

**CAMPBELL RIVER AND
DISTRICT FOOD BANK SOCIETY**
Financial Statements
Year Ended December 31, 2022

PIER CPA GROUP INC.
CHARTERED PROFESSIONAL ACCOUNTANTS



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CAMPBELL RIVER & DISTRICT FOOD BANK SOCIETY

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Campbell River & District Food Bank Society

We have reviewed the accompanying financial statements of Campbell River & District Food Bank Society which comprise the statement of financial position as at December 31, 2022 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility for the Financial Statements

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

Amounts reported as food donations \$1,972,958 (2021 1,836,894), inventory \$230,374, (2021 \$155,262) and donated food expense \$1,972,958 (2021 \$1,836,746) are estimated by staff and volunteers, these valuations are not susceptible to review.

Qualified Conclusion

Based on our review, except for the effects of the matter described in the *Basis for Qualified Conclusion* paragraph, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Campbell River & District Food Bank Society as at December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with the Canadian accounting standards for not-for-profit organizations.

Campbell River, BC
June 20, 2023

Pier CPA Group
PIER CPA GROUP INC.
CHARTERED PROFESSIONAL ACCOUNTANTS

CAMPBELL RIVER & DISTRICT FOOD BANK SOCIETY

Statement of Financial Position

December 31, 2022

See Independent Practitioner's Review Engagement Report

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 428,642	\$ 443,732
Accounts receivable	5,365	12,637
Inventory (Note 2)	230,374	155,262
Due from Government Agencies	1,271	1,411
Prepaid expenses	2,262	2,486
	<hr/>	<hr/>
	667,914	615,528
TANGIBLE CAPITAL ASSETS (Note 3)	280,236	300,590
RESTRICTED CASH DEPOSITS (Note 4)	60,000	60,000
	<hr/>	<hr/>
	\$ 1,008,150	\$ 976,118
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 4,040	\$ 5,315
Due to Government Agencies	8,186	2,679
Vacation pay payable	2,392	858
Deferred income	7,491	-
	<hr/>	<hr/>
	22,109	8,852
DEFERRED CONTRIBUTIONS RELATING TO TANGIBLE ASSETS (Note 5)	45,237	59,476
	<hr/>	<hr/>
	67,346	68,328
 NET ASSETS		
Unrestricted	645,804	606,676
Internally restricted	295,000	301,114
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	940,804	907,790
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	\$ 1,008,150	\$ 976,118

ON BEHALF OF THE BOARD



Director



Director

See notes to financial statements

CAMPBELL RIVER & DISTRICT FOOD BANK SOCIETY

Statement of Revenues and Expenditures

Year Ended December 31, 2022

See Independent Practitioner's Review Engagement Report

	2022	2021
REVENUES		
Donations - cash	\$ 362,394	\$ 385,944
Donations - non cash food <i>(Note 2)</i>	1,972,958	1,836,746
Donations - non cash other	14,239	19,202
Interest	1,350	145
Permissive exemption - City of Campbell River	7,960	8,897
Grants	16,755	21,982
	<u>2,375,656</u>	<u>2,272,916</u>
COST OF FOOD DISTRIBUTIONS		
Opening Inventory	155,262	157,061
Food purchased	172,629	96,562
Food donated <i>(Note 2)</i>	1,972,958	1,836,894
	<u>2,300,849</u>	<u>2,090,517</u>
Closing Inventory	<u>(230,374)</u>	<u>(155,262)</u>
	<u>2,070,475</u>	<u>1,935,255</u>
	<u>305,181</u>	<u>337,661</u>
EXPENSES		
Amortization	25,266	31,364
Insurance	6,943	7,333
Interest and bank charges	2,706	2,408
Interest on long term debt	-	1,960
Office and sundry	14,324	13,026
Professional fees	9,129	9,902
Property taxes	8,961	9,862
Repairs and maintenance	4,369	17,884
Salaries and wages	173,969	143,510
Telephone	1,393	1,276
Utilities	8,939	9,185
Vehicle	16,168	9,563
	<u>272,167</u>	<u>257,273</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE DISTRIBUTIONS TO MEMBER AGENCIES	33,014	80,388
DISTRIBUTIONS TO MEMBER AGENCIES	<u>-</u>	<u>10,500</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 33,014</u>	<u>\$ 69,888</u>

See notes to financial statements

CAMPBELL RIVER & DISTRICT FOOD BANK SOCIETY

Statement of Changes in Net Assets

Year Ended December 31, 2022

See Independent Practitioner's Review Engagement Report

	Unrestricted	Internally Restricted	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 606,676	\$ 301,114	\$ 907,790	\$ 837,902
EXCESS OF REVENUES OVER EXPENSES	39,128	(6,114)	33,014	69,888
NET ASSETS - END OF YEAR	\$ 645,804	\$ 295,000	\$ 940,804	\$ 907,790

Internally Restricted Net Assets

	Cash for <u>Capital Improvements</u>	Invested in <u>Capital Assets</u>	<u>Total</u>
Beginning of year	\$ 60,000	\$241,114	\$301,114
Capital asset additions	----	4,912	4,912
Amortization	----	(25,266)	(25,266)
Add amortization of funded assets	----	14,239	14,239
End of year	<u>\$ 60,000</u>	<u>\$ 235,000</u>	<u>\$295,000</u>

See notes to financial statements

CAMPBELL RIVER & DISTRICT FOOD BANK SOCIETY

Statement of Cash Flows

Year Ended December 31, 2022

See Independent Practitioner's Review Engagement Report

	2022	2021
OPERATING ACTIVITIES		
Cash receipts from customers	\$ 395,262	\$ 395,556
Cash paid to suppliers and employees	(402,589)	(320,104)
Interest paid	(2,709)	(4,369)
Goods and services tax	(141)	1,125
Cash flow from (used by) operating activities	(10,177)	72,208
INVESTING ACTIVITY		
Purchase of tangible capital assets	(4,913)	(765)
FINANCING ACTIVITIES		
Repayment of callable debt	-	(79,635)
Repayment of long term debt	-	(30,194)
Cash flow used by financing activities	-	(109,829)
DECREASE IN CASH FLOW	(15,090)	(38,386)
Cash - beginning of year	503,732	542,118
CASH - END OF YEAR	\$ 488,642	\$ 503,732
CASH CONSISTS OF:		
Cash	\$ 428,642	\$ 443,732
Restricted cash deposits	60,000	60,000
	\$ 488,642	\$ 503,732

See notes to financial statements

CAMPBELL RIVER & DISTRICT FOOD BANK SOCIETY

Notes to Financial Statements

Year Ended December 31, 2022

See Independent Practitioner's Review Engagement Report

1. DESCRIPTION OF OPERATIONS

The Campbell River Food Bank Society is a non-profit organization distributing food to the hungry in the Campbell River area. The society was incorporated in British Columbia on June 24, 1985 and is a non-profit charity for income tax purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates include providing for amortization of property and equipment, and calculating the value of donated food. Actual results could differ from these estimates.

Donated food and inventory

Values for food donations, inventory and donated food expense are estimated by staff and volunteers. These amounts are not susceptible to review.

Effective August 2018 the Society implemented a policy to weigh food donations and inventory and to value amounts at \$3.21 (2021 \$2.62) per pound as per Food Bank Canada Guidelines. Food has been weighed by staff and volunteers; documentation to support weights have not been provided for review.

The following amounts estimated as food donations, donated food expense and inventory are estimates made using the above policies, the amounts have not been reviewed and actual values could differ from the estimates:

	2022	2021	2020
Food Donations	\$1,972,958	\$1,836,746	\$1,719,940
Donated Food Expense	1,972,958	1,836,746	1,724,582
Food inventory	230,374	155,262	157,061

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CAMPBELL RIVER & DISTRICT FOOD BANK SOCIETY

Notes to Financial Statements

Year Ended December 31, 2022

See Independent Practitioner's Review Engagement Report

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

Tangible Capital assets

Tangible Capital assets are stated at cost less accumulated amortization. Tangible Capital assets are amortized over their estimated useful lives at the following rates and methods:

Buildings	4%	declining balance method
Equipment	20%	declining balance method
Motor vehicles	30%	declining balance method

Contributed assets

The society records donations of tangible capital assets at fair market value. During the year donated equipment of \$NIL was received (2021 \$NIL).

Revenue recognition

Campbell River & District Food Bank Society follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Cash and short term investments

Cash and cash equivalents consist of deposits with an original maturity date of purchase of three months or less. Because of the short term maturity of these investments, their carrying amount approximates fair value.

Non monetary contributions - other

Non monetary contributions of goods and services are recorded at fair market value when fair market value can be determined. Contributions of volunteer services are not recorded. The society does not record an amount for the donation of volunteer services.

Financial assets

All financial assets are classified as held for trading; all financial liabilities are classified as other financial liabilities.

CAMPBELL RIVER & DISTRICT FOOD BANK SOCIETY

Notes to Financial Statements

Year Ended December 31, 2022

See Independent Practitioner's Review Engagement Report

3. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Land	\$ 73,735	\$ -	\$ 73,735	\$ 73,735
Buildings	220,402	78,933	141,469	147,364
Equipment	58,020	41,401	16,619	15,400
Leasehold improvements	83,641	55,245	28,396	35,495
Motor vehicles	48,061	28,044	20,017	28,596
	<u>\$ 483,859</u>	<u>\$ 203,623</u>	<u>\$ 280,236</u>	<u>\$ 300,590</u>

4. RESTRICTED CASH DEPOSITS

Amounts restricted by director resolution to be used for future capital improvements.

	2022	2021
	<u>\$ 60,000</u>	<u>\$ 60,000</u>

5. DEFERRED CONTRIBUTIONS RELATED TO TANGIBLE CAPITAL ASSETS

Deferred contributions related to equipment represent equipment funded by donation. Changes in the deferred contribution balance for the period are as follows:

	2022	2021
Beginning balance	\$ 59,476	\$ 78,531
Less amortization for funded equipment	(14,239)	(19,055)
	<u>\$ 45,237</u>	<u>\$ 59,476</u>

6. FINANCIAL INSTRUMENTS

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

Market risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The society is mainly exposed to interest rate risk through its long and short term debt.

Interest rate risk

(continues)

CAMPBELL RIVER & DISTRICT FOOD BANK SOCIETY

Notes to Financial Statements

Year Ended December 31, 2022

See Independent Practitioner's Review Engagement Report

6. FINANCIAL INSTRUMENTS *(continued)*

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The society is exposed to interest rate risk primarily through its investments in short term deposits.

7. REMUNERATION DISCLOSURE

In accordance with the recent changes to the BC Societies Act, no amount was paid to directors during the current or prior year and there were no employees or subcontractors paid in excess of \$75,000 during the current or prior year.