

Airdrie Food Bank
Financial Statements
June 30, 2023

(Unaudited)

Table of Contents

Independent Practitioner's Review Engagement Report	2
Statement of Financial Position	4
Statement of Operations	5
Statement of Net Assets	6
Statement of Cash Flows	7
Notes to the Financial Statements	8



INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Directors of Airdrie Food Bank

We have reviewed the accompanying financial statements of Airdrie Food Bank that comprise the statement of financial position as at June 30, 2023, and the statements of operations, net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not prepared, in all material aspects, in accordance with the financial reporting provisions of Canadian accounting standards for not-for-profit organizations.

NUMIS CPAs Inc.

Numis CPAs Inc.

Chartered Professional Accountants

Airdrie, AB

Airdrie Food Bank
Statement of Financial Position
As at June 30, 2023

(Unaudited)

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalent	3	363,188	374,634
Restricted cash - AGLC	4	39,927	64,969
Restricted cash - internal reserves	4	1,270,756	1,029,547
Contributions receivable	5	2,944	73,855
Goods and service tax receivable		10,894	3,746
Prepaid expenses	6	14,882	11,024
Security deposits		5,390	-
Total Other current assets		20,272	11,024
Total Current assets		1,707,981	1,557,775
Property and equipment	7	1,063,236	1,018,151
Total Assets		2,771,217	2,575,926
Liabilities and Equity			
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		64,673	63,668
Long-term liabilities			
Deferred contributions	8	936,852	964,075
Total Liabilities		1,001,525	1,027,743
Net Assets			
Net assets	11	1,769,692	1,548,183
Total Liabilities and Net Assets		2,771,217	2,575,926

Commitments (Note 9)

Approved on behalf of the board





Airdrie Food Bank
Statement of Operations
For the year ended June 30, 2023

(Unaudited)

	Note	2023 \$	2022 \$
Revenue			
Donations and grants		1,224,443	1,100,982
Special events		67,617	42,505
AGLC revenue		81,838	59,617
Interest		49,611	8,678
Total revenue		1,423,509	1,211,782
Operating expenses			
Salaries and wages		721,968	624,959
Food purchases		164,017	152,894
Repairs and maintenance		39,814	41,165
Utilities		48,900	38,285
Service providers		17,996	14,766
Supplies		38,270	37,627
Vehicle expenses		39,304	14,350
Volunteer appreciation		22,642	15,886
Fundraising		22,612	4,253
Professional fees		8,640	20,889
Insurance		9,006	8,287
Advertising and promotion		8,457	5,598
Office expenses		7,768	7,828
Travel expenses		4,316	1,639
Business taxes, licenses, and memberships		798	897
Interest and bank charges		849	225
Land and storage rent		38,202	19,330
Total expenses		1,193,559	1,008,878
Operational excess of revenues over expenses		229,950	202,904
Amortization of deferred contributions for property and equipment	8	71,933	63,075
Amortization of property and equipment		(80,374)	(42,767)
Net excess of revenue over expenses		221,509	223,212

Airdrie Food Bank
Statement of Net Assets
For the year ended June 30, 2023

(Unaudited)

	2023	2022
	\$	\$
Net assets - beginning of year	1,548,183	1,324,971
Net excess of revenue over expenses	221,509	223,212
Net assets - ending of year	1,769,692	1,548,183

Airdrie Food Bank
Statement of Cash Flows
For the year ended June 30, 2023

(Unaudited)

	2023	2022
	\$	\$
Cash (used for) provided by operating activities		
Net excess of revenue over expenses	221,509	223,212
Amortization expense	80,374	42,767
	301,883	265,979
Changes in non-cash working capital		
(Increase) decrease in restricted cash	(216,167)	(160,151)
(Increase) decrease in contribution receivable	70,911	(68,855)
(Increase) decrease in goods and service tax receivable	(7,148)	1,094
(Increase) decrease in prepaid expenses	(3,858)	(475)
(Increase) decrease in security deposits	(5,390)	-
Increase (decrease) in accounts payable	1,004	16,952
Increase (decrease) in deferred contributions	(27,223)	28,198
	(187,871)	(183,237)
Cashflow from operating activities	114,012	82,742
Cash used for investing activities		
Purchase of property and equipment	(125,458)	-
Net decrease in cash and cash equivalents	(11,446)	82,742
Cash and cash equivalents, beginning of year	374,634	291,892
Cash and cash equivalents, end of year	363,188	374,634
Cash and cash equivalents		
Cash	280,592	299,241
Cash equivalents	82,596	75,393
Total Cash and cash equivalents	363,188	374,634

Airdrie Food Bank
Notes to the Financial Statements
For the year ended June 30, 2023

(Unaudited)

1. Nature of operations

Airdrie Food Bank (the "Organization") is a not-for-profit charitable organization incorporated under the Societies Act of Alberta. The purpose of the Organization is to collect and distribute food to those in need and educate the community on hunger-related issues.

2. Significant accounting policies

These financial statements have been prepared in accordance with Part III of the Chartered Professional Accountants of Canada ("CPA Canada") Handbook - Accounting, which sets out Canadian Accounting Standards for Not-For-Profit Organizations ("CASNFPO"). The following are the accounting policies that management believe are significant to the Organization.

a. Cash and cash equivalents

Cash is made up of balances held with financial institutions as well as balances of cash that are part of gift cards at major retail grocery stores. Cash equivalents can be readily converted to a known amount of cash and are subject to an insignificant risk of changes in value. They are recorded at their known value.

b. Property and equipment

Property and equipment are accounted for at cost and amortized on the basis of their useful life using the following methods and rates or duration:

<u>Category</u>	<u>Method</u>
Automotive	30% annually calculated on a declining balance
Building	4% annually calculated on a declining balance
Computer equipment	55% annually calculated on a declining balance
Office equipment and fixtures	20% annually calculated on a declining balance
Equipment	30% annually calculated on a declining balance
Leasehold improvements	5%-20%% annually calculated on a declining balance

One-half the normal rate is taken in the year of acquisition.

c. Contributions receivable

Contributions receivable are recognized when the receivable amount can be reasonably estimated and collection

Airdrie Food Bank
Notes to the Financial Statements
For the year ended June 30, 2023

(Unaudited)

is reasonably assured.

d. Revenue recognition

The Organization follows the deferral method of accounting for contributions.

Contributions that are restricted by the donor, are recognized as revenue in the year in which the related expense is incurred.

Restricted contributions received for the purchase of capital assets are initially deferred and recognized as revenue over the useful life of the asset.

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

e. Contributed food, materials and services

The Organization records the value of donated food, materials and services when the fair value can be reasonably estimated and when they are used in the normal course of the Organization's operations and would otherwise have been purchased.

f. Inventory

As part of the distribution of hampers, the Organization must purchase certain perishable items. The Organization purchases these on an as needed basis and therefore does not maintain an inventory balance.

g. Financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value. The Organization subsequently measures all its financial assets and liabilities at cost or amortized cost. Changes in the fair value of these financial instruments are recognized in income in the period incurred.

Financial assets measured at amortized cost on a straight-line basis include cash and cash equivalents, restricted cash, accounts receivable, goods and services tax receivable and prepaid expenses.

Financial liabilities measured at amortized cost on a straight-line basis include the accounts payable and accrued liabilities and deferred contributions.

Airdrie Food Bank
Notes to the Financial Statements
For the year ended June 30, 2023

(Unaudited)

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in income in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in income over the life of the instrument using the straight-line method.

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there is an indication of impairment, and the Organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

h. Use of estimates

The preparation of the financial statements in accordance with CASNFPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and revenue 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 property and equipment.

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

i. Income taxes

The Organization is a charitable organization under the Income Tax Act (the "Act"). As such, they are exempt from filing an income tax return and are able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Organization must meet the certain requirements within the Act. In the opinion of management, these requirements have been met.

Airdrie Food Bank
Notes to the Financial Statements
For the year ended June 30, 2023

(Unaudited)

3. Cash and cash equivalents

Cash and cash equivalents comprise the following amounts.

	2023	2022
	\$	\$
Cash and cash equivalents		
General operating account	280,592	299,241
Cash equivalent		
Retail vouchers - gift cards	82,596	75,393
Total cash and cash equivalents	363,188	374,634

4. Restricted cash

	2023	2022
	\$	\$
Restricted cash - AGLC		
AGLC account - ATB	39,927	64,969

The Organization has internally restricted funds for specific purposes, below are the details on the current allocation of these reserves.

	2023	2022
	\$	\$
Restricted cash - internal reserves		
Operating reserve	361,882	299,285
Disaster reserve	75,000	182,565
Capital reserve	833,874	547,697
Total restricted cash - internal reserves	1,270,756	1,029,547

Airdrie Food Bank
Notes to the Financial Statements
For the year ended June 30, 2023

(Unaudited)

5. Contributions receivable

Contributions receivable consist of donations and grants that were completed prior to the end of fiscal year but the cash was received subsequent to June 30, 2023. Based on the nature of this balance there were no amounts recorded for allowance for doubtful accounts.

6. Prepaid expenses

a. Prepaid expenses details

	2023	2022
	\$	\$
Prepaid expenses		
Insurance	4,561	4,383
Wellness fund	8,698	5,126
Other	1,623	1,515
Total prepaid expenses	14,882	11,024

7. Property, plant and equipment

a. Property, plant and equipment details

	2023	2022
	\$	\$
Buildings	81,865	81,865
Leasehold improvements	1,469,351	1,464,228
Vehicles	173,587	61,753
Equipment and furniture	69,977	61,477
Computer equipment	23,778	23,778
Total property, plant and equipment - Cost	1,818,558	1,693,101
Accumulated amortization of property, plant and equipment	(755,322)	(674,950)
Total property, plant and equipment	1,063,236	1,018,151

Airdrie Food Bank
Notes to the Financial Statements
For the year ended June 30, 2023

(Unaudited)

8. Deferred contributions

a. Summary of the balance

	2023	2022
	\$	\$
Building donations and grants	658,179	709,248
AGLC funding	49,941	67,817
Food Banks of Canada - walk-in freezer	9,163	11,453
Food Banks of Canada - vehicle donation	3,582	5,117
Food Banks of Canada - capacity building grant	12,915	14,491
Food Banks Canada - after the Bell	2,520	2,520
Calgary Foundation - refrigeration van	63,750	75,000
Food Banks of Canada - emergency fund	-	59,397
Walmart Fight Hunger Spark Change campaign	10,694	19,032
Food Banks Canada - CBG	4,280	-
Government of Alberta - family and community support services matching grant	21,828	-
Government of Canada - community services recovery fund	100,000	-
	936,852	964,075

Deferred contributions represent unspent donations received by the Organization designated by the donor for a specific purpose.

b. Summary of movements

Below is a summary of movements in the deferred contributions balances.

	2023	2022
	\$	\$
Opening balance	964,075	935,877
Contributions received in the year	249,318	219,339
Contributions recognized as revenue in the year	(276,541)	(191,141)
Ending balance	936,852	964,075

\$71,933 of the contributions recognized as revenue in the year relates to funding for purchased property, plant and equipment made in prior years.

Airdrie Food Bank
Notes to the Financial Statements
For the year ended June 30, 2023

(Unaudited)

9. Commitments

The Organization leases land in Airdrie from the City for \$500 per annum. The Airdrie land lease expires July 31, 2027 but contains two additional term extensions each for five years.

The Organization entered into new lease agreement for a warehouse facility in the North end of Airdrie that commences February 1, 2023 for a 5 year term. Minimum annual rent is as follows:

Year 1	\$41,600
Years 2 & 3	\$43,200
Years 4 & 5	\$44,800

10. Contributed materials and services

Donations and grants includes \$59,320 (2022 - \$64,432) contributed materials and services that the Organization did issue tax receipts for.

An estimated total amount of 1,013,372 pounds (2022 - 822,386 pounds) was collected by the Organization to individuals and families in need. Food Banks Canada estimates the value of donated food to be \$3.21 (2022 - \$2.62) per pound. If the Organization reported the distributed food in the statement of shortfall of revenues over expenses, donation revenue and food purchase expense would both increase by \$3,252,924 (2022 - \$2,154,651). Effective July 1, 2023 Food Banks Canada increased the estimated value of donated food to be \$3.52 per pound.

An estimated total amount of 18,134 volunteering hours (2022 - 16,204) were received from many members of the community.

11. Net assets

The breakdown of the net assets of the Organization is as follows:

		2023	2022
		\$	\$
Unrestricted net assets		500,454	518,636
Internally restricted net assets	4	1,272,009	1,029,547
Total net assets		1,772,463	1,548,183

Airdrie Food Bank
Notes to the Financial Statements
For the year ended June 30, 2023

(Unaudited)

12. Capital management

The Organization's objective in managing capital is to ensure that necessary funding is in place to provide assistance in the form of emergency food to support children, individuals and families in Airdrie and surrounding areas. The Organization manages capital through annual budgeting techniques, and by continuously monitoring the need for funding of various expenditures. The Organization's capital is maintained through revenue generating activities and through funding and grants from its supporters.

The Organization's capital is defined as total of net assets and deferred contributions which at June 30, 2023 total \$2,706,543 (June 30, 2022 - \$2,512,258).