

**Food4Kids Mississauga**  
**Financial Statements**  
**For the year ended December 31, 2020**

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For the year ended December 31, 2020**

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## **Independent Auditor's Report**

### **To the Directors of Food4Kids Mississauga**

#### **Qualified Opinion**

We have audited the accompanying financial statements of Food4Kids Mississauga, which comprise the statement of financial position as at December 31, 2020, and the statement of operations, statement of changes in net assets and statement of 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 matters 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 Food4Kids Mississauga as of December 31, 2020 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.

#### **Basis for Qualified Opinion**

In common with many charitable organizations, Food4Kids Mississauga derives revenue from donations and fundraising activities 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 Organization's records. The Organization also does not maintain an inventory for food purchases and for food received as contributed materials, which are recognized in these financial statements. Therefore, we were not able to determine whether any adjustments might be necessary to recorded donations, fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2020 and 2019, current assets as at December 31, 2020 and 2019, and net assets as at January 01 and December 31 for both the 2020 and 2019 years. Our audit opinion on the financial statements for the year ended December 31, 2019 was modified accordingly because of the possible effects of this scope limitation.

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 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 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 of 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 relating 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.

### **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:

1. Identify and access 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. 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.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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.
5. 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.

*Asad Dean, CPA Professional Corp.*

Chartered Professional Accountants

Authorized to practise public accounting by

the Chartered Professional Accountants of Ontario

Mississauga, Ontario

November 02, 2021

**FOOD4KIDS MISSISSAUGA  
STATEMENT OF FINANCIAL POSITION**

December 31	2020	2019
<b>Assets</b>		
<b>Current</b>		
Cash in bank	\$ 148,359	\$ 83,027
Prepaid expenses (Note 2)	20,256	1,221
	168,615	84,248
<b>Non-current assets</b>		
Capital assets (net of accum. amortization of \$3,053) (Note 1)	8,733	5,327
	8,733	5,327
<b>Total assets</b>	\$ 177,348	\$ 89,575
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable (Note 3)	\$ 10,964	\$ 101
Employee deductions and benefits payable	9,306	-
	20,270	101
<b>Net Assets</b>		
General Fund	157,078	89,474
	157,078	89,474
<b>Total liabilities and net assets</b>	\$ 177,348	\$ 89,575

Approved on behalf of the Board of Directors:

\_\_\_\_\_ Director                      \_\_\_\_\_ Director

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

**FOOD4KIDS MISSISSAUGA  
STATEMENT OF OPERATIONS**

<b>For the year ended December 31</b>	<b>2020</b>	<b>2019</b>
<b>Revenues</b>		
Funds allocation-Food4Kids ON	\$ 55,000	\$ 34,000
Contributions- individuals and businesses	14,277	40,953
Contributions- registered charities (Note 4)	99,116	5,853
Grant- Region of Peel	72,225	-
Contributed materials and services (Note 5)	37,830	42,689
Fundraising events	8,137	960
	<u>286,585</u>	<u>124,455</u>
<b>Expenses</b>		
Program services		
Personnel expense and employee benefits (Note 6)	18,232	-
Subcontracted services (Note 6)	26,271	-
Food purchases	42,322	19,348
Holiday gifts for program participants	2,300	1,676
Holiday gifts for volunteers	967	-
Grocery store gift cards	53,627	700
Professional fees	-	125
Staff transportation	636	561
Supplies-program	3,958	708
Support services		
Management (Note 7)	65,892	32,291
Fundraising	4,776	472
	<u>218,981</u>	<u>55,881</u>
<b>Excess of revenues over expenses for the year</b>	<u>\$ 67,604</u>	<u>\$ 68,574</u>

**FOOD4KIDS MISSISSAUGA  
STATEMENT OF CHANGES IN NET ASSETS**

<b>For the year ended December 31</b>	<b>2020</b>	<b>2019</b>
<b>General fund, beginning of the year</b>	\$ 89,474	\$ 20,900
<b>Excess of revenues over expenses for the year</b>	<u>67,604</u>	<u>68,574</u>
<b>General fund, end of year</b>	<u>\$ 157,078</u>	<u>\$ 89,474</u>

**FOOD4KIDS MISSISSAUGA  
STATEMENT OF CASH FLOWS**

<b>For the year ended December 31</b>	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities</b>		
Excess of revenues over expenses	\$ 67,604	\$ 68,574
Non-cash items:		
Amortization	2,094	959
Changes in non-cash working capital balances		
Increase in prepaid expenses	(19,035)	(1,221)
Increase in accounts payable	10,863	101
Increase in employee deductions and benefits payable	9,306	-
	<u>70,832</u>	<u>68,413</u>
<b>Cash flows from investing activities</b>		
Acquisition of capital assets	<u>(5,500)</u>	<u>(6,286)</u>
	<u>(5,500)</u>	<u>(6,286)</u>
<b>Increase in cash and cash equivalents during the year</b>	65,332	62,127
<b>Cash and cash equivalents, beginning of year</b>	<u>83,027</u>	<u>20,900</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 148,359</u>	<u>\$ 83,027</u>



**Food4Kids Mississauga**  
**Summary of Significant Accounting Policies**

**December 31, 2020**

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**Nature of Operations**

Food4Kids Mississauga incorporated on May 18, 2018 in Ontario as a not-for-profit organization pursuant to Section 149 of the Income Tax Act (Canada). As of January 01, 2019 the Organization was granted tax-exempt status as a registered charity under the Income Tax Act. The Organization's objective is to provide healthy weekend meals to elementary students between the ages of 5-14 who have been identified as at risk for poor nutrition by a participating school and whose parents have registered for the program. The Organization began its program in February 2019 at one participating school, Brian W. Fleming Public School in Mississauga, Ontario, with 59 participants and provided 1,180 bags of weekend meals from February-June 2019 and, with 39 participants at the beginning of the 2019/2020 school year, provided 312 bags of weekend meals for November and December 2019. In March 2020 the Organization added another school, reaching 8 schools and a total of 233 children in 2020. At the start of the 2020 pandemic the Organization has provided curbside pickup of bags of weekend meals, transitioning to online access to \$15 weekly grocery gift cards for participants. The Organization relies on funds allocated by Food4Kids ON, donations from businesses, organizations and individuals and contributed materials and services to fund its program. In 2020 the Organization received additional funding from the Covid-19 Community Fund of the Region of Peel.

**Basis of Presentation**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

**Fund Accounting**

The organization uses one operating fund, the general fund, to record assets, liabilities, net assets, revenues and expenses in accordance with fund accounting.

**Cash and Cash Equivalents**

Cash and cash equivalents consist of one chequing account.

**Revenue Recognition**

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the period 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. For the years ended December 31, 2020 and December 31, 2019 the Organization had no deferred revenue from restricted contributions and had no receivables as at December 31, 2020 and December 31, 2019.

**Food4Kids Mississauga**  
**Summary of Significant Accounting Policies**

**December 31, 2020**

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**Contributed Materials and Services**

The Organization recognizes contributions of materials and services at fair value as of the date of contribution.

Because of the difficulty in determining fair value, contributions of volunteer hours are not recognized in the financial statements.

**Financial Instruments**

Financial instruments are financial assets or liabilities. The Organization's financial instruments consist of cash in bank and accounts payable. The Organization initially measures its financial assets and liabilities at fair value and subsequently measures all its financial assets and financial liabilities at amortized cost.

**Use of Estimates**

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that 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 expenditures during the reporting period. Actual results could differ from those estimates.

Estimates have been made by management with regard to these financial statements primarily in relation to prepayments and accounts payable.

These estimates and assumptions are reviewed periodically and as adjustments become necessary they are recorded in the periods in which they become known.

**Capital Assets**

Capital assets are recorded at cost if purchased or fair value at the time of contribution. Capital assets are amortized on the basis of their useful life using the appropriate Capital Cost

Allowance (CCA) Class declining balance method for the rate as follows:

Class 50 computer hardware- 55%

Class 8 appliances 20%

**Allocation of Expenses**

A number of general support expenses which are not directly allocable to activities of the Organization have been recorded as management or fundraising expenses based on information provided by management. Personnel expenses and subcontracted services have also been recorded as program or management expenses based on information provided by management.

**Food4Kids Mississauga  
Notes to Financial Statements**

**December 31, 2020**

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**1. Capital Assets**

Capital assets reflected in these financial statements are as follows:

<u>Asset</u>	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2020 Net Carrying Amount</u>	<u>2019 Net Carrying Amount</u>
Computer Eq, \$	1,888	\$ 1,272	\$ 616	\$ 1,369
Appliances	<u>9,898</u>	<u>1,781</u>	<u>8,117</u>	<u>3,958</u>
	<u>\$11,786</u>	<u>\$ 3,053</u>	<u>\$ 8,733</u>	<u>\$ 5,327</u>

**2. Prepaid Expenses**

Prepaid expenses reflected in these financial statements are as follows:

	<u>2020</u>	<u>2019</u>
Grocery gift cards on hand	\$ 15,675	\$ -
Giant Tiger gift cards on hand	2,000	1,000
Liability insurance	213	221
Rent- January 2021	<u>2,368</u>	-
	<u>\$ 20,256</u>	<u>\$ 1,221</u>

**3. Accounts Payable**

Accounts payable reflected in these financial statements are as follows:

	<u>2020</u>	<u>2019</u>
Credit card processor	\$ 101	\$ 101
Rent- August- December 2020	<u>10,863</u>	-
	<u>\$ 10,964</u>	<u>\$ 101</u>

**4. Contributions- Registered Charities**

Food4Kids Mississauga received support from registered charities as follows:

	<u>2020</u>	<u>2019</u>
Canada Helps	\$ 18,094	\$ 5,853
Charities Aid Foundation of Canada	58	-
Community Food Centres of Canada	10,000	-
Community Foundation of Mississauga	25,000	-
United Way of Greater Toronto	<u>45,964</u>	-
	<u>\$ 99,116</u>	<u>\$ 5,853</u>

**Food4Kids Mississauga  
Notes to Financial Statements**

**December 31, 2020**

**5. Contributed Materials and Services**

Contributed materials and services reflected in these financial statements are as follows:

	<u>2020</u>	<u>2019</u>
Trican Masonry Contractors Inc.-office rent for 2019	\$ -	\$ 25,200
Monikel Investments Ltd.-office rent for 2020	15,581	-
Avondale Restaurant Equipment- freezer	5,500	-
Electrolux Canada-2 refrigerators	-	4,398
Electrolux Canada-food drive	-	500
Genpack Canada- food drive	-	788
Food4Kids ON- food purchases	8,833	6,058
10 President's Choice gift cards	-	500
1 Petrocan gas card	-	50
4 Giant Tiger gift cards	1,000	1,000
3 trolleys	-	480
supplies- sanitizer	1,463	-
holiday gifts for program participants	2,300	-
gifts for volunteers	563	-
social media costs	1,150	-
Ozery's Pita Break, Inc.-cases of Muesli morning rounds	1,440	-
Breadko Bakery- pita bread for 2019 weekend bags	-	<u>3,715</u>
Total	<u>\$ 37,830</u>	<u>\$ 42,689</u>

The appliances are recorded as capital assets and the Giant Tiger gift cards are included in prepaid expenses, since they were on hand at December 31, 2020 and December 31, 2019. The other contributions of materials and services are recorded as expenses in the Statement of Operations.

Food4Kids ON also paid for costs of the Organization's special event in the year 2020 totaling \$3,856 which are included in revenue and expenses of the special event.

The Organization benefitted from the significant hours of services provided by volunteers whose services allowed the Organization to operate without employees in 2020 and 2019, which are estimated at 110 hours in 2020 and 1,718 hours in 2019. The services in 2020 were during the fourth quarter of 2020 for packing and delivery of food since for most of 2020 participants received online grocery gift cards. The services in 2019 included volunteer Executive Director's 884 hours and an additional 834 hours for food packing, food delivery, pamphlet distribution and fundraising activities.

**6. Program Services- Personnel Expenses and Subcontracted Services**

In 2020 the Executive Director was compensated for services, as a subcontractor from January through August 2020 and then as an employee starting in September 2020. Her compensation has been allocated 75% to program services and 25% to management expenses.

**Food4Kids Mississauga  
Notes to Financial Statements**

**December 31, 2020**

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**7. Management Expenses**

Management expenses reflected in the Statement of Operations are as follows:

	<u>2020</u>	<u>2019</u>
Amortization	\$ 2,094	\$ 959
Bank charges	246	120
Computer expenses and supplies	1,993	-
Credit card processing fees	1,208	1,822
Employee benefits	896	-
Equipment maintenance	-	284
Insurance-directors and officers	450	-
Insurance- liability	917	-
Moving expense- office	853	-
Office expense and supplies	1,216	2,301
Other	54	-
Personnel expense	14,022	-
Postage	552	-
Printing	-	1,480
Professional fees	4,520	-
Rent	26,445	25,200
Subcontracted services (Note 6)	8,757	-
Telephone and internet	292	-
Website and social media	<u>1,377</u>	<u>125</u>
	<u>\$65,892</u>	<u>\$32,291</u>

**8. Leases**

The Organization benefitted from a rent-free office lease from January 1, 2019 until August 12, 2020 inclusive of utilities valued at \$2,100 per month, or \$15,581 for the year 2020 and \$25,200 for the year 2019. On August 13, 2020 the Organization began a lease for office space with Dufferin-Peel Catholic District School Board at 1525 Cuthbert Avenue, Mississauga, Ontario L5M 3R6 for the period August 13, 2020 until August 31, 2023 at \$2,382.62 per month, totaling \$10,863 in 2020. Future lease payments are as follows:

<u>Year</u>	
2021	\$28,591
2022	28,591
2023	<u>19,061</u>
	<u>\$76,243</u>

**December 31, 2020**

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**9. Financial Instruments**

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure as at December 31, 2020.

**Credit Risk**

Credit risk arises from the potential that a counter party will fail to perform its obligation. The Organization is exposed to credit risk from its chequing account. The Organization minimizes its credit risk from cash by maintaining its account with a credit worthy and reputable financial institution.

**Liquidity Risk**

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with the settlement of its financial obligations. The Organization is exposed to liquidity risk with respect to its accounts payable. Management has assessed liquidity risk as low since the Organization has a range of alternatives to meet its obligations as they come due including maintaining significant cash on hand and cash flow provided by operations due to donors and funds allocation from Food4Kids ON.

**Market Risk**

The Organization is not exposed to market risk which arises from the possibility that changes in market prices will affect the value of the financial instruments of the Organization.

**Interest Rate Risk**

The Organization is not exposed to interest rate risk.