

**CANADIAN FOOD FOR CHILDREN**

**FINANCIAL STATEMENTS**  
(Unaudited)

**DECEMBER 31, 2021**

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**CANADIAN FOOD FOR CHILDREN**

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**NOTICE TO READER**

On the basis of information provided by management, I have compiled the statement of financial position of Canadian Food For Children as at December 31, 2021 and the statements of changes in net assets, operations and cash flows for the year then ended.

I have not performed an audit or a review engagement in respect of these financial statements and, accordingly, I express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Toronto, Ontario  


  
LICENSED PUBLIC ACCOUNTANT

**CANADIAN FOOD FOR CHILDREN**

**STATEMENT OF FINANCIAL POSITION**

(Unaudited - See Notice to Reader)

**AS AT DECEMBER 31, 2021**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 1,973,941	\$ 1,048,472
Marketable securities	98,294	78,517
Accounts receivable	254,084	137,592
HST recoverable	34,795	37,385
Prepaid expenses and deposits	15,354	15,354
	<u>2,376,468</u>	<u>1,317,320</u>
<b>PROPERTY AND EQUIPMENT (Note 3)</b>	<u>986</u>	<u>1,232</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 2,377,454</u></u>	<u><u>\$ 1,318,552</u></u>

**CANADIAN FOOD FOR CHILDREN**

**STATEMENT OF FINANCIAL POSITION**

(Unaudited - See Notice to Reader )

**AS AT DECEMBER 31, 2021**

	<u>2021</u>	<u>2020</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 4,810	\$ 4,707
	<u>4,810</u>	<u>4,707</u>
<b>NET ASSETS</b>		
Unrestricted Net Assets	<u>2,372,644</u>	1,313,845
	<u>2,372,644</u>	<u>1,313,845</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 2,377,454</u></u>	<u><u>\$ 1,318,552</u></u>

**APPROVED ON BEHALF OF THE BOARD:**

\_\_\_\_\_  
Director

**CANADIAN FOOD FOR CHILDREN**

**STATEMENT OF CHANGES IN NET ASSETS**

(Unaudited - See Notice to Reader)

**YEAR ENDED DECEMBER 31, 2021**

	<u>2021</u>	<u>2020</u>
BALANCE - beginning of year	\$ 1,313,845	\$ 685,744
Net excess of revenue over expenditures	<u>1,058,799</u>	<u>628,101</u>
BALANCE - end of year	<u>\$ 2,372,644</u>	<u>\$ 1,313,845</u>

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**CANADIAN FOOD FOR CHILDREN**

**STATEMENT OF OPERATIONS**

(Unaudited - See Notice to Reader)

**YEAR ENDED DECEMBER 31, 2021**

	<b>2021</b>	<b>2020</b>
<b>OPERATING REVENUES</b>		
Donations - Anonymous	\$ 418,107	\$ 277,832
Donations - Charities	121,017	235,007
Donations - Corporate	4,754,549	4,210,693
Donations- Estates	1,673,929	654,691
Donations - Individuals	2,746,264	2,168,821
Investment (loss) income (Note 5)	3,426	818
Government Grant and Subsidy	13,845	-
	<u>9,731,137</u>	<u>7,547,862</u>
<b>OPERATING EXPENDITURES</b>		
Food and medical supplies	5,952,871	4,622,413
Transportation expenses	2,382,817	1,955,594
Rent expenses	37,681	87,653
Insurance expenses	2,664	5,542
Interest and bank charges	5,660	5,218
Office and general expenses	139,339	80,895
Professional fees	5,298	4,900
Amortization expenses	246	308
Foreign exchange gain/loss	(12,336)	5,753
Payroll expenses	158,098	151,485
	<u>8,672,338</u>	<u>6,919,761</u>
<b>NET EXPENDITURES OVER REVENUES</b>	<u><u>\$ 1,058,799</u></u>	<u><u>\$ 628,101</u></u>

**CANADIAN FOOD FOR CHILDREN**

**STATEMENT OF CASH FLOWS**  
(Unaudited - See Notice to Reader)

**YEAR ENDED DECEMBER 31, 2021**

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Net excess of expenditures over revenue	\$ 1,058,799	\$ 628,101
Amortization	246	308
	<u>1,059,045</u>	<u>628,409</u>
Changes in non-cash working capital		
Decrease (increase) in Account receivable	(116,492)	(29,832)
Decrease (increase) in HST recoverable	2,590	9,366
Increase (decrease) in Accounts payable and accruals	(103)	302
Gifts in kind net	206	(133,071)
	<u>945,246</u>	<u>475,174</u>
<b>INVESTING ACTIVITIES</b>		
Net proceeds from sale (investment) of marketable securities	(19,777)	70,488
	<u>(19,777)</u>	<u>70,488</u>
Net increase (decrease) in cash during the year	925,469	545,662
Cash, beginning of year	1,048,472	502,810
	<u>1,973,941</u>	<u>1,048,472</u>
<b>Cash consists of:</b>		
Bank - CAD	\$ 1,319,715	\$ 906,518
Bank - USD	654,226	141,954
	<u>1,973,941</u>	<u>1,048,472</u>



**CANADIAN FOOD FOR CHILDREN**

**NOTES TO THE FINANCIAL STATEMENTS**

(Unaudited - See Notice to Reader)

**DECEMBER 31, 2021**

**NOTE 1 PURPOSE OF THE ORGANIZATION**

CANADIAN FOOD FOR CHILDREN ("the organization") was incorporated under the laws of Ontario without share capital as a non-profit organization exempt from income tax, and as a registered charity under the Income Tax Act, is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity, it must meet certain requirements as specified by the Canada Revenue Agency. In the opinion of management, these requirements have been met for 2020. The purpose of the organization is to create awareness and collect food and medical supplies for distribution to those in need in Africa, South America and other regions of the world with extreme poverty.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Revenue Recognition**

The organization follows the deferral method of accounting for contributions. Under the deferral method of accounting for contributions, restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred.

Gifts in kind are recorded at fair value. The cost of these donations are recorded in the books at the same value and in accordance with CRA guidelines in situations where charitable receipts are issued. All other revenues are recorded on the accrual basis and are reflected in the statement of operations.

**b) Property and Equipment**

Property and Equipment are recorded at cost and amortized over their estimated useful lives using the declining balance method at the following rates, no election is made.

Equipment and furniture	-	20%
Trucks	-	30%

**c) Restricted Donations/Funds**

The organization does not accept donations that are restricted or encumbered in any fashion. As such, there are no assets subject to restriction.

# CANADIAN FOOD FOR CHILDREN

## NOTES TO THE FINANCIAL STATEMENTS

(Unaudited - See Notice to Reader)

DECEMBER 31, 2021

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### d) Estimates and Assumptions

The preparation of the organization's financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amount in the financial statements and the disclosure in the notes thereto. Actual results could differ from those estimates used in preparing the financial statements.

#### e) Inventory

The organization accounts for goods donated on hand at year-end as being consumed in the fiscal year donated. No amounts are treated as inventory, given the difficulty in valuing non-current items.

#### f) Accounts Receivable

The organization accounts for donation commitments and funds in transit as accounts receivable, given the restricted banking availability at year-end.

#### g) Marketable Securities

The organization measures its marketable securities at fair value, and subsequently change in fair market value reflect in the statement of operations.

#### h) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The organization holds one USD bank account for daily operating purpose subject to currency risk.

#### i) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market conditions. The organization is exposed to general risk due to its investment in the equity market.

**CANADIAN FOOD FOR CHILDREN**

**NOTES TO THE FINANCIAL STATEMENTS**

(Unaudited - See Notice to Reader)

**DECEMBER 31, 2021**

**NOTE 3 PROPERTY AND EQUIPMENT**

	2021	2020
Equipment and furniture - cost	\$ 44,856	\$ 44,856
Truck - cost	78,560	78,560
	<u>123,416</u>	123,416
Less: accumulated amortization	122,430	122,184
	<u>\$ 986</u>	<u>\$ 1,232</u>

**NOTE 4 FINANCIAL INSTRUMENTS**

The organization's financial instruments consist of cash, marketable securities, accounts receivable and accounts payable. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

**NOTE 5 INVESTMENT INCOME**

Description	2021	2020
Dividends Income	\$ 3,544	\$ 1,483
Interest Income	120	843
Net loss/gain on sales of marketable securities	317	-
Unrealized loss/gain on marketable securities	(555)	(1,510)
	<u>\$ 3,426</u>	<u>\$ 816</u>