

# **Greater Vancouver Food Bank Society**

Financial Statements  
**June 30, 2020**



## *Independent auditor's report*

To the Members of Greater Vancouver Food Bank Society

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### **Report on the audit of the financial statements**

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#### *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, 2020 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, 2020;
- 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 revenue, donated food and other products distributed expenses, excess of revenue over expenses and cash provided by (used in) operating activities for the years ended June 30, 2020 and 2019, current assets as at June 30, 2020 and 2019 and net assets as at the beginning and the end of the years ended June 30, 2020 and 2019. Our audit opinion on the financial statements for the year ended June 30, 2019 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.

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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.

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### *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.

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### *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.

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## **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 23, 2020

# Greater Vancouver Food Bank Society

## Statement of Financial Position

As at June 30, 2020

	2020 \$	2019 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	11,950,368	2,933,354
Investments (note 4)	1,428,321	3,730,579
Gift certificates and credits (note 5)	121,512	36,689
Accounts receivable (note 6)	37,306	67,048
Prepaid expenses	247,846	353,680
	<u>13,785,353</u>	<u>7,121,350</u>
<b>Prepaid deposit</b>	-	34,680
<b>Property, plant, equipment and intangibles</b> (note 7)	<u>3,543,410</u>	<u>1,808,055</u>
	<u>17,328,763</u>	<u>8,964,085</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 8)	649,141	945,549
Deferred contributions (note 9)	2,738,572	1,572,417
Capital lease obligations (note 10)	312,430	225,868
	<u>3,700,143</u>	<u>2,743,834</u>
<b>Net Assets</b>		
<b>Invested in property, plant, equipment and intangibles</b>	3,543,410	1,808,055
<b>Contingency and capital project reserve</b>	5,367,364	4,113,190
<b>Unrestricted</b>	<u>4,717,846</u>	<u>299,006</u>
	<u>13,628,620</u>	<u>6,220,251</u>
	<u>17,328,763</u>	<u>8,964,085</u>
<b>Commitments</b> (note 11)		
<b>Impact of COVID-19</b> (note 14)		

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, 2020

	2020 \$	2019 \$
<b>Revenue</b>		
Donated food and other products	10,593,458	7,429,957
Donations	15,952,403	9,028,185
Investment income	117,840	185,742
	<u>26,663,701</u>	<u>16,643,884</u>
<b>Expenses</b>		
Operations and community programs		
Donated food and other products distributed	10,593,458	7,429,957
Community programs	2,960,657	3,717,654
Food purchases	1,586,799	1,234,777
Fleet and equipment maintenance	716,480	740,073
Occupancy costs	656,244	607,451
	<u>16,513,638</u>	<u>13,729,912</u>
Development and fundraising		
Advertising and promotion	50,795	120,519
Fundraising	1,774,309	1,195,688
	<u>1,825,104</u>	<u>1,316,207</u>
Office general and administration		
Administration	580,549	651,812
Professional services	162,330	474,081
Occupancy costs	147,208	260,336
	<u>890,087</u>	<u>1,386,229</u>
<b>Excess of revenue over expenses before change in fair value of investments</b>	7,434,872	211,536
<b>Change in fair value of investments</b>	<u>(26,503)</u>	<u>(6,418)</u>
<b>Excess of revenue over expenses for the year</b>	<u>7,408,369</u>	<u>205,118</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, 2020

	2020			
	Invested in property, plant, equipment and intangibles \$	Contingency and capital project reserve \$	Unrestricted \$	Total \$
<b>Net assets – Beginning of year</b>	1,808,055	4,113,190	299,006	6,220,251
<b>(Deficiency) excess of revenue over expenses</b>	(648,634)	-	8,057,003	7,408,369
<b>Interfund transfers (i)</b>	2,383,989	1,254,174	(3,638,163)	-
<b>Net assets – End of year</b>	3,543,410	5,367,364	4,717,846	13,628,620

- (i) The board approved a transfer of \$3.6 million into the contingency and capital project reserve for the year ended June 30, 2020. The funds will serve to recognize future capital replacement costs of the Society's property, plant, equipment and intangibles, and to mitigate the risk of unexpected contingencies, such as the unpredictable consequences of the Covid-19 pandemic.

	2019			
	Invested in property, plant, equipment and intangibles \$	Contingency and capital project reserve \$	Unrestricted \$	Total \$
<b>Net assets – Beginning of year</b>	1,313,394	4,750,000	(48,261)	6,015,133
<b>(Deficiency) excess of revenue over expenses</b>	(1,077,589)	-	1,282,707	205,118
<b>Investment in property, plant, equipment and intangibles (ii)</b>	1,572,250	(636,810)	(935,440)	-
<b>Net assets – End of year</b>	1,808,055	4,113,190	299,006	6,220,251

- (ii) 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, 2020

	2020 \$	2019 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Unrestricted	7,408,369	205,118
Excess of revenue over expenses for the year	7,408,369	205,118
Items not affecting cash		
Amortization of property, plant, equipment and intangibles	648,634	1,121,953
Gain on disposal of property, plant, equipment and intangibles	(13,281)	(44,364)
Change in fair value of investments	26,503	6,418
	8,070,225	1,289,125
Net change in non-cash working capital balances related to operations		
(Increase) decrease in gift certificates and credits	(84,824)	66,217
Decrease in accounts receivable	29,742	9,671
Decrease (increase) in prepaid expenses	140,514	(48,099)
(Decrease) increase in accounts payable and accrued liabilities	(296,407)	500,108
Increase (decrease) in deferred contributions	1,166,155	(716,601)
	9,025,405	1,100,421
<b>Investing activities</b>		
Purchase of property, plant, equipment and intangibles	(2,203,385)	(1,487,247)
Proceeds on disposal of property, plant, equipment and intangibles	13,281	62,039
Withdrawal of investments	2,275,754	2,280,658
	85,650	855,450
<b>Financing activities</b>		
Capital lease obligations paid	(94,041)	(52,159)
<b>Increase in cash and cash equivalents</b>	9,017,014	1,903,712
<b>Cash and cash equivalents – Beginning of year</b>	2,933,354	1,029,642
<b>Cash and cash equivalents – End of year</b>	11,950,368	2,933,354

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



# Greater Vancouver Food Bank Society

## Notes to Financial Statements

June 30, 2020

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### 1 Nature of operations

Greater Vancouver Food Bank Society (the Society) is a non-profit organization with a mission to provide healthy food to those in need. The Society provides food support to more than 8,500 kids, adults and seniors every week through its network of distribution sites and to thousands more through partnerships with more than 80 community agencies located in Vancouver, Burnaby, New Westminister, and on the North Shore. These include housing agencies, women and children's shelters and after school programs – providing hot meals and snacks to thousands of people each week, including those struggling with homelessness. The Society is committed to its vision of healthy communities through fair and effective food systems.

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 providing emergency food, the Society also runs skill and capacity building programs that are focused on investing in and giving back to the community.

In 2019, the Society took another step toward its goal of providing healthy food to all those in need 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. Last year, the Society warehouse moved 4.2 million pounds of food out of its facility. In 2020, the Society distributed 4.97 million pounds of food, an 18% increase compared to the previous year.

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

- a) Distribution Sites – provide food access through a safe and welcoming client experience. Each week, the Society provides food to over 8,500 people at its locations in Vancouver, Burnaby, New Westminister and on the North Shore. Food banks were once considered a temporary measure, but are now firmly embedded in our community. These locations have operated in donated spaces and been run with the help of hundreds of dedicated volunteers.

Subprograms:

Community Kitchens – bring people together to share and learn food skills, culturally specific recipes and traditions. Community Kitchens play an important role in engaging newcomers to communities or isolated individuals who struggle with food insecurity, building friendships and food skills.

# Greater Vancouver Food Bank Society

## Notes to Financial Statements

June 30, 2020

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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, and cooking for one or two people only.
  - 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.
- b) Community Agency Partners – provide in-kind support to over 80 agencies located in Vancouver, Burnaby, New Westminster and on the North Shore. By collaborating with these organizations, the Society is able to further address food insecurity within these communities. Over 22% of the food distributed from the Society is completed through agencies, which in turn provide hot meals, snacks and food programming to their clients, including the homeless.
- c) 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 assists families coping with the challenges of raising a young infant by providing them with baby food, formula, diapers and cereals.
- d) Preschooler Pack Program – provides families with preschoolers aged two to six years with a monthly collection of foods designed by a dietician to build healthy eating habits, and support brain and muscle development. The products used for these special bags are purchased by the Society to ensure proper nutrition, as these high nutrient items are most often out of reach for food insecure families.
- e) 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 clients. Annually, the Society distributes over 3.2 million pounds of perishable, fresh, low sodium and low sugar food to its distribution sites 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 farm fresh food as locally as possible.
- f) 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 more than 15,000 children in the community since 2007.

# Greater Vancouver Food Bank Society

## Notes to Financial Statements

June 30, 2020

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### 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 2020 reached 80,000 (2019 – 77,216), which equals roughly 41 full-time staff in hours each year. During the current year, the Society 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

#### Newly adopted accounting standards

The Society has applied the following new standards for the first time for its annual reporting period commencing on July 1, 2019:

- a) Section 4433, Tangible Capital Assets Held by Not-for-Profit Organizations; and
- b) Section 4434, Intangible Assets Held by Not-for-Profit Organizations.

Sections 4433 and 4434 replace Section 4431, Tangible Capital Assets Held by Not-for-Profit Organizations, and Section 4432, Intangible Assets Held by Not-for-Profit Organizations, in Part III of the Handbook, respectively. The standards have been adopted on July 1, 2019, in accordance with the transition provisions set out in the standards.

As the Society does not hold any buildings within property, plant, equipment and intangibles, there has been no impact on the allocation of component parts or adjustments to amortization and componentization.

#### 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 \$38,910 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.

# Greater Vancouver Food Bank Society

## Notes to Financial Statements

June 30, 2020

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### 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, 2020 is 4.07 million pounds (2019 – 2.8 million pounds).

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 \$400,988 for the year (2019 – \$219,652). Gift-in-kind donations are included in the total value of donated food and other products revenue of \$10.6 million (2019 – \$7.4 million) at \$2.60 per pound.

The Society has been in receipt of legal services donated in-kind during the year ended June 30, 2020.

### 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 revenue 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

# Greater Vancouver Food Bank Society

## Notes to Financial Statements

June 30, 2020

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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.

### **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 revenue 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, 2020

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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

	2020 \$	2019 \$
Cash	9,180	392,343
Canadian money market fund	-	53,950
Canadian bonds	1,407,232	3,253,411
Accrued interest	11,909	30,875
	<hr/> 1,428,321	<hr/> 3,730,579

The bonds earn interest at between 2.2% to 5.7% per annum, with maturities ranging up to two 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, 2020, the Society had on hand \$121,512 (2019 – \$36,689) 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

	2020 \$	2019 \$
Accounts receivable	72,688	74,140
Taxes receivable	28,181	56,471
	<hr/> 100,869	<hr/> 130,611
Less: Allowance for doubtful accounts	(63,563)	(63,563)
	<hr/> 37,306	<hr/> 67,048

# Greater Vancouver Food Bank Society

## Notes to Financial Statements

June 30, 2020

### 7 Property, plant, equipment and intangibles

	<b>2020</b>		
	<b>Cost</b>	<b>Accumulated</b>	<b>Net</b>
	<b>\$</b>	<b>amortization</b>	<b>\$</b>
		<b>\$</b>	
Office equipment and furniture	91,095	54,171	36,924
Computer leased assets	96,257	52,898	43,359
Truck leased assets	363,035	139,966	223,069
Forklift leased assets	39,960	21,478	18,482
Computer software	76,049	15,421	60,628
Website	95,423	67,959	27,464
Distribution vehicles	706,237	444,618	261,619
Warehouse equipment	1,076,158	431,613	644,545
Leasehold improvements	2,346,181	118,861	2,227,320
	<b>4,890,395</b>	<b>1,346,985</b>	<b>3,543,410</b>
			<b>2019</b>
	<b>Cost</b>	<b>Accumulated</b>	<b>Net</b>
	<b>\$</b>	<b>amortization</b>	<b>\$</b>
		<b>\$</b>	
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
	<b>2,965,914</b>	<b>1,157,859</b>	<b>1,808,055</b>

Amortization for the year ended June 30, 2020 is \$648,634 (2019 – \$1,121,953). The prior year balance included the Goodly Foods equipment that was fully amortized in the year and transferred to another organization and a write-down 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, 2020

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### 8 Government remittances

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

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Worker's compensation insurance premiums	1,131	-
Payroll source deductions	18,417	13,403

### 9 Deferred contributions

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

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
BC Sharing Coupon Program (note 5)	121,512	36,689
Distribution sites	47,913	76,790
Food and education programs	369,006	406,812
Babies' and children's programs	211,224	109,800
Operations and food purchases	1,988,917	942,326
	<u>2,738,572</u>	<u>1,572,417</u>



# Greater Vancouver Food Bank Society

## Notes to Financial Statements

June 30, 2020

Changes in deferred contributions during the year are as follows:

	2020 \$	2019 \$
<b>Balance – Beginning of year</b>	1,572,417	2,289,018
<b>Receipts for</b>		
BC Sharing Coupon Program	240,529	182,017
Distribution sites	151,729	134,815
Food and education programs	168,045	210,963
Babies' and children's programs	266,728	139,925
Goodly Foods	-	4,951
Operations and food purchases	2,607,374	1,060,333
	<u>3,434,405</u>	<u>1,733,004</u>
<b>Amounts spent on</b>		
BC Sharing Coupon Program	(155,706)	(248,234)
Distribution sites	(180,606)	(128,658)
Food and education programs	(205,850)	(220,605)
Babies' and children's programs	(165,305)	(148,206)
Goodly Foods	-	(985,299)
Operations and food purchases	(1,560,783)	(718,603)
	<u>(2,268,250)</u>	<u>(2,449,605)</u>
<b>Balance – End of year</b>	<u>2,738,572</u>	<u>1,572,417</u>

Goodly Foods became its own organization during the year ended June 30, 2019 and is no longer a part of the Society.

### 10 Capital lease obligations

	Expiry date	Interest rate %	2020 \$	2019 \$
Computer lease 2016	May 2020	5.50	-	2,956
Trucks lease 2016	September 2020	2.49	3,723	18,366
Computer lease 2017	March 2021	5.50	4,795	10,872
Office equipment leases 2017	November 2020	9.64	4,378	11,917
Computer lease 2018	April 2022	5.85	8,710	48,210
Forklift lease 2018	October 2022	3.55	18,810	26,696
Vehicle lease 2019	May 2023	5.23	89,135	106,851
Computer lease 2019	June 2023	5.75	25,320	-
Vehicle lease 2019	July 2024	6.62	157,559	-
			<u>312,430</u>	<u>225,868</u>

During the year ended June 30, 2020, \$17,253 was paid in interest relating to capital lease obligations.

# Greater Vancouver Food Bank Society

## Notes to Financial Statements

June 30, 2020

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### 11 Commitments

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

	\$
2021	573,192
2022	573,192
2023	573,192
2024	608,911
2025	608,911
Remaining	<u>6,698,021</u>
	<u>9,635,419</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, 2020

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### **Remuneration paid to highest paid employees and contractors**

There were eight people whose remuneration was at least \$75,000 during the year ended June 30, 2020. They received an aggregate of \$900,288 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 Impact of COVID-19**

In March 2020, the Covid-19 outbreak was declared a pandemic by the World Health Organization. The subsequent shutdowns globally, domestically, and locally have had a significant impact on jurisdictions and market sectors in which the Society operates. At the time of the approval of these financial statements, the primary financial impact on the Society's financial position has been the decline in value of its investments. The COVID-19 health crisis has affected every aspect of the Society's operation as a food bank, from the warehouse to the volunteers, and from office procedures to the way food is distributed.

In response to the Covid-19 pandemic, the Society has:

- i) deployed work from home protocols for employees who are able to do so;
- ii) created Covid-19 fundraising campaigns to be able to fundraise for the increased demand for services expected from the impact to the economy;
- iii) consolidated food distribution into four locations, with increased accessibility and hours, across the cities the Society supports; and
- iv) redesigned its food sort and food distribution procedures to ensure continuous, safe distribution of food while protecting the health of its clients, staff and volunteers. The Society focused on improving client experience and accessibility by, among other means, expanding hours to reduce client line-ups, and created a program with federal funding that offered each site partner (and additional neighbourhood houses/community centres) an industrial sized cooler and freezer to increase their capacity to address food insecurity. Each participant in this program was also offered more food each week to support their programs.

At this time, the Society has not experienced a reduction in any of its major funding sources. Rather, the Society has received extraordinary public donations and governmental support during the pandemic. However, the impact of the pandemic creates uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. An estimate of the financial effect is not predictable at this time. The Society continues to closely monitor the impact on its financial position and continuing operations, as well as building its reserves to be able to meet the anticipated demand for services.

# **Greater Vancouver Food Bank Society**

## Notes to Financial Statements

**June 30, 2020**

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As a result of losing all of the previous distribution sites when they closed down as the pandemic hit, the Society wanted to control its own locations. Subsequent to year-end, the Society has secured a lease on a 3,000 square foot building in Vancouver. Following some renovations, the Society plans to open this location in the winter of 2020/2021 to function as both a food distribution site and a mini-warehouse where community agency partners can pick up their orders.