



2019 Burlington Food Bank,

Opening Remarks – Maria N. Thornton Chair

I had an entire report written up for our annual AGM. However, in light of the current Pandemic, (Covid-19), that is facing our city, refocus on our communication was in order.

Things are changing daily in our country, province and our great City of Burlington. And while we will touch on some of the great work achieved during our 2019 fiscal, I believe that it is more important to address the impact of COVID-19 on our services.

This year, our AGM is being held in accordance with the Social Distancing requirements. Utilizing today's technology, we are meeting over web services.

COVID-19 is changing our everyday lives. Things that we took for granted we are now remembering to cherish. What is

considered extreme measures by some, are considered a standard practice by others. One thing is for sure, our lives will change as an outcome from COVID-19, at least for the next year or so.

Over the past week we have been announcing changes to our processes and how we are dealing with the current “crisis”. Prior to the Premier’s Announcement on closing down Ontario to only essential services, the Board of Directors deemed that The Burlington Food Bank was an essential service to our community. Therefore, we made the decision to remain open for as long as possible. We are taking extra precautions to ensure that our staff and volunteers are as safe as possible. We have implemented protocols for clients to follow in order to be able to receive services safely from the Food Bank.

However, we are continually looking at alternatives which include; delivery or Pop-up. However, these alternatives are being organized knowing that we may have to alter future services further as additional Federal, Provincial or messages from the Mayor are announced.

One thing remains as a constant, we at the Burlington Food Bank are committed to servicing our community... with compassion and resilience.

Chair's Annual Report to the Community - March 26, 2020

I am happy to provide you all with an update on our 2019 fiscal and operations at the Burlington Food Bank. We are extremely proud of all our achievements this year. Here are some highlights from the past 12-months.

First, was being the first recipient of the new Mayor's Award for Community Service Awards for Not-For-Profit. It was an honour for us to be recognized for our dedication and compassion to our community who face food insecurity daily.

In May, we received notice that we had received notice our grant application which enabled us to purchase and acquire a walk-in freezer at our Plains Rd location. In addition, we thank the numerous corporate sponsors who donated funds or equipment, such as a new fridge (thank you Liebherr) and storage devices, enabling us to receive a more regular supply of perishable foods to supply to our community.

We are grateful to the strong relationships that we have in our community, such as the Gift of Giving Back, Burlington Fire Fighters, The Burlington Oldtimers Hockey and Bowser Babes

to name a few. Through our associates, we have received 10's of thousands in food and monetary donations that help keep us running strong in our community.

2019 saw an increase in Unique Users coming to the Food Bank. Unique meaning, the single count of a user. In other words, how many new users needed the services of the Food Bank.

We saw and served an additional 2,383 new individuals or families over 2018. What was more alarming was the number of families with children, 41% of the individuals we served were children which is substantially higher than the provincial average of 33%. Overall, we experienced an increase of 38.8% total people assisted in 2019 compared to 2018. It is also important to note that 43.5% of the households we assisted were families with children and that was a slight increase over 2018. Also, worth noting is that 44% of our clients' main source of income in 2019 was Social Assistance and that was down from 47% in 2018.

To assist with the increase usage, we respond with the following:

- We have increased and maintained our volunteer base of over 50 Volunteers.
- We hired a part-time staff to assist with the management of our volunteers and the increased need.
- We added Thursday nights to our hours of service to assist those in accessing the Food Bank.

Our Partners and Supporters

In 2019 our financial position continued to stay strong thanks to the generosity of our community donors and fundraisers.

- The Tim Horton's strong Smile Cookie campaign provided **\$73,779** to the Burlington Food Bank
- The Burlington Oldtimers Hockey Club and the Bowser Babes along with the Burlington Oldtimers Slo-Pitch League contributed over **\$21,000**
- The Burlington Dads group through their various events supported us with over **\$12,000** in donations
- The Gift of Giving back, our largest food donor, provided us with approximately **25%** of the food and hygiene products they collected during their fall food drive
- Burlington Food Bank hosted the 3rd annual Ride to Provide

fundraiser which grossed a total of **\$72,000**

- Donations through our website increased with an improved interface developed by CanadaHelps we had **\$96, 241** in 2019 which was a substantial increase from our total of **\$65, 867** in 2018

We also received significant food and hygienic product support from, Walmart, Loblaws and Michael's No Frills

The Burlington Food Bank is indebted to these organizations along with several local churches, corporate organizations and private individuals who continue to help support the Food Bank by providing us with food and cash donations each year.

Our Team

The Executive Director, staff and volunteers continue their strong work ethic to assist the Food Bank in feeding the hungry in our community. Their hard work, compassion and creative ideas for client improvements are greatly appreciated by the board and the community. Each of these individuals help keep the lights on and their passion does not go unnoticed.

In addition to our regular volunteers we have been fortunate over the past year to have received volunteer help from the employees of many corporations and organizations who have

given up their time to come into the food bank to help sort and pack food.

The Burlington Food Bank continues to improve the customer experience in our community. I want to personally thank the staff, our volunteers, and the board, and all those who have helped our community address hunger in Burlington.

Sincerely,

Maria N. Thornton

Interim Chair, Burlington Food Bank

Feeding Burlington Since 1991

1A-1254 Plains Road East, Burlington, ON L7S 1W6

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**PARTNERSHIP WEST FAMILY SUPPORT NETWORK
o/a Burlington Food Bank**

December 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Members of
Partnership West Family Support Network
o/a Burlington Food Bank

Qualified Opinion

We have audited the financial statements of Partnership West Family Support Network (the Entity), which comprises the balance sheet as at December 31, 2019 and the statements of operations, changes in net assets, and cash flow 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 Partnership West Family Support Network as at December 31, 2019, and the results of its operations, its changes in net assets, and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Entity derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Entity. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2019, current assets as at December 31, 2019, and net assets at December 31, 2019. Our audit opinion on the financial statements for the year ended December 31, 2019 was modified accordingly because of the possible effects of this limitation in 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 Entity in accordance with the 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 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.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

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CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT cont'd

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 Entity'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 Entity'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 Entity 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.

Burlington, Ontario
March 26, 2020

Stevenson Lehocki LLP
Chartered Professional Accountants
Licensed Public Accountants

**PARTNERSHIP WEST FAMILY SUPPORT NETWORK
o/a Burlington Food Bank**

BALANCE SHEET

As at December 31

See accompanying notes

	2019	2018
ASSETS		
Current assets		
Cash	\$ 437,767	\$ 278,610
Savings account	10,545	10,019
Investment - GIC - Contingency fund	203,350	200,229
Miscellaneous receivable	13,163	0
HST rebates recoverable	9,073	7,177
Prepaid expense	2,743	2,838
	\$ 676,641	\$ 498,873
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 6,015	\$ 12,042
Visa payable	4,819	0
	10,834	12,042
NET ASSETS [Page 5]		
Internally restricted Contingency fund	203,350	200,229
Unrestricted fund	462,457	286,602
	665,807	486,831
	\$ 676,641	\$ 498,873

On behalf of the Board:

Director: _____

Director: _____

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STATEMENT OF OPERATIONS

Year ended December 31	See accompanying notes	
	2019	2018
REVENUE		
Donations tax received	\$ 177,864	\$ 142,954
Contributions and other income	115,104	145,077
Fundraising	157,694	93,796
Government grant revenue <i>[Note 3]</i>	12,063	10,233
Interest on GIC for Contingency fund	3,121	229
	465,846	392,289
EXPENSES		
Advertising and promotion	5,120	426
Bank charges and interest	4,708	227
Food purchases	43,614	34,220
Insurance	1,730	1,693
Office salaries and benefits	120,128	126,861
Office supplies	7,249	7,057
Outreach programs	17,386	24,236
Professional fees	4,677	5,727
Property and equipment expensed <i>[Note 1(c)]</i>	11,707	2,786
Rent and storage	36,123	37,923
Repairs and maintenance	2,372	634
Telephone	2,169	1,332
Vehicle expense	7,594	7,283
Volunteer recognition	5,061	1,725
Waste removal and pest control	588	3,032
Website design and other technical services	16,644	12,486
	286,870	267,648
Excess of revenue over expenses for the year	\$ 178,976	\$ 124,641

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STATEMENT OF CHANGES IN NET ASSETS

Year ended December 31

See accompanying notes

	Unrestricted Fund	Internally Restricted Contingency Fund	2019	2018
Net assets, beginning	\$ 286,602	\$ 200,229	\$ 486,831	\$ 362,190
Excess of revenues over expenses	175,855	3,121	178,976	124,641
Net assets, ending	\$ 462,457	\$ 203,350	\$ 665,807	\$ 486,831

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CASH FLOW STATEMENT

Year ended December 31	See accompanying notes	
	2019	2018
CASH FROM (TO) OPERATIONS		
Contributions and other income, fundraising, and receipted tax donations	\$ 450,084	\$ 381,800
Grant revenue	12,063	10,233
Interest	3,173	256
Paid for supplies	(68,850)	(42,245)
Property and equipment expensed	(11,707)	(2,786)
Wages and benefits	(120,128)	(126,861)
Rent	(36,123)	(37,923)
Food	(43,614)	(34,220)
Outreach programs	(17,386)	(24,236)
Bank charges and interest	(4,708)	(227)
Changes in cash and equivalents during the year	162,804	123,791
Cash and equivalents, beginning	488,858	365,067
Cash and equivalents, ending	\$ 651,662	\$ 488,858
Represented by:		
Cash	\$ 437,767	\$ 278,610
Savings account	10,545	10,019
Investment - GIC - Contingency fund	203,350	200,229
	\$ 651,662	\$ 488,858

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NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

DESCRIPTION OF ORGANIZATION

Partnership West Family Support Network o/a Burlington Food Bank is an Ontario Corporation without share capital which came into existence July 14, 1992. It is a registered Charity and is not subject to income tax pursuant to section 149(1) of the Income Tax Act. This not-for-profit organization operates a Food Bank located in Burlington, Ontario to provide emergency food to needy persons in the community. The organization is managed and administered by a Board of Directors with the Chair of the Board responsible for the general management of the organization. A salaried Operations Manager is responsible for the management of the food distribution centre and warehouse with the assistance of a salaried staff member and volunteers.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Financial Instruments

Measurement of financial instruments

The organization initially measured its financial assets and liabilities at fair value. The organization subsequently measures all of its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and investment - guaranteed investment certificates.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income. There has been no impairment recognized in the current year or prior year.

Transaction costs

The organization recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

Risk exposure

It is management's opinion that it is not exposed to any significant currency, interest or other risks on its financial instruments.

There has been no significant change in risk exposure from the prior year.

(b) Inventories

Inventories are measured at the lower of actual cost and current replacement cost. Inventories of donated food are valued at zero (organization's policy for contributions of materials and services). At the December 31 fiscal year end, purchased perishable food inventory is minimal.

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December 31, 2019

(c) Property and Equipment

The organization has adopted the policy of expensing all property and equipment in the year of purchase.

In fiscal 2019, the organization received a grant from the Regional Municipality of Halton [Note 3] to purchase a walk-in freezer measuring 6ft x 6ft. The unit was purchased and install was complete by year end. In fiscal 2018, the organization purchased a commercial quality scale, bins for the warehouse, and other small warehouse items. No assets were disposed or scrapped during fiscal 2018. In the 2017 fiscal year, major categories of tangible assets owned by the organization included: delivery truck, refrigeration equipment, warehousing equipment, office furniture and equipment, computer hardware, trailer and towing accessories, and leasehold improvements. In fiscal 2017, the organization purchased a new food delivery truck with a refrigeration unit, additional blue cross-stacking tubs, a heavy duty camera, and a freezer. The old delivery truck was sold and proceeds were combined with a grant received from The Regional Municipality of Halton (Note 3) to acquire the new food delivery truck. In fiscal 2016, the organization purchased and paid for the installation of a new automatic door, purchased a new computer and printer for the office and sold a portable building. In fiscal 2015, the organization purchased improvements in its expanded rental premises. In fiscal 2014, the organization purchased an office computer and a new trailer along with towing accessories. The trailer can be towed by the truck owned by the organization and when not in use it provides extra space for storage of food and supplies.

(d) Revenue Recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions and grants are recognized as revenue in the year which the related expenditures are incurred.

Unrestricted contributions and other sources of revenue, such as interest income, are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Government assistance received from programs that relate to current operating expenditures are recorded in the statement of operations. Government assistance related to the purchase of capital assets is recorded as income in the statement of operations which is the using the same basis that the related capital assets are being expensed.

Grants from the endowment fund at the Burlington Community Foundation are recognized as revenue when received.

(e) Contributions of Materials and Services

The organization receives donations of food, materials and volunteer services. The value of these materials and services are not reflected in the statement of operations.

(f) Harmonized Sales Tax

As a registered charity, a prorated portion of the HST paid on eligible expenses can be recovered in the form of a rebate. The non-recoverable portion is charged to expense accounts.

(g) Use of Estimates

The preparation of these 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. All estimates are reviewed periodically and adjustments are made to the statement of operations as appropriate in the year they become known.

(h) Cash and Cash Equivalents

The organization's policy is to disclose bank balances under cash and cash equivalents, including short term investments with a maturity period of less than one year from the date of acquisition. Only unrestricted investments in GIC's meet this policy as they can be converted to cash in a short period of time.

**PARTNERSHIP WEST FAMILY SUPPORT NETWORK
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NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

2. INTERNALLY RESTRICTED CONTINGENCY FUND

The Contingency fund is an internally restricted fund that reflects amounts that are designated by the Board of Directors for special purposes or unforeseen circumstances. Amounts are to be transferred to unrestricted funds as necessary. The Contingency fund was created in order to manage the Food Bank's risk for future operations and to ensure continuity of business. In 2018, the Board of Directors allocated \$200,000 to be held in a GIC to establish the new Contingency fund.

3. GOVERNMENT GRANT REVENUE

In fiscal 2019, the organization received a grant totalling \$12,063 to purchase a walk-in freezer. On April 4, 2017 the organization received \$5,000 from the Ontario Association of Food Banks in partnership with Sysco to be specifically spent on qualifying expenditures per the agreement for the Sysco Community Garden Program "Feeding Fresh". At fiscal year end 2017, \$767 has been recognized in grant revenue. The remaining amount of \$4,233 was recorded on the balance sheet as deferred government grant revenue. During fiscal 2018 the grant income was recognized as revenue as the remaining proceeds of \$4,233 were spent on qualifying expenditures. An additional \$5,000 was provided by the City of Burlington and \$1,000 was provided by the Burlington Community Foundation.

On June 19, 2017 the organization entered into an agreement with the Regional Municipality of Halton to receive funds from the Halton Region Community Investment Fund, Category Three Program. The Category Three Program provides funding that increases access to food and enhance the ability of food security programs to respond to the needs of Halton residents. The organization presented a proposal to undertake a "Project" and was awarded the amount of \$50,000. The funds were used towards the purchase of capital equipment which was a new food delivery truck. The organization shall preserve the capital equipment for a period of three years and shall not dispose of or transfer any Capital Equipment unless the Region authorizes its disposition. The three year period ends in the year 2020.

4. BURLINGTON COMMUNITY FOUNDATION - ENDOWMENT FUND

The organization established an Endowment Fund within The Burlington Community Foundation. The fund was established to provide an ongoing source of revenue to support and enhance services, in particular food security but excluding operational and/or fundraising costs. The fund is managed by the Burlington Community Foundation. Any income earned on the endowment fund after fees charged by the manager can be granted to the organization to cover non-operational and non-fundraising costs.

During the year, the endowment fund had capital additions of \$5,000, earned investment income of \$341, paid management fees of \$52, paid grants to the organization of \$NIL, and had a total fund balance at December 31 of \$5,289.

5. CONTINGENCIES AND COMMITMENTS

During fiscal 2017, the organization committed to a lease for the premises at 1254 Plains Road for a 36 month period commencing January 1, 2018 with an option to renew for a further 36 month period. The annual commitments, not including HST are:

2020	\$38,400
2021	\$38,400
2022	\$38,400