



Edward & Manning LLP
Chartered Professional Accountants

Parkdale Community Food Bank

Financial Statements

January 31, 2024



Edward & Manning ^{LLP}
Chartered Professional Accountants

Parkdale Community Food Bank

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Independent Auditors' Report

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, 2024 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.

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, 2024, and the results of operations and changes in net assets 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 any adjustments might be necessary to donation revenue, excess of revenue over expenses, and cash flows from operations for the years ended January 31, 2024 and January 31, 2023, and net assets as at January 31, 2024, February 1, 2023, January 31, 2023 and February 1, 2022. Our audit opinion on the financial statements for the year ended January 31, 2024 was modified accordingly because of the possible effects of these limitations in scope.

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 qualified opinion.

Continued



Independent Auditors' Report

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.
- 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.

Continued



Independent Auditors' Report

- 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
June 27, 2024

Parkdale Community Food Bank

Statement of Financial Position

As At January 31, 2024

	Note	2024	2023
Assets			
Current Assets - Unrestricted			
Cash		\$ 1,175,050	\$ 835,837
Sales tax recoverable	(3)	84,664	-
Total Current Assets - Unrestricted		1,259,714	835,837
Current Assets - Restricted			
Cash		-	1,330,000
Investments	(4)	1,335,000	-
Interest receivable		58,205	-
Total Current Assets - Restricted		1,393,205	1,330,000
Capital assets	(5)	73,335	25,874
Total Assets		\$ 2,726,254	\$ 2,191,711
Liabilities and Net Assets			
Current Liabilities			
Accounts payable and accrued liabilities		\$ 25,161	\$ 69,737
Wages payable		16,439	14,288
Deferred grant contributions	(6)	143,280	38,445
Deferred capital donations	(7)	30,546	17,351
Total Liabilities		215,426	139,821
Net Assets			
Unrestricted		1,117,623	721,890
Internally restricted	(8)	1,393,205	1,330,000
Total Fund Balances		2,510,828	2,051,890
Total Liabilities and Net Assets		\$ 2,726,254	\$ 2,191,711

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, 2024

	Note	2024	2022
Revenue			
Donated food	(9)	\$ 1,996,771	\$ 2,244,594
Donations		993,556	679,197
Grants		352,940	299,326
Capital donations recognized	(7)	9,805	7,436
Interest and other income		4,452	2,970
Total Revenue		3,357,524	3,233,523
Expenditures			
Food distributed - donated	(9)	1,996,771	2,244,594
Salaries and wages		364,833	279,887
Food distributed - purchased		307,279	321,610
Rent		103,512	48,693
Office and general		61,956	56,135
Professional fees		47,813	30,095
Repairs and maintenance		42,669	4,605
Professional development		26,871	-
Insurance		26,829	19,804
Amortization		21,926	11,264
Advertising and promotion		16,871	1,959
Dues and subscriptions		7,147	1,772
Vehicle		7,029	11,189
Bank charges and interest		3,960	5,766
Sales tax recoverable	(3)	(78,675)	-
Total expenses		2,956,791	3,037,373
Excess of revenue over expenditures for the year		400,733	196,150
Net assets, beginning of year		721,890	1,855,740
Transfer to internally restricted fund	(8)	(5,000)	(1,330,000)
Net assets, end of year		\$ 1,117,623	\$ 721,890

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, 2024

	2024	2023
Cash flows from operations:		
Excess of revenue over expenditures for the year (all funds)	\$ 458,938	\$ 196,150
Amortization	21,926	11,264
Increase in interest receivable	(58,205)	-
Increase in sales tax recoverable	(84,664)	-
(Decrease) increase in accounts payable and accrued liabilities	(44,577)	61,670
Increase in wages payable	2,151	6,999
Increase in deferred grant contributions	104,835	35,372
Increase (decrease) in deferred capital donations	13,195	(7,437)
Total net cash flows from operations	413,599	304,018
Cash flows from investing activities:		
Purchase of capital assets	(69,386)	-
Purchase of investments	(1,335,000)	-
Total net cash flows from investing activities	(1,404,386)	-
Net cash increase during the year	(990,787)	304,018
Cash at beginning of year	2,165,837	1,861,819
Cash at end of year	\$ 1,175,050	\$ 2,165,837

Cash consists of the following:

Cash	\$ 1,175,050	\$ 835,837
Cash - restricted	-	1,330,000
	\$ 1,175,050	\$ 2,165,837

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, 2024

(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 is not included in the inventory balance.

Parkdale Community Food Bank

Notes to the Financial Statements

For the Year Ended January 31, 2024

(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. These 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.

(3) Sales tax recoverable

During the year, the Board decided to make a Public Services Body rebate claim for the recoverable portion of sales taxes paid on expenses for the 2020 to 2024 years. It is estimated that the recovery will total \$84,663. This amount has been allocated to reduce capital assets by \$5,988, and operating expenses by \$78,675.

Parkdale Community Food Bank

Notes to the Financial Statements

For the Year Ended January 31, 2024

(4) Investments

The Organization has the following investments:

	2024	2023
Guaranteed Investment Certificate, bearing a variable interest rate, maturing Feb 2023	\$ 1,000,000	\$ -
Guaranteed Investment Certificate, bearing a variable interest rate, maturing May 2023	335,000	-
Total	\$ 1,335,000	\$ -

(5) Capital assets

Capital assets consist of the following:

			2024	2023
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computers	\$ 4,076	\$ (3,655)	\$ 421	\$ 256
Equipment	69,046	(13,955)	55,091	157
Vehicle	42,792	(24,969)	17,823	25,461
Total	\$ 115,914	\$ (42,579)	\$ 73,335	\$ 25,874

(6) Deferred grant contributions

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

	2024	2023
Deferred grant contributions - beginning of year	\$ 38,445	\$ 3,073
Grants received during the year	457,775	334,698
Grant proceeds recognized as revenue	(352,940)	(299,326)
Deferred grant contributions - end of year	\$ 143,280	\$ 38,445

Parkdale Community Food Bank

Notes to the Financial Statements

For the Year Ended January 31, 2024

(7) Deferred capital donations

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

	2024	2023
Deferred capital donations - beginning of year	\$ 17,351	\$ 24,787
Grants received during the year	23,000	-
Recognized as revenue	(9,805)	(7,436)
Deferred capital donations - end of year	\$ 30,546	\$ 17,351

(8) 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:

	2024	2023
Internally restricted fund, opening	\$ 1,330,000	\$ -
Transfers from unrestricted	5,000	1,330,000
Interest income	58,205	-
Internally restricted fund, closing	\$ 1,393,205	\$ 1,330,000

	2024	2023
Administration contingency	\$ 346,680	\$ 330,000
Building	1,046,525	1,000,000
Total	\$ 1,393,205	\$ 1,330,000

(9) 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.

During the year, 567,265 pounds (2023 - 699,250 pounds) of food was received and valued at \$3.52 (2023 - \$3.21) per pound.

(10) Related party transactions

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

Parkdale Community Food Bank

Notes to the Financial Statements

For the Year Ended January 31, 2024

(11) 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, investments, interest receivable, sales tax recoverable, 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:

	2024	2023
Cash - unrestricted	\$ 1,175,050	\$ 2,165,837
Investments	1,335,000	-
Sales tax recoverable	84,664	-
Interest receivable	58,205	-
Total	\$ 2,652,919	\$ 2,165,837