



*Newfoundland & Labrador's
Food Bank*

ANNUAL
REPORT
2021 - 22

COMMUNITY FOOD SHARING ASSOCIATION
(2021-2022)

President

Mrs. Wanda Hillier

Vice President

Ms. Michelle Cheeseman

Treasurer

Ms. Lindsey Turpin

Secretary

Ms. Elizabeth Gill

DIRECTORS

Mr. Kevin Ricketts

Ms. Donna Ivany

Mrs. Amy Ralph

Mr. Steve Drodge

Mr. Derek Peddle

GENERAL MANAGER

Mrs. Tina Bishop

STAFF

Mrs. Jacqueline Kennedy

Mr. Tony Trickett

Mr. Garry King

Mr. Bradley Murphy

Message from the Board Chair

As another year comes to close, I reflect on the challenging environment that we all face. Although we are hopefully done with the initial COVID waves, the effects will have long lasting impacts on our society and system. 2021 has been a year of unprecedented challenges with an increasing cost of living, lack of affordable housing, and skyrocketing food prices.

These areas have a direct impact on the demands of the food banking network. Individuals who have never visited a food bank service, are now visiting as a means to make it through. Clients who are regular visitors, are also making more visits. These are alarming trends, that unfortunately we do not see ending any time soon. On the contrary, as the economic situation continues, this will add more pressure on the food banking network and its volunteers.

Hunger Count 2022 overall key findings

-15% Increase in food bank usage compared to 2021

-1/3 of food bank clients are children

-14.1% of clients list employment as their main source of income

-50% of clients list Provincial Social Assistance as their main source of income

-8.9% Clients are seniors

Community Food Sharing Association remains committed to helping food insecure households. With the ongoing support of Staff, Volunteers, and Donors.

I would like to extend a sincere thank-you to all that help the food insecure clients in our province.

Wanda Hillier

Board Chair 2021-2022

GENERAL MANAGER'S REPORT

First of all, I would like to take this opportunity to welcome all of you to this years' Annual General Meeting of The Community Food Sharing Association. As I am sure most of you know, Mr. Egbert Walters has retired as General Manager of The Community Association after 30 year of service. We would like to take this opportunity to thank Eg for his years of dedication to helping those less fortunate throughout the province.

This past year has certainly seen its struggles as we continue to see a significant increase in demand on food banks throughout the province, this increase became prevalent at the beginning of the pandemic in 2020 and over the last two years, the pandemic and the war in Ukraine continue to impact the lives and livelihood of Newfoundlanders and Labradorians. The significant increase in demand coupled with a decrease in food and financial donations continues to cause ongoing challenges for food banks throughout the province to generate sufficient good quality food to fill food hampers for the less fortunate among us. These increases can be directly attributed to the rising cost of fuel and food.

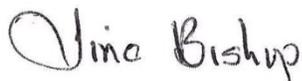
Although we have seen a significant decrease in donations, we still continue to receive support from community groups, the general public, organizations and the business community such as Walmart, Sobeys, Loblaws, Costco and Belbins. It is this support that allows us to be able to continue to provide ongoing support to food banks province-wide.

We also continue to receive much needed support from Food Banks Canada through their various food offerings and major national corporate financial donations. We have applied for and received several grants in the past year. We received \$54,241.00 from Walmart's Fight Hunger Spark Change Campaign, \$21,275.00 to purchase a new Walk in Cooler for our warehouse, and additional \$12,350.00 to purchase a floor scrubber, manual pallet Jack, 4 stainless steel sorting table with 8 folding chairs, we have also received \$57,234.00 to cover the cost of the development of an operations manual as well as a membership agreement. In addition to these, we have also received a combined total of \$120,845.00 for food purchases.

Feed NL Day will take place on Friday, December 16, 2022 with a 3 week promotional campaign leading up to the main event. Members of the community will be encouraged to donate money and/or non-perishable food items throughout the campaign at specified locations or online. On December 16th, a province-wide day of giving will take place with special programming at each of the CBC locations.

In addition, Downtown St. John's is very supportive in holding their Food Drive and cash collection during their Annual Santa Claus Parade which was held on November 27, 2022. Once again, Newfoundland Power are sponsoring this years' parade and have committed to match funds collected at the parade to a maximum of \$15,000.00.

In closing, I would like to express my thanks to all food banks and their volunteers throughout Newfoundland and Labrador for the countless hours of work they put in to help the less fortunate among us. In addition, I would like to thank our Executive and Board members for the many volunteer hours they provide in serving on the Board and helping with numerous public events throughout the year. And it goes without saying, a big thank you to our office and warehouse staff without whose hard work and commitment our Association would cease to function.



Tina Bishop

General Manager

**COMMUNITY FOOD SHARING
ASSOCIATION INC.**

Financial Statements

Year Ended March 31, 2022

COMMUNITY FOOD SHARING ASSOCIATION INC.

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Year Ended March 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Members of Community Food Sharing Association Inc.

Qualified Opinion

We have audited the financial statements of Community Food Sharing Association Inc. (the Association), which comprise the statement of financial position as at March 31, 2022, and the statements of revenues and expenditures, 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 Association as at March 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many charitable organizations, the Association derives revenue from donations the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Association and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets. Our audit opinion on the financial statements for the year ended March 31, 2021 was modified accordingly because of the possible effects of this limitation of 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 Association in accordance with 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 audit 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 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.

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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.



Chartered Professional Accountants
St. John's, NL
September 28, 2022

COMMUNITY FOOD SHARING ASSOCIATION INC.

Statement of Financial Position

March 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash and short-term investment <i>(Note 3)</i>	\$ 3,426,172	\$ 3,050,814
Accounts receivable	9,915	13,620
	3,436,087	3,064,434
CAPITAL ASSETS <i>(Note 4)</i>	126,523	154,811
	\$ 3,562,610	\$ 3,219,245
LIABILITIES		
CURRENT		
Accounts payable	\$ 5,306	\$ 3,001
Government remittances payable	5,620	5,754
	10,926	8,755
DEFERRED CONTRIBUTIONS - CAPITAL ASSETS <i>(Note 5)</i>	124,881	129,640
	135,807	138,395
NET ASSETS		
General fund	3,425,161	3,055,679
Investment in capital assets fund	1,642	25,171
	3,426,803	3,080,850
	\$ 3,562,610	\$ 3,219,245

ON BEHALF OF THE BOARD

Director

Director

See notes to financial statements

COMMUNITY FOOD SHARING ASSOCIATION INC.**Statement of Revenues and Expenditures****Year Ended March 31, 2022**

	2022	2021
REVENUES		
Donations	\$ 1,080,380	\$ 1,951,728
Interest income	5,329	5,516
Harmonized sales tax rebate	9,915	10,063
Rent subsidy	5,200	5,200
Grant- Summer Career Placement	3,973	3,696
Grant - Emergency Food Security fund	70,845	-
Grant - Here For You Campaign	39,700	-
	1,215,342	1,976,203
EXPENDITURES		
Advertising and promotion	380	393
Amortization	43,867	40,343
Freight	42,431	63,394
Here For You Campaign	39,700	-
Insurance	11,384	8,397
Interest and bank charges	840	857
Office	9,495	15,670
Professional fees	5,600	4,025
Rental	15,919	17,247
Salaries and wages	292,235	312,453
Student Job Action	3,973	3,696
Supplies	377,852	99,736
Telephone	13,785	12,118
Vehicle	5,825	12,013
Warehouse	6,103	11,529
	869,389	601,871
EXCESS OF REVENUES OVER EXPENDITURES	\$ 345,953	\$ 1,374,332

See notes to financial statements

COMMUNITY FOOD SHARING ASSOCIATION INC.**Statement of Changes in Net Assets****Year Ended March 31, 2022**

	General Fund	Investment in capital assets Fund	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 3,055,679	\$ 25,171	\$ 3,080,850	\$ 1,706,518
Excess of revenues over expenditures	389,820	(43,867)	345,953	1,374,332
Investment in capital assets - net	(20,338)	20,338	-	-
NET ASSETS - END OF YEAR	\$ 3,425,161	\$ 1,642	\$ 3,426,803	\$ 3,080,850

See notes to financial statements

COMMUNITY FOOD SHARING ASSOCIATION INC.**Statement of Cash Flows****Year Ended March 31, 2022**

	2022	2021
OPERATING ACTIVITIES		
Cash receipts from donations, grants and subsidies	\$ 1,208,959	\$ 1,977,801
Cash paid to suppliers and employees	(823,351)	(562,512)
Interest received	5,329	5,516
Cash flow from operating activities	390,937	1,420,805
INVESTING ACTIVITY		
Purchase of capital assets	(15,579)	(64,183)
INCREASE IN CASH	375,358	1,356,622
Cash - beginning of year	3,050,814	1,694,192
CASH - END OF YEAR (Note 3)	\$ 3,426,172	\$ 3,050,814

See notes to financial statements

COMMUNITY FOOD SHARING ASSOCIATION INC.

Notes to Financial Statements

Year Ended March 31, 2022

1. DESCRIPTION OF THE BUSINESS

Community Food Sharing Association Inc. (the "association") was incorporated under the Corporations Act of Newfoundland and Labrador on July 4, 1985.

The association's primary activity is the distribution of food and certain necessities to community food banks around the Province, who in turn, distribute these items to people in need.

For income tax purposes, the association is classified as a registered charity and is exempt from income tax pursuant to Section 149(1)(l) of the Income Tax Act of Canada.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Cash and short term investment

Cash and short term investment includes cash on hand and high interest savings account balances with financial institutions.

Inventory

Inventory has not been provided for in these financial statements because its value cannot be reasonably estimated and because the goods received are not directly consumed by the association in the normal day-to-day operations. The association is simply a distribution centre for food and certain other necessities.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Equipment	20%	declining balance method
Motor vehicles	30%	declining balance method
Computer equipment	55%	declining balance method

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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COMMUNITY FOOD SHARING ASSOCIATION INC.

Notes to Financial Statements

Year Ended March 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

The association follows the deferral method of accounting for contributions.

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

Interest revenue is recognized on an accrual basis as earned.

Deferred contributions - capital assets

Deferred contributions represents grants awarded to the association for the purpose of purchasing capital assets. These contributions are to be recognized over the estimated useful life of the assets purchased.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Examples of significant estimates include: the amortization of capital assets including the estimated useful lives of capital assets and the recoverability of tangible assets.

3. CASH AND SHORT-TERM INVESTMENT

	2022	2021
Cash	\$ 1,397,089	\$ 1,027,006
Premium investment account	2,029,083	2,023,808
	\$ 3,426,172	\$ 3,050,814

The premium investment account earns interest at a variable interest rate; 0.40% as at March 31, 2022.

COMMUNITY FOOD SHARING ASSOCIATION INC.**Notes to Financial Statements****Year Ended March 31, 2022****4. CAPITAL ASSETS**

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Equipment	\$ 100,817	\$ 45,932	\$ 54,885	\$ 68,606
Motor vehicles	128,775	68,432	60,343	86,205
Computer equipment	15,579	4,284	11,295	-
	\$ 245,171	\$ 118,648	\$ 126,523	\$ 154,811

5. DEFERRED CONTRIBUTIONS - CAPITAL ASSETS

Deferred contributions related to capital assets represent contributed capital assets and restricted contributions in which multiple of the association's assets were originally purchased. The changes in deferred contributions for the period are as follows:

	2022	2021
Beginning balance	\$ 129,640	\$ 112,462
Add: contributed vehicles and equipment	36,504	54,266
Less: amount amortized to revenue	(41,263)	(37,088)
Ending balance	\$ 124,881	\$ 129,640

6. NON-CASH DONATIONS

During the year, the association received and distributed non-cash donations of food and food-related products of approximately \$17,850,000 (2021 - \$18,790,000).

Volunteer hours, representing primarily warehouse activity, were 4,710 (2021 - 5,860).

The value of these donations has not been reflected in these financial statements.