

**Harvest Share Community  
Food Programs**

**Financial Statements  
For the year ended  
December 31, 2023**

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**Financial Statements**  
For the year ended December 31, 2023

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## Independent Auditors' Report

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### To the Members of Harvest Share Community Food Programs

#### Qualified Opinion

We have audited the accompanying financial statements of Harvest Share Community Food Programs (the "entity"), which comprise the statement of financial position as at December 31, 2023 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 entity as at December 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 not-for-profit organizations, the entity derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the entity. 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 for the year then ended, current assets as at December 31, 2023 and 2022 and net assets as at January 1 and December 31 for both years. Our audit opinion on the financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this limitation in 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 entity 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 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 entity'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 entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity'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. 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 entity'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 entity'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 entity 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.

*Mingrich Harris Copeland*

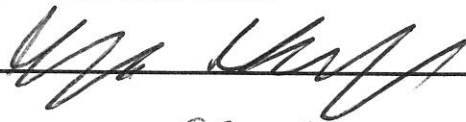
Parry Sound, Ontario  
May 22, 2024

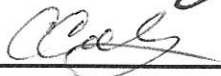
Chartered Professional Accountants  
Licensed Public Accountants

## Harvest Share Community Food Programs Statement of Financial Position

December 31	2023	2022
<b>Assets</b>		
<b>Current</b>		
Cash and bank	\$ 279,389	\$ 281,667
Gift cards on hand	11,175	9,533
Short-term investments (Note 3)	387,864	378,206
Accounts receivable (Note 4)	10,777	18,546
Prepaid expenses	595	-
	689,800	687,952
<b>Capital assets (Note 5)</b>	<b>43,781</b>	<b>58,488</b>
	<b>\$ 733,581</b>	<b>\$ 746,440</b>
<b>Liabilities and Net Assets</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 15,858	\$ 11,549
Deferred contribution	26,403	-
	42,261	11,549
<b>Deferred capital asset grant (Note 7)</b>	<b>24,113</b>	<b>33,927</b>
	66,374	45,476
<b>Net Assets</b>		
Unrestricted	667,207	700,964
	<b>\$ 733,581</b>	<b>\$ 746,440</b>

On behalf of the Board:

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

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## Harvest Share Community Food Programs Statement of Changes in Net Assets

<b>For the year ended December 31</b>	<b>2023</b>	<b>2022</b>
<b>Net Assets</b> , beginning of year	\$ 700,964	\$ 417,456
<b>Net income (loss) for the year</b>	<u>(33,757)</u>	<u>283,508</u>
<b>Net Assets</b> , end of year	<u>\$ 667,207</u>	<u>\$ 700,964</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

## Harvest Share Community Food Programs Statement of Operations

<b>For the year ended December 31</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>		
Government grants (Note 8)	\$ 9,814	\$ 13,890
DSSAB funding	72,000	72,000
Donations and other funding		
- individual and corporate	193,288	344,686
- charities and organizations	56,535	151,746
Fundraising	23,023	10,749
Other revenue	9,688	4,709
	<b>364,348</b>	<b>597,780</b>
<b>Expenses</b>		
Advertising and promotion	1,494	1,734
Amortization	14,707	17,119
Fundraising	2,882	3,098
Honorariums	700	1,205
Insurance	2,718	3,275
Interest and bank fees	214	192
Occupancy costs	52,242	41,889
Office and general	7,229	2,746
Professional fees	5,441	6,316
Purchases - food and supplies	42,247	41,683
Repairs and maintenance	2,402	3,445
Taxes, licenses, and fees	2,565	2,095
Telephone and internet	5,650	2,925
Vehicle and travel	4,262	4,171
Wages and benefits	253,352	182,379
	<b>398,105</b>	<b>314,272</b>
<b>Excess of revenues over expenses for the year</b>	<b>\$ (33,757)</b>	<b>\$ 283,508</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.



## Harvest Share Community Food Programs Statement of Cash Flows

<b>For the year ended December 31</b>	<b>2023</b>	<b>2022</b>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net income (loss) for the year	\$ (33,757)	\$ 283,508
Adjustments required to reconcile net income with net cash provided by operating activities		
Amortization of capital assets	14,707	17,119
Changes in non-cash working capital balances		
Gift cards on hand	(1,642)	(4,109)
Accounts receivable	7,769	(10,661)
Prepaid expenses	(595)	-
Accounts payable and accrued liabilities	4,309	2,215
Deferred contributions	26,403	(731)
	<u>17,194</u>	<u>287,341</u>
<b>Investing &amp; financing activities</b>		
Deferred capital asset grant	(9,814)	(13,890)
Purchase of capital assets	-	(21,423)
Increase in investments	(9,658)	(378,206)
	<u>(19,472)</u>	<u>(413,519)</u>
<b>Decrease in cash during the year</b>	<b>(2,278)</b>	<b>(126,178)</b>
<b>Cash, beginning of year</b>	<b>281,667</b>	<b>407,845</b>
<b>Cash, end of year</b>	<b>\$ 279,389</b>	<b>\$ 281,667</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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# Harvest Share Community Food Programs

## Notes to Financial Statements

December 31, 2023

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### 1. Nature and Purpose of the Organization

Harvest Share Community Food Programs (the Organization) is incorporated under provincial letters patent as a not-for-profit organization and is a registered charity under the Income Tax Act.

The organization provides weekly programs to community members in the form of a weekly soup kitchen, access to a community food bank and fresh food program, community supper, emergency food provision, food rescue efforts, community partnerships and ongoing outreach.

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### 2. Significant Accounting Policy

**a) Basis of Accounting** These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

**b) Revenue Recognition** The Organization follows the deferral method of accounting for contributions. Under this method, restricted contributions are recognized as revenue in the year the corresponding expenditure is incurred.

Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions restricted for the purchase of capital assets are recognized as revenue in the same manner that the corresponding assets are amortized.

Interest income is recognized as it is earned.

#### **c) Contributed**

##### **Materials & Services**

The Board of Directors and volunteers contribute many hours and materials to assist the organization in carrying out its activities. Because of the difficulty of determining their fair value, contributed services and materials are not recognized in the financial statements.

#### **d) Financial Instruments**

##### *Measurement of financial instruments*

The entity initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The entity subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

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## Harvest Share Community Food Programs Notes to Financial Statements

**December 31, 2023**

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Financial assets measured at amortized cost include cash and accounts receivable.

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

### *Impairment*

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

### *Transaction costs*

The entity recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

### **e) Capital Assets**

Capital assets are recorded at cost. Amortization is allocated using the following rates per annum (1/2 the rate in the year of acquisition):

Leasehold improvements	-	5	years, straight line basis
Furniture and fixtures	-	20	%, declining balance basis
Computer equipment	-	20	%, declining balance basis
Vehicle	-	30	%, declining balance basis

### **f) Short Term Investments**

Short term investments are recorded at fair market value.

### **g) Use of Estimates**

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to net income as appropriate in the year they become known.

Items subject to significant management estimates include accounts receivable, accrued liabilities, deferred revenues, and deferred contributions.

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## Harvest Share Community Food Programs Notes to Financial Statements

**December 31, 2023**

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### 3. Short-term Investments

	2023	2022
Kawartha Credit Union - term redeemable investment, 2.0% interest, maturing June 10, 2024	\$ 203,000	\$ -
Kawartha Credit Union - term fixed investment, 5.35% interest, maturing November 10, 2024	181,203	-
Kawartha Credit Union - term fixed investment, 1.5% interest, matured June 10, 2023	-	200,000
Kawartha Credit Union - term fixed investment, 3.1% interest, matured November 10, 2023	-	173,500
	384,203	373,500
Accrued interest	3,661	4,706
	\$ 387,864	\$ 378,206

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### 4. Accounts Receivable

	2023	2022
CanadaHelps donations receivable	\$ 4,502	\$ 1,698
Becel grant receivable	-	10,000
HST recoverable	6,275	6,848
	\$ 10,777	\$ 18,546

The carrying value of accounts receivable approximates fair value because of the short maturity of these instruments and because they are subject to normal credit terms.

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## Harvest Share Community Food Programs Notes to Financial Statements

**December 31, 2023**

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### 5. Capital Assets

	2023		2022	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 8,330	\$ 4,850	\$ 3,480	\$ 4,350
Furniture and fixtures	36,418	16,413	20,005	25,006
Leasehold improvements	1,917	1,342	575	959
Vehicle	67,643	47,922	19,721	28,173
	<b>\$ 114,308</b>	<b>\$ 70,527</b>	<b>\$ 43,781</b>	<b>\$ 58,488</b>

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### 6. Accounts Payable and Accrued Liabilities

	2023		2022	
Accrued liabilities	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500
Accrued wages	5,182	3,479	5,182	3,479
Government remittances payable	7,176	4,570	7,176	4,570
	<b>\$ 15,858</b>	<b>\$ 11,549</b>	<b>\$ 15,858</b>	<b>\$ 11,549</b>

The carrying value of other liabilities approximates fair value because of the short maturity of these instruments and because they are subject to normal credit terms.

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## Harvest Share Community Food Programs Notes to Financial Statements

**December 31, 2023**

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### 7. Deferred Capital Asset Grant

Deferred capital grants represent restricted capital funding received from the government for the purchase of depreciable capital assets. The changes in the deferred contributions for capital assets are as follows:

Changes in the deferred capital grant balances during the year are as follows:

	2023	2022
Beginning balance	\$ 33,927	\$ 47,817
Less amount amortized to revenue in the year	(9,814)	(13,890)
	\$ 24,113	\$ 33,927

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### 8. Government Grants

	2023	2022
Ministry of the Environment (Note 7)	\$ 9,814	\$ 13,890
	\$ 9,814	\$ 13,890

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### 9. Financial Assets and Financial Liabilities

#### Liquidity risk

Liquidity risk is the risk that the Organization will not be able to meet its obligations associated with financial liabilities. Cash flow from donations provides a substantial portion of the Organization's cash requirements.

#### Credit risk

The Organization is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable which is comprised primarily of grants receivable. In the opinion of management, credit risk exposure is low and not material

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