

BARRIE FOOD BANK
Financial Statements
March 31, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Barrie Food Bank

Qualified Opinion

We have audited the financial statements of Barrie Food Bank (the Organization), which comprise the statement of financial position as at March 31, 2022, and the statements of operations, changes in net assets 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 possible 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, 2022, and the results of its operations and 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 donations and fundraising activities the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2022 and 2021, current assets as at March 31, 2022 and 2021 and net assets as at March 31 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ended March 31, 2021 was modified accordingly because of the possible effects of this limitation of scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with 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 audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 management 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.

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Independent Auditor's Report To the Members of Barrie Food Bank (*continued*)

Auditor's 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 auditor's 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.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment 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 auditor's 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 auditor's 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.



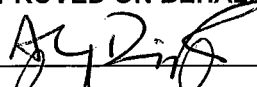
June 21, 2022

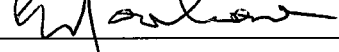
Chartered Professional Accountants
Licensed Public Accountants

BARRIE FOOD BANK
Statement of Financial Position
As at March 31, 2022

	2022	2021
	\$	\$
ASSETS		
CURRENT		
Cash	681,632	451,773
Investments (Note 3)	2,000,450	2,222,293
Accounts receivable	-	1,863
Government remittances recoverable	27,872	27,775
Prepaid expenses	9,226	6,528
	<u>2,719,180</u>	<u>2,710,232</u>
CAPITAL ASSETS (Note 4)	<u>117,702</u>	<u>146,933</u>
	<u>2,836,882</u>	<u>2,857,165</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	13,873	11,001
Current portion of obligation under capital lease	-	1,863
	<u>13,873</u>	<u>12,864</u>
DEFERRED CONTRIBUTION RELATED TO CAPITAL ASSETS (Note 5)	<u>8,527</u>	<u>11,659</u>
	<u>22,400</u>	<u>24,523</u>
NET ASSETS	<u>2,814,482</u>	<u>2,832,642</u>
	<u>2,836,882</u>	<u>2,857,165</u>

APPROVED ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

BARRIE FOOD BANK
Statement of Operations
For the Year Ended March 31, 2022

	2022 \$	2021 \$
REVENUES <i>(Note 2, 6)</i>	1,473,429	3,063,996
EXPENSES		
Food purchases	893,847	905,549
Wages and benefits	285,651	314,326
Rent <i>(Note 7)</i>	98,826	104,600
Travel and vehicle	32,505	18,072
Repairs and maintenance	32,235	21,251
Termination costs	30,981	-
Utilities	28,365	25,075
Office and bank charges	27,644	31,569
Professional services	9,050	5,350
Public awareness and fundraising	8,303	11,073
Insurance	6,659	9,395
Training workshops (recovered)	730	(2,346)
	1,454,796	1,443,914
EXCESS OF REVENUE OVER EXPENDITURES BEFORE UNDERNOTED ITEMS	18,633	1,620,082
Amortization of capital assets	(45,430)	(58,855)
Amortization of deferred contributions related to capital assets <i>(Note 5)</i>	3,132	4,286
Investment income	5,505	4,054
	(36,793)	(50,515)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(18,160)	1,569,567

BARRIE FOOD BANK
Statement of Changes in Net Assets
For the Year Ended March 31, 2022

	Invested in Capital Assets \$	Unrestricted Fund \$	2022 \$	2021 \$
NET ASSETS - BEGINNING OF YEAR	133,411	2,699,231	2,832,642	1,263,075
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(42,298)	24,138	(18,160)	1,569,567
INTERFUND TRANSFERS	18,062	(18,062)	-	-
NET ASSETS - END OF YEAR	109,175	2,705,307	2,814,482	2,832,642

BARRIE FOOD BANK
Statement of Cash Flows
For the Year Ended March 31, 2022

	2022	2021
	\$	\$
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	(18,160)	1,569,567
Items not affecting cash:		
Amortization of capital assets	45,430	58,855
Amortization of deferred contributions	(3,132)	(4,286)
	<u>24,138</u>	<u>1,624,136</u>
Changes in non-cash working capital:		
Accounts receivable	1,863	4,286
Government remittances recoverable	(97)	(7,300)
Prepaid expenses	(2,698)	(3,276)
Accounts payable and accrued liabilities	2,869	(9,512)
Deferred contributions	-	(26,800)
	<u>1,937</u>	<u>(42,602)</u>
Cash flow from operating activities	<u>26,075</u>	<u>1,581,534</u>
FINANCING ACTIVITY		
Repayment of obligation under capital lease	<u>(1,863)</u>	<u>(4,053)</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(16,196)	(8,449)
Proceeds from (purchases of) investments, net	<u>221,843</u>	<u>(1,535,494)</u>
Cash flow from (used by) investing activities	<u>205,647</u>	<u>(1,543,943)</u>
INCREASE IN CASH FLOW	229,859	33,538
Cash - beginning of year	<u>451,773</u>	<u>418,235</u>
CASH - END OF YEAR	<u>681,632</u>	<u>451,773</u>

BARRIE FOOD BANK
Notes to Financial Statements
For the Year Ended March 31, 2022

1. GENERAL

Barrie Food Bank (the "Organization") is a not-for-profit organization incorporated provincially under the Business Corporations Act of Ontario. The principal activity of the Organization is to alleviate the source causes of hunger and to provide opportunities, whenever possible, to develop self-sufficiency. On July 7, 2006, the Organization received Supplementary Letters Patent changing its name from Community Food Foundation of Barrie Inc., to Barrie Food Bank.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Fund accounting

The accounts of the Organization have been segregated into the following funds for reporting purposes. The funds and the purposes are as follows:

- i) Unrestricted
The Unrestricted Fund accounts for donations, grants, other income and operating expenses. The Unrestricted Fund reports unrestricted resources.
- ii) Invested in Capital Assets
The balance of Invested in Capital Assets represents the total equity that is required to fund the capital assets of the Organization. The balance changes annually by the amount of capital asset additions and disposals, amortization of capital assets, loss on disposal of capital assets and transfers from the Unrestricted Fund.

Revenue recognition

The Organization uses the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue of the unrestricted fund in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Contributions received for designated purposes related to general operations are deferred and recognized as revenue of the unrestricted fund in the year in which the designated expenditures occur.

Contributions received to fund the purchase of capital assets are recorded as deferred contributions related to capital assets. Contributions received for the repayment of debt that was incurred to fund the purchase of capital assets are recorded as deferred contributions related to capital assets. Deferred contributions related to capital assets are amortized and recorded in revenue in the statement of operations at the same rate as the amortization expense on the related assets.

Investment income is recognized as revenue when earned.

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BARRIE FOOD BANK
Notes to Financial Statements
For the Year Ended March 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated materials and services

i) Food Donations

The majority of food donations received by the Organization are not reflected in the financial statements. Food donations for which a donation tax receipt was issued by the Organization are recorded at their estimated fair market value. In 2022, \$104,750 (2021 - \$36,293) of tax receipted food donations were not recorded as donation revenue in the statement of operations.

The Organization receives a substantial amount of food donations which are required to maintain the Organization and meet the needs of the community.

ii) Other Gifts In-Kind

Other gifts in-kind are recorded as donation revenue when a fair value can be reasonably estimated and when the materials are used in the normal course of the Organization's operations. In 2022, \$23,600 of common shares (2021 - \$32,188 of common shares) were donated and have been recorded as revenue in the statement of operations.

iii) Contributed services

Services contributed by volunteers to assist the Organization in carrying out its activities are not recognized in the financial statements. A great deal of staff and volunteer time is required to promote the need for food donations and the subsequent collection, sorting, refrigeration, storage, and distribution of these donations in the community.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates:

Automotive	30%
Computer equipment	55%
Furniture and equipment	20%
Signs	20%
Website	50%

Leasehold improvements are amortized over a 10 year period on a straight-line basis.

Income taxes

The Organization is a registered charity for the purpose of the Income Tax Act (Canada). It is exempt from income tax and is permitted to issue official receipts to donors of qualified donations.

Use of estimates

The preparation of the Organization's financial statements, in accordance with Canadian accounting standards for not-for-profit organizations, requires management to make estimates and assumptions which affect the reported amounts 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 for the year. Significant items subject to such estimates and assumptions include the estimated useful lives of capital assets. Due to the inherent uncertainty involved with making such estimates, actual results could differ from those reported. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

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BARRIE FOOD BANK
Notes to Financial Statements
For the Year Ended March 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Measurement of Financial Instruments

The Organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Organization subsequently measures all of its financial assets and financial liabilities at amortized cost except for investments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations in the period incurred.

Financial assets measured at amortized cost include cash. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

At the end of each reporting period, the Organization assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. The carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the reduction is recognized as an impairment loss in the statement of operations.

Transaction Costs

Transaction costs are recognized in the statement of operations in the period incurred, except for financial instruments that will be subsequently measured at amortized cost. Transaction costs associated with the acquisition and disposal of fixed income investments are capitalized and are included in the acquisition costs or reduce proceeds on disposal.

3. INVESTMENTS

	2022 \$	2021 \$
Presented at market value		
RBC Dominion Securities - high interest savings account (cost - \$1,976,805, 2021 - \$2,222,293)	1,976,805	2,222,293
RBC Dominion Securities - marketable securities (cost - \$23,901, 2021 - \$nil)	23,645	-
	2,000,450	2,222,293

BARRIE FOOD BANK
Notes to Financial Statements
For the Year Ended March 31, 2022

4. CAPITAL ASSETS

	Cost \$	Accumulated amortization \$	2022 Net book value \$	2021 Net book value \$
Automotive	88,650	67,029	21,621	30,887
Computer equipment	16,579	10,149	6,430	6,125
Furniture and equipment	60,301	40,976	19,325	24,156
Leasehold improvements	340,945	277,609	63,336	81,758
Signs	3,500	3,077	423	528
Website	19,652	13,085	6,567	3,479
	<u>529,627</u>	<u>411,925</u>	<u>117,702</u>	<u>146,933</u>

5. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred contributions related to capital assets represent the unamortized amount of restricted donations received to purchase heating equipment, a countertop, furniture and for the lease of a van.

	2022 \$	2021 \$
Balance at beginning of year	11,659	15,712
Less: Amounts amortized to revenue	<u>(3,132)</u>	<u>(4,053)</u>
	<u>8,527</u>	<u>11,659</u>

6. SPECIAL FUNDING AND GOVERNMENT ASSISTANCE

Included in revenues is \$20,640 (2021 - \$84,719) received as part of Food Banks Canada's COVID-19 Response Fund. This program was funded by various large corporations as well as the Government of Canada.

Included in revenues is \$nil (2021 - \$59,326) received directly from the Government of Canada as an additional response measure to the COVID-19 pandemic.

BARRIE FOOD BANK
Notes to Financial Statements
For the Year Ended March 31, 2022

7. LEASE COMMITMENTS

The Organization leases a facility under a long term lease for a five year term concluding September 2026. The annual rent for the year ended March 31, 2022 was \$68,344, plus applicable taxes. The annual lease commitments are outlined below.

The Organization is also responsible for their proportionate share of the maintenance, insurance, and property taxes estimated at \$42,000 per year, subject to annual adjustments. The Organization has an option to extend the lease for another five year term with conditions to be agreed upon with the lessor at the time of the renewal.

	\$
2023	78,469
2024	86,063
2025	91,125
2026	95,934
2027	49,106

8. COVID-19 PANDEMIC

The global COVID-19 pandemic has disrupted economic activities and supply chains. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time.

9. FINANCIAL INSTRUMENT RISK

The Organization is exposed to various risks through its financial instruments. The following analysis provides information about the Organization's risk exposure and concentration as of March 31, 2022.

Cash is exposed to credit risk as the amounts on deposit exceed the federally insured limits. The Organization minimizes its exposure by depositing cash at the Royal Bank of Canada, a major financial institution.

(a) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through its normal operating and financing activities. The Organization is exposed to interest rate risk primarily through its investment in a high interest savings account.

(b) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Organization is exposed to securities price risk on its investment in mutual funds and publicly traded stocks.

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BARRIE FOOD BANK
Notes to Financial Statements
For the Year Ended March 31, 2022

9. FINANCIAL INSTRUMENT RISK *(continued)*

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant credit, currency or liquidity risks arising from these financial instruments.

10. RECLASSIFICATIONS

The comparative figures for 2021 have been reclassified where necessary to conform with the 2022 financial statement presentation.
