

METRO FOOD BANK SOCIETY - NOVA SCOTIA
(operating as Feed Nova Scotia)
Financial Statements
Year Ended March 31, 2021

METRO FOOD BANK SOCIETY - NOVA SCOTIA
(operating as Feed Nova Scotia)
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Year Ended March 31, 2021

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LYLE TILLEY DAVIDSON
Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Metro Food Bank Society - Nova Scotia operating as Feed Nova Scotia

Qualified Opinion

We have audited the financial statements of Metro Food Bank Society - Nova Scotia (the "Society") operating as Feed Nova Scotia, which comprise the statement of financial position as at March 31, 2021, and the statements of revenues and expenditures, changes in net assets and cash flows 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 the Society as at March 31, 2021 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 (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Society 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 Society. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenditures, and cash flows from operations for the years ended March 31, 2021 and March 31, 2020, current assets as at March 31, 2021 and March 31, 2020 and net assets as at April 1 and March 31 for both of the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended March 31, 2020 was modified accordingly because of the possible effects of this limitation of 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 Society in accordance with 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 ASNPO, 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

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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 Society'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 Society'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 Society 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.



Halifax, Nova Scotia
June 15, 2021

CHARTERED PROFESSIONAL ACCOUNTANTS

METRO FOOD BANK SOCIETY - NOVA SCOTIA
(operating as Feed Nova Scotia)
Statement of Financial Position
March 31, 2021

| | 2021 | 2020 |
|--|----------------------|---------------------|
| ASSETS | | |
| GENERAL FUND | | |
| Cash (Note 3) | \$ 5,304,805 | \$ 1,302,553 |
| Accounts receivable | 104,529 | 35,057 |
| | <u>5,409,334</u> | <u>1,337,610</u> |
| CAPITAL FUND | | |
| Capital assets (Note 6) | <u>2,549,931</u> | <u>2,594,830</u> |
| BEQUEST FUND | | |
| Cash | 40,121 | 58,544 |
| Marketable securities (Note 4) | 563,055 | 457,101 |
| | <u>603,176</u> | <u>515,645</u> |
| OPERATIONAL RESERVE FUND | | |
| Cash | 411,365 | 1,549 |
| Marketable securities (Note 4) | 1,022,219 | 729,163 |
| | <u>1,433,584</u> | <u>730,712</u> |
| COVID-19 RESERVE FUND | | |
| Cash | 1,743,337 | 744,000 |
| Accounts receivable | 249,914 | - |
| | <u>1,993,251</u> | <u>744,000</u> |
| | <u>\$ 11,989,276</u> | <u>\$ 5,922,797</u> |
| LIABILITIES | | |
| GENERAL FUND | | |
| Accounts payable and accrued liabilities | \$ 311,879 | \$ 173,394 |
| Deferred revenue (Note 7) | 78,815 | - |
| | <u>390,694</u> | <u>173,394</u> |
| CAPITAL FUND | | |
| Long term debt | - | 221,250 |
| Deferred contributions (Note 8) | 1,200,345 | 1,048,997 |
| | <u>1,200,345</u> | <u>1,270,247</u> |
| FUND BALANCES | | |
| GENERAL FUND | 5,018,640 | 1,164,216 |
| CAPITAL FUND | 1,349,585 | 1,324,583 |
| BEQUEST FUND | 603,176 | 515,645 |
| OPERATIONAL RESERVE FUND | 1,433,585 | 730,712 |
| COVID-19 RESERVE FUND | 1,993,251 | 744,000 |
| | <u>10,398,237</u> | <u>4,479,156</u> |
| | <u>\$ 11,989,276</u> | <u>\$ 5,922,797</u> |

LEASE COMMITMENTS (Note 12)

ON BEHALF OF THE BOARD

 _____ Director

 _____ Director

METRO FOOD BANK SOCIETY - NOVA SCOTIA
(operating as Feed Nova Scotia)
Statement of Revenues and Expenditures
Year Ended March 31, 2021

| | 2021 | 2020 |
|--|----------------------|----------------------|
| REVENUE <i>(Schedule 1)</i> | \$ 26,700,952 | \$ 16,375,860 |
| EXPENDITURES | | |
| FOOD PROCUREMENT AND LOGISTICS <i>(Schedule 2)</i> | 17,718,320 | 13,601,339 |
| COMMUNITY CONNECTIONS <i>(Schedule 2)</i> | 774,879 | 509,603 |
| FUNDRAISING AND DONOR RELATIONS <i>(Schedule 2)</i> | 707,303 | 672,245 |
| ADMINISTRATIVE <i>(Schedule 2)</i> | 976,368 | 828,317 |
| OCCUPANCY <i>(Schedule 2)</i> | 232,077 | 216,540 |
| MEMBER DESIGNATED DONATIONS | 1,622,175 | 296,362 |
| | 22,031,122 | 16,124,406 |
| EXCESS OF REVENUES OVER EXPENDITURES | \$ 4,669,830 | \$ 251,454 |

METRO FOOD BANK SOCIETY - NOVA SCOTIA
(operating as Feed Nova Scotia)
Statement of Changes in Net Assets
Year Ended March 31, 2021

| | General Fund | Capital Fund | Bequest Fund | Operational Reserve Fund | COVID-19 Reserve Fund | 2021 | 2020 |
|--|---------------------|---------------------|-------------------|-----------------------------|--------------------------|----------------------|---------------------|
| NET ASSETS - BEGINNING OF YEAR | \$ 1,164,216 | \$ 1,324,583 | \$ 515,645 | \$ 730,712 | \$ 744,000 | \$ 4,479,156 | \$ 3,404,871 |
| Excess of revenues over expenditures | 4,626,604 | (108,738) | 87,531 | 64,433 | - | 4,669,830 | 251,454 |
| Bequest funds received | - | - | - | - | - | - | 78,830 |
| Interfund transfers | (638,440) | - | - | 638,440 | - | - | - |
| Contributions in excess of expenditures | - | - | - | - | 1,249,251 | 1,249,251 | 744,000 |
| Capital asset purchases, net of disposals | (115,103) | 115,103 | - | - | - | - | - |
| Repayment of long term debt | (221,250) | 221,250 | - | - | - | - | - |
| Deferred capital contributions received, net of expenses | 202,613 | (202,613) | - | - | - | - | - |
| NET ASSETS - END OF YEAR | \$ 5,018,640 | \$ 1,349,585 | \$ 603,176 | \$ 1,433,585 | \$ 1,993,251 | \$ 10,398,237 | \$ 4,479,155 |

METRO FOOD BANK SOCIETY - NOVA SCOTIA*(operating as Feed Nova Scotia)***Statement of Cash Flows****Year Ended March 31, 2021**

| | 2021 | 2020 |
|--|---------------------|---------------------|
| OPERATING ACTIVITIES | | |
| Excess of revenues over expenditures | \$ 4,669,830 | \$ 251,454 |
| Items not affecting cash: | | |
| Amortization of capital assets | 160,002 | 196,745 |
| Amortization of deferred capital contributions | (51,265) | (39,785) |
| Realized (gain) loss on marketable securities | (4,699) | 3,122 |
| Unrealized (gain) loss on marketable securities | (84,042) | 47,794 |
| | <u>4,689,826</u> | <u>459,330</u> |
| Changes in non-cash working capital: | | |
| Accounts receivable | (319,386) | 2,960 |
| Accounts payable and accrued liabilities | 138,483 | (101,091) |
| Deferred revenue | 78,815 | (25,516) |
| | <u>(102,088)</u> | <u>(123,647)</u> |
| Cash flow from operating activities | <u>4,587,738</u> | <u>335,683</u> |
| INVESTING ACTIVITIES | | |
| Purchase of capital assets | (115,103) | (13,670) |
| Proceeds on disposal of marketable securities | 1,257,840 | 1,923,865 |
| Purchase of marketable securities | (1,568,107) | (2,271,610) |
| Deferred contributions received - capital campaign | 202,613 | 188,325 |
| Bequest funds received | - | 78,830 |
| | <u>(222,757)</u> | <u>(94,260)</u> |
| Cash flow used by investing activities | <u>(222,757)</u> | <u>(94,260)</u> |
| FINANCING ACTIVITIES | | |
| Contributions to COVID-19 Reserve Fund in excess of expenditures | 1,249,251 | 744,000 |
| Repayment of long term debt | (221,250) | (255,500) |
| | <u>1,028,001</u> | <u>488,500</u> |
| Cash flow from financing activities | <u>1,028,001</u> | <u>488,500</u> |
| INCREASE IN CASH FLOW | 5,392,982 | 729,923 |
| Cash - beginning of year | <u>2,106,646</u> | <u>1,376,723</u> |
| CASH - END OF YEAR | \$ 7,499,628 | \$ 2,106,646 |
| CASH CONSISTS OF: | | |
| Cash - General Fund | \$ 5,304,805 | \$ 1,302,553 |
| Cash - Bequest Fund | 40,121 | 58,544 |
| Cash - Operational Reserve Fund | 411,365 | 1,549 |
| Cash - COVID-19 Reserve Fund | 1,743,337 | 744,000 |
| | <u>\$ 7,499,628</u> | <u>\$ 2,106,646</u> |

METRO FOOD BANK SOCIETY - NOVA SCOTIA
(operating as Feed Nova Scotia)
Notes to Financial Statements
Year Ended March 31, 2021

PURPOSE OF THE SOCIETY

Metro Food Bank Society - Nova Scotia (the "Society"), operating as Feed Nova Scotia, is a charitable organization whose mission is to increase food security through food distribution, education and collaboration. A key focus for the Society is to collect and distribute food to 140 member agencies across the province, including food banks, shelters, drop-in centres and other meal programs. The Society also raises awareness of the systemic issues leading to food insecurity, and advocates for long-term solutions. Food and fundraising activities take place throughout the year, with a heavy concentration during the Christmas season.

The Society is a registered charity for income tax purposes and is, therefore, not required to pay tax under the Income Tax Act.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in treasury bills and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued, except for transactions with related parties which are recorded at the exchange amount. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Marketable securities

Marketable securities consist of various cash equivalent, fixed income, equity and other securities held within a Canadian investment broker account and overseen by the Society's Audit Committee. These securities are allocated amongst the General, Bequest and Operational Reserve funds.

(continues)

METRO FOOD BANK SOCIETY - NOVA SCOTIA
(operating as Feed Nova Scotia)
Notes to Financial Statements
Year Ended March 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets

Capital assets are stated at cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates:

| | |
|--------------------|------|
| Buildings | 4% |
| Equipment | 20% |
| Computer equipment | 30% |
| Computer software | 100% |
| Paving | 20% |

Amortization is calculated at one-half of the normal annual rate in the year of acquisition; no amortization is recorded in the year of disposal.

Impairment of long-lived assets

The Society tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Measurement uncertainty

The preparation of 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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Significant estimates include allowance for doubtful accounts, the useful lives of capital assets and the valuation of donated and distributed food. Actual results could differ from these estimates.

Revenue recognition

Fundraising, unrestricted grants, donations, and other revenues are recognized when received by the Society.

Investment income is recorded as it is earned.

Government assistance

Government assistance for acquiring capital assets or expenses is recorded as deferred government assistance and is amortized on the same basis and according to the same rates as the related capital assets or to income as eligible expenditures are incurred.

(continues)

METRO FOOD BANK SOCIETY - NOVA SCOTIA
(operating as Feed Nova Scotia)
Notes to Financial Statements
Year Ended March 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated goods

Donated goods and services are not recorded unless management can reasonably determine the fair value of the donated goods or services.

Donated food and its subsequent distribution to members is valued based on Food Banks Canada's food valuation metric.

Fund accounting

The Society follows the restricted fund method of accounting for contributions. This method recognizes the limitations and restrictions placed on the use of resources available to the Society by classifying all transactions according to their nature. The funds utilized by the Society include:

(a) General Fund

The General Fund is used to account for the primary operations of the Society, including costs related to programs, administration and operation of the premises.

(b) Capital Fund

The Capital Fund is used to account for capital assets, including their acquisition, financing, amortization and disposal. Operating costs of capital assets are accounted for in the Operating Fund.

(c) Bequest Fund

The Bequest Fund includes two bequests in the amounts of \$10,000 and \$528,830. The annual income from the Bequest Fund may be used for operations. The capital of the \$10,000 bequest can only be used upon the specific direction of the Board of Directors. The capital of the \$528,830 bequest cannot be utilized by virtue of the terms of the bequest. Due to an increase in market value, the Bequest Fund assets have a year-end balance of \$603,176.

(d) Operational Reserve Fund

The Operational Reserve Fund was established by the Board to ensure the sustainability of the Society. Each year, at the board's discretion, amounts can be transferred to or from the fund. Interest earned in the fund is recorded as revenue in the fund.

(e) COVID-19 Reserve Fund

The COVID-19 Reserve Fund was established by the Board to ensure the ability of the Society to support Nova Scotians experiencing food insecurity amidst the COVID-19 pandemic. During the year, contributions of \$4,891,959 were received or are receivable as at March 31, 2021, and related expenditures of \$3,642,708 were incurred.

2. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. Financial instruments consist of cash, marketable securities, accounts receivable and accounts payable and accrued liabilities. The following analysis provides information about the Society's risk exposure and concentration as of March 31, 2021.

(continues)

METRO FOOD BANK SOCIETY - NOVA SCOTIA
(operating as Feed Nova Scotia)
Notes to Financial Statements
Year Ended March 31, 2021

2. FINANCIAL INSTRUMENTS (continued)

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society does not extend significant credit and therefore credit risk is minimized.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its receipt of funds from its donors and other related sources, long-term debt, and accounts payable and accrued liabilities.

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 prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Society is mainly exposed to interest rate risk and other price risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Society manages exposure through its normal operating and financing activities. The Society is exposed to interest rate risk primarily through its short-term investments.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Society is exposed to other price risk through its investment in quoted shares.

3. CASH

General Fund cash includes in-kind gift cards with a value of \$105,006 (2020 - \$119,753) and purchased gift cards on hand with a value of \$284,027 (2020 - \$0).

4. MARKETABLE SECURITIES

The marketable securities, including accrued interest, are valued at market value as follows:

| | 2021 | 2020 |
|----------------------------|--------------|--------------|
| Cash equivalent securities | \$ 67,460 | \$ 372,762 |
| Fixed income securities | 1,152,592 | 427,948 |
| Equity securities | 365,222 | 139,286 |
| Other securities | - | 246,268 |
| | \$ 1,585,274 | \$ 1,186,264 |

(continues)

METRO FOOD BANK SOCIETY - NOVA SCOTIA
(operating as Feed Nova Scotia)
Notes to Financial Statements
Year Ended March 31, 2021

4. MARKETABLE SECURITIES (continued)

Marketable securities are allocated as follows:

| | | |
|--------------------------|---------------------|---------------------|
| Bequest Fund | \$ 563,055 | \$ 457,101 |
| Operational Reserve Fund | <u>1,022,219</u> | <u>729,163</u> |
| | <u>\$ 1,585,274</u> | <u>\$ 1,186,264</u> |

5. ACCOUNTS RECEIVABLE

| | <u>2021</u> | <u>2020</u> |
|----------------------------------|-------------------|------------------|
| <u>General Fund</u> | | |
| Accounts receivable | \$ 55,661 | \$ - |
| Harmonized sales tax recoverable | <u>48,868</u> | <u>30,872</u> |
| | <u>\$ 104,529</u> | <u>\$ 30,872</u> |
| <u>COVID-19 Reserve Fund</u> | | |
| Accounts receivable | <u>\$ 249,914</u> | <u>\$ -</u> |

6. CAPITAL ASSETS

| | Cost | Accumulated amortization | 2021 Net book value | 2020 Net book value |
|--------------------------|---------------------|-----------------------------|---------------------------|---------------------------|
| Land | \$ 421,400 | \$ - | \$ 421,400 | \$ 421,400 |
| Building - Wright Avenue | 2,005,735 | 258,341 | 1,747,394 | 1,820,201 |
| Equipment | 621,725 | 283,479 | 338,246 | 310,410 |
| Computer equipment | 159,509 | 116,618 | 42,891 | 42,819 |
| Computer software | 199,418 | 199,418 | - | - |
| Uniforms | 30,410 | 30,410 | - | - |
| | <u>\$ 3,438,197</u> | <u>\$ 888,266</u> | <u>\$ 2,549,931</u> | <u>\$ 2,594,830</u> |

7. DEFERRED REVENUE

| | Opening Balance | Current Year Funding | Total Funds Expended | Ending Balance |
|-------------------------|--------------------|-------------------------|-------------------------|-------------------|
| GENERAL FUND | | | | |
| Province of Nova Scotia | \$ - | \$ 67,500 | \$ - | \$ 67,500 |
| Other | - | 11,315 | - | 11,315 |
| | <u>\$ -</u> | <u>\$ 78,815</u> | <u>\$ -</u> | <u>\$ 78,815</u> |

METRO FOOD BANK SOCIETY - NOVA SCOTIA
(operating as Feed Nova Scotia)
Notes to Financial Statements
Year Ended March 31, 2021

8. DEFERRED CONTRIBUTIONS

Deferred contributions represent the amount of donations received for the purchase of capital assets less capital campaign expenses, funding received for the purchase of a generator and the amortization of the net capital campaign contributions and the generator to date. Details of the deferred contributions balance are as follows:

| | 2021 | 2020 |
|---|---------------------|---------------------|
| Wright Avenue | | |
| Opening balance | \$ 1,048,997 | \$ 900,458 |
| Capital campaign contributions received | 127,077 | 188,325 |
| Generator | 75,536 | - |
| Amortization | (51,265) | (39,786) |
| Ending balance | \$ 1,200,345 | \$ 1,048,997 |

9. SECURITY FOR INDEBTEDNESS

The Society has the following credit facilities available with the Bank of Nova Scotia:

1. Operating overdraft of \$250,000 bearing interest at the bank's prime lending rate plus 0.25%, repayable upon demand.
2. Two Scotiabank Business VISA credit cards with a combined \$50,000 credit limit with interest and repayments per the cardholder agreements.

10. FOOD DISTRIBUTED TO MEMBERS

| | 2021 | 2020 |
|--|----------------------|----------------------|
| Estimated fair value of food distributed during the year | \$ 16,932,062 | \$ 12,156,248 |
| Estimated fair value of year-end food inventory | 4,483,585 | 979,071 |
| | \$ 21,415,647 | \$ 13,135,319 |

Food distributed consists of purchased food and receipted and non-receipted food donations. Since the food is distributed to members and individuals, the inventory has no net realizable value. Therefore, in accordance with accounting standards for not-for-profit organizations, inventory has not been recorded as an asset in the statements of the Society. The total kilograms of food distributed during the year was 2,942,048 kilograms (2020 - 2,132,675 kilograms).

METRO FOOD BANK SOCIETY - NOVA SCOTIA
(operating as Feed Nova Scotia)
Notes to Financial Statements
Year Ended March 31, 2021

11. IN-KIND DONATIONS

(a) Donated goods

In kind donations in the form of goods are recorded in the financial statements when management can reasonably determine the fair value of the donations. The in-kind donations recorded in these financial statements for the year are \$14,674,173 (2020 - \$12,088,871). Of this amount, \$360,071 (2020 - \$416,318) represents receipted food donations and \$13,916,714 (2020 - \$11,424,432) represents unreceipted food donations.

(b) Donated services

Volunteer hours representing fundraising, special events, administrative, warehouse activity and home delivery for the year were 16,748 (2020 - 29,624). The value of these services are not reflected in these financial statements.

12. LEASE COMMITMENTS

Equipment leases

The Society has a long term lease with respect to its equipment, motor vehicles and software. Future minimum lease payments as at year end are as follows:

| | | |
|------|----|----------------|
| 2022 | \$ | 104,715 |
| 2023 | | 33,260 |
| 2024 | | 13,457 |
| | | <u>151,432</u> |
| | \$ | <u>151,432</u> |

13. COVID-19

Beginning in March 2020 the Governments of Canada and Nova Scotia, as well as foreign governments instituted emergency measures as a result of the COVID-19 virus. The virus has had a major impact on Canadian and international securities and currency markets and consumer activity which may impact the Society's financial position, its results of operations and its cash flows significantly. As these are primarily ongoing events, these financial statements do not reflect any potential future impact. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Society as at the report date.

14. COMPARATIVE FIGURES

During the year the Society created a COVID-19 Reserve Fund. As a result, some of the comparative figures have been reclassified to conform to the current year's presentation.

METRO FOOD BANK SOCIETY - NOVA SCOTIA
(operating as Feed Nova Scotia)

Schedule of Revenues
Year Ended March 31, 2021

(Schedule 1)

| | 2021 | 2020 |
|------------------------------|----------------------|----------------------|
| DONATED FOOD PRODUCTS | \$ 14,276,788 | \$ 11,840,750 |
| DONATIONS | 8,771,832 | 2,664,192 |
| APPEALS AND EVENTS | 1,577,657 | 1,189,348 |
| GRANTS | 1,502,678 | 408,101 |
| IN-KIND DONATIONS | 397,386 | 248,121 |
| OTHER | 174,611 | 25,348 |
| | \$ 26,700,952 | \$ 16,375,860 |

METRO FOOD BANK SOCIETY - NOVA SCOTIA
(operating as Feed Nova Scotia)

Schedule of Expenditures
Year Ended March 31, 2021

(Schedule 2)

| | 2021 | 2020 |
|--|----------------------|----------------------|
| FOOD PROCUREMENT AND LOGISTICS | | |
| Amortization of equipment | \$ 66,975 | \$ 99,583 |
| External warehouse and leasing | 220,029 | 33,816 |
| Food donations | 14,276,788 | 11,840,750 |
| Food purchases | 1,420,060 | 315,498 |
| Garbage collection | 36,183 | 40,586 |
| Salaries and wages | 1,250,700 | 897,910 |
| Supplies | 89,198 | 21,314 |
| Telephone | 15,027 | 11,503 |
| Training and development | 2,760 | 1,861 |
| Vehicle | 340,599 | 338,518 |
| | \$ 17,718,319 | \$ 13,601,339 |
| COMMUNITY CONNECTIONS | | |
| Capacity fund | \$ 45,600 | \$ 38,879 |
| Hearts for Christmas | 119,382 | 70,751 |
| Information technology | 25,800 | 25,800 |
| Network capacity development | 695 | 10,999 |
| Membership program and material | 25,417 | 23,054 |
| Research and program development | 680 | - |
| Salaries and benefits | 545,292 | 338,690 |
| Staff training and development | 1,129 | 797 |
| Telephone | 10,884 | 633 |
| | \$ 774,879 | \$ 509,603 |
| FUNDRAISING AND DONOR RELATIONS | | |
| Donor recognition | \$ 1,664 | \$ 2,708 |
| Events | 320 | 1,983 |
| Postage | 19,885 | 30,525 |
| Printing | 16,483 | 33,315 |
| Promotion and merchandising | 8,460 | 6,018 |
| Publications | - | 626 |
| Salaries and benefits | 404,488 | 408,919 |
| Signature and special events | 254,789 | 186,200 |
| Training and development | 1,214 | 1,951 |
| | \$ 707,303 | \$ 672,245 |

(continues)

METRO FOOD BANK SOCIETY - NOVA SCOTIA
(operating as Feed Nova Scotia)

Schedule of Expenditures *(continued)*

(Schedule 2)

Year Ended March 31, 2021

| | 2021 | 2020 |
|--|-------------------|-------------------|
| ADMINISTRATIVE | | |
| Amortization of office equipment | \$ 20,220 | \$ 21,321 |
| Bad debts | 5,694 | 5,043 |
| Director's liability insurance | 1,800 | 1,621 |
| Equipment leases | 5,242 | 5,605 |
| Information technology | 62,564 | 37,200 |
| Interest and bank charges | 33,336 | 30,273 |
| Memberships | 3,204 | 6,033 |
| National and local meetings | 7,630 | 15,295 |
| Office and stationary | 14,980 | 28,846 |
| Postage | 15,050 | 12,190 |
| Professional fees | 129,911 | 30,773 |
| Recruitment | 4,399 | 395 |
| Salaries and benefits | 624,007 | 594,836 |
| Telephone | 12,670 | 15,025 |
| Training and development | 5,680 | 16,995 |
| Volunteer program | 29,981 | 6,866 |
| | \$ 976,368 | \$ 828,317 |
| OCCUPANCY | | |
| Amortization, net of amortization of deferred capital campaign contributions | \$ 28,306 | \$ 36,057 |
| Building repairs and maintenance | 23,834 | 13,256 |
| Building services | 34,368 | 34,338 |
| Heat | 28,730 | 34,733 |
| Insurance | 19,592 | 15,496 |
| Interest on long term debt | 5,282 | 14,581 |
| Rent | 16,660 | - |
| Safety | 9,468 | 117 |
| Snow removal | 13,867 | 13,943 |
| Utilities | 51,970 | 54,019 |
| | \$ 232,077 | \$ 216,540 |