 18,290)
<b>Net increase in cash</b>	<b>181,067</b>	203,649
Cash position, beginning of year	1,103,886	900,237
<b>Cash position, end of year</b>	<b>1,284,953</b>	1,103,886



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**EXPLANATORY FINANCIAL NOTES**  
**YEAR ENDED MARCH 31, 2020**

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**1. Nature of Business**

The Cambridge Self-Help Food Bank Inc. is a charitable organization that helps to improve the quality of life for low income residents of Cambridge and North Dumfries by providing supplementary food and other assistance and support programs.

The Organization was incorporated as a non-profit organization without share capital under the Corporations Act of Ontario by letters patent dated October 6, 1987.

As Cambridge Self-Help Food Bank Inc. is a registered charity under the Income Tax Act, its income is not taxable and it is eligible to issue official income tax receipts for charitable donations.

**2. Summary of Significant Accounting Policies**

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

**(a) Fund accounting**

To ensure observation of restrictions placed on the use of resources available to Cambridge Self-Help Food Bank Inc., the accounts are maintained in accordance with the principles of fund accounting. The resources are classified for accounting and reporting purposes into the following funds which have been established according to their nature and purpose:

The **Operating Fund**, accounts for all of the Organization's program delivery and administrative activities.

The **Bingo Fund**, represents monies received by the Organization as a result of being granted operating licences by The Corporation of the City of Cambridge. These monies are used to fund activities of the Organization that are approved under the licence.

The **Contingency Reserve Fund**, is an internally restricted fund intended to provide operating flexibility in the event of reduced operating revenues or food donations, and is not available for unrestricted purposes without approval of the Board of Directors.

**(b) Revenue recognition**

Contributions are recorded using the deferral method under which restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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.

Donations received in kind (primarily food stuffs) have not been recorded herein because of the impracticality of the record keeping and valuation of such donations.






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**EXPLANATORY FINANCIAL NOTES**  
**YEAR ENDED MARCH 31, 2020**

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**2. Summary of Significant Accounting Policies (Continued)**

**(c) Amortization of capital assets**

The Organization amortizes capital assets using the following methods and annual rates which will amortize the assets over their estimated useful lives:

Vehicles	30%	Declining balance
Computer equipment	30%	Declining balance
Leasehold improvements		Over term of lease
Furniture and equipment	20%	Declining balance

**(d) Financial instruments**

All financial assets and liabilities are recorded at amortized cost less any discovered impairment.

**(e) Use of estimates**

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>3. Capital Assets</b>		
<b>Cost</b>		
Vehicles	<b>141,819</b>	141,818
Computer equipment	<b>43,889</b>	43,889
Leasehold improvements	<b>17,436</b>	5,613
Furniture and equipment	<b>93,286</b>	93,286
	<b>296,430</b>	284,606
<b>Accumulated amortization</b>		
Vehicles	<b>131,379</b>	126,904
Computer equipment	<b>39,193</b>	37,181
Leasehold improvements	<b>15,033</b>	2,405
Furniture and equipment	<b>69,530</b>	63,591
	<b>255,135</b>	230,081
<b>Net Book Value</b>	<b>41,295</b>	54,525



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**EXPLANATORY FINANCIAL NOTES  
YEAR ENDED MARCH 31, 2020**

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**4. Accounts Payable**

There were no amounts payable with respect to government remittances as of the year end date.

**5. Interfund Transfers**

A net amount of \$108,776 (\$50,000 in 2019) was transferred from the Operating Fund to the Contingency Reserve Fund, in order to fund future food purchases and other programs. These internally restricted amounts are not available for any other purpose without approval of the Board of Directors.

**6. Food Operations**

No record was available of food inventories at March 31, 2020, however, internal records indicate that approximately \$2,777,151 (\$2,621,122 in 2019) of food stuffs were disbursed to families during the year.

As indicated in note 2(b), food donations (and food distributions) are not recorded in these financial statements.

**7. Contingency Reserve Fund**

During the fiscal year 1990, the Board of Directors passed a resolution to establish a "reserve for contingencies".

Transfers of funds between the operating fund and the reserve fund, if any, must be approved by the Board of Directors. Funds held in the reserve are for the following purposes:

	<b>2020</b>	2019
	\$	\$
General Fund	<b>234,926</b>	213,351
Christmas and Backpacks Fund	<b>17,623</b>	17,623
Food Purchases Fund	<b>385,053</b>	385,053
Capital Expansion Fund	<b>87,201</b>	
Homelessness Program Fund	<b>48,145</b>	50,000
	<b>772,948</b>	666,027

**8. Memberships**

Pursuant to paragraph 134 (3) 18 of the Co-Operative Corporations Act, the Organization conducts all of its business transactions with members of the Organization.

Membership fees received during the period amounted to \$40,691 (\$43,696 in 2019).



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**EXPLANATORY FINANCIAL NOTES**  
**YEAR ENDED MARCH 31, 2020**

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**9. Cash and Term Deposits**

The Organization held term deposits in the amount of \$632,009 at March 31, 2020, bearing annual interest at rates ranging from 2% to 2.8% with maturity dates ranging from July 2020 to November 2020.

**10. Leases**

The Organization leases the premises at 54 Ainslie St. South from The Corporation of the City of Cambridge at an annual lease rate of \$100. The lease expires on May 31, 2030.

**11. Financial Instruments**

The entity is exposed to various risks through its financial instruments. The following analysis provides a measure of the entity's risk exposure and concentrations at the year end date.

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The entity is exposed to this risk mainly in respect of its accounts payable. This risk is mitigated by amounts invested in term deposits.

**Credit risk**

The entity is exposed to credit risk with respect to accounts receivable. The entity continually assesses amounts receivable on the basis of amounts it is virtually certain to receive based on estimated realizable value.

**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 comprises three types of risk: currency risk, interest rate risk and other price risk. The entity is mainly exposed to interest rate risk.

**Interest rate risk**

The entity is exposed to interest rate risk on its fixed rate financial instruments, which subject the entity to a fair value risk. The entity is exposed to this type of risk as a result of investments in term deposits, however, the risk is considered minimal.

**12. Comparative Figures**

Comparative figures have, in some instances, been reclassified in order to present them in a form comparable to those for the current year.



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**EXPLANATORY FINANCIAL NOTES**  
**YEAR ENDED MARCH 31, 2020**

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**13. Uncertainty Regarding COVID-19**

As the COVID-19 pandemic continues to impact the economy, it could result in a significant negative impact on the Organization's operations. As of the time of authorization of these financial statements, it is not possible to estimate the length and severity of these developments and their impact on the financial results and operations of the Organization.