

## Board Chair Report - Burlington Food Bank

Date: April 18, 2024

Dear Members,

I am delighted to present the Board Chair Report for the Burlington Food Bank, covering the period from January 1 to December 31, 2023.

This past year has been marked by significant progress and collaboration, made possible by the dedication of our board members, staff, volunteers, and community partners.

In Burlington, the pressing issue of food security has been increasingly apparent. Based on the most recent Census, approximately 22,000 people in our Burlington Community go to bed hungry every night or wake up without food to start their day. This statistic underscores the magnitude of the challenge facing our community, where many families are forced to make difficult choices between food and other essentials. Despite our efforts, there are still many individuals and families silently grappling with food security, as evidenced by the sharp increase in demand during the COVID-19 crisis, and which continues to increase month after month.

Food banks exist in communities throughout the world out of necessity. However, operating a community food bank is not the solution, but a band-aid to the problem. Unless there are real changes in government focus at all levels, food banks are not going away any time soon. That is why we needed to think differently at the Burlington Food bank and ask ourselves, "Were we really doing enough?"

*Out of the 22,000 people who are facing food security concerns, the Burlington Food Bank is reaching ¼ of that segment of the population.*

The answer was a resounding "No".

So, change we did! And I am thankful that our Community Partners are seeing that impact of that change. As Feed Halton is now fully underway and focused on driving real change in how we, our partners and Regional Level of government operate with each other, together, we will support all Burlington members facing food security concerns.

## Operational Highlights:

### 1. Service Provision:

- In 2023, the Burlington Food Bank provided support to 4,377 unique individuals, which equated to a total of 25,828 visits. And 1,762 unique households, for a total number of visits of 9,735. We distributed over 775,000 pounds of food throughout the year.
- YTD 2024 we have already serviced more unique individuals than we did in all of 2021.
- Recognizing the need for accessibility, we further expanded our After-Hours Service to assist those who are employed during the day.
- The Burlington Food Bank Staffing Team has grown slightly, back to the pre-covid levels to accommodate the growing needs of the community. We are pleased to have strengthened our leadership, front line staff and maintained our volunteer base with people who have an inherent understanding for respect, empathy and love for our community.

### 2. Partnerships and Collaborations:

- I am particularly proud of our relationship with Feed Ontario. We have strengthened that relationship, now being recognized as a Large Food Bank. This relationship provided 190,000 pounds of proteins, (poultry, eggs and milk), distributed to our Burlington residents. And through the Establishment of Feed Halton, we have set the Gold Standard for regional distribution centers.
- As active contributors to the Food Security Action table, we continue to collaborate with partners to improve food access in our community.
- Our Community Gardens initiative has flourished. Through several locations including Maple Ave Garden, Mapleview Shopping Centre Rooftop Gardens, and Urban Farm, we can provide fresh, locally grown produce for our clients. Our Garden Coordinator, Samatha LeGrand also provides cooking tips, and how it can be used with meal preparation.

### 3. Feed Halton Initiatives:

- Since receiving the keys in September 2023, Feed Halton has made significant strides in receiving, sorting, and distributing food to agencies in Burlington and Oakville.
- Progress continues at Feed Halton with regards to refrigeration, installation of racking, and acquisition of equipment.
- Active engagement of volunteers from both Burlington Food Bank and Kerr Street Mission.
- Our food donors are different, and this is one of the many reasons Feed Halton exists. We have hired a procurement specialist, who focuses on large scale food donations, to support all of Halton. Recently, Feed Halton has procured our first large scale donation; a full truck load of tomato products. Something we would not have sought in the past, nor have been in a position to accept just six months ago. It would have bypassed our community.

### 4. Volunteer Engagement:

- The single most important group of people within our operations. Without their support and dedication, we would never be able to complete the work that we do.
- Over 75 volunteers contributing more than 15,000 hours of service last year, demonstrating their unwavering commitment to our mission.

#### Financial Update:

- We successfully secured new grants totaling \$122,000, bolstering our operational and programmatic efforts.
- During Covid, agencies such as food banks and those supporting at-risk people living through hardship received record amounts of donations. We decided during that time to put Fundraising Activities on a bit of a hiatus. 2024 will see a return of fundraising activities, targeted to support the Burlington community through the Burlington Food bank and for Halton Region through Feed Halton.
- Through donations from the Rotary Club, we acquire heavy lifting equipment for Feed Halton.
- Recently accessed regional funding from the Halton Region to support the infrastructure and service delivery totalling \$500,000 directly for Feed Halton. This comes with a matching donation from a private philanthropist.
- Proudly, we preform all our magic, maintaining Management and Admin expenses below 7% as a measure of financial donations.

#### Community Outreach and Awareness:

- Through hosted community food drives, such as The Gift of Giving Back, The Grinch, Flashe Gas owned by Daryl Fowler, and Burlington Helping Burlington, we collected over 200,000 pounds of food and essential items. That equates to over \$700,000 worth of food purchases, based on Food Banks Canada standard of \$3.52/lbs
- By increasing the quality of our social media presence, we continue to and successfully raise the awareness about food security in Burlington.

Finally, I extend my sincere gratitude to our board members, staff, volunteers, and community partners for their invaluable support and dedication throughout the year. Together, we have made a tangible difference in the lives of our neighbours and built a more resilient community.

#### Special Thanks to our many Donors

- Aldershot Lions Club
- Boehringer Ingelheim (Canada) Ltd
- Burlington Oldtimers Hockey Club
- Burlington Oldtimers Slo-Pitch League
- Burlington Community Foundation
- First Ontario Credit Union
- Fortino's on New Street
- Fortino's on Appleby
- Fortino's on Upper Middle
- Fortino's on Plains Road
- Freshco on Brant
- Food Basics (3 locations in Burlington)
- Gift of Giving Back
- Ladies of the Round Table
- Megaloid Laboratories
- Neelands Group Limited
- Nicholson and Cates
- Port Nelson Church
- The Rotary Clubs of Burlington
- Tim Hortons
- Walmart's of Burlington

As we reflect on the accomplishments of the past year and look ahead to the future, I am confident that our collective efforts will continue to make a meaningful impact. Thank you for your unwavering support and commitment to the Burlington Food Bank.

Warm regards,

Maria N. Thornton, CPA CGA

Board Chair, Burlington Food Bank

# BURLINGTON FOOD BANK

December 31, 2023

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# STEVENSON LEHOCKI LLP

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CHARTERED PROFESSIONAL ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**BURLINGTON FOOD BANK**

### Qualified Opinion

We have audited the financial statements of **BURLINGTON FOOD BANK** (the Entity), which comprises the balance sheet as at December 31, 2023 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 **BURLINGTON FOOD BANK** as at December 31, 2023, 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, 2023, current assets as at December 31, 2023, and net assets at December 31, 2023. Our audit opinion on the financial statements for the year ended December 31, 2023 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.

## 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 FOOD BANK**

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**BALANCE SHEET**As at **December 31**

See accompanying notes

	2023	2022
<b>ASSETS</b>		
<b>Current assets</b>		
Cash - unrestricted <i>[Note 2]</i>	\$ 821,338	\$ 570,289
Savings account - unrestricted	15,192	15,750
Investment - GICS - unrestricted	379,521	207,561
Miscellaneous receivable	94,287	91,951
HST rebates recoverable	17,193	23,058
Prepaid expense	28,275	67,296
	<b>1,355,806</b>	975,905
<b>Investments - Restricted Funds</b> <i>[Note 4]</i>	<b>2,799,613</b>	2,901,975
<b>Property and Equipment</b> <i>[Schedule A]</i>	<b>66,393</b>	57,286
	<b>\$ 4,221,812</b>	\$ 3,935,166
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 82,045	\$ 5,939
Visa payable	11,177	1,519
	<b>93,222</b>	7,458
<b>NET ASSETS</b> <i>[Page 4]</i>		
Internally restricted	2,799,613	2,901,975
Unrestricted	1,328,977	1,025,733
	<b>4,128,590</b>	3,927,708
	<b>\$ 4,221,812</b>	\$ 3,935,166

**On behalf of the Board:**

Director: \_\_\_\_\_

Director: \_\_\_\_\_



**BURLINGTON FOOD BANK**

**STATEMENT OF CHANGES IN NET ASSETS**

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Year ended <b>December 31</b>	See accompanying notes			
	Internally Restricted (Note 3)	Unrestricted	2023	2022
Net assets, beginning	\$ 2,901,975	\$ 1,025,733	<b>\$ 3,927,708</b>	\$ 3,033,755
(Deficiency) excess of revenues over expenses <i>[Page 5]</i>	(676,444)	877,326	<b>200,882</b>	893,953
Appropriations (from) unrestricted funds to internally restricted <i>[Note 3]</i>	574,082	(574,082)	<b>0</b>	0
Net assets, ending	\$ 2,799,613	\$ 1,328,977	<b>\$ 4,128,590</b>	\$ 3,927,708

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**BURLINGTON FOOD BANK**

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**STATEMENT OF OPERATIONS**

Year ended <b>December 31</b>	See accompanying notes	
	2023	2022
<b>REVENUE</b>		
Donations tax received	\$ 1,057,489	\$ 1,057,019
Contributions and other income	536,951	378,768
Halton Food Connect Program funding <i>[Note 5]</i>	225,813	153,875
Fundraising	147,198	89,733
Government grant revenue <i>[Note 6]</i>	44,457	13,320
Interest on GICs - all funds	96,787	20,107
	<b>2,108,695</b>	<b>1,712,822</b>
<b>EXPENSES</b>		
Advertising and promotion	14,243	3,385
Amortization	22,915	11,873
Bank charges and interest	22,175	20,532
Food purchases	346,861	303,371
Insurance	8,125	6,594
Office salaries and benefits	590,656	299,790
Office supplies	28,587	22,825
Outreach programs	16,269	10,985
Professional fees	9,924	6,691
Rent and storage	67,508	56,506
Repairs and maintenance	5,170	1,827
Technical services	52,984	36,695
Telephone	9,575	5,243
Training and development	5,587	2,854
Vehicle expense	27,060	19,675
Volunteer recognition	3,176	9,483
Waste removal and pest control	554	540
	<b>1,231,369</b>	<b>818,869</b>
Income before other expense	<b>877,326</b>	<b>893,953</b>
<b>OTHER (EXPENSE)</b>		
Contributions to Feed Halton <i>[Note 8]</i>	<b>(676,444)</b>	<b>0</b>
Excess of revenue over expenses for the year	<b>\$ 200,882</b>	<b>\$ 893,953</b>

**BURLINGTON FOOD BANK**

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**CASH FLOW STATEMENT**

Year ended <b>December 31</b>	See accompanying notes	
	2023	2022
<b>CASH FROM (TO) OPERATIONS</b>		
Contributions and other income, fundraising, and receipted tax donations	\$ 1,204,687	\$ 1,525,520
Grant revenue	44,457	13,320
Interest - all GICS	96,787	20,107
Halton Food Connect program	225,813	153,875
Paid for supplies	(211,176)	(210,834)
Wages and benefits	(590,656)	(299,790)
Rent	(64,518)	(52,840)
Food	(346,861)	(303,371)
Outreach programs and fundraising expense	(16,269)	(10,985)
Donation processing, merchant fees and bank service charges	(22,175)	(20,532)
<b>Changes in cash and equivalents during the year</b>	<b>320,089</b>	<b>814,470</b>
Cash and equivalents, beginning	3,695,575	2,881,105
<b>Cash and equivalents, ending</b>	<b>\$ 4,015,664</b>	<b>\$ 3,695,575</b>
<b>Represented by:</b>		
Cash [Note 2]	\$ 418,407	\$ 804,029
Savings account	15,192	15,750
Investments - Unrestricted Funds	782,452	82,561
Investments - Restricted Funds	2,799,613	2,793,235
	<b>\$ 4,015,664</b>	<b>\$ 3,695,575</b>

**NOTES TO THE FINANCIAL STATEMENTS**

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**December 31, 2023****PURPOSE OF ORGANIZATION**

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 governance of the organization. A salaried Executive Director is responsible for the management of the food distribution centre and warehouse with the assistance of salaried staff members and volunteers.

The organization has net assets in externally restricted funds and internally restricted funds. The organization has unrestricted net assets (page 4) which is the accumulated annual surpluses over deficits since incorporation.

**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.

**NOTES TO THE FINANCIAL STATEMENTS**

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**December 31, 2023****(c) Property and Equipment**

The organization, in accordance with Canadian accounting standards for not-for-profit organizations, has adopted the policy of capitalizing tangible assets starting with the 2021 fiscal year. Items under \$1,000 are considered minor and expensed when purchased. Prior to 2021, the organization followed the policy of expensing all property and equipment in the year of purchase.

**(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.

**(i) Controlled not-for-profit Organization**

The financial statements do not include the financial activities of a controlled not-for-profit organization, Feed Halton. Feed Halton follows the deferral method of accounting for contributions. See Note 10.

**BURLINGTON FOOD BANK**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2023**

<b>2. CASH - UNRESTRICTED</b>	<b>2023</b>	<b>2022</b>
Cash	\$ 418,407	\$ 804,029
Outstanding transfers from (to) internally restricted funds <i>[Note 4]</i>	402,931	(233,740)
	<b>\$ 821,338</b>	<b>\$ 570,289</b>

The above amount reflects the amount of the unrestricted bank balance that will be available once transfers are done from maturing investments to agree the amount of total appropriations to restricted funds per the Board resolutions. In fiscal 2020, the Board of Directors created the internally restricted funds by a resolution. The separate restricted investments are to be designated when existing investments mature.

**3. INTERNALLY RESTRICTED NET ASSETS**

The Board of Directors have made the following commitments against the operating net assets:

	Fresh Food Fund	Contingency Fund	Emergency Fund	Hub Fund	Stability Fund	<b>2023 Total</b>
<b>Net assets, beginning of year</b>	\$ 233,740	\$ 964,270	\$ 403,965	\$ 950,000	\$ 350,000	<b>\$ 2,901,975</b>
<b>(Deficiency) of revenues over disbursements:</b>						
(Disbursements)	0	0	0	(676,444)	0	<b>(676,444)</b>
<b>Appropriation from (to):</b>						
Unrestricted net assets	(35,652)	335,730	4,004	260,000	10,000	<b>574,082</b>
<b>Net assets, end of year</b>	<b>\$ 198,088</b>	<b>\$ 1,300,000</b>	<b>\$ 407,969</b>	<b>\$ 533,556</b>	<b>\$ 360,000</b>	<b>\$ 2,799,613</b>

The following are descriptions of the internally restricted net asset funds created by Board resolution:

**Fresh Food Fund**

The Fresh Food Fund of \$198,088 consists of donations designated by donors for the purchase of food. At December 31, 2022 the amount in the Fresh Food Fund was \$233,740. Additional monies may be transferred to this fund from time to time by the Board of Directors.

**Contingency Fund**

The Contingency Fund balance at fiscal year end of \$1,300,000 including reinvested interest 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 fiscal 2018 to manage the Food Bank's risk for future operations and to ensure continuity of operations due to unprecedented changes in the environment allowing for continuity of operations. The total amount represents payment of all projected expenses for one year. At December 31, 2022 the amount in the Contingency Fund was \$964,270.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

**3. INTERNALLY RESTRICTED NET ASSETS (continued)**

**Emergency Fund (formerly known as Pandemic Fund)**

The Emergency Fund of \$407,969 is an internally restricted fund that was created by the Board of Directors in fiscal 2020 and reflects the amount designated by the Board of Directors for alleviating the effect of the current economic downturn associated to unforeseen circumstances (example COVID-19). Funds are transferred to the Emergency Fund as per approval by the Board of Directors. Uses of the Emergency Fund will be restricted to cover increase costs in food, cleaning, and other operating costs required to serve increased number of clients, while maintaining increased infection prevention and control standards. On an annual basis, the fund is reviewed for further requirements. If deemed unnecessary in the future, the amounts are to be transferred to the Contingency Fund or considered for other uses that are community driven. At December 31, 2022 the amount in the Emergency Fund was \$403,965.

**Hub Fund**

The Hub Fund of \$1,210,000 is an internally restricted fund that was created by the Board of Directors in fiscal 2020 and reflects the amount that are designated by the Board of Directors for the implementation of a new food distribution system. See note 8 on related party. Funds were disbursed to/for Feed Halton in fiscal 2023 totalling \$676,444 and remainder balance at year end in the Hub Fund is \$533,556. Additional monies may be transferred to the Hub Fund from time to time as approved by the Board of Directors. At December 31, 2022 the amount in the Hub Fund was \$950,000.

**Stability Fund**

The Stability Fund of \$360,000 is an internally restricted fund that was created by the Board of Directors in fiscal 2022 and reflects amounts that are designated by the Board of Directors for the provision of food purchases due to increasing demand. The amount represents the costs allocated to the Food Bank under preliminary cost projections for 2023. Additional monies may be transferred to this fund from time to time by the Board of Directors as approved by the Board of Directors. At December 31, 2022 the amount in the Stability Fund was \$350,000.

<b>4. INVESTMENTS - RESTRICTED FUNDS - at cost</b>	<b>2023</b>	<b>2022</b>
<b>INTERNALLY RESTRICTED FUND INVESTMENTS:</b>		
<b>Fresh Food Fund</b>		
Outstanding transfers from Cash Unrestricted [Note 2]	\$ 198,088	\$ 233,740
<b>Contingency Fund</b>		
Term deposits including interest reinvested	1,281,530	964,270
Outstanding transfer from Cash Unrestricted [Note 2]	18,470	0
	<b>1,300,000</b>	<b>964,270</b>
<b>Emergency Fund (formerly Pandemic Fund)</b>		
Term deposit including interest reinvested	407,969	403,965
<b>Hub Fund</b>		
Term deposit	1,153,393	950,000
Outstanding transfer net to Cash Unrestricted [Note 2]	(619,837)	0
	<b>533,556</b>	<b>950,000</b>
<b>Stability Fund</b>		
Term deposit	359,652	350,000
Outstanding transfer from Cash Unrestricted [Note 2]	348	0
	<b>360,000</b>	<b>350,000</b>
<b>Total Internally Restricted Fund Investment</b>	<b>\$ 2,799,613</b>	<b>\$ 2,901,975</b>

**NOTES TO THE FINANCIAL STATEMENTS**

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**December 31, 2023****5. HALTON FOOD CONNECT PROGRAM FUNDING**

The organization receives funding from the Halton Food Connect project that is a joint project with Kerr Street Mission in Oakville and Halton Food for Life. The project is completely funded by Halton Region and purpose is to address food security for Ontario Works clients within the Region of Halton. Eligible clients receive a healthy food box delivered to their homes. The food box would typically include produce and frozen protein for the individual and for eligible members of their family within the household. Halton Region verifies eligibility each month for each recipient and route maps are provided for the paid drivers to deliver the boxes that have been requested through an online portal.

**6. GOVERNMENT GRANT REVENUE**

In fiscal 2023, the organization received grants totalling \$14,587 from the Canada Summer Jobs program to hire a summer student. In addition, the organization received \$28,000 from the Ontario Trillium Foundation program and a grant for \$1,870 from TD Friends of the Environment.

In fiscal 2022, the organization received grants totalling \$7,350 from the Canada Summer Jobs program to hire a summer student. The organization received \$5,970 in fiscal 2022 which represents the final portion of revenue received under the Canada Emergency Wage Subsidy program.

**7. 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.

In fiscal 2023, the endowment fund had capital additions of \$1,978, earned investment income of \$755, paid management fees of \$223, paid grants to other organizations of \$NIL, and had a total fund balance at December 31 of \$14,476.

In fiscal 2022, the endowment fund had capital additions of \$1,468, had an investment loss of \$419, paid management fees of \$144, paid grants to the organization of \$NIL, and had a total fund balance at December 31 of \$11,966.

**8. RELATED PARTY TRANSACTIONS**

Feed Halton is a not-for-profit entity newly incorporated on June 2, 2023. Feed Halton is considered a related party with the organization due to having a board of directors consisting of members of the board of directors for the organization. The organization established the Hub Fund to support the initiatives of Feed Halton. See Note 9 regarding a lease commitment to be assigned to Feed Halton.

During the year, the organization contributed \$676,444 to Feed Halton.

See Note 10 on required disclosures for a controlled not-for-profit organization.



NOTES TO THE FINANCIAL STATEMENTS

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December 31, 2023

**9. CONTINGENCIES AND COMMITMENTS**

On October 16, 2023, the organization committed to a lease for the premises at 1254 Plains Road for a 60 month period commencing January 1, 2024 with an option to renew for a further 36 month period. The annual commitments, not including HST are:

2024	\$53,950
2025	\$56,025
2026	\$58,100
2027	\$60,175
2028	\$62,250

In fiscal 2022, the organization made a deposit of \$52,230 for a rental premises located at 5280 Mainway in Burlington, Ontario that comprises of an area of approximately 12,911 square feet. At December 31, 2023 year end, the Board voted to include in the total contribution to Feed Halton the amount equal to the deposit on the lease. Burlington Food Bank signed the lease for the premises and the Board will communicate with the landlord to assign the lease to Feed Halton. The rental payments are due to commence in fiscal 2024 after the leasehold improvements to the premises are complete and Feed Halton will be responsible for payment in full each month. The executed lease as signed by Burlington Food Bank is a seven (7) year term with the annual basic rent commitment for year one of \$200,120 and increases annually.

The organization has legal action against it by a former employee. Subsequent to the year end the organization, through legal counsel, anticipates a possible settlement. The financial statements include a provision of \$25,000 for an estimated settlement (included in Office salaries and benefits in Statement of Operations).

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2023**

**10. CONTROLLED NOT-FOR-PROFIT ORGANIZATION**

The financial statements do not include the financial activities of Feed Halton. As disclosed in Note 8, the organization, due to having some common Board of Director members, controls Feed Halton.

Feed Halton was incorporated in the province of Ontario without share capital under the Not-for-Profit Corporations Act, 2010 on June 2, 2023 and is not subject to income tax pursuant to section 149(1)(l) of the Income Tax Act as its purpose is to assist with the relief of poverty by providing necessities of life by operating a Food Bank for the region of Halton to provide emergency food to persons within the region. The organization is managed and administered by a Board of Directors and responsible for the general governance of the organization. The Board made an application to the Canada Revenue Agency Charities Directorate to request the organization be granted charitable status.

Feed Halton has a fiscal year end of June 30. The year end differs from the organization and the most significant transaction that occurred between July 1, 2023 and December 31, 2023 was the organization's disbursement from the Hub Fund for the financial activities in Feed Halton. At June 30, 2023 Feed Halton recorded amounts from the organization as Fund advances.

Financial summaries of the financial statements of Feed Halton for the period June 2, 2023 to June 30, 2023 are set out as follows:

<b>BALANCE SHEET:</b>	<b>2023</b>
Total assets	\$ 299,410
Total liabilities	\$ 301,210
Total net assets	(1,800)
	\$ 299,410
 <b>STATEMENT OF OPERATIONS:</b>	 <b>2023</b>
Total Revenues	\$ 0
Total Expenses	1,800
(Deficiency) of Revenue over Expenses	\$ (1,800)
 <b>CASH FLOW STATEMENT:</b>	 <b>2023</b>
Cash from operations	\$ 0
Cash from financing activities	299,410
Cash (used) in investing activities	(299,410)
Increase in cash	\$ 0

**BURLINGTON FOOD BANK**

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**SCHEDULE OF PROPERTY AND EQUIPMENT**Year ended **December 31****See accompanying notes****Schedule A****PROPERTY AND EQUIPMENT**

	Asset Cost Jan. 1/23	Additions	Disposals	Asset Cost Dec. 31/23
Equipment	\$ 0	30,006	0	\$ 30,006
Vehicle	57,167	0	0	57,167
Computer hardware	11,992	2,016	0	14,008
	\$ 69,159	32,022	0	\$ 101,181

**ACCUMULATED AMORTIZATION**

	% Rate	Accumulated Amortization Jan. 1/23	Adjustments	2023 Amortization	Accumulated Amortization Dec. 31/23
Equipment	20	\$ 0	0	3,001	\$ 3,001
Vehicle	30	8,575	0	14,578	23,153
Computer hardware	55	3,298	0	5,336	8,634
		\$ 11,873	0	22,915	\$ 34,788

**Net Book Value**

\$ 57,286

\$ 66,393