

**Food Banks BC**  
**Financial Statements**  
*For the year ended March 31, 2024*

# Food Banks BC Contents

*For the year ended March 31, 2024*

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## **Independent Auditor's Report**

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To the Members of Food Banks BC:

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Food Banks BC (the "Organization"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2024, 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 Opinion

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 Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Organization 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.

## Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting principles of Canadian Accounting Standards for Not-For-Profit Organizations have been applied on a basis consistent with that of the preceding year.

Surrey, British Columbia

August 16, 2024

*MNP LLP*

Chartered Professional Accountants

**Food Banks BC**  
**Statement of Financial Position**  
*As at March 31, 2024*

	<b>2024</b>	<b>2023</b>
<b>Assets</b>		
<b>Current</b>		
Cash	1,027,307	417,816
Contributions receivable	52,726	26,502
Term deposits (Note 3)	-	960,478
Restricted cash	6,307,029	633,830
Prepaid expenses	32,458	1,113
	<b>7,419,520</b>	<b>2,039,739</b>
<b>Capital assets (Note 4)</b>	<b>9,138</b>	<b>6,743</b>
<b>Restricted Investments - at fair value (Note 5)</b>	<b>8,746,720</b>	<b>22,174,487</b>
	<b>16,175,378</b>	<b>24,220,969</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 6)	1,112,491	316,047
Deferred contributions (Note 7)	10,259,812	19,316,373
	<b>11,372,303</b>	<b>19,632,420</b>
<b>Commitments (Note 8)</b>		
<b>Net Assets</b>		
Invested in capital assets	9,138	6,743
Internally restricted funds (Note 9)	4,793,937	4,581,806
	<b>4,803,075</b>	<b>4,588,549</b>
	<b>16,175,378</b>	<b>24,220,969</b>
<b>Approved on behalf of the Board of Directors</b>		
e-Signed by Cathy Chaplow	e-Signed by Hajira Hussain	
2024-08-15 10:03:12:12 PDT	2024-08-15 10:58:37:37 PDT	
<b>Director</b>	<b>Director</b>	

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

**Food Banks BC**  
**Statement of Operations**  
*For the year ended March 31, 2024*

	<b>2024</b>	<b>2023</b>
<b>Revenue</b>		
Donations and Gifts	5,608,516	5,508,969
Government Grants and Funding	9,723,874	3,408,118
Member Dues and Other	82,404	54,103
Investment Income	367,479	160,431
	<b>15,782,273</b>	9,131,621
<b>Funds distributed to members</b>	<b>10,278,961</b>	6,905,331
<b>Net Revenue</b>	<b>5,503,312</b>	2,226,290
<b>Expenses</b>		
Office and Administration	835,467	724,649
Member support and campaigns	1,166,805	727,925
Emergency response and non member support	3,422,081	1,097,806
<b>Total expenses</b>	<b>5,424,353</b>	2,550,380
<b>Excess (deficiency) of revenue over expenses before other items</b>	<b>78,959</b>	(324,090)
<b>Other items</b>		
Unrealized gain (loss) on investments	135,567	(164,130)
<b>Excess (deficiency) of revenue over expenses</b>	<b>214,526</b>	(488,220)

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

**Food Banks BC**  
**Statement of Changes in Net Assets**  
*For the year ended March 31, 2024*

	<i>Invested in Capital Assets</i>	<i>Unrestricted</i>	<i>Internally Restricted Funds</i>	<b>2024</b>	<b>2023</b>
<b>Net assets, beginning of year</b>	<b>6,743</b>	-	<b>4,581,806</b>	<b>4,588,549</b>	5,076,768
<b>Excess (deficiency) of revenue over expenses</b>	<b>(3,519)</b>	<b>218,045</b>	-	<b>214,526</b>	(488,219)
<b>Purchase of capital assets</b>	<b>5,914</b>	<b>(5,914)</b>	-	-	-
<b>Interfund transfers (note 9)</b>	-	<b>(212,131)</b>	<b>212,131</b>	-	-
<b>Net assets, end of year</b>	<b>9,138</b>	-	<b>4,793,937</b>	<b>4,803,075</b>	4,588,549

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

**Food Banks BC**  
**Statement of Cash Flows**  
*For the year ended March 31, 2024*

	2024	2023
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess (deficiency) of revenue over expenses	214,526	(488,220)
Amortization	3,519	3,196
Unrealized (gain) loss on investments	(135,567)	164,130
Deferred contributions recognized	(9,901,537)	(3,425,119)
	<b>(9,819,059)</b>	<b>(3,746,013)</b>
Changes in working capital accounts		
Contributions receivable	(26,224)	1,434,111
Prepaid expenses	(31,345)	9,987
Accounts payable and accruals	796,444	(8,403)
Deferred contributions received	844,976	15,181,881
	<b>(8,235,208)</b>	<b>12,871,563</b>
<b>Investing</b>		
Purchase of term deposits	-	(960,478)
Proceeds on disposal of term deposits	960,478	1,916,127
Purchase of capital assets	(5,914)	-
Purchase of investments	-	(17,996,036)
Proceeds on disposal of investments	13,563,334	-
	<b>14,517,898</b>	<b>(17,040,387)</b>
<b>Increase (decrease) in cash resources</b>	<b>6,282,690</b>	<b>(4,168,824)</b>
<b>Cash resources, beginning of year</b>	<b>1,051,646</b>	<b>5,220,470</b>
<b>Cash resources, end of year</b>	<b>7,334,336</b>	<b>1,051,646</b>
<b>Cash resources are composed of:</b>		
Cash	1,027,307	417,816
Restricted cash	6,307,029	633,830
	<b>7,334,336</b>	<b>1,051,646</b>

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



**1. Incorporation and nature of the organization**

Food Banks BC (the “Organization”) was incorporated under the authority of the Societies Act of British Columbia as a not-for-profit organization and is a registered charity, and thus is exempt from income taxes under the Income Tax Act (“the Act”). In order to maintain its status as a registered not-for-profit under the Act, the Society must meet certain requirements within the Act. In the opinion of management these requirements have been met.

The Organization’s purpose is to provide resources to tackle hunger in communities they represent. This is achieved through the distribution of food and financial donations, providing access to training and capacity building programs, other infrastructure needs, networking opportunities, grants for food purchasing and refrigeration and as a representative voice to speak to the needs of food banks as well as the hundreds of thousands of British Columbians who face ongoing food insecurity.

**2. Significant accounting policies**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles using the following significant accounting policies:

***Revenue recognition***

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest income is recorded on the accrual basis and other income is recognized as revenue when the services are performed, the amount to be received can be reasonably estimated and collection is reasonably assured.

***Investments***

Investments with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment. Changes in fair value are recorded immediately in the excess of revenues over expenses.

***Capital assets***

Purchased capital assets are recorded at cost.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	<b>Rate</b>
Computer equipment	55 %
Furniture and fixtures	20 %
Office equipment	20 %
Website	100 %

***Financial instruments***

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

***Arm's length financial instruments***

Financial instruments originated/acquired or issued/assumed in an arm’s length transaction (“arm’s length financial instruments”) are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm’s length financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market at fair value. All other financial assets and liabilities are subsequently measured at amortized cost.

**2. Significant accounting policies** *(Continued from previous page)*

***Financial instruments*** *(Continued from previous page)*

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

**Financial asset impairment**

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments; etc. in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenues over expenses in the year the reversal occurs.

***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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

***Long-lived assets***

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Organization writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Organization's ability to provide goods and services. The asset are also written-down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the Organization determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value.

**3. Term deposits**

Term deposits bearing interest at 5.30% (2023 - 5.30%) per annum matured in November 2023.

**Food Banks BC**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2024*

**4. Capital assets**

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2024 Net book value</i>	<i>2023 Net book value</i>
Computer equipment	26,519	21,532	4,987	1,554
Furniture and fixtures	9,005	6,210	2,795	3,494
Office equipment	7,862	6,506	1,356	1,695
Website	6,117	6,117	-	-
	<b>49,503</b>	<b>40,365</b>	<b>9,138</b>	<b>6,743</b>

**5. Investments**

Equities and mutual funds are quoted at fair market value of \$8,746,720 (2023 - \$22,174,487) with historical cost of \$8,803,779 (2023 - \$22,010,356).

**6. Accounts payable and accrued liabilities**

Included in accounts payable and accruals at March 31, 2024 are \$17,166 (2023 - \$9,508) of remittances payable to various government agencies.

**7. Deferred contributions**

Deferred contributions consist of amounts received from contributors who have restricted their use for various specific programs. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contribution balance are as follows:

	<i>2024</i>	<i>2023</i>
Balance, beginning of year	19,316,373	7,559,611
Amount received during the year	844,976	15,181,881
Less: Amount recognized as revenue during the year	(9,901,537)	(3,425,119)
Balance, end of year	<b>10,259,812</b>	<b>19,316,373</b>

**8. Commitments**

The Organization s committed to the following minimum annual payments under the operating lease for premises:

2025	16,896
2026	1,408
	<b>18,304</b>

**9. Internally restricted net assets**

The Organization's Board of Directors has internally restricted \$1,400,000 (2023 - \$1,100,000) as an operating reserve, \$2,000,000 for emergency support (2023 - \$3,491,956), and \$1,393,937 (2023 - \$nil) as investment in growth and enhancement of regional and provincial food system. The internally restricted net assets are not available for other purposes without approval of the Board.

Internally restricted operating reserve net assets represents a fiscally prudent operating reserve, restricted to provide funds for the continuity of operations and operational contingencies covering twenty-four months of budgeted operating expenses, based on the operating budget.

Internally restricted for programs funding net assets reserves new assets for contingent future programs to assist with activities related to ongoing and emergency food access, including food purchasing, transportation costs and funding distribution

Internally restricted for programs funding net assets reserves new assets for contingent future programs to enhance regional and provincial food systems by investing resources to streamline the access and distribution of food throughout British Columbia.

**10. Interfund transfers**

During the year, the Organization transferred \$212,131 (2023 - \$555,208) from the unrestricted fund to internally restricted net assets.

**11. Employee remuneration**

Under the Societies Act of British Columbia, the following additional financial statement disclosures are required.

***Remuneration paid to directors***

Board directors receive no remuneration for being a director of the Organization.

***Remuneration paid to highest paid employees and contractors***

During the year ended March 31, 2024, the Organization paid a total remuneration of \$464,330 to eight employees (2023 - \$292,008 - six employees).

**12. Financial instruments**

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

***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. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Organization is exposed to interest rate risk with regards to its interest-bearing investments.

***Liquidity risk***

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization enters into transactions to purchase goods and services on credit for which repayment is required at various maturity dates.

12. **Financial instruments** *(Continued from previous page)*

***Other price risk***

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization's investments in equities and mutual funds exposes the Organization to price risk as these investments are subject to price changes in an open market due to a variety of reasons including changes in market rates of interest, general economic indicators and restrictions on credit markets.

***Foreign currency risk***

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization enters into transactions to invest in foreign-denominated investments for which the related underlying share prices are subject to exchange rate fluctuations. The fund is exposed to foreign currency risk with regards to its investments.

***Credit risk***

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risk relates to its accounts receivable. The Organization assesses the credit worthiness of the entities comprising amounts receivable, and provide allowances for amounts potentially uncollectible.