

# **Barrhaven Food Cupboard**



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



**Barrhaven Food Cupboard**  
**Financial Statements**  
For the year ended December 31, 2023

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## 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, 2023, 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, 2023, 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.

*Baker Tilly Ottawa LLP*

Chartered Professional Accountants, Licensed Public Accountants  
April 5, 2024  
Ottawa, Ontario

## Barrhaven Food Cupboard Statement of Financial Position

**December 31** **2023** **2022**

### Assets

#### Current

Cash	\$	<b>432,376</b>	\$	301,570
Accounts receivable		<b>43,795</b>		7,658
HST recoverable		<b>6,486</b>		3,584
Prepaid expenses (Note 2)		<b>26,451</b>		20,660
Gift cards		<b>6,494</b>		17,840

**515,602** **351,312**

#### Tangible capital assets (Note 3)

**19,434** **8,800**

#### Long-term portion of prepaid expenses

**47,908** **59,405**

**\$ 582,944** **\$ 419,517**

### Liability and Net Assets

#### Current

Accounts payable and accrued liabilities	\$	<b>24,264</b>	\$	22,178
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#### Net assets

**558,680** **397,339**

**\$ 582,944** **\$ 419,517**

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	2023	2022
<b>Revenues</b>		
Donations and fundraising	\$ 723,294	\$ 399,656
Interest income	6,772	3,880
	<u>730,066</u>	<u>403,536</u>
<b>Expenditures</b>		
Advertising and promotion	5,586	5,434
Amortization	4,103	2,150
Awards and grants	660	1,067
Bank charges	9,285	3,057
Food collection and distribution	9,139	6,102
Food purchases	462,197	340,857
General office expenses and supplies	7,689	4,008
Gift cards distributed	35,525	22,909
Insurance	3,717	3,406
Professional fees	18,000	13,000
Storage	11,498	13,878
Telephone	1,326	2,363
	<u>568,725</u>	<u>418,231</u>
<b>Excess (deficiency) of revenues over expenditures for the year</b>	<b>161,341</b>	<b>(14,695)</b>
<b>Net assets, beginning of year</b>	<b><u>397,339</u></b>	<b>412,034</b>
<b>Net assets, end of year</b>	<b>\$ 558,680</b>	<b>\$ 397,339</b>

## Barrhaven Food Cupboard Statement of Cash Flows

For the year ended December 31	2023	2022
<b>Cash flows from (used in) operating activities</b>		
Excess (deficiency) of revenues over expenditures for the year	\$ 161,341	\$ (14,695)
Adjustment for non-cash item		
Amortization of tangible capital assets	4,103	2,150
	165,444	(12,545)
Change in non-cash working capital items		
Accounts receivable	(36,137)	3,443
HST recoverable	(2,902)	(2,542)
Prepaid expenses	5,706	7,556
Gift cards	11,346	(5,700)
Accounts payable and accrued liabilities	2,086	9,247
	145,543	(541)
<b>Cash flows from (used in) investing activity</b>		
Purchase of tangible capital assets	(14,737)	(5,513)
<b>Increase (decrease) in cash during the year</b>	<b>130,806</b>	<b>(6,054)</b>
<b>Cash, beginning of year</b>	<b>301,570</b>	<b>307,624</b>
<b>Cash, end of year</b>	<b>\$ 432,376</b>	<b>\$ 301,570</b>

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# Barrhaven Food Cupboard Notes to the Financial Statements

December 31, 2023

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## 1. Significant Accounting Policies

<b>Nature of Operations</b>	<p>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.</p>
<b>Basis of Presentation</b>	<p>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.</p>
<b>Use of Estimates</b>	<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 collectability of accounts receivable, useful lives and amortization rates of tangible capital assets, and certain accrued liabilities.</p>
<b>Financial Instruments</b>	<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><u>Measurement of arm's length financial instruments</u></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>

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# Barrhaven Food Cupboard Notes to the Financial Statements

December 31, 2023

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## 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
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### 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.



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## Barrhaven Food Cupboard Notes to the Financial Statements

December 31, 2023

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

**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.

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**2. Prepaid Expenses**

Prepaid expenses includes an advance payment of \$59,405 (2022 - \$70,903) to the City of Ottawa representing a prepayment for lease of premises up to March 31, 2029.

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**3. Tangible Capital Assets**

	2023		
	Cost	Accumulated Amortization	Net Book Value
Appliances	\$ 26,406	\$ 6,972	\$ 19,434
	2022		
	Cost	Accumulated Amortization	Net Book Value
Appliances	\$ 11,668	\$ 2,868	\$ 8,800

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**4. 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.

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**5. 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.

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## Barrhaven Food Cupboard Notes to the Financial Statements

December 31, 2023

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### 5. Financial Instruments (continued)

#### 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.

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