

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

**FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2018**



---

**MARCH 31, 2018**  
**CONTENTS**

	<b>Page</b>
<b>Independent Auditors' Report</b>	<b>1</b>
<b>Financial Statements</b>	
Statement of Operations and Fund Balances	2
Statement of Financial Position	3
Statement of Cash Flows	4
Explanatory Financial Notes	5 - 8

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of **Cambridge Self-Help Food Bank Inc.**, which comprise the statement of financial position as at March 31, 2018, and the statements of operations and fund balances 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### 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.

### Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of **Cambridge Self-Help Food Bank Inc.** as at March 31, 2018, 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.



Cambridge, Ontario  
June 25, 2018

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, 2018**

	Operating Fund \$	Bingo Fund \$	Contingency Reserve Fund \$	2018 Total \$	2017 Total \$
<b>Revenue</b>					
Lottery		21,104		21,104	23,490
Grants	67,303			67,303	87,962
United Way grants	71,215			71,215	84,569
United Way - donor designations	2,651			2,651	2,948
Region of Waterloo	308,145			308,145	375,823
Membership fees (note 8)	47,964			47,964	50,575
Fundraising and other income	145,540			145,540	124,778
Unrestricted donations	375,725			375,725	348,261
Designated donations	57,596			57,596	64,148
	<b>1,076,139</b>	<b>21,104</b>	<b>NIL</b>	<b>1,097,243</b>	<b>1,162,554</b>
<b>Expenditure</b>					
Salaries and benefits	767,201			767,201	805,112
Repairs and maintenance	17,621			17,621	21,681
Public relations	38,716			38,716	23,136
Office supplies and computer	30,942			30,942	32,603
Program costs	60,058			60,058	82,915
Professional fees	10,649	111		10,760	16,529
Food purchases	33,482	1,754		35,236	92,199
Insurance	6,231			6,231	7,457
Vehicle and travel	16,845	13,607		30,452	27,853
Licences					1,218
Occupancy costs (note 10)	22,716			22,716	27,437
Miscellaneous	1,306			1,306	1,300
Bank charges and interest	3,571	23		3,594	4,233
Amortization	17,769			17,769	20,299
	<b>1,027,107</b>	<b>15,495</b>		<b>1,042,602</b>	<b>1,163,972</b>
<b>Net results of operations</b>	<b>49,032</b>	<b>5,609</b>	<b>NIL</b>	<b>54,641</b>	<b>( 1,418)</b>
Interfund transfer (note 5)	( 47,601)		47,601		
	<b>1,431</b>	<b>5,609</b>	<b>47,601</b>	<b>54,641</b>	<b>( 1,418)</b>
Fund balance, beginning of year	34,428	9,510	568,426	612,364	613,782
<b>Fund balance, end of year</b>	<b>35,859</b>	<b>15,119</b>	<b>616,027</b>	<b>667,005</b>	<b>612,364</b>


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




**STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2018**

	Operating Fund \$	Bingo Fund \$	Contingency Reserve Fund \$	2018 Total \$	2017 Total \$
<b>ASSETS</b>					
Cash and term deposits (note 9)	269,539	14,672	616,027	900,238	739,808
Accounts receivable	18,380	447		18,827	40,172
Prepaid expenses					587
<b>Current assets</b>	<b>287,919</b>	<b>15,119</b>	<b>616,027</b>	<b>919,065</b>	<b>780,567</b>
Capital assets (note 3)	53,744			53,744	59,505
	<b>341,663</b>	<b>15,119</b>	<b>616,027</b>	<b>972,809</b>	<b>840,072</b>
<b>LIABILITIES</b>					
Accounts payable (note 4)	70,377			70,377	33,437
Deferred revenue	235,427			235,427	194,271
<b>Current liabilities</b>	<b>305,804</b>	<b>NIL</b>	<b>NIL</b>	<b>305,804</b>	<b>227,708</b>
<b>FUND BALANCES</b>					
Fund balances	35,859	15,119	616,027	667,005	612,364
	<b>341,663</b>	<b>15,119</b>	<b>616,027</b>	<b>972,809</b>	<b>840,072</b>

**APPROVED ON BEHALF OF THE BOARD:**

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director



**STATEMENT OF CASH FLOWS**  
**YEAR ENDED MARCH 31, 2018**

	2018 \$	2017 \$
<b>Cash flows from operating activities:</b>		
Net results of operations	54,641	( 1,418)
Item not involving cash:		
Amortization	17,769	20,299
	<b>72,410</b>	<b>18,881</b>
Net change in non-cash working capital balances related to operations:		
Accounts receivable	21,345	54,236
Prepaid expenses	587	1,943
Accounts payable	36,940	( 82,574)
Deferred revenue	41,156	51,674
	<b>172,438</b>	<b>44,160</b>
<b>Cash flows from investment activities:</b>		
Net additions to capital assets	( 12,008)	( 18,221)
<b>Net increase in cash</b>	<b>160,430</b>	<b>25,939</b>
<b>Cash position, beginning of year</b>	<b>739,808</b>	<b>713,869</b>
<b>Cash position, end of year</b>	<b>900,238</b>	<b>739,808</b>

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



---

**EXPLANATORY FINANCIAL NOTES  
YEAR ENDED MARCH 31, 2018**

---

**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.




---

**EXPLANATORY FINANCIAL NOTES**  
**YEAR ENDED MARCH 31, 2018**

---

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

**(c) Amortization of capital assets**

The Organization amortizes capital assets using the declining-balance method at annual rates which will amortize the assets over their estimated useful lives:

Vehicles	30%
Computer equipment	30%
Furniture and equipment	20%

**(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.

	2018	2017
	\$	\$
<b>3. Capital Assets</b>		
<b>Cost</b>		
Vehicles	141,818	141,818
Computer equipment	45,708	39,088
Furniture and equipment	80,608	75,220
	268,134	256,126
<b>Accumulated amortization</b>		
Vehicles	120,513	111,382
Computer equipment	36,125	32,527
Furniture and equipment	57,752	52,712
	214,390	196,621
<b>Net Book Value</b>	53,744	59,505





---

**EXPLANATORY FINANCIAL NOTES  
YEAR ENDED MARCH 31, 2018**

---

**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 \$47,601 (\$NIL in 2017) was transferred from the Operating Fund to the Contingency Reserve Fund, in order to fund future food purchases and other day to day operations. 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, 2018, however, internal records indicate that approximately \$2,579,338 (\$2,479,158 in 2017) 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:

	2018 \$	2017 \$
General Fund	197,178	177,973
Christmas Fund	17,623	17,623
Food Purchases Fund	401,226	372,830
	<b>616,027</b>	<b>568,426</b>

**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 \$47,964 (\$50,575 in 2017).



---

**EXPLANATORY FINANCIAL NOTES  
YEAR ENDED MARCH 31, 2018**

---

**9. Cash and Term Deposits**

The Organization held cashable term deposits in the amount of \$741,983 at March 31, 2018, bearing annual interest at rates ranging from 1.3% to 2% with maturity dates ranging from July 2018 to September 2019.

**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, 2020.

**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.