

Financial Statements of

**THE TABLE COMMUNITY  
FOOD CENTRE**

And Independent Auditor's Report thereon

Year ended March 31, 2023

# THE TABLE COMMUNITY FOOD CENTRE

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Year ended March 31, 2023

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## INDEPENDENT AUDITOR'S REPORT

To the Members of The Table Community Food Centre

### **Qualified Opinion**

We have audited the financial statements of The Table Community Food Centre (the "Entity"), which comprise:

- the statement of financial position as at March 31, 2023
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the "**Basis for Qualified Opinion**" section of our auditor's report, the financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2023, 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 Qualified Opinion**

In common with many not-for-profit organizations, the Entity derives revenue from donation 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 Entity. Therefore, we were not able to determine whether any adjustments might be necessary to:

- the current assets reported on the statement of financial position as at March 31, 2023 and March 31, 2022;
- the donations revenue, fundraising revenue and excess of revenue over expenses reported on the statement of operations for the years ended March 31, 2023 and March 31, 2022;
- the net assets, at the beginning and end of the year, reported on the statement of changes in net assets for the years ended March 31, 2023 and March 31, 2022; and
- the excess of revenue over expenses reported on the statement of cash flows for the years ended March 31, 2023 and March 31, 2022.



Our auditor's opinion on the financial statements for the year ended March 31, 2022 was qualified accordingly because of the possible effect 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 auditor’s report.

We are independent of the Entity 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 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 Entity’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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity’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 the 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.



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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 Entity'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 Entity'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 Entity 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.
- 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.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

Perth, Canada

August 28, 2023

# THE TABLE COMMUNITY FOOD CENTRE

## Statement of Financial Position

March 31, 2023, with comparative information for 2022

	2023	2022
<b>Assets</b>		
Current assets:		
Cash	\$ 612,078	\$ 549,426
Short-term investments (note 2)	96,590	94,641
Accounts receivable	39,087	30,736
Prepaid expenses	30,083	33,494
	<u>777,838</u>	<u>708,297</u>
Capital assets (note 3)	399,688	418,284
	<u>\$ 1,177,526</u>	<u>\$ 1,126,581</u>

## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 39,324	\$ 27,441
Deferred revenue (note 5)	130,940	82,796
	<u>170,264</u>	<u>110,237</u>
Net assets:		
Unrestricted	347,574	338,060
Invested in capital assets	399,688	418,284
Internally restricted - operating reserve fund (note 8)	200,000	200,000
Internally restricted - capital reserve fund (note 8)	60,000	60,000
	<u>1,007,262</u>	<u>1,016,344</u>
Contingent liabilities (note 9)		
Commitment (note 10)		
	<u>\$ 1,177,526</u>	<u>\$ 1,126,581</u>

See accompanying notes to financial statements.

Approved on behalf of the Members:

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# THE TABLE COMMUNITY FOOD CENTRE

## Statement of Operations

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Revenue:		
Donations	\$ 441,993	\$ 456,693
Grants:		
Community Food Centres Canada	238,828	382,711
Federal	23,145	23,000
Municipal	58,459	90,425
Fundraising	130,557	59,848
Interest and other	1,124	1,079
	894,106	1,013,756
Expenses:		
Amortization	18,596	20,058
Bank and interest charges	7,604	5,785
Fundraising	7,886	4,951
Occupancy:		
Insurance	5,482	4,117
Repairs and maintenance	24,287	24,101
Utilities	12,216	10,850
Office and general:		
Advertising and promotion	–	25
Computer and equipment costs	1,824	3,149
Memberships	1,673	1,590
Office expenses	8,286	8,740
Telephone, internet and website	9,137	3,625
Professional fees	6,298	13,225
Program costs	297,292	284,797
Travel and training	9,497	9,258
Wages and benefits	493,110	466,951
	903,188	861,222
Excess of revenue over expenses (expenses over revenue) before the undernoted items		
	(9,082)	152,534
Other revenue (expenses):		
Donations-in-kind	384,222	413,403
Food-in-kind	(384,222)	(413,403)
	–	–
Excess of revenue over expenses (expenses over revenue)		
	\$ (9,082)	\$ 152,534

See accompanying notes to financial statements.

# THE TABLE COMMUNITY FOOD CENTRE

## Statement of Changes in Net Assets

Year ended March 31, 2023, with comparative information for 2022

		Internally restricted				
	Unrestricted	Operating reserve fund	Capital reserve fund	Invested in capital assets	2023 Total	2022 Total
Balance, beginning of year	\$ 338,060	\$ 200,000	\$ 60,000	\$ 418,284	\$ 1,016,344	\$ 863,810
Excess of revenue over expenses (expenses over revenue)	9,514	—	—	(18,596)	(9,082)	152,534
Balance, end of year	\$ 347,574	\$ 200,000	\$ 60,000	\$ 399,688	\$ 1,007,262	\$ 1,016,344

See accompanying notes to financial statements.



# THE TABLE COMMUNITY FOOD CENTRE

## Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used for):		
Operating activities:		
Excess of revenue over expenses (expenses over revenue)	\$ (9,082)	\$ 152,534
Items not involving cash:		
Amortization	18,596	20,058
Change in non-cash operating working capital:		
Short-term investments	(1,949)	(415)
Accounts receivable	(8,351)	(13,523)
Inventory	–	6,800
Prepaid expenses	3,411	14,481
Accounts payable and accrued liabilities	11,883	(12,960)
Deferred revenue	48,144	(74,626)
	62,652	92,349
Investing activities:		
Purchase of capital assets	–	(12,705)
Increase in cash	62,652	79,644
Cash, beginning of year	549,426	469,782
Cash, end of year	\$ 612,078	\$ 549,426

See accompanying notes to financial statements.

# THE TABLE COMMUNITY FOOD CENTRE

Notes to Financial Statements

Year ended March 31, 2023

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The Table Community Food Centre (the “Table”) is incorporated under the laws of Ontario as a not-for-profit organization and is a registered charity under the Income Tax Act and, accordingly, is exempt from income taxes provided certain requirements of the Income Tax Act (Canada) are met. The Table’s mission is to foster a healthier and more connected community through its charitable objectives:

- (a) To establish, operate and maintain a food bank; and
- (b) To operate a community food centre that provides programs, workshops and training to the community that focus on preparing nutritious foods and making nutritious food available to persons of low and moderate income and increasing knowledge and awareness of poverty and food system issues.

## 1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. Significant aspects of the accounting policies adopted by the Table are as follows:

### (a) Revenue recognition:

The Table follows the deferral method of accounting for contributions, which include donations.

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.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Donations-in-kind are recorded as contributions at their estimated fair market value as both revenue and expenses on the Statement of Operations when fair market value can be reasonably estimated and when the Table would otherwise have required these items.

Interest and other income is recognized as revenue when earned.

# THE TABLE COMMUNITY FOOD CENTRE

Notes to Financial Statements

Year ended March 31, 2023

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## 1. Significant accounting policies (continued):

### (b) Capital assets:

Capital assets purchased by the Table are recorded at cost and those donated to the Table are recorded at their fair value at the date of acquisition when fair market value can be reasonably estimated. Capital assets are amortized on a declining balance basis using the following annual rates:

Asset	Rate
Buildings	4%
Furniture and equipment	20%
Kitchen equipment	20%
Computers	50%

The carrying value of an item of capital assets is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount is not recoverable and exceeds its fair value.

Capital assets have been reviewed for full or partial impairment. Management has determined there are none.

### (c) Inventory:

Inventory is stated at the lower of cost or net realizable value.

### (d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Table has not elected to subsequently carry its financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

# THE TABLE COMMUNITY FOOD CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2023

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## 1. Significant accounting policies (continued):

### (d) Financial instruments (continued):

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Table determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Table expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

### (e) Contributed services:

A substantial number of volunteers contribute a significant amount of time each year to assist the Table in carrying out its service activities. Because of the difficulty in determining their fair market value, contributed services are not recognized in the financial statements.

### (f) Use of estimates:

The preparation of financial statements 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 revenue and expenses during the reporting period. Actual results could differ from these estimates.

## 2. Short-term investments:

	2023	2022
Fixed income securities	\$ 96,590	\$ 94,641

The fixed income security is comprised of a guaranteed investment certificate yielding interest at 4.0%, maturing in October 2023.

# THE TABLE COMMUNITY FOOD CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2023

### 3. Capital assets:

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Land	\$ 25,000	\$ –	\$ 25,000	\$ 25,000
Buildings	505,797	144,405	361,392	376,450
Furniture and equipment	21,448	16,284	5,164	6,454
Kitchen equipment	57,539	49,692	7,847	9,809
Computers	17,278	16,993	285	571
	<u>\$ 627,062</u>	<u>\$ 227,374</u>	<u>\$ 399,688</u>	<u>\$ 418,284</u>

Cost and accumulated amortization at March 31, 2022 amounted to \$627,062 and \$208,778, respectively.

### 4. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$493 (2022 - \$777), which include amounts payable for payroll-related taxes.

### 5. Deferred revenue:

Deferred revenue is comprised of the following:

	2023	2022
Canopy Growth Corporation – Smiths Falls Hub	\$ 50,000	\$ 49,936
Town of Smith Falls – Smiths Falls Hub	42,090	–
Community Food Centres Canada – Welcoming Spaces	12,000	–
Perth and District Community Foundation – Housing Coalition Initiative	10,408	–
Miscellaneous – Smiths Falls Hub	8,942	–
Johansen Larsen Foundations – the Earth, Body and Budget Friendly Community Kitchen	7,500	–
Lawson Foundation	–	9,885
Community Food Centres Canada – Loblaws	–	9,700
Perth and District Community Foundation – fresh produce	–	6,000
Rotary Club of Perth – newcomer kitchen	–	3,976
Perth and District Community Foundation – transportation	–	3,299
	<u>\$ 130,940</u>	<u>\$ 82,796</u>

# THE TABLE COMMUNITY FOOD CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2023

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## 6. Credit facility:

The Table has access to an operating credit facility of up to \$100,000 bearing interest at the bank's prime rate, plus 1.75% per annum. The credit facility was undrawn at March 31, 2023 (2022 - undrawn).

## 7. Endowment fund:

The Perth and District Community Foundation holds an endowment fund for the Table. The Table is able to direct the use of this fund and determine the annual distributable earnings, with the balance of earnings being added back to the fund. During the year, there were no distributions from or contributions to the fund, as determined by the Table. The fund balance as at March 31, 2023 is \$198,120 (2022 - \$205,788).

## 8. Internally restricted net assets:

The Table's Board of Directors approved the following internally restricted funds:

### *Operating reserve fund:*

The primary objective of the operating reserve fund is to set aside funds to ensure the Table will be able to meet the needs of day-to-day operations in the future. During the year, the Board of Directors approved a transfer of \$200,000 to the operating reserve fund.

### *Capital reserve fund:*

The primary objective of the capital reserve fund is to set aside funds for future capital requirements. During the year, the Board of Directors approved a transfer of \$60,000 to the capital reserve fund.

## 9. Contingent liabilities:

The nature of the Table's activities is such that there may be litigation pending or in prospect at any time. With respect to claims as at March 31, 2023, management believes that the Table has valid defenses and appropriate insurance coverages in place.

## 10. Commitment:

During the year, the Table signed a 10-year lease agreement commencing October 2023. The annual lease charge is \$25,200/year for the first five years and \$27,000/year for the remaining five years. The annual lease charge for the first year of the lease has been waived by the landlord.

# THE TABLE COMMUNITY FOOD CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2023

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## **11. Financial risks and concentration of risk:**

In the normal course of operations, the Table is exposed to a variety of financial risks which are actively managed by the Table. The Table believes that it is not exposed to significant interest-rate, market, credit or cash flow risk arising from its financial instruments.

There have been no significant changes to the risk exposures from 2022.