METRO FOOD BANK SOCIETY - NOVA SCOTIA
(Operating as Feed Nova Scotia)
Financial Statements
Year Ended March 31, 2019
INDEPENDENT AUDITOR’S REPORT

FINANCIAL STATEMENTS

Statement of Financial Position
Statement of Revenues and Expenditures
Statement of Changes in Net Assets
Statement of Operating Cash Flows
Notes to Financial Statements
Schedule of Revenues (Schedule 1)
Schedule of Expenditures (Schedule 2)
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), which comprise the statement of financial position as at March 31, 2019, 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, 2019, and the results of its operations 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 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 expenses, and cash flows from operations for the year ended March 31, 2019, current assets and net assets as at March 31, 2019. Our audit opinion on the financial statements for the year ended March 31, 2018 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 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 those 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 Society's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

(continues)
Independent Auditor’s Report to the Members of Metro Food Bank Society - Nova Scotia  (continued)

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

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 12, 2019

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants
# Statement of Financial Position

**March 31, 2019**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>GENERAL FUND</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash (Note 3)</td>
<td>$1,161,583</td>
<td>$462,707</td>
</tr>
<tr>
<td>Short term investments (Note 3)</td>
<td>$2,960</td>
<td>$831,157</td>
</tr>
<tr>
<td>Accounts receivable (Note 4)</td>
<td>$38,017</td>
<td>$75,076</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>-</td>
<td>143</td>
</tr>
<tr>
<td></td>
<td><strong>1,202,560</strong></td>
<td><strong>1,369,083</strong></td>
</tr>
<tr>
<td><strong>CAPITAL FUND</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital assets (Note 5)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>2,777,906</strong></td>
<td><strong>3,036,982</strong></td>
</tr>
<tr>
<td><strong>BEQUEST FUND</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short term investments (Note 3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>460,000</strong></td>
<td><strong>460,000</strong></td>
</tr>
<tr>
<td><strong>OPERATIONAL RESERVE FUND</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash (Note 3)</td>
<td>$215,140</td>
<td>$400,971</td>
</tr>
<tr>
<td>Short term investments (Note 3)</td>
<td>$426,476</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>641,616</strong></td>
<td><strong>400,971</strong></td>
</tr>
<tr>
<td></td>
<td><strong>$ 5,082,082</strong></td>
<td><strong>$ 5,267,036</strong></td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>GENERAL FUND</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities (Note 6)</td>
<td>$274,485</td>
<td>$322,528</td>
</tr>
<tr>
<td>Deferred revenue (Note 7)</td>
<td>$25,516</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>300,001</strong></td>
<td><strong>322,528</strong></td>
</tr>
<tr>
<td><strong>CAPITAL FUND</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long term debt (Note 9)</td>
<td>$476,750</td>
<td>$2,032,250</td>
</tr>
<tr>
<td>Deferred revenue (Note 7)</td>
<td>-</td>
<td>49,375</td>
</tr>
<tr>
<td>Deferred contributions - capital campaign (Note 8)</td>
<td>$900,459</td>
<td>$415,197</td>
</tr>
<tr>
<td></td>
<td><strong>1,377,209</strong></td>
<td><strong>2,496,822</strong></td>
</tr>
<tr>
<td></td>
<td><strong>1,677,210</strong></td>
<td><strong>2,819,350</strong></td>
</tr>
<tr>
<td><strong>FUND BALANCES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>GENERAL FUND</strong></td>
<td>902,559</td>
<td>1,046,556</td>
</tr>
<tr>
<td><strong>CAPITAL FUND</strong></td>
<td>1,400,697</td>
<td>540,159</td>
</tr>
<tr>
<td><strong>BEQUEST FUND</strong></td>
<td>460,000</td>
<td>460,000</td>
</tr>
<tr>
<td><strong>OPERATIONAL RESERVE FUND</strong></td>
<td>641,616</td>
<td>400,971</td>
</tr>
<tr>
<td></td>
<td><strong>3,404,872</strong></td>
<td><strong>2,447,686</strong></td>
</tr>
<tr>
<td></td>
<td><strong>$ 5,082,082</strong></td>
<td><strong>$ 5,267,036</strong></td>
</tr>
</tbody>
</table>

**LEASE COMMITMENTS** (Note 13)

**ON BEHALF OF THE BOARD**

[Signatures]
<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE (Schedule 1)</strong></td>
<td>$5,295,470</td>
<td>$4,824,063</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FOOD PROCUREMENT AND LOGISTICS (Schedule 2)</td>
<td>1,983,904</td>
<td>1,896,278</td>
</tr>
<tr>
<td>COMMUNITY CONNECTIONS (Schedule 2)</td>
<td>505,995</td>
<td>473,673</td>
</tr>
<tr>
<td>FUNDRAISING AND DONOR RELATIONS (Schedule 2)</td>
<td>709,558</td>
<td>682,330</td>
</tr>
<tr>
<td>ADMINISTRATIVE (Schedule 2)</td>
<td>735,247</td>
<td>632,990</td>
</tr>
<tr>
<td>OCCUPANCY (Schedule 2)</td>
<td>294,719</td>
<td>244,240</td>
</tr>
<tr>
<td>MEMBER DESIGNATED DONATIONS</td>
<td>108,861</td>
<td>150,133</td>
</tr>
<tr>
<td><strong>EXCESS OF REVENUES OVER EXPENDITURES</strong></td>
<td>$957,186</td>
<td>$744,419</td>
</tr>
</tbody>
</table>
METRO FOOD BANK SOCIETY - NOVA SCOTIA
(Operating as Feed Nova Scotia)
Statement of Changes in Net Assets
Year Ended March 31, 2019

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Capital Fund</th>
<th>Bequest Fund</th>
<th>Reserve Fund</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>NET ASSETS - BEGINNING OF YEAR</td>
<td>$ 1,046,556</td>
<td>$ 540,159</td>
<td>$ 460,000</td>
<td>$ 400,971</td>
<td>$ 2,447,686</td>
<td>$ 1,994,097</td>
</tr>
<tr>
<td>Excess of revenues over expenditures</td>
<td>249,043</td>
<td>702,148</td>
<td>-</td>
<td>5,995</td>
<td>957,186</td>
<td>744,419</td>
</tr>
<tr>
<td>Transfers</td>
<td>(234,650)</td>
<td>-</td>
<td>-</td>
<td>234,650</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capital asset purchases, net of disposals</td>
<td>933,942</td>
<td>(933,942)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Repayment of long term debt</td>
<td>(1,604,443)</td>
<td>1,604,443</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deferred capital contributions received, net of expenses</td>
<td>512,111</td>
<td>(512,111)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(290,830)</td>
</tr>
<tr>
<td>NET ASSETS - END OF YEAR</td>
<td>$ 902,559</td>
<td>$ 1,400,697</td>
<td>$ 460,000</td>
<td>$ 641,616</td>
<td>$ 3,404,872</td>
<td>$ 2,447,686</td>
</tr>
</tbody>
</table>
### OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess of revenues over expenditures</td>
<td>$ 957,186</td>
<td>$ 744,419</td>
</tr>
<tr>
<td>Items not affecting cash:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of capital assets</td>
<td>$ 205,932</td>
<td>$ 114,285</td>
</tr>
<tr>
<td>Amortization of deferred capital contributions</td>
<td>$(26,850)</td>
<td>$(31,953)</td>
</tr>
<tr>
<td>Gain on sale of building</td>
<td>$(879,163)</td>
<td>$ -</td>
</tr>
<tr>
<td>Loss (gain) on disposal of equipment</td>
<td>(1,635)</td>
<td>$ 225</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 255,470</td>
<td>$ 826,976</td>
</tr>
</tbody>
</table>

Changes in non-cash working capital:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable</td>
<td>$ 37,059</td>
<td>$(33,094)</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$(48,042)</td>
<td>$ 25,589</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>$ 143</td>
<td>$ 21,570</td>
</tr>
<tr>
<td>Deferred revenue - General Fund</td>
<td>$ 25,516</td>
<td>$(68,670)</td>
</tr>
<tr>
<td>Deferred revenue - Capital Fund</td>
<td>$(49,375)</td>
<td>$(2,057)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$(34,699)</td>
<td>$(56,662)</td>
</tr>
</tbody>
</table>

Cash flow from operating activities: $ 220,771

### INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of capital assets</td>
<td>$(371,667)</td>
<td>(2,676,286)</td>
</tr>
<tr>
<td>Proceeds on disposal of capital assets</td>
<td>$ 1,305,609</td>
<td>$ 550</td>
</tr>
<tr>
<td>Deferred contributions received - capital campaign</td>
<td>$ 512,111</td>
<td>$ 423,670</td>
</tr>
<tr>
<td>Bequest funds allocated to deferred contributions</td>
<td>$ -</td>
<td>$(290,830)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 1,446,053</td>
<td>$(2,542,896)</td>
</tr>
</tbody>
</table>

### FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from long term debt</td>
<td>$ -</td>
<td>$ 2,060,000</td>
</tr>
<tr>
<td>Repayment of long term debt</td>
<td>$(1,555,500)</td>
<td>$(27,750)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$(1,555,500)</td>
<td>$ 2,032,250</td>
</tr>
</tbody>
</table>

### INCREASE IN CASH FLOW

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from (used by) investing activities</td>
<td>$ 111,324</td>
<td>$ 259,668</td>
</tr>
</tbody>
</table>

Cash - beginning of year: $ 2,154,835

### CASH - END OF YEAR

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash - General Fund</td>
<td>$ 1,161,583</td>
<td>$ 462,707</td>
</tr>
<tr>
<td>Cash - Operatonal Reserve Fund</td>
<td>$ 215,140</td>
<td>$ 400,971</td>
</tr>
<tr>
<td>Short term investments - General Fund</td>
<td>$ 2,960</td>
<td>$ 831,157</td>
</tr>
<tr>
<td>Short term investments - Bequest Fund</td>
<td>$ 460,000</td>
<td>$ 460,000</td>
</tr>
<tr>
<td>Short term investments - Operational Reserve Fund</td>
<td>$ 426,476</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 2,266,159</td>
<td>$ 2,154,835</td>
</tr>
</tbody>
</table>
DESCRIPTION OF THE ORGANIZATION

Metro Food Bank Society - Nova Scotia, operating as Feed Nova Scotia, (the "Society") 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 144 member agencies across the province, including foods banks, shelters, drop-in centres and other meals initiatives for Nova Scotians experiencing low income and poverty; and helps facilitate informed dialogue around hunger and poverty. 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 (ASNFPO).

Cash and short term investments

Cash consists of petty cash, gift certificates, and deposits within Canadian financial institutions, net of outstanding transactions. Short-term investments consist of units of an investment trust fund and four guaranteed investment certificates held in the General, Operational Reserve and Bequest fund.

Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets 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%
- Uniforms: 20%
- Paving: 8%

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.

(continues)
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 three bequests in the amounts of $10,000, $250,000 and $200,000. 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 $250,000 and $200,000 bequests cannot be utilized by virtue of the terms of the bequests.

(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.

Financial instruments policy

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.

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.

Revenue recognition

Fundraising, unrestricted grants, donations, and other revenues are recognized when received by the Society. Non-receipted donated food revenue is disclosed in the notes for presentation purposes only (see Note 11).

(continues)
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated goods and services

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 management’s best estimate determined using average cost per kilogram for donated food.

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 and the useful lives of capital assets. Actual results could differ from these estimates.

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, short term investments, accounts receivable, accounts payable and accrued liabilities and long term debt. The following analysis provides information about the Society’s risk exposure and concentration as of March 31, 2019.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk from members. 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.

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 long term debt.
### 3. CASH AND SHORT-TERM INVESTMENTS

<table>
<thead>
<tr>
<th>Fund</th>
<th>Cash</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>Cash</td>
<td>1,071,029</td>
<td>386,835</td>
</tr>
<tr>
<td>In kind gift certificates</td>
<td>90,554</td>
<td></td>
<td>75,872</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>1,161,583</strong></td>
<td><strong>462,707</strong></td>
</tr>
<tr>
<td></td>
<td>Short term investments</td>
<td>2,960</td>
<td>831,157</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>1,164,543</strong></td>
<td><strong>1,293,864</strong></td>
</tr>
<tr>
<td>Bequest Fund</td>
<td>Short term investments</td>
<td>460,000</td>
<td>460,000</td>
</tr>
<tr>
<td>Operational Reserve Fund</td>
<td>Cash</td>
<td>215,140</td>
<td>400,971</td>
</tr>
<tr>
<td></td>
<td>Short term investments</td>
<td>426,476</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>641,616</strong></td>
<td><strong>400,971</strong></td>
</tr>
</tbody>
</table>

The investments, including accrued interest, are valued as follows:

#### Guaranteed Investment Certificates

<table>
<thead>
<tr>
<th>Rate</th>
<th>Maturity</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.36%</td>
<td>June 28, 2019</td>
<td>$400,000</td>
<td>-</td>
</tr>
<tr>
<td>1.86%</td>
<td>November 27, 2019</td>
<td>200,000</td>
<td>-</td>
</tr>
<tr>
<td>2.29%</td>
<td>November 28, 2019</td>
<td>30,000</td>
<td>-</td>
</tr>
<tr>
<td>1.95%</td>
<td>January 21, 2020</td>
<td>250,000</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Accrued interest</td>
<td>6,476</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Matured during the year</td>
<td>-</td>
<td>1,288,197</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>886,476</strong></td>
<td><strong>1,288,197</strong></td>
</tr>
</tbody>
</table>

#### Investment Trust Fund

<table>
<thead>
<tr>
<th>Units</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>500</td>
<td>2,960</td>
<td>2,960</td>
</tr>
<tr>
<td></td>
<td><strong>889,436</strong></td>
<td><strong>1,291,157</strong></td>
</tr>
</tbody>
</table>

Short term investments are allocated as follows:

<table>
<thead>
<tr>
<th>Fund</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>2,960</td>
<td>831,157</td>
</tr>
<tr>
<td>Bequest Fund</td>
<td>460,000</td>
<td>460,000</td>
</tr>
<tr>
<td>Operational Reserve Fund</td>
<td>426,476</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>889,436</strong></td>
<td><strong>1,291,157</strong></td>
</tr>
</tbody>
</table>
4. ACCOUNTS RECEIVABLE

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable</td>
<td>$3,718</td>
<td>$985</td>
</tr>
<tr>
<td>Harmonized Sales Tax recoverable</td>
<td>34,299</td>
<td>74,091</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>38,017</strong></td>
<td><strong>75,076</strong></td>
</tr>
</tbody>
</table>

5. CAPITAL ASSETS

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Land - Bedford Highway</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$120,640</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land - Wright Avenue</td>
<td>421,400</td>
<td>-</td>
<td>421,400</td>
<td>421,400</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building - Bedford Highway</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>261,572</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building - Wright Avenue</td>
<td>2,005,735</td>
<td>109,692</td>
<td>1,896,043</td>
<td>1,739,436</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>520,607</td>
<td>133,954</td>
<td>386,653</td>
<td>445,221</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computer equipment</td>
<td>131,854</td>
<td>85,812</td>
<td>46,042</td>
<td>41,876</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computer software</td>
<td>199,418</td>
<td>171,650</td>
<td>27,768</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uniforms</td>
<td>30,410</td>
<td>30,410</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paving</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6,837</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,309,424</strong></td>
<td><strong>531,518</strong></td>
<td><strong>2,777,906</strong></td>
<td><strong>3,036,982</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

During the year, the Society completed the sale of the building for it's previous operating location on Bedford Highway and realized a gain of $879,163.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$180,013</td>
<td>$194,279</td>
</tr>
<tr>
<td>Accrued vacation payable</td>
<td>93,560</td>
<td>137,337</td>
</tr>
<tr>
<td>Government remittances</td>
<td>912</td>
<td>912</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>274,485</strong></td>
<td><strong>332,528</strong></td>
</tr>
</tbody>
</table>
7. DEFERRED REVENUE

General Fund
Deferred revenue within the General Fund consists of a software grant of $51,016 which is being amortized at the same rate as the underlying software. During the year $25,508 of amortization was recorded.

Capital Fund
In 1998, the Halifax Regional Municipality approved the sale of 213-217 Bedford Highway to the Society. The property was recorded as a capital asset of the Society at the appraised value of $290,000. Deferred revenue of $108,750 was the portion of the purchase price which will be forgiven by the Halifax Regional Municipality. The Society is amortizing the deferred revenue to income on the same basis as the amortization of the property. During the year $49,375 of amortization was recorded as a result of the sale of the related building.

8. DEFERRED CONTRIBUTIONS - CAPITAL CAMPAIGN

Deferred contributions - capital campaign represents the amount of donations received for the purchase of capital assets less capital campaign expenses and the amortization of net capital campaign contributions to date. Details of the deferred contributions - capital campaign balance are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wright Avenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital campaign contributions</td>
<td>$997,537</td>
<td>$465,830</td>
</tr>
<tr>
<td>Capital campaign expenditures</td>
<td>(61,755)</td>
<td>(42,160)</td>
</tr>
<tr>
<td>Amortization</td>
<td>(35,323)</td>
<td>(8,473)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$900,459</td>
<td>$415,197</td>
</tr>
</tbody>
</table>

9. LONG TERM DEBT

Scotiabank non-revolving term loan loan bearing interest at the bank's prime rate plus 1.10% per annum, repayable in monthly principal payments of $4,625. The loan matures on September 8, 2020 and is secured by the related land and building which has a carrying value of $2,317,443.

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan repaid during the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$476,750</td>
<td></td>
<td>1,082,250</td>
</tr>
<tr>
<td>$476,750</td>
<td></td>
<td>950,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$476,750</td>
<td>$2,032,250</td>
</tr>
</tbody>
</table>

(continues)
9. **LONG TERM DEBT (continued)**

Subsequent to year-end, the Society repaid an additional $200,000 on the loan balance.

Principal repayment terms are approximately:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$55,500</td>
</tr>
<tr>
<td>2021</td>
<td>421,250</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$476,750</strong></td>
</tr>
</tbody>
</table>

10. **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 on demand.
2. Non-revolving term loan of $681,375 bearing interest at the bank's prime lending rate plus 1.10%, repayable in monthly principal payments of $4,625.
3. Scotiabank Business VISA cards of $50,000 and $5,000, with interest and repayments per the cardholder agreements.
4. Scotiabank Momentum VISA cards of $30,000 and $500, with interest and repayments per the cardholder agreements.

The society's credit facilities are secured by:

(a) 1st ranking general security agreement with appropriate insurance and the bank as a loss payee

(b) First charge collateral mortgage for $1,110,000 over the property at 67 Wright Avenue, Dartmouth with all perils insurance loss payable in favor of the bank.

The Society is required to maintain the ratio of EBITDA to interest expense plus current portion of long term debt and capital leases of at least 1.15:1.

The Scotiabank Momentum VISA card of $30,000 is secured by a guaranteed investment certificate.

11. **FOOD DISTRIBUTED TO MEMBERS**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated fair value of food distributed during the year</td>
<td>$11,130,571</td>
<td>$11,443,249</td>
</tr>
<tr>
<td>Estimated fair value of year-end food inventory</td>
<td>$989,167</td>
<td>$997,779</td>
</tr>
</tbody>
</table>

Food distributed to members consists of purchased food and receipted and non-receipted food donations. Since the food is distributed to members, 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 1,952,732 kgs. (2018 - 1,970,623 kgs.)
12. 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 $561,160 (2018 - $520,615). Of this amount, $357,669 (2018 - $351,986) represents receipted food donations.

(b) Donated services
Volunteer hours representing fundraising, special events, administrative and warehouse activity for the year were 29,726 (2018 - 31,572). The value of these services are not reflected in these financial statements.

13. LEASE COMMITMENTS
The Society has a long term lease with respect to its equipment and motor vehicles. Future minimum lease payments as at March 31, 2019, are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$73,081</td>
</tr>
<tr>
<td>2021</td>
<td>56,921</td>
</tr>
<tr>
<td>2022</td>
<td>54,477</td>
</tr>
<tr>
<td>2023</td>
<td>30,080</td>
</tr>
<tr>
<td>2024</td>
<td>11,107</td>
</tr>
</tbody>
</table>

$225,666
## Schedule of Revenues

**Year Ended March 31, 2019**

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>DONATIONS</td>
<td>$2,230,606</td>
<td>$2,634,075</td>
</tr>
<tr>
<td>APPEALS AND EVENTS</td>
<td>1,217,047</td>
<td>1,246,420</td>
</tr>
<tr>
<td>IN-KIND DONATIONS (Note 12(a))</td>
<td>561,160</td>
<td>520,615</td>
</tr>
<tr>
<td>GRANTS</td>
<td>204,171</td>
<td>172,052</td>
</tr>
<tr>
<td>OTHER</td>
<td>203,323</td>
<td>250,901</td>
</tr>
<tr>
<td>GAIN ON SALE OF BUILDING (Note 5)</td>
<td>879,163</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$5,295,470</strong></td>
<td><strong>$4,824,063</strong></td>
</tr>
</tbody>
</table>

*(Schedule 1)*
## METRO FOOD BANK SOCIETY - NOVA SCOTIA

*(Operating as Feed Nova Scotia)*

**Schedule of Expenditures**

*Year Ended March 31, 2019*  

<table>
<thead>
<tr>
<th>Category</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FOOD PROCUREMENT AND LOGISTICS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of equipment</td>
<td>$ 113,093</td>
<td>$ 47,779</td>
</tr>
<tr>
<td>External warehouse and leasing</td>
<td>18,827</td>
<td>32,017</td>
</tr>
<tr>
<td>Food purchases</td>
<td>241,642</td>
<td>246,626</td>
</tr>
<tr>
<td>Food donations - in-kind receipted <em>(Note 12(a))</em></td>
<td>357,669</td>
<td>351,986</td>
</tr>
<tr>
<td>Garbage collection</td>
<td>38,944</td>
<td>36,602</td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>818,793</td>
<td>803,910</td>
</tr>
<tr>
<td>Supplies</td>
<td>36,330</td>
<td>24,811</td>
</tr>
<tr>
<td>Telephone</td>
<td>11,364</td>
<td>11,853</td>
</tr>
<tr>
<td>Training and development</td>
<td>1,308</td>
<td>1,171</td>
</tr>
<tr>
<td>Vehicle</td>
<td>347,569</td>
<td>339,298</td>
</tr>
<tr>
<td>Loss (gain) on disposal of equipment</td>
<td>(1,635)</td>
<td>225</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 1,983,904</td>
<td>$ 1,896,278</td>
</tr>
</tbody>
</table>

| **COMMUNITY CONNECTIONS**                     |          |          |
| Hearts for Christmas                          | $ 64,961 | $ 53,718 |
| Membership meeting expenses                  | 24,142   | 7,295    |
| Membership program and material               | 41,897   | 36,219   |
| Research and program development              | 549      | 447      |
| Salaries and benefits                         | 312,260  | 312,551  |
| Staff training and development                | 494      | -        |
| Telephone                                     | 615      | 965      |
| Information technology                        | 25,800   | 25,800   |
| Capacity fund                                 | 35,277   | 36,678   |
| **Total**                                     | $ 505,995| $ 473,673|

| **FUNDRAISING AND DONOR RELATIONS**           |          |          |
| Donor recognition                             | $ 2,131  | $ 7,602  |
| Events                                        | 5,490    | 7,024    |
| Postage                                       | 30,121   | 29,487   |
| Printing                                      | 67,861   | 45,239   |
| Promotion and merchandising                   | 10,324   | 9,748    |
| Publications                                  | 107      | 549      |
| Salaries and benefits                         | 400,539  | 403,080  |
| Signature and special events                  | 192,945  | 178,528  |
| Training and dues                             | 40       | 1,073    |
| **Total**                                     | $ 709,558| $ 682,330|

*(continues)*
## Schedule of Expenditures (continued)

### ADMINISTRATIVE

<table>
<thead>
<tr>
<th>Item</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortization of office equipment</td>
<td>$18,646</td>
<td>$19,580</td>
</tr>
<tr>
<td>Bad debts (recovery)</td>
<td>3,048</td>
<td>(75)</td>
</tr>
<tr>
<td>Director's liability insurance</td>
<td>2,932</td>
<td>3,317</td>
</tr>
<tr>
<td>Equipment leases</td>
<td>5,047</td>
<td>5,101</td>
</tr>
<tr>
<td>Information technology</td>
<td>28,029</td>
<td>33,635</td>
</tr>
<tr>
<td>Interest and bank charges</td>
<td>41,402</td>
<td>39,004</td>
</tr>
<tr>
<td>Memberships</td>
<td>3,307</td>
<td>4,709</td>
</tr>
<tr>
<td>National and local meetings</td>
<td>10,880</td>
<td>16,564</td>
</tr>
<tr>
<td>Office and stationary</td>
<td>25,247</td>
<td>16,317</td>
</tr>
<tr>
<td>Postage</td>
<td>12,766</td>
<td>10,409</td>
</tr>
<tr>
<td>Professional fees</td>
<td>5,328</td>
<td>6,955</td>
</tr>
<tr>
<td>Recruitment</td>
<td>5,570</td>
<td>5,461</td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>546,746</td>
<td>454,357</td>
</tr>
<tr>
<td>Telephone</td>
<td>15,505</td>
<td>15,540</td>
</tr>
<tr>
<td>Training and development</td>
<td>4,443</td>
<td>405</td>
</tr>
<tr>
<td>Volunteer program</td>
<td>6,351</td>
<td>1,711</td>
</tr>
<tr>
<td><strong>Total Administrative</strong></td>
<td><strong>$735,247</strong></td>
<td><strong>$632,990</strong></td>
</tr>
</tbody>
</table>

### OCCUPANCY

<table>
<thead>
<tr>
<th>Item</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortization, net of amortization of deferred capital campaign contributions</td>
<td>$47,343</td>
<td>$14,974</td>
</tr>
<tr>
<td>Building repairs and maintenance</td>
<td>36,766</td>
<td>8,139</td>
</tr>
<tr>
<td>Building services</td>
<td>29,354</td>
<td>21,916</td>
</tr>
<tr>
<td>Heat</td>
<td>43,677</td>
<td>47,426</td>
</tr>
<tr>
<td>Insurance</td>
<td>14,091</td>
<td>13,112</td>
</tr>
<tr>
<td>Interest on long term debt</td>
<td>48,943</td>
<td>46,391</td>
</tr>
<tr>
<td>Utilities</td>
<td>55,607</td>
<td>39,485</td>
</tr>
<tr>
<td>Safety</td>
<td>1,653</td>
<td>2,487</td>
</tr>
<tr>
<td>Snow removal</td>
<td>12,873</td>
<td>21,462</td>
</tr>
<tr>
<td>Property tax</td>
<td>4,412</td>
<td>28,848</td>
</tr>
<tr>
<td><strong>Total Occupancy</strong></td>
<td><strong>$294,719</strong></td>
<td><strong>$244,240</strong></td>
</tr>
</tbody>
</table>