Food Bank Society of the Yukon

Financial Statements
(Unaudited)

September 30, 2024

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Independent Practitioners' Review Engagement Report

To the Directors of Food Bank Society of the Yukon

We have reviewed the accompanying financial statements of Food Bank Society of the Yukon that comprise the statement of financial position as at September 30, 2024, and the statements of operations, 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.

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. The practitioners perform procedures, primarily consisting of making inquiries of management and others within the entity, 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 for Qualified Conclusion
The Society does not maintain records of inventories on hand and instead expenses all inventory items when they are acquired. This has imposed a scope limitation on our review engagement work which prevents limited assurance from being obtain with respect to the existence and valuation of inventory. Any undetected misstatements only impact inventory and the food purchases expense.

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 the financial statements do not present fairly, in all material respects, the financial position of Food Bank Society of the Yukon as at September 30, 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.

Whitehorse, Canada

Chartered Professional Accountants

Food Bank Society of the Yukon

Statement of Operations
(Unaudited)

For the year ended September 30,		2024		2023 as restated (note 9)
Revenues				
Donations - individual	$	**463,964**	$	406,107
Contributions - Food Bank Canada		**326,760**		12,898
Donations - corporate		**246,839**		357,535
Rent revenue		**56,792**		56,484
Interest		**49,520**		16,028
Grants - Yukon Anti Poverty Coalition		**36,000**		-
Donations - in kind		**25,538**		10,772
Food Security		**20,000**		-
Donations - other		**16,854**		8,834
Government contributions - Yukon Government		**13,000**		-
Government assistance - Yukon Government (note 8)		**7,783**		8,108
		1,263,050		876,766
Direct costs				
Food purchases		**401,915**		406,581
		861,135		470,185
Expenditures				
Advertising and promotion		**15,268**		2,385
Amortization		**25,229**		26,518
Bookkeeping		**8,937**		7,865
Building operations		**195,511**		81,392
Conferences		**29,907**		20,662
Food security expense		**30,624**		5,112
Freight		**100,349**		108,964
Insurance		**9,314**		1,603
Interest and bank charges		**2,257**		1,992
Office		**26,374**		24,975
Professional fees		**34,507**		7,688
Repairs and maintenance		**2,995**		1,100
Subscriptions, permits and licenses		**5,058**		4,430
Supplies		**9,658**		5,377
Telephone and utilities		**3,988**		3,152
Travel and automotive		**1,953**		2,781
Wages and benefits		**267,035**		286,429
		768,964		592,425
Excess (deficiency) of revenues over expenditures	$	**92,171**	$	(122,240)

Food Bank Society of the Yukon

Statement of Changes in Net Assets
(Unaudited)

For the year ended September 30, 2024

	Unrestricted	Internally restricted	Invested in property and equipment	Total 2024	Total 2023 as restated (note 9)
Balance, beginning of year					
As previously reported	$ (165,284)	$ 485,731	$ 1,240,354	**$ 1,560,801**	$ 1,691,149
Prior period adjustment	555,415	-	-	**555,415**	547,307
As restated	390,131	485,731	1,240,354	**2,116,216**	2,238,456
Excess (deficiency) of revenues over expenditures	65,817	26,354	-	**92,171**	(122,240)
Amortization of property and equipment	25,229	-	(25,229)	-	-
Balance, end of year	**$ 481,177**	**$ 512,085**	**$ 1,215,125**	**$ 2,208,387**	$ 2,116,216

Food Bank Society of the Yukon

Statement of Financial Position
(Unaudited)

September 30,	**2024**	2023 as restated (note 9)
Assets		
Current		
Cash	**$ 724,512**	$ 544,592
Accounts receivable	**4,403**	77,839
Prepaid expenses	**13,838**	5,937
Short term investment (note 4)	**512,085**	485,731
	1,254,838	1,114,099
Property and equipment (note 5)	**1,215,125**	1,240,354
	$ 2,469,963	$ 2,354,453
Liabilities		
Current		
Accounts payable and accrued liabilities (note 6)	**$ 54,706**	$ 38,903
Deferred revenue (note 7)	**24,227**	9,219
Deposits	**3,313**	3,313
	82,246	51,435
Deferred revenue (note 8)	**179,330**	186,802
	261,576	238,237
Net assets		
Unrestricted	**481,177**	390,131
Internally restricted (note 4)	**512,085**	485,731
Invested in property and equipment	**1,215,125**	1,240,354
	2,208,387	2,116,216
	$ 2,469,963	$ 2,354,453

Approved on behalf of the Board:

______________________ Director

______________________ Director

Food Bank Society of the Yukon

Statement of Cash Flows
(Unaudited)

For the year ended September 30,		2024		2023 as restated (note 9)
Cash provided by (used for)				
Operating activities				
Excess (deficiency) of revenues over expenditures	$	92,171	$	(122,240)
Item not affecting cash				
Amortization		25,229		26,518
		117,400		(95,722)
Change in non-cash working capital items				
Accounts receivable		73,436		(61,616)
Prepaid expenses		(7,901)		70
Increase in short term investment		(26,354)		(307,685)
Accounts payable and accrued liabilities		15,803		8,759
Deferred revenue		7,536		(8,722)
Increase (decrease) in cash		179,920		(464,916)
Cash, beginning of year		544,592		1,009,508
Cash, end of year	$	724,512	$	544,592

1. Nature of operations

Food Bank Society of the Yukon (the "Society"), is a not-for-profit organization incorporated under the Societies Act of Yukon on November 29, 2007. The Society was formed to work with community stakeholders and partners in operating a full service food bank in the City of Whitehorse. The Society is a registered charity under the Canadian Income Tax Act and is therefore not taxable.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) Cash

Cash consists of cash on hand and bank deposits.

(b) 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 expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable when the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest revenue is recognized and accrued at year end once it has been earned under the terms of the agreement.

Revenue earned on internally restricted assets is recognized and retained within the internally restricted contingecy fund.

(c) Government assistance

Government and other grants related to capital assets are accounted for as deferred government assistance and amortized on the same basis as the related capital assets. Operating grants are accounted for on a basis consistent with contributions.

2. Significant accounting policies (continued)

(d) Financial instruments

Initial measurement
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.

Financial assets or liabilities originated or exchanged in related party transactions except for those that involve parties whose sole relationship with the Society is in the capacity of management, are initially measured at cost. The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If the instrument does, the cost is determined using the instruments undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise cost is determined using the considered transferred or received by the Society in the transaction.

Transactions, with parties whose sole relationship with the Society is in the capacity of management, are accounted for as arm's length transactions.

Subsequent measurement
The Society subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in debt instruments, equity instruments and forward exchange contracts that are quoted in an active market, which are measured at fair value without any adjustment for transaction costs. Changes in fair value are recognized in net income in the period in which they occur.

Financial assets measured at amortized cost include cash, short term investment and accounts receivable.

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

The Society subsequently measures non financial assets and financial liabilities at fair value, without adjustment for transaction costs and with changes in fair value recognized in operations in the period in which they occur.

Transaction costs
Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in income in the period incurred. Transaction cost for financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at amortized cost are recognized in the original cost of the instrument and recognized in income over the life of the instrument using the straight-line method.

2. Significant accounting policies (continued)

Impairment
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) Measurement uncertainty

The preparation of financial statements in conformity with the selected standard (changes in statements) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

(f) Inventory

The Society does not record inventory on hand in these financial statements. Much of the inventory has been donated without receipt, making valuation difficult. All purchases of items for distribution are recorded as an expenditure when purchased.

(g) Property and equipment

Property and equipment are recorded at cost. The Society provides for amortization using the declining balance method at rates designed to amortize the cost of the assets over their estimated useful lives, as set out in note 5.

When property and equipment are sold or retired, the related cost and accumulated amortization are removed from the accounts and any gain or loss is charged against earnings in the period.

Property and equipment acquired or constructed during the year are not amortized until they are put into use.

2. Significant accounting policies (continued)

(h) Donations in kind

The Society receives many donations of various supplies, food for distribution and labour. Donated materials and services are recorded in the financial statements at fair market value when fair market value can be reasonably estimated and when the Society would otherwise have required these items. Where donations are made without receipt and the fair market value cannot be reasonably determined, these items are not recognized in the financial statements.

Because the hours of service by volunteers are not normally purchased, and the difficulty in determining their fair market value, contributed services are not recognized in the financial statements.

3. Donations in kind

Supplies and services were donated in the year and are included in the Statement of Operations as donations - in kind.

	2024	2023
Food	**$ 25,108**	$ 10,157
Amortization of deferred capital contribution	**430**	615
	$ 25,538	$ 10,772

4. Short term investment

	2024	2023 as restated (note 9)
GIC maturing May 2025, interest at 4.55%	**$ 319,152**	$ 305,386
GIC maturing June 2025, interest at prime less 2.95%	**109,832**	-
GIC maturing March 2025, interest at prime less 2.95%	**83,101**	-
GIC matured June 2024, interest at prime less 2.20%	**-**	100,468
GIC matured March 2024, interest at prime less 2.20%	**-**	79,877
	$ 512,085	$ 485,731

An internally restricted contingency fund was established on March 22, 2018 to protect the Society against unforeseen revenue losses or unpredicted expenses. The contingency fund represents approximately three months of expenditures. The Society may borrow money from the contingency fund to assist with cash flow issues provided that the internal loan can, and will, be paid back within 90 days. The contingency fund is held in GICs and any interest earned on the contingency fund will be retained in the contingency fund.

5. Property and equipment

	Rate	Cost	Accumulated amortization	2024 Net book value	2023 as restated (note 9) Net book value
Land		$ 624,999	$ -	$ 624,999	$ 624,999
Buildings	4 %	830,369	242,344	588,025	612,526
Office equipment	20 %	2,100	1,132	968	1,210
Vehicle and equipment	30 %	18,701	17,567	1,134	1,620
Computer equipment	55 %	2,200	2,200	-	-
		$ 1,478,369	$ 263,243	$ 1,215,126	$ 1,240,355

6. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are the following amounts:

	2024	2023 as restated (note 9)
Trade payables and accruals	$ 51,389	$ 33,382
Government remittances	2,834	2,690
GST payable	483	2,831
	$ 54,706	$ 38,903

7. Deferred revenue - current

	2024	2023 as restated (note 9)
Deferred contribution from the Rendevous Rotary Club for kitchen renovation	$ 15,750	$ -
Current portion of deferred government assistance from Yukon Government to purchase the building at 306 Alexander St.	7,472	7,783
Deferred vehicle contribution from Whitehorse Motors	1,005	1,436
	$ 24,227	$ 9,219

8. Deferred revenue

The balance consists of deferred government assistance received from Yukon Government to finance the acquisition of the building at 306 Alexander St. The contribution is deferred and is recognized as revenue on a basis that is consistent with the amortization expense recognized on the building.

	2024	2023 as restated (note 9)
Balance, beginning of year	$ **186,802**	$ 194,585
Recognized as revenue	**(7,783)**	(8,108)
Change in current portion	**311**	325
Balance, end of year	$ **179,330**	$ 186,802

9. Prior period adjustment

The comparative figures have been retroactively restated to reflect an error in the accounting treatment of the $750,000 received from the Yukon Government in the 2014 fiscal year to finance the acquisition of the land and building locatd at 306 Alexander St. Net assets and deferred revenue have been adjusted to conform with the treatment of the funding being restricted government assisstance.

The impact of this correction at September 30, 2023 is that the Society's total deferred revenue was increased by $194,586, the demand loan was decreased by $750,000 and the value of net assets was increased by $555,414.

10. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

11. Economic dependence

The Society is economically dependent on public and corporate donations and government funding for its operations.

12. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities. The Society's exposure to liquidity risk relates to the accounts payable and accrued liabilities and demand loan and arises from the possibility that the timing and amount of its cash inflows will not be sufficient to enable it to meet its financial obligations as they become due. Management believes this risk is minimized by the comprehensive plan the Society has in place to meet its obligations as they come due. There has been no significant change in the risk from the prior year.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society's exposure to credit risk relates to its accounts receivable and arises from the possibility that a debtor does not fulfill its obligations. Management believes this risk is minimized through the review of accounts receivable. The Society performs continuous evaluation of its financial assets and records impairment in accordance with the stated policy. There has been no significant change in the risk from the prior year.

(c) 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's interest-bearing financial instruments include variable rate guaranteed investment certificates. The cash flows resulting from variable rate financial instruments fluctuate as interest rates applicable to the instruments change. The Society does not employ derivative financial instruments to hedge its exposure to interest rate risk. There has been no significant change in the risk from the prior year.