

KAMLOOPS FOOD BANK SOCIETY

Financial Statements

Year Ended August 31, 2022

KAMLOOPS FOOD BANK SOCIETY

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Year Ended August 31, 2022

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Kamloops Food Bank Society

We have reviewed the accompanying financial statements of Kamloops Food Bank Society (the Society) that comprise the statement of financial position as at August 31, 2022, and the statements of changes in net assets, operations 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.

Basis for Qualified Conclusion

In common with many not-for-profit organizations, Kamloops Food Bank Society derives revenues from donations, the completeness of which is not susceptible to satisfactory verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Kamloops Food Bank Society. Therefore, we were not able to determine whether any adjustments might be necessary to donations revenue, operations and cash flows from operations for the year ended August 31, 2022 and August 31, 2021, current assets as at August 31, 2022 and August 31, 2021 and net assets as at September 1 and August 31 for the years ended August 31, 2022 and August 31, 2021.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the *Basis for Qualified Conclusion* paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Kamloops Food Bank Society as at August 31, 2022, 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

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.



Kamloops, British Columbia
November 16, 2022

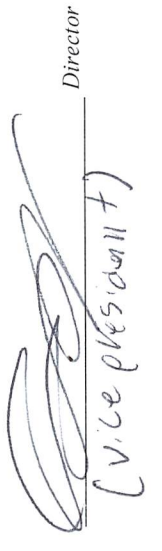
CHARTERED PROFESSIONAL ACCOUNTANTS

KAMLOOPS FOOD BANK SOCIETY
Statement of Financial Position
August 31, 2022

	General Operating Fund	Internally Restricted Fund	Externally Restricted Fund	Capital Fund	Total 2022	Total 2021
ASSETS						
CURRENT						
Cash (Note 3)	\$ 606,352	\$ 1,050,138	\$ 26,451	\$ -	\$ 1,682,941	\$ 1,738,858
Accounts receivable	29,288	-	-	-	29,288	32,507
Goods and services tax recoverable	39,659	-	-	-	39,659	21,791
Prepaid expenses	16,121	-	-	-	16,121	99,078
Gift certificates and credits (Note 4)	113,249	-	-	-	113,249	92,643
	804,669	1,050,138	26,451	-	1,881,258	1,984,877
TANGIBLE CAPITAL ASSETS (Note 5)						
	-	-	-	2,855,830	2,855,830	1,666,962
	804,669	1,050,138	26,451	2,855,830	4,737,088	3,651,839
LIABILITIES AND NET ASSETS						
CURRENT						
Accounts payable and accrued liabilities	\$ 39,903	\$ 24,338	\$ -	\$ -	\$ 64,241	\$ 55,996
Deferred contributions (Note 7)	117,581	-	-	-	117,581	37,437
	157,484	24,338	-	-	181,822	93,433
NET ASSETS						
Unrestricted	647,185	-	-	-	647,185	843,050
Internally restricted (Note 8)	-	1,025,800	-	-	1,025,800	946,067
Externally restricted (Note 8)	-	-	26,451	-	26,451	102,327
Invested in tangible capital assets	-	-	-	2,855,830	2,855,830	1,666,962
	647,185	1,025,800	26,451	2,855,830	4,555,266	3,558,406
	804,669	1,050,138	26,451	2,855,830	4,737,088	3,651,839

Approved by the Board


 (President)
 Director


 (Vice President)
 Director



See notes to financial statements

KAMLOOPS FOOD BANK SOCIETY

Statement of Changes in Net Assets

Year Ended August 31, 2022

	General Operating Fund	Internally Restricted Fund <i>(Note 8)</i>	Externally Restricted Fund <i>(Note 8)</i>	Capital Fund	Total 2022	Total 2021
NET ASSETS - BEGINNING OF YEAR	\$ 843,050	\$ 946,067	\$ 102,327	\$ 1,666,962	\$ 3,558,406	\$ 2,570,303
Excess (deficiency) of revenues over expenses	532,547	136,716	500,516	(172,919)	996,860	988,103
Tangible capital asset purchases	(69,765)	(774,019)	(518,003)	1,361,787	-	-
Transfers, net	(658,647)	717,036	(58,389)	-	-	-
NET ASSETS - END OF YEAR	\$ 647,185	\$ 1,025,800	\$ 26,451	\$ 2,855,830	\$ 4,555,266	\$ 3,558,406

See notes to financial statements

KAMLOOPS FOOD BANK SOCIETY

Statement of Operations

Year Ended August 31, 2022

	General Operating Fund	Internally Restricted Fund	Externally Restricted Fund	Capital Fund	Total 2022	Total 2021
REVENUES						
Donated food products	\$ 6,499,962	\$ -	\$ -	\$ -	\$ 6,499,962	\$ 7,596,142
Donations	947,300	10,249	5,500	-	963,049	730,890
Fundraising	399,428	-	74,999	-	474,427	519,290
Starfish backpack program	112,889	-	3,250	-	116,139	118,174
Expense recovery - fundraising	99,837	-	-	-	99,837	109,107
foodSHARE	89,565	750	-	-	90,315	29,140
COVID-19 and extreme weather event funding (Note 9)	82,348	-	-	-	82,348	409,185
Employment grants	39,850	-	-	-	39,850	54,807
Municipal government grant	30,300	-	-	-	30,300	30,300
Expense recovery - donations	7,500	-	-	-	7,500	12,050
Interest	2,455	609	22	-	3,086	931
Community gaming grant	-	-	-	-	-	130,000
	8,311,434	11,608	83,771	-	8,406,813	9,740,016
EXPENSES (Schedule 1)	7,778,887	-	159,646	166,054	8,104,587	9,028,949
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	532,547	11,608	(75,875)	(166,054)	302,226	711,067
OTHER INCOME (EXPENSES)						
Building contributions	-	125,108	-	-	125,108	119,282
Grants and contributions for tangible capital assets	-	-	576,391	-	576,391	149,520
Gain (loss) on disposal of tangible capital assets	-	-	-	(6,865)	(6,865)	8,234
	-	125,108	576,391	(6,865)	694,634	277,036
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 532,547	\$ 136,716	\$ 500,516	\$ (172,919)	\$ 996,860	\$ 988,103

See notes to financial statements

KAMLOOPS FOOD BANK SOCIETY**Statement of Cash Flows****Year Ended August 31, 2022**

	2022	2021
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 996,860	\$ 988,103
Items not affecting cash:		
Amortization of tangible capital assets	166,054	119,263
Loss (gain) on disposal of tangible capital assets	6,865	(8,234)
	<u>1,169,779</u>	<u>1,099,132</u>
Changes in non-cash working capital:		
Accounts receivable	3,219	6,702
Gift certificates and credits	(20,606)	(32,131)
Accounts payable and accrued liabilities	8,244	4,307
Prepaid expenses	82,957	(85,525)
Goods and services tax receivable	(17,868)	(12,508)
Deferred contributions	80,144	(97,537)
	<u>136,090</u>	<u>(216,692)</u>
Cash flows from operating activities	<u>1,305,869</u>	<u>882,440</u>
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(1,361,786)	(470,588)
Proceeds on disposal of tangible capital assets	-	29,905
Cash flows used by investing activities	<u>(1,361,786)</u>	<u>(440,683)</u>
INCREASE (DECREASE) IN CASH FLOW	(55,917)	441,757
CASH - BEGINNING OF YEAR	<u>1,738,858</u>	<u>1,297,101</u>
CASH - END OF YEAR	<u>\$ 1,682,941</u>	<u>\$ 1,738,858</u>

See notes to financial statements

KAMLOOPS FOOD BANK SOCIETY

Notes to Financial Statements

Year Ended August 31, 2022

1. PURPOSE OF THE SOCIETY

Kamloops Food Bank Society (the "Society") was incorporated under the Society Act on September 13, 1988 with a mission of sharing food, feeding hope and strengthening the community. As a registered charity, the Society is exempt from the payment of income tax and may issue receipts for charitable donations.

The purposes of the Society are to create opportunities for the Society to deal with food insecurity issues; to plan and implement public education and awareness initiatives concerning poverty and hunger issues; and to receive, acquire and hold food, gifts, donations, devises and bequests of every nature and description towards the purposes of the Society.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

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

(b) Cash

The Society's policy is to disclose bank balances under cash, including bank overdrafts.

(c) Tangible capital assets

Tangible capital assets are stated at cost and are amortized over their estimated useful lives. Amortization is calculated on a declining balance basis at the following annual rates:

Buildings	4%
Furniture, fixtures and equipment	20%
Automotive equipment	30%
Computer equipment	45%
Fence	10%

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Building under construction is not amortized until construction is complete and the building is in use.

(d) Food purchases and inventory

Food purchases are recorded as an expense at the date of purchase. Food items on hand at year-end are not recorded as inventory.

(e) Deferred contributions

Deferred contributions consist of amounts received in advance and restricted by the contributor for programs to be undertaken during subsequent fiscal years for which there is not an appropriate restricted fund.

(continues)

KAMLOOPS FOOD BANK SOCIETY

Notes to Financial Statements

Year Ended August 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(f) Fund accounting

These financial statements are presented on a fund accounting basis using the restricted fund method of accounting for contributions. The following funds have been presented:

General Operating Fund:

The General Operating Fund accounts for the Society's program delivery, administrative activities and various fundraising events. This fund reports unrestricted resources and restricted operating grants.

Internally Restricted Fund:

The Internally Restricted Fund accounts for funds set aside by the Board and pledged to be used to purchase specific tangible capital assets.

Externally Restricted Fund:

The Externally Restricted Fund accounts for amounts that have been designated for a specific purpose by an external party. This fund includes amounts received and disbursed from the community gaming grant and externally restricted grants for tangible capital assets.

Capital Fund:

The Capital Fund accounts for all tangible capital assets of the Society.

(g) Revenue recognition

The Society follows the restricted fund method whereby restricted contributions are recognized in the fund corresponding to the purpose for which they were contributed. Restricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted contributions, including unrestricted cash donations and unrestricted donations received in-kind, are recognized as revenue of the General Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(continues)

KAMLOOPS FOOD BANK SOCIETY

Notes to Financial Statements

Year Ended August 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(h) Contributed materials and services

The Society receives donations of food and other products from businesses and the general public. For the year ended August 31, 2022, the total perishable and non-perishable food and other products donated and collected by the Society is 2,356,186 pounds (2021 - 2,899,291).

According to national standards recommended by Food Banks Canada, the dollar value of food donations increased from \$2.62 per pound to \$3.21 per pound commencing June 1, 2022. Management has decided to use this rate as the basis for determining the value of donated food and other products revenue. These donated food and other products are reflected in the statement of operations in the period received as revenue and offsetting expense.

Other non-cash contributions are recognized as revenue at fair value when the fair value can be reasonably estimated.

The Society would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Because of the difficulty of compiling these hours, volunteer hours are not recognized in the financial statements.

(i) Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(j) Financial instruments policy

Financial assets include cash and accounts receivable and are measured at amortized cost as presented on the statement of financial position.

Financial liabilities include accounts payable and are measured at amortized cost as presented on the statement of financial position.

KAMLOOPS FOOD BANK SOCIETY

Notes to Financial Statements

Year Ended August 31, 2022

3. CASH

	<u>2022</u>	<u>2021</u>
General Operating Cash		
Petty Cash	\$ 147	\$ 150
Valley First - Commercial high interest savings account	113,618	2,667
Valley First - Community first chequing account	492,547	187,608
Valley First - Membership shares	35	34
Valley First - COVID response	5	500,005
	<u>606,352</u>	<u>690,464</u>
Internally Restricted Cash		
Valley First - Building chequing account	4	4
Valley First - High interest savings account - warehouse build	100,087	946,039
Valley First - High interest savings account - property	450,022	24
Valley First - High interest savings account - vehicle	500,025	-
	<u>1,050,138</u>	<u>946,067</u>

On August 17, 2022, the Board approved the transfer of \$952,575 to the Society's internally restricted bank account, of which \$500,000 is to be used for capital vehicle purchases, \$449,977 is to be used for future land purchases and \$2,598 is to be used for the construction of a warehouse and future renovations. The estimated date that the remaining funds will be used is unknown (*Note 8*).

Externally Restricted Cash

Valley First gaming account	<u>26,451</u>	<u>102,327</u>
	<u>\$ 1,682,941</u>	<u>\$ 1,738,858</u>

4. GIFT CERTIFICATES AND CREDITS

As at August 31, 2022, the Society had on hand \$113,249 (2021 - \$92,643) of donated gift certificates and store credits, principally from the BC Sharing Coupon Program available in certain supermarkets.

KAMLOOPS FOOD BANK SOCIETY

Notes to Financial Statements

Year Ended August 31, 2022

5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Land	\$ 327,492	\$ -	\$ 327,492	\$ 327,492
Buildings	2,507,423	369,292	2,138,131	691,284
Building under construction	-	-	-	296,241
Furniture, fixtures and equipment	380,489	157,177	223,312	180,429
Automotive equipment	415,301	268,195	147,106	159,982
Computer equipment	29,416	18,627	10,789	1,534
Fence	10,300	1,300	9,000	10,000
	\$ 3,670,421	\$ 814,591	\$ 2,855,830	\$ 1,666,962

Building under construction was completed and in use commencing February 2022.

6. BANK INDEBTEDNESS

Valley First Credit Union approved an operating line of credit to a maximum of \$75,000. Interest is charged on the outstanding balance at the bank's prime lending rate. The line of credit was not utilized during the year. The line of credit is secured by a charge against property with a carrying value of \$764,542.

7. DEFERRED CONTRIBUTIONS

	Balance beginning of year	Funding received	Funding spent	Balance end of year
Food Banks BC - dairy purchases	\$ 231	\$ -	\$ 231	\$ -
Food Banks Canada - foodSHARE	-	20,331	-	20,331
Miscellaneous organizations:				
Basics for Babies	6,000	-	6,000	-
foodSHARE	-	25,000	-	25,000
Storage contributions	23,733	-	23,733	-
Starfish backpack program	7,473	72,250	7,473	72,250
	\$ 37,437	\$ 117,581	\$ 37,437	\$ 117,581

Grants and contributions received that are externally restricted for specific programs are deferred until the expenses of the related programs are incurred.

KAMLOOPS FOOD BANK SOCIETY

Notes to Financial Statements

Year Ended August 31, 2022

8. RESTRICTED FUNDS

Internally Restricted Fund

Internally restricted contribution on August 17, 2022	\$	952,575
Interest income		609
Internally restricted donations and funding		<u>72,616</u>
	\$	<u>1,025,800</u>

All of the funds included in the internally restricted fund are for the future purchase of property, vehicles and capital renovations. The estimated date that these funds will be used is unknown.

Externally Restricted Fund

Valley First gaming account	\$	<u>26,451</u>
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9. COVID-19 AND EXTREME WEATHER EVENT FUNDING

Donations and funding received as a result of the COVID-19 pandemic and extreme weather events are from the following sources:

	<u>2022</u>	<u>2021</u>
Donations	\$ 82,348	\$ 159,459
Federal Government funding received and disbursed through the United Way	-	20,000
Funding received and disbursed through Food Banks BC:		
Food Banks BC/third party	-	6,843
Food Banks Canada	-	82,000
Federal Government	-	<u>140,883</u>
	<u>\$ 82,348</u>	<u>\$ 409,185</u>

10. COMPARATIVE FIGURES

The prior year figures have been reclassified where applicable to conform with the presentation used in the current year.

11. BRITISH COLUMBIA SOCIETIES ACT

On November 28, 2016, the new British Columbia Societies Act came into force. Included in the new Act is a requirement to disclose the remuneration paid to all directors and employees or contractors who are paid at least \$75,000 annually.

During the year, the Society paid \$108,267 to one employee in salaries and benefits (2021 - \$100,976). No honoraria were paid to members of the Board of Directors for the 2022 and 2021 years. No contractors were paid over \$75,000 in salaries and benefits for the 2022 and 2021 years.

KAMLOOPS FOOD BANK SOCIETY

Notes to Financial Statements

Year Ended August 31, 2022

12. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments. The following analysis provides information about the Society's risk exposure and concentration as of August 31, 2022.

(a) **Credit risk**

Credit risk is the risk of loss associated with the inability of a counterparty to fulfill its obligations under the terms of a financial instrument. The Society's exposure to credit risk is as indicated by the carrying value of its accounts receivable and gift certificates and credits. The Society mitigates this risk by reviewing and monitoring these balances.

KAMLOOPS FOOD BANK SOCIETY

Statement of Expenses

(Schedule 1)

Year Ended August 31, 2022

	General Operating Fund	Internally Restricted Fund	Externally Restricted Fund	Capital Fund	Total 2022	Total 2021
EXPENSES						
Advertising and promotion	\$ 21,461	\$ -	\$ -	\$ -	\$ 21,461	\$ 43,157
Amortization of tangible capital assets	-	-	-	166,054	166,054	119,263
Automotive	39,320	-	-	-	39,320	25,377
Bad debts	1,500	-	-	-	1,500	3,300
Delivery and freight	3,662	-	-	-	3,662	2,295
Donated food products distributed	6,499,962	-	-	-	6,499,962	7,596,142
Food purchases	79,032	-	-	-	79,032	29,715
Fundraising	45,761	-	43,202	-	88,963	88,932
Housing project expenses	-	-	-	-	-	9,410
Insurance	25,149	-	-	-	25,149	23,527
Interest and bank charges	1,856	-	4	-	1,860	1,486
Licences, dues and fees	11,222	-	-	-	11,222	11,800
Professional fees	6,500	-	-	-	6,500	8,300
Repairs and maintenance	22,564	-	-	-	22,564	12,434
Storage	82,433	-	-	-	82,433	92,033
Subcontract	16,133	-	-	-	16,133	9,224
Supplies - office	26,789	-	-	-	26,789	52,568
Supplies - warehouse	46,853	-	-	-	46,853	50,408
Telephone	6,775	-	-	-	6,775	6,028
Travel and convention	1,428	-	-	-	1,428	1,581
Utilities	38,900	-	-	-	38,900	31,565
Volunteer appreciation	10,684	-	-	-	10,684	15,576
Wages - employment programs	40,311	-	-	-	40,311	56,496
Wages and employee benefits	750,592	-	116,440	-	867,032	738,332
	\$ 7,778,887	\$ -	\$ 159,646	\$ 166,054	\$ 8,104,587	\$ 9,028,949

See notes to financial statements