



**Edward & Manning** LLP  
Chartered Professional Accountants

# **Parkdale Community Food Bank**

## **Financial Statements**

**January 31, 2023**



Edward & Manning <sup>LLP</sup>  
Chartered Professional Accountants

# Parkdale Community Food Bank

January 31, 2023

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## **Independent Auditors' Report**

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To the Members of  
Parkdale Community Food Bank

### *Qualified Opinion*

We have audited the accompanying financial statements of Parkdale Community Food Bank, which comprise the statement of financial position as at January 31, 2023 and the statements of general fund and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of Parkdale Community Food Bank as at January 31, 2023, and the results of 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, the Organization derives revenue from donations and fundraising, 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. Therefore, we were not able to determine whether, as at and for the year ended January 31, 2023, any adjustments might be necessary to revenues, deficiency of revenue over expenses, assets and net assets.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' 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 opinion.

### *Other Matter*

The prior period financial statements were audited by another firm, who in an audit report dated July 18, 2022 expressed a qualified opinion.



## **Independent Auditors' Report**

### ***Continued***

#### *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 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.

In preparing the financial statements, management is responsible for assessing Parkdale Community Food Bank'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Parkdale Community Food Bank's financial reporting process.

#### *Auditors' 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 auditors' 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.



## Independent Auditors' Report

### *Continued*

- 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 Parkdale Community Food Bank'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 Parkdale Community Food Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause Parkdale Community Food Bank 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.

***Edward & Manning LLP***

Chartered Professional Accountants  
Licensed Public Accountants

Toronto, Ontario  
October 07, 2023

# Parkdale Community Food Bank

## Statement of Financial Position

As At January 31, 2023

	Note	2023	2022
<b>Assets</b>			
<b>Current Assets</b>			
Cash - unrestricted		\$ 835,837	\$ 1,861,819
Cash - internally restricted	(3)	1,330,000	-
<b>Total Current Assets</b>		<b>2,165,837</b>	<b>1,861,819</b>
Capital assets	(4)	25,874	37,138
<b>Total Assets</b>		<b>\$ 2,191,711</b>	<b>\$ 1,898,957</b>
<b>Liabilities and Net Assets</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities		\$ 69,737	\$ 8,067
Wages payable		14,288	7,289
Deferred grant contributions	(5)	55,796	27,861
<b>Total Liabilities</b>		<b>139,821</b>	<b>43,217</b>
<b>Net Assets</b>			
Unrestricted		721,890	1,855,740
Internally restricted	(3)	1,330,000	-
<b>Total Fund Balances</b>		<b>2,051,890</b>	<b>1,855,740</b>
<b>Total Liabilities and Net Assets</b>		<b>\$ 2,191,711</b>	<b>\$ 1,898,957</b>

Approved on Behalf of the Board:

  
\_\_\_\_\_, Director

  
\_\_\_\_\_, Director

The accompanying notes are an integral part of these financial statements.

# Parkdale Community Food Bank

## Statement of Operations and Changes in Net Assets

For the Year Ended January 31, 2023

	Note	2023	2022
<b>Revenue</b>			
Donated food	(6)	\$ 2,244,594	\$ 996,535
Grants		306,762	396,633
Donations		679,197	1,058,338
Interest and other income		2,970	1,528
<b>Total Revenue</b>		<b>3,233,523</b>	<b>2,453,034</b>
<b>Expenditures</b>			
Food distributed - donated	(6)	2,244,594	996,535
Food distributed - purchased		321,610	119,483
Salaries and wages		281,204	198,554
Office and general		54,818	119,020
Rental		48,693	31,315
Professional fees		30,095	25,199
Insurance		19,804	11,759
Amortization		11,264	7,164
Travel		11,189	6,930
Bank charges and interest		5,766	8,324
Repairs and maintenance		4,605	-
Advertising and promotion		1,959	2,198
Dues and subscriptions		1,772	-
<b>Total expenses</b>		<b>3,037,373</b>	<b>1,526,481</b>
<b>Excess of revenue over expenditures for the year</b>		<b>196,150</b>	<b>926,553</b>
Net assets, beginning of year		1,855,740	929,187
Transfer to internally restricted fund	(3)	(1,330,000)	-
<b>Net assets, end of year</b>		<b>\$ 721,890</b>	<b>\$ 1,855,740</b>

The accompanying notes are an integral part of these financial statements.

# Parkdale Community Food Bank

## Statement of Cash Flows

For the Year Ended January 31, 2023

	2023	2022
<b>Cash flows from operations:</b>		
Excess of revenue over expenditures for the year	\$ 196,150	\$ 926,553
Amortization	11,264	7,164
Decrease in interest receivable	-	90
Increase (decrease) in accounts payable and accrued liabilities	61,670	(258)
Increase in wages payable	6,999	5,334
Increase in deferred grant contributions	27,935	23,344
<b>Total net cash flows from operations</b>	<b>304,018</b>	<b>962,227</b>
<b>Cash flows from investing activities:</b>		
Purchase of capital assets	-	(42,792)
Maturity of short-term investments	-	63,065
<b>Total net cash flows from investing activities</b>	<b>-</b>	<b>20,273</b>
<b>Net cash increase during the year</b>	<b>304,018</b>	<b>982,500</b>
Cash at beginning of year	1,861,819	879,319
<b>Cash at end of year</b>	<b>\$ 2,165,837</b>	<b>\$ 1,861,819</b>

### Cash consists of the following:

Cash - unrestricted	\$ 835,837	\$ 1,861,819
Cash - internally restricted	1,330,000	-
	<b>\$ 2,165,837</b>	<b>\$ 1,861,819</b>

The accompanying notes are an integral part of these financial statements.



# Parkdale Community Food Bank

## Notes to the Financial Statements

For the Year Ended January 31, 2023

### (1) About the Organization

Parkdale Community Food Bank (the "Organization") was incorporated on October 2, 2014 under a certificate of continuance without share capital under the Canada Non-for-profit Corporations Act. The Organization is a registered charitable organization and as a registered charity, the Organization is exempt from income tax under Section 149(1) of the Income Tax Act.

The Organization is a non-profit grass roots food bank that provides barrier-free food to individuals and families in the Parkdale community of Toronto, Ontario. The organization depends on donations from individuals and businesses, utilizing a shopping system to maximize selection and respect for the dietary needs of each individual. The Organization advocates for the elimination of poverty and food shortages within its community by helping individuals and families economically reintegrate into the community.

### (2) Significant Accounting Policies

#### (a) Basis of presentation

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

#### (b) Revenue recognition

The Organization's principal sources of revenue and the recognition of these revenues for financial statement purposes are as follows:

- i. Monetary donations are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.
- ii. Grants are recognized as revenue in the year in which the related expenses are incurred. Deferred contributions relate to grants received in advance for programs taking place in the next year which do not have a specific externally restricted fund established.
- iii. Interest revenue is recognized as revenue in the year it is received.
- iv. Donated food is recognized as revenue when distributed and valued on independently obtained national standards recommended by Food Banks Canada.

#### (c) Inventory

Food which has been purchased from suppliers but not yet distributed is recorded on the Statement of Financial Position at the lower of cost or replacement value. The cost of inventory is determined on a first-in, first-out basis. Donated food has no net realizable value and is not included in the inventory balance.

# Parkdale Community Food Bank

## Notes to the Financial Statements

For the Year Ended January 31, 2023

### (2) Significant Accounting Policies

#### (d) Capital assets

Amortization is provided for over the estimated useful lives at the following annual rates, subject to the half year rule in the year of acquisition:

Computers	55% declining balance
Equipment	20% declining balance
Vehicles	30% declining balance

#### (e) Use of estimates

The preparation of the 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and may have impact on future periods.

#### (f) Contributed services

Volunteers contribute a significant number of hours to assist the Organization in carrying out its service delivery, administration and Board activities. Since these services are not purchased, such contributed services are not recognized in the financial statements.

#### (g) Fund accounting

The Organization follows the restricted fund method of accounting for contributions whereby all contributions are recognized as revenue when received or receivable. Funds in use are described below:

General fund: These funds are unrestricted contributions and are used for the general operation of the Organization.

Internally restricted: Established by the Board to assist with larger expenses not budgeted for. Contributions and withdrawals require Board approval.

#### (h) Financial instruments

Financial assets and liabilities are carried at cost, which approximates their fair value. It is the directors' opinion that the Organization is not exposed to significant risk relating to financial instruments.

# Parkdale Community Food Bank

## Notes to the Financial Statements

For the Year Ended January 31, 2023

### (3) Internally restricted fund

The Board has approved an internal restriction for specific projects. The fund activity for the year and the components of the fund are as follows:

	2023	2022
Internally restricted fund, opening	\$ -	\$ -
Transfers from unrestricted	1,330,000	-
<b>Internally restricted fund, closing</b>	<b>\$ 1,330,000</b>	<b>\$ -</b>

	2023	2022
Administration contingency	\$ 330,000	\$ -
Building	1,000,000	-
<b>Total</b>	<b>\$ 1,330,000</b>	<b>\$ -</b>

### (4) Capital assets

Capital assets consist of the following:

			2023	2022
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computers	\$ 3,395	\$ (3,139)	\$ 256	\$ 569
Equipment	340	(183)	157	196
Vehicle	42,792	(17,331)	25,461	36,373
<b>Total</b>	<b>\$ 46,527</b>	<b>\$ (20,653)</b>	<b>\$ 25,874</b>	<b>\$ 37,138</b>

### (5) Deferred grant contributions

The details of grants received and recognized as revenue in the year is as follows:

	2023	2022
Deferred grant contributions - beginning of year	\$ 27,861	\$ 4,517
Grants received during the year	334,697	419,977
Grant proceeds recognized as revenue	(306,762)	(396,633)
<b>Deferred grant contributions - end of year</b>	<b>\$ 55,796</b>	<b>\$ 27,861</b>

# Parkdale Community Food Bank

## Notes to the Financial Statements

For the Year Ended January 31, 2023

### (6) Donated food

The use of the national standards recommended by Food Banks Canada was adopted for the year ended January 31, 2023. The Board believes that this valuation is a reasonable reflection of fair market value.

699,250 pounds (2022 - 380,357 pounds) of food was received and valued at \$3.21 (2022 - \$2.62) per pound.

### (7) Related party transactions

No remuneration was paid to directors and officers during the year.

### (8) Financial instruments and risk

The Organization does not face significant currency, interest rate, liquidity or market risk exposure. The fair values of items that meet the definition of financial instruments approximate their carrying values. These items include cash, inventory, accounts payable and accrued liabilities and wages payable.

#### Exposure to credit risk

The Organization is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations.

The maximum exposure to credit risk, as represented by the carrying amount of the financial assets, was:

	2023	2022
Cash - unrestricted	\$ 835,837	\$ 1,861,819
Cash - internally restricted	1,330,000	-
<b>Total</b>	<b>\$ 2,165,837</b>	<b>\$ 1,861,819</b>

# Parkdale Community Food Bank

## Notes to the Financial Statements

For the Year Ended January 31, 2023

### (9) Prior period adjustments

The effects of the Organization's restatement on previously reported financial statements for the year ended January 31, 2022 are summarized as follows:

- An increase in donated foods of \$996,535,
- A decrease in grants of \$24,788,
- An increase in foods distributed - donated of \$996,535,
- An increase in deferred grant contributions of \$24,788.

	2022		
	As Previously Reported	Adjustments	As Restated
<b>Statement of Operations</b>			
<b>Revenue</b>			
Donated food	\$ -	\$ 996,535	\$ 996,535
Grants	421,421	(24,788)	396,633
<b>Total Revenue</b>	<b>1,481,287</b>	<b>971,747</b>	<b>2,453,034</b>
<b>Expenditures</b>			
Food distributed - donated	-	996,535	996,535
<b>Total Expenditures</b>	<b>529,946</b>	<b>996,535</b>	<b>1,526,481</b>
<b>Excess of revenue over expenditures</b>	<b>\$ 951,341</b>	<b>\$ (24,788)</b>	<b>\$ 926,553</b>
<b>Statement of Financial Position</b>			
<b>Current Liabilities</b>			
Deferred grant contributions	\$ 3,073	\$ 24,788	\$ 27,861
<b>Total Liabilities</b>	<b>18,429</b>	<b>24,788</b>	<b>43,217</b>
<b>Net assets, end of year</b>	<b>1,880,528</b>	<b>(24,788)</b>	<b>1,855,740</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,898,957</b>	<b>\$ -</b>	<b>\$ 1,898,957</b>