



FOOD4KIDS MISSISSAUGA

2021 Financial Statements

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2021 Financial Statements

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Independent Auditor's Report

To the Members of Food4kids Mississauga

Qualified Opinion

We have audited the financial statements of Food4kids Mississauga, which comprise the statement of financial position as at December 31, 2021, and the statements of operations and 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 December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the derived revenue from grants, donations and 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 organization. The Organization also does not maintain inventory of food purchases, food received in kind and gift card purchases, which are recognized in these financial statements. Therefore, we were unable to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2021 and December 31, 2020, current assets and net assets as at December 31, 2021 and December 31, 2020. Our audit opinion on the financial statements for the year ended December 31, 2021 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 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 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.

Independent Auditor's Report — 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.

GMS Professional Corp

GMS Professional Corporation
Chartered Professional Accountants
Authorized to Practice Public Accounting by the Chartered
Professional Accountants of Ontario

Mississauga, Ontario
September 23, 2022

FOOD4KIDS MISSISSAUGA
Statement of Financial Position
As at December 31, 2021

	2021	2020
ASSETS		
Current assets		
Cash	\$ 44,306	\$ 141,534
Inventory- Food Items	2,416	-
Prepaid expenses (note 4)	1,525	20,256
	<u>48,247</u>	<u>161,790</u>
Property, plant and equipment (note 5)	10,087	8,733
	<u>\$ 58,334</u>	<u>\$ 170,523</u>
LIABILITIES AND FUND BALANCES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 8,755	\$ 20,270
Unearned revenue (note 6)	20,000	-
	<u>28,755</u>	<u>20,270</u>
Net assets	29,579	150,253
	<u>\$ 58,334</u>	<u>\$ 170,523</u>

See accompanying notes

On behalf of the Board

Member

Member

FOOD4KIDS MISSISSAUGA

Statement of Operations and Changes in Net Assets Year ended December 31, 2021

	2021	2020
Revenue		
General Donations	\$ 10,142	\$ 8,137
Contributions- registered charities	10,869	99,115
Fund allocation- Food4Kids ON	135,000	55,000
Contributions- individuals and businesses	21,897	7,453
Contributed materials and services (note 9)	13,231	37,830
Grant- Region of Peel	47,250	72,225
	<u>238,389</u>	<u>279,760</u>
Expenditures		
Advertising and promotion	1,747	1,377
Amortization	2,791	2,094
Computer expense	1,812	1,993
Food Expenses	49,771	46,281
Insurance- liability	540	917
Interest and bank charges	1,799	1,505
Insurance- directors and officers	1,234	450
Office supplies	4,306	2,622
Gift Cards	170,826	61,671
Professional fees	11,865	4,520
Rent	28,130	26,445
Telephone and utilities	1,301	292
Travel	261	636
Wages and benefits	82,680	68,178
	<u>359,063</u>	<u>218,981</u>
Excess (deficiency) of revenue over expenditures	<u>(120,674)</u>	<u>60,779</u>
Net assets		
As previously stated	157,078	89,474
Prior period adjustment (note 7)	(6,825)	-
Net assets, as restated	<u>150,253</u>	<u>89,474</u>
Net assets, end of year	<u>\$ 29,579</u>	<u>\$ 150,253</u>

See accompanying notes

FOOD4KIDS MISSISSAUGA

Statement of Cash Flows

Year ended December 31, 2021

	2021	2020
Operating activities		
Excess (deficiency) of revenue over expenditures	\$ (120,674)	\$ 60,779
Item not involving cash		
Amortization	2,791	2,094
	(117,883)	62,873
Net change in non-cash working capital items		
Inventory- Food Items	(2,416)	-
Prepaid expenses	18,731	(19,035)
Accounts payable and accrued liabilities	(11,516)	20,169
Unearned revenue	20,000	-
	24,799	1,134
Cash flows from (used in) operating activities	(93,084)	64,007
Investing activity		
Purchase of property, plant and equipment and cash flows from investing activity	(4,144)	(5,500)
Net change in cash during the year	(97,228)	58,507
Cash, beginning of year	141,534	83,027
Cash, end of year	\$ 44,306	\$ 141,534

See accompanying notes

FOOD4KIDS MISSISSAUGA

Notes to Financial Statements
Year ended December 31, 2021

1. Nature of operations

Food4kids Mississauga is a not-for-profit organization incorporated under the Canada Not-for-profit Corporations Act on May 18, 2018, and is a registered charity which is exempt from tax under section 149(I) of the Income Tax Act. It is one of the five affiliated chapters of Food4Kids Ontario.

The objective is to provide healthy meals to elementary students between the ages 5-14 who have been identified as at risk for poor nutrition by a participating school and whose parents have registered for the program.

2. Basis of presentation

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

3. Summary of significant accounting policies and general information

The Organization applies the Canadian accounting standards for not-for-profit organizations.

Basis of 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 year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable when the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed materials and services

Contributions of materials and services are recognized in the financial statements at fair value at the date of contribution, but only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations, and would otherwise have been purchased.

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

Financial instruments

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 liabilities at amortized cost.

Use of estimates

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

FOOD4KIDS MISSISSAUGA

Notes to Financial Statements
Year ended December 31, 2021

3. Summary of significant accounting policies and general information — continued

Use of estimates — continued

Property, plant and equipment

Purchased capital assets are recorded at cost and donated capital assets are recorded at their fair values at the time of receipt. Amortization is provided on a declining balance basis at rates selected to write-off capital assets over the term of their estimated useful lives. The rates are as follows:

Computer Hardware	55%
Appliances	20%

4. Prepaid expenses

	2021		2020	
Gift Cards	\$	1,320	\$	17,675
Liability Insurance		205		213
Rent		-		2,368
	\$	1,525	\$	20,256

5. Property, plant and equipment

	2021			2020	
	Cost	Accumulated amortization	Net	Net	
Appliances	\$ 14,042	\$ 4,233	\$ 9,809	\$ 8,117	
Computer hardware	1,888	1,610	278	616	
	\$ 15,930	\$ 5,843	\$ 10,087	\$ 8,733	

6. Unearned revenue

	2021		2020	
Contributions- registered charities	\$	20,000	\$	-

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Notes to Financial Statements
Year ended December 31, 2021

7. Prior period adjustment

The comparative figures have been retroactively restated to reflect the reversal for deposits in transit of \$6825 which were incorrectly recorded as revenue and cash as at December 31, 2020. As a result, retained earnings as at December 31, 2020 and 2021 have been decreased by \$6825 .

Net earnings for the year ended December 31, 2020 have decreased by \$6825.

In addition, the company has decreased previously reported bank balance by \$6825 as at December 31, 2020

8. Lease commitments

The organization has a lease for office space with Dufferin-Peel Catholic District School Board at 1525 Cuthbert Avenue, Mississauga, Ontario L5M 3R6 till August 31, 2023 at \$2382.62 per month.

The Organization's total commitments are as follows:

2022	\$	28,591
2023		19,061
		<hr/>
	\$	47,652

9. Contributed materials and services

Following are the contributed materials and services reflected in these financial statements:

	2021	2020
Avondale Restaurant Equipment	\$ 4,144	\$ 5,500
Food Items	9,087	10,273
Monikle Investments Ltd- Rent	-	15,581
Gift Cards	-	3,300
Sanitizer	-	1,463
Social media costs	-	1,150
Gifts for volunteers	-	563
		<hr/>
	\$ 13,231	\$ 37,830

The appliances are recorded as capital assets and the contributed food items are recorded as expenses in the statement of operations.

The Organization depends significantly on volunteer services but due to record-keeping and valuation difficulties, it has not been included in these financial statements. A total of 137 volunteer hours were contributed during the year ended December 31, 2021

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Notes to Financial Statements
Year ended December 31, 2021

10. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

Liquidity risk

The Organization does have a liquidity risk in the accounts payable and accrued liabilities of \$8,755 (2020 - \$20,270). Liquidity risk is the risk that the Organization cannot repay its obligations when they become due to its creditors. The Organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate line of credit to repay trade creditors and repays long term debt interest and principal as they become due. In the opinion of management the liquidity risk exposure to the Organization is low and is not material.