



FOOD4KIDS MISSISSAUGA

2022 Financial Statements

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Independent Auditor's Report

To the Members of Food4kids Mississauga

Qualified Opinion

We have audited the financial statements of Food4kids Mississauga, which comprise the statement of financial position as at December 31, 2022, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derived revenue from donations and fundraising activities, 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 unable to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2022 and December 31, 2021, current assets and net assets as at December 31, 2022 and December 31, 2021. Our audit opinion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

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 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.

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 ASNPO, 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.

Independent Auditor's Report — continued

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 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 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 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.

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.

Mississauga, Ontario
June 30, 2023

GMS Professional Corp

GMS Professional Corporation
Chartered Professional Accountants
Authorized to Practice Public Accounting by the Chartered
Professional Accountants of Ontario

FOOD4KIDS MISSISSAUGA
Statement of Financial Position
As at December 31, 2022

	2022	2021
ASSETS		
Current assets		
Cash	\$ 19,207	\$ 44,306
Inventory- Food Items	3,389	2,416
Prepaid expenses (note 4)	107	1,525
	<u>22,703</u>	<u>48,247</u>
Property, plant and equipment (note 5)	<u>7,972</u>	<u>10,087</u>
	<u>\$ 30,675</u>	<u>\$ 58,334</u>
LIABILITIES AND FUND BALANCES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 29,572	\$ 8,755
Unearned revenue (note 6)	-	20,000
	<u>29,572</u>	<u>28,755</u>
Net assets	<u>1,103</u>	<u>29,579</u>
	<u>\$ 30,675</u>	<u>\$ 58,334</u>

See accompanying notes

On behalf of the Board

Member

Member

FOOD4KIDS MISSISSAUGA

Statement of Operations and Changes in Net Assets Year ended December 31, 2022

	2022	2021
Revenue		
General Donations	\$ 23,462	\$ 10,142
Contributions- registered charities	9,263	10,869
Fund allocation- Food4Kids ON	140,000	135,000
Contributions- individuals and businesses	-	21,897
Contributed materials and services (note 8)	14,347	13,231
Grant	20,000	47,250
Other revenue	8	-
	207,080	238,389
Expenditures		
Advertising and promotion	-	1,747
Amortization	2,115	2,791
Computer expense	2,173	1,812
Food Expenses	75,538	49,771
Insurance- liability	585	540
Interest and bank charges	949	1,799
Insurance- directors and officers	1,382	1,234
Office supplies	1,761	4,306
Gift Cards	24,923	170,826
Professional fees	7,007	11,865
Rent	28,375	28,130
Telephone and utilities	1,057	1,301
Travel	372	261
Wages and benefits	89,319	82,680
	235,556	359,063
Deficiency of revenue over expenditures	(28,476)	(120,674)
Net assets		
As previously stated	29,579	157,078
Prior period adjustment	-	(6,825)
Net assets, as restated	29,579	150,253
Net assets, end of year	\$ 1,103	\$ 29,579

See accompanying notes

FOOD4KIDS MISSISSAUGA

Statement of Cash Flows

Year ended December 31, 2022

	2022	2021
Operating activities		
Deficiency of revenue over expenditures	\$ (28,476)	\$ (120,674)
Item not involving cash		
Amortization	2,115	2,791
	(26,361)	(117,883)
Net change in non-cash working capital items		
Inventory- Food Items	(973)	(2,416)
Prepaid expenses	1,418	18,731
Accounts payable and accrued liabilities	20,817	(11,516)
Unearned revenue	(20,000)	20,000
	1,262	24,799
Cash flows used in operating activities	(25,099)	(93,084)
Investing activity		
Purchase of property, plant and equipment and cash flows from investing activity	-	(4,144)
Net change in cash during the year	(25,099)	(97,228)
Cash, beginning of year	44,306	141,534
Cash, end of year	\$ 19,207	\$ 44,306

See accompanying notes

FOOD4KIDS MISSISSAUGA

Notes to Financial Statements
Year ended December 31, 2022

1. Nature of operations

Food4kids Mississauga is a not-for-profit organization incorporated under the Canada Not-for-profit Corporations Act on May 18, 2018, and is a registered charity which is exempt from tax under section 149(I) of the Income Tax Act. It is one of the five affiliated chapters of Food4Kids Ontario.

The objective is to provide healthy meals to elementary students between the ages 5-14 who have been identified as at risk for poor nutrition by a participating school and whose parents have registered for the program.

2. Basis of presentation

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

3. Summary of significant accounting policies and general information

The Organization applies the Canadian accounting standards for not-for-profit organizations.

Basis of accounting

The organization uses one operating fund, the general fund, to record assets, liabilities, net assets, revenues and expenses in accordance with fund accounting.

Cash and cash equivalents

Cash and cash equivalents consist of one chequing account.

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable when the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed materials and services

Contributions of materials and services are recognized in the financial statements at fair value at the date of contribution, but only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations, and would otherwise have been purchased.

Due to difficulty in determining fair value, contributions of volunteer hours are not recognized in the financial statements.

Financial instruments

The Organization's financial instruments consist of cash in bank and accounts payable. The organization initially measures its financial assets and liabilities at fair value and subsequently measures all its financial assets and liabilities at amortized cost.

Use of estimates

The preparation of financial statements in conformity 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 balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

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Notes to Financial Statements
Year ended December 31, 2022

3. Summary of significant accounting policies and general information — continued

Use of estimates — continued

Property, plant and equipment

Purchased capital assets are recorded at cost and donated capital assets are recorded at their fair values at the time of receipt. Amortization is provided on a declining balance basis at rates selected to write-off capital assets over the term of their estimated useful lives. The rates are as follows:

Computer Hardware	55%
Appliances	20%

4. Prepaid expenses

	2022		2021	
Gift Cards	\$	-	\$	1,320
Insurance		107		205
	\$	107	\$	1,525

5. Property, plant and equipment

	2022			2021	
	Cost	Accumulated amortization	Net	Net	
Appliances	\$ 14,042	\$ 6,195	\$ 7,847	\$ 9,809	
Computer hardware	1,888	1,763	125	278	
	\$ 15,930	\$ 7,958	\$ 7,972	\$ 10,087	

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Notes to Financial Statements
Year ended December 31, 2022

6. Unearned revenue

	2022		2021	
Contributions- registered charities	\$	-	\$	20,000

	Balance, beginning of year	Recognized	Balance, end of year
Contributions- registered charities	\$ 20,000	\$ (20,000)	\$ -
	\$ 20,000	\$ (20,000)	\$ -

7. Lease commitments

The organization has a lease for office space with Dufferin-Peel Catholic District School Board at 1525 Cuthbert Avenue, Mississauga, Ontario L5M 3R6 till August 31, 2023 at \$2382.62 per month.

The Organization's total commitments are as follows:

2023	\$	19,061
	\$	19,061

8. Contributed materials and services

Following are the contributed materials and services reflected in these financial statements:

	2022		2021	
Avondale Restaurant Equipment	\$	-	\$	4,144
Food Items		14,347		9,087
	\$	14,347	\$	13,231

The Organization depends significantly on volunteer services but due to record-keeping and valuation difficulties, it has not been included in these financial statements. A total of 484 volunteer hours were contributed during the year ended December 31, 2022

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Notes to Financial Statements
Year ended December 31, 2022

9. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

Liquidity risk

The Organization does have a liquidity risk in the accounts payable and accrued liabilities of \$29,572 (2021 - \$8,755). Liquidity risk is the risk that the Organization cannot repay its obligations when they become due to its creditors. The Organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate line of credit to repay trade creditors and repays long term debt interest and principal as they become due. In the opinion of management the liquidity risk exposure to the Organization is low and is not material.

Fair value

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity dates. The fair value of long-term financial liabilities approximates their carrying value based on the presumption that the Organization is a going concern and thus expects to fully repay the outstanding amounts.