COMMUNITY KITCHEN PROGRAM OF CALGARY SOCIETY

FINANCIAL STATEMENTS
(Audited)

October 31, 2021

A Member of the

FEDERATION OF CALGARY COMMUNITIES

COMMUNITY KITCHEN PROGRAM OF CALGARY SOCIETY

October 31, 2021

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Independent Auditor's Report

To the Members of:
Community Kitchen Program of Calgary Society

I have audited the Statement of Financial Position of the Community Kitchen Program of Calgary Society as at October 31, 2021 and the Statements of Operations, Net Assets and Cash Flows and a summary of significant accounting policies and other explanatory notes for the year ended October 31, 2021.

Opinion
In my opinion, these financial statements present fairly, in all material respects, the financial position of the Community Kitchen Program of Calgary Society as at October 31, 2021 and the results of its operations and cash flows for the year ended October 31, 2021 in accordance with Canadian accounting standards for not-for-profit associations.

Basis for Opinion
I conducted my audit in accordance with Canadian auditing standards. I am independent of the Community Kitchen Program of Calgary Society in accordance with the ethical requirements that are relevant to my audit and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Management's Responsibility
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit associations and for such internal control as management determines 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 Community Kitchen Program of Calgary's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibility
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, concluding on the appropriateness of management's use of the going concern basis of accounting as well as evaluating the overall presentation of the financial statements.

I communicate with those charged with governance regarding the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that I identify during my audit.

Calgary, Alberta
date of board approval

Heidi Brauer
Chartered Professional Accountant

COMMUNITY KITCHEN PROGRAM OF CALGARY SOCIETY
STATEMENT OF FINANCIAL POSITION
(Audited)

As at October 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash and cash equivalents, unrestricted	$ 437,147	$ 506,560
Investments, unrestricted (Note 11)	25,911	48,219
Accounts receivable, unrestricted	293,287	14,188
GST receivable	2,181	1,875
Inventory (Note 12)	653	1,824
Prepaid expense (Note 13)	17,418	13,316
	776,597	585,982
Externally Restricted Assets (Note 3)	15,419	85,839
PROPERTY AND EQUIPMENT (Note 4)	54,985	90,167
	$ 847,001	$ 761,988
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	$ 29,212	$ 36,661
Payroll	15,619	15,155
Current portion of long term liability (Note 14)	12,499	11,772
Deferred revenue	3,492	2,637
Deferred cash contributions (Note 3)	15,419	85,839
	76,241	152,064
DEFERRED CAPITAL CONTRIBUTIONS) (Note 5)	21,531	38,039
LONG TERM LIABILITIES (Note 14)	71,005	63,504
	92,536	101,543
NET ASSETS		
Unrestricted	644,770	456,253
Invested in Property and Equipment	33,454	52,128
	678,224	508,381
	$ 847,001	$ 761,988

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

_____ Director

_____ Director

See Notes to the Financial Statements

COMMUNITY KITCHEN PROGRAM OF CALGARY SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
(Audited)

For the Year Ended October 31, 2021

	Unrestricted	Invested in Property and Equipment	2021 Totals	2020 Totals
Balances, Beginning of Year	$ 456,253	52,128	508,381	172,657
Increases (decreases)	188,517	(18,674)	169,843	335,725
Balances, End of the Year	$ 644,770	33,454	678,224	508,382

See Notes to Financial Statements

COMMUNITY KITCHEN PROGRAM OF CALGARY SOCIETY
STATEMENT OF OPERATIONS
(Audited)

For the Year Ended October 31, 2021

	2021 Totals	2020 Totals
REVENUE		
Donations and grants (Note 9)	$ 833,691	$ 839,298
Food and other donations in kind (Note 9)	796,886	389,190
Good Food Boxes - sales	678,982	634,388
COVID-19 funding	165,951	400,641
Casino contribution (Note 7)	75,123	31,918
Memberships	44,000	45,665
Insurance claim	43,365	-
Administration and miscellaneous	25,005	20,821
Interest and dividend income	834	1,215
Bingo contribution (Note 8)	100	-
	2,663,937	2,363,136
EXPENDITURES		
Wages and benefits	$ 825,618	$ 787,889
Donated food cost	750,134	389,190
Good Food Boxes - cost of sales	556,963	553,820
Rent and utilities	138,283	138,921
Automotive	55,792	49,648
Materials and supplies	30,798	25,492
Office expenses	26,674	23,344
Consulting and professional fees	26,424	13,417
Advertising and promotion	25,962	1,678
Insurance	19,939	11,457
Telephone	6,895	3,770
Building repairs and maintenance	5,549	4,797
Bank charges and interest	4,344	4,548
Loss on sale of securities	1,761	-
Fundraising	285	54
	2,475,421	2,008,025
Excess of revenue over expenses before amortization	188,516	355,111
Plus: Amortized deferred capital contributions (Note 5)	16,508	19,891
Less: Amortization expense	35,181	39,277
EXCESS OF REVENUE OVER EXPENSES AFTER AMORTIZATION	$ 169,843	$ 335,725

See Notes to Financial Statements

COMMUNITY KITCHEN PROGRAM OF CALGARY SOCIETY
STATEMENT OF CASH FLOWS
(Audited)

For the Year Ended October 31, 2021

	2021	2020
Cash generated from (used in):		
OPERATIONS		
Excess of revenue	$ 169,843	$ 335,725
Charges not affecting cash:		
Amortization expense	35,181	39,277
Amortized deferred capital contribution (Note 5)	(16,508)	(19,891)
Changes in non-cash operating working capital:		
Accounts receivable	(278,615)	72,843
GST receivable	(306)	(565)
Inventory	1,171	44,509
Prepaid expense	(4,102)	(60)
Accounts payable	(7,448)	(811)
Payroll payable	464	(344)
Current portion of long term liability	727	(212)
Deferred revenue	855	2,077
	(98,738)	472,548
INVESTING		
Computer equipment	-	(8,606)
Equipment	-	(21,524)
Website	-	(5,125)
Investments	22,308	505
	22,308	(34,750)
FINANCING		
Deferred cash contributions	(70,420)	76,245
Long term liabilities	7,501	28,228
Deferred capital contributions	-	12,890
	(62,919)	117,363
Increase (decrease) in cash and cash equivalents	(139,349)	555,161
Cash and cash equivalents, beginning of the year	591,915	36,754
Cash and cash equivalents, end of the year	$ 452,566	$ 591,915
Consisting of:		
Unrestricted cash and cash equivalents	$ 437,147	$ 506,560
Externally restricted cash and cash equivalents (Note 3)	15,419	85,355
	$ 452,566	$ 591,915

See Notes to Financial Statements

COMMUNITY KITCHEN PROGRAM OF CALGARY SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
(Audited)

October 31, 2021

1. NATURE OF THE ORGANIZATION

The Community Kitchen Program of Calgary Society ("the Society") was incorporated under the Societies Act of Alberta with the purpose of working to reduce hunger by promoting healthy food choices and enabling the community to educate, equip and feed themselves.

The Society is a registered charity and is therefore exempt from income taxes under section 149 of the Canadian Income Tax Act as long as it maintains its charitable status.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared according to Canadian accounting standards for not-for-profit organizations, of which the most significant policies are:

Revenue Recognition

The Society 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 can be reasonably estimated and collection is reasonably assured.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less.

Inventory/Change in Policy

Inventory is valued at the lower of cost and net realizable value. Cost is determined on a first in first out basis.

Property and Equipment

Property and equipment are recorded at cost. Contributed property and equipment are recorded at fair value at the date of contribution. Property and equipment are amortized over their estimated useful lives as follows:

Description	Basis
Automotive	Straight-line over five years
Computer equipment	Straight-line over three years
Equipment and furniture	Straight-line over five years
Kitchen Unit	Straight-line over ten years

Contributed Services

Volunteers contribute numerous hours per year to assist the Society in carrying out its regular services. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Financial Instruments

Measurement of Financial Instruments:
The Society initially measures its financial assets and financial liabilities at fair value. The Society subsequently measures all its financial assets and financial liabilities at cost or amortized cost. Changes in fair value of these financial instruments are recognized in net income. Financial instruments measured at amortized cost include cash, accounts receivable and accounts payable.

Financial Risk:

It is management's opinion that the Society is not exposed to significant interest, currency, price, market or credit risks arising from these financial instruments.

Use of Estimates

The preparation of financial statements in accordance 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, the disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses for the periods covered. The main estimates relate to the collectability of receivables, the useful life of property and equipment and the amounts recorded as accrued liabilities.

3. EXTERNALLY RESTRICTED ASSETS/DEFERRED CASH CONTRIBUTIONS

Cash generated from casino activities, unspent grant funding and unspent externally restricted donations have been recorded as externally restricted assets. This funding has to be spent according to Alberta Gaming approved objectives for casino funding and grantor approved objectives for the grant funding and donations. These stay a liability until spent and show as deferred cash contributions in liabilities.

They consist of the following:

	2021	2020
Bank account - Casino	$ -	$ 80,123
Bank account - Bingo	15,419	10,232
To be transferred from Casino bank to unrestricted bank account	-	(5,000)
Total externally restricted cash	15,419	85,355
Total cash externally restricted	15,419	85,355
Plus: Bingo revenue receivable	-	484
Total externally restricted assets/deferred cash contributions	$ 15,419	$ 85,839

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	2021 Net	2020 Net
Automotive	$ 319,012	280,815	38,197	62,848
Equipment	148,744	135,164	13,580	19,533
Computer equipment	33,702	32,202	1,500	4,369
FNM Shelving	7,036	7,036	-	-
Website	5,125	3,417	1,708	3,417
	$ 513,619	458,634	54,985	90,167

5. DEFERRED CAPITAL CONTRIBUTIONS

Deferred contributions for the purchase of property and equipment have been recorded as deferred capital contributions and will be amortized into income on the same basis as the related capital asset is expensed.

	2021	2020
Balance, at beginning of the year	$ 38,039	$ 45,040
Add new donations for property and equipment	-	12,890
Amortization	(16,508)	(19,891)
Balance to next year	$ 21,531	$ 38,039

6. RELATED PARTY TRANSACTIONS

The Society paid rent and utilities in the amount of $138,283 (2020 - $138,921) to a not-for-profit organization with common management. Revenue shows $20,000 (2020 - $18,000) for administration. There was a receivable in 2021 at fiscal year end of $171 (2020 - NIL), There was a payable at fiscal year end of $582 (2020 $601). These amounts are at regular trade value.

7. CASINO CONTRIBUTIONS

	2021	2020
Casino funds, beginning of the year	$ 80,123	$ 1,327
Funding owed to unrestricted	(5,000)	-
Revenue	-	53,414
Transfer from unrestricted cash	-	3,000
Contributions from other charitable organizations	-	54,300
Less: Bank balance, end of year (Note 3)	-	80,123
Funds contributed to operations	$ 75,123	$ 31,918

8. BINGO CONTRIBUTIONS

	2021	2020
Beginning balance	$ 10,716	$ 266
Revenue	5,138	11,555
Less: Bank charges, bingo expenses	335	1,105
Less: Ending balance (Note 3)	15,419	10,716
Funds contributed to operations	$ 100	$ -

9. DONATIONS/GRANTS

Donations and grants recognized as revenue during the fiscal years October 31, 2021 and 2020 include:

	2021	2020
City of Calgary FCSS	$ 222,706	$ 222,709
Shaw Charity Classic	144,279	53,000
Fresh Direct - in kind	138,740	196,395
The Calgary Foundation/Prosser Charitable Foundation	118,000	85,748
Ken Fung - in kind	61,656	57,889
Food Banks Canada	59,899	-
Agrium Nutrien	50,000	65,000
Country Lane Farms - in kind	40,044	20,906
Calgary Produce Marketing Association	40,000	30,000
United Way	34,864	131,283
X-treme Packaging - in kind	30,941	27,672
Big Hearted Cowboys/Big Hearted Mavericks Foundation	29,500	2,000
Securities	27,119	1,930
Calaway Park - in kind	22,145	13,048
Enterprise Rent-A-Car Foundation	17,000	29,000
Cenovus	11,950	85,500
Total Donations and grants without Others	1,048,843	1,022,080
Other Individual and Corporate Sponsors	581,734	206,408
Total Donations and Grants for operations	$ 1,630,577	$1,228,488

Total donations consist of $833,691 (2020 - $837,368) cash donations and grants, $27,119 securities (2020 - $1,930) and $769,767 (2020 $389,190) of food and supply donations.

10. FUNDRAISING EXPENSES

As required under section 7(2) of the Charitable Fundraising Regulation of Alberta, the following amounts are disclosed:

Direct costs incurred for the purpose of soliciting contributions $ Nil, (2020- $ Nil).

Amounts paid as remuneration to employees whose principal duties involve fundraising

$ Nil (2020 - $Nil).

11. INVESTMENTS

Bank of Montreal GIC	**$ 25,911**	maturing Sept. 20, 2022 @ 2.10 %

12. INVENTORY

Inventory consists of canned goods, staples and spices.

13. PREPAID EXPENSE

Prepaid expenses consist of a damage deposit to Storehouse, insurance and gift cards.

14. LONG TERM LIABILITIES

A. LEASE

The Society purchased a truck from Enterprise Fleet Management in September 2018 for $95,492. They made a downpayment of $37,000 and took out a lease for 60 months at 6% for $58,492.

Lease payments without interest and GST for the partial month of September and whole month of October 2018 were $1,358.

Lease	$	58,492
Less: Lease payments for September and October 2018		1,681
Less: Lease amortization 2018/19		9,551
Less: Lese amortization 2019/20		11,984
Less: Lease amortization 2020/21		11,772
Lease liability as per October 31, 2020		23,504
Less: Current portion 2020/21		12,499
Long term liability lease	$	11,005

The Society pays a fixed amount of $1,201.62 plus GST on a monthly basis. This amount includes interest. The lease payments for the next fiscal years are:

2022	$	14,419
2023		13,213
Total	$	27,632

B. LOAN PAYABLE

The Society had received a Canada Emergency Business Account (CEBA) loan in the amount of $40,000 due to the COVID-19 pandemic during the prior fiscal year. They were able to increase the loan during this fiscal year by $20,000 to a total of $60,000. The loan is due on December 31, 2025 with no interest incurred if paid back by December 31, 2022. The Society intends to pay back the loan by December 31, 2022 not to incur interest. Up to $20,000 may be eligible for loan forgiveness.

Total long term liabilities $71,005, consisting of long term liability lease $11,005 and CEBA loan $60,000.