

**BLACKFALDS FOOD BANK
SOCIETY**

FINANCIAL STATEMENTS

OCTOBER 31, 2024

BLACKFALDS FOOD BANK SOCIETY**TABLE OF CONTENTS
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INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

To the Board of Directors of:
Blackfalds Food Bank Society

We have reviewed the accompanying financial statements of Blackfalds Food Bank Society (the "Society") that comprise the Statement of Financial Position as at October 31, 2024 and the Statements of Changes in Net Assets, Operations 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.

Practitioners' Responsibility

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. We perform procedures, primarily consisting of making inquiries of management and others within the organization, as appropriate, and applying analytical procedures and evaluate 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 of Qualified Conclusion

In common with many not-for-profit organizations, the Society derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory 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 may be necessary to donations and fundraising excess (deficiency) of revenues over expenses, and cash flows from operations for the year ended October 31, 2023 and 2024, and current assets and net assets as at October 31, 2023 and 2024.

3.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis of Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Blackfalds Food Bank Society as at October 31, 2024, 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.

Comparative Information

Without modifying our conclusion, we draw attention to Note 2 of the financial statements which describe that Blackfalds Food Bank Society adopted Canadian accounting standards for not-for-profit organizations on November 1, 2023, with a transition date of November 1, 2022. These standards were applied retroactively by management to the comparative information in these financial statements, including the Statement of Financial Position as at October 31, 2023, and November 1, 2022, and the Statements of Changes in Net Assets, Operations and Cash Flows for the year ended October 31, 2023, and related disclosures. We were not engaged to report on the restated comparative information.

Other Matter

The financial statements of the Society for the year ended October 31, 2023, were not subject to a review or audit engagement.

Red Deer County, Alberta
January 8, 2025

Pivotal LLP

Chartered Professional Accountants

BLACKFALDS FOOD BANK SOCIETY
STATEMENT OF FINANCIAL POSITION
OCTOBER 31, 2024

	2024	2023 (restated)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 284,003	\$ 265,766
Short term investments (Note 4)	56,183	53,348
Government remittances receivable	1,550	2,310
Prepaid expenses and deposits	<u>2,095</u>	<u>-</u>
	343,831	321,424
CAPITAL ASSETS (Note 5)	<u>314,326</u>	<u>328,125</u>
	<u>\$ 658,157</u>	<u>\$ 649,549</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 16,637	\$ 9,053
Government remittances payable	2,363	1,816
Deferred revenue (Note 7)	-	19,683
Current portion of long term debt (Note 8)	<u>-</u>	<u>95,124</u>
	19,000	125,676
DEFERRED CAPITAL CONTRIBUTIONS (Note 9)	<u>97,821</u>	<u>108,721</u>
TOTAL LIABILITIES	<u>116,821</u>	<u>234,397</u>
NET ASSETS		
NET INVESTMENT IN CAPITAL ASSETS	216,505	124,280
UNRESTRICTED NET ASSETS	<u>324,831</u>	<u>290,872</u>
	<u>541,336</u>	<u>415,152</u>
	<u>\$ 658,157</u>	<u>\$ 649,549</u>

COMMITMENTS (Note 10)

On Behalf of the Board of Directors:

_____ Director

_____ Director

BLACKFALDS FOOD BANK SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED OCTOBER 31, 2024

	Net Investment in Capital Assets	Unrestricted Net Assets	Total 2024	Total 2023 (restated)
Balance, beginning of year	\$ 124,280	\$ 290,872	\$ 415,152	\$ 399,408
Excess of revenues over expenses	-	126,184	126,184	15,744
Amortization of capital assets	(53,579)	53,579	-	-
Purchase of capital assets	39,780	(39,780)	-	-
Long term debt forgiveness	95,124	(95,124)	-	-
Capital contributions	(19,682)	19,682	-	-
Amortization of capital contributions	<u>30,582</u>	<u>(30,582)</u>	-	-
Balance, end of year	<u>\$ 216,505</u>	<u>\$ 324,831</u>	<u>\$ 541,336</u>	<u>\$ 415,152</u>

See accompanying notes to financial statements

BLACKFALDS FOOD BANK SOCIETY
STATEMENT OF OPERATIONS
YEAR ENDED OCTOBER 31, 2024

	2024	2023 (restated)
REVENUE		
Amortization of capital contributions (Note 9)	\$ 30,582	\$ 23,208
Donation income	763,857	642,086
Fundraising income	10,094	1,151
Subsidies and grants	<u>64,000</u>	<u>154,510</u>
	<u>868,533</u>	<u>820,955</u>
EXPENSES		
General and Administration - Schedule 1.....	140,547	110,265
Fundraising - Schedule 2.....	17,988	46,674
Program - Schedule 3.....	<u>681,774</u>	<u>650,324</u>
	<u>840,309</u>	<u>807,263</u>
EXCESS OF REVENUES OVER EXPENSES BEFORE THE FOLLOWING	28,224	13,692
INTEREST INCOME	2,836	2,052
LOAN FORGIVENESS	<u>95,124</u>	-
EXCESS OF REVENUES OVER EXPENSES	\$ <u>126,184</u>	\$ <u>15,744</u>

See accompanying notes to financial statements

BLACKFALDS FOOD BANK SOCIETY

**STATEMENT OF CASH FLOWS
YEAR ENDED OCTOBER 31, 2024**

	2024	2023 (restated)
CASH PROVIDED BY (USED FOR)		
OPERATIONS		
Excess of revenues over expenses	\$ 126,184	\$ 15,744
Add (deduct) non-cash items:		
Amortization of capital contributions	(30,582)	(23,208)
Amortization of capital assets	53,579	45,205
Loan forgiveness	<u>(95,124)</u>	<u>-</u>
	54,057	37,741
Net changes in non-cash working capital:		
Government remittances receivable	760	4,149
Prepaid expenses and deposits	(2,095)	-
Accounts payable and accrued liabilities	7,585	7,572
Government remittances payable	546	1,816
Deferred revenue	<u>(19,683)</u>	<u>(40,317)</u>
Cash from operating activities	<u>41,170</u>	<u>10,961</u>
FINANCING		
Capital contributions received	<u>19,682</u>	<u>63,552</u>
Cash used for financing activities	<u>19,682</u>	<u>63,552</u>
INVESTMENTS		
Purchase of capital assets	(39,780)	(70,020)
Reinvested interest	<u>(2,835)</u>	<u>(2,052)</u>
Cash used for investment activities	<u>(42,615)</u>	<u>(72,072)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	18,237	2,441
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>265,766</u>	<u>263,325</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u>284,003</u>	\$ <u>265,766</u>

See accompanying notes to financial statements

BLACKFALDS FOOD BANK SOCIETY
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2024

1. STATUS AND PURPOSE OF THE ORGANIZATION

Blackfalds Food Bank Society is a charitable not-for-profit society that was incorporated April 11, 1984, under the Societies Act of the Province of Alberta. The Society collects, warehouses and distributes food to economically challenged people in the Central Alberta region.

The Society is exempt from income tax under Section 149 of the Canadian Income Tax Act.

The directors and officers of the Society are elected volunteers who can not be paid in any form for their services under the by-laws of the Society.

2. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING

These financial statements are the first financial statements for which the Society applied Canadian accounting standards for not-for-profit organizations ("ASNPO").

The financial statements for the year ended October 31, 2024 were prepared in accordance with the accounting principles and provisions set out in Section 1501, *First-time Adoption by Not-for-Profit Organizations*, for first-time adopters of this basis of accounting.

The impact of adopting these standards was accounted for in net assets at the date of transition, November 1, 2022 (beginning of the year for which comparative information is presented).

BLACKFALDS FOOD BANK SOCIETY
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2024

2. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING (Continued)

Opening Statement of Financial Position

	October 31, 2022	Transition to ASNPO	November 1, 2022
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 263,325	\$ -	\$ 263,325
Short term investments	51,296	-	51,296
Government remittances receivable	<u>6,459</u>	<u>-</u>	<u>6,459</u>
	321,080	-	321,080
CAPITAL ASSETS	<u>208,187</u>	<u>95,124</u>	<u>303,311</u>
	<u>\$ 529,267</u>	<u>\$ 95,124</u>	<u>\$ 624,391</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	\$ 1,483	\$ -	\$ 1,483
Deferred revenue	<u>60,000</u>	<u>-</u>	<u>60,000</u>
	61,483	-	61,483
LONG TERM DEBT	-	95,124	95,124
DEFERRED CAPITAL CONTRIBUTIONS	<u>756</u>	<u>67,620</u>	<u>68,376</u>
TOTAL LIABILITIES	<u>62,239</u>	<u>162,744</u>	<u>224,983</u>
NET ASSETS			
UNRESTRICTED NET ASSETS	467,028	(207,431)	259,597
NET INVESTMENT IN CAPITAL ASSETS	<u>-</u>	<u>139,811</u>	<u>139,811</u>
	<u>467,028</u>	<u>(67,620)</u>	<u>399,408</u>
	<u>\$ 529,267</u>	<u>\$ 95,124</u>	<u>\$ 624,391</u>

BLACKFALDS FOOD BANK SOCIETY
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2024

2. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING (Continued)

Reconciliation of Net Assets

Net assets as at October 31, 2022, as stated in the previous financial statements	\$ 467,028
Changes in Net Assets:	
Adjustment for deferred capital contributions for the period	(75,134)
Adjust accumulated amortization of capital contributions for the period	<u>7,514</u>
Net assets as at November 1, 2022, in accordance with the new basis of accounting	\$ <u>399,408</u>

Reconciliation of Excess of Revenue over Expenses in the Financial Statements as at October 31, 2023

Excess of revenues over expenses as at October 31, 2023, as stated in the previous financial statements	\$ 56,240
Changes in excess of revenues over expenses:	
To recognize grant revenue used to purchase capital assets as capital contributions	(63,552)
To adjust accumulated amortization of capital contributions for the period	23,056
Adjustment for food donations in kind received as disclosed in Note 11	476,769
Adjustment for food donations in kind distributed as disclosed in Note 11	(476,769)
Adjustment for gifted facility lease payments with Town of Blackfalds as disclosed in Note 10	(56,507)
Adjustment for gifted facility lease donation with Town of Blackfalds as disclosed in Note 10	<u>56,507</u>
Excess of revenues over expenses as at October 31, 2023, in accordance with the new basis of accounting	\$ <u>15,744</u>

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the *CPA Canada Handbook* and include the following significant accounting policies:

Cash and Cash Equivalents

The policy of the Society is to disclose bank balances and cash equivalents.

BLACKFALDS FOOD BANK SOCIETY
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2024

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets are accounted for at cost. Amortization is based on the estimated useful life of each asset, using the following rates and methods:

Computer equipment	- 55% declining balance
Equipment	- 20% declining balance
Furniture and fixtures	- 20% declining balance
Leasehold improvements	- 15 years straight line
Vehicles	- 30% declining balance

One half of the normal rates are applied in the year of acquisition.

Contributed Services

The Society would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Due to the difficulty of compiling these hours, contributed services are not recognized in the financial statements.

Estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the current year. Significant items subject to such estimates and assumptions include the estimated useful lives of capital assets, and accrued liabilities, and the assessment of the value of donated food and other products. Actual results could differ from those estimates.

Financial Instruments

Measurement of financial instruments

The Society initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Society subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and cash equivalents, and short term investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and long term debt.

The Society does not currently hold any financial assets measured at fair value.

BLACKFALDS FOOD BANK SOCIETY
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2024

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

The 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.

Donations are recorded as income when received. Unless specifically restricted by the donor, all contributions are considered to be available for unrestricted use.

Donations received in kind are recorded at estimated fair market value at the date the donation is made.

Food donations-in-kind are recorded at \$3.58/lb (2023 - \$3.21/lb) based on the Food Banks Canada national valuation standard.

Interest income is recognized as revenue when earned.

4. SHORT TERM INVESTMENTS

Investments are represented by guaranteed investment certificates ("GICs") reported at amortized cost.

	2024	2023 (restated)
GICs	\$ <u>56,183</u>	\$ <u>53,348</u>

5. CAPITAL ASSETS

	2024			2023 (restated)
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 2,430	\$ 2,076	\$ 354	\$ 785
Equipment	146,322	65,980	80,342	90,845
Furniture and fixtures	2,188	613	1,575	1,970
Leasehold improvements	198,468	29,900	168,568	181,792
Vehicles	93,302	29,815	63,487	52,733
	<u>\$ 442,710</u>	<u>\$ 128,384</u>	<u>\$ 314,326</u>	<u>\$ 328,125</u>

BLACKFALDS FOOD BANK SOCIETY
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2024

6. RELATED PARTY TRANSACTIONS

During the year, the Society entered into transactions with related parties of the Society including expense reimbursements. Related parties consist of members of the Board of Directors, key employees in management positions, including the Executive Director of the Society. At year end there were no amounts owing to or from the related parties.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

7. DEFERRED REVENUE

Deferred revenue consists of the following:

	2023 (restated)	Grants and Funds Received	Grants and Funds Recognized	2024
Local Food Infrastructure Fund Grant	\$ <u>19,683</u>	\$ <u>-</u>	\$ <u>(19,683)</u>	\$ <u>-</u>

8. LONG TERM DEBT

	2024	2023 (restated)
Town of Blackfalds non-interest bearing loan. The loan was forgiven in full on February 15, 2024.	\$ -	\$ 95,124
Current portion of long term debt	<u>-</u>	<u>(95,124)</u>
	<u>\$ -</u>	<u>\$ -</u>

9. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred contributions related to capital assets represent restricted contributions used to acquire capital assets. The change in the deferred contributions are as follows:

	2024	2023 (restated)
Balance, beginning of year	\$ 108,721	\$ 68,376
Add: capital contributions	19,682	63,553
Less: amortization	<u>(30,582)</u>	<u>(23,208)</u>
Balance, end of year	<u>\$ 97,821</u>	<u>\$ 108,721</u>

BLACKFALDS FOOD BANK SOCIETY
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2024

10. COMMITMENTS

The Society has entered into an agreement with the Town of Blackfalds for facility space leasing. The Town of Blackfalds has agreed to gift the Society the lease payments each year. The gifted payments under the agreement are as follows:

2025	\$	56,507
2026		56,507
2027		56,507
2028		56,507
2029		56,507
Thereafter		<u>339,042</u>
	\$	<u>621,577</u>

11. FOOD DONATIONS-IN-KIND

The food donations are valued at an average price per pound of \$3.58 (2023 - \$3.21) based on the Food Banks Canada national valuation standard. In 2024 management estimated that approximately 133,176 (2023 - 125,190) pounds of food was received and distributed for a total estimated value of \$476,769 (2023 - \$401,859) which is included in donation income.

12. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments. The following analysis provides a measure of the Society's risk exposure and concentrations at October 31, 2024.

Liquidity Risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed-rate instruments subject the Society to a fair value risk.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The entity is mainly exposed to interest rate risk.

BLACKFALDS FOOD BANK SOCIETY
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2024

13. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year method of presentation.

BLACKFALDS FOOD BANK SOCIETY
GENERAL AND ADMINISTRATION - SCHEDULE OF EXPENDITURES
YEAR ENDED OCTOBER 31, 2024

	2024	2023 (restated)
Advertising and promotion	\$ 3,484	\$ 3,738
Amortization of capital assets	2,213	4,337
Christmas hampers	156	5
Licenses, fees and dues	420	498
Office	10,009	8,835
Professional fees	21,896	3,500
Rent	56,507	56,507
Telephone	1,022	1,129
Training	876	-
Vehicle operating	5,634	2,051
Wages and benefits	<u>38,330</u>	<u>29,665</u>
	<u>\$ 140,547</u>	<u>\$ 110,265</u>

BLACKFALDS FOOD BANK SOCIETY
FUNDRAISING - SCHEDULE OF EXPENDITURES
YEAR ENDED OCTOBER 31, 2024

	2024	2023 (restated)
Supplies	\$ 3,593	\$ 6,405
Wages and benefits	<u>14,395</u>	<u>40,269</u>
	<u>\$ 17,988</u>	<u>\$ 46,674</u>

BLACKFALDS FOOD BANK SOCIETY
PROGRAM - SCHEDULE OF EXPENDITURES
YEAR ENDED OCTOBER 31, 2024

	2024	2023 (restated)
Amortization of capital assets	\$ 53,579	\$ 45,205
Christmas hampers	3,823	4,899
Food	495,150	436,160
Gift cards	10,840	14,875
Lunchbox program	25,738	61,547
Meat	35,029	37,120
Milk coupons	6,956	12,474
Non-grocery supplies	1,483	5,375
Vehicle operating	5,031	3,815
Wages and benefits	44,145	28,854
	<u>\$ 681,774</u>	<u>\$ 650,324</u>