

## AUDITORS' REPORT

To the Members of the  
Red Deer Food Bank Society

We have audited the Statement of Financial Position of the Red Deer Food Bank Society as at December 31, 2017, the Statements of Operations, Changes in Net Assets and Cash Flows for the year then ended.

We conducted our audit in accordance with generally accepted auditing standards. This audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements: deposit books, bank statements, cheque stubs, payroll files, payables files, receipt books.

In common with many charitable organizations, the Society derives revenue from fundraisers and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these receipts was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenue over expenses, current assets and net assets.

In our opinion, except for completeness of revenues as mentioned in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2017 and the results of its operations and the changes in its cash flow for the year then ended, in accordance with generally accepted accounting principles.

Red Deer, AB

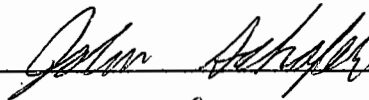
Auditors for the Society

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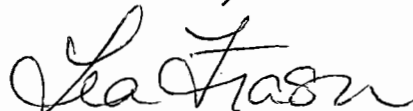


Mike Thibeau

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Date May 15, 2018

## Significant Accounting Policies



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### Estimate

The preparation of the 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 reported period. Actual results could differ from these estimates. Estimates are used when accounting for items and matters such as amortization, impairment of long-lived assets and accrued expenses.

### Cash and Cash Equivalents

The policy of the Society is to disclose bank balances under cash and cash equivalents including temporary investments with a maturity of three months or less from the date of acquisition.

### Inventory

Due to the nature of the Society's operations, and in common with other Food Bank organizations, it is the Society's policy to not record inventory in the financial statements because it is primarily donated.

### Capital Assets

Purchased and contributed Capital Assets are accounted for at cost. Amortization is based on the useful life of each asset using the following rates and methods:

Building	5%	declining balance
Computer hardware	30%	declining balance
Equipment	20%	declining balance
Automotive	20%	declining balance

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

### Revenue Recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as assets in the year in which they are received. 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. Investment income is recognized as revenue when earned.

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

Rental income is recorded when received.

### Contributed Services and Materials

Volunteers contribute many hours per year to the Red Deer Food Bank Society in carrying out its delivery activities. In addition, significant other in-kind donations, including but not limited to, food donations, promotional items, transportation services and garbage collection are received. Because of the difficulty of determining fair value, contributed services and materials are not recognized in the financial statements.

## **Internally Restricted Reserves**

The Society established the following reserves for specific purposes and since the funds have restricted uses, Board approval is required to access these funds.

**Operating Reserve** - This reserve was established to ensure operating funds are available to the Society in the event of funding shortfalls. A motion was made and carried April 18, 2017 to change the Reserve to be 50% of the prior year's actual expenditures \$312,416.03 (2016 \$624,832.06). Interest earned from the operating reserve is not part of the reserve and remains unrestricted.

**Capital Reserve** - The creation of this reserve is to provide for the replacement of future capital assets. The balance as at December 31, 2017 is \$100,000. Interest earned from the capital reserve is not part of the reserve and remains unrestricted.

**Red Deer & District Community Foundation Reserve** - The investment held by the Red Deer & District Community Foundation is restricted. The Society receives annual interest from this investment but does not have access to the principal. Interest earned from this reserve accumulated in the reserve and is not available for unrestricted purposes.

**RED DEER FOOD BANK SOCIETY**  
**YEAR ENDED**  
**DECEMBER 31, 2017**

**STATEMENT OF FINANCIAL POSITION**

		2017		2016
<b>ASSETS</b>				
<b>CURRENT</b>				
Cash and cash equivalents	\$	L\$34,384.99	\$	431,110.19
Accounts receivable	\$	1,855.01	\$	3,524.08
Prepaid expenses	\$	(4,957.76)	\$	6,019.96
	\$	<u>L\$31,282.24</u>	\$	<u>440,654.23</u>
<b>CAPITAL ASSETS</b>	\$	750,349.75	\$	787,723.47
<b>RESTRICTED CASH</b>	\$	L\$12,416.03	\$	287,794.57
<b>RESTRICTED INVESTMENTS</b>	\$	-	\$	-
	\$	<u>1,594,048.02</u>	\$	<u>1,516,172.27</u>
<b>LIABILITIES</b>				
<b>CURRENT</b>				
Indebtedness	\$	202,538.34	\$	242,357.89
Accounts payable	\$	4,641.42	\$	1,997.33
Wages payable	\$	20,548.76	\$	16,597.49
	\$	<u>227,728.52</u>	\$	<u>260,952.71</u>
<b>DEFERRED CONTRIBUTIONS</b>	\$	-	\$	-
<b>TOTAL LIABILITIES</b>	\$	<u>227,728.52</u>	\$	<u>260,952.71</u>
<b>NET ASSETS</b>				
<b>INVESTMENT IN CAPITAL ASSETS</b>	\$	277,593.48	\$	314,966.86
<b>INTERNALLY RESTRICTED RESERVES</b>	\$	L\$12,416.03	\$	287,794.57
<b>UNRESTRICTED NET ASSETS</b>	\$	L76,309.99	\$	652,458.13
	\$	<u>1,366,319.50</u>	\$	<u>1,255,219.56</u>
	\$	<u>1,594,048.02</u>	\$	<u>1,516,172.27</u>

On Behalf of the Board:

Alexandra Heighington  
Lea Fraser

Chair Alexandra Heighington

Treasurer Lea Fraser

Red Deer Food Bank  
Society  
In Kind Report  
2017 NOTES

**INCOMING**

In Kind Donations Receipts <i>Non Food</i>	\$	6,463.00	based on \$50 per banana box, \$10 per bag,
In Kind Food	\$	223,944.00	\$25 per crate and \$3 per pound, value on rcpt based on \$50 per banana box, \$10 per bag,
Inhouse Donations no rcpt	\$	729,191.00	\$25 per crate and \$3 per pound
Store Pickups no rcpt	\$	1,981,842.00	Based on \$50 per banana box
Shipments from Calgary no rcpt	\$	816,354.00	based on \$3 per pound
Gift Certificates Receipts	\$	8,694.00	value of GC
<b>Total</b>	\$	<b>3,766,488.00</b>	

**OUTGOING**

In Kind to Capital Assets	\$	4,420.00	value on rcpt
Hampers	\$	973,200.00	Based on \$100 per hamper
Bread	\$	33,705.00	Based on \$1.00 per loaf of bread
Milk	\$	9,244.00	Based on \$1 per liter
Walk-in Produce & Non Bread	\$	755,259.00	Based on 3 banana boxes & 953 pounds per day open
[REDACTED]	\$	14,550.00	Based on 5lb bags and \$3 per pound
[REDACTED]	\$	176,300.00	Based on \$50 per banana box and \$3 per pound
Garbage and Recycle	\$	410,630.00	Based on \$3 per pound
Compost	\$	188,034.00	Based on \$3 per pound
Alternative Disposal	\$	476,715.00	Based on \$3 per pound
Dunnage shipped out	\$	66,600.00	Based on \$3 per pound
In House Use - BBQ supplies	\$	39,000.00	Based on \$1000 per event
Garage Sales	\$	48,600.00	Based on \$3 per pound and 1350 pounds per skid
Janitorial	\$	5,800.00	Based on \$50 per banana box
Staff Meals	\$	2,510.00	Based on \$10.00 per day open
Gift certificates used	\$	13,719.00	Based on grocery receipts
<b>Total</b>	\$	<b>3,218,286.00</b>	

**Inventory at Dec 31, 2012**

Food	\$	389,325.00	Based on \$3/lb., 1200 Lb skids, \$50/ BB & \$25 crates
Non-Food	\$	28,747.00	Based on \$3/lb., 1200 Lb skids, \$50/ BB & \$25 crates
Potatoes	\$	58,230.00	Based on \$3 per pound
Dunnage	\$	45,066.00	Based on 74 lb per pallet & \$3 per pound
Garage sale items	\$	16,848.00	Based on \$3 per pound and 1350 pound skids
Gift Certificates	\$	9,986.00	Value of GC
<b>Total</b>	\$	<b>548,202.00</b>	

**NET** \$  
open 251 days in 2017



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**RED DEER FOOD BANK SOCIETY**  
**YEAR ENDED**  
**DECEMBER 31, 2017**

**STATEMENT OF OPERATIONS**

**REVENUE**

	<b>2017</b>		<b>2016</b>
Donations - monetary	\$ 742,961.20	\$	805,077.49
Interest earned	\$ 4,999.01	\$	3,495.40
Rent	\$ 13,200.00	\$	14,400.00
	<u>\$ 761,160.21</u>	\$	<u>822,972.89</u>

**EXPENSES**

Advertising & promotion	\$ 14,813.37	\$	24,871.18
Amortization of capital assets	\$ 44,495.38	\$	46,713.37
Courses & training	\$ 1,126.17	\$	416.06
Food purchases & freight	\$ 22,257.97	\$	16,699.59
GST not recoverable	\$ 1,800.86	\$	2,181.49
Insurance	\$ 4,712.00	\$	4,682.00
Interest & bank charges	\$ 1,758.55	\$	1,966.63
Interest on long term debt	\$ 13,292.93	\$	15,578.71
Memberships, licenses & fees	\$ 2,365.75	\$	3,244.79
Office	\$ 16,444.21	\$	16,756.16
Rent / Condo fees	\$ 18,669.95	\$	16,443.60
Repair & maintenance	\$ 20,679.33	\$	17,798.93
Telephone	\$ 6,675.04	\$	6,042.99
Travel & meetings	\$ 2,970.52	\$	1,365.00
Utilities	\$ 20,378.65	\$	16,404.92
Vehicle costs	\$ 8,648.22	\$	13,112.64
Wages & benefits	\$ 447,701.59	\$	420,554.00
	<u>\$ 648,790.49</u>	\$	<u>624,832.06</u>

	\$ -	\$	-
Excess(deficiency) of revenue over expenses	<u>\$ 112,369.72</u>	\$	<u>198,140.83</u>

**RED DEER FOOD BANK SOCIETY**  
**YEAR ENDED**  
**DECEMBER 31, 2017**

**STATEMENT OF CASH FLOWS**

**CASH FLOWS FROM:**

	<b>2017</b>	<b>2016</b>
<b>OPERATING ACTIVITIES</b>		
Cash receipts from monetary donations	\$ 742,961.20	\$ 805,077.49
Cash receipts from interest earned	\$ 4,999.01	\$ 3,495.40
Cash receipts from rent	\$ 13,200.00	\$ 14,400.00
Cash paid for wages & benefits	\$ (447,701.59)	\$ (420,832.06)
Cash paid for other operating expenses	\$ (137,562.32)	\$ (143,918.55)
Mortgage interest paid	\$ (13,292.93)	\$ (15,578.71)
<b>Net cash generated through operating activities</b>	<b><u>\$ 162,603.37</u></b>	<b><u>\$ 242,643.57</u></b>
<b>FINANCING</b>		
Repayment of bank indebtedness	\$ 39,819.55	\$ 37,533.77
<b>Cash (used for) financing activities</b>	<b><u>\$ 39,819.55</u></b>	<b><u>\$ 37,533.77</u></b>
<b>INVESTMENT</b>		
Purchase of capital assets	\$ 7,122.00	\$ 3,319.99
Decrease (increase) to restricted cash	\$ (124,612.46)	\$ (61,722.52)
<b>Net cash used in investing activities</b>	<b><u>\$ (117,490.46)</u></b>	<b><u>\$ (58,402.53)</u></b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>\$ 3,274.80</b>	<b>\$ 163,121.35</b>
<b>CASH &amp; CASH EQUIVALENTS BEGINNING OF YEAR</b>	<b><u>\$ 431,110.19</u></b>	<b><u>\$ 267,988.84</u></b>
<b>CASH &amp; CASH EQUIVALENTS END OF YEAR</b>	<b><u>\$ 434,384.99</u></b>	<b><u>\$ 431,110.19</u></b>

**RED DEER FOOD BANK SOCIETY**  
**YEAR ENDED**  
**DECEMBER 31, 2017**

**CASH & CASH EQUIVALENTS**

**2017**

**2016**

Cash & cash equivalents consists of the following:

Cash	\$	846,801.02	\$	718,682.24
Less: Restricted cash	\$	(412,416.03)	\$	(287,572.05)
	\$	<u>434,384.99</u>	\$	<u>431,110.19</u>



**RED DEER FOOD BANK SOCIETY  
YEAR ENDED  
DECEMBER 31, 2016**

CHANGES IN NET ASSETS	Investment in Capital Assets	Internally Restricted Reserves	Unrestricted Net Assets	2017	2016
<b>BALANCE BEGINNING OF YEAR</b>	\$ 314,966.86	\$ 287,794.57	\$ 652,458.13	\$ 1,255,219.56	\$ 1,057,454.28
<b>EXCESS REVENUES OVER EXPENSES</b>			\$ (1,269.78)	\$ (1,269.78)	
<b>CAPITAL PURCHASES</b>	\$ 7,122.00		\$ (7,122.00)		
<b>AMORTIZATION</b>	\$ (44,495.38)		\$ 44,495.38		
<b>TO (FROM) RESERVES</b>		\$ 124,621.46	\$ (124,621.46)		\$ (375.55)
<b>BALANCE END OF YEAR</b>	<u>\$ 277,593.48</u>	<u>\$ 412,416.03</u>	<u>\$ 676,309.99</u>	<u>\$ 1,366,319.50</u>	<u>\$ 1,255,219.56</u>
				\$ 1,366,319.50	

**CAPITAL ASSETS**

	2017		2016	
	Cost	Accumulated Amortization	New Net Book Value	Net Book Value
Building	\$1,215,800.00	\$493,627.73	\$722,172.27	\$760,181.34
Computer hardware	\$28,872.91	\$28,362.72	\$3,212.19	\$1,307.85
Equipment	\$49,146.85	\$41,471.63	\$12,095.22	\$10,146.53
Automotive	\$111,705.25	\$98,834.84	\$12,869.41	\$16,086.75
	<u>\$1,405,525.01</u>	<u>\$662,296.92</u>	<u>\$750,349.09</u>	<u>\$787,722.47</u>

**ReeDeer Food Bank Society**

Income Statement (Cash basis) 01/01/2017 to 12/31/2017

**REVENUE**

<b>Revenue</b>		
Donations	478,467.51	
Internet	60,128.52	
Fund Raisers	32,993.05	
<b>DONATIONS - TOTAL</b>		571,589.08
Other Charities	159,508.09	
<b>OTHER - TOTAL</b>		159,508.09
Employment Subsidies	5,401.00	
██████ Rent	13,200.00	
Other income - total		18,601.00
interest		4,999.01
<b>Net cash revenue</b>		754,697.18
<b>In Kind &amp; Liability Redeemed</b>		
Received Other Donations	6,463.03	
<b>IN KIND DONATIONS -TOTAL</b>		6,463.03
<b>Total In Kind &amp; Liability Redee...</b>		6,463.03
<b>TOTAL REVENUE</b>		761,160.21

**EXPENSE**

<b>Payroll Expenses</b>		
Wages & Salaries		409,852.72
EI Expense		6,799.02
CPP Expense		15,550.10
WCB Expense		2,440.01
Group plan benefits		9,916.16
Life Insurance Director		3,143.58
<b>Total Payroll Expense</b>		447,701.59
<b>General &amp; Administrative Expe...</b>		
Depreciation	44,495.38	
<b>NON-CASH COSTS</b>		44,495.38
Auto - Gasoline/Oil	4,784.18	
Auto. Insurance	2,465.00	
Auto Repairs/Maintenance	1,223.87	
<b>AUTOMOTIVES TOTAL</b>		8,473.05
Forklift Repairs/Maintenance	175.17	
<b>FORKLIFT TOTAL</b>		175.17
Building Maintenance	17,843.39	
Pest Control	2,835.94	
Condo Fees	18,669.95	
<b>BUILDING COSTS -TOTAL</b>		39,349.28
Food Purchases	20,056.00	
Food Handling	2,201.97	
<b>FOOD COSTS - TOTAL</b>		22,257.97
Insurance		4,712.00
Mortgage interest		13,292.93
Membership Fees	588.75	
Meeting Costs	1,289.18	
██████ travel/meetings	343.44	
Travel	1,217.90	
<b>MEMBERSHIP COSTS-TOTAL</b>		3,439.27
Courses & Training		1,126.17
<b>MISCELLANEOUS</b>		1,299.49
Advertising		2,373.23
Bank Charges		1,754.17
License/permits	1,777.00	
Promotions/Special Events	7,433.18	
Volunteer Expenses	3,842.85	



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**Red Deer Food Bank Society**

Income Statement (Cash basis) 01/01/2017 to 12/31/2017

Fund Raiser Expenses	579.24	
<b>PUBLIC RELATIONS - TOTAL</b>		13,632.27
Office Supplies/equipment	8,806.31	
Postage	778.66	
Bookkeeping costs	6,269.00	
<b>OFFICE COSTS - TOTAL</b>		15,853.97
Telephone	6,675.04	
Natural Gas	10,111.40	
Power	10,267.25	
<b>UTILITIES - TOTAL</b>		27,053.69
G.S.T. PAID		1,800.86
<b>Total General &amp; Admin. Expen...</b>		201,088.90
<b>TOTAL EXPENSE</b>		648,790.49
<b>NET INCOME</b>		112,369.72

**Red Deer Food Bank Society**

Balance Sheet (Cash basis) As at 12/31/2017

**ASSET****Current Assets**

Chequing - [REDACTED]	286,303.86	
Chequing - [REDACTED]	285.48	
Petty cash	900.00	
<b>CASH - TOTAL</b>		<b>287,489.34</b>
Red Deer Community Foundation	10,227.57	
[REDACTED]	549,084.11	
<b>INVESTMENTS - TOTAL</b>		<b>559,311.68</b>
Pre-Paid Expenses	-11,320.20	
GST receivable	1,855.01	
<b>PREPAID EXPENSES - TOTAL</b>		<b>-9,465.19</b>
pay advance		6,362.44
<b>Total Current Assets</b>		<b>843,698.27</b>

**Capital Assets**

Office Furniture & Equipment	49,345.90	
Accum. Amort. -Furn. & Equip.	-41,471.63	
Scale	4,220.95	
<b>NET - FURNITURE &amp; EQUIPME...</b>		<b>12,095.22</b>
Vehicle	111,705.25	
Accum. Amort. -Vehicle	-98,834.84	
Computer Equipment	31,574.57	
Accum. Amort - Computer	-28,362.71	
<b>NET - VEHICLE</b>		<b>16,082.27</b>
Building	375,800.00	
Condo [REDACTED]	315,000.00	
[REDACTED] Purchase	525,000.00	
Accum. Amort. - Building	-493,627.74	
<b>NET- BUILDING</b>		<b>722,172.26</b>
<b>Total Capital Assets</b>		<b>750,349.75</b>

**TOTAL ASSET** 1,594,048.02**LIABILITY****Current Liabilities**

Accrued payables		4,744.64
Vacation payable		20,766.07
Suspense		-217.31
CPP Payable	-326.34	
Deductions payable	223.12	
Total - Receiver General		-103.22
<b>Total Current liabilities</b>		<b>25,190.18</b>

**Long Term liabilities**

[REDACTED] Mortgage [REDACTED]		202,538.34
<b>Total Long Term liabilities</b>		<b>202,538.34</b>

**TOTAL LIABILITY** 227,728.52**EQUITY****Retained Earnings**

Prudent Reserve		287,794.57
Invested in capital assets		314,966.86
Retained Earnings - Previous Year		651,188.35
Current Earnings		112,369.72
<b>Total Retained Earnings</b>		<b>1,366,319.50</b>

**TOTAL EQUITY** 1,366,319.50

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# Red Deer Food Bank Society

Balance Sheet (Cash basis) As at 12/31/2017

LIABILITIES AND EQUITY

1,594,048.02

# Red Deer Food Bank Society

Trial Balance (Cash basis) As at 12/31/2017

Ac...	Account Description	Debits	Credits
1060	Chequing - [REDACTED]	286,303.86	-
1062	Chequing - [REDACTED]	285.48	-
1065	Petty cash	900.00	-
1140	Red Deer Community Foundation	10,227.57	-
1160	[REDACTED]	549,084.11	-
1200	Pre-Paid Expenses	-	11,320.20
1205	GST receivable	1,855.01	-
1220	pay advance	6,362.44	-
1820	Office Furniture & Equipment	49,345.90	-
1825	Accum. Amort. -Furn. & Equip.	-	41,471.63
1835	Scale	4,220.95	-
1840	Vehicle	111,705.25	-
1845	Accum. Amort. -Vehicle	-	98,834.84
1847	Computer Equipment	31,574.57	-
1848	Accum. Amort - Computer	-	28,362.71
1860	Building	375,800.00	-
1861	Condo [REDACTED]	315,000.00	-
1862	[REDACTED] Purchase	525,000.00	-
1865	Accum. Amort.- Building	-	493,627.74
2110	Accrued payables	-	4,744.64
2170	Vacation payable	-	20,766.07
2172	Suspense	217.31	-
2185	CPP Payable	326.34	-
2199	Deductions payable	-	223.12
2601	[REDACTED] Mortgage Bay 9	-	202,538.34
3540	Prudent Reserve	-	287,794.57
3550	Invested in capital assets	-	314,966.86
3560	Retained Earnings - Previous Year	-	651,188.35
4100	Donations	-	478,467.51
4111	Internet	-	60,128.52
4120	Fund Raisers	-	32,993.05
4135	Other Charities	-	159,508.09
4240	Employment Subsidies	-	5,401.00
4245	[REDACTED] - Rent	-	13,200.00
4255	interest	-	4,999.01
4440	Received Other Donations	-	6,463.03
5410	Wages & Salaries	409,852.72	-
5420	EI Expense	6,799.02	-
5430	CPP Expense	15,550.10	-
5440	WCB Expense	2,440.01	-
5470	Group plan benefits	9,916.16	-
5485	Life Insurance Director	3,143.58	-
5602	Depreciation	44,495.38	-
5610	Auto - Gasoline/Oil	4,784.18	-
5615	Auto. Insurance	2,465.00	-
5620	Auto Repairs/Maintenance	1,223.87	-
5632	Forklift Repairs/Maintenance	175.17	-
5640	Building Maintenance	17,843.39	-
5641	Pest Control	2,835.94	-
5645	Condo Fees	18,669.95	-
5660	Food Purchases	20,056.00	-
5670	Food Handling	2,201.97	-
5685	Insurance	4,712.00	-
5687	Mortgage interest	13,292.93	-
5690	Membership Fees	588.75	-
5695	Meeting Costs	1,289.18	-
5700	[REDACTED] travel/meetings	343.44	-
5705	Travel	1,217.90	-
5715	Courses & Training	1,126.17	-
5720	MISCELLANEOUS	1,299.49	-
5735	Advertising	2,373.23	-
5740	Bank Charges	1,754.17	-
5750	License/permits	1,777.00	-
5760	Promotions/Special Events	7,433.18	-
5761	Volunteer Expenses	3,842.85	-



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**Red Deer Food Bank Society**

Trial Balance (Cash basis) As at 12/31/2017

Ac...	Account Description	Debits	Credits
5763	Fund Raiser Expenses	579.24	-
5780	Office Supplies/equipment	8,806.31	-
5785	Postage	778.66	-
5789	Bookkeeping costs	6,269.00	-
5800	Telephone	6,675.04	-
5830	Natural Gas	10,111.40	-
5835	Power	10,267.25	-
5850	G.S.T. PAID	1,800.86	-
		<u>2,916,999.28</u>	<u>2,916,999.28</u>