



**ONTARIO**  
*Food Terminal Board*  
**2022-23 Annual Report**



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# Introduction

The Ontario Food Terminal Board (OFTB) was established in 1954 and is a Board Governed Provincial Agency created under the *Ontario Food Terminal Act, R.S.O. 1990*. The OFTB's mandate is set out in section 4 of the Act which provides that the Agency's mandate is to acquire, construct, equip and operate a wholesale market primarily for agricultural products in the City of Toronto or The Regional Municipality of York, known in English as the Ontario Food Terminal and in French as Marché des produits alimentaires de l'Ontario, and to acquire and operate such facilities for the transportation and handling of agricultural products as may be necessary for the purposes of the Terminal; promote local food within the meaning of the *Local Food Act, 2013*; and to do such other acts as may be necessary or expedient for the carrying out of its operations and undertakings.

The OFTB's staff and Board of Directors combine a wealth of expertise in the marketing and distribution of fruits, vegetables and agricultural products in the province of Ontario and Canada. The Board had a net income of \$1,404,039 in the 2022/23 fiscal year compared to a net income of \$823,357 in the 2021/22 fiscal year.

## Delivering on its mandate to operate a wholesale market

The Ontario Food Terminal (Terminal) is a self-funded, competitive wholesale market which allows over 4,000 buyers to purchase high quality produce from 20 warehouse tenants and over 300 Ontario farmer tenants. The Terminal operates 24 hours a day, 7 days a week, 365 days a year. The volume of produce distributed annually through the Terminal is nearly 2 billion pounds and there are approximately 400 different varieties of produce sold at the Terminal. The Terminal continues to be the main source of agricultural products for the independent grocery trade in Ontario and contributes in no small way to the success of Ontario's agriculture and agri-food industry, which is a major economic driver in the province. In 2022, for example, Ontario's agriculture and agri-food industry generated \$48.7 billion in gross domestic product.<sup>1</sup>

The Terminal is a crucial node in Ontario's food distribution system and is strategically located within the City of Toronto to deliver on its mandate. Importantly, the Terminal is situated close to its buyer base, which reduces travel time for the thousands of buyers who use the Terminal each week. In addition to being the main source of agricultural products for the independent grocery trade, the Terminal serves as an incubator for early-stage startups in fresh food retailing, enables agricultural products to be showcased to buyers, and provides an outlet for Ontario growers to market their products directly to buyers. The Terminal also helps ensure that locally grown foods reach Ontario consumers and are competitively priced.

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<sup>1</sup> Government of Canada – [Gross domestic product for agri-food sector](#), September 21, 2023.

Several features set the Ontario Food Terminal apart from other wholesale markets in North America. Of the major wholesale markets, the Ontario Food Terminal is the only one with a wholesale farmers' market. The farmers' market enables over 300 hundred farm businesses to conduct seasonal operations at the Terminal and market their products directly to buyers, giving farmers increased market access and improving margins, and making it possible for more Ontarians to enjoy food produced by Ontario farmers. Over the past several years, the Ontario Food Terminal has also invested in important infrastructure developments, such as a central cold storage space available to tenants, an enclosed docking system to facilitate year-round operations and reduce food safety risks, and an onsite waste handling facility to reduce food waste.

## **Operating Principles**

### **Vision**

To aspire to be a recognized global leader in facilitating wholesale distribution of agricultural products enabling Ontario consumers the benefit of competitive prices and safe, high-quality supply year-round while providing Ontario growers with an effective and efficient marketplace.

### **Mission**

To facilitate the exchange of wholesale trade in perishable food and agricultural products in a manner that is efficient, safe, competitive and responsive to market needs.

### **Core Values**

The OFTB is committed to delivering outstanding service to growers, dealers, wholesalers, and buyers so that their businesses can thrive and grow.

- Value the people we serve and employ, treating all with fairness and respect.
- Conduct our business in an open, transparent and accountable way.
- Hold sufficient reserves to provide for stability and confidence.
- Deliver services that are efficient and cost effective.
- Stay independent of any commercial or political interest and therefore act only in the public interest.
- Enable our customers, and therefore consumers, to access more agricultural products at lowers costs than would be available if the Ontario Food Terminal did not exist.
- Strive to anticipate future trends and needs for which we plan through consultation.
- Proactively take steps to enable the volume traded to grow.
- Be good neighbours in our community.

## Mandate

The Ontario Food Terminal Board (the “Board”) was established in 1954 by the provincial government and is continued under the *Ontario Food Terminal Act R.S.O. 1990, c. O. 15* (the “Act”). Section 4(1) of the Act sets out the Board’s objectives. They are:

- a) To acquire, construct, equip and operate a wholesale market primarily for agricultural products in the City of Toronto or The Regional Municipality of York known in English as the Ontario Food Terminal and in French as Marche des produits alimentaires de l’Ontario and to acquire and operate such facilities for the transportation and handling of agricultural products as may be necessary for the purposes of the Terminal;
- a.1) to promote local food within the meaning of the *Local Food Act, 2013*;
- b) To do such other acts as may be necessary or expedient for the carrying out of its operations and undertakings.

The Strategic Objects of the Board are as follows:

- a) To try and ensure that the market operates efficiently in order to provide high quality agricultural products to the Ontario consumer at competitive prices.
- b) To provide a central marketplace for Ontario growers and produce wholesalers to sell their agricultural products directly to the wholesale and retail trade.
- c) To foster, through controlled buying hours and regulated shipping policies, a competitive market place where buyers and sellers can freely negotiate prices and terms of sale.
- d) To maintain a good working relationship with the wholesale tenants, growers and buyers.
- e) To ensure that the market is properly maintained so that Ontario retailers and institutions will continue to use the market as a major source of supply for agricultural products.
- f) To ensure that the cash flow from operations is sufficient to cover expenses including all capital and maintenance expenditures.

The OFTB’s mandate continues to be relevant to government goals and priorities as it is vital to the success of the agri-food sector, supports and promotes Ontario grown and/or produced agricultural products and will work to improve the facility in its existing location. The OFTB remains the most appropriate organization to carry out all aspects of its mandate given the agency has the expertise needed to fulfill its mandated functions. The OFTB governed operational enterprise agency model offers an appropriate and suitable framework for public accountability and provides for oversight to ensure that the public interest is maintained in the operation of the Terminal.

Ontario’s Minister of Agriculture, Food and Rural Affairs sent a letter of direction to the OFTB’s Chair, which set out the Ontario Government’s and the Minister’s expectations for the OFTB. The results are reported on below.

## **Priorities from Ontario's Minister of Agriculture Food and Rural Affairs**

### **Competitiveness, Sustainability and Expenditure Management**

We continue to identify opportunities for efficiencies and savings through innovative practices. For example, one area we've identified for savings has been installing more energy efficient lighting. Over the last year we have continued our efforts to replace old light fixtures with LED lights and have also added in motion sensors to reduce power usage. In the last 10 years we have reduced power consumption by 2 million kilowatt hours.

We are a self-funded agency and have successfully managed our operating costs within our Board approved budget over 2022-23. In addition to working within the operation costs of the Terminal, we have managed to pay off an additional \$1.25 million over 2022-23 over and above our \$1.143 million required loan payments.

### **Transparency and Accountability**

We continue to abide by government directives and policies while ensuring transparency and accountability in reporting. We continue to adhere to requirements in the Agencies and Appointments Directive, as evidenced, for example, by the submission of an Annual Report and three-year Business Plan each year. The Board's financial statements are audited annually by the Office of the Auditor General. We maintain a governance matrix to identify the appropriate skills, knowledge and experience needed to effectively support the Board's roles in agency governance and accountability.

As an Agency that works closely every day with our tenants and stakeholders, we have an additional layer of accountability and transparency. We have over 4,000 buyers and sellers at the Terminal and are routinely responding to questions about the operational costs of the Terminal, as tenant rents are tied directly to how efficiently we can operate. We are under constant scrutiny to manage the Terminal efficiently—both in terms of operations but also in terms of costs.

### **Risk Management**

We have developed and implemented effective processes for risk identification, assessment and mitigation. One of the key risks we responded to effectively over 2022-23 (and prior to that) was COVID-19.

### **Workforce Management**

The Terminal has 45 staff, which includes a General Manager and 2 operational Managers who look after the Terminal's operations. The Managers head 5 service departments, which include administration, cold storage, police, maintenance and sanitation. This structure has provided responsive service to stakeholders in an efficient manner. The police department is the first point

of contact 24 hours a day, 7 days a week for when there is an issue. That call is then redirected to the appropriate department so that resources can be quickly deployed to priority areas.

The Terminal's management team and staff require experience and expertise in operating a warehouse and wholesale facility. The General Manager ensures that staff have the necessary skills to manage the Terminal's operations, such as policing, ticketing and maintenance. The General Manager is responsible for ensuring there are sufficient staff with the necessary skills to manage the day-to-day operational needs of the Terminal. This involves, for example, anticipating busy times in different departments (e.g., cold storage) and allocating the necessary number of people to manage the work flow.

### **Diversity and Inclusion**

We have a Diversity and Inclusion governance protocol for the Board that speaks to the importance of having an inclusive workplace. We encourage a diverse and inclusive workplace both in terms of people working at the Terminal and working for the Terminal. At present we have over a dozen nationalities working for the Terminal and dozens more who work at and use the facility daily. A diverse workplace is part of the fabric of the Terminal.

### **Data Collection**

We collect data in several areas that allows us to operate the Terminal efficiently and to charge appropriate rent to tenants. For example, we monitor the daily activity of the farmers' market and cold storage to charge rents and fees accordingly. We also closely monitor our expenses (e.g., water consumption, natural gas, hydro) which helps with forecasting and also identifying areas for potential savings.

### **Digital Delivery and Customer Service**

In terms of digital delivery, as a wholesale market, we are not oriented towards e-commerce. In effect, we operate the Terminal as landlords who are managing the physical assets of the wholesale market, and who manage both revenues and expenses to keep rents as low as possible for tenants. We are not involved in the actual sales or transactions. The Terminal is also most conducive to in-person transactions as buyers are there to assess, for example, the quality of the produce and to build and maintain business relationships.

Customer service remains highly important to our model, and we try to accommodate buyers and sellers to the best of our ability. For example, if a buyer is unable to attend during operating hours, we will make accommodations as we are able to register buyers through email.

### **Development of a long-term asset management and capital improvement and growth plan**

We continue to review our operations for where capital improvements are required. For example, we have been exploring building a farmers' market building. Over 2022-23, we held consultations with farmers' market stakeholders to help determine how and whether to proceed. In terms of

expansion opportunities, we are land locked, which limits our opportunities for expansion beyond our current footprint. However, over the years several tenants and buyers have built warehouses, processing facilities in close proximity to the Terminal to support the market being where it is.

Within the last 5 years we have made several investments in our infrastructure to ensure the Terminal continues to meet and exceed stakeholder needs. For example, we have 1) built a second cold storage shipping and receiving building to accommodate the increased demands from tenants, 2) built an enclosed loading dock building that enables buyers to load their purchases indoors, accommodates tractor trailers, and maintains cold chains that reduce food safety risks 3) created a waste handling facility, 4) constructed a second entrance roadway to accommodate tractor trailers coming in the market, 5) utilized the east end of the property to accommodate additional traffic and parking, 6) expanded the original shipping and receiving area, and 7) created a quality control room for tenants to assess the quality of produce received.

#### **Increased collaboration and communication between the Board, Government, and Industry**

We have meetings with stakeholders on an ongoing basis to address stakeholder needs, such as operational requirements and proposed physical improvements, and have established warehouse and farmers' market advisory committees.

Over the last year, we have also hosted the Premier's Office, Minister Thompson, the Deputy Minister's office, as well as various MPPs on tours. We also worked closely with the Ministry of Health during COVID-19 to host a vaccination clinic, where we vaccinated 10,800 people.

#### **Conduct a review to determine how to minimize the carbon footprint of the Ontario Food Terminal**

We continue to identify opportunities for minimizing our carbon footprint. For example, one area we've identified for savings has been installing more efficient lighting. In the last year we have continued to replace old light fixtures with LED lights and have also added in motion sensors to reduce power usage. In the last 10 years we have reduced power consumption by 2 million kilowatt hours. Our police department has also changed from using motorized vehicles to golf carts, which reduced the amount of gasoline used.



## Message from the Chair

I am pleased to present the Annual Report of the Ontario Food Terminal Board for the fiscal year ending March 31, 2023. The report focuses on the Board's achievements for the year. The Ontario Food Terminal continues to provide a competitive marketplace for Ontario buyers and sellers that provides a reliable, safe and consistent food supply for Ontarians.

The Board ensures that the Terminal operates efficiently to provide the best value possible to Ontario growers, produce distributors, retailers and institutions as they continue to use the Terminal as a major source of supply of fresh fruits, vegetables and agricultural products.

As a third-generation independent grocer, I understand the importance and value of the Ontario Food Terminal. Having a facility where buyers can go on a daily basis and hand pick product and negotiate prices creates a competitive atmosphere that is good for all of Ontario. It allows farmers access to bigger markets and also provides opportunities to restaurants and other smaller stores to source the best quality and unique products.

I would like to thank the Minister of Agriculture, Food and Rural Affairs for her support of the Ontario Food Terminal in maintaining its vital contribution to Ontario's important agricultural industry, economy and to the people of Ontario.

I would like to thank both my fellow directors on the Board, the Terminal tenants, the Terminal employees, the thousands of loyal buyers that participated in the Board to achieve another successful fiscal year.

Your truly,

A handwritten signature in black ink, appearing to read 'Christy McMullen', written in a cursive style.

Christy McMullen  
Chair, Ontario Food Terminal Board

# Governance

The OFTB is governed by legislation and directives that guide Ontario agencies in the delivery of services to the public. The *Ontario Food Terminal Act* outlines our objects, duties, powers and structure. As an agency of the provincial government, we deliver services to maintain a competitive, efficient, safe and reliable wholesale marketplace for our stakeholders, which includes Ontario farmers. We are accountable to the Ontario Minister of Agriculture, Food and Rural Affairs to deliver services while maintaining high standards of operations and customer service.

## Organizational Structure

The Board members are accountable to the Minister, through the Chair, for setting goals and direction for the Board. The Board may consist of a minimum of 5 members up to a maximum of 13 members appointed by the Lieutenant Governor in Council. Members of the Board are recognized as leaders, with many years of experience, in the produce industry. Currently, there are 6 members appointed to the Board. All positions are posted on Ontario's Public Appointments Secretariat website.

The Board must comply with provincial government directives that guide the Board in its delivery of services. The Agencies and Appointments Directive (AAD) is a Management Board of Cabinet Directive and sets out the requirements of the Board as a board governed provincial agency.

The Board is responsible for appointing, upon the approval of the Minister, the General Manager for the Terminal. The General Manager, in turn, appoints two operational Managers to look after the Terminal's operations. The Managers head 5 service departments. They are: (1) administration, (2) cold storage, (3) police, (4) maintenance and (5) sanitation. This structure has proved to provide a responsive service to our stakeholders in a very efficient manner.

## Staff Resources

The Board employs a total of 45 non-union employees, which includes 2 student staff. Staff resources are used across all core businesses and their time is allocated to 9 cost centres. Costing for staff requirements is closely controlled by the annual operating budget and maximum efficiencies are achieved through the existing hierarchy structure.

## Memorandum of Understanding

A Memorandum of Understanding (MOU) is in place between the Minister of Agriculture, Food and Rural Affairs and the Chair of the Board and sets out the accountability relationships between the Minister, Chair, Board, Deputy Minister and General Manager. The MOU clarifies expectations and reporting requirements, and outlines the roles and responsibilities of the Minister, Chair of the Board, Board, and Deputy Minister.

## **Board Members**

The members of the OFTB for the 2022/23 fiscal year were:

### **Christy McMullen – Chair**

Term: August 31, 2020 – October 13, 2024

Christy McMullen is the Vice President of Summerhill Market. Her community involvement includes being the former Chair for the Canadian Federation of Independent Grocers.

### **Len Turkevics – Director**

Term: January 31, 2019 – January 30, 2025

Len Turkevics is currently principal at Turkevics & Associates. Former employment includes roles serving as a Senior Policy Advisor with the Ministry of Agriculture, Food & Rural Affairs, and as a Researcher for the PC Caucus at the Legislative Assembly. Mr. Turkevics holds a Bachelor of Arts from the University of Toronto.

### **Larry Kieswetter – Director**

Term: November 30, 2016 – November 27, 2025

Larry Kieswetter retired from Burnac Produce where he served as a Senior Director. His long career in produce also included 48 years with Zehrs and Loblaw Companies where he worked in every phase of produce operation including retail, warehousing, distribution and procurement. During his career he also served on the Boards of the Canadian Produce Marketing Association (CPMA) and the Dispute Resolution Corporation (DRC). Over the years he has also been a guest speaker at various produce conferences. Outside work Larry has been actively involved in his church and various charitable organizations.

### **John Den Boer – Director**

Term: August 31, 2020 – August 20, 2023

John Den Boer of Den Boer Family Farm Inc., President of the Toronto Farmers Association and a former Store Manager for Albert-Heijn.

### **Steve Bamford – Director**

Term: October 4, 2020 – October 3, 2023

Steve Bamford is a Chief Executive Officer for Fresh Advancements, and President of Bay Growers, and is a former President of Freshline Foods Inc

### **Fred Koornneef – Director**

Term: April 7, 2022 – April 6, 2025

Fred Koornneef is the President of Koornneef Produce Ltd. and is the President of the Toronto Wholesale Produce Association.

### **Ian MacKenzie – Director**

Term: March 8, 2017 – March 7, 2023

Ian MacKenzie received his B.Sc. (Agr.) degree at the University of Guelph majoring in horticultural science, and shortly after, started his career with Agriculture Canada. Throughout his career, Mr. MacKenzie worked with such groups as the Ontario Produce Marketing Association and the Fresh Produce Alliance (Toronto).

As of March 8, 2023, Mr. MacKenzie no longer serves on the Board.

## **Services**

The Terminal continues to be the main source of fresh fruits, vegetables and agricultural products for the independent grocery trade in Ontario. The Terminal is a competitive wholesale market which allows over 4,000 buyers to purchase high quality produce from 20 warehouses and over 300 Ontario farmer tenants. There are approximately 400 different varieties of produce sold at the Terminal.

### **Cold Storage**

The OFTB provides a 108,000 square foot central cold storage facility for the warehouse and grower tenants. The cold storage facility contains 18 rooms with varying temperatures to accommodate the wide variety of produce available and to ensure the best quality produce for buyers. The Terminal also provides the facilities to store food for donation.

### **Farmers' Market**

The farmers' market consists of 506,000 square feet of space and 400 stalls. It is outdoors and is open all year. The farmers' market provides a wholesale market for Ontario growers to market their fruit, vegetables and horticultural products directly to over 4,000 buyers. The farmers' market gives Ontario buyers an advantage by giving them access to buyers that come to the market. Without the farmers' market, farmers would have to sell through a distributor or other sellers at the Terminal.

### **Warehouse**

The warehouse consists of 231,000 square feet of space and is dedicated to the buying and selling of fresh produce. There are 20 warehouse tenants that operate within the warehouse building. The warehouse is connected by loading docks which also connect to the central cold storage building. The value of the warehousing is that it allows tenants access to warehousing onsite that would otherwise have to be located offsite. The warehouse space gives tenants the ability to expand and contract their inventory throughout the season. It is also a variable cost for tenants that they have access to when they need it, which reduces their overall operating costs. Unlike other markets, the warehouse also enables tenants to have a smaller sales space on the sales floor. The benefit of this is that buyers can easily walk the whole market, view product from multiple sellers, make purchases, then later load their purchases that are stored in the warehouse. The warehouse is also connected to an enclosed dock system which allows sellers/buyers to move product all year (i.e., in winter) and maintain an unbroken cold chain, which reduces food safety risks.

## **Office Space**

There is over 24,000 square feet of office space at the Terminal located primarily on the second floor of the warehouse building. Office space that is supplemental to the needs of the Terminal's tenants is 100% rented out and is utilized by tenants to conduct accounting, client meetings, storage, and other administrative duties.

## **Waste Handling Facility**

There is an onsite waste handling facility that enables the Terminal to separate organic product, wood, plastics, and cardboard from the regular waste streams. Organic products are shipped to a hog farm for feed. Cardboard is compressed and recycled. Plastics that can be recycled are diverted from the waste stream. Broken pallets are picked up and converted into wood chips. During the last fiscal year, over one million pounds of waste was diverted from the land fill.

# **Operational Performance**

## **Highlights of Implementation Plan Activities**

### **Improved Allocation of Leased Space:**

- In July we issued newly updated and modernized farmers' market leases to, for example, clearly state that product sold in the farmers' market cannot be foreign product.
- We continue to implement the Stall Point System and we are continually working with tenants to re-evaluate their stall size needs.

### **Improved Worker Safety Policies:**

- We are working on implementing a new traffic plan within the Terminal in collaboration with the Ministry of Labour.

### **Food Safety Policies:**

- The warehouse tenants and the Board have achieved and completed HACCP Food Safety certification and comply with the *Safe Food for Canadians Act*. A food safety audit of the facility is conducted annually and a passing grade is required to maintain our certification.

### **Maintain a Profitable Cold Storage Facility**

- The cold storage facility is one of our core business areas. It generates a surplus that is used to improve and upgrade the overall facility.

### **Increased Communications**

- The Board has a Farmers' Market Tenant Advisory Committee and a Warehouse Tenant Advisory Committee. One of the Board members chairs each meeting. The Advisory Committees give the OFTB an opportunity to listen to tenant issues and bring those issues back to the Board and management.
- We continue to work with key industry association such as the Ontario Produce Marketing Association and Ontario Fruit and Vegetable Growers Association. The OFTB is a member of the Canadian Produce Marketing Association and Ontario Produce Marketing Association.
- We use our social media accounts to promote awareness of the Terminal and to support the industry more broadly.

### **Increased Technology**

- We have continued to upgrade our systems to embrace information technologies that enable us to better fulfill our mandate. For example, we have a data access system that controls access to the Terminal through access cards. Our fire alarm system is wired to the front gate, which allows us to pinpoint exactly where an issue is occurring. Our refrigeration is an automated system and one that is controlled remotely. The system sends us updated information on temperature and pressure, and notifies us of any pressure or temperature issues. Over the past several years we have eliminated paper reporting.
- We continue to identify opportunities for minimizing our carbon footprint. For example, one area we've identified for savings has been installing more efficient lighting. In the last year we have continued to replace old light fixtures with LED lights and have also added in motion sensors to reduce power usage. In the last 10 years we have reduced power consumption by 2 million kilowatt hours. Our police department has also changed from using motorized vehicles to golf carts, which rely on electricity.

## **2022-23 Performance measures and results**

The Ontario Food Terminal continues to provide excellent customer service by responding to stakeholder needs quickly and by replying to phone or email messages within one business day. The warehouse units and office spaces were 100% rented and the Board did not turn away any Ontario Growers that wanted to rent a stall to market their fruits, vegetables or agricultural products within the Farmers' Market area in the Terminal.

The volume of fruits and produce distributed through the Terminal for the 2022/23 fiscal year was 928,538 tons (1.86 billion pounds), which was an increase of 1.0% from the 2021/22 fiscal year.

The share of Ontario grown fruits, vegetables and agricultural products sold at the Terminal accounts for approximately 35% to 40% of the total 928,538 tons distributed from the facility. The Board is continually promoting the entire facility, including the sale of Ontario grown fruits,

vegetables and agricultural products in the Farmers' Market, through tours, its website, and social media during the year.

## **Risk Analysis**

In our 2023-26 Business Plan, we identified several low to medium risks that might impact operations and revenue at the Terminal. While workplace safety and health continue to be an area that we are proactive in and monitor, the risk of COVID-19 has been greatly reduced and concerns about disruption of services have decreased. As the risk of COVID-19 has decreased, we have seen demand for services increase since the last fiscal period. Another area of potential risk that was identified was the potential for lack of quorum for the Board. The addition of a new Board member has reduced that risk. We continue to reduce the risk of Board members having conflict of interest situations by, for example, providing training to new board members on conflict of interest.

## **Analysis of Financial Performance**

We have operated within our Board approved budget over 2022-23. Compared to the projected revenues and expenses in our 2022-23 budget, our revenues were \$14,830,200 (\$282,701 more than projected) and our expenses were \$13,426,161 (\$394,192 less than projected).

Over this period, we also had higher revenue compared to the previous fiscal year. The Board had a net income of \$1,404,039 in the 2022/23 fiscal year compared to a net income of \$823,357 in 2021/22 fiscal year. This represents a significant improvement from the previous year, which has been a result of increased activity at the Terminal. There was also a 6% increase in total revenues over the last fiscal year. Rent revenue increased by 5.2%, cold storage revenue increased by 11%, toll fees increased by 1% and buyer access tolls increased by 3% as demand from the food service industry increased. During the 2022-23 fiscal year, there was a slight increase of 1.9% in expenses compared to the prior fiscal year. The greatest increase in expenses was due to higher interest payments from rising prime interest rates.

Decreases in electric power (-6%), realty taxes (-9%), legal fees (-57%) and covid-19 expenses (-96%) helped offset increases in interest expenses (+79%), repairs and maintenance (+23%), fuel (+46%) and miscellaneous expenses (+15%) in the year. During the year, the Board carefully managed its expenses, where possible, and continued making investments in energy efficiencies throughout the facility resulting in an electricity consumption reduction of 835,000 Kwh over the last 5 years.

Capital expenditures for the year totaled \$845,438. The main capital expense for the year was for refurbishment costs related to the parking deck. We have also prioritized paying off an additional \$1.25 million over 2022-23 over and above our \$1,143 million required loan payments. Payment of demand loans and capital expenditures caused our net cash position be reduced to \$983K. In addition, the Board was required to adopt a new accounting standard as of April 1<sup>st</sup>, 2022 to recognize a liability for an asset retirement obligation. This is a legal obligation to record the

retirement costs in relation to a tangible capital asset. The Board calculated its best estimate as to the cost of this expenditure and review this liability annually and make any necessary adjustments.

## **Audited Financial Statements**

The accompanying financial statements have been prepared by management. The financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards. Management is responsible for the accuracy, integrity and objectivity of the information contained in the financial statements.

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September 6, 2023


**Management's Responsibility for Financial Statements**

The accompanying financial statements of the Ontario Food Terminal Board have been prepared in accordance with Canadian public sector accounting standards and are the responsibility of management. The preparation of financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods. The financial statements have been properly prepared within reasonable limits of materiality and in light of information available up to September 6, 2023.

Management maintains a system of internal controls designed to provide reasonable assurance that the assets are safeguarded and that reliable financial information is available on a timely basis. The system includes formal policies and procedures and an organizational structure that provides for appropriate delegation of authority and segregation of responsibilities.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal controls. The Board of Directors reviews and approves the financial statements.

The financial statements have been audited by the Office of the Auditor General of Ontario. The Auditor General's responsibility is to express an opinion on whether the financial statements are fairly presented in accordance with Canadian public sector accounting standards. The independent auditor's report, which appears on the following page, outlines the scope of the Auditor General's examination and opinion.



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Bruce Nicholas  
General Manager, Secretary Treasurer



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Gianfranco Leo  
Manager of Administration



Office of the Auditor General of Ontario  
Bureau de la vérificatrice générale de l'Ontario

## INDEPENDENT AUDITOR'S REPORT

*To the Ontario Food Terminal Board and to the Minister of Finance*

### Opinion

I have audited the financial statements of the Ontario Food Terminal Board (OFTB), which comprise the statement of financial position as at March 31, 2023, and the statements of revenue 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 my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the OFTB as at March 31, 2023 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the OFTB in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, 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 OFTB'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 the OFTB either intends to cease operations, or has no realistic alternative but to do so.

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

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## **Auditor's Responsibilities for the Audit of the Financial Statements**

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 OFTB'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 OFTB's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause OFTB 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.

I 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 I identify during my audit.



Toronto, Ontario  
September 6, 2023

Jeremy Blair, CPA, CA, LPA  
Acting Assistant Auditor General

**Ontario Food Terminal Board**  
**Statement of Financial Position**

**March 31** **2023** **2022**

**Assets**

**Current**

Cash	\$ 3,122,127	\$ 2,138,967
Accounts receivable	787,767	856,799
Prepaid expenses	75,644	74,109
	3,985,538	3,069,875

**Capital assets (Note 3)** **41,518,841** **42,863,056**

**\$ 45,504,379** **\$ 45,932,931**

**Liabilities and Net Assets**

**Current**

Demand loans (Note 4)	\$ 11,532,040	\$ 13,901,030
Accounts payable and accrued liabilities	1,139,362	934,672
Deferred revenue	816,153	928,680
	13,487,555	15,764,382

**Deferred capital contributions (Note 5)** **385,472** **397,550**

**Asset retirement obligation (Note 6)** **456,314** **-**

**14,329,341** **16,161,932**

**Net Assets**

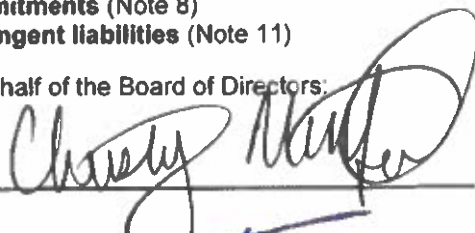
Invested in capital assets	29,631,881	28,564,476
Unrestricted	1,543,157	1,206,523
	31,175,038	29,770,999


**\$ 45,504,379** **\$ 45,932,931**

**Commitments (Note 8)**

**Contingent liabilities (Note 11)**

On behalf of the Board of Directors:

  
\_\_\_\_\_ Chair

  
\_\_\_\_\_ Secretary Treasurer

The accompanying notes are an integral part of these financial statements.

**Ontario Food Terminal Board**  
**Statement of Revenue and Expenditures**

<b>For the year ended March 31</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>		
Rent	\$ 10,117,750	\$ 9,614,635
Cold storage	3,074,882	2,764,688
Toll fees	720,513	712,793
Other income (Note 13)	468,534	326,420
Buyers access tolls	443,324	430,287
COVID-19 funding (Note 12)	5,197	154,000
	<u>14,830,200</u>	<u>14,002,823</u>
<b>Expenditures</b>		
Salaries and benefits (Note 7)	3,977,839	3,925,180
Amortization	2,159,101	2,166,842
Waste removal	1,953,807	1,945,027
Electric power	1,832,635	1,943,246
Realty and business taxes	710,660	780,010
Interest	707,524	394,550
Repairs and maintenance	610,552	495,128
Insurance	415,288	395,497
Fuel	279,449	191,930
Operating supplies and expense	197,804	136,093
Miscellaneous contract services	172,446	173,886
Office expenses	113,139	111,512
Rent expense - hydro land	74,198	74,198
Water	67,991	66,396
Miscellaneous expenses	54,079	47,219
Legal services	53,740	123,827
Board members' fees and expenses	38,485	33,353
COVID-19 expenses (Note 12)	7,424	175,572
	<u>13,426,161</u>	<u>13,179,466</u>
<b>Excess of revenue over expenditures for the year</b>	<b>\$ 1,404,039</b>	<b>\$ 823,357</b>

The accompanying notes are an integral part of these financial statements.

**Ontario Food Terminal Board  
Statement of Changes in Net Assets**

**For the year ended March 31**

	Invested in Capital Assets	Unrestricted	Total 2023
<b>Net assets, beginning of year</b>	<b>\$ 28,564,476</b>	<b>\$ 1,206,523</b>	<b>\$ 29,770,999</b>
Excess of revenue over expenditures for the year	-	1,404,039	1,404,039
Purchase of capital assets	845,438	(845,438)	-
Amortization of capital assets	(2,159,101)	2,159,101	-
Amortization of deferred capital contributions	12,078	(12,078)	-
Repayment of demand loans invested in capital assets	2,368,990	(2,368,990)	-
<b>Net assets, end of year</b>	<b>\$ 29,631,881</b>	<b>\$ 1,543,157</b>	<b>\$ 31,175,038</b>

	Invested in Capital Assets	Unrestricted	Total 2022
Net assets, beginning of year	\$ 29,162,131	\$ (214,489)	\$ 28,947,642
Excess of revenue over expenditures for the year	-	823,357	823,357
Purchase of capital assets	413,118	(413,118)	-
Amortization of capital assets	(2,166,842)	2,166,842	-
Amortization of deferred capital contributions	12,078	(12,078)	-
Repayment of demand loans invested in capital assets	1,143,991	(1,143,991)	-
Net assets, end of year	\$ 28,564,476	\$ 1,206,523	\$ 29,770,999

The accompanying notes are an integral part of these financial statements.

**Ontario Food Terminal Board**  
**Statement of Cash Flows**

<b>For the year ended March 31</b>	<b>2023</b>	<b>2022</b>
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Excess of revenue over expenditures for the year	\$ 1,404,039	\$ 823,357
Adjustments to reconcile excess of revenue over expenditures to net cash provided by operating activities		
Amortization of capital assets	2,159,101	2,166,842
Amortization of deferred capital contributions related to capital assets	(12,078)	(12,078)
Construction-in-progress written off	30,552	-
Changes in non-cash working capital balances		
Accounts receivable	69,032	(177,985)
Prepaid expenses	(1,535)	(4,438)
Accounts payable and accrued liabilities	204,690	191,034
Deferred revenue	(112,527)	(34,989)
Asset retirement obligation	456,314	-
	<u>4,197,588</u>	<u>2,951,743</u>
<b>Capital activity</b>		
Purchase of capital assets	<u>(845,438)</u>	<u>(413,118)</u>
<b>Financing activity</b>		
Repayment of demand loans	<u>(2,368,990)</u>	<u>(1,143,991)</u>
<b>Net change in cash</b>	<b>983,160</b>	<b>1,394,634</b>
<b>Cash, beginning of year</b>	<u><b>2,138,967</b></u>	<u><b>744,333</b></u>
<b>Cash, end of year</b>	<u><b>\$ 3,122,127</b></u>	<u><b>\$ 2,138,967</b></u>

The accompanying notes are an integral part of these financial statements.



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## Ontario Food Terminal Board Notes to Financial Statements

**March 31, 2023**

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### 1. Nature of Operations

The Ontario Food Terminal Board ("the Board"), a government agency of the Province of Ontario, was incorporated without share capital pursuant to the Ontario Food Terminal Act, R.S.O. 1990, c O.15 and Ontario Regulations 871, 147/22, 148/22 and 65/09 made under the Act. The objectives of the Board include to acquire, construct, equip and operate a wholesale market primarily for agricultural products in the City of Toronto. In addition, the Board oversees the acquisition and operation of such facilities for the transportation and handling of agricultural products as may be necessary for the purposes of the Terminal and promotes local food within the meaning of the *Local Food Act, 2013*. To meet these objectives, the Board leases land and buildings to wholesalers and growers. The Board is a not-for-profit Board Governed Provincial Agency of the Ministry of Agriculture, Food and Rural Affairs, and as such is exempt from income taxes.

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### 2. Summary of Significant Accounting Policies

#### Basis of Accounting

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards for government not-for-profit organizations that include the 4200 series of the Public Sector Accounting Standards.

The net assets of the Board are presented and accounted for as follows:

- unrestricted - includes the cumulative net assets of operating revenue over expenditures; and
- invested in capital assets - represents the net investment in the Board's capital assets, as described in Note 3. Amounts required for the purchase of capital assets are transferred from unrestricted net assets to invested in capital assets.

#### Revenue Recognition

Revenue arising from rent, cold storage, toll fees and buyer access tolls is recognized as revenue as services are provided and the amount is estimable and collectability is reasonably assured.

Deferred revenue is generated from the prepayment of rent, stall rentals, parking rentals, buyers' access cards and office rentals and is recognized as revenue on a straight-line basis over the rental term.

Deferred capital contributions are externally restricted for capital assets and are deferred and amortized into revenue in accordance with the amortization policy applied to the related capital asset recorded.

Other income primarily consists of interest income and billboard rent revenue and is recognized as revenue when earned and the amount is estimable and collection is reasonably assured.

#### Expenditures

Expenditures are reported net of recoverable sales tax.

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## Ontario Food Terminal Board Notes to Financial Statements

March 31, 2023

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### 2. Summary of Significant Accounting Policies (continued)

#### Capital Assets

Capital assets are recorded at cost. Amortization of capital assets is provided on a straight line basis over their estimated useful lives as follows:

Land improvements	10 to 30 years
Buildings	10 to 40 years
Equipment	5 to 20 years
Parking deck and retaining wall	4 to 40 years

Amortization of construction-in-progress will commence when the construction is substantially complete and put into use.

#### Impairment of long-lived Assets

The Board reviews the carrying amounts, amortization and useful lives of its capital assets regularly. If the capital asset no longer has any long term service potential to the Board, the excess of the net carrying amount over any residual value is recognized as an expense in the statement of revenue and expenditures.

#### Adoption of new Accounting Standard - Asset Retirement Obligations

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made.

The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate.

Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

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## Ontario Food Terminal Board Notes to Financial Statements

**March 31, 2023**

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### 2. Summary of Significant Accounting Policies (continued)

#### Financial Instruments

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

Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and demand loans.

If there is an indication of impairment, the Board determines whether there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Board expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value. Impairments are recognized through the use of an allowance account, with a corresponding charge in the statement of revenue and expenditures.

#### Use of Estimates

The preparation of financial statements in accordance with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Accounts requiring significant estimates include the useful lives of capital assets, asset retirement obligations and accrued liabilities.

**Ontario Food Terminal Board**  
**Notes to Financial Statements**

**March 31, 2023**

**3. Capital Assets**

	<b>2023</b>		
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>
Land	\$ 275,604	\$ -	\$ 275,604
Land improvements	6,800,560	2,031,995	4,768,565
Buildings	55,794,147	23,600,463	32,193,684
Equipment	6,442,806	3,926,330	2,516,476
Parking deck and retaining wall	7,656,259	5,973,422	1,682,837
Construction-in-progress	81,675	-	81,675
	<b>\$ 77,051,051</b>	<b>\$ 35,532,210</b>	<b>\$ 41,518,841</b>
			<b>2022</b>
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>
Land	\$ 275,604	\$ -	\$ 275,604
Land improvements	7,242,804	2,297,419	4,945,385
Buildings	55,357,243	22,233,404	33,123,839
Equipment	6,538,453	3,706,009	2,832,444
Parking deck and retaining wall	7,354,214	5,772,414	1,581,800
Construction-in-progress	103,984	-	103,984
	<b>\$ 76,872,302</b>	<b>\$ 34,009,246</b>	<b>\$ 42,863,056</b>

During the year, fully amortized assets with a total cost of \$636,137 were written off (2022 - \$815,451).

During the year, \$302,045 (2022 - \$Nil) was transferred from construction-in-progress to parking deck and retaining wall. During the year, there were \$Nil (2022 - \$92,421) transferred from construction-in-progress to equipment.

**Ontario Food Terminal Board**  
**Notes to Financial Statements**

**March 31, 2023**

**4. Demand Loans**

Demand loans comprise the following:

	<b>2023</b>	<b>2022</b>
Demand loan, non-revolving with a maximum borrowing amount of \$1,125,000 (2022 - \$1,125,000), bearing interest at prime plus ¼%, monthly repayments of \$5,000 principal plus interest; this loan is primarily used to finance capital expenditures.	<b>\$ 885,000</b>	<b>\$ 945,000</b>
Demand loan, non-revolving with a maximum borrowing amount of \$2,681,641, (2022 - \$2,681,641), bearing interest at prime plus ¼%, monthly repayments of \$24,378, principal plus interest; this loan is primarily used to finance capital expenditures.	<b>1,511,498</b>	<b>1,804,034</b>
Demand loan, non-revolving with a maximum borrowing amount of \$7,847,731 (2022 - \$7,847,731), bearing interest at prime plus ¼%, monthly repayments of \$40,662, principal plus interest commencing no later than April 30, 2015, interest only monthly payments during construction of capital assets; this loan is primarily used to finance capital expenditures.	<b>5,895,964</b>	<b>6,383,905</b>
Demand loan, non-revolving with a maximum borrowing amount of \$1,576,934 (2022 - \$1,576,934), bearing interest at prime plus ¼%, monthly repayments of \$8,344, principal plus interest; this loan is primarily used to finance the cost for replacement of refrigeration equipment.	<b>551,443</b>	<b>1,276,566</b>
Demand loan, non-revolving with a maximum borrowing amount of \$4,000,000 (2022 - \$4,000,000), bearing interest at prime plus ¼%, monthly repayments of \$16,950, principal plus interest; this loan is solely used to finance the cost for the compactor station and cold storage receiving area.	<b>2,688,135</b>	<b>3,491,525</b>
	<b>\$ 11,532,040</b>	<b>\$ 13,901,030</b>

All of the above loan facilities are supported by a Letter of Undertaking not to sell, further mortgage or otherwise encumber property located at 165 The Queensway.

As at March 31, 2023, there were externally imposed debt covenants with respect to the Board's external bank loans. All covenants were complied with as at March 31, 2023.

The Board also has access to a \$1,000,000 demand revolving facility bearing interest at the prime rate and can be used for the daily operating and working capital needs of the Board. As of March 31, 2023, the Board has utilized \$Nil (2022 - \$Nil).

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**Ontario Food Terminal Board**  
**Notes to Financial Statements**

**March 31, 2023**

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**5. Deferred Capital Contributions**

In 2011, The Board received a one-time capital contribution of \$500,000 from the Ontario Ministry of Agriculture, Food and Rural Affairs. The related asset was substantially complete and ready for use in fiscal 2015, at which point the Board commenced amortizing the capital contribution into revenue and is included in other income in the statement of revenue and expenditures.

	2023	2022
<b>Balance, beginning of year</b>	<b>\$ 397,550</b>	<b>\$ 409,628</b>
Less: Amortization to revenue during the year	12,078	12,078
<b>Balance, end of year</b>	<b>\$ 385,472</b>	<b>\$ 397,550</b>

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**6. Asset Retirement Obligations**

The Board's financial statements include an asset retirement obligation for the removal of asbestos in its buildings. The related asset retirement costs are being amortized on a straight-line basis. The liability has been estimated using a net present value technique with a discount rate of 4.01% which are to be incurred over the next 30 years. The liability for all retirement obligations is expected to be settled by the end of 2053.

The carrying amount of the liability is as follows:

	2023
<b>Balance, beginning of year</b>	<b>\$ -</b>
Liability incurred during the current year	438,721
Accretion expense	17,593
<b>Balance, end of year</b>	<b>\$ 456,314</b>

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**7. Self-directed Registered Retirement Savings Plan (RRSP)**

The Board offers its full-time employees a self-directed RRSP, whereby employees over 2 years of service contribute a minimum of 2.5% of their pay, employees over 5 years of service contribute a minimum of 5% of their pay and employees over 15 years of service contribute a minimum of 6% of their pay. The Board contributes a matching amount. The expense for the year under this RRSP was \$102,397 (2022 - \$104,112) and is included in salaries and benefits.

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**Ontario Food Terminal Board**  
**Notes to Financial Statements**

**March 31, 2023**

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**8. Commitments**

The Board leases land for vehicle parking space and office equipment under operating leases. The future annual minimum lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2024	\$ 136,288
2025	34,710
2026	<u>3,110</u>
	<u>\$ 174,108</u>

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**9. Financial Instrument Risk**

The board holds instruments that are subject to credit risk, liquidity risk and interest rate risk.

**Credit risk**

Credit risk on financial instruments is the risk of a financial loss occurring as a result of default or insolvency of a counterparty on its obligations to the Board. The cost of the assets as presented in the statement of financial position represents the maximum credit risk exposure as at the date of the financial statements. The Board places its cash in interest bearing accounts and instruments insured (up to a certain limit) by a Canadian chartered bank, or in highly liquid investments that are readily convertible into known amounts of cash.

The Board, in the normal course of business, is exposed to credit risk from its customers. This risk is mitigated by thorough and rigorous credit approval procedures.

Included in the total account receivable balance of \$787,767 (2022 - \$856,799) is trade receivable of \$594,079 (2022 - \$629,329).

As at March 31, 2023, the trade receivables are as follows:

<b>2023</b>	<b>&lt;30 days</b>	<b>30-60 days</b>	<b>&gt;60-90 days</b>	<b>Over 90 days</b>	<b>Total</b>
Trade Receivable	<u>\$389,991</u>	<u>\$147,957</u>	<u>\$11,715</u>	<u>\$44,416</u>	<u>\$594,079</u>
<b>2022</b>	<b>&lt;30 days</b>	<b>30-60 days</b>	<b>&gt;60-90 days</b>	<b>Over 90 days</b>	<b>Total</b>
Trade Receivable	<u>\$381,520</u>	<u>\$211,960</u>	<u>\$17,570</u>	<u>\$18,279</u>	<u>\$629,329</u>

Management believes the Board's credit risk is low.

**Ontario Food Terminal Board**  
**Notes to Financial Statements**

**March 31, 2023**

**9. Financial Instrument Risk (continued)**

**Liquidity risk**

Liquidity risk is the risk an entity will encounter difficulty in meeting obligations associated with financial liabilities as they come due. To manage liquidity risk, the Board monitors its operations and cash flows to ensure sufficient resources exist to meet its obligations. All of the Board's investments are considered to be readily realizable, as they can be quickly liquidated at amounts close to their fair value in order to meet liquidity requirements.

The table below is a maturity analysis of the Board's financial liabilities as at March 31, 2023:

<b>2023</b>	<b>Up to 6 months</b>	<b>Between 6 months and 1 year</b>	<b>More than 1 year up to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Accounts payable and accrued liabilities	\$ 1,139,362	\$ -	\$ -	\$ -	\$ 1,139,362
Demand loans	<u>571,995</u>	<u>571,995</u>	<u>4,575,962</u>	<u>5,812,088</u>	<u>11,532,040</u>
	<b><u>\$ 1,711,357</u></b>	<b><u>\$ 571,995</u></b>	<b><u>\$ 4,575,962</u></b>	<b><u>\$ 5,812,088</u></b>	<b><u>\$ 12,671,402</u></b>
<b>2022</b>	<b>Up to 6 months</b>	<b>Between 6 months and 1 year</b>	<b>More than 1 year up to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Accounts payable and accrued liabilities	\$ 934,672	\$ -	\$ -	\$ -	\$ 934,672
Demand loans	<u>571,995</u>	<u>571,995</u>	<u>4,575,962</u>	<u>8,181,078</u>	<u>13,901,030</u>
	<b><u>\$ 1,506,667</u></b>	<b><u>\$ 571,995</u></b>	<b><u>\$ 4,575,962</u></b>	<b><u>\$ 8,181,078</u></b>	<b><u>\$ 14,835,702</u></b>

The demand loans' maturity analyses above represent scheduled repayments.

**Interest rate risk**

Interest rate risk arises from fluctuations in interest rates and the degree of volatility of those rates. The Board has demand loans that bear interest based on the prime interest rate; therefore, the Board is exposed to interest rate cash flow risk as the required cash flows to service the obligations will fluctuate as a result of changes in the market rates. The Board mitigates interest rate risk through its ability to charge its tenants and recover any additional costs incurred.



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## Ontario Food Terminal Board Notes to Financial Statements

**March 31, 2023**

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### **10. Contractual Rights**

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The Board's contractual rights arise because of the contracts entered into for the lease of land and buildings to warehouse unit tenants. The leases end at different points in time with the longest effective until 2044, and the amount of future revenue is equal to the actual amounts expended by the Board for taxes, operating and maintenance expenses and other costs and charges relating to the upkeep and operation of the rented units under lease.

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### **11. Contingent Liabilities**

In the normal course of business, various claims and litigious matters are pending by and against the Board. In the opinion of the Board's management, these claims will not materially affect the Board's financial position, although no assurance can be given with respect to the ultimate outcome of such claims. Any potential settlements will be recorded when a liability is likely and an amount can be reasonably estimated.

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### **12. COVID-19 Funding and Expenses**

The Ministry of Agriculture, Food and Rural Affairs (OMAFRA) agreed to reimburse the Board for eligible COVID-19 related expenses, with a maximum of \$399,135 for the 2021 fiscal year, a maximum of \$226,865 for the fiscal year 2022 and a maximum of \$20,000 for the fiscal year 2023, related to steps to prevent the spread of COVID-19 at the Board.

As at March 31, 2023, the Board has recorded a receivable from OMAFRA of \$Nil (2022 - \$12,260) related to eligible costs incurred in the fiscal year.

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### **13. Other Funding**

The Board entered into an agreement with the Ministry of Health, effective August 1, 2022, related to the storage, transportation and distribution of COVID-19 Rapid Antigen Tests to retail stores in Ontario.

During the year, the Ministry of Health provided \$54,432 in funding and is included in Other Income on the Statement of Revenue and Expenditures.

As at March 31, 2023, the Board recorded a receivable of \$54,432 from the Ministry of Health relating to the funding earned.