



Heron Emergency Food Centre

TREASURER'S REPORT (FISCAL YEAR 2018) Annual General Meeting (AGM): April 16, 2019

I would first like to say thank you to our amazing donors, Board members and community. Without each integral person involved, our organization wouldn't function and succeed as it does.

2018 has been a year of fine tuning our processes and financial reporting within the finance team. With the donation receipting process well in hand with Michelle, I have turned my attention to finding the most efficient and secure way to make payments, handle incoming bills as well as the financial reporting process including the day to day bookkeeping and monthly reporting to the Board of Directors on the financial health of the Organization.

A large accomplishment of 2018 in my eyes, was the purchase of the new refrigerators and freezers. It is very encouraging to me to see that our ED, Louisa Simms, worked closely with our Board to decide on where to best direct our funds. It is my belief that those working closest with our clients, know where best to direct our funds, so as the Treasurer, our dedicated employee and our volunteers, I take their input to heart and use it in my decision making.

Audited Financial Statements 2017

Parker Prins Lebano (PPL) generously volunteered their services to conduct HEFC's 2017 audit, free of charge. On behalf of the entire Board, I'd like to formally thank PPL. We greatly appreciate their support, which allows HEFC to reduce our administrative expenses and to put more money towards providing an emergency supply of food for those in South-East Ottawa.

Audited statements for 2017 are attached to this Report. The statements show a surplus during the year, indicating that HEFC continues to feel the support of our community in terms of donations, which allow us to solidify and improve our position to serve our community. Although, we as a board are very conscious of reporting surpluses, we feel that it is much wiser to spend the funds raised on food items that our community need and want, rather than spend for the sake of spending.

Unaudited Financial Statements 2018

Unaudited statements for 2018 are attached to this report. In brief, HEFC realized a surplus of \$8,325 in 2018, resulting in a strong cash balance, and healthy reserves. It is anticipated that during the audit of these statements, that the refrigerator and freezers that HEFC purchased will be capitalized, which will increase our surplus. Again, as a board, the majority of every meeting relates to a discussion on how best to spend our funds in a responsible way.

Highlights of the unaudited statements include:

- Stable, continued support from the City of Ottawa, with an annual grant of \$38,509.

- This year, we were so fortunate to see an increase in donations from all sources – 2018 seemed to be the year of unexpectedly large contributions
- Our fundraising efforts decreased slightly, but remained relatively consistent
- We increased our food purchasing by over \$16,000
- Gift card purchases were increased by \$6,700

I would like to remind the members that this is the third year in a row that HEFC has operated at a surplus. The Board is aware that “profit” is not the goal of our Organization, however, I believe that the outcome of the past year has put us in a great place to truly consider what we want to spend and how we want to grow our basket, beyond just the basics.

In the coming year, we continue to diligently check spending against our budgeted figures and are excited about what the coming years hold.

Yours truly,

Shaina Watt, Treasurer

HERON EMERGENCY FOOD CENTRE

FINANCIAL STATEMENTS

DECEMBER 31, 2017

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PARKER PRINS LEBANO
Chartered Professional Accountants
Professional Corporation

INDEPENDENT AUDITORS' REPORT

To the directors of the
HERON EMERGENCY FOOD CENTRE

Report on the Financial Statements

We have audited the accompanying financial statements of the **HERON EMERGENCY FOOD CENTRE** as at December 31, 2017 which comprise the Statement Of Financial Position and the Statements Of Operations And Changes In Net Assets and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the **HERON EMERGENCY FOOD CENTRE** derives revenue from fundraising and donations, the completeness of which is not susceptible to satisfactory audit verification. The organization also derives revenue and expenses from donated food, the existence and completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues and expenses was limited to estimates provided by the organization and we were not able to determine whether any adjustments might be necessary to revenue, expenses, excess of revenue over expenses, assets and net assets.

Qualified Opinion

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenue, and the existence and completeness of donated revenue and expenses as referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the **HERON EMERGENCY FOOD CENTRE** as at December 31, 2017 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.

Parker Prins Lebano Chartered Professional Accountants Professional Corporation
Authorized to practice public accounting by the Chartered Professional Accountants of Ontario

Ottawa, Ontario
February 13, 2019

HERON EMERGENCY FOOD CENTRE
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017

	<u>2017</u>	<u>2016</u>
ASSETS		
CURRENT		
Cash	\$ 81,568	\$ 67,343
Accounts receivable	<u>649</u>	<u>3,392</u>
	82,217	70,735
CAPITAL ASSETS (note 3)	<u>704</u>	<u>985</u>
	<u>\$ 82,921</u>	<u>\$ 71,720</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 10,046	\$ 6,898
Deferred revenue	<u>-</u>	<u>9,038</u>
	10,046	15,936
NET ASSETS	<u>72,875</u>	<u>55,784</u>
	<u>\$ 82,921</u>	<u>\$ 71,720</u>

Approved by the Board:

_____ Director _____ Director

HERON EMERGENCY FOOD CENTRE
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>2017</u>	<u>2016</u>
REVENUE (note 4)		
Donations - church	\$ 17,519	\$ 18,668
Donations - private	11,426	12,020
City of Ottawa	37,387	35,442
Donations - food	25,709	41,267
Fundraising and special events	20,565	24,668
Institution or firm donations	13,668	17,396
In-kind donations	7,013	8,290
Other	28	46
	<u>133,315</u>	<u>157,797</u>
EXPENSES (note 4)		
Amortization	281	396
Business taxes, licenses and memberships	25	45
Donated food	25,709	41,267
Food	64,335	71,927
Insurance	340	340
Interest and bank charges	72	82
Office	830	2,088
Salary and wages	23,679	23,706
Telephone	953	939
	<u>116,224</u>	<u>140,790</u>
EXCESS OF REVENUE OVER EXPENSES	17,091	17,007
NET ASSETS, BEGINNING OF YEAR	<u>55,784</u>	<u>38,777</u>
NET ASSETS, END OF YEAR	<u>\$ 72,875</u>	<u>\$ 55,784</u>

HERON EMERGENCY FOOD CENTRE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 17,091	\$ 17,007
Items not affecting cash:		
Amortization	<u>281</u>	<u>396</u>
	17,372	17,403
Net changes in non-cash items related to operations:		
Accounts receivable	2,743	(3,392)
Accounts payable and accrued liabilities	(5,890)	12,649
Prepaid expenses	<u>-</u>	<u>202</u>
INCREASE IN CASH	14,225	26,862
CASH, BEGINNING OF YEAR	<u>67,343</u>	<u>40,481</u>
CASH, END OF YEAR	<u><u>\$ 81,568</u></u>	<u><u>\$ 67,343</u></u>

HERON EMERGENCY FOOD CENTRE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

1. DESCRIPTION OF BUSINESS

The charity's purpose is to act as a food bank for the beneficiaries of the population of South East Ottawa, distributing food directly to the needy by arranging for, collecting, processing, storing and distributing food. The charity is registered under the Canada Business Corporations Act.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO), and reflect the following policies:

CAPITAL ASSETS

Capital assets are stated at cost. Amortization is recorded using the diminishing balance method at rates calculated to amortize the cost of the assets over their estimated useful lives:

Office furniture & equipment	20%
Kitchen appliances	20%

REVENUE RECOGNITION

The organization follows the deferral method of accounting for contributions. Contributions are recorded as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

3. CAPITAL ASSETS

	2017		2016	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Office furniture & equipment	\$ 3,028	\$ 2,911	\$ 117	\$ 146
Kitchen appliances	2,974	2,387	587	839
	<u>\$ 6,002</u>	<u>\$ 5,298</u>	<u>\$ 704</u>	<u>\$ 985</u>

4. CONTRIBUTED SUPPLIES

At the request of the City of Ottawa, the contributed supplies received from the Ottawa Food Bank and disbursed by the organization have been excluded from presentation on the statement of operations. As the estimated fair market value of the contributed supplies is equivalent to the estimated fair market value of the disbursements, the effect on the statement of operations is nil.

	2017	2016
Food supplies received	\$ 607,368	\$ 485,568
Food supplies disbursed	(607,368)	(485,568)
	<u>\$ -</u>	<u>\$ -</u>

5. FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities. The book values approximate fair values due to their nature. It is management's opinion that the organization is not exposed to significant interest, currency or credit risk arising from these financial instruments.

6. COMPARATIVE FIGURES

Certain comparative figures have been reclassified in order to conform with the current year financial statement presentation.

Heron Emergency Food Centre

BALANCE SHEET

As of December 31, 2018

	TOTAL
Assets	
Current Assets	
Cash and Cash Equivalent	
Buyer Account 1	600.00
Buyer Account 2	4,000.00
ING Direct	6,687.73
Payment Clearing	-100.00
RBC Chequing	56,328.87
Savings	20,000.00
Total Cash and Cash Equivalent	\$87,516.60
Prepaid expenses	0.00
Total Current Assets	\$87,516.60
Non-current Assets	
Property, plant and equipment	
Accum Amort - Kitchen Appliances	-2,354.22
Accum Amort - Office Furn & Equip	-2,911.30
Kitchen Appliances	2,974.17
Office Furniture & Equipment	3,028.00
Total Property, plant and equipment	\$736.65
Total Non Current Assets	\$736.65
Total Assets	\$88,253.25
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable (A/P)	
Accounts Payable	6,948.09
CPP Payable	149.35
EI Payable	70.42
Source Deductions Payable	179.97
Total Accounts Payable (A/P)	\$7,347.83
Total Current Liabilities	\$7,347.83
Total Liabilities	\$7,347.83
Equity	
Retained Earnings	72,579.72
Profit for the year	8,325.70
Total Equity	\$80,905.42
Total Liabilities and Equity	\$88,253.25

Heron Emergency Food Centre

PROFIT AND LOSS COMPARISON

January - December 2018

	TOTAL	
	JAN - DEC 2018	JAN - DEC 2017 (PY)
INCOME		
Donations	0.00	0.00
Canada Helps Donations	8,481.88	7,660.18
Charity Donations	7,868.40	855.60
Church Donations	25,219.58	17,518.90
Corporate Donations	10,275.10	5,151.83
Personal Donations	25,729.11	10,777.43
Wilson's Donations	0.00	500.00
Total Donations	77,574.07	42,463.94
Fundraising	0.00	0.00
Christmas Concert Donations	7,787.10	11,297.75
Walkathon Donations	8,079.50	8,707.00
Total Fundraising	15,866.60	20,004.75
Grant Income	0.00	0.00
City of Ottawa	38,509.00	37,387.00
Total Grant Income	38,509.00	37,387.00
Total Income	\$131,949.67	\$99,855.69
GROSS PROFIT	\$131,949.67	\$99,855.69
EXPENSES		
Amortization	0.00	248.42
Bank charges	92.50	0.00
Bell Mobility	1,034.10	952.63
Business Fees & Licenses	381.47	25.00
Courier & Postage	384.11	258.21
Food Purchases	0.00	0.00
AENOS	18,145.81	14,229.73
Harold Purchases	26,960.51	25,905.25
Lanthier	10,344.00	10,363.00
Louisa Purchases	7,184.42	1,878.70
OFB Purchases	10,472.00	3,946.00
Total Food Purchases	73,106.74	56,322.68
Gift Card Purchases	7,700.00	1,000.00
Insurance	340.20	340.20
Interest & Bank Charges	18.00	72.00
Office expenses	12,137.94	0.00
Office Supplies	231.24	141.41
Payroll	0.00	0.00
CPP Expense	1,090.37	931.72
EI Expense	589.20	509.42
Source Deductions	0.00	-85.80
Wages	26,229.72	22,323.71
Total Payroll	27,909.29	23,679.05
Promotional	100.80	0.00
Rent or lease payments	187.58	0.00
Total Expenses	\$123,623.97	\$83,039.60

	TOTAL	
	JAN - DEC 2018	JAN - DEC 2017 (PY)
OTHER EXPENSES		
Miscellaneous	0.00	430.36
Total Other Expenses	\$0.00	\$430.36
PROFIT	\$8,325.70	\$16,385.73