

BRANT FOOD FOR THOUGHT

FINANCIAL STATEMENTS

MARCH 31, 2021

BRANT FOOD FOR THOUGHT

MARCH 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of:
Brant Food For Thought

Qualified Opinion

I have audited the financial statements of Brant Food For Thought, which comprise the statement of financial position as at March 31, 2021 and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies.

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, 2021 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.

Basis for Qualified Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

The Organization is required to capitalize and depreciate its capital assets purchases. The Organization expensed capital assets in the amount of \$3,911 (2020 - \$2,504) (Note 4).

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 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.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that are of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

*September 15, 2021
Brantford, Ontario*



D.M. Austin, CPA, Professional Corporation
Authorized to practice public accounting by the Chartered Professional Accountants of Ontario

BRANT FOOD FOR THOUGHT

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2021

	<u>2021</u>	<u>2020</u>
ASSETS		
Current		
Cash	\$ 19,362	\$ 129,603
Investments (Note 2)	170,815	120,071
Accounts receivable	30,155	29,188
HST rebate recoverable	3,893	4,403
Prepaid expenses	<u>20,342</u>	<u>4,676</u>
Total unrestricted assets	<u>244,567</u>	<u>287,941</u>
Total Assets	<u>\$ 244,567</u>	<u>\$ 287,941</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 11,618	\$ 9,789
Government remittance	293	-
Deferred Revenue (Note 3)	<u>149,560</u>	<u>216,070</u>
	<u>161,471</u>	<u>225,859</u>
NET ASSETS		
Net assets - restricted externally	23	205
Net assets - unrestricted	<u>83,073</u>	<u>61,877</u>
	<u>83,096</u>	<u>62,082</u>
Total Liabilities And Net Assets	<u>\$ 244,567</u>	<u>\$ 287,941</u>

Approved on Behalf of the Board

_____ Director

_____ Director

See accompanying notes to the financial statements
D.M. Austin, CPA, CA, LPA, Brantford, Ontario

BRANT FOOD FOR THOUGHT

STATEMENT OF CHANGES IN NET ASSETS

MARCH 31, 2021

NET ASSETS	Restricted Externally	Unrestricted	Total 2021	Total 2020
<i>Balance, beginning of year</i>	\$ 205	\$ 61,877	\$ 62,082	\$ 65,576
<i>Excess (deficit) Of Receipts Over Expenditures</i>	-	21,014	21,014	(3,494)
<i>Funds used for nutrition program</i>	<u>(182)</u>	<u>182</u>	<u>-</u>	<u>-</u>
<i>Balance, end of year</i>	<u>\$ 23</u>	<u>\$ 83,073</u>	<u>\$ 83,096</u>	<u>\$ 62,082</u>

*See accompanying notes to the financial statements
D.M. Austin, CPA, CA, LPA, Brantford, Ontario*

BRANT FOOD FOR THOUGHT

STATEMENT OF OPERATIONS FOR THE YEAR ENDED MARCH 31, 2021

	<u>2021</u>	<u>2020</u>
RECEIPTS		
<i>Nutrition Programs</i>		
Provincial - food funding	\$ 346,974	\$ 194,203
Municipal - food funding	57,019	34,033
Donations	194,962	45,242
Graham Bell Victoria School - Estate Donation	-	1,087
Brant United Way	30,000	-
First Ontario Food Programs	<u>32,080</u>	<u>20,118</u>
	<u>661,035</u>	<u>294,683</u>
<i>Program Support</i>		
Provincial - Community development and programs	77,796	77,792
Municipal - Program support	35,943	42,250
Provincial - Infrastructure Equipment and Food Distribution	-	934
Brant United Way	30,600	26,000
First Ontario Credit Union	-	1,200
Fundraising - program support	23,330	13,056
In-kind Donations	<u>1,490</u>	<u>4,740</u>
	<u>169,159</u>	<u>165,972</u>
<i>Other Income</i>		
Fundraising for community projects	15,177	20,449
Interest income	744	39
Other income	<u>7,583</u>	<u>-</u>
	<u>23,504</u>	<u>20,488</u>
Total Receipts	<u>853,698</u>	<u>481,143</u>
EXPENDITURES		
<i>Programs and Projects</i>		
Student nutrition programs	667,388	298,836
Community projects	(15)	5,306
In-kind expenses	<u>118</u>	<u>4,740</u>
	<u>667,491</u>	<u>308,882</u>
Excess Of Receipts Over Program Expenditures	<u>186,207</u>	<u>172,261</u>
<i>Administration Costs</i>		
Administration charges	5,053	5,052
Advertising and promotion	1,347	2,180
Bank charges	-	588
Insurance	2,373	2,433
Travel	2,354	1,980
Office and general (Note 4)	3,229	4,387
Professional fees	3,650	3,239
Rental (Note 5)	18,406	18,406
Repairs and maintenance	1,825	1,343
Telephone	2,431	2,222
Volunteer management, meetings and training	260	7,616
Wages and benefits (Note 6)	<u>124,265</u>	<u>126,309</u>
	<u>165,193</u>	<u>175,755</u>
Excess (Deficit) of Receipts over Expenditures	<u>\$ 21,014</u>	<u>\$ (3,494)</u>

See accompanying notes to the financial statements
D.M. Austin, CPA, CA, LPA, Brantford, Ontario

BRANT FOOD FOR THOUGHT

STATEMENT OF CASH FLOWS

MARCH 31, 2021

	<u>2021</u>	<u>2020</u>
OPERATING ACTIVITIES		
Excess (Deficit) of Receipts over Expenditures	\$ <u>21,014</u>	\$ <u>(3,494)</u>
Changes in non-cash working capital:		
HST rebate recoverable	510	4,655
Accounts receivable	(967)	(26,037)
Prepaid expenses	(15,666)	(963)
Interest receivable	-	1,405
Accounts payable and accruals	2,269	438
Government remittance	293	(551)
Deferred revenue	<u>(66,510)</u>	<u>152,571</u>
	<u>(80,071)</u>	<u>131,518</u>
Net Cash (Used in) Provided by Operating Activities	<u>(59,057)</u>	<u>128,024</u>
INVESTING ACTIVITIES		
Proceeds from investments	30,000	88,202
Acquired investments	(80,739)	(120,000)
Shares in credit union sold	-	5
Shares in credit union purchased	<u>(5)</u>	<u>(30)</u>
Cash Flows Used in Investing Activities	<u>(50,744)</u>	<u>(31,823)</u>
Net Increase in Cash	<u>(109,801)</u>	<u>96,201</u>
Net Cash, beginning of year	<u>129,603</u>	<u>33,402</u>
Net Cash, end of year	<u>\$ 19,802</u>	<u>\$ 129,603</u>
Cash Interest received during the year	<u>\$ 739</u>	<u>\$ 710</u>

See accompanying notes to the financial statements
D.M. Austin, CPA, CA, LPA, Brantford, Ontario

BRANT FOOD FOR THOUGHT

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

PURPOSE OF THE ORGANIZATION

The organization was incorporated without share capital on March 12, 2004 under letters of patent in Ontario. It has not-for-profit status and is a registered charity.

The Organization sponsors and promotes nutrition programs at schools and other qualifying organizations in Brantford and Brant County. Their mandate is 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 consist of a guaranteed investment certificate (GIC), and a savings account, shares in a credit union, and interest receivable. They are short term investments. All investments are recorded at cost. Cost approximates fair value.

(b) Revenue Recognition

The Organization follows the deferral method of accounting for contributions. Revenues are recognized as revenue when received or receivable if the amount received can be reasonably estimated and collection is reasonably assured.

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.

Investment income is recognized as revenue when earned in the related fund.

(c) Net Assets

Unrestricted Fund

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.

Restricted Funds

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.

(d) Measurement Uncertainty

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect

BRANT FOOD FOR THOUGHT

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

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 Organization, 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) Financial Instruments

All assets and liabilities, with the exception of prepaid expenses and deferred revenue, are financial instruments and are initially recorded at fair market value and are subsequently recorded at amortized cost.

Transaction costs related to financial instruments that will be subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in income over the life of the instrument using the amortized cost method.

The Organization has not designated any financial asset or liability to be measured at fair value.

(g) Income tax

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

(h) HST Rebate recoverable

As a charity, the organization is entitled to claim a rebate of 50% of the federal portion and 82% of the provincial portion of the HST paid on purchases.

(i) Capital Assets

Expenditures with capital nature are charged to current operations the year of acquisition.

2. Investments

	<u>2021</u>	<u>2020</u>
Savings account - 0.15% interest	\$ 140,299	\$ 90,041
Shares in First Ontario Credit Union	35	30
GIC maturing February 13, 2021 with 1.6% interest	<u>30,481</u>	<u>30,000</u>
Total	<u>\$ 170,815</u>	<u>\$ 120,071</u>

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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

3. Deferred Revenue

	<u>Beginning</u>	<u>Additions</u>	<u>Expenditures</u>	<u>Ending</u>
Breakfast for Champions	\$ 5,025	\$ -	\$ (5,025)	\$ -
Municipal Food				
Funding	26,913	43,000	(57,019)	12,894
Provincial food funding	82,455	267,470	(320,549)	29,376
Municipal program				
support	-	10,500	-	10,500
Breakfast Club of				
Canada	-	86,879	(75,693)	11,186
Fundraising	98,410	108,699	(122,692)	84,417
First Ontario Credit				
Union fund	<u>3,267</u>	<u>30,000</u>	<u>(32,080)</u>	<u>1,187</u>
	<u>\$ 216,070</u>	<u>\$ 546,548</u>	<u>\$ (613,058)</u>	<u>\$ 149,560</u>

4. Capital Assets

Under the Canadian accounting standards for not-for-profit organizations, section 4431, the organization was required to capitalize capital purchases as total average revenue for current and preceding year is over \$500,000. The management considers that it would be difficult and costly to change the accounting policy and has chosen to follow only the disclosure requirements.

During the year, the Organization expensed \$2,086 (2020 - \$2,504) for furniture and equipment and \$1,825 (2020 - Nil) for computers. Contributions received during the year for the purchase of capital assets and included in revenue was \$2,242 (2020 - \$2,363).

5. Commitment

The lease for the premises was renewed for a three year term, expiring on November 30, 2021, with monthly payments of \$1,533 net of tax rebate. The future payments in 2022 are \$12,264.

6. Government assistance

During the year, \$3,175 were received through 10% temporary emergency wage subsidy (TEWS), provided by the government to help businesses to pay payroll taxes during Covid-19 pandemic. Wages for the year have been reduced by the amount of the TEWS.

7. Donations in-kind

During the year, total of \$36,869 (2020 - \$4,740) donations in-kind were received and recorded in the revenue. The amounts are determined only when there is readily available retail value.

8. 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.

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NOTES TO THE FINANCIAL STATEMENTS

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Credit Risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments potentially exposed to credit risk include bank, 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 credit union. Accounts receivable are not concentrated (2020 - two parties representing 93%) of total receivable. The carrying amount of the maximum credit risk exposure is \$224,225 (2020 - \$283,264).

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. The Organization is exposed to credit risk in its accounts payable and accrued liabilities with a carrying amount of \$11,911 (2020 - \$9,789).

9. 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 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.