

CALGARY FOOD BANK

COMMUNITY OWNED | COMMUNITY SUPPORTED

ANNUAL REPORT
2014 - 2015

Letter from the CEO



JAMES McARA
PRESIDENT & CEO

The Calgary Food Bank has had a year of change and celebration.

We continue to rise and meet the needs of the community because of the wonderful donations of time, talent and resources that give the Calgary Food Bank the ability to feed those in need. Calgary is a resilient city and we experience time and time again how we come together in any crisis to ensure our neighbours are not in need.

Our volunteers contribute valuable energy to every aspect of our organization. These 131 selfless souls per day are the life blood of our organization and we could not support families in crisis if not for their dedication.

Successful collaboration and cooperation with our partner agencies further strengthens our community. Together we impact families and are able to address root causes while being supported initially with emergency food but more so with vital information on services in our community. The Food Bank answered and provided food and information from over 70,000 phone calls and 20,000

faxes last year. In many cases, we are the first call in an emergency and are able to make the connection to prevention of future decline.

It is challenging to address the needs of a growing city. In any given day 125,000 people in Calgary could reach out and hundreds more are at risk or in crisis. We are currently developing predictive modelling that helps us be even better prepared for disaster and demand. Perhaps we will be able to close the Food Bank one day, leaving a legacy to a Calgary that cares.

We will continue to focus on intervention and prevention to provide vitality. We do continue to provide significant results with less community cost than reactive band-aid welfare.

Food is the stuff of life. It nourishes our bodies and connects us to others. Just as the generosity of Calgarians that nourishes us and helps us to grow.

Letter from the Board Chair

Recent economic events affected many families and individuals in this province this past year.

The consequence of the downturn has taken a toll on finances, budgets and safety nets. Add the tipping point of an illness or other tragedy and you have the environment for a personal crisis.

The Calgary Food Bank has seen the booms and busts in the economy. We have been here before in 1982 and again in 2008. Interspersed have been community and family crisis that I am proud to report we have never let it defeat us. We have watched the trends in late 2014 and have worked closely with our many and diverse partners to

prepare to meet the needs of our neighbours. When Calgarians need food support as they work through their emergency, we are here for them. We have witnessed the resiliency of Calgarians before. When the stress of providing food for your family is literally taken off your plate, you can tackle and overcome your crisis.

Providing emergency food to those in need will continue to be our mission. We trust with time and a strong focus on the future, we will shift the role of the Food Bank from crisis responder to hunger preventer in our growing city.

I am proud to be part of an organization that is supporting our community and leading the nation in creating a hunger-free community.



RICHARD ALEXANDER
CHAIR



Letter from a Client

“ Today was the first time I used the food bank. I had volunteered a couple times before and I must say I was overwhelmed. What an amazing service you all provide.

All the volunteers had a smile on their face and were super friendly. I was overwhelmed by all the food being handed out, even though there was a lot of people, there was no skimping on food for anyone. Seriously I don't think my kitchen has ever had so much.

I'm so grateful for the food bank. I've always managed to get by, never thinking I would need a service like the food bank but sometimes life happens and I'm not sure how I would have managed to feed my child nutritious food this month without the food bank.

And of course there would be no food bank without the amazing volunteers! Thank you so much all of you, for your time and generosity.

I just really wanted to send a message to say thank you! I appreciate everything everyone there has done!

”

— Former Food Bank client

Fast Facts

Numbers reflect the Calgary Food Bank's fiscal year of Sept. 1, 2014 to Aug. 31, 2015.

1 IN 9 CALGARIANS CAME TO US FOR HELP

THAT'S **141,271** PEOPLE

41%
ARE CHILDREN

5% more than the
national average
of 36%

21%
ARE SINGLE-
PARENT
HOUSEHOLDS

1 in 5 parents skip meals so
their children can eat

37%
VISITED ONLY
ONCE IN THEIR
LIFETIME

Often, we are the first
contact someone has with
social assistance.

National numbers via Food Banks Canada



210 Emergency hampers
given out per day



150 Agency programs
received food



131 Volunteers donate
their time every day



44 Food banks across
Canada received food
during emergencies

3,000,000+
MEALS PROVIDED

Volunteers are our lifeblood

35,410 volunteers donated 105,951 hours of their time

The Calgary Food Bank welcomes over 130 volunteers per day

Every day, the volunteer to staff ratio is 3:1

FOOD INSECURE CALGARIANS GIVE UP MEALS TO PAY FOR:

- Rent
- Utilities
- Phone
- Transportation
- Childcare
- Medical needs
- Education
- Vehicle repairs

\$1 = \$5

Every dollar donated allows us to distribute \$5 worth of food. It costs us about \$60 to feed a family of four for a week.

A LIVING WAGE

A **Living Wage** reflects what two working parents in a family of four must bring home, based on the actual costs of living in a specific community.

Calgary's Living Wage Action Team has determined that an individual working full time (35 hours per week, 52 weeks a year) needs to make a minimum of **\$18.15/hour** without benefits to earn a living wage.

Calgary had one of the lowest minimum wages in the country at \$10.20 before the wage increase on Oct. 1, 2015 that pushed it to \$11.20.

Source: Vibrant Communities Calgary

1 in 8 Canadian households struggle to feed their families



Photo by: Wilson Hui

EVERY DAY WE RECEIVE

250+

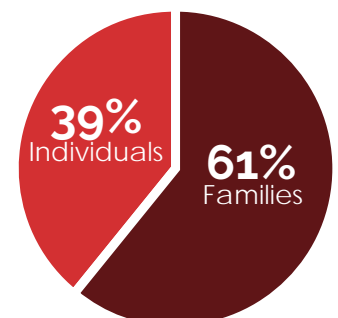
PHONE CALLS ON OUR HAMPER REQUEST LINE

DURING CALLS, WE ASSESS NEEDS, BOOK EMERGENCY FOOD HAMPERS AND REFER CLIENTS TO AGENCIES AND RESOURCES



All of our emergency food hampers meet or exceed Canada's Food Guide

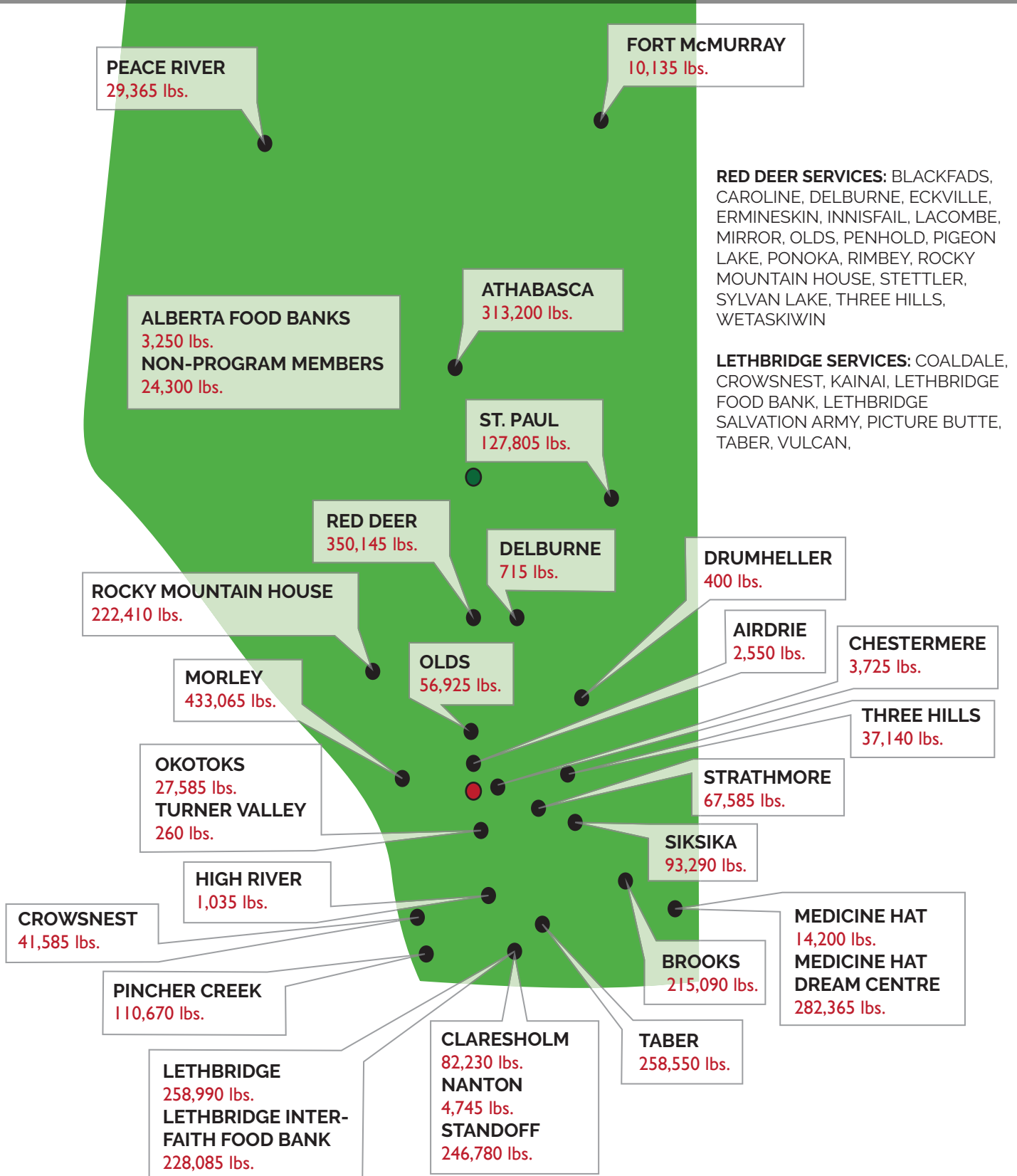
Who comes to the Calgary Food Bank?



Regional Distribution

ALBERTA: 3,548,175 lbs. or 1,609,425 kgs

Numbers reflect the Calgary Food Bank's fiscal year of Sept. 1, 2014 to Aug. 31, 2015.



National Distribution

CANADA: 693,275 lbs. or 314,464 kgs

Numbers reflect the Calgary Food Bank's fiscal year of Sept. 1, 2014 to Aug. 31, 2015.



BRANDON SERVICES: BOISSEVAIN, BIRTLE, DELORAINE, HAMIOTA, KILLARNEY, MINNEDOSA, NEEPAWA, RIVER, RUSSELL, SHOAL LAKE, SOURIS, VIRDEN

KELOWNA SERVICES: LAKE COUNTY, WESTSIDE

REGIONAL FOOD DISTRIBUTION ASSOCIATION: ATIKOKAN, CURRENT RIVER, DRYDEN, IGNACE, NIPIGON, NORTH SHORE, REDWOOD OPPORTUNITIES, RURAL CUPBOARD, ST. THOMAS, MARATHON, THUNDER BAY



Program Highlights

EMERGENCY FOOD HAMPERS & FOOD LINK

Our Emergency Food Hampers and Food Link programs provide food support to Calgarians and other charities. In the past year, **52,606 Emergency Food Hampers** went to **over 140,000 families and individuals**. Food Link provided **over 500,000 meals and snacks to 150 programs and community organizations** including: Community Kitchen, Drop-In Centre, Inn from the Cold, Women's Emergency Shelter, Mustard Seed, Dream Centre, Brown Bagging It, and YMCA to name a few.

SPECIALTY HAMPERS

Our Specialty Hampers are designed to meet the diverse nutritional needs of our clients and over **6,000 prenatal, infant, diabetic, pantry, and celiac hampers** were distributed last year. The Renal (Kidney) Hamper for clients with chronic renal health issues was also added to the roster. **A Canadian food bank first!**

WEEKENDS AND MORE (WAM)

Weekends and More (WAM) is a collaboration with the Calgary School Board and sponsored by the WAM Development Group. This new program provides weekend food support for chronically hungry children. Three schools participated in providing **240 students** with **1,929 hampers** containing four kid-friendly meals during the school year. More schools will be added in this year.

HOMELESS HAMPERS

16,510 Hampers for the Homeless, which provides two to three days of food for Calgarians with inadequate shelter, were distributed through our partner agencies.

CHILDREN'S MILK PROGRAM

In partnership with Alberta Health Services and Food Link agencies, **32,200 cartons of milk** and **2,700 cans of formula** were delivered to **1,800 mothers and 4,500 children** in the Children's Milk Program. The Norton Rose Milk for Teens adds additional milk to families with teens.

REGIONAL FOOD DISTRIBUTION

Regional Food Distribution ensures that emergency food supplies are delivered where they are needed most. We were able to send **3,548,175 lbs.** to **31 food banks** in Alberta.

REVERSE LOGISTICS PROGRAM

The Reverse Logistics Program is how we rescue and redirect viable food directly from **292 vendors, transportation companies, retailers, wholesalers and producers** for a total of **13 million lbs.** of food.

CALGARY FOOD BANK

Financial Statements

August 31, 2015

“As a student and single mother, the food bank has helped my family greatly with providing healthy meals. My hope is that one day I'll be able to give back the way you have given to me and my family.”

— Former Food Bank client

Independent Auditors' Report

To the Members of Calgary Inter-Faith Food Bank Society,

We have audited the accompanying financial statements of Calgary Inter-Faith Food Bank Society [the "Society"], which comprise the statements of financial position as at August 31, 2015, 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

The Society derives revenue from food donations in-kind, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments for unrecorded food donations in-kind revenue might be necessary to revenues.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Society as at August 31, 2015 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.

Calgary, Canada
October 27, 2015

Ernst & Young
Chartered Professional Accountants
Licensed Public Accountants

Statement of Financial Position

As of August 31, 2015

	2015 \$	2014 \$
ASSETS		
Current		
Cash and cash equivalents	797,689	714,277
Short-term investments [note 3]	1,983,100	934,257
Accounts receivable [note 11]	48,129	63,719
Prepaid expenses and other assets	294,968	167,992
Total current assets	3,123,886	1,880,245
Investments [note 3]	551,563	1,350,309
Property, plant and equipment, net [note 4]	5,732,212	5,721,307
	9,407,661	8,951,861
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	307,453	329,673
Deferred operating contributions [note 5]	351,423	15,368
Total current liabilities	658,876	345,041
Deferred capital contribution [note 6]	115,101	167,754
Total liabilities	773,977	512,795
Net assets		
Unrestricted	1,548,766	1,509,863
Internally restricted [note 7]	7,084,918	6,929,203
Total net assets	8,633,684	8,439,066
	9,407,661	8,951,861

See accompanying notes

Statement of Changes in Net Assets

Year ended August 31, 2015

	Unrestricted \$	Internally Restricted \$	2015 \$
Net assets, beginning of year	1,509,863	6,929,203	8,439,066
Excess of revenue over expenses	194,618	-	194,618
Transfers to Legacy Fund [note 7]	(111,984)	111,984	-
Transfers to investment in property, plant and equipment [note 7]	(43,731)	43,731	-
Net assets, end of year	1,548,766	7,084,918	8,633,684

	Unrestricted \$	Internally Restricted \$	2014 \$
Net assets, beginning of year	2,130,816	6,739,023	8,869,839
Deficiency of revenue over expenses	(430,773)	-	(430,773)
Transfers to Legacy Fund [note 7]	(19,852)	19,852	-
Transfers to investment in property, plant and equipment [note 7]	(170,328)	170,328	-
Net assets, end of year	1,509,863	6,929,203	8,439,066

See accompanying notes

Statement of Operations

Year ended August 31, 2015	2015 \$	2014 \$
REVENUE		
Contributions [note 5]	7,100,757	6,230,763
Food donations-in-kind [note 9]	27,379,438	31,229,434
Non-food donations-in-kind	120,078	325,532
Casino Funds received	2,500	–
City of Calgary grant	–	36,121
Investment income [note 7]	53,726	118,171
Other	193,603	203,563
	34,850,102	38,143,584
EXPENSES		
Food donation-in-kind [note 9]	120,078	325,532
Non-food donations-in-kind	1,018,932	1,122,668
Food purchases	1,110,682	966,614
Administration and finance	3,891,758	3,988,022
Operating costs [note 8]	664,433	505,694
Client services	41,373	39,992
Development and fundraising	100,592	98,395
Communications and resource development	–	24,050
Interest on loan facility	34,327,286	38,300,401
Excess (deficiency) of revenue over expenses before the following	522,816	(156,817)
Amortization of deferred contributions [note 6]	58,353	75,154
Amortization	(386,551)	(349,110)
Excess (deficiency) of revenue over expenses	194,618	(430,773)

See accompanying notes

Statement of Cash Flows

Year ended August 31, 2015	2015 \$	2014 \$
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	194,618	(430,773)
Add (deduct) items not involving cash		
Amortization of deferred capital contributions	(58,353)	(75,154)
Amortization	386,551	349,110
	522,816	(156,817)
Net change in non-cash working capital balances related to operations [note 10]	202,449	(124,240)
Cash provided by (used in) operating activities	725,265	(281,057)
INVESTING ACTIVITIES		
Net increase in investments	(250,097)	(170,163)
Property, plant and equipment acquired	(397,456)	(384,759)
Cash used in investing activities	(647,553)	(554,922)
FINANCING ACTIVITIES		
Contributions restricted for purchase of property, plant and equipment	5,700	10,798
Repayment of loan facility	-	(1,304,882)
Cash provided by (used in) financing activities	5,700	(1,294,084)
Net increase (decrease) in cash during the year	83,412	(2,130,063)
Cash and cash equivalents, beginning of year	714,277	2,844,340
Cash and cash equivalents, end of year	797,689	714,277

See accompanying notes

Notes on Financial Statements

August 31, 2015

I. OPERATIONS

The Calgary Inter-Faith Food Bank Society [the “Society”] is registered under the Societies Act of the Province of Alberta and is a registered charity and as such is exempt from income tax and may issue tax deductible receipts to donors. The Society’s function is the gathering and distribution of quality emergency food to those in need.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[a] Basis of Presentation

The financial statements have been prepared in accordance with Part III of the Chartered Professional Accountants of Canada [“CPA Canada”] Handbook – Accounting, which sets out generally accepted accounting principles [“GAAP”] for not-for-profit organizations in Canada. These financial statements have been prepared in accordance with GAAP and reflect the following significant accounting policies.

[b] Revenue Recognition

The Society follows the deferral method of accounting for contributions, which includes grants and donations. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are initially deferred and then recognized as revenue in the year the related expenses are incurred. Donated property, plant and equipment and contributions received for the purchase of Property, plant and equipment is initially deferred and recognized as revenue on the same basis as the related amortization expense.

Donations received in kind are recorded at estimated fair market value at the date the donation is made. Food and non-food in-kind donations without a fair value assigned by the donor are recorded at \$2.00

and \$1.00 per pound, respectively based on average historical cost.

The work of the Society is dependent on the voluntary services of many members and others. Since these services are not normally purchased by the Society and because of the difficulty of determining their fair value, these voluntary services are not recognized in these financial statements.

Investment income (loss), which consists of interest, dividends, realized and unrealized gains and losses, are recognized in the statement of operations.

[c] Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and short-term investments with a short term to maturity of approximately three months or less from the date of purchase unless they are held for investment rather than maturity purposes, in which case they are classed as investments.

[d] Property, plant and equipment

Property, plant and equipment are recorded at cost with amortization calculated on the straight-line method over the assets’ estimated useful lives as follows:

Tangible

Building	5 - 25 years
Automotive	6 years
Computer equipment	3 years
Telephone system	10 years
Equipment	5 - 10 years
Furniture and fixtures	10 years

Intangible

Computer Software	3 years
Network upgrade	5 years
Communication Portal	3 years
New Network Security	5 years

Notes on Financial Statements

[e] Financial instruments

Short-term investments in pooled funds are carried at the latest reported values. Equities and fixed income securities are valued at the latest traded prices. Transactions are recorded on a trade date basis and transaction costs are expensed as incurred.

Other financial instruments, including accounts receivable, other assets and accounts payable and accrued liabilities, are initially recorded at their fair value and are subsequently measured at cost or amortized cost, net of any provisions for impairment.

3. INVESTMENTS

Investments, all of which are recorded at fair value, are allocated as follows:

August 31, 2015	2015	2014
	\$	\$
Cash held by investment managers	105,381	8,198
Fixed income investments	806,548	127,765
Mutual Fund investments	836,805	659,563
Canadian equities	178,801	89,162
Foreign equities	52,080	–
US equities	3,485	49,569
Total short-term investments	1,983,100	934,257
Total long-term fixed income investments	551,563	1,350,309

Investments in pooled funds have been allocated among the asset classes based on the underlying investments held in the pooled funds. The fixed income investments had effective interest rates that ranged from 1.76% - 2.95% in 2015 [2014 – 2.05 - 2.95%].

Notes on Financial Statements

August 31, 2015

4. PROPERTY, PLANT AND EQUIPMENT

	2015		2014	
	Cost \$	Accumulated amortization \$	Net book value \$	Net book value \$
Tangible				
Land	1,974,000	—	1,974,000	1,974,000
Building	3,511,279	(565,390)	2,945,889	3,044,325
Automotive	835,238	(716,046)	119,192	162,856
Computer equipment	323,499	(321,729)	1,770	9,190
Telephone system	133,596	(79,920)	53,676	64,071
Equipment	640,306	(531,706)	108,600	129,013
Furnitures & fixtures	521,735	(286,163)	235,572	43,513
	7,939,653	(2,500,954)	5,438,699	5,426,968
Intangible				
Computer software	314,038	(298,775)	15,263	35,661
Network upgrade	289,443	(114,853)	174,590	232,478
Communications Portal	108,357	(20,442)	87,915	5,956
New Network Security	22,493	(6,748)	15,745	20,244
	734,331	(440,818)	293,513	294,339
	8,673,984	(2,941,774)	5,732,212	5,721,307

5. DEFERRED CONTRIBUTIONS

Deferred operating contributions represent unspent externally restricted donations and grants. The changes in deferred operating contributions balance are as follows:

	2015 \$	2014 \$
Balance, beginning of year	15,368	134,721
Donations received for food purchases	427,532	199,777
Amount recognized as revenue during the year	(91,477)	(319,130)
Balance, end of year	351,423	15,368

Notes on Financial Statements

August 31, 2015

6. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized amount of contributions received for the purchase of property, plant and equipment. The amortization of deferred capital contributions begins when the associated property, plant and equipment are put into use, and is recorded as revenue in the statement of operations. The total unspent externally restricted capital contributions is \$36,323 at August 31, 2014 [2013 – \$25,525]. Changes in the deferred capital contribution balance are as follows:

	2015 \$	2014 \$
Balance, beginning of year	167,754	232,110
Contributions externally restricted for purchase of property, plant and equipment	5,700	10,798
Amortization of deferred capital contributions	(58,353)	(75,154)
Balance, end of year	115,101	167,754

7. INTERNALLY RESTRICTED NET ASSETS

The Board of Directors [“Board”] has established a Legacy Fund, the principal amount of which is reserved for the future benefit of the Society and may be drawn down only with the approval of the Board. Annual investment income earned on this fund, amounting to \$19,852 in fiscal 2014 [2013 – \$19,970] has been included in investment income in the statement of operations and transferred into the Legacy Fund.

The Capital Replacement Reserve represents management’s recognition that the future capital replacement cost of the Society’s property, plant and equipment, will exceed their historic cost recorded and amortized in these financial statements. An amount of \$500,000 has been recorded.

Internally restricted net assets consist of the following:

	2015 \$	2014 \$
Legacy Fund	951,310	839,326
Capital Replacement Reserve	500,000	500,000
Investment in property, plant and equipment	5,633,608	5,589,877
Total internally restricted	7,084,918	6,929,203

Notes on Financial Statements

August 31, 2015

8. OPERATING COSTS

	2015 \$	2014 \$
Salaries and benefits	3,096,801	2,871,491
Occupancy	242,167	301,274
Vehicle and transportation	174,717	471,318
Other	378,073	343,939
	3,891,758	3,988,022

9. FOOD-IN-KIND

The food donations are valued at an average price per pound of \$1.98. In 2015, management estimates that approximately 13.9 million pounds of food were received and distributed [2014 - 15.9 million pounds at \$1.96 per pound].

10. NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES

	2015 \$	2014 \$
Decrease (increase) in accounts receivable	15,590	(36,352)
Decrease (increase) in prepaid expenses and other assets	(126,976)	(91,584)
Increase (decrease) in accounts payable and accrued liabilities	(22,220)	123,049
Increase (decrease) in deferred operating contributions	336,055	(119,353)
	202,449	(124,240)

11. FINANCIAL INSTRUMENTS

The Society is exposed to various financial risks through transactions in financial instruments.

Credit Risk

The organization is exposed to credit risk in connection with its accounts receivable and its short-term investments because of the risk that one party to the financial instrument may cause a financial loss for the other party by failing to discharge an obligation. As at August 31, 2014, \$41,023 of accounts receivable balance is due from Canada Revenue Agency. Due to certainty of collection, no allowance for doubtful accounts has been recorded.

Market Risk

The Society is exposed to market risk through changes in marketable security prices, other than changes arising from interest rate or currency risk, in connection with investments in equity securities and other pooled funds.

“The staff and
volunteers at the
Food Bank are like
family to me.”

— Terry Deets,
“Mayor of the Food Bank”

CALGARY FOOD BANK


5000 11 STREET SE


CALGARY, ALBERTA T2H 2Y5

PHONE: 403-253-2059 | FAX: 403-259-4240

WWW.CALGARYFOODBANK.COM

CHARITABLE #: 130 167 349 RR0001

 @CALGARYFOODBANK

 /CALGARYFOODBANK

 /YYCFOODBANK