

# **Greater Vancouver Food Bank Society**

Financial Statements  
**June 30, 2018**



September 20, 2018

## **Independent Auditor's Report**

**To the Members of  
Greater Vancouver Food Bank Society**

### **Report on the financial statements**

We have audited the accompanying financial statements of Greater Vancouver Food Bank Society (the Society), which comprise the statement of financial position as at June 30, 2018 and the statements of operations, changes in net assets and cash flows for the year then ended, and the related notes, which comprise 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.

### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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**Basis for qualified opinion**

In common with many not-for-profit organizations, Greater Vancouver Food Bank Society derives revenues from donations and donated food and other products, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Greater Vancouver Food Bank Society. Therefore, we were not able to determine whether any adjustments might be necessary to donations and donated food and other product revenue, excess of revenues over expenses and cash flows from operations for the years ended June 30, 2018 and June 30, 2017, current assets as June 30, 2018 and June 30, 2017 and net assets as at the beginning and the end of the years ended June 30, 2018 and June 30, 2017. Our audit opinion on the financial statements for the year ended June 30, 2017 was modified accordingly because of the possible effects of this limitation in scope.

**Qualified opinion**

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Greater Vancouver Food Bank Society as at June 30, 2018 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 Society Act of British Columbia, we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied to the financial statements on a basis consistent with that of the preceding year.

*PricewaterhouseCoopers LLP*

**Chartered Professional Accountants**

**Greater Vancouver Food Bank Society**  
**Statement of Financial Position**  
**As at June 30, 2018**

	2018 \$	2017 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,029,642	789,411
Investments (note 4)	6,017,655	5,653,566
Gift certificates and credits (note 5)	102,906	89,799
Accounts receivable (note 6)	76,719	44,544
Prepaid expenses	317,535	221,428
	<u>7,544,457</u>	<u>6,798,748</u>
<b>Prepaid deposit</b>	22,726	22,726
<b>Property, plant, equipment and intangibles (note 7)</b>	<u>1,313,394</u>	<u>598,718</u>
	<u>8,880,577</u>	<u>7,420,192</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 8)	445,441	429,894
Deferred contributions (note 9)	2,289,018	1,070,387
Capital lease obligations (note 10)	130,985	115,222
	<u>2,865,444</u>	<u>1,615,503</u>
<b>Net Assets</b>		
<b>Invested in property, plant, equipment and intangibles</b>	1,313,394	598,718
<b>Contingency and capital project reserve</b>	4,750,000	4,750,000
<b>Food and education programs reserve</b>	-	249,000
<b>Unrestricted</b>	<u>(48,261)</u>	<u>206,971</u>
	<u>6,015,133</u>	<u>5,804,689</u>
	<u>8,880,577</u>	<u>7,420,192</u>

**Commitments (note 11)**

**Approved by the Board of Directors**

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 Director  Director

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

# Greater Vancouver Food Bank Society

## Statement of Operations

For the year ended June 30, 2018

	2018 \$	2017 \$
<b>Revenue</b>		
Donated food and other products	5,277,819	7,036,079
Donations	7,235,959	6,304,841
Investment income	183,897	160,995
	<u>12,697,675</u>	<u>13,501,915</u>
<b>Expenses</b>		
Operations and community programs		
Donated food and other products distributed	5,277,819	7,016,079
Community programs	2,433,370	1,931,690
Food purchases	1,158,281	1,026,444
Occupancy costs	548,054	493,880
Fleet and equipment maintenance	314,725	198,150
	<u>9,732,249</u>	<u>10,666,243</u>
Development and fundraising		
Advertising and promotion	97,619	84,225
Fundraising	1,179,034	1,105,722
	<u>1,276,653</u>	<u>1,189,947</u>
Office general and administration		
Administration	616,686	565,794
Professional services	514,175	247,000
Occupancy costs	240,423	213,745
	<u>1,371,284</u>	<u>1,026,539</u>
<b>Excess of revenue over expenses before change in fair value of investments</b>	317,489	619,186
<b>Change in fair value of investments</b>	<u>(107,045)</u>	<u>(80,841)</u>
<b>Excess of revenue over expenses for the year</b>	210,444	538,345
<b>Transferred to reserves</b>	<u>-</u>	<u>(400,000)</u>
<b>Excess of revenue over expenses for the year after transfer to reserves</b>	<u>210,444</u>	<u>138,345</u>

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

# Greater Vancouver Food Bank Society

## Statement of Changes in Net Assets

For the year ended June 30, 2018

	<b>2018</b>				
	Invested in property, plant, equipment and intangibles \$	Contingency and capital project reserve \$	Food and education programs reserve \$	Unrestricted \$	Total \$
<b>Net assets - Beginning of year</b>	598,718	4,750,000	249,000	206,971	5,804,689
<b>(Deficiency) excess of revenue over expenses</b>	(224,105)		(249,000)	683,549	210,444
<b>Investment in property, plant, equipment and intangibles</b>	938,781	-	-	(938,781)	-
<b>Transfer from unrestricted to contingency and capital project reserve</b>	-	-	-	-	-
<b>Net assets - End of year</b>	1,313,394	4,750,000	-	(48,261)	6,015,133
	<b>2017</b>				
	Invested in property, plant, equipment and intangibles \$	Contingency and capital project reserve \$	Food and education programs reserve \$	Unrestricted \$	Total \$
<b>Net assets - Beginning of year</b>	356,028	4,350,000	498,000	62,316	5,266,344
<b>(Deficiency) excess of revenue over expenses</b>	(129,660)	-	(249,000)	917,005	538,345
<b>Investment in property, plant, equipment and intangibles</b>	372,350	-	-	(372,350)	-
<b>Transfer from unrestricted to contingency and capital project reserve</b>	-	400,000	-	(400,000)	-
<b>Net assets - End of year</b>	598,718	4,750,000	249,000	206,971	5,804,689

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

# Greater Vancouver Food Bank Society

## Statement of Cash Flows

For the year ended June 30, 2018

	2018 \$	2017 \$
<b>Cash flows from operating activities</b>		
Contingency and capital project reserve Unrestricted	-	400,000
	210,444	138,345
Excess of revenue over expenses for the year	210,444	538,345
Items not affecting cash		
Amortization of property, plant, equipment and intangibles	224,105	129,659
Change in fair value of investments	107,045	80,841
	541,594	748,845
Net change in non-cash working capital balances related to operations		
(Increase) decrease in gift certificates and credits	(13,107)	15,822
Increase in accounts receivable	(32,175)	(2,350)
Increase in prepaid expenses	(96,107)	(79,710)
Increase in accounts payable and accrued liabilities	15,547	103,445
Increase in deferred contributions	1,218,631	452,427
	1,634,383	1,238,479
<b>Cash flows from investing activities</b>		
Purchase of property, plant, equipment and intangibles	(880,053)	(324,716)
Net purchase of investments	(471,134)	(705,624)
	(1,351,187)	(1,030,340)
<b>Cash flows from financing activities</b>		
Capital lease obligations paid	(42,965)	(23,368)
<b>Increase in cash and cash equivalents</b>	240,231	184,771
<b>Cash and cash equivalents - Beginning of year</b>	789,411	604,640
<b>Cash and cash equivalents - End of year</b>	1,029,642	789,411

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

# Greater Vancouver Food Bank Society

## Notes to Financial Statements

June 30, 2018

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### 1 Nature of operations

Greater Vancouver Food Bank Society (the Society) is a non-profit organization with a mission to create empowering environments that provide and promote access to healthy food, education and training. The Society provides assistance to over 27,000 people weekly through 13 food hubs and 84 community agencies located in Vancouver, Burnaby, New Westminister, and North and West Vancouver. The Society is committed to its vision of accessible, healthy and sustainable food for all and, through community collaboration, is proactively working to help end hunger.

The Society is a registered charity under the Income Tax Act and is exempt from income taxes.

The Society provides assistance to help address the immediate needs of the community; however, the Society also recognizes that emergency food as a standalone measure is not a long-term solution. As such, in addition to emergency food, the Society also runs skill and capacity building programs that are focused on investing in and giving back to the community. Approximately 120 Community Kitchen Leaders were trained in fiscal year 2018 and over 1,600 pieces of kitchen equipment were shared. Each year, the Society warehouse moves 3.0 million pounds of food, on average, in and out of the 36,000 square foot facility.

Community programs that have been established by the Society are as follows:

- Community Food Hubs - provide food access through a welcoming, dignified and member-focused experience. Each week, the Society provides food to over 6,500 people at 13 locations in Vancouver, Burnaby, New Westminister, and North and West Vancouver. The Community Food Hubs were born out of understanding that the traditional food bank model has not decreased food insecurity. Food banks were once considered a temporary measure, but are now firmly embedded in our community. These locations have donated spaces managed by hundreds of dedicated volunteers. Community partners, networks and other social service agencies are invited into these locations to provide members with opportunities to help them towards securing improved food security. While collecting food supplements, food bank members now also have the ability to buy local, fresh produce at ultra low cost from local farmers.
- Community Partner Agencies - provide in-kind support to 84 agencies located in Vancouver, Burnaby, New Westminister, and North and West Vancouver. By collaborating with these organizations, the Society helps care for the community while also helping to build healthy communities.
- Baby Steps (formerly known as Basics for Babies) - specifically targets babies from 6 - 24 months old. All required food items for this program that the Society purchases are high nutrient products aimed at stimulating healthy growth and brain development. This program receives significant financial support from the JRFM Radio Station, and assists families coping with the challenges of raising a young infant by providing them with food, formula and other essentials.
- Kids Picks Program - provides preschoolers aged two to six years with a supplemental bag of healthy, ready-to-eat foods that help provide the essential vitamins and minerals needed for proper growth and development. Approximately 1,500 Kids Picks bags are prepared by volunteers each month. Each bag also includes important information for parents on childhood nutrition and good eating habits. The product that is used for these special bags is purchased by the Society to ensure proper nutrition.

# Greater Vancouver Food Bank Society

## Notes to Financial Statements

June 30, 2018

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- **Healthy Food Purchasing Program** - enables the Society to purchase products from local farmers, fishers, processors, and food businesses that are then shared with food bank members. Annually, the Society distributes over 1.3 million pounds of nutritious fresh food to its community food hubs and partners. Purchasing nutritious food allows the Society to increase the quality of food being distributed and at the same time educate its donors to reduce food donations with high sugar, fat and salt. The Society strives to be a sustainable partner in the local food economy, purchasing as much fresh seasonable produce and fish as locally as possible.
- **Food and Education (FED)** - focuses on creating and building a food culture that supports children, youth and adults in their efforts to connect positively over food and to share their food skills, knowledge and traditions between each other and across communities. Its mission is to develop and facilitate a continuum of food literacy and learning environments.

### FED sub-programs:

**Community Kitchens** - put people together to share and learn food skills, cultures and traditions. In 2018, over 35,000 healthy meals were prepared from scratch and 150 leaders were trained. Many of the Community Kitchen activities take place in the Downtown Eastside in Vancouver. Community Kitchens play an important role in engaging the most marginalized members - where people make friends while sharing and learning food knowledge, food knife skills and cooking skills. FED is expanding its reach and training to support more Community Kitchen activity across our communities.

**Member-to-Member (Education Pilot)** - emergency food provision is often the first point of connection to most vulnerable communities. This education pilot aims to grow that connection into a reciprocal relationship that sees members actively sharing their food knowledge and skills with each other. Through coaching and mentorship, the Society will create opportunity for members to move along the food continuum from being passive recipients to becoming active leaders in their communities.

**Project CHEF** - teaches children the knowledge and skills to make healthy food choices and to make wholesome, nutritious meals for themselves so that they may lead healthy lives. Project CHEF transforms classrooms into cooking spaces, including hot elements. Through an experiential approach to food education and healthy eating, chef-instructors work with parents and teachers to teach safe kitchen skills, including food knife skills, to prepare recipes with fresh ingredients, and encourage students to try new foods. Project CHEF, an award winning program, has reached 15,000 children in the community since 2007. There is currently a waitlist in Vancouver and many requests for the program from communities across Canada.

- **Curbside Fresh Market** - a social enterprise that sells local produce purchased directly from farms in so-called food deserts (neighbourhoods with little or no access to fresh produce), which enables the Society to create a small financial surplus using bulk sales and various other tactics to offer customers the lowest possible price.

# Greater Vancouver Food Bank Society

## Notes to Financial Statements

June 30, 2018

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- Goodly Foods Project (Goodly Foods) - a unique collaborative initiative that aims to develop a viable social enterprise repurposing surplus produce from local suppliers while creating supportive community employment opportunities. Goodly Foods uses imperfect produce and turns these into deliciously healthy soups, sauces and stews, while providing employment and food industry training opportunities for people experiencing employment barriers.

### **Volunteers**

Volunteers provide significant services for the Society. The Society relies on volunteers to perform all of the sorting and distribution of all goods to the community. As there is no available objective basis to measure the value of such services and these services would not otherwise be purchased by the Society, they are not recorded in these financial statements. The number of hours volunteered in 2018 reached 68,750 (2017 - reached 65,000); that equals to roughly 35.2 full-time staff in hours each year. During the current year, the Society has established a more precise system to count the number of volunteers and total number of volunteer hours worked, compared to estimations made in prior years.

## **2 Basis of presentation**

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

## **3 Significant accounting policies**

### **Cash and cash equivalents**

Cash and cash equivalents include cash and any investments with a maturity of three months or less from the date of acquisition. Cash and cash equivalents also include \$10,000 restricted for credit card use.

### **Investments**

Management has elected to record all investments at fair value, and changes in fair value are recognized in the statement of operations.

### **Revenue recognition**

The Society follows the deferral method of accounting for donations. Unrestricted donations are recognized as revenue when received by the Society. Any externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions for the purchase of property, plant, equipment and intangibles are deferred and amortized to revenue on the same basis as the related assets are amortized.

# Greater Vancouver Food Bank Society

## Notes to Financial Statements

June 30, 2018

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### Donations

Donation revenue recorded in the financial statements consists of cash donations, donated gift certificates and store credits, and gifts-in-kind.

The Society receives donations of food and other products and services from industries/businesses and the general public. The total food and other products donated and collected by the Society for the year ended June 30, 2018 is 2.1 million pounds (2017 - 2.8 million pounds). This amount includes 300,000 pounds of food donated through the Food Recovery Program (2017 - 443,596 pounds) which is distributed directly to community agencies.

According to national standards recommended by Food Banks of Canada, the monetary equivalent of one pound of food donations is \$2.50. 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 an expense. For food and material items donated by individuals and industries/businesses that are supported with receipts and/or invoices, the Society issues tax receipts for such gift-in-kind donations. These gift-in-kind donations totalled \$264,198 for the year (2017 - \$327,430) and are included in the total value of donated food and other products revenue of \$5.3 million (2017 - \$7.0 million) at \$2.50 per pound.

### Investment income

Investment income includes interest and realized gains and losses on investments.

### Property, plant, equipment and intangibles

Property, plant, equipment and intangibles purchased by the Society are recorded at cost. Property, plant, equipment and intangibles received as donations are recorded at their estimated fair market value. The amount of the donation is deferred and recognized as income on the same basis as the asset is amortized.

Amortization is provided on a straight-line basis over the estimated useful lives of the property, plant, equipment and intangibles as follows:

Office equipment and furniture	4 to 5.5 years
Computer leased assets	4 years
Truck leased assets	5 years
Computer software	4 years
Website	4 years
Distribution vehicles	4 years
Warehouse equipment	4 years

Amortization of leasehold improvements is recorded on a straight-line basis over the term of the lease.

# Greater Vancouver Food Bank Society

## Notes to Financial Statements

June 30, 2018

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### **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.

### **Deferred contributions**

Deferred contributions consist of amounts received in advance and restricted by the contributor for programs to be undertaken during subsequent fiscal years.

### **Capital lease**

Leases entered into that transfer substantially all benefits and risks associated with the ownership of the asset to the Society are treated as capital leases and recorded as the acquisition of an asset and the occurrence of an obligation. The asset is amortized in a manner consistent with assets owned by the Society, and the obligation, including interest, is amortized over the term of the lease.

### **Net assets**

“Invested in property, plant, equipment and intangibles” represents the investment in property, plant, equipment and intangible assets.

“Contingency and capital project reserve” relates to funds internally restricted by the Board of Directors for emergency purposes and consistent with future capital plans.

“Food and education programs reserve” relates to funds internally restricted by the Board of Directors for educational programs on food literacy, quality and sustainability. These funds are consistent with the operational budget of fiscal year 2018.

“Unrestricted” represents funds used in general operating and business activities, including for any extraordinary circumstance that may arise.

### **Use of estimates**

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Significant estimates include assessment of the value of donated food and other products. Actual results could differ from those estimates.

### **Financial instruments**

Financial assets and liabilities are initially measured at fair value. All financial assets and liabilities, other than investments, are measured at amortized cost.

# Greater Vancouver Food Bank Society

## Notes to Financial Statements

June 30, 2018

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### Allocation of expenses

The Society engages in food collection, processing and distribution, and educational and training community programs. The costs of each program include the costs of personnel, premises and other expenses that are directly related to providing the programs. The Society also incurs fundraising/development expenses and general/administration expenses.

The Society allocates salaries and employee benefits based on staff functions and occupations. A number of general support expenses common to the administration of the Society and each of its programs, such as rent and utilities, are allocated proportionately on the basis of total area used by the office and programs. Donated food and other products and food purchases are disclosed separately.

### 4 Investments

	2018 \$	2017 \$
Cash	50,893	1
Canadian money market fund	15,378	552,637
Canadian bonds	5,898,689	5,050,974
Accrued interest	52,695	49,954
	<hr/> 6,017,655	<hr/> 5,653,566

The bonds earn interest at between 2.1% to 5.7% per annum, with maturities ranging up to three years. As the bonds are available to support the Society's operations, they have been classified as short term.

### 5 Gift certificates and credits

At June 30, 2018, the Society had on hand \$102,906 (2017 - \$89,799) of donated gift certificates and store credits, principally from the BC Sharing Coupon Program available in certain supermarkets. These gift certificates and store credits can be exchanged for BC food products of the same monetary value.

### 6 Accounts receivable

	2018 \$	2017 \$
Accounts receivable	88,438	83,138
Taxes receivable	51,844	24,969
	<hr/> 140,282	<hr/> 108,107
Less: Allowance for doubtful accounts	(63,563)	(63,563)
	<hr/> 76,719	<hr/> 44,544

# Greater Vancouver Food Bank Society

## Notes to Financial Statements

June 30, 2018

### 7 Property, plant, equipment and intangibles

	<b>2018</b>		
	<b>Cost</b>	<b>Accumulated</b>	<b>Net</b>
	<b>\$</b>	<b>amortization</b>	<b>\$</b>
		<b>\$</b>	
Office equipment and furniture	156,781	109,045	47,736
Computer leased assets	82,672	37,717	44,955
Truck leased assets	70,297	37,655	32,642
Forklift leased assets	39,960	5,652	34,308
Computer software	433,390	112,410	320,980
Website	169,763	135,062	34,701
Distribution vehicles	1,061,348	726,180	335,168
Warehouse equipment	474,218	293,320	180,898
Goodly Foods equipment	278,541	-	278,541
Leasehold improvements	121,012	117,547	3,465
	<b>2,887,982</b>	<b>1,574,588</b>	<b>1,313,394</b>
	<b>2017</b>		
	<b>Cost</b>	<b>Accumulated</b>	<b>Net</b>
	<b>\$</b>	<b>amortization</b>	<b>\$</b>
		<b>\$</b>	
Office equipment and furniture	307,570	280,230	27,340
Computer leased assets	93,176	24,510	68,666
Truck leased assets	70,297	25,883	44,414
Computer software	402,690	79,703	322,987
Website	160,434	109,102	51,332
Distribution vehicles	765,535	740,704	24,831
Warehouse equipment	330,619	276,354	54,265
Leasehold improvements	128,255	123,372	4,883
	<b>2,258,576</b>	<b>1,659,858</b>	<b>598,718</b>

### 8 Government remittances

Included in accounts payable and accrued liabilities are the following government remittances payable:

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Worker's compensation insurance premiums	2,725	3,288
Payroll source deductions	16,525	11,166

# Greater Vancouver Food Bank Society

## Notes to Financial Statements

June 30, 2018

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### 9 Deferred contributions

Deferred contributions consist of unspent donations that are externally restricted for the following programs:

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
BC Sharing Coupon Program (note 5)	102,906	89,799
Community Food Hubs	70,633	170,607
Food and Education Programs	416,454	357,055
Babies' and Children's Programs	118,081	112,939
Goodly Foods	980,348	-
Operations and food purchases	600,596	339,987
	<hr/>	<hr/>
	2,289,018	1,070,387
	<hr/>	<hr/>

Changes in deferred contributions during the year are as follows:

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Balance - Beginning of year</b>	<hr/>	<hr/>
	1,070,387	617,960
<b>Receipts for</b>		
BC Sharing Coupon Program	191,335	212,830
Community Food Hubs	169,341	257,612
Food and Education Programs	155,402	297,297
Babies' and Children's Programs	124,757	173,642
Goodly Foods	1,058,715	-
Operations and food purchases	982,387	697,501
	<hr/>	<hr/>
	2,681,937	1,638,882
	<hr/>	<hr/>
<b>Amounts spent on</b>		
BC Sharing Coupon Program	(178,228)	(228,650)
Community Food Hubs	(269,315)	(163,606)
Food and Education Programs	(96,004)	(220,005)
Babies' and Children's Programs	(119,616)	(130,370)
Goodly Foods	(78,366)	-
Operations and food purchases	(721,777)	(443,824)
	<hr/>	<hr/>
	(1,463,306)	(1,186,455)
	<hr/>	<hr/>
<b>Balance - End of year</b>	2,289,018	1,070,387
	<hr/>	<hr/>

Restricted food purchases include approximately \$90,000 received from the BC Gaming Grant during fiscal year 2018 and a deferred balance of \$12,170 from 2017. All funds were expensed during the year.

# Greater Vancouver Food Bank Society

## Notes to Financial Statements

June 30, 2018

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### 10 Capital lease obligations

	Expiry date	Interest rate %	2018 \$	2017 \$
Computer lease 2015	February 2019	5.50	4,360	11,503
Computer lease 2016	May 2020	5.50	6,318	9,501
Trucks lease 2016	September 2020	2.49	32,650	46,585
Computer lease 2017	March 2021	5.50	16,624	22,069
Office equipment leases 2017	November 2020	9.64	19,091	25,564
Computer lease 2018	April 2022	5.85	17,634	-
Forklift lease 2018	October 2022	3.55	34,308	-
			<u>130,985</u>	<u>115,222</u>

### 11 Commitments

The Society is committed to the following minimum annual payment under the operating lease for premises:

	\$
2019	<u>629,962</u>

### 12 Financial instruments

The Society's financial instruments are exposed to certain risks including interest rate risk, credit risk and liquidity risk.

#### Interest rate risk

Interest rate risk is the risk that the fair value of the Society's interest bearing financial instruments will fluctuate due to changes in the prevailing interest rates. The Society is exposed to interest rate risk on its investments and cash and cash equivalents. Management frequently reviews the interest rates to mitigate risk.

#### 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. The Society mitigates this risk by reviewing and monitoring these balances.

#### Liquidity risk

Liquidity risk is the risk that the Society cannot meet the demand for cash or fund its obligations as they become due. Management minimizes its exposure to liquidity risk by regularly monitoring cash flows.

# Greater Vancouver Food Bank Society

Notes to Financial Statements

June 30, 2018

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## 13 Societies Act disclosures

Effective November 28, 2016, a new Societies Act came into force in British Columbia requiring additional financial statement disclosure as detailed below:

### Remuneration paid to directors

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

### Remuneration paid to highest paid employees and contractors

The five most highly remunerated persons, whose remuneration was at least \$75,000 during the year ended June 30, 2018, received an aggregate of \$515,504 from the Society during the year.

### Financial assistance

The Society did not provide any financial assistance outside the ordinary course of activities during the year.

## 14 Related party transactions

During the year, a director of the Society took a leave of absence from the Board to perform recruiting services for the Society. Payments of \$48,000 were made to the individual during the year for these services.