

GEORGINA COMMUNITY FOOD PANTRY
Financial Statements
Year Ended December 31, 2023

GEORGINA COMMUNITY FOOD PANTRY
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Year Ended December 31, 2023

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Enumerate CPAs Professional Corporation

Chartered Professional Accountants



INDEPENDENT AUDITOR'S REPORT

To the Members of Georgina Community Food Pantry

Opinion

We have audited the financial statements of Georgina Community Food Pantry (the organization), which comprise the statement of financial position as at December 31, 2023, and the statements of revenues and expenditures, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2023, 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 (ASNPO)

Basis for Opinion

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 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 ASNPO, 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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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.

Enumerate CPAs Professional Corporation

ENUMERATE CPAS PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANTS
Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario

Keswick, Ontario
June 26, 2024

GEORGINA COMMUNITY FOOD PANTRY

Statement of Financial Position

As at December 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 91,131	\$ 415,489
Internally Restricted Reserve Fund Cash (Note 6)	885,000	360,000
Short term investments (Note 7)	43,285	77,011
Accounts receivable	-	13,000
Harmonized sales tax recoverable	20,380	8,733
Prepaid expenses	2,020	2,039
	<u>1,041,816</u>	<u>876,272</u>
LONG TERM		
Property, plant and equipment (Note 8)	40,320	33,158
	<u>\$ 1,082,136</u>	<u>\$ 909,430</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 12,294	\$ 7,650
Wages payable	4,557	3,857
Employee deductions payable	4,193	3,045
Deferred income	26,342	17,928
	<u>47,386</u>	<u>32,480</u>
NET ASSETS		
General fund	509,750	351,950
Internally restricted operating (stabilization fund) (Note 6)	325,000	325,000
Internally restricted capital (Note 6)	200,000	200,000
	<u>1,034,750</u>	<u>876,950</u>
	<u>\$ 1,082,136</u>	<u>\$ 909,430</u>

ON BEHALF OF THE BOARD

X  _____ Director
 _____ Director

GEORGINA COMMUNITY FOOD PANTRY
Statement of Revenues and Expenditures
Year Ended December 31, 2023

	2023	2022
REVENUES		
General donations	\$ 475,552	\$ 317,919
Donations from other charities	88,782	46,296
Grants (Note 11)	37,301	22,222
Community and Service Group revenue	40,409	14,376
	<u>642,044</u>	<u>400,813</u>
EXPENSES		
Advertising and promotion	3,968	1,858
Amortization	10,210	7,823
Bank charges	3,173	3,588
Business taxes, licences and memberships	6,201	5,144
Insurance	5,006	4,194
Pop-Up Breakfast program	36,794	26,870
Other program and services	1,600	2,734
Office	11,554	10,569
Fundraising expense	2,012	1,938
Charitable work	191,806	155,848
Transportation	4,952	2,711
Government	196	-
Awards and Grants	5,535	588
Professional fees	13,476	9,856
Rental	33,469	32,863
Repairs and maintenance	453	2,424
Salaries and wages	160,994	108,761
Telephone	2,117	2,050
Training	620	207
	<u>494,136</u>	<u>380,026</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>147,908</u>	<u>20,787</u>
OTHER INCOME		
Dividend income	282	1,027
Gain on sale of marketable securities and investments	-	(1,936)
Interest income	9,610	10,689
	<u>9,892</u>	<u>9,780</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 157,800</u>	<u>\$ 30,567</u>

GEORGINA COMMUNITY FOOD PANTRY

Statement of Changes in Net Assets

Year Ended December 31, 2023

	General Fund	Restricted Fund	Restricted Capital	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 351,950	\$ 325,000	\$ 200,000	\$ 876,950	\$ 846,383
EXCESS OF REVENUES OVER EXPENSES	157,800	-	-	157,800	30,567
NET ASSETS - END OF YEAR	\$ 509,750	\$ 325,000	\$ 200,000	\$ 1,034,750	\$ 876,950

GEORGINA COMMUNITY FOOD PANTRY
Statement of Cash Flows
Year Ended December 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 157,800	\$ 30,567
Item not affecting cash:		
Amortization of property, plant and equipment	10,210	7,823
	<u>168,010</u>	<u>38,390</u>
Changes in non-cash working capital:		
Accounts receivable	13,000	(13,000)
Short term investments	-	127,091
Long term investments	33,726	53,051
Accounts payable and accrued liabilities	4,645	(738)
Deferred income	8,414	(4,482)
Prepaid expenses	19	128
Harmonized sales tax payable	(11,647)	5,034
Wages payable	700	65
Employee deductions payable	1,148	3,045
	<u>50,005</u>	<u>170,194</u>
Cash flow from operating activities	<u>218,015</u>	<u>208,584</u>
INVESTING ACTIVITY		
Purchase of property, plant and equipment	<u>(17,373)</u>	<u>(15,523)</u>
INCREASE IN CASH FLOW	200,642	193,061
Cash - beginning of year	<u>775,489</u>	<u>582,428</u>
CASH - END OF YEAR	\$ 976,131	\$ 775,489
CASH CONSISTS OF:		
Cash	\$ 91,131	\$ 415,489
Internally Restricted Reserve Fund cash	<u>885,000</u>	<u>360,000</u>
	<u>\$ 976,131</u>	<u>\$ 775,489</u>

GEORGINA COMMUNITY FOOD PANTRY

Notes to Financial Statements

Year Ended December 31, 2023

1. PURPOSE OF THE ORGANIZATION

Georgina Community Food Pantry (the "organization") is a not-for-profit organization incorporated provincially under the Not-for-profit Corporations Act of Ontario. As a registered charity, the organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The organization operates to increase and secure access of healthy food for community members to ensure a complete and nutritious diet.

2. BASIS OF PRESENTATION

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

Some users may require further information as these statements have not been prepared for general purposes.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government grants

Government grants and other assistance are recorded when there is a reasonable assurance that the organization has complied with and will continue to comply with, all the necessary conditions to obtain the grants or assistance

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Measurement uncertainty

The preparation of 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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Net assets

- a) Net assets invested in property and equipment represents the organization's net investment in property and equipment which is comprised of the unamortized amount of property and equipment purchased with restricted funds.
- b) Internally restricted net assets are funds which have been designated for a specific purpose by the organization's Board of Directors.
- c) Unrestricted net assets comprise the excess of revenue over expenses accumulated by the organization each year, not of transfers, and are available for general purposes.

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GEORGINA COMMUNITY FOOD PANTRY

Notes to Financial Statements

Year Ended December 31, 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Harmonized sales tax receivable

The organization qualifies as a registered charity. Accordingly, under the Canada Excise Tax Act and the Regulations it obtains a rebate of 69.69% of all Harmonized Sales Tax (HST) paid to suppliers and vendors. The unrecoverable portion is recorded as an expense with the rebate treated as a receivable.

Food purchases and inventory

Food purchases are recorded as an expense at the date of purchase. Food items on hand at year end are not recorded as inventory. Donations of food are not recorded as gift-in-kind nor is the offsetting expense.

Gift cards to various food vendors are recorded as an expense at the date of purchase. An adjustment is made to reduce the expense based on the number of gift cards on hand at year end.

Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life at the following rates and methods:

Computer equipment	55%	declining balance method
Equipment	20%	declining balance method
Furniture and fixtures	20%	declining balance method
Leasehold improvements	5 years	straight-line method
Truck	30%	declining balance method

The organization regularly reviews its property, plant and equipment to eliminate obsolete items. Government grants are treated as a reduction of property, plant and equipment cost.

Property, plant and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Revenue recognition

Georgina Community Food Pantry follows the deferral method of accounting for contributions.

General contributions that include fundraising and donations from all sources are recognized as revenue in the period they are received. Community and Service Group revenues are recognized as revenues in the period they are received.

Restricted Grants contributions are recognized as revenue in the period in which the related expenses are incurred.

4. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2023.

(a) Liquidity risk

(*continues*)

GEORGINA COMMUNITY FOOD PANTRY

Notes to Financial Statements

Year Ended December 31, 2023

4. FINANCIAL INSTRUMENTS *(continued)*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long-term debt, and accounts payable.

(b) 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 rate risk, interest rate risk and other price risk. The organization is mainly exposed to interest rate risk.

(c) Currency risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The organization is exposed to foreign currency exchange risk on cash, accounts receivable, and accounts payable held in U.S. dollars. The company does not use derivative instruments to reduce its exposure to foreign currency risk.

(d) Additional risk

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

5. CASH

Cash is invested with a major Canadian Financial Institution. As well, amounts up to \$100,000 on deposit with this institution are insured by the Canadian Deposit Insurance Corporation (CDIC). Accordingly, the organization believes these amounts are not exposed to significant credit risk.

6. INTERNALLY RESTRICTED RESERVE FUND CASH

In April 2018, the Board approved the transfer of \$165,000 to a restricted operating fund to cover its operations in the event of varying economic conditions and changes affecting the organization's ability to continuously carry out its mission. At December 31, 2021, \$360,000 were added to the reserve funds. The organization had designated the funds held by Mandeville Private Client Inc. for this purpose.

In January 2024, motions were passed regarding establishing a capital reserve and an addition to the operational reserves. The capital reserve is designated for capital or development expenses, requiring board approval. The Finance Committee approved the motion to transfer \$200,000 to the Internally Restricted Capital Reserve fund, effective December 31, 2023. In addition, the Finance Committee approved the motion to increase the Internally Restricted Operating Reserve from \$165,000 to \$325,000, effective on December 31, 2023.

	<u>2023</u>	<u>2022</u>
Internally restricted operating (stabilization fund)	\$ 325,000	\$ -
Internally restricted capital	200,000	-
Mandeville Reserve fund	<u>360,000</u>	<u>360,000</u>
	<u>\$ 885,000</u>	<u>\$ 360,000</u>

GEORGINA COMMUNITY FOOD PANTRY

Notes to Financial Statements

Year Ended December 31, 2023

7. SHORT TERM INVESTMENT

Mandeville Investments

	<u>2023</u>	<u>2022</u>
<u>Guaranteed Investment Certificate(GICs)</u>		
Principal amounts of \$65,038.19, maturing on October 28, 2024, with interest rates of 5.2%	\$ 65,639	\$ 65,678
Principal amounts of \$63,275.30, matured on November 10, 2023, with interest rates of 3.55%	-	64,734
Principal amounts of \$100,000, maturing on June 10, 2024 with interest rates of 4.12%	102,308	102,359
Principal amounts of \$100,000, matured on December 7, 2023 with interest rates of 3.81%	-	102,192
Principal amounts of \$100,000, maturing on June 10, 2024 with interest rates of 5.12%	112,739	102,048
Principal amounts of \$50,000 maturing on December 08, 2025, with interest rates of 5.31%	50,174	-
Principal amounts of \$67,700, maturing on Novmeber 14, 2024, with interest rates of 5.73%	68,198	-
Principal amounts of \$4,121.54, maturing on July 10, 2024, with interest rates of 5.36%	4,227	-
Subtotal	403,285	437,011
Internally Restricted Funds	(360,000)	(360,000)
	\$ 43,285	\$ 77,011

8. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment	\$ 4,104	\$ 3,103	\$ 1,001	\$ 2,224
Equipment	31,988	8,604	23,384	18,317
Furniture and fixtures	19,267	10,769	8,498	1,992
Leasehold improvements	29,047	29,047	-	-
Truck	12,500	5,063	7,437	10,625
	\$ 96,906	\$ 56,586	\$ 40,320	\$ 33,158

9. DEFERRED REVENUE

In 2021, the organization received a grant from Food Bank Canada, totalling \$24,900, designated for the purpose of purchasing a refrigeration cooler unit. The grant is being recognized on the same basis as the amortization; therefore, during the year \$3,586 (2022 - \$4,482) is recognized into income, and the balance in the defered account is \$14,342 (2022 - \$17,928).

GEORGINA COMMUNITY FOOD PANTRY

Notes to Financial Statements

Year Ended December 31, 2023

10. VOLUNTEERS

Volunteer workers perform significant services for the organization. The organization relies on volunteers to perform all of the collections, sorting and distribution of goods to community members. As there are no available objective basis to measure the value of such services, and these services would not otherwise be purchased by the organization, they are not recorded in these financial statements.

11. GRANT REVENUE

	<u>2023</u>	<u>2022</u>
Addiction Services for York Region	\$ 4,654	\$ -
Canada Summer Jobs	4,664	-
Food Bank Canada	10,397	-
Lifecorps International	-	7,350
United Way of Greater Toronto	<u>14,000</u>	<u>10,390</u>
Subtotal	33,715	17,740
Food Bank Canada (restricted use)	<u>3,586</u>	<u>4,482</u>
	<u>\$ 37,301</u>	<u>\$ 22,222</u>

12. COMMITMENTS

The organization has entered into a licence agreement with the Town of Georgina for use of premises located at The Link for its operations. The licence agreement provides for a monthly payment of \$2,680 plus HST, as well as an annual adjustment to reflect the actual operating costs of the building and related property. The initial term of the Agreement was for five years ending on April 30, 2021 as well as a right to renew the licence period for one additional five year period.

On April 14, 2021, Georgina Community Food Pantry, completed a confirmation of renewal of the lease agreement at The Link, for another five year term, effective May 1, 2021.

Licence obligation minimum payments:

2024	\$ 32,160
2025	32,160
2026	<u>10,722</u>
	<u>\$ 75,042</u>

13. COMPARATIVE FIGURES

Certain prior year figures have been reclassified to conform with current year presentation, and our opinion is not modified in that context.

14. CONTINGENT LIABILITY

Management concluded that no lawsuit instituted against the organization, and therefore none related to contingency requires recognition in the financial statements or disclosure in the notes to financial statements.

GEORGINA COMMUNITY FOOD PANTRY
Notes to Financial Statements
Year Ended December 31, 2023

15. SUBSEQUENT EVENTS

Management evaluated all activities of the Organization as at December 31, 2023 through issuance date of the financial statements, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to financial statements.
