

# **North York Harvest Food Bank**

Financial Statements  
**December 31, 2007**

May 13, 2008

## **Auditors' Report**

### **To the Directors of North York Harvest Food Bank**

We have audited the balance sheet of **North York Harvest Food Bank** (the organization) as at December 31, 2007 and the statements of revenues and expenditures, changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the organization derives part of its revenues in the form of donations and special events, which are not susceptible to complete audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenditures for the year, assets and net assets.

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of donations and special events referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

### **Chartered Accountants, Licensed Public Accountants**

# North York Harvest Food Bank

## Balance Sheet

As at December 31, 2007

---

	2007 \$	2006 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash	243,292	187,187
Short-term investment	100,000	100,000
Prepaid expenses and sundry receivables	8,426	41,463
	<hr/>	<hr/>
	351,718	328,650
<b>Property and equipment</b> (note 4)	<hr/>	<hr/>
	239,947	274,250
	<hr/>	<hr/>
	591,665	602,900
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	22,919	21,972
<b>Deferred revenue</b> (note 6)	<hr/>	<hr/>
	211,065	260,428
	<hr/>	<hr/>
	233,984	282,400
<b>Net Assets</b>		
<b>Property and equipment</b>	28,882	13,822
<b>Unrestricted</b>	<hr/>	<hr/>
	328,799	306,678
	<hr/>	<hr/>
	357,681	320,500
	<hr/>	<hr/>
	591,665	602,900
	<hr/>	<hr/>

Approved by the Board of Directors

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# North York Harvest Food Bank

## Statement of Revenues and Expenditures

For the year ended December 31, 2007

	2007		2006	
	Property and equipment \$	Operating \$	Total \$	Total \$
<b>Revenues</b>				
Donations	-	578,138	578,138	497,866
Foundations and grants	-	78,265	78,265	77,416
Special events (note 5)	-	44,212	44,212	34,550
Amortization of deferred revenue (note 6)	49,363	-	49,363	43,493
Grant - City of Toronto	-	20,000	20,000	20,000
New Horizons	-	24,900	24,900	25,000
Interest and other	-	18,473	18,473	31,710
	49,363	763,988	813,351	730,035
<b>Expenditures</b>				
Wages and benefits	-	463,584	463,584	432,657
Fundraising and promotion	-	61,297	61,297	55,683
Office and general	-	55,100	55,100	41,985
Computer	-	1,831	1,831	2,660
Amortization	57,577	-	57,577	50,904
Occupancy costs	-	39,946	39,946	31,492
Insurance	-	15,956	15,956	15,735
Trucks and transportation	-	10,972	10,972	10,518
Warehouse	-	13,278	13,278	13,263
Telephone	-	9,182	9,182	7,753
Travel	-	2,571	2,571	6,089
Volunteers	-	6,608	6,608	5,710
Food purchases	-	38,268	38,268	4,824
	57,577	718,593	776,170	679,273
<b>Excess (deficiency) of revenues over expenditures for the year</b>	<b>(8,214)</b>	<b>45,395</b>	<b>37,181</b>	<b>50,762</b>

# North York Harvest Food Bank

## Statement of Changes in Net Assets

For the year ended December 31, 2007

---

			<u>2007</u>	<u>2006</u>
	<b>Invested in property and equipment \$</b>	<b>Unrestricted \$</b>	<b>Total \$</b>	<b>Total \$</b>
<b>Balance - Beginning of year</b>	13,822	306,678	320,500	269,738
Excess (deficiency) of revenues over expenditures for the year	(8,214)	45,395	37,181	50,762
Purchase of property and equipment	23,274	(23,274)	-	-
<b>Balance - End of year</b>	<u>28,882</u>	<u>328,799</u>	<u>357,681</u>	<u>320,500</u>

# North York Harvest Food Bank

## Statement of Cash Flows

For the year ended December 31, 2007

---

	2007 \$	2006 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenues over expenditures for the year	37,181	50,762
Items not affecting cash		
Amortization of property and equipment	57,577	50,904
Amortization of deferred revenue	(49,363)	(43,493)
	<hr/> 45,395	<hr/> 58,173
Change in non-cash working capital		
Prepaid expenses and sundry receivables	33,037	(30,824)
Accounts payable and accrued liabilities	947	2,394
	<hr/> 33,984	<hr/> (28,430)
	<hr/> 79,379	<hr/> 29,743
<b>Financing activities</b>		
Additions to deferred revenue	-	90,500
<b>Investing activities</b>		
Purchase of short-term investment	-	(100,000)
Purchase of property and equipment	(23,274)	(92,187)
	<hr/> (23,274)	<hr/> (192,187)
<b>Increase (decrease) in cash during the year</b>	56,105	(71,944)
<b>Cash - Beginning of year</b>	<hr/> 187,187	<hr/> 259,131
<b>Cash - End of year</b>	<hr/> <hr/> 243,292	<hr/> <hr/> 187,187

# North York Harvest Food Bank

Notes to Financial Statements

December 31, 2007

---

## 1 Organization

The North York Harvest Food Bank is a not-for-profit organization whose primary purpose is to distribute food to those in need. It is a registered charity under Section 149 of the Income Tax Act, Canada.

## 2 Change in accounting policies

On January 1, 2007, the North York Harvest Food Bank adopted Section 1506, Accounting Changes, of The Canadian Institute of Chartered Accountants (CICA) Handbook, which prescribes the criteria for changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and corrections of errors. This standard did not affect the North York Harvest Food Bank's financial position or results of operations.

As required by the CICA, on January 1, 2007, the North York Harvest Food Bank adopted CICA Handbook Section 3855, Financial Instruments - Recognition and Measurement, and Section 3861, Financial Instruments - Disclosure and Presentation. The new standards were applied retrospectively without restatement that resulted in changes in the presentation of the financial instruments.

### Financial instruments

The North York Harvest Food Bank utilizes various financial instruments. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments and the carrying amounts approximate fair values.

The North York Harvest Food Bank classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired. The organization's accounting policy for each category is as follows:

- Held-for-trading

This category is comprised of guaranteed investment certificates. They are carried in the balance sheet at fair value with changes in fair value recognized in the statement of revenues and expenditures. Transaction costs related to instruments classified as held-for-trading are expensed as incurred. The adoption of this standard did not have a significant effect on the financial statements.

- Other financial assets and liabilities

Other financial assets and liabilities are carried at cost, which approximates fair value due to their short-term nature.

# North York Harvest Food Bank

Notes to Financial Statements

December 31, 2007

---

## 3 Summary of significant accounting policies

### Basis of presentation

These financial statements have been prepared in accordance with the accounting standards for not-for-profit organizations published by the CICA, using the deferral method of reporting restricted contributions.

### Revenue recognition

Revenues and expenditures are accounted for on an accrual basis with the exception of donations, which are recorded when received. Expenditures are recorded net of goods and services tax rebates.

### Donated goods and services

Goods and services that have been donated are recorded in the financial statements at their fair market value when a fair market value can be reasonably estimated and the goods and services would be paid for if not donated. Where an estimate of fair market value cannot reasonably be made, such donations would not be recorded. No value is placed on food donations received and disbursed.

### Short-term investment

Short-term investment consists of a one-year term guaranteed investment certificate, with interest paid monthly.

### Property and equipment and amortization

Property and equipment are recorded at cost if purchased, or recorded at their fair market value if donated. Amortization is calculated on the straight-line method based on the estimated useful lives as follows:

Trucks	10 years
Equipment	5 years
Computer equipment and software	5 years
Leasehold improvements	term of lease plus first renewal period

The North York Harvest Food Bank reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of the asset may not be recoverable and exceeds its fair value. The impairment loss, if any, is the excess of carrying value over fair value.

### Deferred revenue

Deferred revenue is comprised of donations received for the purchase of property and equipment. Amortization is recorded at a rate corresponding to the amortization rate for the related property and equipment purchased.



# North York Harvest Food Bank

Notes to Financial Statements

December 31, 2007

---

## 4 Property and equipment

	<b>2007</b>		
	<b>Cost</b>	<b>Accumulated</b>	<b>Net</b>
	<b>\$</b>	<b>amortization</b>	<b>\$</b>
		<b>\$</b>	
Leasehold improvements	174,093	86,348	87,745
Trucks	229,784	123,169	106,615
Computer equipment and software	94,237	72,092	22,145
Equipment	46,417	22,975	23,442
	<hr/>	<hr/>	<hr/>
	544,531	304,584	239,947
	<hr/>	<hr/>	<hr/>
	<b>2006</b>		
	<b>Cost</b>	<b>Accumulated</b>	<b>Net</b>
	<b>\$</b>	<b>amortization</b>	<b>\$</b>
		<b>\$</b>	
Leasehold improvements	155,039	68,755	86,284
Trucks	229,784	100,190	129,594
Computer equipment and software	90,017	64,370	25,647
Equipment	46,417	13,692	32,725
	<hr/>	<hr/>	<hr/>
	521,257	247,007	274,250
	<hr/>	<hr/>	<hr/>

## 5 Special events revenue

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
Gross revenues	44,212	65,397
Less: Expenses	-	(30,847)
	<hr/>	<hr/>
	44,212	34,550
	<hr/>	<hr/>

## 6 Deferred revenue

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
Deferred revenue - Beginning of year	260,428	213,421
Additions	-	90,500
Less: Amortization	(49,363)	(43,493)
	<hr/>	<hr/>
Deferred revenue - End of year	211,065	260,428
	<hr/>	<hr/>

# North York Harvest Food Bank

Notes to Financial Statements

December 31, 2007

---

## 7 Funds held in trust

The North York Harvest Food Bank acts as the custodian for the Making Connections Coalition. As at December 31, 2007, \$nil (2006 - \$nil) was payable to the Making Connections Coalition.

## 8 Commitments

The organization has entered into a lease agreement for Bathurst Heights Secondary School requiring the following payments:

	\$
2008	48,400
2009	48,400
2010	48,400
2011	48,400
2012	24,200
	<hr/>
	217,800
	<hr/>

[..\..\INSTRUCTION SHEETS\Instruction sheet NORTH YORK HARVEST FOOD BANK 001-FIN \(2007\).doc](#)