

**Ontario Association of Food
Banks (o/a Feed Ontario)
Financial Statements
For the year ended March 31, 2024**

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Independent Auditor's Report

To the Directors of Ontario Association of Food Banks (o/a Feed Ontario)

Opinion

We have audited the financial statements of Ontario Association of Food Banks (o/a Feed Ontario) (the "Association"), which comprise the statement of financial position as at March 31, 2024 and the statements of changes in fund balances, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2024, and its 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 Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association 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.

Responsibilities of Management and Those Charged with Governance 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.

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

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's 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 auditor's 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 Association'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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Association 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Oakville, Ontario
June 4, 2024

Ontario Association of Food Banks (o/a Feed Ontario)

Statement of Financial Position

March 31 **2024** 2023

Assets

Current

Cash (Note 2)	\$ 1,875,393	\$ 1,625,757
Investments (Note 2, 3)	3,152,187	3,959,033
Accounts receivable	228,686	187,513
Prepaid expenses and deposits	65,257	58,557
	<u>5,321,523</u>	<u>5,830,860</u>

Capital assets (Note 4) 217,292 249,419

\$ 5,538,815 **\$ 6,080,279**

Liabilities and Fund Balances

Current

Accounts payable and accrued liabilities	\$ 724,736	\$ 413,098
Deferred revenue (Note 5)	2,849,489	3,844,879
	<u>3,574,225</u>	<u>4,257,977</u>

Deferred capital contributions (Note 6) 178,399 200,047

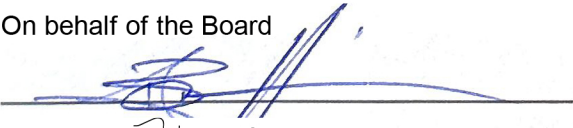
3,752,624 4,458,024

Fund balances

Invested in capital assets	38,893	49,372
Operating contingency reserve	1,650,000	1,572,883
Feeding Possibility reserve	97,298	-
	<u>1,786,191</u>	<u>1,622,255</u>

\$ 5,538,815 **\$ 6,080,279**

On behalf of the Board

 Director

 Director

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

Ontario Association of Food Banks (o/a Feed Ontario)
Statement of Changes in Fund Balances

For the year ended March 31

					2024	2023
	Invested in Capital Assets	Unrestricted	Operating Contingency Reserve	Feeding Possibility Reserve	Total	Total
Balance, beginning of year	\$ 49,372	\$ -	\$ 1,572,883	\$ -	\$ 1,622,255	\$ 1,180,213
Excess of revenue over expenditures for the year	-	163,936	-	-	163,936	442,042
Purchase of capital assets, net of deferred capital contributions	1,894	(1,894)	-	-	-	-
Amortization of deferred capital contributions	39,069	(39,069)	-	-	-	-
Amortization of capital assets	(51,442)	51,442	-	-	-	-
Transfer of funds (Note 1)	-	(174,415)	77,117	97,298	-	-
Balance, end of year	\$ 38,893	\$ -	\$ 1,650,000	\$ 97,298	\$ 1,786,191	\$ 1,622,255

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

Ontario Association of Food Banks (o/a Feed Ontario)

Statement of Operations

For the year ended March 31	2024	2023
Revenue		
Gifts in kind (Note 1)	\$ 20,478,442	\$ 17,090,397
Donations	2,525,620	2,374,004
Food and member program revenue	1,783,058	1,910,475
Grants from other organizations	791,137	97,996
Membership dues	457,109	391,963
National program	254,535	66,408
Interest and other	228,448	111,709
Food program	106,592	116,534
Conference fees	78,858	34,733
Amortization of deferred capital contributions (Note 6)	39,069	29,774
	<u>26,742,868</u>	<u>22,223,993</u>
Expenditures		
Gifts in kind - food (Note 1)	20,472,803	17,082,118
Food banks - program disbursements	2,031,590	1,541,107
Salaries and benefits	1,438,437	956,280
Member programs	869,263	688,987
Food transportation	534,440	284,401
Program materials	272,715	273,176
Professional and consulting fees (Note 7)	200,913	323,028
Advertising, promotion and fundraising events	156,894	95,527
Distribution management	55,964	66,219
Food purchases	119,215	126,245
Rent	113,994	97,892
Meetings and conferences	107,947	33,487
Amortization	51,442	39,192
Office, postage and general	44,448	54,969
Donation processing and bank charges	44,514	35,882
Telephone	24,826	21,603
Dues and fees	14,482	32,757
Insurance	10,541	13,622
Member engagement	8,865	7,180
Gifts in kind - transportation (Note 1)	5,639	8,279
	<u>26,578,932</u>	<u>21,781,951</u>
Excess of revenue over expenditures for the year	\$ 163,936	\$ 442,042

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

Ontario Association of Food Banks (o/a Feed Ontario)

Statement of Cash Flows

For the year ended March 31	2024	2023
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenditures for the year	\$ 163,936	\$ 442,042
Adjustments required to reconcile excess of revenue over expenditures with net cash provided by operating activities		
Amortization of capital assets	51,442	39,192
Amortization of deferred capital contributions	(39,069)	(29,774)
Changes in non-cash working capital balances		
Accounts receivable	(41,173)	96,057
Prepaid expenses and deposits	(6,700)	(6,663)
Accounts payable and accrued liabilities	311,638	(414,303)
Deferred revenue	(995,390)	(745,882)
	<u>(555,316)</u>	<u>(619,331)</u>
Investing activities		
Purchase of capital assets	(19,315)	(96,048)
Redemption (purchase) of investments	806,846	(3,519,926)
	<u>787,531</u>	<u>(3,615,974)</u>
Financing activity		
Deferred capital contributions received	17,421	51,969
Increase (decrease) in cash during the year	249,636	(4,183,336)
Cash, beginning of year	<u>1,625,757</u>	<u>5,809,093</u>
Cash, end of year	<u>\$ 1,875,393</u>	<u>\$ 1,625,757</u>

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

Ontario Association of Food Banks (o/a Feed Ontario)

Notes to Financial Statements

March 31, 2024

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Ontario Association of Food Banks (o/a Feed Ontario) ("the Association") was incorporated as a corporation without share capital by letters patent under the Not-for-Profit Corporations Act on March 19, 1992. The Association continued under the Ontario Not-for-Profit Corporations Act effective October 5, 2023. As a not-for-profit organization, the Association is exempt from the payment of income taxes as provided under the Income Tax Act (Canada) and is a registered charity.

The Association is a membership organization of food banks throughout Ontario with a mandate to assist in meeting the immediate food needs of food bank recipients and to work towards long-term solutions to hunger and poverty.

Basis of Accounting

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

Capital Assets

Capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of the contribution. Capital assets are amortized over their estimated useful lives using the straight-line method as follows:

Computer equipment	- 4 years
Computer software	- 7 years

Revenue Recognition

The Association follows the deferral method of accounting for donations and grants.

Unrestricted revenue including donations, gifts in kind, food drives, food program and national program, are recognized as revenue in the year received.

Unrestricted grants from other organizations are recognized as revenue in the year received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted donations, member program revenue and restricted grants are recognized as revenue in the year in which the related expenses are incurred.

Contributions restricted for the purchase of capital assets are deferred and recognized as revenue at a rate corresponding with the amortization rate of the related capital assets.

Conference fees are recognized when the conference occurs.

Membership dues are paid on an annual basis and are recognized over the term of membership.

Donated Materials and Services

Donated materials and services are recorded in the financial statements as gifts in kind at fair market value when fair market value can be reasonably estimated and when the Association would otherwise have required these items. Food, milk, transportation, other supplies and services of \$20,478,442 (2023 - \$17,090,397) were donated during the year and are included in the statement of operations.

Ontario Association of Food Banks (o/a Feed Ontario)

Notes to Financial Statements

March 31, 2024

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Volunteer Hours

Volunteer hours are not normally purchased and due to the difficulty in determining their fair market value, these contributed services are not recognized in these financial statements.

Deferred Revenue

Deferred revenue includes the portion of grants received that continue into the next fiscal period that are unspent at year end and externally restricted donations for COVID-19 relief efforts. Conference fees collected in advance of the conference taking place are recorded as deferred revenue.

Operating Contingency Reserve

The Operating Contingency Reserve is an internally restricted fund for unanticipated general operating contingencies and the development of food distribution systems. The funds are not available for use by the Association without the prior approval of the Board of Directors. The Board approved a transfer of \$77,117 (2023 - \$407,381) from the Unrestricted Fund to the Operating Contingency Reserve.

Feeding Possibility Reserve

The Feeding Possibility Reserve is an internally restricted fund to support the capacity building of the member network through the Feeding Possibility Grant Program. The funds are not available for use by the Association without the prior approval of the Board of Directors. The Board approved a transfer of \$97,298 (2023 - \$Nil) from the Unrestricted Fund to the Feeding Possibility Reserve.

Financial Instruments

Investments are reported at fair value. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

Use of Estimates

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 the reported amounts of assets and liabilities at the date of the financial statements, and the amount of revenue and expenditures during the reporting year. Actual results could differ from management's best estimates, as additional information becomes available in the future.

2. Restricted Cash and Investments

Within the cash and investments balance, \$98,371 (2023 - \$55,434) is restricted for food programs, \$691,500 (2023 - \$Nil) is restricted for the full shelves campaign, \$904,703 (2023 - \$2,062,600) is restricted for COVID-19 emergency relief programs, and \$843,002 (2023 - \$861,629) is restricted for Northern food strategy program.

Ontario Association of Food Banks (o/a Feed Ontario)

Notes to Financial Statements

March 31, 2024

3. Investments

	2024	2023
Money market mutual funds	\$ 57,416	\$ 19,033
Non-cashable guaranteed investment certificates (GICs)	2,094,771	1,940,000
Cashable guaranteed investment certificate (GIC)	1,000,000	2,000,000
	\$ 3,152,187	\$ 3,959,033

The non-cashable GICs earn interest at rates of 5.30% to 5.35% (2023 - 3.95% to 5.15%), with maturity dates from November 2024 to December 2025 (2023 - June and November 2023). The cashable GIC is linked to the prime interest rate and has a maturity date in July 2024 (2023 - June 2023). As at March 31, 2024, \$1,572,883 (2023 - \$1,632,948) is restricted for general operating contingencies and the development of food distribution systems.

4. Capital Assets

	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 40,482	\$ 35,036	\$ 38,589	\$ 27,641
Computer software	308,324	96,478	290,902	52,431
	\$ 348,806	\$ 131,514	\$ 329,491	\$ 80,072
Net book value		\$ 217,292		\$ 249,419

5. Deferred Revenue

	2024	2023
COVID-19 emergency relief	\$ 904,703	\$ 2,082,241
Northern Food Strategy	843,002	861,629
Full Shelves Campaign	691,500	-
Food programs	98,371	55,435
Conference	55,258	49,347
General	256,655	796,227
	\$ 2,849,489	\$ 3,844,879

Ontario Association of Food Banks (o/a Feed Ontario)

Notes to Financial Statements

March 31, 2024

6. Deferred Capital Contributions

	2024	2023
Balance, beginning of year	\$ 200,047	\$ 177,852
Contributions received	17,421	51,969
Amortization	<u>(39,069)</u>	<u>(29,774)</u>
Balance, end of year	<u>\$ 178,399</u>	<u>\$ 200,047</u>

7. Professional and Consulting Fees

	2024	2023
Legal and accounting	\$ 79,143	\$ 96,818
Strategic planning consultant	77,827	79,177
Audit	32,809	42,073
Staff training and development	8,204	12,272
Human resources consulting	<u>2,930</u>	<u>92,688</u>
	<u>\$ 200,913</u>	<u>\$ 323,028</u>

8. Financial Instrument Risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of its investments. The risk has not changed since the prior year.

9. Commitments

The Association is committed to future annual operating lease payments for its location in fiscal 2025 of \$36,625.

10. Comparative Figures

The comparative figures have been reclassified to conform to the presentation adopted in the current year.