

AIRDRIE FOOD BANK

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

**AIRDRIE FOOD BANK
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YEAR ENDED JUNE 30, 2024**

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Directors of Airdrie Food Bank

We have reviewed the accompanying financial statements of Airdrie Food Bank (the Organization) that comprise the statement of financial position as at June 30, 2024, and the statements of revenues and expenditures, changes in 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 (ASNPO), 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.

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Independent Practitioner's Review Engagement Report to the Directors of Airdrie Food Bank *(continued)*

Conclusion

Based on our review, 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 Airdrie Food Bank as at June 30, 2024, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

NUMIS CPAs Inc.

Airdrie, Alberta
October 18, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS

AIRDRIE FOOD BANK
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

	2024	2023
	\$	\$
ASSETS		
CURRENT		
Cash and cash equivalents <i>(Note 3)</i>	440,174	363,182
Restricted cash - AGLC	2,127	39,927
Restricted cash - internal reserves	1,230,927	1,270,756
Contributions receivable <i>(Note 5)</i>	939	2,944
Goods and services tax receivable	8,757	10,893
Prepaid expenses <i>(Note 6)</i>	17,192	14,882
Security deposits	55,390	5,390
	1,755,506	1,707,974
PROPERTY AND EQUIPMENT <i>(Note 7)</i>	1,055,061	1,063,236
	2,810,567	2,771,210
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	68,921	64,671
DEFERRED CONTRIBUTIONS <i>(Note 8)</i>	826,334	936,852
	895,255	1,001,523
NET ASSETS <i>(Note 11)</i>	1,915,312	1,769,687
	2,810,567	2,771,210
COMMITMENTS <i>(Note 9)</i>		

APPROVED BY THE DIRECTOR

Director

AIRDRIE FOOD BANK
STATEMENT OF REVENUES AND EXPENDITURES
YEAR ENDED JUNE 30, 2024

	2024	2023
	\$	\$
REVENUES		
Donations and grants	1,373,381	1,224,439
Interest	80,108	49,611
AGLC revenue	39,803	81,838
Special events	104,486	67,616
	1,597,778	1,423,504
OPERATING EXPENSES		
Salaries and wages	809,522	721,968
Food purchases	194,456	164,016
Repairs and maintenance	87,581	39,815
Land and storage rent	62,870	38,202
Utilities	44,367	48,900
Supplies	39,623	38,270
Fundraising	28,230	22,612
Service providers	23,032	17,997
Professional fees	22,712	8,641
Volunteer appreciation	21,295	22,642
Vehicle	19,408	39,304
Office	10,802	7,768
Insurance	9,909	9,006
Advertising and promotion	9,240	8,456
Travel	4,350	4,316
Interest and bank charges	1,799	848
Business taxes, licenses and memberships	971	798
	1,390,167	1,193,559
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	207,611	229,945
OTHER INCOME (EXPENSES)		
Amortization of deferred contributions for property and equipment	34,627	71,933
Amortization of property and equipment	(96,613)	(80,374)
	(61,986)	(8,441)
EXCESS OF REVENUES OVER EXPENSES	145,625	221,504

AIRDRIE FOOD BANK
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2024

	2024	2023
	\$	\$
NET ASSETS - BEGINNING OF YEAR	1,769,687	1,548,183
EXCESS OF REVENUES OVER EXPENSES	145,625	221,504
NET ASSETS - END OF YEAR	1,915,312	1,769,687

AIRDRIE FOOD BANK
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024

	2024 \$	2023 \$
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Excess of revenues over expenses	145,625	221,504
Item not affecting cash:		
Amortization of property and equipment	96,613	80,374
	242,238	301,878
Changes in non-cash working capital:		
Restricted cash - AGLC	37,800	25,042
Restricted cash - internal reserves	39,829	(241,209)
Contributions receivable	2,005	70,911
Accounts payable and accrued liabilities	4,249	996
Prepaid expenses	(2,310)	(3,858)
Goods and services tax receivable	2,136	(7,147)
Security deposits	(50,000)	(5,390)
Deferred contributions	(110,518)	(27,224)
	(76,809)	(187,879)
Cash provided by operating activities	165,429	113,999
CASH USED IN INVESTING ACTIVITIES		
Purchase of property and equipment	(88,437)	(125,458)
INCREASE (DECREASE) IN CASH FLOW	76,992	(11,459)
Cash - beginning of year	363,182	374,641
CASH - END OF YEAR (Note 3)	440,174	363,182
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash	356,090	280,387
Cash equivalents	84,084	82,795
	440,174	363,182

AIRDRIE FOOD BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

(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 is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life at the following rates and methods:

Buildings	4%	declining balance method
Vehicles	30%	declining balance method
Computer equipment	55%	declining balance method
Equipment and furniture	20%	declining balance method
Leasehold improvements	5-20%	declining balance method

(c) Contributions receivable

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

(d) Revenue recognition

Airdrie Food Bank 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. Endowment contributions are recognized as direct increases in net assets.

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

Seminar fees are recognized as revenue when the seminars are held.

(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.

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AIRDRIE FOOD BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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

(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 include cash and cash equivalents, restricted cash, contributions receivable, and goods and services tax receivable.

Financial liabilities measured at amortized cost include the accounts payable and accrued liabilities.

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 ASNPO 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 FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

3. CASH

	2024	2023
	\$	\$
Cash		
Cash	356,090	280,387
Cash equivalents		
Cash equivalents	84,084	82,795
	440,174	363,182

4. RESTRICTED CASH

Externally restricted cash includes funds which have been collected through casino proceeds and are therefore governed by the Alberta Gaming, Liquor & Cannabis Commission. The Organization must use gaming proceeds within 24-months following receipt.

	2024	2023
	\$	\$
<u>Restricted cash - AGLC</u>		
AGLC account - ATB	2,127	39,927

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

	2024	2023
	\$	\$
<u>Restricted cash - internal reserves</u>		
Operating reserve	356,280	361,882
Disaster reserve	75,000	75,000
Capital reserve	704,151	833,874
Capital maintenance & repair reserve	95,496	-
	1,230,927	1,270,756

Restricted cash balances are held, separately, in 90-day Notice Demand accounts which bear interest at prime less 1.95%.

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, 2024. Based on the nature of this balance there were no amounts recorded for allowance for doubtful accounts.

AIRDRIE FOOD BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

6. PREPAID EXPENSES

	2024 \$	2023 \$
Insurance	5,135	4,560
Wellness fund	10,290	8,698
Other	1,767	1,624
	17,192	14,882

7. PROPERTY AND EQUIPMENT

	Cost \$	Accumulated amortization \$	2024 Net book value \$	2023 Net book value \$
Buildings	81,865	54,488	27,377	28,518
Vehicles	173,588	102,277	71,311	101,873
Computer equipment	26,705	24,583	2,122	-
Equipment and furniture	150,065	55,604	94,461	27,977
Leasehold improvements	1,474,774	614,984	859,790	904,868
	1,906,997	851,936	1,055,061	1,063,236

The property and equipment balance includes assets acquired using casino proceeds. The assets have a net book value of \$8,011 (2023 - \$10,012).

AIRDRIE FOOD BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

8. DEFERRED CONTRIBUTIONS

	2024	2023
	\$	\$
<u>a. Summary of the balance</u>		
AGLC funding	10,138	49,941
Building donations and grants	658,178	658,179
Food Banks Alberta	2,548	-
Food Banks Canada - CBG	-	4,280
Food Banks Canada - after the bell	4,200	2,520
Food Banks Canada - capital assets	64,795	89,410
Government of Alberta - family and community support services matching grant	-	21,828
Government of Canada - community services recovery fund	72,079	100,000
Walmart Fight Hunger Spark Change Campaign	14,396	10,694
	826,334	936,852

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

	2024	2023
	\$	\$
<u>b. Summary of movements</u>		
Opening balance	936,852	964,075
Contributions received in the year	171,588	249,318
Contributions recognized as revenue in the year	(282,106)	(276,541)
	826,334	936,852

\$34,627 (2023 - \$71,933) of the contributions recognized as revenue in the year relates to funding for purchased property and equipment made in prior years.

AIRDRIE FOOD BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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 commenced February 1, 2023 for a 5-year term. Future minimum annual rent is as follows until the expiry of the lease:

	\$
2025	43,200
2026	43,867
2027	44,800
2028	26,133
	<u>158,000</u>
	\$

10. CONTRIBUTED MATERIALS AND SERVICES

Donations and grants includes \$79,401 (2023 - \$59,555) contributed materials and services that the Organization did issue tax receipts for.

An estimated total amount of 1,284,240 pounds (2023 - 1,013,372 pounds) was collected by the Organization. Food Banks Canada estimates the value of donated food to be \$3.52 (2023 - \$3.21) per pound. If the Organization reported the distributed food in the statement of revenues and expenditures, donation revenue and food purchase expense would both increase by \$4,520,522 (2023 - \$3,252,924).

An estimated total amount of 19,317 volunteering hours (2023 - 18,134 volunteering hours) were received from many members of the community.

11. NET ASSETS

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

	2024 \$	2023 \$
Unrestricted net assets	684,385	498,931
Internally restricted net assets	1,230,927	1,270,756
	<u>1,915,312</u>	<u>1,769,687</u>

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, 2024 total \$2,741,646 (June 30, 2024 - \$2,706,539).

AIRDRIE FOOD BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

13. SUBSEQUENT EVENTS

Subsequent to the fiscal year ended June 30, 2024, the Organization acquired a new warehouse located in the northeast of Airdrie to provide a more permanent solution for off-site storage needs.

During the current fiscal year, the Organization made an initial deposit towards the building purchase in the amount of \$50,000. Additional payments totaling \$625,000 were made between the fiscal year end and the possession date of October 8, 2024.