

**CRANBROOK FOOD BANK SOCIETY**

**Financial Statements**

**Year Ended February 29, 2024**

**CRANBROOK FOOD BANK SOCIETY**

**Index to Financial Statements**

**Year Ended February 29, 2024**

---

	Page
INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Revenues and Expenditures	3
Statement of Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 8



---

## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

---

To the Members of Cranbrook Food Bank Society

I have reviewed the accompanying financial statements of Cranbrook Food Bank Society (the society) that comprise the statement of financial position as at February 29, 2024, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

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

### *Practitioner's Responsibility*

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me to comply with relevant ethical requirements.

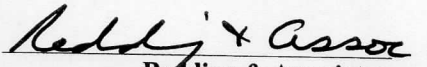
A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical 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, I do not express an audit opinion on these financial statements.

### *Conclusion*

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of Cranbrook Food Bank Society as at February 29, 2024, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Cranbrook, BC  
August 14, 2024

  
**Redding & Associates**  
Chartered Professional Accountant

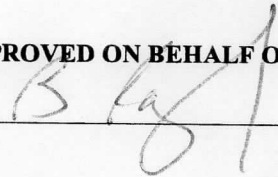
**CRANBROOK FOOD BANK SOCIETY**

**Statement of Financial Position**

**February 29, 2024**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 221,195	\$ 287,568
Term deposits	419,397	400,000
Accounts receivable	7,006	3,543
Interest receivable	2,645	2,126
Inventory	135,481	115,030
Prepaid expenses	9,477	10,106
	<u>795,201</u>	<u>818,373</u>
PROPERTY AND EQUIPMENT <i>(Notes 3, 4)</i>	<u>596,597</u>	<u>548,982</u>
	<u>\$ 1,391,798</u>	<u>\$ 1,367,355</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 21,097	\$ 29,385
Employee deductions payable	5,051	3,189
Deferred income	-	23,843
	<u>26,148</u>	<u>56,417</u>
NET ASSETS	<u>1,365,650</u>	<u>1,310,938</u>
	<u>\$ 1,391,798</u>	<u>\$ 1,367,355</u>

**APPROVED ON BEHALF OF THE BOARD**

  
\_\_\_\_\_  
Director

   
Director

See notes to financial statements

**CRANBROOK FOOD BANK SOCIETY**  
**Statement of Revenues and Expenditures**  
**Year Ended February 29, 2024**

	2024	2023
<b>CONTRIBUTIONS</b>		
Food donations	\$ 1,352,395	\$ 1,153,143
Cash donations	562,145	509,658
	<u>1,914,540</u>	<u>1,662,801</u>
<b>DIRECT COSTS</b>		
Opening Inventory	115,030	120,080
Purchases	260,809	231,586
Donated food distribution	1,352,395	1,153,143
	<u>1,728,234</u>	<u>1,504,809</u>
Closing Inventory	(135,481)	(115,030)
	<u>1,592,753</u>	<u>1,389,779</u>
<b>GROSS PROFIT (16.81%; 2023 - 16.42%)</b>	<u>321,787</u>	<u>273,022</u>
<b>REVENUES</b>		
Rental revenue	400	1,000
<b>EXPENSES</b>		
Advertising and promotion	8,953	4,197
Amortization	34,864	34,384
Business taxes, licenses and memberships	2,836	1,900
Delivery, freight and express	670	5,923
Insurance	14,010	11,843
Office	22,229	21,007
Professional fees	1,538	1,879
Property taxes	630	693
Rental	38	-
Repairs and maintenance	15,930	21,994
Salaries and wages	148,673	120,881
Sub-contracts	-	1,415
Supplies	20,629	20,763
Telephone	3,818	1,596
Training	-	642
Travel	2,282	4,454
Utilities	10,615	9,769
	<u>287,715</u>	<u>263,340</u>
<b>EXCESS OF CONTRIBUTIONS OVER EXPENSES FROM OPERATIONS</b>	34,472	10,682
<b>OTHER INCOME</b>		
Interest income	20,240	5,433
<b>EXCESS OF CONTRIBUTIONS OVER EXPENSES</b>	<u>\$ 54,712</u>	<u>\$ 16,115</u>

See notes to financial statements

**CRANBROOK FOOD BANK SOCIETY**

**Statement of Changes in Net Assets**

**Year Ended February 29, 2024**

	<b>2024</b>	<b>2023</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 1,310,938</b>	<b>\$ 1,294,823</b>
<b>EXCESS OF CONTRIBUTIONS OVER EXPENSES</b>	<b>54,712</b>	<b>16,115</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 1,365,650</b>	<b>\$ 1,310,938</b>

See notes to financial statements

**CRANBROOK FOOD BANK SOCIETY****Statement of Cash Flows****Year Ended February 29, 2024**

	2024	2023
<b>OPERATING ACTIVITIES</b>		
Excess of contributions over expenses	\$ 54,712	\$ 16,115
Item not affecting cash:		
Amortization	34,864	34,384
	<u>89,576</u>	<u>50,499</u>
Changes in non-cash working capital:		
Accounts receivable	(3,463)	28,879
Interest receivable	(519)	(1,759)
Inventory	(20,451)	5,050
Prepaid expenses	629	118
Accounts payable and accrued liabilities	(8,289)	6,615
Deferred income	(23,843)	(13,820)
Employee deductions payable	1,862	1,764
	<u>(54,074)</u>	<u>26,847</u>
Cash flow from operating activities	<u>35,502</u>	<u>77,346</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(82,478)	(74,844)
Proceeds on disposal of property and equipment	-	118,000
Cash flow from (used by) investing activities	<u>(82,478)</u>	<u>43,156</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(46,976)</b>	<b>120,502</b>
Cash - beginning of year	<u>687,568</u>	<u>567,066</u>
<b>CASH - END OF YEAR</b>	<b>\$ 640,592</b>	<b>\$ 687,568</b>

See notes to financial statements

# CRANBROOK FOOD BANK SOCIETY

## Notes to Financial Statements

Year Ended February 29, 2024

---

### 1. DESCRIPTION OF BUSINESS

The Cranbrook Food Bank Society is registered as a Canadian charitable organization (BN 118878735RR0001) with the purpose to collect and distribute food and other necessities to needy persons in the Cranbrook area who rely on donations from organizations and the public. These financial statements are prepared in accordance with the Canadian Accounting Standards for Not-for-Profit Organizations.

---

### 2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP.

Some users may require further information as these statements have not been prepared for general purposes.

---

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Revenue recognition

The society recognizes revenues when they are earned, specifically when all the following conditions are met:

- services are provided or products are delivered to customers
- there is clear evidence that an arrangement exists
- amounts are fixed or can be determined
- the ability to collect is reasonably assured.

#### Inventory

Inventory, consisting of food is stated at the replacement value.

#### Building project

Building project consists of donations made specifically for maintenance and expansion of the warehouse. Some funds have been internally restricted by management and contributed to the building project.

#### Property and equipment

Property and equipment are stated at cost. Contributed property and equipment are recorded at fair value at the date of contributions. Amortization is recorded over their estimated useful lives at the following rates and methods:

Buildings	6%	declining balance method
Furniture and equipment	20%	declining balance method
Motor vehicles	30%	declining balance method
Leasehold improvements	20%	straight-line method

The society regularly reviews its property and equipment to eliminate obsolete items.

(continues)

---

# CRANBROOK FOOD BANK SOCIETY

## Notes to Financial Statements

Year Ended February 29, 2024

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations (ASNPO) required management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

#### Fund accounting

The society uses fund accounting to report transactions in the capital and operating fund. The capital fund is used primarily to report capital assets and their amortization. The operating fund is used to report the operations of the society and operating balances at the end of the fiscal period.

#### Contributed services

Volunteers contribute many hours each year to assist the Cranbrook Food Bank Society in carrying out its service activities. Because of the difficulty in determining their fair value, contributed services are not recognized on the financial statements.

#### Income taxes

The Cranbrook Food Bank Society is a charitable organization and is exempt from income tax.

#### Financial instruments

The society's financial instruments include cash and accounts payable and accrued liabilities.

Financial instruments are recorded at fair value on initial recognition and are subsequently recorded at cost or amortized costs. Transaction costs on acquisition, sale or issue of financial instruments are expensed when incurred.

Financial instruments are assessed for impairment on an annual basis at the end of the fiscal year if there are indications of impairment. The carrying amounts for the financial assets are those presented on the Balance Sheet.

### 4. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	February 29 2024 Net book value	February 28 2023 Net book value
Land	\$ 181,978	\$ -	\$ 181,978	\$ 181,978
Buildings	372,224	53,637	318,587	312,545
Equipment	71,785	46,663	25,122	25,591
Motor vehicles	52,566	37,670	14,896	21,279
Computer equipment	5,217	3,917	1,300	700
Computer software	952	952	-	-
Leasehold improvements	22,225	22,225	-	-
Paving	58,192	3,478	54,714	6,889
	<u>\$ 765,139</u>	<u>\$ 168,542</u>	<u>\$ 596,597</u>	<u>\$ 548,982</u>

**CRANBROOK FOOD BANK SOCIETY**

**Notes to Financial Statements**

**Year Ended February 29, 2024**

---

5. **FINANCIAL INSTRUMENTS AND FINANCIAL RISK**

The society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the society's risk exposure and concentration as of February 29, 2024.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The society is exposed to credit risk from customers. The society has minimal credit risk due to the nature of the operations. Credit is not extended to customers.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The society has minimal liquidity risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the society manages exposure through its normal operating and financing activities. The society is exposed to interest rate risk primarily through its accounts payables and accrued liabilities.

There has been no change to the financial risk exposures outlined above from the prior year other than the pervasive impact of COVID-19 as described in note 6.

---

6. **COVID-19 AND IMPACT ON OPERATIONS**

In March of 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact.

At the time of approval of these financial statements, the Company has not experienced any significant impact to operations or a reduction in any of its major funding sources. However, the impact of the pandemic creates uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have an impact on future operations. An estimate of the financial effect is not practicable at this time. Management will continue to monitor the ongoing financial impact on its cash and budget forecasts, and adjust its operations as required to ensure its ability to fulfill its obligations and continue operations.

---