

Greater Vancouver Food Bank Society

Financial Statements
June 30, 2019



Independent auditor's report

To the Members of Greater Vancouver Food Bank Society

Report on the audit of the financial statements

Our qualified opinion

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Greater Vancouver Food Bank Society (the Society) as at June 30, 2019 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.

What we have audited

The Society's financial statements comprise:

- the statement of financial position as at June 30, 2019;
 - the statement of operations for the year then ended;
 - the statement of changes in net assets for the year then ended;
 - the statement of cash flows for the year then ended; and
 - the notes to the financial statements, which include a summary of significant accounting policies.
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Basis for qualified opinion

In common with many not-for-profit organizations, the Society derives revenues from cash 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 the Society. Therefore, we were not able to determine whether any adjustments might be necessary to donations and donated food and other products revenues, donated food and other products distributed expenses, excess of revenues over expenses and cash flows from operating activities for the years ended June 30, 2019 and 2018, current assets as at June 30, 2019 and 2018 and net assets as at the beginning and the end of the years ended June 30, 2019 and 2018. Our audit opinion on the financial statements for the year ended June 30, 2018 was modified accordingly because of the possible effects of this limitation in scope.

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.

PricewaterhouseCoopers LLP

*PricewaterhouseCoopers Place, 250 Howe Street, Suite 1400, Vancouver, British Columbia, Canada V6C 3S7
T: +1 604 806 7000, F: +1 604 806 7806*

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



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

Independence

We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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 Society'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 Society'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 Society 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 of British Columbia, we report that, in our opinion, Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
September 17, 2019

Greater Vancouver Food Bank Society

Statement of Financial Position

As at June 30, 2019

	2019 \$	2018 \$
Assets		
Current assets		
Cash and cash equivalents	2,933,354	1,029,642
Investments (note 4)	3,730,579	6,017,655
Gift certificates and credits (note 5)	36,689	102,906
Accounts receivable (note 6)	67,048	76,719
Prepaid expenses	353,680	317,535
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	7,121,350	7,544,457
Prepaid deposit	34,680	22,726
Property, plant, equipment and intangibles (note 7)	1,808,055	1,313,394
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	8,964,085	8,880,577
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	945,549	445,441
Deferred contributions (note 9)	1,572,417	2,289,018
Capital lease obligations (note 10)	225,868	130,985
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	2,743,834	2,865,444
Net Assets		
Invested in property, plant, equipment and intangibles	1,808,055	1,313,394
Contingency and capital project reserve	4,113,190	4,750,000
Food and education programs reserve	-	-
Unrestricted	299,006	(48,261)
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	6,220,251	6,015,133
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	8,964,085	8,880,577
Commitments (note 11)		

Approved by the Board of Directors

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, 2019

	2019 \$	2018 \$
Revenue		
Donated food and other products	7,429,957	5,277,819
Donations	9,028,185	7,235,959
Investment income	185,742	183,897
	<u>16,643,884</u>	<u>12,697,675</u>
Expenses		
Operations and community programs		
Donated food and other products distributed	7,429,957	5,277,819
Community programs	3,717,654	2,433,370
Food purchases	1,234,777	1,158,281
Occupancy costs	607,451	548,054
Fleet and equipment maintenance	740,073	314,725
	<u>13,729,912</u>	<u>9,732,249</u>
Development and fundraising		
Advertising and promotion	120,519	97,619
Fundraising	1,195,688	1,179,034
	<u>1,316,207</u>	<u>1,276,653</u>
Office general and administration		
Administration	651,812	616,686
Professional services	474,081	514,175
Occupancy costs	260,336	240,423
	<u>1,386,229</u>	<u>1,371,284</u>
Excess of revenue over expenses before change in fair value of investments	211,536	317,489
Change in fair value of investments	<u>(6,418)</u>	<u>(107,045)</u>
Excess of revenue over expenses for the year	<u>205,118</u>	<u>210,444</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, 2019

	2019				
	Invested in property, plant, equipment and intangibles \$	Contingency and capital project reserve \$	Food and education programs reserve \$	Unrestricted \$	Total \$
Net assets – Beginning of year	1,313,394	4,750,000	-	(48,261)	6,015,133
(Deficiency) excess of revenue over expenses	(1,077,589)	-	-	1,282,707	205,118
Investment in property, plant, equipment and intangibles (i)	1,572,250	(636,810)	-	(935,440)	-
Net assets – End of year	1,808,055	4,113,190	-	299,006	6,220,251
	2018				
	Invested in property, plant, equipment and intangibles \$	Contingency and capital project reserve \$	Food and education programs reserve \$	Unrestricted \$	Total \$
Net assets – Beginning of year	598,718	4,750,000	249,000	206,971	5,804,689
(Deficiency) excess of revenue over expenses	(224,105)	-	(249,000)	683,549	210,444
Investment in property, plant, equipment and intangibles	938,781	-	-	(938,781)	-
Net assets – End of year	1,313,394	4,750,000	-	(48,261)	6,015,133

(i) The board approved a transfer of \$636,810 from the contingency and capital project reserve to be invested in property, plant, equipment and intangibles in relation to the relocation of the head office.

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, 2019

	2019 \$	2018 \$
Cash provided by (used in)		
Operating activities		
Unrestricted	205,118	210,444
Excess of revenue over expenses for the year	205,118	210,444
Items not affecting cash		
Amortization/writedown of property, plant, equipment and intangibles	1,121,953	224,105
Gain on disposal of property, plant, equipment and intangibles	(44,364)	-
Change in fair value of investments	6,418	107,045
	1,289,125	541,594
Net change in non-cash working capital balances related to operations		
Decrease (increase) in gift certificates and credits	66,217	(13,107)
Decrease (increase) in accounts receivable	9,671	(32,175)
(Increase) in prepaid expenses	(48,099)	(96,107)
Increase in accounts payable and accrued liabilities	500,108	15,547
(Decrease) increase in deferred contributions	(716,601)	1,218,631
	1,100,421	1,634,383
Investing activities		
Purchase of property, plant, equipment and intangibles	(1,487,247)	(880,053)
Proceeds on disposal of property, plant, equipment and intangibles	62,039	-
Net sale (purchase) of investments	2,280,658	(471,134)
	855,450	(1,351,187)
Financing activities		
Capital lease obligations paid	(52,159)	(42,965)
Increase in cash and cash equivalents	1,903,712	240,231
Cash and cash equivalents – Beginning of year	1,029,642	789,411
Cash and cash equivalents – End of year	2,933,354	1,029,642

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

Greater Vancouver Food Bank Society

Notes to Financial Statements

June 30, 2019

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 28,000 people weekly through 13 food hubs and over 75 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 90,379 meals were provided through the Society's Meal Programs in fiscal 2019 and over 1,600 pieces of kitchen equipment were shared. Each year, the Society warehouse moves 4.2 million pounds of food, on average, in and out of the 36,000 square foot facility.

In 2019, the Society has taken another step toward its goal of building strong, connected communities through the power of food with the move of its warehouse and head office to a new location in Burnaby. Among many improvements, like a custom-built kitchen for hosting workshops and events, the new location also features increased freezer and refrigeration capacity, allowing the Society to accept even more fresh and frozen nutritious food.

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 8,000 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.

Sub-programs:

Community Kitchens – put people together to share and learn food skills, cultures and traditions. 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.

Greater Vancouver Food Bank Society

Notes to Financial Statements

June 30, 2019

Workshops and Food Demonstrations – help build food skills and start conversations around food. The Society runs a range of workshops that focus on:

- Providing important food qualifications that can be used as a launchpad to a career in food, e.g. FOODSAFE Certification.
- Building food skills at home such as learning to safely preserve and can foods.
- Growing community capacity through training-the-trainers. These workshops teach skills for agencies and individuals looking to run their own community kitchen and food programs across the city, e.g. Community Kitchen Leadership, Knife Skills.

Community Partner Agencies – provide in-kind support to over 75 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. Over 22% of the food distributed from the Society is completed through agencies.

- Baby Steps (formerly known as Basics for Babies) – specifically targets babies from six to 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 1,600 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.
- 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 3.2 million pounds of perishable, fresh, low sodium and low sugar 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.
- 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.

Greater Vancouver Food Bank Society

Notes to Financial Statements

June 30, 2019

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 2019 reached 77,216 (2018 – reached 68,750); that equals to roughly 39.6 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.

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, 2019 is 2.8 million pounds (2018 – 2.1 million pounds).

Greater Vancouver Food Bank Society

Notes to Financial Statements

June 30, 2019

According to national standards recommended by Food Banks of Canada, the monetary equivalent of one pound of food donations is \$2.60. 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 \$219,652 for the year (2018 – \$264,198). Gift-in-kind donations are included in the total value of donated food and other products revenue of \$7.4 million (2018 – \$5.3 million) at \$2.60 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.

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.

Greater Vancouver Food Bank Society

Notes to Financial Statements

June 30, 2019

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.

“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.

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.

Greater Vancouver Food Bank Society

Notes to Financial Statements

June 30, 2019

4 Investments

	2019 \$	2018 \$
Cash	392,343	50,893
Canadian money market fund	53,950	15,378
Canadian bonds	3,253,411	5,898,689
Accrued interest	30,875	52,695
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	3,730,579	6,017,655
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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.

During the year, the Society transferred funds from investments to cash and cash equivalents to help fund capital projects and as a result of high interest rates available in the Society's bank account.

5 Gift certificates and credits

At June 30, 2019, the Society had on hand \$36,689 (2018 – \$102,906) 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

	2019 \$	2018 \$
Accounts receivable	74,140	88,438
Taxes receivable	56,471	51,844
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	130,611	140,282
Less: Allowance for doubtful accounts	(63,563)	(63,563)
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	67,048	76,719
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Greater Vancouver Food Bank Society

Notes to Financial Statements

June 30, 2019

7 Property, plant, equipment and intangibles

	2019		
	Cost	Accumulated	Net
	\$	amortization	\$
		\$	
Office equipment and furniture	99,398	52,016	47,382
Computer leased assets	90,227	28,987	61,240
Truck leased assets	70,297	51,940	18,357
Forklift leased assets	39,960	13,264	26,696
Computer software	469,171	439,749	29,422
Website	79,216	54,393	24,823
Distribution vehicles	835,872	330,853	505,019
Warehouse equipment	644,963	186,657	458,306
Leasehold improvements work-in-progress	636,810	-	636,810
	2,965,914	1,157,859	1,808,055
	2018		
	Cost	Accumulated	Net
	\$	amortization	\$
		\$	
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
	2,887,982	1,574,588	1,313,394

Amortization for FY 2019 is \$1,121,953. This includes the Goodly Foods equipment that was fully amortized in the year and transferred to another organization and a writedown on computer software as a result of the board's decision to replace the existing accounting system.

Greater Vancouver Food Bank Society

Notes to Financial Statements

June 30, 2019

8 Government remittances

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

	2019	2018
	\$	\$
Worker's compensation insurance premiums	-	2,725
Payroll source deductions	13,403	16,525

9 Deferred contributions

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

	2019	2018
	\$	\$
BC Sharing Coupon Program (note 5)	36,689	102,906
Community Food Hubs	76,790	70,633
Food and Education Programs	406,812	416,454
Babies' and Children's Programs	109,800	118,081
Goodly Foods	-	980,348
Operations and food purchases	942,326	600,596
	<u>1,572,417</u>	<u>2,289,018</u>

Greater Vancouver Food Bank Society

Notes to Financial Statements

June 30, 2019

Changes in deferred contributions during the year are as follows:

	2019 \$	2018 \$
Balance – Beginning of year	2,289,018	1,070,387
Receipts for		
BC Sharing Coupon Program	182,017	191,335
Community Food Hubs	134,815	169,341
Food and Education Programs	210,963	155,402
Babies' and Children's Programs	139,925	124,757
Goodly Foods	4,951	1,058,715
Operations and food purchases	1,060,333	982,387
	<u>1,733,004</u>	<u>2,681,937</u>
Amounts spent on		
BC Sharing Coupon Program	(248,234)	(178,228)
Community Food Hubs	(128,658)	(269,315)
Food and Education Programs	(220,605)	(96,004)
Babies' and Children's Programs	(148,206)	(119,616)
Goodly Foods	(985,299)	(78,366)
Operations and food purchases	(718,603)	(721,777)
	<u>(2,449,605)</u>	<u>(1,463,306)</u>
Balance – End of year	<u>1,572,417</u>	<u>2,289,018</u>

10 Capital lease obligations

	Expiry date	Interest rate %	2019 \$	2018 \$
Computer lease 2015	February 2019	5.50	-	4,360
Computer lease 2016	May 2020	5.50	2,956	6,318
Trucks lease 2016	September 2020	2.49	18,366	32,650
Computer lease 2017	March 2021	5.50	10,872	16,624
Office equipment leases 2017	November 2020	9.64	11,917	19,091
Computer lease 2018	April 2022	5.85	48,210	17,634
Forklift lease 2018	October 2022	3.55	26,696	34,308
Vehicle lease 2019	May 2023	5.23	106,851	-
			<u>225,868</u>	<u>130,985</u>

Greater Vancouver Food Bank Society

Notes to Financial Statements

June 30, 2019

11 Commitments

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

	\$
2020	597,360
2021	597,360
2022	597,360
2023	597,360
2024	597,360
Remaining	<u>1,194,720</u>
	<u>4,181,520</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.

13 Societies Act disclosures

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 Society.

Greater Vancouver Food Bank Society

Notes to Financial Statements

June 30, 2019

Remuneration paid to highest paid employees and contractors

There were five people whose remuneration was at least \$75,000 during the year ended June 30, 2019. They received an aggregate of \$600,145 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.