

BRANT FOOD FOR THOUGHT

FINANCIAL STATEMENTS

MARCH 31, 2017

BRANT FOOD FOR THOUGHT

March 31, 2017

Contents

	<u>Page</u>
<i>Auditors' Report</i>	<i>1</i>
<i>Financial Statements</i>	
<i>Statement of Financial Position</i>	<i>2</i>
<i>Statement of Changes in Net Assets</i>	<i>3</i>
<i>Statement of Funding and Expenditures</i>	<i>4</i>
<i>Statement of Cash Flows</i>	<i>5</i>
<i>Notes to Financial Statements</i>	<i>6 - 8</i>

Independent Auditors' Report

To the Board of Directors of:
Brant Food For Thought

I have audited the accompanying financial statements of Brant Food For Thought, which comprise the statement of financial position as at March 31, 2017 and the statements of changes, funding and expenditures operations 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion of the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

In common with many non-profit organizations, the organization derives its revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the organization. I was not able to determine whether any adjustments might be necessary to donations received, excess of revenue over expenses, assets and net assets and special purpose funds.

The Organization is required to capitalize and amortize its capital asset purchases. The organization expensed capital assets in the amount of \$10,783 (2016 - \$431). See Note 4.

Opinion

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2017 and the results of its operations and changes in its' net assets for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Brantford, Ontario
June 14, 2017



CPA, Chartered Accountant, LPA

BRANT FOOD FOR THOUGHT

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
ASSETS		
Current		
Cash	\$ 17,513	\$ 37,764
Investment account	60,550	60,008
Goods and service tax rebate	10,951	5,287
Prepaid expenses	<u>3,622</u>	<u>3,529</u>
Total Current Assets	<u>92,636</u>	<u>106,588</u>
Restricted Reserve Investment		
Investments - see Note 1 & 3	5,252	6,825
Investments - Brant County Roads - see Note 3	<u>10,562</u>	<u>15,428</u>
Total Restricted Assets	<u>15,814</u>	<u>22,253</u>
Total Assets	<u>\$ 108,450</u>	<u>\$ 128,841</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 8,256	\$ 8,609
Government remittances	-	2,216
Deferred Revenue (Note 3)	<u>43,403</u>	<u>61,311</u>
Total Liabilities	<u>51,659</u>	<u>72,136</u>
NET ASSETS (Note 5)		
Net assets - restricted	5,252	6,825
Net assets - unrestricted	<u>51,539</u>	<u>49,880</u>
Total Net Assets	<u>56,791</u>	<u>56,705</u>
Total Liabilities And Net Assets	<u>\$ 108,450</u>	<u>\$ 128,841</u>

Approved on Behalf of the Board

_____ Director
_____ Director

See accompanying notes
D.M. Austin, CPA, Chartered Accountant

BRANT FOOD FOR THOUGHT

Statement of Net Assets *MARCH 31, 2017*

<i>NET ASSETS</i>	<i>Externally Restricted</i>	<i>Unrestricted</i>	<i>Total 2017</i>	<i>Total 2016</i>
<u><i>Balance, beginning of year</i></u>	6,825	49,880	56,705	68,474
<i>Excess of Revenue over Expenditures</i>	-	86	86	(11,769)
<i>Investment Income</i>	62	(62)	-	-
<i>Funds used for nutritional program</i>	<u>(1,635)</u>	<u>1,635</u>	<u>-</u>	<u>-</u>
<u><i>Balance, end of year</i></u>	<u>\$ 5,252</u>	<u>\$ 51,539</u>	<u>\$ 56,791</u>	<u>\$ 56,705</u>

See accompanying notes
D.M. Austin, CPA, Chartered Accountant

BRANT FOOD FOR THOUGHT
STATEMENT OF FUNDING AND EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
FUNDING		
Funding for Nutrition Programs		
Provincial - Food Funding	\$ 244,168	\$ 242,687
Municipal - Food Funding	56,079	46,952
Donations - Food Funding	62,336	74,931
Grocery Foundation - food funding gift cards	14,917	23,575
Grocery Foundation - in-kind milk (Note 2)	-	10,000
Donation -Graham Bell-Victoria School Estate Fund -(Note 4)	1,635	1,034
Brant County Roads Association - Food Funding	5,000	5,000
Brant United Way - Food Programs	4,500	-
First Ontario Credit Union - Food Funding	<u>18,970</u>	<u>11,125</u>
	<u>407,605</u>	<u>415,304</u>
Funding for Program Support		
Provincial - Community Development and Program Support	73,616	73,616
Municipal - Program Support	42,124	42,000
Brant United Way - Program Support	25,500	25,560
First Ontario Credit Union - Program Support	1,042	1,183
Fundraising - Program Support	<u>3,911</u>	<u>-</u>
	<u>146,193</u>	<u>142,359</u>
Other Income		
Fundraising for community projects (Note 2)	32,070	22,629
Fundraising - donations in-kind (Note 2)	-	3,432
Interest income	726	922
Sale of Forklift	-	3,500
Other income	<u>443</u>	<u>455</u>
	<u>33,239</u>	<u>30,938</u>
	<u>587,037</u>	<u>588,601</u>
EXPENDITURES		
Programs and Projects		
Student nutrition programs	412,486	419,795
Community projects	<u>6,254</u>	<u>5,240</u>
	<u>418,740</u>	<u>425,035</u>
EXCESS OF FUNDING OVER PROGRAM EXPENDITURES		
	<u>168,297</u>	<u>163,566</u>
Administration Costs		
Administration charges	4,927	4,740
Advertising and promotion	1,541	1,525
Bank charges	330	800
Fundraising expense	-	3,557
Insurance	2,732	2,232
Mileage	1,529	1,366
Office and general	6,340	2,714
Postage and courier	353	297
Professional fees	2,910	2,910
Rent	17,305	17,305
Repairs and maintenance	1,169	1,156
Telephone	2,195	3,265
Volunteer management, meetings and training	5,386	7,175
Wages and benefits	121,105	125,635
Website management	<u>389</u>	<u>658</u>
	<u>168,211</u>	<u>175,335</u>
EXCESS (SHORTFALL) OF FUNDING OVER EXPENDITURES		
	<u>\$ 86</u>	<u>\$ (11,769)</u>

STATEMENT OF CASH FLOWS

MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Cash Provided by Operating Activities		
<i>Excess (shortfall) of funding over expenditures</i>	\$ <u>86</u>	\$ <u>(11,769)</u>
Changes in non-cash working capital:		
<i>HST/GST rebate</i>	(5,664)	26
<i>Prepaid expenses</i>	(93)	725
<i>Accounts payable and accruals</i>	(2,569)	7,662
<i>Deferred revenue</i>	<u>(17,908)</u>	<u>31,429</u>
	<u>(26,234)</u>	<u>39,842</u>
Net Cash Provided by Operating Activities	<u>(26,148)</u>	<u>28,073</u>
Cash from Investing Activities		
<i>Investment account</i>	(542)	24,297
<i>Restricted investments</i>	<u>6,439</u>	<u>5,054</u>
Cash Flows provided by Investing Activities	<u>5,897</u>	<u>29,351</u>
Net Increase in Cash	<u>(20,251)</u>	<u>57,424</u>
Net Cash, beginning of year	<u>37,764</u>	<u>(19,660)</u>
Net Cash, end of year	\$ <u>17,513</u>	\$ <u>37,764</u>

Interest revenue earned	<u>726</u>	<u>922</u>
--------------------------------	------------	------------

BRANT FOOD FOR THOUGHT

Notes to the Financial Statements

MARCH 31, 2017

PURPOSE OF THE ORGANIZATION

The organization was incorporated without share capital on March 12, 2004 under letters patent.

The Organization sponsors and promotes nutrition programs at schools and other qualifying organizations in Brantford and Brant County. They mandate that all children and youth will be supported in developing lifelong, healthy nutritional practices, which, in turn, will enhance the student's growth and development and the ability to work to their potential. They believe that the child's ability to learn will be enhanced if they attend school well nourished.

1. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant that are in addition to that note:

(a) Investments

The investments are guaranteed investment certificates and savings accounts. They are short term investments.

(b) Revenue Recognition

The Organization follows the deferral method of accounting for contributions. Restricted Fund contributions are recognized as revenue in the year in which the related expenses are incurred.

(c) Income Recognition

Revenues are recognized as revenue when received or receivable if the amount received can be reasonably estimated and collection is reasonably assured.

(d) Measurement Uncertainty

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organization requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from management's best estimates as additional information becomes available. Differences are not expected to be material.

(e) Contributed Services

The work of the Organization is dependent on the voluntary service of many members. Since these services are not normally purchased by the Organization and while these services benefit the corporation, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

(f) Harmonized Sales Tax / Good and Services Tax

The organization is a qualifying not-for-profit organization and therefore is entitled to claim a rebate of 50% of the federal portion and 82% of the provincial portion of the HST paid on purchases.

(g) Financial Instruments

All assets and liabilities, with the exception of prepaid expenses, are financial instruments and

BRANT FOOD FOR THOUGHT

Notes to the Financial Statements

MARCH 31, 2017

are initially recorded at fair market value and are subsequently recorded at amortized cost.

(h) Income tax

The corporation is a not-for-profit organization and is exempt from income taxes under the Income Tax Act of Canada subsection 149(1) (f).

2. Gifts In-Kind

The organization recognized \$6,743 of gifts in-kind, all of which was for fundraising activities (2016 \$13,432, of which \$3,432 was for fundraising activities and \$10,000 for in-kind milk). Since the gift in-kind revenue amount is offset in expenses at the same amount there is no impact to designated reserves or excess of funding over expenditures.

3. Deferred Revenue

	<u>Beginning</u>	<u>Additions</u>	<u>Expenditures</u>	<u>Ending</u>
Graham Bell School Fund	\$ 6,825	\$ -	\$ (1,635)	\$ 5,190
Breakfast for Champions	3,340	2,650	(3,340)	2,650
Brant County Roads Association	15,000	-	(5,000)	10,000
Municipal food funding - program	10,750	1,285	(10,750)	1,285
Municipal program support	10,500	-	(10,500)	-
Grocery Foundation	-	2,492	-	2,492
Fundraising	<u>14,896</u>	<u>21,785</u>	<u>(14,895)</u>	<u>21,786</u>
	<u>\$ 61,311</u>	<u>\$ 28,212</u>	<u>\$ (46,120)</u>	<u>\$ 43,403</u>

4. Capital Assets

The organization expensed \$10,783 (2016 - \$ 431 for computers, refrigeration, food preparation equipment and other types of kitchen necessities) for items of a capital nature, such as a computer.

Since receipts exceed \$500,000, the organization is required to capitalize asset purchases and amortize them over the asset's useful life. They have chosen not to capitalize and amortize capital assets.

5. Net Assets

Unrestricted Fund

The net assets are to be used to meet the organization's purpose and objectives and are subject to any external restrictions. However, any and all surplus will be committed to future nutritional programs.

Graham Bell Victoria School Fund

All monies in this fund are to be spent on milk and other milk related items for Graham Bell School.

BRANT FOOD FOR THOUGHT

Notes to the Financial Statements

MARCH 31, 2017

Brant County Roads Association

This fund is to be in the amount of \$5,000 per year, until all funds are disbursed. It was a five (5) year program.

6. Risk Management

The Organization may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Organization's risk management processes is to minimize any adverse effects on financial performance.

The Organization's financial instruments consist of cash, investments, accounts receivable and accounts payable and accrued liabilities. In the opinion of management the interest rate risk, credit risk, liquidity risk and the price risk are low and immaterial. The fair value of long-term financial liabilities approximates their carrying value based on the presumption that the corporation is a going concern and thus expects to fully repay the outstanding amounts.

Credit Risk

Financial instruments potentially exposed to credit risk include cash, accounts receivable and investments. Management considers its exposure to credit risk over cash and cash equivalents to be remote as the Organization holds cash deposits at a major Canadian Chartered bank. Accounts receivable are not concentrated and the carrying amount of accounts receivable represents the maximum credit risk exposure.

Interest rate risk

The Organization has cash balances and investments. Management has assessed its exposure to significant interest rate risk arising from fluctuations in interest rates as not material and is unchanged from the prior year.

Liquidity Risk

Liquidity risk is the risk the Organization will not be able to meet its financial obligations as they come due. They have assessed their liquidity risk as not material and is unchanged from the prior year.

7. Allocation of Expenses

The organization maintains its accounts and records in a manner that displays its reliance on the funding it receives from various sources. The organization incurs a number of general support expenses that are common to the administration of the organization and each of its programs. These costs are specifically allocated to individual programs as required to ensure specific contract terms are adhered to when reports to funders are required.

8. Commitments and Contingencies

The lease for the office was renewed in November 2015 a 3 year term, expiring on November 30, 2018. Minimum lease payments for the balance of the lease are \$17,153 per year. (This excludes common area costs as they are variable).

9. Prior Year's Figures

Prior year's figures were reported on by another auditor.