

Financial Statements of

**FOOD BANKS OF
SASKATCHEWAN CORPORATION**

And Independent Auditor's Report thereon

Year ended June 30, 2024



INDEPENDENT AUDITOR'S REPORT

To the Members of Food Banks of Saskatchewan Corporation

Qualified Opinion

We have audited the financial statements of Food Banks of Saskatchewan Corporation (the Entity), which comprise:

- the statement of financial position as at June 30, 2024
- 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 notes to the financial statements, including a summary of significant accounting policies (Hereinafter referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the "**Basis for Qualified Opinion**" section of our auditor's report the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at June 30, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Entity derives revenue from donations, 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 Entity.

Therefore, we were not able to determine whether any adjustments might be necessary to:

- the current assets reported in the statements of financial position as at June 30, 2024 and June 30, 2023
- the donation revenues and excess of revenues over expenses reported in the statements of operations for the year ended June 30, 2024 and period ended June 30, 2023
- the unrestricted net assets, at the beginning and end of the period, reported in the statements of changes in net assets for the year ended June 30, 2024 and period ended June 30, 2023
- the excess of revenues over expenses reported in the statements of cash flows for the year ended June 30, 2024 and period ended June 30, 2023

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 auditor's report.

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

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



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

Those charged with governance are responsible for overseeing the Entity'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 the 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 Entity to cease to continue as a going concern.



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- 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.
- 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.

KPMG LLP

Chartered Professional Accountants

Saskatoon, Canada

August 29, 2024

FOOD BANKS OF SASKATCHEWAN CORPORATION

Statement of Financial Position

June 30, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash	\$ 372,195	\$ 302,731
Accounts receivable	5,075	5,650
GST receivable	932	2,640
Prepaid expenses	739	739
	<u>378,941</u>	<u>311,760</u>
Equipment	411	3,166
	<u>\$ 379,352</u>	<u>\$ 314,926</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 6,563	\$ 7,169
Deferred revenue	47,740	-
	<u>54,303</u>	<u>7,169</u>
Net Assets		
Unrestricted net assets	325,049	307,757
Related party transactions (note 3)		
	<u>\$ 379,352</u>	<u>\$ 314,926</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

FOOD BANKS OF SASKATCHEWAN CORPORATION

Statement of Operations

Year ended June 30, 2024, with comparative information for 2023

	2024	2023
Revenue:		
Donations	\$ 824,663	\$ 933,272
Membership fees	11,100	10,411
Grants	456	101,974
	836,219	1,045,657
Expenses:		
Shared fundraising and donations	659,952	710,680
Food delivery and travel (note 3)	77,760	95,519
Fundraising	36,951	71,750
Memberships	23,086	21,007
Professional fees	13,407	8,538
Amortization of equipment	2,755	1,598
Insurance	1,574	1,378
Office and general	1,285	1,071
Meetings and conference	1,000	1,248
Food purchase	700	71,762
Interest and bank charges	457	478
Advertising	-	1,731
	818,927	986,760
Earnings before the undernoted item	17,292	58,897
Other income:		
Gain on sale of equipment	-	14,577
Excess of revenues over expenses	\$ 17,292	\$ 73,474

See accompanying notes to financial statements.

FOOD BANKS OF SASKATCHEWAN CORPORATION

Statement of Changes In Net Assets

Year ended June 30, 2024, with comparative information for 2023

Net assets, June 30, 2022	\$	234,283
Excess of revenues over expenses, year ended June 30, 2023		73,474
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Net Assets, June 30, 2023		307,757
Excess of revenues over expenses, year ended June 30, 2024		17,292
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Net assets, June 30, 2024	\$	325,049

See accompanying notes to financial statements.

FOOD BANKS OF SASKATCHEWAN CORPORATION

Statement of Cash Flows

Year ended June 30, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operations:		
Excess of revenues over expenses	\$ 17,292	\$ 73,474
Items not involving cash:		
Amortization of equipment	2,755	1,598
Gain on sale of equipment	-	(14,577)
Changes in non-cash operating working capital:		
Accounts receivable	575	(5,000)
GST receivable	1,708	(79)
Accounts payable and accrued liabilities	(606)	(5,397)
Increase in deferred revenue	47,740	-
	69,464	50,019
Investing:		
Proceeds from disposal of asset	-	15,000
Increase in cash	69,464	65,019
Cash, beginning of year	302,731	237,712
Cash, end of year	\$ 372,195	\$ 302,731

See accompanying notes to financial statements.

FOOD BANKS OF SASKATCHEWAN CORPORATION

Notes to Financial Statements

Year ended June 30, 2023

Nature of operations:

Food Banks of Saskatchewan Corporation (the "Organization") was incorporated under the Non-Profit Corporations Act of Saskatchewan in 2006. The organization is exempt from income tax under section 149 (1) of the Income Tax Act (Canada).

The organization represents and works on behalf of member food banks in the province. The organization collects and distributes donations of food, funds, and program support to member food banks based on provincial client usage by community.

1. Significant accounting policies:

(a) Basis of presentation:

These financial statements have been prepared in accordance with Canadian Accounting Standards for not-for-profit Organizations in Part III of the CPA Canada Handbook.

(b) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Items subject to such estimates and assumptions include the carrying amount of equipment and estimated useful life. Actual results could differ from these estimates.

(c) Cash:

Cash consists of balances with financial institutions which have an initial term to maturity of three months or less.

FOOD BANKS OF SASKATCHEWAN CORPORATION

Notes to Financial Statements (continued)

Year ended June 30, 2023

1. Significant accounting policies (continued):

(d) Financial instruments:

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction are initially measured at their fair value. In the case of a financial asset or financial liability not subsequently measured at its fair value, the initial fair value is adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Such fees and costs in respect of financial assets and liabilities subsequently measured at fair value are expensed.

Subsequent measurement:

Financial assets measured at amortized cost include cash, accounts receivable and GST receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

At the end of each reporting period, management assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired. If there is an indication of impairment, management determines whether a significant adverse change has occurred in the expected timing or the amount of future cash flows from the asset, in which case the asset's carrying amount is reduced to the highest expected value that is recoverable by either holding the asset, selling the asset or by exercising the right to any collateral. The carrying amount of the asset is reduced directly or through the use of an allowance account and the amount of the reduction is recognized as an impairment loss in operations. Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal, to a maximum of the related accumulated impairment charges recorded in respect of the particular asset, is recognized in operations.

(e) Equipment:

Equipment is recorded at cost. Amortization on equipment is recorded on a straight line basis over their estimated useful life of 5 years.

When equipment no longer has any long-term service potential to the Organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

FOOD BANKS OF SASKATCHEWAN CORPORATION

Notes to Financial Statements (continued)

Year ended June 30, 2023

1. Significant accounting policies (continued):

(f) Revenue recognition:

The organization follows the deferral method of accounting for donations and grants. 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.

Membership fees are recognized proportionately over the period to which they relate.

(g) Donated material and service:

Donated materials and services are not recorded because their fair market value is not readily determinable.

2. Food donations:

The approximate values attributed to food donations have not been recorded in the statement of operations and have not been audited. The values are based on weight measurements priced at \$7.89 (2023 - \$7.76) per kilogram. Recorded donation weight for the year ending June 30, 2024 was 93,945 kg or \$741,229 (2023 - 123,684 kg or \$959,789).

FOOD BANKS OF SASKATCHEWAN CORPORATION

Notes to Financial Statements (continued)

Year ended June 30, 2023

3. Related party transactions:

The Organization is related to the Saskatoon Food Bank ("SFB") as a member of the Organization.

Given the Organization does not have payroll, administrative expenses for the executive director and book keeping service are paid and processed by the SFB and reimbursed by the Organization. Such costs totaled \$45,960 for year ended June 30, 2023 (2022 - \$51,316).

4. Financial instruments and risk management

The carrying value of the Organization's financial assets and liabilities, including cash, accounts receivable, GST receivable and accounts payable and accrued liabilities approximate fair value due to the short-term maturity of these items.

The Organization is exposed to liquidity risk and interest rate risk in relation to its financial instruments.

a) Liquidity risk:

Liquidity risk is the risk that the Organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Organization manages its liquidity risk by actively monitoring its operating requirements. The Organization prepares a budget to ensure that it has sufficient funds to fulfill its obligations and allocates funds to reserves for planned future expenditures. There have been no significant changes from 2023.

b) Interest rate risk:

The Organization is exposed to interest rate risk arising from fluctuation in interest rates on amounts invested in interest bearing accounts. There have been no significant changes from 2023.