

CAMBRIDGE SELF-HELP FOOD BANK INC.

**FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023**



MARCH 31, 2023
CONTENTS

	Page
Independent Auditors' Report	1 - 2
Financial Statements	
Statement of Operations and Fund Balances	3
Statement of Financial Position	4
Statement of Cash Flows	5
Explanatory Financial Notes	6 - 9

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, 2023, 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, 2023, 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 26, 2023

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, 2023**

	Operating Fund \$	Bingo Fund \$	Contingency Reserve Fund \$	2023 Total \$	2022 Total \$
Revenue					
Lottery		28,317		28,317	14,937
Grants	264,852			264,852	410,716
United Way grants	35,000			35,000	20,000
United Way - donor designations	2,978			2,978	4,635
Region of Waterloo	236,947			236,947	274,202
Mobile Food Market	113,191			113,191	50,083
Fundraising and other income	131,524			131,524	117,609
Unrestricted donations	1,433,062			1,433,062	1,388,638
Designated donations	16,354			16,354	40,931
	2,233,908	28,317	NIL	2,262,225	2,321,751
Expenditure					
Salaries and benefits	1,029,573			1,029,573	959,309
Advertising & marketing	110,930			110,930	38,700
Office supplies and computer	34,612			34,612	42,493
Program costs	56,469			56,469	168,107
Professional fees	9,157			9,157	11,790
Fundraising	21,508			21,508	8,046
Food purchases	169,394			169,394	108,188
Insurance	9,437			9,437	7,427
Vehicle and travel	17,558	26,362		43,920	35,158
Occupancy costs (note 9)	67,657			67,657	52,566
Bank charges and interest	28,989			28,989	24,796
Amortization	38,440			38,440	24,769
	1,593,724	26,362		1,620,086	1,481,349
Excess of revenue over expenditure before undernoted items	640,184	1,955		642,139	840,402
COVID-19 funding					23,269
COVID-19 purchases					(207,082)
Net results of operations	640,184	1,955	NIL	642,139	656,589
Interfund transfer (note 5)	(600,000)		600,000		
	40,184	1,955	600,000	642,139	656,589
Fund balance, beginning of year	402,792	6,664	2,400,000	2,809,456	2,152,867
Fund balance, end of year	442,976	8,619	3,000,000	3,451,595	2,809,456

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



**STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023**

	Operating Fund \$	Bingo Fund \$	Contingency Reserve Fund \$	2023 Total \$	2022 Total \$
ASSETS					
Cash and term deposits (note 8)	626,310	8,232	3,000,000	3,634,542	2,841,874
Accounts receivable	22,106	1,496		23,602	48,292
Prepaid expenses	41,407			41,407	17,459
Current assets	689,823	9,728	3,000,000	3,699,551	2,907,625
Capital assets (note 3)	150,973			150,973	123,839
	840,796	9,728	3,000,000	3,850,524	3,031,464
LIABILITIES					
Accounts payable (note 4)	73,260	1,109		74,369	59,323
Deferred revenue	324,560			324,560	162,685
Current liabilities	397,820	1,109	NIL	398,929	222,008
FUND BALANCES					
Fund balances	442,976	8,619	3,000,000	3,451,595	2,809,456
	840,796	9,728	3,000,000	3,850,524	3,031,464

Kristen Danson

Director

Robert Miller

Director



STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2023

	2023 \$	2022 \$
Cash flows from operating activities:		
Net results of operations	642,139	656,589
Item not involving cash:		
Amortization	38,440	24,769
	680,579	681,358
Net change in non-cash working capital balances related to operations:		
Accounts receivable	24,690	(16,886)
Prepaid expenses	(23,948)	(17,130)
Accounts payable	15,046	(12,708)
Deferred revenue	161,875	(172,405)
	858,242	462,229
Cash flows from investment activities:		
Net additions to capital assets	(65,574)	(88,361)
Net increase in cash	792,668	373,868
Cash position, beginning of year	2,841,874	2,468,006
Cash position, end of year	3,634,542	2,841,874

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



EXPLANATORY FINANCIAL NOTES YEAR ENDED MARCH 31, 2023

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 separated into two components. The general contingency is intended to provide operating flexibility in the event of reduced operating revenues or food donations. The capital expansion fund is intended to finance future capital requirements. These amounts are 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, 2023

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.

	2023	2022
	\$	\$
3. Capital Assets		
Cost		
Vehicles	252,460	212,876
Computer equipment	52,021	52,021
Leasehold improvements	50,119	50,119
Furniture and equipment	130,233	104,243
	484,833	419,259
Accumulated amortization		
Vehicles	172,954	147,362
Computer equipment	47,023	44,881
Leasehold improvements	26,017	22,654
Furniture and equipment	87,866	80,523
	333,860	295,420
Net Book Value	150,973	123,839



EXPLANATORY FINANCIAL NOTES
YEAR ENDED MARCH 31, 2023

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 \$600,000 (\$1,050,000 in 2022) 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, 2023, however, internal records indicate that approximately \$3,332,718 (\$2,804,969 in 2022) 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:

	2023 \$	2022 \$
General Contingency	500,000	500,000
Capital Expansion Fund	2,500,000	1,900,000
	3,000,000	2,400,000

8. Cash and Term Deposits

The Organization held term deposits in the amount of \$1,900,000 at March 31, 2023, bearing annual interest at rates ranging from 4.2% to 4.65% with maturity dates ranging from July 2023 to March 2024.



EXPLANATORY FINANCIAL NOTES
YEAR ENDED MARCH 31, 2023

9. 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.

10. 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.

11. 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.