

Barrhaven Food Cupboard



Financial Statements For the year ended December 31, 2022



Barrhaven Food Cupboard
Financial Statements
For the year ended December 31, 2022

Contents

Independent Practitioner's Review Engagement Report	1
Financial Statements	
Statement of Financial Position	3
Statement of Operations and Changes in Net Assets	4
Statement of Cash Flows	5
Notes to the Financial Statements	6

Baker Tilly Ottawa LLP
Chartered Professional Accountants
400-301 Moodie Drive
Ottawa, ON
Canada K2H 9C4

T: +1 613.820.8010
F: +1 613.820.0465

ottawa@bakertilly.ca
www.bakertilly.ca

Independent Practitioner's Review Engagement Report

To the Members of Barrhaven Food Cupboard

We have reviewed the accompanying financial statements of Barrhaven Food Cupboard that comprise the statement of financial position as at December 31, 2022 and the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Barrhaven Food Cupboard as at December 31, 2022, 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.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes that Barrhaven Food Cupboard adopted Canadian Accounting Standards for Not-for-profit Organizations on January 1, 2022 with a transition date of January 1, 2021. These standards were applied retrospectively by management to the comparative information in these financial statements, including the balance sheets as at December 31, 2021 and January 1, 2021, and the statements of operations and changes in net assets and cash flows for the year ended December 31, 2021 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is neither audited nor reviewed.

Baker Tilly Ottawa LLP

Chartered Professional Accountants, Licensed Public Accountants
May 3, 2023
Ottawa, Ontario

Barrhaven Food Cupboard Statement of Financial Position

	December 31, 2022	December 31, 2021	January 1, 2021
Assets			
Current			
Cash	\$ 308,188	\$ 318,725	\$ 289,309
Accounts receivable	1,040	-	-
HST recoverable	3,584	1,042	863
Prepaid expenses (Note 3)	20,660	14,337	11,498
Gift cards	17,840	12,140	10,487
	351,312	346,244	312,157
Tangible capital assets (Note 4)	8,800	5,437	-
Long-term portion of prepaid expenses	59,405	73,284	84,738
	\$ 419,517	\$ 424,965	\$ 396,895

Liability and Net Assets

Current			
Accounts payable and accrued liabilities	\$ 22,178	\$ 12,931	\$ 1,685
Net assets	397,339	412,034	395,210
	\$ 419,517	\$ 424,965	\$ 396,895

Approved on behalf of the board:

_____ Member

_____ Member

Barrhaven Food Cupboard Statement of Operations and Changes in Net Assets

For the year ended December 31	2022	2021
Revenues		
Donations and fundraising	\$ 399,656	\$ 237,001
Interest income	3,880	834
	<u>403,536</u>	<u>237,835</u>
Expenditures		
Advertising and promotion	5,434	1,633
Amortization	2,150	718
Awards and grants	1,067	181
Bank charges	3,057	1,837
Food collection and distribution	6,102	9,861
Food purchases	340,857	135,968
General office expenses and supplies	4,008	5,473
Gift cards distributed	22,909	44,015
Insurance	3,406	2,606
Professional fees	13,000	6,171
Storage	13,878	11,454
Telephone	2,363	1,094
	<u>418,231</u>	<u>221,011</u>
Excess (deficiency) of revenues over expenditures for the year	(14,695)	16,824
Net assets, beginning of year	<u>412,034</u>	<u>395,210</u>
Net assets, end of year	<u>\$ 397,339</u>	<u>\$ 412,034</u>

Barrhaven Food Cupboard Statement of Cash Flows

For the year ended December 31	2022	2021
Cash flows from (used in) operating activities		
Excess (deficiency) of revenues over expenditures for the year	\$ (14,695)	\$ 16,824
Adjustment for non-cash item		
Amortization of tangible capital assets	2,150	718
	(12,545)	17,542
Change in non-cash working capital items		
Accounts receivable	(1,040)	-
HST recoverable	(2,542)	(179)
Prepaid expenses	7,556	8,615
Gift cards	(5,700)	(1,653)
Accounts payable and accrued liabilities	9,247	11,246
	(5,024)	35,571
Cash flows from (used in) investing activity		
Purchase of tangible capital assets	(5,513)	(6,155)
Increase (decrease) in cash during the year	(10,537)	29,416
Cash, beginning of year	318,725	289,309
Cash, end of year	\$ 308,188	\$ 318,725

Barrhaven Food Cupboard Notes to the Financial Statements

December 31, 2022

1. Significant Accounting Policies

Nature of Operations	Barrhaven Food Cupboard (the "Organization") is an unincorporated not-for-profit organization created by a constitution dated May 2013. The Organization provides food assistance to those in need in the community of Barrhaven, located in Ottawa, Ontario, through the generosity of the community. The Organization is a registered charity effective January 1, 2014 under the Income Tax Act of Canada and accordingly is exempt from income taxes and is able to issue donation receipts for income tax purposes.
Basis of Presentation	These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-profit Organizations ("ASNPO"), which are part of Canadian generally accepted accounting principles and include the following significant accounting policies.
Use of Estimates	<p>The preparation of financial statements in accordance with ASNPO 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 management's best estimates as additional information becomes available in the future. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in operations in the period in which they become known.</p> <p>Significant estimates include assumptions used in estimating the useful lives and amortization rates of tangible capital assets and accruals for certain liabilities.</p>
Financial Instruments	<p>Financial instruments are financial assets or liabilities of the Organization where, in general, the Organization has the right to receive cash or another financial asset from another party or the Organization has the obligation to pay another party cash or other financial assets.</p> <p><i><u>Measurement of arm's length financial instruments</u></i></p> <p>The Organization initially measures its arm's length financial assets and liabilities at fair value. The Organization subsequently measures arm's length 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 excess of revenue over expenses.</p>

Barrhaven Food Cupboard Notes to the Financial Statements

December 31, 2022

1. **Significant Accounting Policies (continued)**

**Financial Instruments
(continued)**

Measurement of arm's length financial instruments (continued)

Arm's length financial assets and financial liabilities measured at amortized cost include cash, accounts receivable, and accounts payable and accrued liabilities. There are no financial assets or financial liabilities measured at fair value.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down, if any, is recognized in excess of revenue over expenses. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account. The reversal may be recorded provided it is no greater than the amount that would have been reported as a reduction in the asset and it does not exceed the original cost. The amount of the reversal is recognized in excess of revenue over expenses.

Transaction costs

The organization recognizes its transaction costs in excess of revenue over expenses in the period incurred. However, arm's length 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.

Tangible Capital Assets

Tangible capital assets are recorded at cost. Amortization is based on the estimated useful life of the asset and is provided as follows:

Appliances	Straight-line	5 years
------------	---------------	---------

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 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.

Interest income is recognized as revenue when earned.

**Donated Material and
Services**

Materials and services donated to the Organization are not reflected in these financial statements unless the item would be otherwise purchased and the fair value of such donations is reasonably determinable.

Barrhaven Food Cupboard Notes to the Financial Statements

December 31, 2022

2. Impact Of The Change In The Basis Of Accounting

The Organization has elected to adopt the ASNPO included in Part III of the CPA Canada Handbook. These financial statements are the first financial statements for which the Organization has applied ASNPO. Previously, the financial statements were prepared by management and were neither audited nor reviewed.

The financial statements for the year ended December 31, 2022 were prepared in accordance with the ASNPO and provisions set out in FIRST-TIME ADOPTION, Section 1501, for first-time adopters of this basis of accounting.

The Organization has not elected to use any of the exemptions relating to the initial application of ASNPO under section 1501.

The adoption of ASNPO resulted in changes to net assets at the date of transition (January 1, 2021) and the previous financial statements prepared by management for the year ended December 31, 2021 due to the requirement to adjust prior year's capital assets and to adjust the value of gift cards at year-end. An increase to the net assets at January 1, 2022 in the amount of \$5,437 was required to capitalize an appliance purchased in 2021. In addition, an increase to the net assets at December 31, 2021 in the amount of \$7,545 was required to adjust the opening balance of the gift cards on hand. These adjustments reduced expenditures by \$12,982 in 2021. There were no changes at the transition date of January 1, 2021.

3. Prepaid Expenses

Prepaid expenses includes an advance payment of \$70,903 (2021 - \$84,782) to the City of Ottawa representing a prepayment for lease of premises from January 1, 2023 and to March 31, 2029.

4. Tangible Capital Assets

	2022		
	Cost	Accumulated Amortization	Net Book Value
Appliances	\$ 11,668	\$ 2,868	\$ 8,800
	2021		
	Cost	Accumulated Amortization	Net Book Value
Appliances	\$ 6,155	\$ 718	\$ 5,437

Barrhaven Food Cupboard

Notes to the Financial Statements

December 31, 2022

5. Comparative Figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings, except for as set out in Note 2.

6. Financial Instruments

The Organization is exposed to various financial risks through transactions in financial instruments. The following provides helpful information in assessing the extent of the Organization's exposure to these risks.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization is exposed to this risk in respect of its accounts receivable.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

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 risk, interest rate risk, and other price risk. The organization is not exposed to market risk.

Changes in risk

There have been no significant changes in the organization's risk exposures from the previous fiscal year.
