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**CONSOLIDATED FINANCIAL STATEMENTS**  
**SURREY FOOD BANK SOCIETY**

**September 30, 2024**

Limited Liability Partnership \_\_\_\_\_



**Tompkins Wozny**  
Chartered Professional Accountants

# INDEPENDENT AUDITOR'S REPORT

To the Members of  
**Surrey Food Bank Society**

## ***Qualified Opinion***

We have audited the consolidated financial statements of Surrey Food Bank Society (the "Society"), which comprise the consolidated statement of financial position as at September 30, 2024, and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of the report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Society 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.

## ***Basis for Qualified Opinion***

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 audit 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 might be necessary to donations and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended September 30, 2024, current assets as at September 30, 2024, and net assets as at October 1 and September 30 for the 2024 year. The audit opinion was also qualified in this regard in the 2023 fiscal year end.

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 Consolidated Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 audit opinion.

## ***Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

## ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated 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 these consolidated 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 consolidated 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.



## INDEPENDENT AUDITOR'S REPORT

- 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 Society'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 Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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.

### Report on Other Legal and Regulatory Requirements

As required by the British Columbia Societies Act, we report that the accounting principles used in these consolidated financial statements have been applied on a basis consistent with that of the preceding year.

*Tompkins Wozny LLP*

Vancouver, Canada  
March 20, 2025

Chartered Professional Accountants



## Surrey Food Bank Society

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

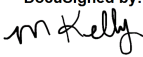
As at September 30

	2024 \$	2023 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash	5,611,587	4,578,862
Investments [note 3]	45,648	45,241
Accounts receivable [note 4]	1,209	13,962
Prepaid expenses and deposits	70,865	32,733
Gift cards	10,060	20,983
	5,739,369	4,691,781
Capital assets [note 5]	8,313,135	8,414,702
Other asset [note 6]	20,360	16,784
	14,072,864	13,123,267
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities [note 7]	234,025	144,524
Deferred contributions [note 8]	155,405	321,053
Current portion of mortgage payable [note 10]	89,940	87,421
	479,370	552,998
Mortgage payable [note 10]	1,584,145	1,674,084
Deferred contributions related to capital assets [note 9]	112,034	98,163
	2,175,549	2,325,245
<b>NET ASSETS</b>		
Invested in capital assets	6,527,016	6,555,034
Internally restricted [note 11]	1,274,459	274,459
Unrestricted	4,095,840	3,968,529
	11,897,315	10,798,022
	14,072,864	13,123,267


Subsequent event [note 14]

See accompanying notes to the consolidated financial statements

On behalf of the Board:

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Director

DocuSigned by:  
  
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Director

## Surrey Food Bank Society

## CONSOLIDATED STATEMENT OF OPERATIONS

Year ended September 30

	2024 \$	2023 \$
<b>REVENUE</b>		
Donations and fundraising	3,345,051	2,800,002
Interest	279,009	210,021
Programs	182,067	85,738
BC Gaming	159,227	61,965
Miscellaneous	57,574	3,215
Amortization of deferred contributions related to capital assets <i>[note 9]</i>	35,164	33,642
	<b>4,058,092</b>	<b>3,194,583</b>
<b>EXPENSES</b>		
Salaries and benefits <i>[note 13]</i>	1,255,873	1,087,112
Food purchases	633,191	484,875
Amortization of capital assets	197,751	198,088
Project and grant expenses	184,459	159,533
Facilities, utilities and maintenance	146,097	137,891
Advertising	130,755	84,320
Office and miscellaneous	128,500	111,248
Professional fees	104,218	70,927
Vehicles	53,772	58,345
Interest - mortgage	46,607	48,808
- bank charges and commissions	35,936	26,009
Insurance	17,501	16,307
Volunteer expenses	13,791	19,521
Training and meetings	10,348	15,551
	<b>2,958,799</b>	<b>2,518,535</b>
<b>Excess of revenue over expenses for the year</b>	<b>1,099,293</b>	<b>676,048</b>

See accompanying notes to the consolidated financial statements



## Surrey Food Bank Society

## CONSOLIDATED STATEMENT IN CHANGES OF NET ASSETS

Year ended September 30

	Invested in Capital Assets \$	Internally Restricted \$	Unrestricted \$	Total \$
<b>2024</b>	<i>[note 11]</i>			
Net assets, beginning of year	6,555,034	274,459	3,968,529	10,798,022
Excess of revenue (expenses) for the year	(162,587)	—	1,261,880	1,099,293
Purchase of capital assets	96,184	—	(96,184)	—
Capital assets acquired with restricted contributions	(49,035)	—	49,035	—
Repayment of mortgage principal	87,420	—	(87,420)	—
Interfund transfer	—	1,000,000	(1,000,000)	—
<b>Net assets, end of year</b>	<b>6,527,016</b>	<b>1,274,459</b>	<b>4,095,840</b>	<b>11,897,315</b>
<b>2023</b>				
Net assets, beginning of year	6,717,396	274,459	3,130,119	10,121,974
Excess of revenue (expenses) for the year	(164,446)	—	840,494	676,048
Purchase of capital assets	121,941	—	(121,941)	—
Refund of GST paid previously capitalized	(205,078)	—	205,078	—
Repayment of mortgage principal	85,221	—	(85,221)	—
<b>Net assets, end of year</b>	<b>6,555,034</b>	<b>274,459</b>	<b>3,968,529</b>	<b>10,798,022</b>

See accompanying notes to the consolidated financial statements



**Surrey Food Bank Society****CONSOLIDATED STATEMENT OF CASH FLOWS**

Year ended September 30

	2024	2023
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses for the year	1,099,293	676,048
Items not affecting cash		
Amortization of deferred contributions related to capital assets	(35,164)	(33,642)
Amortization of capital assets	197,751	198,088
Increase in other asset	(3,576)	(5,569)
Changes in other non-cash working capital items		
Accounts receivable	12,753	16,178
Prepaid expenses and deposits	(38,132)	49,681
Gift cards	10,923	14,511
Accounts payable and accrued liabilities	89,501	1,104
Deferred contributions	(165,648)	(8,078)
<b>Cash provided by operating activities</b>	<b>1,167,701</b>	<b>908,321</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(96,184)	(121,941)
Restricted contributions for capital assets	49,035	—
Refund of GST paid previously capitalized	—	205,078
Purchase of investments, net	(407)	(293)
<b>Cash provided by (used in) investing activities</b>	<b>(47,556)</b>	<b>82,844</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of mortgage payable	(87,420)	(85,221)
<b>Cash used in financing activities</b>	<b>(87,420)</b>	<b>(85,221)</b>
<b>Increase in cash during the year</b>	<b>1,032,725</b>	<b>905,944</b>
Cash, beginning of year	4,578,862	3,672,918
<b>Cash, end of year</b>	<b>5,611,587</b>	<b>4,578,862</b>

*See accompanying notes to the consolidated financial statements*

**Surrey Food Bank Society****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2024

**1. PURPOSE**

Surrey Food Bank Society (the "Society") is incorporated under the British Columbia Societies Act and is also a registered charitable organization under the Income Tax Act and as such is exempt from income taxes.

The purpose of the Society is to provide its local community, through equitable and effective distribution, access to food products and other resources. The Society depends on the commitments and contributions of community volunteers in all aspects of its operations including the Board of Directors and its committees.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These consolidated financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

**Basis of presentation**

These consolidated financial statements include the accounts of the Society and the Surrey Food Bank Foundation (the "Foundation") as of October 1, 2018 when the Society obtained control over the Foundation by virtue of changes to the by-laws requiring all the directors of the Society's board to be members of, and hence comprise the majority of the Foundation's Board. All inter-entity balances and transactions have been eliminated on consolidation.

The Foundation is incorporated under the British Columbia Societies Act and is also a registered charitable organization under the Income Tax Act and as such is exempt from income taxes. The purpose of the Foundation is to provide support to programs and operations of the Society.

**Use of Estimates**

The preparation of consolidated financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the amounts of revenues and expenses reported during the year. Significant areas requiring the use of management estimates relate to the useful lives of capital assets, accrued payables, and provisions for contingencies. Actual results could differ from these estimates.





Surrey Food Bank Society

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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. Restricted contributions for the purchase of capital assets are deferred and amortized over the remaining useful life of the capital asset acquired. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest revenue is recognized when revenue is earned.

Other and miscellaneous revenues are recognized when the service is provided and collection is reasonably assured.

Measurement of Financial Instruments

The Society initially measures its financial assets and financial liabilities at fair value. The Society subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, investments, and accounts receivable. Financial liabilities measured at amortized cost includes accounts payable and accrued liabilities and mortgage payable.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Capital Assets

Capital assets are recorded at cost. Amortization is provided as follows:

- Building and building improvements 5% - declining balance
- Computer equipment 45% - declining balance
- Website 45% - declining balance
- Warehouse equipment 20% - declining balance
- Vehicles 30% - declining balance

Donated Goods and Services

The Society recognizes contributions of goods and services when a fair market value can be reasonably estimated and when the donated goods or services would otherwise have been purchased for use in the normal course of operations.

**Surrey Food Bank Society****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2024

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Donated Goods and Services (Cont'd)**

Volunteers contribute their time to assist the Society in carrying out its activities. Due to the difficulty in determining the fair value of such services their value is not recognized in these consolidated financial statements.

The Society also receives a significant amount of donated food contributions which the Society in turn distributes, the value of which was not recorded in these consolidated financial statements.

All other in-kind donations are recorded to the extent the fair values can be determined and a tax receipt has been issued.

**3. INVESTMENTS**

Investments consist of a term deposit bearing interest at 2.65% [2023 - 0.90%] per annum and matured in December 2024.

**4. ACCOUNTS RECEIVABLE**

	2024	2023
	\$	\$
Operations	1,092	1,658
GST receivable	117	12,304
	<b>1,209</b>	<b>13,962</b>

**5. CAPITAL ASSETS**

	Cost	Accumulated Amortization	2024 Net Book Value	2023 Net Book Value
	\$	\$	\$	\$
Land	5,983,482	—	5,983,482	5,983,482
Building	1,188,588	292,137	896,451	943,871
Building improvements	1,194,785	226,784	968,001	1,007,654
Leasehold improvements	16,879	4,726	12,153	15,191
Vehicles	647,709	528,430	119,279	127,030
Computer equipment	97,277	69,647	27,630	25,573
Website	38,904	33,177	5,727	125
Warehouse equipment	423,754	273,437	150,317	153,781
Elevator	171,294	21,199	150,095	157,995
	<b>9,762,672</b>	<b>1,449,537</b>	<b>8,313,135</b>	<b>8,414,702</b>

**Surrey Food Bank Society****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2024

**6. OTHER ASSET**

Other asset consists of a life insurance policy donated to the Society and is recorded at the cash surrender value.

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Operations	<b>132,987</b>	75,675
Vacation and wages payable	<b>88,101</b>	54,496
Government remittances - payroll remittances	<b>12,937</b>	14,353
	<b>234,025</b>	144,524

**8. DEFERRED CONTRIBUTIONS**

Deferred contributions consists of funds received and unspent that are restricted for specific programs and grants.

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Balance, beginning of year	<b>321,053</b>	329,131
Add: Contributions for the year	<b>226,211</b>	192,693
Amounts spent and recognized as revenue	<b>(391,859)</b>	(200,771)
	<b>155,405</b>	321,053

**9. DEFERRED CONTRIBUTIONS RELATED CAPITAL ASSETS**

The Society received contributions externally restricted for capital assets. These amounts have been deferred and are being amortized into revenue over the estimated useful lives of the related capital assets.

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Balance, beginning of year	<b>98,163</b>	131,805
Add: Contributions for the year	<b>49,035</b>	—
Amortized into revenue for the year	<b>(35,164)</b>	(33,642)
Balance, end of year	<b>112,034</b>	98,163

## Surrey Food Bank Society

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2024

## 10. MORTGAGE PAYABLE

	2024	2023
	\$	\$
Repayable in monthly instalments of \$11,169, including interest at 2.70% and matures on December 4, 2025. The land and building have been pledged as collateral for the mortgage	1,674,085	1,761,505
Less: current portion	(89,940)	(87,421)
	1,584,145	1,674,084

Principal payments due on the mortgage over the next two years is estimated as follows:

	\$
2025	89,940
2026	1,584,145
	1,674,085

The mortgage is subject to certain covenant requirements which the Society is in compliance with as at September 30, 2024. Subsequent to the year-end, in December 2024, the Society repaid \$538,000 of mortgage principal amount [note 14].

## 11. INTERNALLY RESTRICTED NET ASSETS

The Board of Directors has restricted a portion of the Society's net assets for the following purposes:

	Balance, Beginning of Year \$	Designated in the Year \$	Used During the Year \$	Balance, End of Year \$
Building expenditures	274,459	1,000,000	—	1,274,459

In the current year, the Board of Directors internally restricted an additional \$1,000,000 to pay down the mortgage principal.



**Surrey Food Bank Society****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2024

**12. FINANCIAL INSTRUMENTS**

The Society is exposed to various risks through its financial instruments. The following analysis presents the Society's exposures to the following risks as at September 30, 2024.

**Credit Risk**

The Society is exposed to credit risk with respect to its cash, investments and accounts receivable. The Society assesses, on a continuous basis, accounts receivable on the basis of amounts it is virtually certain to receive based on their net realizable value. Cash and investments are held by Canadian credit unions.

**Liquidity Risk**

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. It stems from the possibility of a delay in realizing the fair value of financial instruments.

The Society manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

**Interest Rate Risk**

The Society has interest rate risk on its investments and mortgage payable. Changes in the bank's prime lending rate or other rates can cause fluctuations in interest payments and cash flows. The Society does not use derivative financial instruments to alter the effects of this risk.

It is management's opinion that the Society is not subject to any credit, foreign exchange or other market risks with respect to its financial instruments. There has been no significant change to these risk exposures from the prior year.

**13. DISCLOSURE OF REMUNERATION**

Pursuant to the British Columbia Societies Act, the Society is required to disclose remuneration and benefits paid to employees and contractors who are paid \$75,000 or more during the fiscal year. No remuneration was paid to any members of the Board.

Salaries and benefits expense includes \$252,506 [2023 - \$171,396] remunerated to two [2023 - one] employees for the management of the Society.

**14. SUBSEQUENT EVENT**

Subsequent to the year-end, in December 2024, the Society repaid \$538,000 of its outstanding mortgage. The repayment was made using funds from the internally restricted net assets [note 11]. This repayment will result in a reduction of the Society's long-term liabilities.

